

**CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR FINANCIAL ASSISTANCE**

Please answer all questions either by filling in the blanks or by attachment where necessary. All information will be kept confidential.

A. APPLICANT DATA

Company Name: **Cayuga Marketing, LLC**
 Address 1: P.O. Box 241
 Address 2:
 City/State/ZIP: Aurora NY 13026
 Contact Person: Kevin Ellis Title: Chief Operating Officer
 Contact Telephone: 315-364-0070 Contact Fax: 315-364-0003
 Contact Email: kevin.ellis@cayugamarketing.com

Attorney: Jared Lusk Firm: Nixon Peabody LLP
 Phone: 585-263-1140 Email: jlusk@nixonpeabody.com

Accountant: Timothy Moag Firm: Freed Maxick
 Phone: 585-344-1967 Email: Tim.Moag@freedmaxick.com

Business Type: Limited Liability Company

If other, describe:

If a corporation, incorporated in what state? New York

Principal Officers, Partners or Shareholders with 15% or greater interest in Applicant organization:

Name	Mailing Address	Telephone #
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1039



CAYUGA MARKETING, LLC
 2498 ANGLING ROAD
 AURORA, NY 13026
 (315) 364-7069

CAYUGA LAKE NATIONAL BANK
 UNION SPRINGS, NEW YORK 13150
 AURORA, NEW YORK 13026
 50-654-213

12/2/2011

PAY TO THE ORDER OF

Cayuga County IDA

\$ **250.00

Two Hundred Fifty and 00/100***** DOLLARS

Cayuga County IDA



[Signature]
 AUTHORIZED SIGNATURE

MEMO Application Fee

⑈001039⑈ ⑆021306547⑆ 2⑈03976⑈5⑈

Security features. Details on back.

B. PROJECT DATA

- 1.a. Provide a narrative description of your project. Include major elements such as new construction, acquisition of existing building, acquisition of equipment, and proposed product lines. Also, indicate square feet by usage (e.g., office, laboratory, manufacturing), type construction, etc. In the case of pollution control project, also indicate the type of pollutants to be treated or removed and the type of process to be employed.

Cayuga Marketing LLC is planning to develop an \$86MM +/-, 106K +/- square foot milk ingredients processing facility on an approximately 24-Acre development site within the Cayuga County Industrial Development Agency (CCIDA) Industrial Park located in the Town of Aurelius. The facility will produce milk protein concentrates & isolates and milk powders for the global food and nutrition industries. The facility will also produce liquid 42% cream and milk permeate concentrate (lactose). All of the fluid milk used in production will be procured from local farmer-owners, and we look to transform our local dairy resources into value-added agricultural products for sale into World markets.

The facility will create fifty-two (52), permanent, full-time employees (FTE) jobs, including highly skilled positions paying salaries over \$50,000 and more per year (\$70,000 with benefits). These net new jobs will be filled primarily with local workers. First year total payroll, inclusive of all benefits, is projected at \$2.67MM+. In addition to the 52 permanent FTE jobs required to operate the facility, another estimated 285 FTE construction-related jobs will be generated over 2 years; peripheral and indirect construction-related projects are estimated at 473+ jobs.

The plant will require 600,000,000 +/- lbs. of milk per year from local dairy farms, resulting in over \$85MM+ of payments to farms and generate approximately \$110MM+ in annual revenues. This will result in a local economic impact of over \$220MM. The facility has a targeted construction start of June 2012 with operations commencing within 18-24 months from start of construction.

2. a) Location of project including the City, Town, or Village within which it is located.

Street Address: Eagle Drive

City/State/ZIP: Auburn NY 13021

Tax Map ID (if available): TMID No.'s 114.00-3-2 [8.46 acres], 114.00-3-3 [10.26 acres]; and portions of TMID No.'s 114.00-3-6 and 114.00-3-7

- b) Attach map showing the general location of the project.
 - c) If this project will result in closing or relocating from an existing facility, is the move necessary in order to remain competitive? **No**
3. Attach copies of preliminary plans or sketches of proposed construction, site plans or floor plans of existing facility.
4. Utilities on Site:
- a) Water Supply Municipal **Describe source / supplier: Town of Aurelius Water & Sewer District #2.**
 - b) Sewer Municipal **Describe other: NA**
 - c) Electricity Utility NYSEG **Describe other:**
 - d) Gas Utility NYSEG **Describe other:**
5. Who presently is legal owner of the project building or site described in # 2 above?
 CCIDA currently owns the subject site; anticipate development of a Land Development Agreement following CCIDA acceptance of Application for CCIDA Assistance.
6. Is there an existing or proposed lease for the project? **No.** If yes, attach a copy of the lease.

C. PAYROLL INFORMATION

1. Annual Payroll	
Present Payroll	\$350,000
First Year After Completion of Project	\$2,664,674
Second Year After Completion of Project	\$2,744,615
2. Employment Plan- Complete Appendix I	

D. PROJECT COSTS

1. Give an accurate estimate of the following costs:

Land	\$300,000
Building Construction	\$30,535,624
Site Work	\$4,737,070
Legal Fees (Other than Company's Attorney)	\$50,000
Engineering Fees	\$2,062,125
Financial Charges	\$1,800,000
Machinery & Equipment	\$39,403,557
Agency Fee	\$150,000.00
Other (Describe: Soft Costs)	\$6,952,079
Subtotal:	\$85,990,455

2. Total Funds Required: TBD Term: TBD

3. Has the Applicant ever applied to this or any other issuer of Industrial Revenue Bonds for financing? **No**

If yes, explain: We have not applied for IRB in the past, and we wish to discuss access to IRBs for the proposed project with the CCIDA and the CCIDA Bond Counsel.

E. INDICATE THE TYPE(S) OF ASSISTANCE APPLIED FOR:

<u>Yes</u>	Real Property Tax Abatement
<u>Yes</u>	Issuance by the Agency of Tax Exempt Bonds
<u>Yes</u>	Mortgage Tax Exemption
<u>Yes</u>	Sales and Usage Tax Exemption
<u>Yes</u>	Extension of Foreign Trade Zone Designation to Subject Site

F. PROJECT CONSTRUCTION SCHEDULE

1. Provide an accurate estimate of schedule to complete Project.

Addendum

2. At what times and in what estimated amounts will funds (IRBs, etc.) be required?

TBD

G. COMPANY FINANCIAL INFORMATION ATTACHMENTS:

1. Copies of two most recent financial statements.
2. Copy of most recent Annual Report, or for new ventures, attach your business plan.
3. As available, sales and income projections for future years.

H. ENVIRONMENTAL INFORMATION

Has a copy of the Environmental Assessment Form been completed and submitted? **No**

If yes, attach a copy. *Applicant anticipates that the Town of Aurelius, as the entity who will review and approve Site Plans for Facility Development, will be Lead Agency for the required SEQRA Review and determination.*

I. REMARKS OR COMMENTS:

Please feel free to provide additional information that might be of assistance to the Agency in making a decision on your application.

Cayuga Marketing, LLC is having continued discussions with various potential equity partners to participate in a much more significant milk processing plant. The plant being discussed would purchase up to 3.6 million lbs. of milk daily from local and regional dairy farmers, totaling over \$160 MM in annual payments. The plant would require a \$115 MM investment over 24 months and would create an estimated 75 full time equivalent jobs. Total annual revenues would be approximately \$200 MM, creating a \$400 MM local economic impact.

Should an equity partner decide to invest, Cayuga Marketing, LLC will be seeking approval for a larger building to construct. Our engineering firm, Stahlman Group, has already designed the building and site map for the aforementioned project.

J. APPLICATION/PUBLIC HEARING FEES:

After the application has been reviewed and the Agency has agreed to schedule a public hearing, the project will be scheduled to appear before the full Agency Board for action. At the time the application is submitted to the Agency Board, an application fee of \$250 is due.

Send your completed application to:

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Cayuga County Office Building, 5th Floor

160 Genesee Street

Auburn, NY 13021

ATTENTION: Stephen F. Lynch, Executive Director, CCIDA

Email Applications (scanned PDFs) may be sent to: slynch@cayugacounty.us

Telephone: (315) 253-1276

K. ESTIMATED FINANCIAL BENEFITS TO COMPANY

1. Sales and Use Tax Exemption

a. Amount of Project Cost Subject to Tax: \$ _____
Applicable sales and use tax rate: x .08

b. Financial benefit if fully exempt: \$ _____

2. Mortgage Recording Tax Exemption

a. Projected amount of Mortgage: \$ _____

Mortgage recording tax rate: \$__ x .01 = \$

b. Financial benefit if fully tax exempt: \$ _____

3. Payment of Lieu of Taxes (PILOT) *

a. Investment in real property _____

b. Equalization rate _____

c. Probable assessed value _____

d. Total applicable tax rates per \$1000 _____

e. Total taxes (c x d) _____

f. Proposed exemption rates: _____ / \$1000

g. PILOT payments (e x f) _____

h. Financial benefit of PILOT (e-g) _____

** Cayuga County IDA Staff will work with application to assess potential PILOT benefits.*

APPENDIX I - EMPLOYMENT PLAN (PART 1)

Company Name:	Cayuga Marketing, LLC		
Address 1:	P.O. Box 241		
Address 2:			
City/State/ZIP	Aurora	NY	13026
Type of Business:	Limited Liability Company		
Contact Person:	Kevin Ellis	Title:	Chief Operating Officer
Contact Telephone:	315-364-0070	Contact Fax:	315-364-0003
Contact Email:	Kevin.Ellis@cayugamarketing.com		

1. Complete this chart describing your projected employment plan following receipt of financing.

Job Title of Current and Planned Full Time Occupations in Company	Current # Full Time Jobs per Occupation	Estimated # of Full Time Jobs after Completion of the Project		
		1st Year	2nd Year	3rd Year
Milk Receiver	0	4	4	4
Ultrafiltration Operator	0	5	5	5
Evaporation and Drying Operator	0	6	6	6
Packaging Operator	0	6	6	6
Warehousing Operator	0	3	3	3
Maintenance Engineer	0	1	1	1
Maintenance Technician	0	5	5	5
Shift Supervisor	0	4	4	4
Laboratory Manager	0	1	1	1
Laboratory Assistant	0	4	4	4
Wastewater Manager & Sanitation	0	7	7	7
Administration	0	4	4	4
Assistant Plant Manager	0	1	1	1
Plant Manager	0	1	1	1

Attach additional Sheets if required.

2. Are the employees of your firm currently covered by a collective bargaining agreement? **No**

If yes, enter the Union Name [N/A] and Local [N/A]

List the union contact person, address, phone #: [N/A]

3. Indicate whether labor pool in Cayuga County is adequate to fill new jobs. **Yes**

If no, explain why not: [N/A]

Under New York State Municipal Law, an IDA must consider project elements like job creation and job retention when approving projects.

Prepared by: Kevin J. Ellis

Title: Chief Operating Officer

Signature: 

Date: 12-2-11

APPENDIX I - EMPLOYMENT PLAN (PART II)

In consideration of the issuance of Industrial Development bonds by the Cayuga County Industrial Development Agency, the project beneficiary, agrees to cause any new employment opportunities created in connection with industrial or commercial projects financed by the proceeds of such obligations to be listed with the New York State Department of Labor Community Services Division (DOL) and with the Cayuga County Employment and Training Department.

Cayuga Marketing, LLC, the project beneficiary, also agrees to report to the Cayuga County Industrial Development Agency on or before September 1st of each year on the status of employment opportunities filed with DOL, including the number of new employment opportunities created, the number listed, and the number filled.

Signed: _____



Kevin J. Ellis

Date: 12-2-11

Address: P.O. Box 241

Aurora, NY 13026

Phone: 315-364-0070

Email: Kevin.Ellis@cayugamarketing.com

APPLICATION CERTIFICATION

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Each Applicant must complete one of the two certifications below (strike the section not used):

Corporate Applicants:

Kevin Ellis, deposes and says that s/he is the Chief Operating Officer (COO) of Cayuga Marketing, LLC, the corporation named in the attached application; he has read the foregoing and knows the contents thereof; that the same are true to his knowledge. He further deposes and says that he is authorized by the corporation (the "Applicant") to submit to application and incur the following legal obligations on its behalf.

All applicants do agree to the following:

Deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Cayuga 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 Bonds to provide the financing 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 is unable to find buyers willing to purchase the total Bond issue, then upon presentation of invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency with respect to the application, up to that date and time, including fees of bond counsel for the Agency and fees of general counsel for the Agency.

The costs incurred by the Agency and paid by the Applicant, including fees of the Agency's bond counsel and general counsel and the Agency fee, may be considered as a cost of the Project and included as part of the Bond issue to the extent provided by law.

Sworn to before me this 2nd

day of December, 2011

Kelly S. Thomas
Notary Public

KELLY S. THOMAS #01TH6059918
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN CAYUGA COUNTY
MY COMMISSION EXPIRES 6/11/15

APPLICANT OBLIGATIONS

NEW YORK STATE FINANCIAL REPORTING REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES

A. Chapter 692 of the Laws of 1989 require additional financial reporting requirements from all IDA's in New York State.

1. All bonds issued, outstanding or retired during the year must indicate the following; Month and Year issued, Interest rate at year-end, Outstanding beginning of year, Issued during the year, Principal payments during the year, Outstanding at end of year, and Final maturity date.

This information is required annually and will be requested from you in January each year.

2. All new bonds issued need the following supplemental information, Name of the project, Tax exemptions separated by State and local sales tax, County and school taxes, Mortgage recording tax, Payment of lieu of taxes, New tax revenue if no exceptions granted, Number of jobs created, and Other economic benefits.

This information is required annually and will be requested from you in September each year.

B. Chapter 356 and 357 of the Laws of 1993 require all entities appointed as agents of the CCIDA for sales tax purposes to file on an annual basis with the State Department of Taxation information as to all sales tax exemptions claimed by such agent or its subagents.

Please sign below to indicate that you have read and understood the above and will provide information on a timely basis.



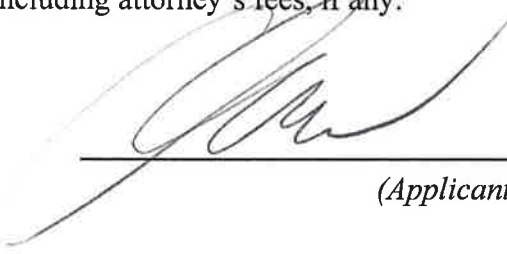
Chief Executive Officer of Applicant

12-2-11

Date

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Cayuga County Industrial Development Agency and its members, officers, servants, agents and employees thereof (the "Agency"), and 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, the attached Application, regardless of whether or not the Application or Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and /or installation of the Project described therein 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 attorney's fees and any other expenses incurred without limiting the generality of the foregoing, all causes of actions and attorney's 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 reasons, 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 Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the application, including attorney's fees, if any.



(Applicant)

By: Name: Kevin J. Ellis
Title: Chief Operating Officer

Sworn to before me this 2nd
day of December, 20 11
Kelly A. Thomas
Notary Public

KELLY S. THOMAS #01TH0050918
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN CAYUGA COUNTY
MY COMMISSION EXPIRES 6/11/15

Attachment Checklist

Attachments:

- Map showing project location (sec B, 2, b)
- Preliminary plans or sketches of proposed construction; site plans / floor plans of existing facility
- Copies of two most recent financial statements. (sec G, 1)
- Copy of most recent Annual Report or for new businesses, attach your Business Plan. (sec G, 2)
- Sales and income projections for future years. (sec G, 3)
- Environmental Assessment Form (if applicable)
- \$250 Application fee

Other Attachments: *(please specify)*

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

DESIGN  GROUP

 STAHLMAN GROUP



Office NE Elevation

EXCEPTIONAL PEOPLE... COMPELLING SOLUTIONS

Barry-Wehmiller

 STAHLMAN GROUP
A DESIGN  GROUP Company



Office SE Elevation



Plant North Elevation



North Overhead