



**APPLICATION FOR TAX EXEMPTION – LEASE TRANSACTIONS**

Date: 8/3/2011

Company Name: Maines Paper & Food Service, Inc.

Address: 101 Broome Corporate Parkway PO Box 450  
Conklin, NY 13748

Contact Person: Theresa Deane Telephone: (607) 779-1315

List the name and address of the individual or company to appear on the lease

Name: Maines Paper & Food Service, Inc.

Address: 101 Broome Corporate Parkway

PO Box 450

Conklin, NY 13748

**BUSINESS INFORMATION**

Date Established 1919

Principal Business Activity Full Line Food Distribution

Number of Present Employees 1366 Full-time 1194 Part-time 172

Type of Organization: Corporation  Public  Private  Partnership   
Sole Proprietorship

Name of Affiliates and/or Subsidiaries \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

<b>COMPANY OFFICERS</b>			
<b>Name</b>	<b>Office</b>	<b>% Ownership</b>	<b>SS #</b>
<b>William R Maines</b>	<b>Co Chairman</b>	<b>50</b>	
<b>David J Maines</b>	<b>Co Chairman</b>	<b>50</b>	

Total amount of tax exempt industrial revenue bonds presently outstanding in the name of the individual(s), company, and any parent, affiliate or subsidiary

---

<b>Legal Counsel</b>
Name: Hinman, Howard & Kattell, LLP
Address: 700 Security Mutual Building 80 Exchange Street PO Box 5250 Binghamton, NY 13902
Phone: 607-231-6727

<b>Accountant</b>
Name: Piaker and Lyons
Address: PO Box 1330 Binghamton, NY 13902
Phone: (607) 729-9373

### **PROJECT DATA**

1. Attach complete narrative description of project including location, proposed product lines and market projections, square feet by usage, type construction, machinery for products, machinery for building, office, parking HVAC, and any items for which bond proceeds will be expended.
2. Attach a photo of the site or existing facility to be improved.
3. Attach copies of preliminary plans or sketches of proposed construction of floor plan of existing facility.
4. Attach environmental assessment form.

5. Are utilities on site or must they be brought in? If so, which ones?  
Onsite
6. Who presently is legal owner of building or site? Maple Lane Holdings, LLC is subject to IDA Sales Leaseback
7. Is there an existing or proposed lease for all or a portion of the project?  
 Yes  No  If so, attach copy.
8. Is there a purchase option in force or other legal or common control in the project which is described under the bond proposal? If so, detail on attached sheet. No
9. If Applicant will not occupy 100% of the building in a real estate related transaction, provide a list of all tenants. N/A
10. Is owner or tenant(s) responsible for payment of real property taxes? Tenant

### EMPLOYMENT AND TAX INFORMATION

All applicants must answer the following as they pertain to the County in which the project is located. For start up companies or new real estate projects, please provide estimates for #9. If a question is not applicable, answer N/A. **Provide total employment of each tenant in building for multi-tenant properties.**

**IF ALL QUESTIONS ARE NOT ANSWERED, THE APPLICATION CAN NOT BE CONSIDERED.**

1. Project location (county) Broome
2. Current employment in county 1175
3. Projected 1st year new employment in county 40
4. Projected 3rd year total employment in county 1215
5. Current payroll in county \$46,000,000
6. Projected 1st year new payroll in county \$1,600,000
7. Projected 3rd year total payroll in county \$47,600,000

8. Current annual real property tax payments made within county (include total of taxes paid to County, Town/ Village/City, School District and any Special District Charges or PILOT Payments) \$26,762

9. Additional estimated tax payments (for start-ups/new real estate projects only)  
N/A

**PROJECT COSTS**

1. Give an accurate estimate of cost or value of all items whose title will be transferred to the Broome County IDA.

	<b>Amount</b>
Land & building (current value or cost if new construction)	\$
Proposed Additions	\$1,800,000
Renovations	\$
Engineering Fees	\$
Legal & Financial Charges	\$
Other (specify) – Machinery - Equipment	\$3,000,000
<b>TOTAL PROJECT COST (OR VALUE)</b>	<b>\$4,800,000</b>
Project related costs subject to sales tax	\$
Total amount of mortgage(s) currently outstanding on property	\$6,386,000
Amount of new mortgage(s) required for project	\$1,440,000

2. List Financing Sources

PNC Bank, NA

3. Is there a commitment for financing? Yes

If so, give name, address and copy of commitment, if available.

Name: Cheryl Sekelsky
Address: 201 Penn Ave
Scranton, PA 18503
Phone: 570-614-1012

**CERTIFICATION**

Christopher Mellon

(name of chief executive officer of company submitting application) deposes and says that he is the President + CEO of, the corporation named in the (company name) attached application; that he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason for this verification is made by the deponent and not by Maines Paper + Food Service, Inc (company name) is that the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigation which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of, and from the books and papers of, said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Broome County Industrial Development Agency (hereinafter referred to as the "Agency") in processing the application, in negotiating with the applicant and others, in preparing necessary financing documents, and in taking any other action necessary or appropriate toward the issuance of the lease requested in this application. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the Agency or applicant are unable consummate this transaction and execute the lease, then upon presentation of invoice, applicant shall pay to the Agency, its agents, or assignees all actual costs incurred by the Agency with respect to the application, up to that date and time, including fees of general counsel for the Agency.

An origination fee of \$1,000.00 shall, at the time of the execution of this certification, be payable to Broome County Industrial Development Agency. This origination fee is nonrefundable, regardless of whether the lease hereunder fails to close for reasons beyond either your control or the control of the Broome County Industrial Development Agency.

If the lease transaction hereunder closes, then upon the happening of that event, the \$1,000.00 so paid shall be credited to the agency fee hereinafter referred to.

Upon execution of the lease applied for herein, the applicant agrees to pay the Agency a fee in such amount as shall be set by the Agency, not to exceed an amount equal to 1% of the aggregate cost of the project or value of the assets outlines on page 4 of this application.

The applicant acknowledges that the project must at all times be in compliance with all Federal, State and Local statues, ordinances, rules and regulations including, but not limited to, Immigration and Naturalization Laws, Civil Rights Laws, Occupational Health and Safety Administration(OSHA), NYS Labor Law, Workers Compensation Law, Unemployment Insurance Law, and Disability Benefits Insurance Law.

**CERTIFICATION**

The applicant will be required to certify to the Agency quarterly, in such manner as the Agency shall in its discretion require, that the project is full compliance with such statutes, ordinances, rules and regulations. An applicant failing to provide proper and accurate certification as required by the Agency shall be subject to termination of benefits received from, by or through the Agency and may, in the Agency's discretion, be required to reimburse the Agency and/or any effected taxing jurisdictions for benefits received including, but not limited to sales and use tax exemptions, mortgage tax exemptions and real property tax abatements.

The Agency believes that public benefits accruing from the Agency's programs and policies should be used to advance the overall employment and economic opportunities within the Broome County and surrounding areas. This policy is best advanced when companies which benefit from the Agency's programs and policies employ New York State residents in general, and Broome County residents in particular, during the construction phase of any Agency sponsored project.

To the extent practicable, the Agency strongly encourages applicants to employ local labor, contractors and suppliers in the development of projects that benefit from the Agency's assistance and to afford local contractors an opportunity to participate in such projects. The term "local," for purposes of this application, shall be defined to include Broome, Tioga, Chenango, Delaware, Cortland and Tompkins counties. The implementation of this policy will best advance the economic interests of the residents of Broome County.



Chief Officer of Company Submitting

Notary

Sworn to before me this 4<sup>th</sup> day of Aug, 20 11.

  
(Seal)

Judie L. Mickelson  
Notary Public, State of New York  
Qualified in Broome County  
Commission Expires August 17, 2014

## **Project Description**

### **Project Narrative**

This construction project will be adding an additional 19,950 square feet to our distribution center.

Total Dimensions 75,590 adding 19,950 totaling 95,540 sq ft

Dry 20,100 adding 14,930 totaling 35,030 sq ft

Cooler 5,940 adding 5,020 totaling 10,960 sq ft

Freezer 20,050 sq ft

Dry Dock 6,500 sq ft

Cooler Dock 20,050 sq ft

Battery Changing Area 2,750 sq ft

### **General Market Trends and Opportunities**

Maines Paper & Food Service Inc. alongside with Darden Restaurants Inc. are working together to expand the distribution service market out of Conklin NY by working together to manage the logistics that can be mutually beneficial. Darden had continuous yearly revenue increases in same restaurant sales while increasing new restaurant openings of at least 10 sites a year.

### **Issues/Events within the company driving this project**

Darden Restaurants Inc. is presenting Maines Paper & Food Service Inc with an opportunity to increase our service area from the Northeast region south to the Mid-Atlantic region. This volume will almost double our current business levels.

### **Measurable Results and Economic Impact as a result of this project (profitability, sales, market share, productivity, quality, cost savings).**

Our market competition has been reduced to one overall competitor nationally after obtaining this new business. We were competing with four bidders in various geographical markets throughout the United States. We were able to solidify our standing with Darden by now controlling 45% of the total market share of the Darden business. We started the process with approximately 190 restaurants being serviced out of the Conklin NY distribution center. The new business acquisition will increase our restaurants serviced out of Conklin NY to approximately 357 restaurants by the fall of 2011.

Although we are adding 25% more distribution space, we will be utilizing our overall facility more efficiently as our volume almost doubles.

We are competing for the business with a foodservice distributor located in Maryland. The restaurants we are trying to service are located in the mid-Atlantic region (southern PA, New Jersey, Maryland, DC, and Virginia). As a result, we will be at a distinct cost disadvantage because we will have more transportation expense (makes up 2/3 of our overall operating expense). We are in need of assistance to offset as much of the facility costs as possible so we may lower the cost of occupancy.

Our offer to the customer has been contingent upon Maines receiving incentives to offset occupancy costs. Due to the timing of the bid, we began preliminary work on the construction phase limited to 260k of the overall 1.8 million. As we discussed in our May 16th meeting, we do not have a signed agreement with the customer and still do not as of this application. Should we receive an agreement we have been told by the customer that it will contain a provision that is contingent upon the costs we assumed in our proposal which includes incentives as offsets. Should we communicate to them that we have not received those offsets they will have the right to terminate the agreement.





