

Application for Financial Assistance



Economic Development Center

Revised 9/5/13

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Revised 4/2/13

Applicant Information

Company Name: Yancey's Fancy, Inc / D&Y Cheeses, Inc.

Address: 857 Main Road

City / Town: Corfu State: N.Y. Zip: 14038

Phone No.: 585.599.4448 (main) 215.668.9766 (WH cell) Fax No.: 585-599-3496

Email Address: wayne.henry@yanceyafancy.com Fed. Id. No. 16-1500217

Contact Person: Wayne P. Henry - President/CEO

Principal Owners / Officers / Directors: (list owners with 15% or more in equity holdings with percentage ownership)

Wayne P. Henry, Pres/CEO/ Director; Brian D. Bailey/Michael F. Wimble - Vice Presidents

Louis J. Eni, Jr.; Cynthia Eni Yingling, Christopher W. Eni - Directors

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity: C Corp S Corp Partnership LLC
 LLP Sole Proprietorship Not for Profit

If a corporation, partnership, limited liability company/partnership or Not for Profit:

What is the date of the establishment April, 1986. Place of organization New York and, if a foreign organization, is the Applicant authorized to do business in the State of New York? Yes

Applicant's Counsel: TO BE DETERMINED

Name: _____

Address: _____ City / Town: _____ State: _____ Zip: _____

Phone No.: _____ Fax No.: _____

Project Information

A) Detailed Description of Project: Plant expansion on existing property to increase capacity and create new flavors and types of Yancey's Fancy artisan cheeses. Company will produce flavored cheddar cheeses and perform all packaging operations in the new facility. Distribution and manufacturing goods will be relocated from Batavia warehouse to the new site. New company offices will be built as well.

Bubbly East Tech Park (BETP)

B) Location of Project / Project Address: 857 Main Road, Corfu, NY 14038

C) Current Assessed Value of Property \$ \$680,010 Tax Map # 184289; #14-2-24.217 - @ 857 Main Rd.
(not required if project is for equipment purchases only)

D) Square footage of existing building 29,000 S/F + 3500 S/F @ 857 Main Rd.
 Square footage of new build 70,000 1st floor; 42,000 2nd level S/F ~ 112,000 S/F @ BETP
 Total Square Footage 141,500 S/F

TOTAL NEW = 115,500 S/F

E) Project Employment Information:
 **Note: Please use full time equivalents, approximately Two part time is equivalent to one full time.

E1) Current number of full time equivalent employees (prior to project): 108

CS 9/18/13
 WPA 9/19/13

E2) Estimate how many full time/ part-time jobs will be retained as a result of this Project over the next three years:

Full Time (FT) 50 Part-Time (PT) _____ ** Total Full Time Equivalents (FTE) 50

E3) What is the average estimated (annual) salary range of jobs to be retained \$28,000 to \$40,000
(at current market rates)

E4) Estimate how many full time/ part-time jobs will be created as a result of this Project over the next three years:

Full Time (FT) 50 Part-Time (PT) _____ ** Total Full Time Equivalents (FTE) 50

E5) What is the planned average hourly wage for the FTE jobs to be created \$12.00 entry to \$19 skilled

E6) What is the average estimated annual salary range of FTE jobs to be created \$30,000 to \$40,000

E7) What is the planned average annual benefits paid in \$\$ per FTE job to be created \$ 9,800 / Employee Average

E8) Estimate how many construction jobs will be created by this project: _____

E9) Estimate average length of employment for each construction job for this Project: 8-10 months

E10) Is the Project Commercial in nature (Sales Tax Generating for Community)? Yes

E11) What is the estimated annual total Sales Tax to be generated from this project at full build-out? \$ _____

E12) Expected Break ground date for project (if any) 04/2013 (mo / year)

E13) Expected timeframe for project to achieve full build-out? 10 (in months)

Detailed Company Info: (Confidential – will not be shared publicly) – information required in order to perform direct economic impact analysis as justification for GCEDC participation in this project

E14) Current Annual Wages / Payroll (w/n Genesee County): \$3,750,000

E15) Current Annual Benefits Paid (w/n Genesee County) or % of wages: \$750,000 (est) or 20% 28% of \$1,050,000

E16) Average annual growth rate of annual wages: %3%

E17) Average annual growth rate of benefits costs: % 15% - 20%

E18) Company Average Yearly Production Related Purchases (COGS / Inventory) from vendors within NYS (Gen County Ops): \$8,104,000 Genesee County only

E19) Company Average Yearly Non-Production Purchases (Supplies, Materials, Equipment) non-capitalized from vendors within NYS (Gen County Ops): \$ _____

E20) Company Average Annual Sales / Use Taxes paid (Gen County Ops): \$ _____

E21) Company Planned Property Taxes Paid for current calendar year (Genesee County Ops): \$22,692

E22) Company Current Year Expected EBT (Earnings B4 Taxes or Profit B4 Taxes) for Genesee County Ops: \$ _____

E23) Company expected average annual growth rate for EBT: % _____

E24) Company Current Year Expected NYS Income Taxes paid for Genesee County Ops: \$ 5,900.00

Next 5 years planned / conservative estimates for capital investment beyond this project (if available)

Year 1	Year 2	Year 3	Year 4	Year 5
\$500,000	\$1,500,000	\$750,000	\$500,000	\$500,000

Is the company delinquent in the payment of any state or municipal property taxes?

Yes No

Is the company delinquent in the payment of any income tax obligation?

Yes No

Is the company delinquent in the payment of any loans?

Yes No

*WPAH
9/9/13*

- Is the company currently in default on any of its loans? Yes No
- Are there currently any unsatisfied judgments against the company? Yes No
- Are there currently any unsatisfied judgments against any of the company's principals? Yes No
- Has the company ever filed for bankruptcy? Yes No
- Have any of the company's principals ever personally filed for bankruptcy or in any way sought protection from creditors? Yes No

If the answer to any of the questions above is "Yes," please provide additional comments in the space below and on additional pages if necessary.

	BCTP	R/O P. 857 min nd.	TOTAL
Estimated Project Costs / Project Capital Investment:			
Building Cost	\$ 12,471,000	+ 280,000	= \$12,751,000
		(New Building Construction cost or Existing building expansion construction)	
Land and Building	\$ 1,950,000		
		(Purchase Value of land and/or building incl. engineering, architect and blue print fees)	
Production Equipment	\$3,000,000	+ 1,720,000	= \$4,720,000
		(\$ Value of Production Equipment - not sales taxable)	
Other Equipment	\$500,000	+ 500,000	= \$1,000,000
		(\$ Value of sales taxable equip = Furniture/Fixtures, Computers, Lockers..)	
Other	\$250,000		
		describe: Professional Fees	
Tot. Cap Invest:	\$18,171,000	+ 2,500,000	= \$20,671,000
		(Sum all lines above)	
Note:			
Total Amount Financed	\$16,171,000	+ 2,500,000	= \$18,671,000
		describe: Net amount to be financed on project	
Mortgage Amount on this Project?	\$ _____		

CS 9/5/13

Representations by the Applicant

The Applicant understands and agrees with the GCEDC as follows:

Please initial each item where indicated

[Signature]
9/2/13

Job Listings - In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the GCEDC, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.

X WH _____ Applicant's Initials

First Consideration for Employment - In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the GCEDC, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.

XWH _____ Applicant's Initials

Annual Sales Tax Filings - In accordance with Section 874(b) of the General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the GCEDC, in accordance with Section 874(b) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, an Annual Report of Sales and Use Tax Exemptions (Form ST-340) by the last day of February following applicable calendar year (with a copy to the Genesee County Economic Development Center), describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.

WH _____ Applicant's Initials X

Employment Reports - The Applicant understands and agrees that, if the Project receives any Financial Assistance from the GCEDC, the Applicant agrees to file, or cause to be filed, with the GCEDC, on quarterly basis, copies of form NYS-45-MN Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Returns filed with the Department of Labor applicable to the project site.

X WH _____ Applicant's Initials

GCEDC Reports - The Applicant understands and agrees that, if the Project receives any Financial Assistance from the GCEDC, the Applicant agrees to file, or cause to be filed with the GCEDC, a certified Annual Project Report (to be mailed to the Applicant) due by the last day of January following applicable calendar year.

X WH _____ Applicant's Initials

Absence of Conflicts of Interest - The Applicant has received from the GCEDC a list of the members, officers, and employees of the GCEDC. No member, officers or employee of the GCEDC has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

X WH _____ Applicant's Initials

Comments: _____

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that:

- A) The GCEDC will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.
- B) Failure of the Applicant to file appropriate Sales Tax and Employment reports will result in the revocation of tax benefits and require repayment of benefits previously claimed.

Wayne P. Henry
 (Applicant Signature)
 Wayne P. Henry
 (Print Name)
 PRESIDENT / CEO
 Title
 Yancey's Fancy, LLC
 Company Name

This Application should be submitted along with the items listed in Exhibit A to:

Genesee County Economic Development Center
 89 MedTech Drive, Suite 106
 Batavia, New York 14020
 (Attn: President & Chief Executive Officer)

WPH 2/9/11

The GCEDC encourages the use of Genesee County contractors/suppliers and asks that they be allowed to bid your project.

Hold Harmless Agreement

Applicant hereby releases Genesee County Economic Development Center and the members, officers, servants, agents and employees thereof (the "GCEDC") from, agrees that the GCEDC shall not be liable for and agrees to indemnify, defend and hold the GCEDC harmless from and against any and all liability arising from or expense incurred by (A) the GCEDC's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the GCEDC, (B) the GCEDC's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the GCEDC 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. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, 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 GCEDC or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an Invoice itemizing the same, the Applicant shall pay to the GCEDC, its agents or assigns, all costs incurred by the GCEDC in the processing of the Application, including attorneys' fees, if any.

Wayne P Henry
 (Applicant Signature)
Wayne P Henry
 (Print Name)
President
 Title
Yancey's Fancy Inc.
 Company Name

Sworn to before me this

21 day of May, 2013

Nicole M. Begin
 Notary Public

NICOLE M BEGIN
 Notary Public, State of New York
 Qualified in Genesee County
 No. 01BE0237889
 My Commission Expires March 28, 2015

WPB
2/2/13

To be completed / calculated by GCEDC

Type of Project: [] Attraction [x] Expansion [] Retention
[] Infrastructure [x] Workforce
Offerings: [x] SLB [] Bond [] Grant [] EZ Certification [] ZCC
[] RLF / Loan [] Consulting [] EZ B.A. [] EZ Consulting

Estimated Financial Assistance to be provided via GCEDC participation - subject to GCEDC Board Approval

- 1) Estimated Sales Tax Exemption (8%) \$ 530,840 (639,608)
2) Estimated Mortgage Tax Exemption (1.25%) \$ 202,698 233,388
3) Estimated Property Tax Abatement \$ 686,314 735,335
4) Estimated Total Tax Savings (1+3) \$ 1,417,852 1,607,322
5) Estimated Tax-Exempt Interest Cost Savings \$ (114 Tax-Exempt Bond)
6) Empire Zone Benefits \$
7) Grant \$
8) Land Sales Subsidy \$
9) Estimated total Company Savings (4+5+6+7+8) \$
10) Benefited Project Amount \$ (the capital investment directly related to the benefits received)
11) Bond Amount \$
12) Mortgage Amount \$
13) GCEDC Revolving Loan Fund \$
14) Loan Secured \$
16) Total Amount Financed / Loan Funds Secured \$ (12+13+14)

CS 9/5/13

Proposed PILOT structure: Standard PILOT - 60% abatement on the incremental increase in assessed value

Fees to be Paid by the Applicant:

\$ 206,710

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Genesee County Economic Development Center \$ 181,710 (The GCEDC will collect a 1% fee if this transaction was consummated through direct interaction between the Applicant and GCEDC. A 1.25% fee applies if this project was referred to GCEDC from a designated GCEDC partner entity. The GCEDC will collect its participation fee at the time of closing, based upon the company provided realistic capital investment costs of this project stated in this application. If bond financing is being obtained through GCEDC in addition to tax incentives, an additional 0.5% fee on the value of bond financing applies. (Should the actual costs exceed those estimates by more than 25%, an additional fee will apply.)

Harris Beach, LLP \$ 25,000 (Estimated fee for legal services required in connection with the financial assistance provided by the Genesee County Economic Development Center) Applicant may be required to pay additional out-of-pocket expenses and applicable filing or recording fees.

Financial Incentives are public information and will be released to the media upon board approval

Note: fees do not include Tax Exempt Financing

Wayne P. Henry (Applicant Signature)
Wayne P. Henry (Print Name)
PRESIDENT GCEDC
Yanceys Family Trust (Company Name)

WPH 9/18/13

On the 9 day of May in the year 2013 before me the undersigned, a notary public in and for said state, personally appeared Wayne P. Henry personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies) and that by his/her/their signature(s) on the instrument the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

Nicole M. Beggi

2013 GCEDC Application II

NICOLE M BEGIN Notary Public, State of New York Qualified in Genesee County No. 01BE8237669 My Commission Expires March 28, 2016



August 28, 2013

Chris Suozzi
Vice President
Genesee County Economic Development Center
99 MedTech Drive
Suite 106
Batavia, NY 14020

Dear Chris:

We have updated our project from the original application previously submitted to the GCEDC.

Yancey was planning a 112,000 square foot expansion to its existing facility at 857 Main Road in Pembroke. We have had some challenges at the 857 Main Rd property site which prevent us building.

We have made a change in plans and now intend to build a new facility at the Buffalo East Technology Park. There will also be limited site development at 857 Main Road as well.

Please update the application and conduct another public hearing for the incentives given this new location.

Feel free to contact me for any additional information.

Best regards,
Yancey's Fancy, Inc.

Wayne P. Henry
President/C.E.O.

WPH
8/29/13

GCEDC
Chris Suozzi, VP Business Development
Board Meeting Report
September 5, 2013

3.2 Yancey's Fancy Project Update

Discussion: Proposed sales tax and mortgage tax exemptions and property tax abatement

Yancey Fancy has updated their project specifications since submission of their original application for incentives. The original application was received by the GCEDC in April, 2013. According to the original application Yancey's was planning an 112,000 sq. ft. expansion at their existing facility, 857 Main Rd. Corfu, NY. After moving forward with planning and permitting for the expansion the company has decided to build a new facility within the Buffalo East Technology Park (BETP) located in Pembroke, NY. Yancey's Fancy would like to purchase approximately 12 acres within the BETP, and build a 112,000 sq. ft. facility. The capital investment is estimated to be \$18.2 million.

The company plans to keep their artisan cheese operations and retail store in the current location (857 Main Rd.), and to undertake an expansion at this location as well. The second part of the project will include the addition of 3,500 sq. ft. at the 857 Main Rd. location where they will install a new reverse osmosis system. The instillation of a reverse osmosis system will allow whey produced during the cheese making process to be dried and sold. Currently whey is transported by local farmers at a cost to Yancey's. By utilizing reverse osmosis technology, it is possible to concentrate the solid content enough to sell whey to processors and animal feed operations. Recent technological advances also allow the water removed from the whey to be pumped back into plant operations. These advances, as well as the expansion of the town and village sewer system, have made the reverse osmosis project a viable opportunity in the overall growth strategy that Yancey's Fancy is undertaking. The capital investment of this project is estimated to be \$2.5 million.

The total capital investment for Yancey's project is estimated at \$20.7 million. The company currently has 108 full time equivalent (FTE) employees and expects to add 50 more over three years after the certificate of occupancy is obtained for this new facility. Due to the changes in the project a new public hearing will be held to solicit public comment on the incentives sought by the company, as they are over \$100,000 in savings.

Board Action Request: Approval of an initial resolution to set a public hearing for the Yancey's Fancy project. The estimated sales tax exemption is valued at \$638,608, and the estimated mortgage tax exemption is valued at \$233,388. The new building and land located within the Buffalo East Technology Park will have an estimated property tax savings of \$686,314, and the incremental increase in assessed value that will apply to the additional square footage at the 857 Main Rd. location will have an estimated property tax savings of \$49,022. The total estimated property tax exemption is valued at \$735,336.

WPH
9/9/13