



Columbia County
IDA

Columbia County Industrial Development Agency
4303 Rte. 9
Hudson, NY 12534-2415
Tel: (516) 828-1718 Fax: (516) 828-0901
Email: partners@chpartsofida.com

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the Columbia County Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

NOTE: Please read the instructions on page 2 hereof before filling out this form.

TO: COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
4303 Route 9
HUDSON, NY 12534

This application by applicant respectfully states:

APPLICANT: HUDSON RIVER STOVE COMPANY, INC. / BAC SALES INCORPORATED		
APPLICANT'S ADDRESS: 1871 ROUTE 9H		
CITY: HUDSON	STATE: NEW YORK	PHONE #: 828-6363 x240

NAME OF PERSON (S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: _____

IF APPLICANT REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING.

NAME OF ATTORNEY: WILLIAM J. BETTER

ATTORNEY'S ADDRESS: 1 ALBANY AVENUE

CITY: KINDERHOOK STATE: NEW YORK PHONE #: 758-1511

INSTRUCTIONS

1. *The Agency will not approve any application unless in the judgment of the Agency said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.*
2. *Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").*
3. *If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.*
4. *If more space is needed to answer any specific question, attach a separate sheet.*
5. *When completed, return this application to the Agency at the address indicated on the first page of this application.*
6. *The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.*
7. *Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.*
8. *The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the Project.) Except as limited by the Internal Revenue Code which applies to certain federally tax-exempt bonds, the costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the Project and included as a part of the resultant bond issue.*
9. *The Agency has established an application fee of FIVE HUNDRED DOLLARS (\$500.00) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.*

I. Proposed occupant of Project (hereinafter, the "Company").

a) Company Name: HUDSON RIVER STOVE COMPANY, INC. / BAC SALES INCORPORATED
 Present Address: 1871 ROUTE 9H
HUDSON, NEW YORK 12534

Employer's ID #: HRS-20-4728322 BAC 14-1672897

b) If the Company differs from the Applicant, give details of relationship:

c) Indicate type of business organization of Company:

Corporation - If so, incorporated in what:
 Country USA Date Incorporated: _____
 State: DELAWARE Type of Corporation: _____
 Authorized to do business in New York? Yes No

Partnership If so, indicate: Type of partnership: _____
 Number of general partners: _____ Number of limited partners: _____

Sole Proprietorship

d) Is the Company a subsidiary, or direct or indirect affiliate of any other organization(s)?
 If so, indicate name of related organization(s) and relationship:

e) Management of Company:

1. List all owners, officers, directors and partners (complete all columns for each person):

NAME (First, middle, last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
JON J. COHEN	PRESIDENT	HUDSON RIVER STOVE
ROBERT COHEN	PRESIDENT	BAC SALES INCORPORATED

- 2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation??
 Yes No
- 3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)?
 Yes No
- 4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt?
 Yes No
(If yes to any of the foregoing, furnish details on a separate attachment).

f) Principal owners of Company: Is Company publicly held? Yes No
 If yes, list exchanges where stock traded: _____

If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	% OF HOLDING
JON J. COHEN	1871 ROUTE 9H, HUDSON, NY 12534	100%
ROBERT COHEN	1871 ROUTE 9H, HUDSON, NY 12534	100%
BARBARA COHEN	"	1
AMANDA MELING	"	1

HRS
BAC

g) Company's Principal Bank(s) of account: TD BANKNORTH
FIRST NIAGARA

II. Data regarding Proposed Project

- a) Location of Proposed Project:
- 1. Street Address: 1871 ROUTE 9H
 - 2. City/Town/Village: GHEENT, NEW YORK 12075

b) Summary: (Please provide a brief narrative description of the Project).

SEE ATTACHED NARRATIVE

c) Project Site:

1. Approximate size (in acres or square feet) of Project site: 5.4 Acres
Is a map, survey or sketch of the project site attached? Yes No.

2. Are there existing buildings on project site? Yes No
If yes, indicate number and approximate size (in square feet) of each building:

# of bldg.	sq. ft.
3	55,000

3. Are existing buildings in operation? Yes No
If yes, describe present use of present buildings:

~~WAREHOUSE / OFFICES / RETAIL~~

Are existing buildings abandoned? Yes No
About to be abandoned? Yes No

Attach photograph of present buildings.

4. Utilities serving project site:

Water-Municipal: PRIVATE
Other (describe) _____
Sewer-Municipal: PRIVATE
Other (describe) _____
Electric-Utility: NATIONAL GRID
Other (describe) _____
Heat-Utility: NATIONAL GRID
Other (describe) _____

5. Present legal owner of project site: ROBERT AND BARBARA COHEN
If Company owns project site, indicate:

Date of purchase: N/A, 20____
Purchase price: \$ _____

If Company is *not owner*, does Company have option signed with owner to purchase the project site? Yes No

If yes, indicate date option signed with owner: _____, 20____.

Date option expires: .. _____, 20____.

If the Company does *not own* the project site, is there a relationship legally or by common control between the Company and the present owners of the project site?

Yes No

If yes, describe in detail on separate attachment.

6. Zoning District in which the project site is located: C-1

Are there any variances or special permits affecting the site? Yes No

If yes, list below and attach copies of all such variances or special permits:

d) Buildings:

1. Does part of the project consist of a new building or buildings? Yes No

If yes, indicate number and size of new buildings:

# of bldg..	sq. ft.
1	10,000
2	25,000

2. Does part of the project consist of additions and/or renovations to the existing buildings?

Yes No

If yes, indicate nature of expansion and/or renovation:

REPLACE BURNED BUILDING.

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: ASSEMBLY, TESTING AND STORAGE OF WOOD AND PELLET STOVES, AS TO HRS AND STORAGE OF WOOD AND PELLET STOVES FOR BAC.

a) PROJECT USE:

1. What are the principal products to be produced at the Project?

~~WOOD AND PELLET STOVES AND RELATED PRODUCTS~~

2. What are the principal activities to be conducted at the Project?

~~STORAGE, ASSEMBLY AND TESTING OF PELLET STOVES~~

b) CONSTRUCTION STATUS:

1. Has construction work on this project begun? Yes No

If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures:

NONE

c) METHOD OF CONSTRUCTION AFTER AGENCY APPROVAL:

If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes No

III. Employment Impact

a) Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at the end of the first and second years after the project has been completed (do not include construction workers).

SEE ATTACHED

TYPE OF EMPLOYMENT				
	PROFESSIONAL MANAGERIAL	UNSKILLED OR SKILLED	SEMI-SKILLED	TOTALS
Present Full Time				
Present Part Time				
Present Seasonal				
First Year Full Time				
First Year Part Time				
First Year Seasonal				
Second Year Full Time				
Second Year Part Time				
Second Year Seasonal				

TOTAL JOBS	PRESENT	2	—
	YEAR 1	13	—
	YEAR 2	18	—
	As to HRS		

- b)
- Will the completion of the project which is the subject of this application result in the removal of a commercial, industrial or manufacturing plant or facility of the Company from one area of the State of New York to another area of the State of New York?
 Yes No
 - Will the completion of the project result in the abandonment of one or more plants or facilities of the Company located in the State of New York?
 Yes No
 - If yes to either 1 or 2, is this project reasonably necessary to preserve the Company's competitive position in its industry?
 Yes No **Not Applicable**
 - If yes to either 1 or 2, is this project reasonably necessary to discourage the Company from removing such other plant or facility to a location outside the State of New York?
 Yes No **Not Applicable**
 - If yes to either 3 or 4, please furnish details in separate attachment.

IV. Project Cost

a) State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>SEE ATTACHED BUDGET</u> <u>Amount</u>
Land	\$ _____
Buildings	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial & printing)	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COST	\$ _____

b) Have any of the above expenditures already been made by applicant? Yes No
(If yes, indicate particular) _____

c) 1. Amount of loan requested: \$ _____
2. Maturity requested: _____ Years

V. Benefits expected from the Agency

- a.) Is the applicant requesting that the Agency issue bonds, the interest on which is partially or wholly exempt from federal income tax? Yes No *changed LAD per meeting 8/3/10*
- b.) Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes No


c) Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes No

If yes, what is the approximate amount of financing to be secured by mortgages? \$50,000.

d) Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes No

If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and compensating Use Taxes? \$10,000.

HUDSON RIVER STOVE COMPANY, INC.

BY: 
(Applicant)

BY: BAC SALES INCORPORATED



NOTE: Applicant must complete the appropriate verification appearing on Pages 11 through 13 hereof before a notary public and must sign and acknowledge the Hold and Harmless Agreement appearing on page 14.

**SUPPLEMENT TO
IDA APPLICATION**

o) 5. These applicants have a relationship with Hudson River Stove Company, Inc. and BAC Sales Incorporated and Amanda's Fireplace, which are the businesses which occupy the same physical ground. The businesses are owned by or with other members of the applicant's family.

Hudson River Stove Company, Inc. Narrative to Section II b:

Applicant HRS proposes to construct a facility for the assembly, testing, and maintenance of stoves to be sold and distributed throughout North America. The facility will include an assembly location as well as a laboratory for testing purposes. In addition, there will be storage for parts and final product. The staffing requirements will range from unskilled labor to semi-skilled and skilled labor for the process of assembly and testing. There will be requirements for office support staff for normal accounts receivable and accounts payable and other billing issues. Sales staff will typically not be located at the facility, although there will be some executive or managerial staff eventually located there.

BAC Sales Incorporated Narrative to Section II b:

Applicant BAC Sales proposes to construct a 25,000 square foot warehouse and 5,000 square foot showroom to replace a facility destroyed by fire. Applicant will also need to replace all racking and material handling equipment. Applicant recently purchased a similar business in Pennsylvania and inventory for this new division will be serviced from Ghent warehouse as well.

BAC IDA BUDGET

1.	Building	\$500,000.00
2.	Electric	34,000.00
3.	Plumbing/Heating	25,000.00
4.	Bathroom	10,000.00
5.	Racking Equipment	100,000.00
6.	Site Development	30,000.00
7.	Upgrade Septic	20,000.00
8.	Parking Area	20,000.00
9.	Soft Costs, Legal, Title, Bank Attorney	100,000.00
	TOTAL	\$845,000.00

Employment Objective – After Completion

Maintain current staff and add 8 new employees for warehouse and customer service and warranty.

Within 3 years of operation, employment is expected to increase to 18 with 1 additional customer service and technical person and 3 laborers.

HRS IDA BUDGET

1.	Building	\$300,000.00
2.	Electric	34,000.00
3.	Plumbing/Heating	25,000.00
4.	Laboratory	42,000.00
5.	Racking and Mezzanine	12,000.00
6.	Site Development	30,000.00
7.	Upgrade Septic	20,000.00
8.	Parking Area	20,000.00
9.	Soft Costs, Legal, Title, Bank Attorney	30,000.00
	TOTAL	\$513,000.00

Employment Objective – After Completion

Type

Management	3	55k each	\$165,000.00
Technical	3	40k each	\$120,000.00
Customer Service	3	32k each	\$ 66,000.00
Laborer	4	21k each	\$ 84,000.00
	TOTAL		\$435,000.00

Within 3 years of operation, employment is expected to increase to 18 with 1 additional customer service and technical person and 3 laborers.