

## CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### APPLICATION FOR SALE/LEASEBACK TRANSACTION

**IMPORTANT NOTICE:** The answers to the questions contained in this application are necessary to determine your firm's eligibility for tax exemptions and other assistance from Cortland County Industrial Development Agency. The answers will also be used in the preparation of papers in this transaction. Accordingly, 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 should answer all questions accurately and completely. This application is subject to acceptance by the Agency.

**TO: CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
37 CHURCH STREET  
CORTLAND, NEW YORK 13045**

This application is by applicant respectfully states:

APPLICANT: Northeast Transformer Services LLC

APPLICANTS' STREET ADDRESS: 51 Elm St.

CITY: Cortland STATE NY PHONE NO. 753-7510

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

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF FIRM: Lawrence Knickerbocker

NAME OF ATTORNEY: " "

ATTORNEY'S STREET ADDRESS: 70 Port Watson St

CITY: Cortland STATE NY PHONE NO. 607-753-8023

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**NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 BEFORE FILLING OUT THIS APPLICATION.**  
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## INSTRUCTIONS

1. The Agency will not approve any applications 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 two (2) copies of 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 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). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as apart of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee to Two Hundred Fifty Dollars (\$250) 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.
10. The Agency has established a project fee for each project in which the Agency participates. UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.

## FOR AGENCY USE ONLY

1.	Project Number	
2.	Date application Received by Agency	_____, 20____
3.	Date application referred to attorney for review	_____, 20____
4.	Date copy of application mailed to members	_____, 20____
5.	Date notice of Agency meeting on application posted	_____, 20____
6.	Date notice of Agency meeting on application mailed	_____, 20____
7.	Date of Agency meeting on application	_____, 20____
8.	Date Agency conditionally approved application	_____, 20____
9.	Date scheduled for public hearing	_____, 20____
10.	Date Environmental Assessment Form ("EAF") received	_____, 20____
11.	Date Agency completed environmental review	_____, 20____
12.	Date of final approval of application	_____, 20____

**INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT  
(HEREINAFTER, THE "COMPANY").**

**A. Identity of Company:**

1. Company Name: Northeast Transformer Services LLC  
Present Address: 51 Elm St.  
Zip Code: 13045 Employer's ID No.: 26-2717587

2. If the Company differs from the Applicant, give details of relationship:  
\_\_\_\_\_

3. Indicate type of business organization of Company:

- a. ☐ Corporation. If so, incorporated in what country? \_\_\_\_\_;  
State: \_\_\_\_\_; Date Incorporated \_\_\_\_\_;  
Type of Corporation? \_\_\_\_\_; Authorized to do business in  
New York State? Yes \_\_\_\_\_; No \_\_\_\_\_.
- b. ☐ Partnership. If so, indicate type of partnership \_\_\_\_\_;  
Number of general partners \_\_\_\_\_; Number of limited partners \_\_\_\_\_.
- c. ☒ Limited Liability Company. Formed in what country USA;  
State: DE; Date of Formation 6/8/2008;  
Authorized to do business in New York State? Yes X No \_\_\_\_\_.
- d. ☐ Sole proprietorship. Name of Sole Proprietor: \_\_\_\_\_.

4. 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:  
\_\_\_\_\_  
\_\_\_\_\_

**B. Management of Company:**

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

Name and Home Address	Office Held	Other Principal Office
Gilbert Kozar	President	—
735 Rt 222		
Certland, NY 13045		
William Harry	member	
George Newmark	member	
Jeff Leftkowitz	member	
1800 Harrison Ave Kearny		

WJ  
07032

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes \_\_\_\_; No X.
3. Has any person listed above ever been convicted of a criminal offense) other than a minor traffic violation)? Yes \_\_\_\_; No X.
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 X.
5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal owners of Company:

1. Is Company publicly held? Yes \_\_\_\_; No X. If yes, please list exchanges where stock is traded: \_\_\_\_\_

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

Name	Address	Percentage of Holding
Transformer Repair Acquisitions, LLC	1800 Harrison Ave Kearney, NJ 07032	49
Northeast Transformer Services Inc.	51 Elm St PO Box 430 Cortland, NY 13045	51

- D. Company's principal bank (s) of account: First Niagara

II. DATA REGARDING PROPOSED PROJECT.

- A. Description of the Project: (Please provide a brief narrative description narrative description of the Project.)

B. Location of Project:

1. Street Address: 7209 NYS Route 281
2. City of Peeble
3. Town of Peeble
4. Village of \_\_\_\_\_
5. County of Cortland

## **List of all owners/stockholders of Northeast Transformer Services LLC:**

<b>Transformer Repair Acquisitions LLC</b>	<b>49%</b>
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**George Newmark  
Jeff LeftKovits**

**1800 Harrison Ave  
Kearney, NJ**

<b>Northeast Transformer Services INC</b>	<b>51%</b>
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**Gilbert Kozar  
735 Rt 222  
Cortland NY**

**William Heary  
1175 Ledyard Rd  
King Ferry, NY**

C. **Description of the Project site:**

1. Approximate size (in acres or square feet) of the Project site: 36 acres  
Is a map, survey or sketch of the Project site attached? Yes X; No     .

2. Are there existing buildings on the Project Site? Yes X; No     .

a. If yes, indicate each existing building and indicate the approximate size (in square feet) of each building: 70,000

b. Are the existing buildings in operation? Yes X; No     . If yes, describe present use of present buildings: Bestdeck

c. Are the existing buildings abandoned? Yes     ; No X. About to be abandoned? Yes     ; No X. If yes, describe:     

d. Attach photograph of present buildings.

3. Utilities serving the Project site:

Water-Municipal:     

Other (describe) Well

Sewer-Municipal:     

Other (describe) Septic

Electric-Utility: National Grid

Other (describe)     

Heat-Utility: Propane

Other (describe)     

4. Present legal owner of the Project site: Bestdeck LLC

a. If the Company owns the Project site, indicate date of purchase:       
Purchase price: \$     .

b. If Company does not own the Project site, does Company have an option signed with the owner to purchase the Project site? Yes X; No     . If yes, indicate date option signed with the owner: 6/5/12; and the date the option expires: 9/1/12.

Purchase Contract

c. If the Company does not own the Project site, is there a relationship legally or by common control between the Company and the present owner of the Project site? Yes \_\_\_\_; No X. If yes describe; \_\_\_\_\_

5. a. Zoning District in which the Project site is located: Light Industrial 714

b. Are there any variances or special permits affecting the Project site? Yes \_\_\_\_; No X. If yes, list below and attach copies of all such variances or special permits: \_\_\_\_\_

**D. DESCRIPTION OF PROPOSED CONSTRUCTION:**

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes \_\_\_\_; No X. If yes, indicate number and size of new buildings: \_\_\_\_\_

2. Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site? Yes X; No \_\_\_\_\_. If yes, indicate the number of buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation: Cleaning and maintenance

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired constructed or expanded: Transformer refurbishing

**E. DESCRIPTION OF THE EQUIPMENT**

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes \_\_\_\_; No X. If yes describe the Equipment: \_\_\_\_\_

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment, which has previously been used? Yes \_\_\_\_; No X. If yes, please provide detail: \_\_\_\_\_

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

F. **PROJECT USE:**

1. What are the principal products to be produced at the Project site? \_\_\_\_\_  
Distribution Transformers  
\_\_\_\_\_
2. What are the principal activities to be conducted at the Project? \_\_\_\_\_  
Repair work, light manufacturing  
\_\_\_\_\_
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes \_\_\_\_; No X. If yes please provide detail:  
\_\_\_\_\_  
\_\_\_\_\_
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? \_\_\_\_\_%
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:
- a. Will the Project be operated by a not-for-profit corporation? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside of New York State? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes\_\_\_; No\_\_\_. If yes, please provide detail: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- e. Will the Project be located in one of the following: (i) in the City of New York; (ii) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (iii) a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes\_\_\_; No\_\_\_. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. If the answers to any of subdivisions c. through e. of questions 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes \_\_\_; No\_\_\_. If yes, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes X; No \_\_\_\_ If yes, please explain:  
Moving location from Cortland, NY to Preble, NY  
\_\_\_\_\_  
\_\_\_\_\_
8. 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 York? Yes X; No \_\_\_\_ If yes, provide detail: Moving Company from Cortland NY to Preble NY  
\_\_\_\_\_  
\_\_\_\_\_
9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

- a. Is the Project reasonably necessary to preserve necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes ☒; No \_\_\_\_\_. If yes, please provide detail: Grow to meet demands before the work is sent out of New York.
- b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ☒; No \_\_\_\_\_. If yes, please provide detail: Attached - summary and examples of similar properties available in PA

G. **PROJECT STATUS:**

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same? Yes ☒ No \_\_\_\_\_. If yes, please discuss in detail the approximate stage of such acquisition: Purchase Offer signed, beginning environmental and structural inspections
2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same? Yes \_\_\_\_; No ☒. If yes, please discuss in detail the approximate stage of such acquisition: \_\_\_\_\_
3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement 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.: \_\_\_\_\_
4. Please indicate amount of funds expended on the Project by the Company in the past three (3) years and the purpose of such expenditures: n/a

**III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT.**  
**(PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).**

- A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes\_\_\_; No ☒. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sub lessee name: \_\_\_\_\_  
Present Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Employer's ID No.: \_\_\_\_\_  
Sub lessee is: \_\_\_\_\_ Corporation: \_\_\_\_\_ Partnership: \_\_\_\_\_ Sole Proprietorship  
Relationship to Company: \_\_\_\_\_  
Percentage of Project to be leased or subleased: \_\_\_\_\_  
Use of Project intended by Sub lessee: \_\_\_\_\_  
Date of lease or sublease to Sub lessee: \_\_\_\_\_  
Term of lease or sublease to Sub lessee: \_\_\_\_\_  
Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes\_\_\_; No\_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II (F) (4) through (6) with respect to such sub lessee.

2. Sub lessee name: \_\_\_\_\_  
Present Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Employer's ID No.: \_\_\_\_\_  
Sub lessee is: \_\_\_\_\_ Corporation: \_\_\_\_\_ Partnership: \_\_\_\_\_ Sole Proprietorship  
Relationship to Company: \_\_\_\_\_  
Percentage of Project to be leased or subleased: \_\_\_\_\_  
Use of Project intended by Sub lessee: \_\_\_\_\_  
Date of lease or sublease to Sub lessee: \_\_\_\_\_  
Term of lease or sublease to Sub lessee: \_\_\_\_\_  
Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes\_\_\_; No\_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II (F) (4) through (6) with respect to such sub lessee.

3. Sub lessee name: \_\_\_\_\_  
Present Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Employer's ID No.: \_\_\_\_\_  
Sub lessee is: \_\_\_\_\_ Corporation: \_\_\_\_\_ Partnership: \_\_\_\_\_ Sole Proprietorship  
Relationship to Company: \_\_\_\_\_

Percentage of Project to be leased or subleased: \_\_\_\_\_

Use of Project intended by Sub lessee: \_\_\_\_\_

Date of lease or sublease to Sub lessee: \_\_\_\_\_

Term of lease or sublease to Sub lessee: \_\_\_\_\_

Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes\_\_\_; No\_\_\_. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II (F) (4) through (6) with respect to such sub lessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? \_\_\_\_\_

IV. **EMPLOYMENT IMPACT.** Indicate below the number of people presently employed at the Project Site and the number that will be employed at the Project site at end of the first and second years after the Project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant.

TYPE OF EMPLOYMENT				
	Professional Or Managerial	Skilled or unskilled	Semi-Skilled	Totals
Present Full Time	3	34		37
Present Part Time				
Present Seasonal				
First Year Full Time	3	44		47
First Year Part Time				
First Year Seasonal				
Second Year Full Time	3	49		52
Second Year Part Time				
Second Year Seasonal				
Third Year Full Time	3	54		57

V. **PROJECT COST**

- A. **Anticipated Project Costs.** State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and 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:

<b><u>Description of Cost</u></b>	<b><u>Amount</u></b>
Land	\$ <u>440,000</u>
Buildings	\$ <u>1,210,000</u>
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial and printing	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
<b>TOTAL PROJECT COSTS</b>	<b>\$ <u>1,650,000</u></b>

- B. Have any of the above expenditures already been made by the applicant?

Yes X; No \_\_\_\_\_. If yes, indicate particulars. 21,000.00 Deposit on purchase offer with contingencies

VI. **FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY**

A. **Tax Benefits**

- Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to project that did not involve the Agency? Yes X No \_\_\_\_\_. If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? Yes \_\_\_\_\_ No X.  
NETS has proposed to pay 35% tax rate for 10 years.
- Is the applicant expecting that the financing of the Project will be secure by one or more mortgages? Yes X; No \_\_\_\_\_. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 1,500,000.

B. **Financing**

- Is the applicant requesting that the Agency issue bonds to assist in financing the Project? Yes \_\_\_\_\_; No X. If yes, indicate:
  - amount of loan requested: \_\_\_\_\_ dollars; and
  - maturity requested: \_\_\_\_\_ years.

2. 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 X. 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? \$ \_\_\_\_\_.

3. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of each exemption.

a. N.Y.S. Sales and Compensating Use Taxes:	\$ <u>- 0 -</u>
b. Mortgage Recording Taxes:	\$ <u>15,000.00</u>
c. Real Property Tax Exemptions:	\$ <u>291,889 -</u>
d. Other (please specify):	\$ _____
_____	\$ _____
_____	\$ _____

4. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax-exemption Policy? Yes X; No \_\_\_\_\_. If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax-Exemption Policy: NETS proposes to pay a flat 35% tax base at the suggestion of the town of Freeb to help in budget planning for the town.

VII. **REPRESENTATIONS BY THE APPLICANT.** The applicant understands and agrees with the Agency as follows:

- A. **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 Agency, 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.
- B. **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 Agency, 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.
- C. **Annual Sales Tax Filings:** In accordance with Section 874 (8) of the New York 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 Agency, in accordance with Section 874 (8) 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, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.

- D. **Annual Employment Reports:** The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- E. **Absence of Conflicts of Interest:** The applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Gilbert Kozar  
(Applicant)  
BY: Gilbert Kozar

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**NOTE: APPLICANT MUST COMPLETE THE APPROPRIATE VERIFICATION AND APPEARING ON PAGES 15, 16, AND 17 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 18.**  
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VERIFICATION

(If Applicant is a Corporation)

STATE OF New York )  
COUNTY OF Cortland ) SS.:  
Gilbert Kozar deposes and says that he/she is the  
(Name of officer of applicant)  
President of NETS LLC  
(Title) (Company Name)

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said Company is because the said Company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

Gilbert Kozar  
(Officer of applicant)

Sworn to before me this 25<sup>th</sup>  
Day of June, 2012.

Sandy L. Griep  
Notary Public

SANDY L. GRIEP  
Notary Public, State of New York  
Registration No. 01GR5008734  
Qualified in Cortland County  
Commission Expires January 11, 2015



## HOLD HARMLESS AGREEMENT

Applicant hereby releases Cortland County Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "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, the attached Applications, regardless of whether or not the application or the Project described therein or the tax exemptions and other assistance requested therein are favorable acted upon 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 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 Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon representation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

Gilbert Kozar

(Applicant)

BY: Gilbert Kozar

Sworn to before me this 25<sup>th</sup>  
Day of June, 20 12.

Sandy L. Grieb  
Notary Public

**SANDY L. GRIEP**  
Notary Public, State of New York  
Registration No. 01GR5006734  
Qualified in Cortland County  
Commission Expires January 11, 20 15



## **Northeast Transformer Services LLC.**

**51 Elm St. Cortland NY, 13045**

**Phone (607)-753-7510**

**Fax (607)-753-7512**

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### **Expansion of Northeast Transformer Services LLC**

**Northeast Transformer Services (NETS) is an environmentally friendly transformer remanufacturing facility in Cortland, New York. NETS picks up used transformers from utilities and municipals that would otherwise be scrapped, and remanufactures them to new condition. All vital parts on a NETS transformer are salvaged from a used transformer. The NETS units sent back to the utility last as long as a new transformer, but cost half the price. This allows for tremendous savings and recycling value for the utilities of the northeast.**

**NETS is a clean, sustainable and environmentally aware company that only repairs Non-PCB transformers. The NETS facility does not generate or handle any forms of hazardous waste, even the transformer paint that is designed to withstand over 20 years outdoors is water based. In 2011 NETS reprocessed and reused over 100,000 gallons of mineral oil that tested non-detectable for PCBs. In addition to recycling oil in 2011, NETS put over one million pounds of metals back on the energy grid in the form of remanufactured transformers.**



**Started in 1999 by Gilbert Kozer, NETS has grown to over 35 employees with over 100 years of transformer refurbishing experience. The current facility was upgraded less than 2 years ago, and has since been outgrown. With the rapid move to recycle and cut costs, more and more utilities are**

contracting the NETS remanufacturing program. The property is not large enough for the incoming workload that is demanded by customers. Inside the facility the production line has been crowded to the point where no more jobs can be added during the current work hours until expansion occurs.

Both National Grid and Con Edison have notified NETS that they will be sending more units for remanufacturing in 2012. NETS was just audited recently by Cooper Power Systems, a major transformer manufacturer. This audit resulted in authorization of our clean professional facility, and certification as the regional service center for all Cooper Power warranty issues. In March 2012 Pennsylvania Power and Light began sending units for repair. This has doubled our workload, and cannot be sufficiently handled in our current facility. Remanufacturing specifications are in the works for three new product lines, for PSEG, National Grid and UGI of Pennsylvania to begin sending even more types of electrical equipment to NETS for repair. Each product line alone has the potential to create another 10 jobs per customer. Once these contracts are finalized NETS will begin forming relationships with the largely untapped customer base that still remains in the area. Within the next 3 years there is a potential need to grow our production line to 100 employees.

---

Given the situation, NETS can no longer continue operations in the current location. A minimum of 20 employees must be hired and trained to handle the incoming workflow. Space requirements must also be handled at a rapid pace.

NETS has signed a purchase offer for the Bestdeck Facility at 7209 NYS Rt. 281, Preble, NY, 13141.

Along with the Preble property, NETS is also considering multiple properties in Pennsylvania. The properties are much larger than the Preble, New York building, and the property taxes would save NETS approximately \$400,000 every 10 years without a Pennsylvania Business Incentive Program. The current building of interest in Pennsylvania is located in Mount Joy. The comparisons are listed below:

	New York	Pennsylvania
Square Feet	70,000	117,000
Purchase Price	\$1,650,000.00	\$950,000.00
Property Taxes	\$54,000.00	\$15,000.00

The first 10 year difference of the Pennsylvania property tax savings is comparable to the current BDC/IDA incentive offer, but will continue saving the same amount every 10 year period after. Moving out of state has become the most economical option for the immediate situation, and the future of our company. The property tax savings alone would be tremendous, especially with the large potential for expanding the Preble location beyond what it is currently assessed at.

NETS is partnered with G&S Technologies, a transformer decommissioning facility in Kearny, NJ. The G&S facility has close to 500 employees that work with the same customers NETS is currently forming contracts with. Relocating NETS to Pennsylvania would bring the facility closer to NJ for shorter transportation of units. G&S Technologies is constantly improving business for NETS by forming partnered business strategies with the customers they've worked with for over 20 years.

Out of state competitors are also growing at a fast pace. If NETS does not expand to meet customer needs, competitors in Connecticut and Pennsylvania could outgrow us. All of our jobs would be lost, and the work taken out of state.

---

Relocating to Preble will retain 37 jobs.

Year 1 will create 10 jobs.

Year 2 will create 5 jobs.

Year 3 will create 5 jobs

---

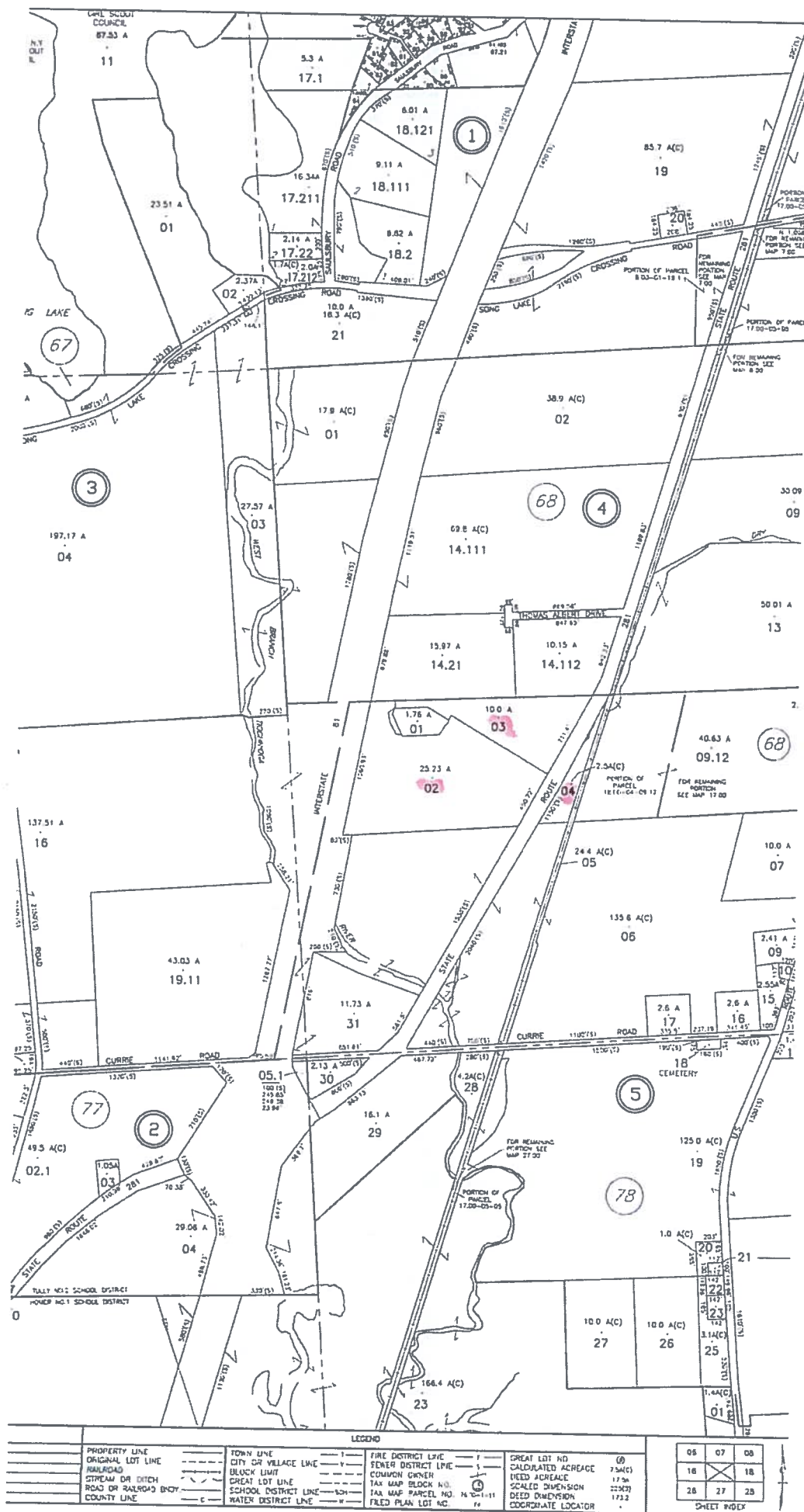
The purchase project will cost \$1,650,000.

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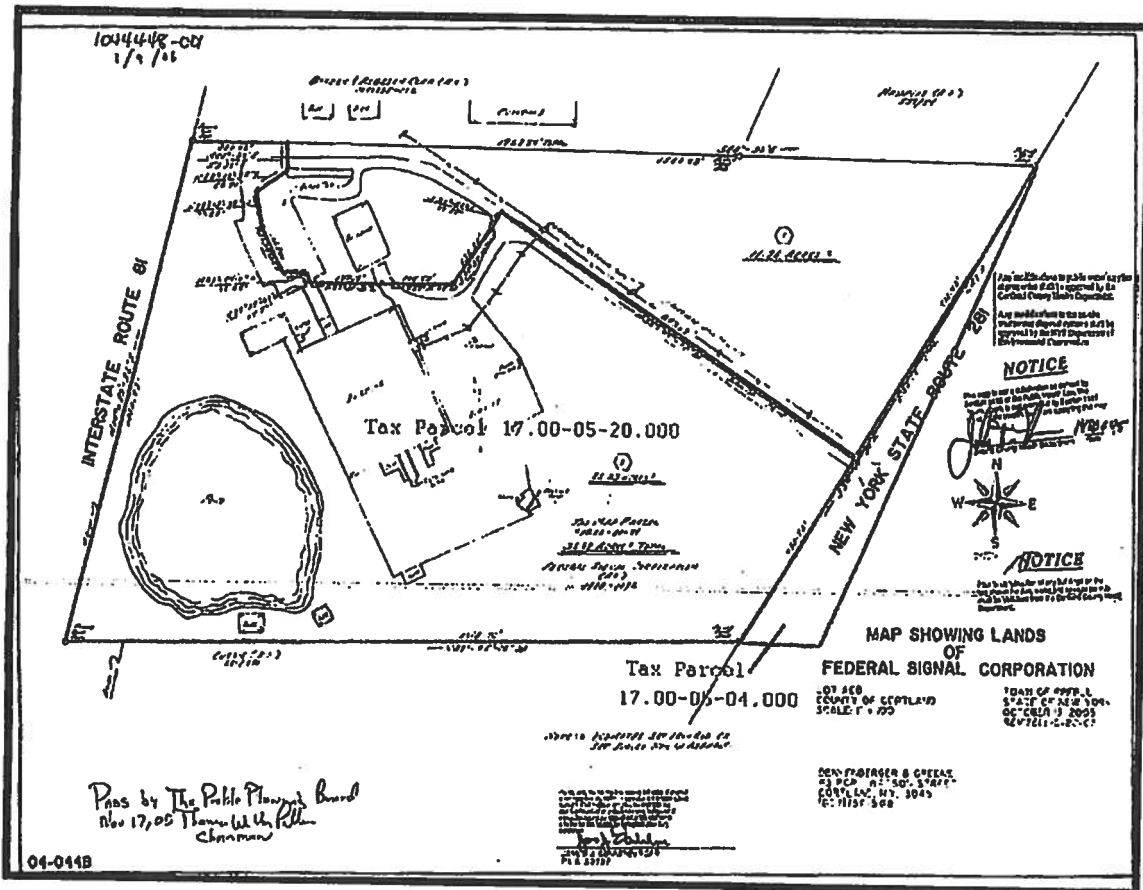
Patrick Kozer

6.1.12

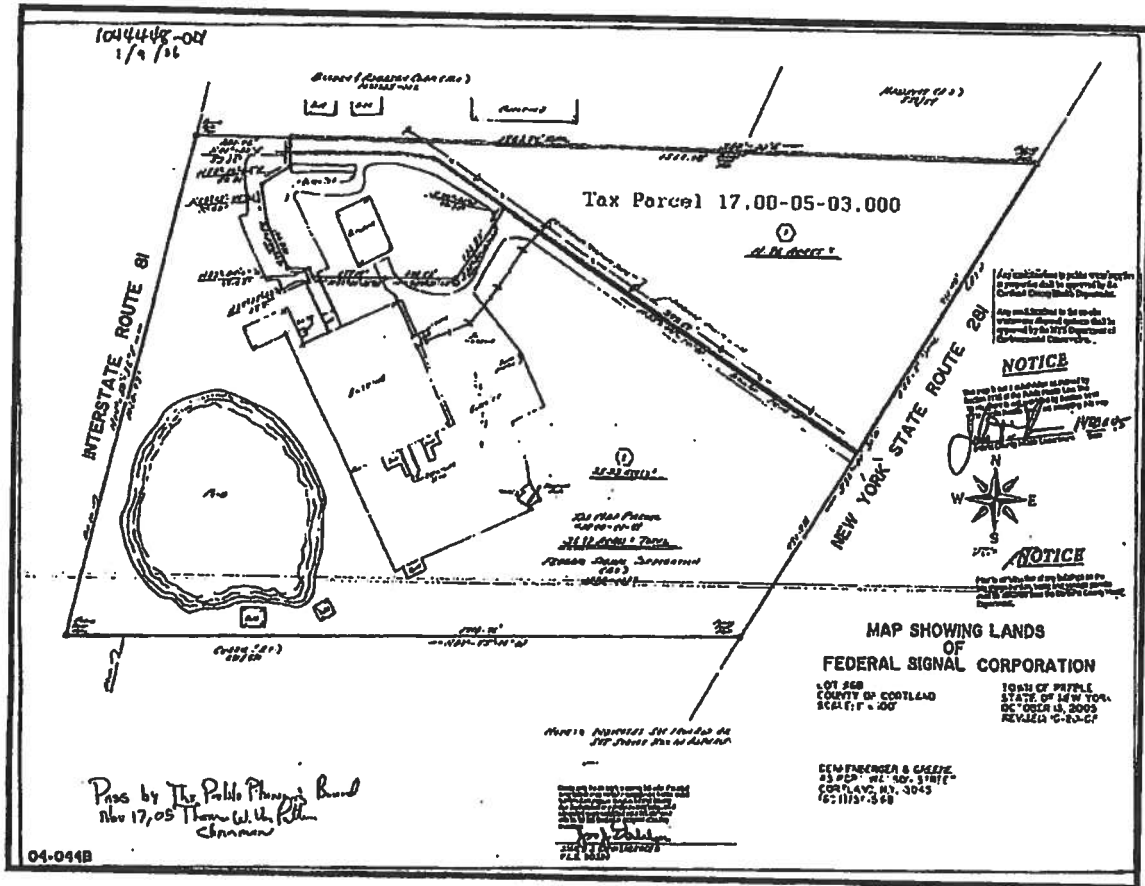
Northeast Transformer Services LLC.



# Exhibit A



# Exhibit A





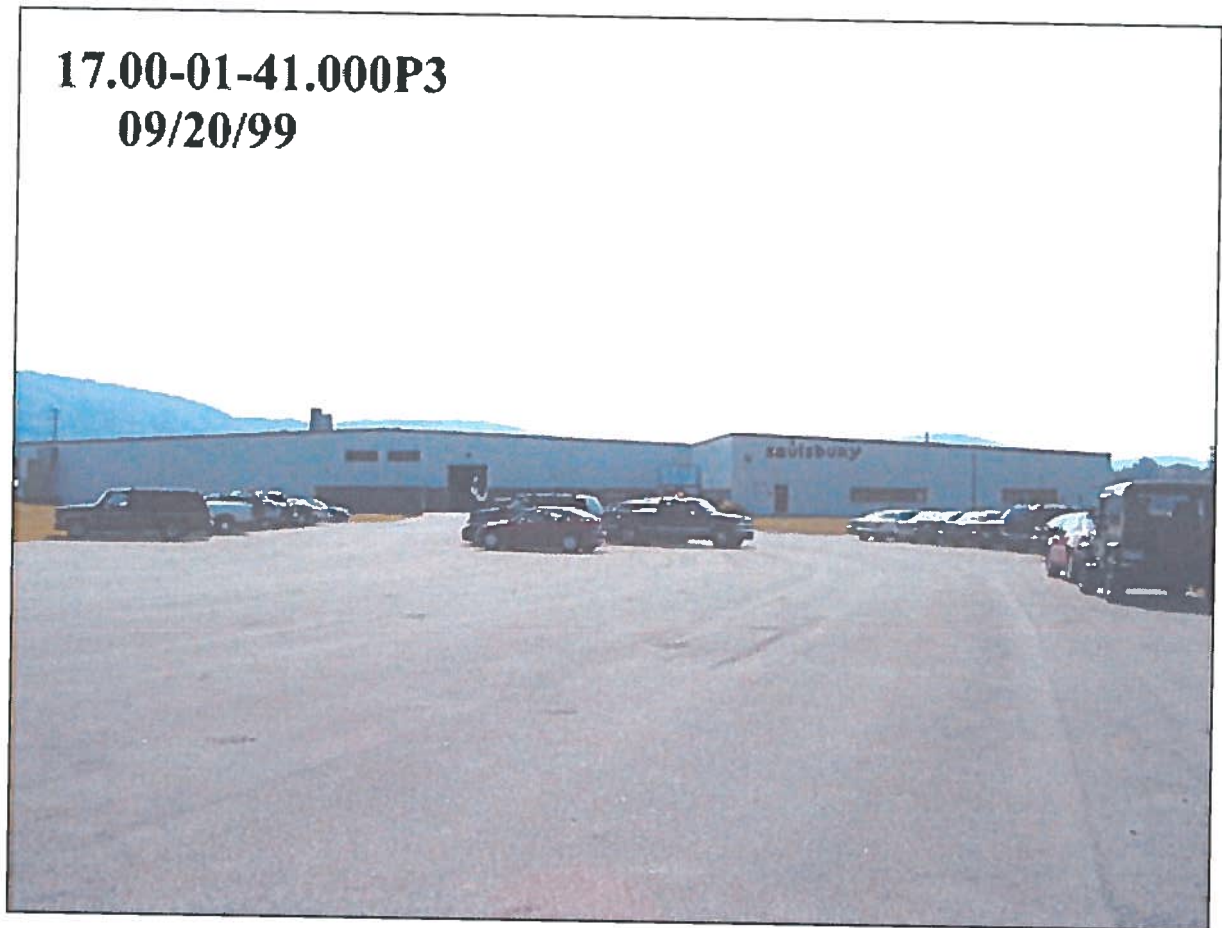


1 of 5

Photo 1 of 5

Photo for 17.00-05-02.000 in Preble





3 of 5

Photo 3 of 5

Photo for 17.00-05-02.000 in Preble

Cortland County


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**Commercial**

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Municipality of Preble			
SWIS:	113600	Tax ID:	17.00-05-02.000
Tax Map ID / Property Data			
Status:	Active	Roll Section:	Taxable
Address:	7197 Route 281		
Property Class:	714 - Lite Ind Manfr	Site Property Class:	714 - Lite Ind Manfr
Site:	Com 1	In Ag. District:	No
Zoning Code:	-	Bldg. Style:	Not Applicable
Neighborhood:	03609 -	School District:	Tully
Legal Property Description:	Fire #7197=Level Propane		
Total Acreage/Size:	25.23	Equalization Rate:	2012 - Tentative 100.00% 2011 - 100.00%
Land Assessment:	2012 - Tentative \$133,000 2011 - \$252,300	Total Assessment:	2012 - Tentative \$1,270,960 2011 - \$1,270,960
Full Market Value:	2012 - Tentative \$1,270,960 2011 - \$1,270,960		
Deed Book:	10440	Deed Page:	96001
Grid East:	941293	Grid North:	1003711
Special Districts for 2012 (Tentative)			

Description	Units	Percent	Type	Value
Preble Fire	0	0%		0

**Photographs**

(Click on photo to enlarge it.)

1 of 5

Photo 1 of 5 [→](#)

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Special Districts for 2011				
Description	Units	Percent	Type	Value
Preble Fire	0	0%		0
Land Types				
Type			Size	
Primary			2.00 acres	
Residual			15.51 acres	
Tillable			7.72 acres	

## Property Description Report For: Route 281, Municipality of Preble

<i>No Photo Available</i>		<b>Status:</b>	Active
		<b>Roll Section:</b>	Taxable
		<b>Swis:</b>	113600
		<b>Tax Map ID #:</b>	17.00-05-04.000
		<b>Property Class:</b>	311 - Res vac land
		<b>Site:</b>	RES 1
		<b>In Ag. District:</b>	Yes
		<b>Site Property Class:</b>	311 - Res vac land
		<b>Zoning Code:</b>	04
		<b>Neighborhood Code:</b>	03601
		<b>School District:</b>	Tully
		<b>Total Assessment:</b>	2012 - Tentative \$1,300 2011 - \$1,300
<b>Total Acreage/Size:</b>	2.50		
<b>Land Assessment:</b>	2012 - Tentative \$1,300 2011 - \$1,300		
<b>Full Market Value:</b>	2012 - Tentative \$1,300 2011 - \$1,300		
<b>Equalization Rate:</b>	2012 - Tentative 100.00% 2011 - 100.00%	<b>Legal Property Desc:</b>	
<b>Deed Book:</b>	2010	<b>Deed Page:</b>	2308
<b>Grid East:</b>	942390	<b>Grid North:</b>	1003685

### Area

<b>Living Area:</b>	0 sq. ft.	<b>First Story Area:</b>	0 sq. ft.
<b>Second Story Area:</b>	0 sq. ft.	<b>Half Story Area:</b>	0 sq. ft.
<b>Additional Story Area:</b>	0 sq. ft.	<b>3/4 Story Area:</b>	0 sq. ft.
<b>Finished Basement:</b>	0 sq. ft.	<b>Number of Stories:</b>	0

### Structure

<b>Building Style:</b>	0	<b>Bathrooms (Full - Half):</b>	0 - 0
<b>Bedrooms:</b>	0	<b>Kitchens:</b>	0
<b>Fireplaces:</b>	0	<b>Basement Type:</b>	0
<b>Porch Type:</b>	0	<b>Porch Area:</b>	0.00
<b>Basement Garage Cap:</b>	0	<b>Attached Garage Cap:</b>	0.00 sq. ft.
<b>Overall Condition:</b>	0	<b>Overall Grade:</b>	
<b>Year Built:</b>			

### Owners

Bestdeck, LLC  
P.O. Box 245





THIRTY-SEVEN

Not a legal survey

## Property Description Report For: Route 281, Municipality of Preble

*No Photo Available*

		<b>Status:</b>	Active
		<b>Roll Section:</b>	Taxable
		<b>Swis:</b>	113600
		<b>Tax Map ID #:</b>	17.00-05-03.000
		<b>Property Class:</b>	105 - Vac farmland
		<b>Site:</b>	RES 1
		<b>In Ag. District:</b>	No
		<b>Site Property Class:</b>	105 - Vac farmland
		<b>Zoning Code:</b>	-
		<b>Neighborhood Code:</b>	03609
		<b>School District:</b>	Tully
		<b>Total Assessment:</b>	2012 - \$20,000
<b>Total Acreage/Size:</b>	10.00	<b>Legal Property Desc:</b>	
<b>Land Assessment:</b>	2012 - \$20,000	<b>Deed Page:</b>	218
<b>Full Market Value:</b>	2012 - \$20,000	<b>Grid North:</b>	1004190
<b>Equalization Rate:</b>	2012 - 100.00%		
<b>Deed Book:</b>	2008		
<b>Grid East:</b>	941814		

### Area

<b>Living Area:</b>	0 sq. ft.	<b>First Story Area:</b>	0 sq. ft.
<b>Second Story Area:</b>	0 sq. ft.	<b>Half Story Area:</b>	0 sq. ft.
<b>Additional Story Area:</b>	0 sq. ft.	<b>3/4 Story Area:</b>	0 sq. ft.
<b>Finished Basement:</b>	0 sq. ft.	<b>Number of Stories:</b>	0

### Structure

<b>Building Style:</b>	0	<b>Bathrooms (Full - Half):</b>	0 - 0
<b>Bedrooms:</b>	0	<b>Kitchens:</b>	0
<b>Fireplaces:</b>	0	<b>Basement Type:</b>	0
<b>Porch Type:</b>	0	<b>Porch Area:</b>	0.00
<b>Basement Garage Cap:</b>	0	<b>Attached Garage Cap:</b>	0.00 sq. ft.
<b>Overall Condition:</b>	0	<b>Overall Grade:</b>	
<b>Year Built:</b>			

### Owners

Prop Inc  
3877 Luker Rd  
Cortland NY 13045

### Sales

*No Sales Information Available*

### Utilities

<b>Sewer Type:</b>	None	<b>Water Supply:</b>	None
--------------------	------	----------------------	------

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## 3289 Route 446

Eldred, PA 16731

Submarket: All Other PA Areas

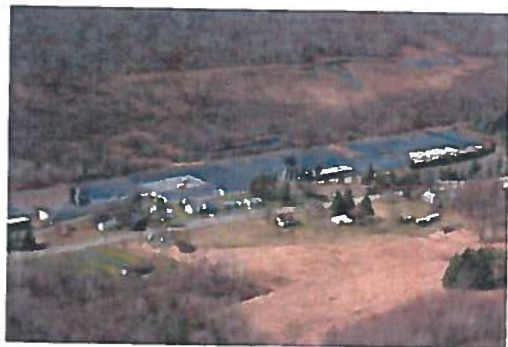


Photo 1 of 2

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### For Sale

 Price:  
**\$1,800,000**

 Size Available:  
**296,000 SF**

 Type of Use:  
**Industrial**

Listing presented by


**Pyramid Brokerage  
 Company/Cushman &  
 Wakefield Alliance Member**

Request more information

[Michael Manzari, CCIM, SIOR](#)  
 (607) 937-9720 Ext: 301

Contact Listing Agent

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Your Email Address

Your Phone Number

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### Description

Former Ethan Allan Manufacturing facility with 296,000SF, 23 dock height doors with levelers, shipping and receiving area, sprinkler system, air pipelines throughout building (no compressor). Great facility for assembly, manufacturing, distribution and much more. Potential for natural gas company needing rail. Mineral rights negotiable.

### Building Details

Building Name	Ethan Allan Former
Year Built	1960
Building Website	<a href="#">View building website</a>

Listing ID	OP17375492
Link to this Listing	<a href="http://www.cityfeet.com/Commercial/ForSale/">http://www.cityfeet.com/Commercial/ForSale/</a>

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## Strickler Road & Four Star Drive

Mount Joy, PA 17552 [Map](#)

Submarket: All Other PA Areas



### For Sale

Price  
**\$950,000**Size Available  
**117,000 SF**Type of Use  
**Industrial**Listing presented by  
**Kasun Development Corporation****Request more information**[Lee Kasun](#)  
(717) 285-2268**Contact Listing Agent**

First Name Last Name

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### Description

117,000 Square Foot Modern Distribution Warehouse. Build to Suit with approved Land Development Plan. Could be occupied within 4-5 months of Agreement. Straight Land purchase available for \$ 1,300,000

### Building Details

Number of Floors	1
Year Built	2006

Listing ID **OP17137015**Link to this Listing <http://www.cityfeet.com/Commercial/ForSale/>

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## 1400 west 20th

 Erie, PA 16502 [Map](#)

Submarket: Erie


[Photo 1 of 7](#)
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### For Sale

 Price  
**\$495,000**

 Size Available:  
**80,000 SF**

 Type of Use:  
**Industrial**

 Listing presented by  
**SRC Property**

Request more information

[Stephen Rouke](#)  
 (575) 740-1821

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### Description

Call .575-740-1821. High ceilings, 26 feet. Main room 80,000 sq feet, main room 50,000 sq feet.

### Building Details

Building Name	Factory/Warehouse
Single/Multi Tenants	Single

 Listing ID **OP15797014**

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## 333 Crestwood Drive

Mountaintop, PA 18707 [Map](#)

Submarket: Other Areas



[Photo 1 of 1](#)

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### For Sale

Price  
**\$1,000,000**

Size Available:  
**60,574 SF**

Type of Use  
**Industrial**

Listing presented by

**NAI Mertz**

Commercial Real Estate Services Worldwide

**NAI Mertz Corporation**

**Request more information**

[Dave Weaver](#)

(570) 820-7700 Ext: 274

(570) 578-8296

**Contact Listing Agent**

First Name Last Name

Your Email Address

Your Phone Number

Please send me additional information about this property.

**Email Listing Agent**

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### Description

For Sale/Lease - 60,574 +/- SF industrial property for sale or lease situated on 12.28 +/- acres and offers 17' clear ceilings, 36'x50' column spacing, 4 tailgates, 1 drive-in, gas fired unit heaters and ample parking.

### Building Details

Building Name 333 Crestwood Drive  
Number of Floors 1

Listing ID OP16243317  
Link to this Listing <http://www.cityfeet.com/Commercial/ForSale/>

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### Map

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# Northeast Transformer Services LLC



Northeast Transformer Services has been repairing transformers since 1999. Management and staff have over 100 years experience in the repair field. Service area covers from Pennsylvania to Maine. Family owned and operated business that offers prompt, courteous service. Some on site services offered.



## Utility Services Offered:

Pole mounted and pad mounted, single and three phase transformer repair and testing up to 3750 KVA

Voltage Regulator Repair

Underground and Network Repair

Recloser and Switchgear Repair

Emergency Repair Services

Pickup and delivery by company fleet with spill containment

All units painted and tested per ANSI

All units inspected a minimum of six times throughout the repair process

Quality backed by new unit warranty

Computerized tracking through repair process



## New Facility

New State of the Art facility includes steel shot blast booth and overhead crane that runs the entire length of the building.

## Carbon Footprint

Northeast Transformer Services is dedicated to shrinking the environmental impact of all customers. Each year NETS puts over one million pounds of metals back on the energy grid in the form of remanufactured transformers.





# Northeast Transformer Services LLC



## ENVIRONMENTAL PROTECTION

**NETS ONLY HANDLES EQUIPMENT <50 PPM OF PCBS**

**MINERAL OIL IS REPROCESSED AND RECYCLED**

**ALL UNITS FILLED WITH OIL  
THAT IS <1 PPM OF PCBS**

**NETS FACILITY IS COMPLETELY CONTAINED BY  
BERMS, SEALANTS, AND DIKES**

**ALL EMPLOYEES TAKE 8 HOUR HAZWOPER ANNUALLY**

**NETS FLEET IS EQUIPPED WITH CONTAINMENT PANS**



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