



County of Monroe Industrial Development Agency

APPLICATION FOR ASSISTANCE

Each applicant seeking assistance must complete this application and provide required supplemental form/documentation. A non-refundable application fee of \$350.00 must be included with this application. Make check payable to COMIDA. Please see page 10 for additional information on costs and fees.

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law, except for information that is considered deniable by the Freedom of Information Law. This form is available at www.monroecountyida.org.

I. APPLICANT

A. Name 441 East LLC
Address 415 Park Avenue
City/State/Zip Rochester, NY 14607
Tax ID No. 85-0871405
Contact Name David Dworkin
Title Member
Telephone 5852443575
E-Mail david@lldenterprises.com

B. Owners of Applicant Company (must total 100%)

Name	%	Corporate Title
<u>D&S 441 East LLC</u>	<u>35%</u>	<u>Member</u>
<u>Fredora LLC</u>	<u>30%</u>	<u>Member</u>
<u>LLD Executive Coach,</u>	<u>25%</u>	<u>Member</u>
<u>John August</u>	<u>10%</u>	<u>n/a</u>

C. Applicant's Legal Counsel

Name Jordan Morgenstern
Firm Morgenstern DeVoesick PLLC
Address 1080 Pittsford Victor Road
City/State/Zip Pittsford, NY 14534
Telephone 5856725500
Fax 5856725599
Email jordan@morgdevo.com

II. PROJECT

A. Address of proposed project facility

441 East Avenue
Rochester, NY 14607
Tax Map Parcel Number 121.34-1-6
City/Town/Village City of Rochester
School District City of Rochester
Current Legal Owner of Property
441 East LLC

B. Proposed User(s)/Tenant(s) of the Facility

If there are multiple Users/Tenants, please attach additional pages

Company Name Lawley
Address 30 North Union Street
City/State/Zip Rochester, NY 14607
Tax ID No. _____
Contact Name Mark Peterson
Title Rochester Practice Leader
Telephone 5855456685
E-Mail mpeterson@lawleyinsurance.com

% of facility to be occupied by company _____

C. Owners of User/Tenant Company (must total 100%)

Name	%	Corporate Title
<u>James Verdi</u>	<u>10</u>	<u>Partner</u>
<u>Mark Verdi</u>	<u>10</u>	<u>Partner</u>
<u>Lawley Services</u>	<u>80</u>	

D. Benefits Requested (Check all that apply)

- ☒ Sales Tax Exemption
☐ Industrial Revenue Bond Financing
☒ Mortgage Recording Tax Exemption
☒ Real Property Tax Abatement

E. Description of project (check all that apply)

☐ New Construction

☒ Existing Facility

☐ Acquisition

☐ Expansion

☒ Renovation/Modernization

☐ Acquisition of machinery/equipment

☐ Other (specify) _____

GENERAL DESCRIPTION OF THE PROJECT AND BACKGROUND ON USER(S) OF THE FACILITY

(Attached additional sheets as necessary)

The building will be completely renovated for the new office tenant. The proposed project intends to increase the desirability of the building by adding more glazing, natural daylight, modern office layout, exterior patio improvements, new main entry and building mechanical systems.

Lawley is a dynamic, independent regional firm of insurance professionals specializing in property and casualty, employee benefits and risk management consulting. Lawley protects assets and minimize risk to help its customers avoid financial hardship. Lawley strives to be the partner of choice for customers, insurance carriers and employees looking for long-term relationships built on a foundation of trust.

Lawley is ranked among the 50 Largest Insurance Brokers in the U.S. Privately held and family owned Lawley is headquartered in Buffalo, NY. The Rochester branch is the second largest branch of the 11 branches in the Lawley portfolio stretched across three states. This new facility will be our single location in Rochester providing a strong community presence in the City of Rochester and County of Monroe with an eye towards future growth from the current 54 employees to 60-70 professionals within the next 3-5 years.

The offices will house our administration and service teams as well as our partners and producer sales force.

II. PROJECT (cont'd)

- F. Are other facilities or related companies located within New York State?

☒ Yes ☐ No

Location:

Amherst, Batavia, Buffalo, Dunkirk, Jamestown
Mahopac, Plainview, Purchase

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

☐ Yes ☒ No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

☐ Yes ☒ No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry**:

- G. Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

☒ Yes ☐ No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken with the Financial Assistance to be provided by the Agency**:

The current COVID pandemic has
significantly increased the overall cost of
this project and has necessitated the need
for these incentives in order for us to move
forward with the project at this time.

**To be completed with Agency assistance.

H. PROJECT TIMELINE

Proposed Date of Acquisition

Acquired June 23, 2020

Proposed Commencement Date of Construction

+/- January 25, 2021

Anticipated Completion Date

+/- May 31, 2021

- I. Contractor(s)

TBD

- J. State Environmental Quality Review (SEQR) Act Compliance

Imagine Monroe, in granting assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act (SEQR). This is applicable to projects that require the state or local municipality to issue a discretionary permit, license or other type of Approval for that project.

Does the proposed project require discretionary permit, license or other type of approval by the state or local municipality?

☐ YES – Include a copy of any SEQR documents related to this Project including Environmental Assessment Form, Final Determination, Local Municipality Negative Declaration, etc.

☒ NO

III. PROPERTY TAX ABATEMENT/PAYMENT IN LIEU OF TAX AGREEMENT (PILOT)

Check One:

☒ **JOBSPPLUS**

Requirements:

- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is 6.

☐ **LEASEPLUS**

Requirements:

- University and/or medical related facilities in which a 501(c)3 entity leases from a for-profit entity.
- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

☐ **ENHANCED JOBSPPLUS**

Requirements:

- A minimum \$15 million investment in new plant, machinery and equipment or renovation of existing building(s) AND
- A minimum of 100 new jobs from new companies locating in Monroe County, or existing companies expanding operations here.

☐ **GREEN JOBSPPLUS**

Requirements:

- LEED® Certification – Project must be rated as Certified Gold, Silver or Platinum by the United States Green Building Council's Leadership in Energy and Environmental Design (LEED®) Green Building Rating System.
- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

☐ **SHELTER RENTS**

for student housing or affordable housing projects.

☐ **Local Tax Jurisdiction Sponsored PILOT**

☐ **NO PROPERTY TAX ABATEMENT IS SOUGHT FOR THIS PROJECT**

IV. APPLICANT PROJECT COSTS

- A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the APPLICANT

Building Construction or Renovation

a MATERIALS a \$ 720,000
b LABOR b \$ 475,000

Site Work

c MATERIALS c \$ _____
d LABOR d \$ _____
e Non-Manufacturing Equipment e \$ _____
f Furniture and Fixtures f \$ _____
g LAND and/or BUILDING Purchase g \$ 2,350,000
h Manufacturing Equipment h \$ _____
i Soft Costs (Legal, Architect, Engineering) i \$ 90,000
Other (specify) j _____ j \$ _____
k _____ k \$ _____
l _____ l \$ _____
m _____ m \$ _____

Total Project Costs \$ 3,635,000

- B. Sources of Funds for Project Costs

a Tax-Exempt Industrial Revenue Bond a \$ _____
b Taxable Industrial Revenue Bond b \$ _____
c Tax-Exempt Civic Facility Bond c \$ _____
d Bank Financing d \$ 3,200,000
e Public Sources e \$ _____

Identify each state and federal grant/credit

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

f Equity \$ 435,000

TOTAL SOURCES \$ 3,635,000

- C. Has the applicant made any arrangements for the financing of this project?

☒ Yes ☐ No

If so, please specify bank, underwriter, etc.

Canandaigua National Bank

V. COMPLETE FOR EACH USER/TENANT THAT IS SEEKING SALES TAX EXEMPTION USER(S)/TENANT(S) PROJECT COSTS

Use additional sheets as necessary

Company Name _____

- A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the user(s)/tenant(s) for which a sales tax exemption is requested

Estimated Costs Eligible for Sales Tax Exemption Benefit

a MATERIALS a \$ _____
b LABOR b \$ _____
c Non-Manufacturing Equipment c \$ _____
d Furniture and Fixtures d \$ _____
Other (specify) e _____ e \$ _____
f _____ f \$ _____
g _____ g \$ _____
h _____ h \$ _____

Total \$ 0

A non-refundable fee of 1/2% on TOTAL(e) above is due and payable upon issuance of a Sales Tax Letter to User(s)/Tenant(s)

User/Tenant Company _____

Member 111621

Signature _____ Title _____ Date _____

For Office Use Only

Total Assessment Value

Land Building

Applicant 2602-

User/Tenant 2602-

FOR

VI. Value of Incentives

441 East LLC

Project name:

A. IDA PILOT Benefits:

Current Land Assessment	242,200	Taxes on Land	11,359
Dollar Value of New Construction & Renovation Costs	1,195,000		
Estimated New Assessed Value of Project Subject to IDA	1,437,200		

County Tax rate/\$1,000	11.09
Local Tax Rate* Tax Rate/\$1,000	
School Tax Rate /\$1,000	35.81
Total Tax Rate	46.90

PILOT Year	% Abatement	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT Amount	Full Tax Payment w/o PILOT	Net Exemption
1	90%	1,594	0	5,146	6,740	78,761	60,662
2	80%	3,188	0	10,293	13,480	78,761	53,921
3	70%	4,782	0	15,439	20,221	78,761	47,181
4	60%	6,375	0	20,585	26,961	78,761	40,441
5	50%	7,969	0	25,732	33,701	78,761	33,701
6	40%	9,563	0	30,878	40,441	78,761	26,961
7	30%	11,157	0	36,024	47,181	78,761	20,221
8	20%	12,751	0	41,171	53,921	78,761	13,480
9	10%	14,345	0	46,317	60,662	78,761	6,740
10	0%	15,939	0	51,463	67,402	78,761	0
Total		87,662	0	283,048	370,710	787,605	303,308

* Local Tax Rate for Town/City/Village

B. Sales Tax Exemption Benefit:

Estimated value of Sales Tax exemption:	57,600
Estimated duration of Sales Tax exemption:	6/30/2021

C. Mortgage Recording Tax Exemption Benefit:

Estimated Value of Mortgage Recording Tax exemption:	\$24,000
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D. Industrial Revenue Bond Benefit

IRB inducement amount, if required:	\$0
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E. Percentage of Project Costs financed from Public Sector sources:

Total Value of Incentives:	\$384,908.13	10.59%
Sources of Funds (Section IV.B.)	\$3,635,000.00	

** All estimates are based on current tax rates.

VII. PROJECTED EMPLOYMENT

Complete for each Applicant or User/Tenant **Lawley**

Company Name: _____

Applicant: ☐ or User/Tenant: ☒

You must include a copy of the most recent NYS-456 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return OR if you have multiple locations within New York State, the Bureau of Labor – BLS 3020 – Multiple Worksite Report

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	54.0	54.0	6	6
Part Time (PTE)				
Total	54	54	6	6

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes: Monroe County, Orleans County, Genesee County, Wyoming County, Livingston County, Ontario County, Wayne County, Yates County, and Seneca County chosen at the Agency's discretion.

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VIII. LOCAL LABOR

To be completed by all Applicants and Users/Tenants of Projects which include the construction of new, expanded or renovated facilities:

441 East LLC

Company Name _____
Applicant: ☒ or User/Tenant: ☐

All project employees of the general contractor, subcontractor, or sub to a subcontractor (contractors) working on the project must reside within the following counties in the State of New York: Monroe, Genesee, Livingston, Ontario, Orleans, Seneca, Steuben, Wayne, Wyoming or Yates. The All-Local Labor criterion will be verified based on employment, payroll and related records.

Imagine Monroe understands that at certain times local labor may not be available within the local area. Under this condition, applicants are required to complete a waiver request of the All-Local Labor requirement 45 days in advance of commencing work. Contractors do not have to be local companies as defined herein, but must employ local people to qualify under the All-Local Labor criterion.

The foregoing terms have been read, reviewed and understood by the Applicant or User/Tenant and all appropriate personnel. Furthermore, the undersigned agrees and understands that the information contained herein must be transmitted and conveyed in a timely fashion to all applicable subcontractors, suppliers and materialman. Furthermore, the undersigned agrees to post and maintain a sign, provided by Imagine Monroe, in a prominent, easily accessible location, identifying the project as a recipient of Imagine Monroe assistance and the local labor requirements associated with this assistance.

Furthermore, the undersigned realizes that failure to abide by the terms herein could result in Imagine Monroe revoking all or any portion of benefits it deems reasonable in its sole discretion for any violation hereof.

441 East LLC

(APPLICANT or USER/TENANT COMPANY)

 _____
Signature, Title, Date
Member 12-14-20

IX. FEES

1. Application Fee - Send with Completed Application

A non-refundable application fee of Three Hundred Fifty Dollars (\$350.00) shall be charged each applicant.

2. Administrative Fee - Paid at Closing

- (a) For tax-exempt IRB bond issues, the fee shall be one percent (1%) of the project amount. For projects that utilize a Payment In Lieu of Taxes (PILOT) agreement, an additional one-quarter percent (1/4%) will be added.
 - (b) For lease/leaseback transactions and taxable bond issues, the fee shall be one-half percent (1/2%) of the project amount. For projects that utilize a Payment In Lieu of Taxes (PILOT) agreement, an additional one-quarter percent (1/4%) will be added.
 - (c) For refunding outstanding COMIDA bond issues, the fee shall be one-quarter percent (1/4%) of the new issuance amount.
3. If a sales tax letter is required prior to closing, a non-refundable twenty-five percent (25%) of the Administrative Fee and Agency Counsel fee is payable at that time. This amount will be applied towards the Administrative fee and Agency Counsel Fee. The Sales Tax Letter shall only be for a three (3) month period. If the project does not have a formal closing within three (3) months of the sales tax letter being issued, and an extension is not granted, the balance of the Administrative fee and Agency Counsel fee become immediately due and payable.
4. Agency Counsel fee is one-third (1/3) of the Agency's Administrative fee, with a minimum fee for a lease/leaseback transaction of \$4,000.00.
5. Designated Bond Counsel fee is based on the complexity and amount of the transaction.

441 East LLC

(APPLICANT or USER/TENANT COMPANY)

 **Member** **12-14-20**

Signature, Title Date

X. CERTIFICATION

The undersigned company officer and/or user/tenant officer each hereby certifies, on behalf of the company and/or user/tenant, respectively (each singularly and together, the "Applicant"), as follows:

A. The information contained in this Application, including employment information, is true and correct. The Applicant is aware that any material misrepresentation made in this Application constitutes an act of fraud, resulting in revocation of Imagine Monroe benefits.

B. The undersigned, on behalf of the Applicant, hereby certifies that the Applicant, and all parties which own a minimum of 20% of the Applicant are current and will remain current on all real property, federal, state, sales, income and withholding taxes throughout the term of any agreements made in connection with this Application.

C. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry

D. Compliance with Applicable Laws: The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations

E. False and Misleading Information: The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.

F. Recapture: Should the Applicant not expend as projected or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.

G. Applicant hereby releases the Imagine Monroe ("Agency") from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon this Application, regardless of whether or not this Application or the Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (B) the Agency's acquisition, construction, renovation and/or equipping of the Project described herein; and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this

Application, including without limitation, information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.

APPLICANT COMPANY

441 East LLC

Member

11-16-20

Signature

Title

Date

USER/TENANT COMPANY

Lawley Insurance

Rochester Pract 11-16-20

Signature

Title

Date

Name of Members	Percentage Interest
D&S 441 East LLC Daniel Goldstein Sole Member	35%
Fredora LLC Jordan Morgenstern, Sole Member	30%
LLD Executive Coach, LLC David Dworkin, Sole Member	25%
John August	10%

Cost-Benefit Analysis for 441 East LLC

Prepared by COMIDA using InformAnalytics

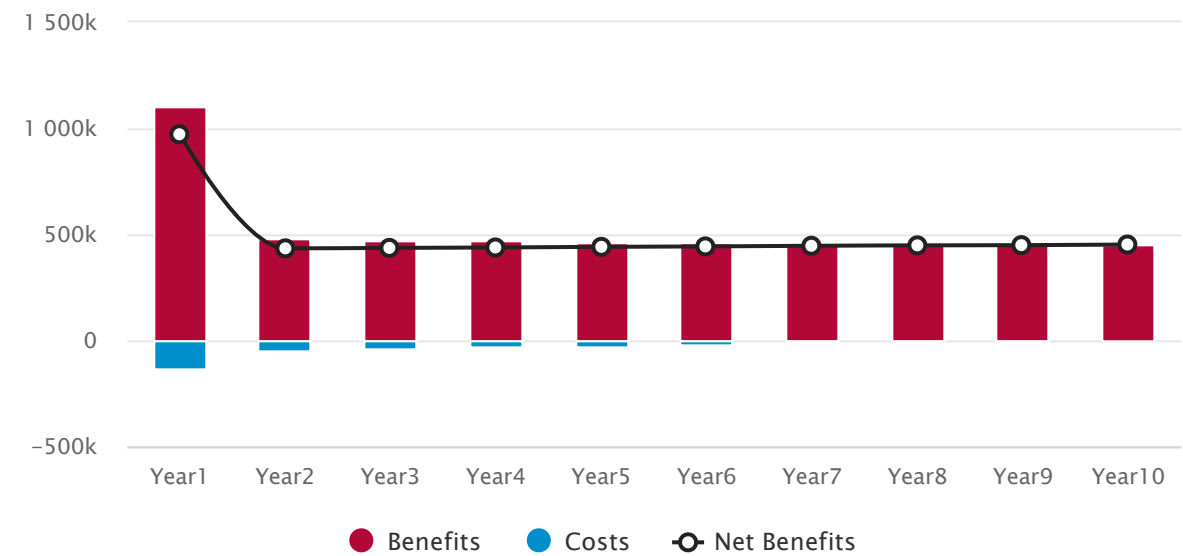
Executive Summary

INVESTOR	TOTAL INVESTED	LOCATION	TIMELINE
441 East LLC	\$3.6 Million	441 East Avenue, Rochester, NY 14607	10 Years

F1 FIGURE 1

Discounted* Net Benefits for 441 East LLC by Year

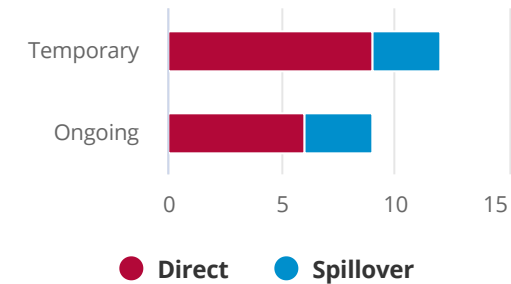
Total Net Benefits: \$4,960,000



Discounted at 2%

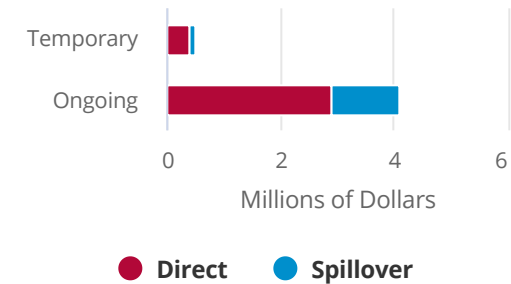
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

441 East LLC proposes to invest \$3.6 million at 441 East Avenue, Rochester, NY 14607 over 10 years. COMIDA staff summarize the proposed with the following: Building renovation for Lawley Insurance in the City of Rochester.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
ST Renovation	\$1,195,000
OTHER SPENDING	
Building	\$2,350,000
Soft Costs	\$90,000
Total Investments	\$3,635,000
Discounted Total (2%)	\$3,635,000

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by COMIDA. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

COMIDA is considering the following incentive package for 441 East LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$244,000	\$232,000
Sales Tax Exemption	\$57,000	\$57,000
Mortgage Recording Tax Exemption	\$24,000	\$24,000
Total Costs	\$325,000	\$313,000

May not sum to total due to rounding.
* Discounted at 2%

T3 TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$3,934,000	\$1,438,000	\$5,372,000
To Private Individuals	\$3,591,000	\$1,420,000	\$5,011,000
Temporary Payroll	\$441,000	\$139,000	\$580,000
Ongoing Payroll	\$3,150,000	\$1,281,000	\$4,431,000
To the Public	\$343,000	\$18,000	\$361,000
Property Tax Revenue	\$299,000	N/A	\$299,000
Temporary Sales Tax Revenue	\$5,000	\$2,000	\$7,000
Ongoing Sales Tax Revenue	\$39,000	\$16,000	\$55,000
STATE BENEFITS	\$216,000	\$82,000	\$298,000
To the Public	\$216,000	\$82,000	\$298,000
Temporary Income Tax Revenue	\$20,000	\$7,000	\$26,000
Ongoing Income Tax Revenue	\$151,000	\$57,000	\$209,000
Temporary Sales Tax Revenue	\$6,000	\$2,000	\$7,000
Ongoing Sales Tax Revenue	\$40,000	\$16,000	\$56,000
Total Benefits to State & Region	\$4,150,000	\$1,520,000	\$5,671,000
Discounted Total Benefits (2%)	\$3,867,000	\$1,405,000	\$5,273,000

May not sum to total due to rounding.

T4 TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$4,996,000	\$276,000	18:1
State	\$276,000	\$37,000	8:1
Grand Total	\$5,273,000	\$313,000	17:1

May not sum to total due to rounding.
* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.