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Master App.

FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY

PROJECT APPLICATION

6/16

DATE: 1/3/18

APPLICATION OF: Garden City Auto Holdings, LLC d/b/a Garden City Mazda
Name of Owner and/or User of Proposed Project

ADDRESS: 209 North Franklin Street
Hempstead, New York 11550

CONTACT: Paul Passarelli

PHONE NUMBER: _____

EMAIL ADDRESS: _____

FAX NUMBER: _____

- Type of Application:
- Tax-Exempt Bond
 - Taxable Bond
 - Straight Lease
 - Refunding Bond
 - Special Straight Lease

*Town of Hempstead Industrial Development Agency
350 Front Street, Rom 234A
Hempstead, New York 11550
516-489-5000 extension 4200*

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Part I: Owner & User Data

1. Owner Data:

A. Owner (Applicant for assistance): Garden City Auto Holdings, LLC d/b/a Garden City Mazda

Address: 209 North Franklin Street
Hempstead, New York 11550

Federal Employer ID # _____ Website: _____

Owner Officer Certifying Application: Steven Daiagi

Title of Officer: Managing Member

Phone Number: _____ E-mail: _____

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: New York

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Automobile Dealership- New and Used Vehicles, Service and Parts Facilities

D. Owner Counsel:

Firm Name: Certilman Balin Adler & Hyman, LLP

Address: 90 Merrick Avenue, 9th Fl

East Meadow, New York 11554

Individual Attorney: Daniel J. Baker, Esq.

Phone Number: _____ E-mail: _____



E. Principal Stockholders, Members or Partners, if any, of the Owner (5% or more equity):

Name	Percent Owned
<u>Steven Daiagi</u>	<u>99%</u>
_____	_____
_____	_____

F. Has the Owner, or any subsidiary or affiliate of the Owner, or any stockholder, partner, member, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

ii. been convicted of a felony, or misdemeanor, or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No

G. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the Owner, list all other organizations which are related to the Owner by virtue of such persons having more than a 50% interest in such organizations.

Huntington Auto Group LLC d/b/a Huntington Mazda; New Rochelle Hyundai LLC d/b/a New Rochelle Hyundai

H. Is the Owner related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

Same as G above

I. List parent corporation, sister corporations and subsidiaries:

LIC Auto LLC d/b/a Leader in Cars Auto Group



J. Has the Owner (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

K. List major bank references of the Owner:

2. User Data

*** (for co-applicants for assistance or where a landlord/tenant relationship will exist between the owner and the user) ***

A. User (together with the Owner, the "Applicant"): Garden City Auto Holdings, LLC d/b/a

Garden City Mazda

Address: 209 North Franklin Street

Hempstead, New York 11550

Federal Employer ID # _____ Website: _____

NAICS Code _____

User Officer Certifying Application: Steven Daiagi

Title of Officer: Managing Member

Phone Number _____ E-mail: _____

B. Business Type:

Sole Proprietorship Partnership Privately Held

Public Corporation Listed on _____

State of Incorporation/Formation: New York

C. Nature of Business:

(e.g., "manufacturer of _____ for _____ industry"; "distributor of _____"; or "real estate holding company")

Automobile Dealership- New and Used Vehicles, Service and Parts Facilities

D. Are the User and the Owner Related Entities? Yes No

i. If yes, the remainder of the questions in this Part I, Section 2 (with the exception of "F" below) need not be answered if answered for the Owner.

ii. If no, please complete all questions below.

E. User's Counsel:

Firm Name: Certilman Balin Adler & Hyman, LLP

Address: 90 Merrick Avenue, 9th Fl.

East Meadow, New York 11554

Individual Attorney: Daniel J. Baker, Esq.

Phone Number: _____

E-mail: _____

F. Principal Stockholders or Partners, if any (5% or more equity):

Name	Percent Owned
<u>Steven Daiagi</u>	<u>99%</u>
_____	_____
_____	_____

G. Has the User, or any subsidiary or affiliate of the User, or any stockholder, partner, officer, director or other entity with which any of these individuals is or has been associated with:

i. ever filed for bankruptcy, been adjudicated bankrupt or placed in receivership or otherwise been or presently is the subject of any bankruptcy or similar proceeding? (if yes, please explain)

No

ii. ever been convicted of a felony or criminal offense (other than a motor vehicle violation)? (if yes, please explain)

No



H. If any of the above persons (see "E", above) or a group of them, owns more than 50% interest in the User, list all other organizations which are related to the User by virtue of such persons having more than a 50% interest in such organizations.

Huntington Auto Group LLC d/b/a Huntington Mazda and New Rochelle Hyundai LLC d/b/a New Rochelle Hyundai

I. Is the User related to any other organization by reason of more than a 50% ownership? If so, indicate name of related organization and relationship:

Huntington Auto Group LLC d/b/a Huntington Mazda and New Rochelle Hyundai LLC d/b/a New Rochelle Hyundai

J. List parent corporation, sister corporations and subsidiaries:

LIC Auto LLC d/b/a Leader in Cars Auto Group LLC

K. Has the User (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

L. List major bank references of the User:

Bank Leumi, 19495 Biscayne Blvd Suite 500 Aventura, FL 33180

Part II – Operation at Current Location

*** (if the Owner and the User are unrelated entities, answer separately for each) ***

1. Current Location Address: 209 North Franklin Street, Hempstead, New York 11550

2. Owned or Leased: Leased
3. Describe your present location (acreage, square footage, number buildings, number of floors, etc.):
Approximately 59,000 sq. ft. lot with approximately 15,000 sq. ft. – 1 story cement block building.
4. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:
Automobile Dealership- New and Used Vehicles, Service and Parts Facilities
-
5. Are other facilities or related companies of the Applicant located within the State?
 Yes No
- A. If yes, list the Address: _____
6. If yes to above ("5"), will the completion of the project result in the removal of such facility or facilities from one area of the state to another OR in the abandonment of such facility or facilities located within the State? Yes No
- A. If no, explain how current facilities will be utilized: _____
- _____
- B. If yes, please indicate whether the project is reasonably necessary for the Applicant to maintain its competitive position in its industry or remain in the State and explain in full:

- _____
7. Has the Applicant actively considered sites in another state? Yes No
- A. If yes, please list states considered and explain: _____
- _____
8. Is the requested financial assistance reasonably necessary to prevent the Applicant from moving out of New York State? Yes No
- A. Please explain: Without assistance, Applicant cannot comply with requirement of Mazda USA to build modern car dealership to national standards
9. Number of full-time equivalent employees at current location and average salary: 50; \$69,000

Part III – Project Data

1. Project Type:

A. What type of transaction are you seeking?: (Check one)

Straight Lease Taxable Bonds Tax-Exempt Bonds

Equipment Lease Only

B. Type of benefit(s) the Applicant is seeking: (Check all that apply)

Sales Tax Exemption Mortgage Recording Tax Exemption

PILOT Agreement:

2. Location of project:

A. Street Address: 225-233 North Franklin Street, Hempstead, New York 11550

B. Tax Map: District _____ Section 34 Block 178 Lot(s) 6, 11, 12, 14, 18, 23

C. Municipal Jurisdiction:

i. Town: Hempstead

ii. Village: Hempstead

iii. School District: Hempstead

D. Acreage: approx. 1.4

3. Project Components (check all appropriate categories):

A. Construction of a new building Yes No

i. Square footage: 33,500

B. Renovations of an existing building Yes No

i. Square footage: _____

C. Demolition of an existing building Yes No

i. Square footage: 15,000

D. Land to be cleared or disturbed Yes No

i. Square footage/acreage: _____

E. Construction of addition to an existing building Yes No

i. Square footage of addition: _____

ii. Total square footage upon completion: _____

F. Acquisition of an existing building Yes No

i. Square footage of existing building: _____

G. Installation of machinery and/or Equipment Yes No

i. List principal items or categories of equipment to be acquired: Automobile lifts, alignment machine, single-bay car wash, etc.

4. Current Use at Proposed Location:

A. Does the Applicant currently hold fee title to the proposed location? Yes

i. If no, please list the present owner of the site:

Steven Daiagi

B. Present use of the proposed location: automobile dealership

C. Is the proposed location currently subject to an IDA transaction (whether through this Agency or another?) Yes No

i. If yes, explain: _____

D. Is there a purchase contract for the site? (if yes, explain): Yes No

E. Is there an existing or proposed lease for the site? (if yes, explain): Yes No

Leased from Leader Auto Group, LLC

5. Proposed Use:

A. Describe the specific operations of the Applicant or other users to be conducted at the project site: A Mazda dealership- selling new Mazda vehicles and pre-owned of other makes and models, service facility of primarily Mazda and also pre-owned vehicles, parts sales of primarily Mazda and also pre-owned vehicles, other activities relating to the selling and servicing of vehicles, such as obtaining financing and insurance

B. Proposed product lines and market demands: Primarily Mazda vehicles

C. If any space is to be leased to third parties, indicate the tenant(s), total square footage of the project to be leased to each tenant, and the proposed use by each tenant:

N/A

D. Need/purpose for project (e.g., why is it necessary, effect on Applicant's business):

See Addendum for Project Narrative

E. Will any portion of the project be used for the making of retail sales to customers who personally visit the project location? Yes No

i. If yes, what percentage of the project location will be utilized in connection with the sale of retail goods and/or services to customers who personally visit the project location?
95%

6. Project Work:

A. Has construction work on this project begun? If yes, complete the following:

i. Site Clearance:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% COMPLETE	_____
ii. Foundation:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% COMPLETE	_____
iii. Footings:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% COMPLETE	_____
iv. Steel:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% COMPLETE	_____
v. Masonry:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	% COMPLETE	_____
vi. Other:	_____			

B. What is the current zoning?: Business "B"

C. Will the project meet zoning requirements at the proposed location?

Yes No

D. If a change of zoning is required, please provide the details/status of the change of zone request: _____

E. Have site plans been submitted to the appropriate planning department? Yes No

7. Project Completion Schedule:

A. What is the proposed commencement date for the acquisition and the construction/renovation/equipping of the project?

i. Acquisition: N/A

ii. Construction/Renovation/Equipping: 30 days after receiving all necessary approvals

B. Provide an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur: 10-12 months post commencement of construction

Part IV – Project Costs and Financing

1. Project Costs:

A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ <u>N/A</u>
Building(s) demolition/construction	\$ <u>6,000,000</u>
Building renovation	\$ <u>N/A</u>
Site Work	\$ <u>250,000</u>
Machinery and Equipment	\$ <u>500,000</u>
Legal Fees	\$ <u>50,000</u>
Architectural/Engineering Fees	\$ <u>200,000</u>
Financial Charges	\$ <u>N/A</u>
Other (Specify)	\$ _____
Total	\$ <u>7,000,000</u>

2. Method of Financing:

	Amount	Term
A. Tax-exempt bond financing:	\$ _____	_____ years
B. Taxable bond financing:	\$ _____	_____ years
C. Conventional Mortgage:	\$ _____	_____ years
D. SBA (504) or other governmental financing:	\$ _____	_____ years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ _____	
F. Other loans:	\$ _____	_____ years
G. Owner/User equity contribution:	\$ _____	_____ years

Total Project Costs \$ 7,000,000

i. What percentage of the project costs will be financed from public sector sources?

0 _____

3. Project Financing:

A. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? Yes No

i. If yes, provide detail on a separate sheet.

B. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

N/A

C. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

N/A

D. Has the Applicant made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

N/A

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ TBD

B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and ____%):

\$ TBD

2. Sales and Use Tax Benefit:

A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$4,050,000

B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$350,000

C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ 0

ii. User: \$ 350,000

3. Real Property Tax Benefit:

A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: No

B. Agency PILOT Benefit:

i. Term of PILOT requested: 15 years

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attached such information to Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit to be granted by the Agency.

*** This application will not be deemed complete and final until Exhibit A hereto has been completed and executed.***

Part VI – Employment Data

1. List the Applicant's and each users present employment, and estimates of (i) employment **at the proposed project location** at the end of year one and year two following project completion and (ii) the number of residents of the Labor Market Area* ("LMA") that would fill the full-time and part-time jobs at the end of the second year following completion:

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Residents of LMA</u>
Full-Time	<u>49</u>	<u>54</u>	<u>59</u>	<u>all</u>
Part-Time**	<u>2</u>	<u>(3)4</u>	<u>(4)5</u>	<u>all</u>

year 1 - 55.5
year 2 - 61

* The Labor Market Area includes the County/City/Town/Village in which the project is located as well Nassau and Suffolk Counties.

** Agency staff converts Part-Time jobs into FTEs for state reporting purposes by dividing the number of Part-Time jobs by two (2).

2. Salary and Fringe Benefits:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Salary Wage Earners	\$68,300	\$12,980
Commission Wage Earners		
Hourly Wage Earners	\$13-\$32	
1099 and Contract Workers		

3,415,000
OP. W^{ay}

Note: The Agency reserves the right to visit the facility to confirm that job creation numbers are being met.

Part VII – Representations, Certifications and Indemnification

1. Is the Applicant in any litigation which would have a material adverse effect on the Applicant's financial condition? (if yes, furnish details on a separate sheet)

Yes No

2. Has the Applicant or any of the management of the Applicant, the anticipated users or any of their affiliates, or any other concern with which such management has been connected, been cited for a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or other operating practices? (If yes, furnish details on a separate sheet)

Yes No

3. Is there a likelihood that the Applicant would not proceed with this project without the Agency's assistance? (If yes, please explain why; if no, please explain why the Agency should grant the benefits requested)

Yes No

The Applicant would not have the financial wherewithal to proceed without Agency assistance.

4. If the Applicant is unable to obtain financial assistance from the Agency for the project, what would be the impact on the Applicant and on the municipality?

The Applicant would not proceed and be subject to penalties from Mazda and possible loss of dealership; municipality would have tax benefits.