

January 31, 2024

Suzanne Loughlin, Chairperson and Member of the Board of Directors
Ira Steingart, Chief Executive Officer
Walter Garigliano, Esq., Agency Counsel
Jennifer Flad, Executive Director
County of Sullivan Industrial Development Agency
548 Broadway
Monticello, New York 12701

RE: Monticello Kosher Supermarket LLC
507 Broadway, Monticello, New York
Tax Parcel SBL 111-07-01 & 111-08-02 (the "Property")

Dear Chairperson Loughlin, Mr. Steingart, Mr. Garigliano, Ms. Flad and Members of the Board of Directors:

This office represents Monticello Kosher Supermarket LLC (the "Applicant") in the attached Application for Financial Assistance (the "Application"). The Applicant is proposing the construction and year-round operation of a kosher supermarket (the "Project") in the Village of Monticello.

The Applicant's Project aspires to benefit Monticello's growing year-round community as well as those winter and summer vacationers. A supermarket that operates year round facilitates access to goods and basic needs. It is also able to provide better prices, products and stable employment opportunities to the community.

As a further inducement to expand investment in Sullivan County, the Applicant desires to enter into agreements with the Agency to assist with its construction and operation of the Property and ultimately create new employment opportunities. To this end, after purchase, the Applicant plans to invest over \$2.2M in immediate construction as well as approximately \$1.27 M for equipment and approximately \$1.89M in initial inventory and working capital for the first year. As further inducement to invest in Sullivan County and make the Project a reality, the financial assistance required from the CSIDA include a limited real estate tax abatement, a sales and use tax

exemption, and mortgage recording tax exemption (collectively, the “Financial Assistance”).

The specifics of the Financial Assistance requested are set forth more particularly in the attached Application. In support of the instant Application, we bring the Agency’s attention to the following:

a. The Project/Location –The proposed Project includes the construction of a two story structure that will be used as a supermarket. The first floor will entail the retail and sales portion of the supermarket. The second floor will be facilitated to support the operations of the supermarket and will include an office space, storage, kitchen, and break room. The Project is located within the Core-Business (B-2) zoning district in the Village of Monticello, which allows for retail or wholesale businesses or service stores. The Project will offer its services six days a week year round unlike many supermarkets in the area. This will enable the surrounding community with access to food and basic needs without the need to travel far or to surrounding towns. In addition, the Project parcels lie within census tract 9518.02, which qualifies as a ‘highly distressed area’ under the General Municipal Law (“GML”).

b. Private Investment - The anticipated capital investment in the Project will be approximately \$5.4M. This investment, coupled with the recent investments of hundreds of millions of dollars in Sullivan County within the past five years, will lead to significant additional direct and indirect investments in the local economy.

c. Job Creation – The Project is expected to create approximately 8 year round full time employee positions and approximately 23 seasonal employees in the summer months (June, July, August). In addition, approximately 15 temporary construction jobs are anticipated. The jobs created will improve and benefit the region. More detail is provided on the Application.


d. Timely Completion – The \$2.2M construction will commence immediately after financial assistance from the IDA is approved. This construction is anticipated to last for a year. After construction is completed, equipment and inventory will be purchased.

e. Existing Approvals - The Applicant has an approved site plan from the Village of Monticello. Permits will be obtained as soon as financing is approved, so no delays are expected to commence the construction, other than ministerial building permits.

We look forward to working with you on this Application. Should you require additional information in support of this Application, please do not hesitate to contact me.

Very truly yours,

CONNELL FOLEY LLP

By: 
George Duke, Esq.

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
548 Broadway
Monticello, New York 12701
845-428-7575
APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION:

Company Name: Monticello Kosher Supermarket LLC

Address: 125 Park Ave Monticello, NY 12701

Phone No.: 845-662-2874

Telefax No.: _____

Email Address: chaimzwiesel@gmail.com

Fed Id. No.: XXXXXXXXXX _____

Contact Person: Chaim Wiesel

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

Principal Owners (Shareholders/Members/Owners): Chaim Wiesel, sole member

Directors/Managers: _____

Officers: _____

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

Form of Entity:

_____ Corporation (Sub-s)

Date of incorporation: _____

State of incorporation: _____

_____ Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____
Date of formation: _____
Jurisdiction formation: _____

Limited Liability Company/Partnership (number of members 1)

Date of organization: 8/14/2023
State of organization: New York State

Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes No N/A _____ (If so, please append Certificate of Authority.)

APPLICANT'S COUNSEL

Name: Connell Foley LLP; George Duke, Esq.

Address: 875 Third Avenue 21st Floor New York, NY 10022

Phone No.: 212-542-3772

Telefax No.: _____

Email Address: GDuke@connellfoley.com

II. REQUESTED FINANCIAL ASSISTANCE

Estimated Value

Real Property Tax Abatement (estimated)	<u>\$900K over 16 yrs</u>
Mortgage Tax Exemption	<u>\$46K</u>
Sales and Use Tax Exemption	<u>\$320K</u>
Issuance by the Agency of Tax Exempt Bonds	<u>\$N/A</u>

III. PROJECT INFORMATION

A.) Project Location: Monticello

Project Address: 507 Broadway
Tax Map Number(s): SBL 111-07-01 & 111-08-02
Located in the Village of: Monticello
Located in Town of Thompson N/A
Located in the School District of Monticello Central School
Located in Hamlet of N/A

(i) Are Utilities on Site?

Water/Sewer yes Electric yes
Gas no (LPG to be used) Storm Sewer yes

(ii) Present legal owner of the site: Monticello Kosher Supermarket LLC

If other than Applicant, by what means will the site be acquired for this Project:

(iii) Zoning of Project Site: Current: Core-Business (B-2) Proposed: B-2

(iv) Are any variances needed: No

(v) Principal Use of Project upon completion: Supermarket

B.) Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? No; If yes, please explain:

C.) Will the Project result in the abandonment of one or more Plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? No; If yes, please explain:

D.) If the answer to either question B or C above is yes, you are required to indicate whether any of the following apply to the Project: N/A

1. Is the Project reasonably necessary to preserve the competitive position of the Applicant or such Project Occupant in its industry? Yes _____; No _____. If yes, please explain:

_____ N/A _____

2. Is the Project reasonably necessary to discourage the Applicant 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 explain:

_____ N/A _____

E.) Will the Project include facilities or property that will be primarily used in making retail sales of goods or provide services to customers who personally visit such facilities? Yes; If yes, please contact the Agency for additional information.
See attached Supplement

F.) Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or all equipment purchases). Identify specific uses occurring within the Project. Describe any and all tenants and any/all end users. Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary. See attached Supplement

G.) COSTS AND BENEFITS OF THE PROJECT

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ <u>320K</u>
Estimated Mortgage Tax Exemption	\$ <u>46K</u>
Estimated Property Tax Abatement	\$ <u>900K over 16 yrs</u>
Estimated Interest Savings IRB Issue	\$ <u>N/A</u>

Benefits= Economic Development

Jobs created	<u>8 FTE & 23 PTE</u>
Jobs retained	<u>0</u>
Private funds invested	\$ <u>5.4M</u>
Other Benefits	<u>N/A</u>

Estimate how many construction/permanent jobs will be created or retained as a result of this Project:

Construction: 15
Permanent: 8 Full Time year round and 23 part time/seasonal
Retained (at current facility): N/A

Project Costs (Estimates)	
Land and Existing Buildings	\$ <u>250K</u>
Soft Costs (5%)	\$ <u> </u>
Other	\$ <u>5.4M</u>
Total	\$ <u>5.65M</u>

In addition to the above estimated capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources and an estimate of both the amount to be invested by the Applicant and the amount to be borrowed to finance the Project.

The \$250,000 for the cost of the property was invested by the Applicant. A \$4.6M SBA loan will be used to the finance the remainder of the Project. The application for those funds is in process.

In addition to the job figures provided above, please indicate the following:

- 1) The projected number of full time equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

The Applicant projects 8 year round full time employees. During the summer months this number is projected to increase to 31 employees. Part time employees will be hired on an as needed basis.

- 2) The projected timeframe for the creation of new jobs

The projected timeframe for the creation of new jobs is 1 year. This is to occur after construction finalizes and equipment and inventory are brought to the Project.

- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

The estimated salary or hourly wages will vary depending on the position

- CEO: \$6,000/Month
- Store Manager/Cashier: \$4,000/month
- Cashier, Cleaners and Restocking: \$15/hr.
- Delivery person: \$20/hr.
- Customer Service Representative: \$17/hr.
- Bookkeeper: \$2,000/month
- Weekend staff: \$20/hr.

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The labor market area defined by the agency (Mid-Hudson Economic Development Region).

1,433,386

H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency

The Applicant has determined that requested financial assistance is necessary for the successful operation of the supermarket. Without the requested financial assistance, it is highly unlikely that Applicant could financially complete the project and operate.

IV. 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, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.
- F.) The Applicant represents that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the

application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- G.) The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- H.) The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

(APPLICANT)

Monticello Kosher Supermarket LLC

By: (NAME, TITLE)

Date: Chaim Wiesel

(APPLICANT)

By: (NAME, TITLE)

Date: 1/26/24

STATE OF NEW YORK)
COUNTY OF SULLIVAN) ss.:

Chaim Wiesel
~~George Duke~~, being first duly sworn, deposes and says:

1. That I am the side member of Monticello Kosher Supermarket LLC (collectively, the "Applicant") and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

Chaim Wiesel
(NAME)

Subscribed and affirmed to me under penalties of perjury
this 26 day of January, 2024.

George Duke
(Notary Public)

George Duke - Notary Public State of New York
02DU6104497
Exp. 6/13/24

HOLD HARMLESS AGREEMENT

Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("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 Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the 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 the 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 attorneys' fees, if any.

(APPLICANT)

Monticello Kosher Supermarket LLC

By: (NAME, TITLE)

Date: Chaim Mesel

(APPLICANT)

By: (NAME, TITLE)

Date: 1/26/24

Sworn to before me this

26 day of January, 2024.

Notary Public

George Duke - Notary Public of the State of New York
George Duke
02DU6104497
Exp. 6/13/24

**SUPPLEMENT TO APPLICATION FOR FINANCIAL ASSISTANCE
FROM THE COUNTY OF SULLIVAN
INDUSTRIAL DEVELOPMENT AGENCY (“IDA”)**

Monticello Kosher Supermarket LLC
507 Broadway, Monticello, NY

Supplement to III. Project Information - E.)

Industrial development agencies cannot provide financial assistance to any project that is primarily engaged in retail sales to customer who personally visit the project’s facility to obtain such goods or services, unless: (1) the predominant purpose of the project would be 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 proposed project would be located...or (2) the project is located in highly distressed area.

In this case the Project falls under both of the IDA’s retail sales program exceptions. First, the predominant purpose of the Project is to facilitate goods to a community that does not have access to these specialty goods on a year round basis. Supermarkets in the area are closed during the winter season and therefore hinder its residents access to food and basic needs. Additionally, the project will also provide kosher foods to the ever growing orthodox community in Monticello. Lastly due to the Supermarket’s year round services it would have the ability to accept WIC benefit recipients in its store.

Second, the Project parcels lie within Census Tract 9518.02, which qualifies as a highly distressed area under the General Municipal Law (“GML”). According to the US Census Bureau’s 2021 American Community Survey five-year estimates, this tract has an unemployment rate of 10.5% compared with the NYS rate of 6.2%. This tract also has a family poverty rate of 21.3% and an individual poverty rate of 22.9%. Under the GML a “highly distressed area” is a census tract with a poverty rate of at least 20% and an unemployment rate of at least 1.25 times the NYS rate, or a tract that is contiguous thereto.

Given that the project meets both exceptions, under the GML the IDA may approve a retail project application only if:

- (i) The Agency finds that undertaking the project will preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in New York State, and
- (ii) the proposed action of IDA with respect to the project is confirmed by the County Manager.

Here the Agency should determine that the Project will increase the overall number of permanent, private sector jobs in New York State. The proposed Project will bring full time year round employment, seasonal employment and part time opportunities as needed.

Supplement to III. Project Information - F.)

The year-round orthodox community in Monticello currently consists of 85 large families, and is growing. A big reason why so many families have decided to move up here in the past five years is the more affordable housing market and rent. The relative affordability of Monticello is anticipated to bring significant population growth and business expansion.

The Applicant is proposing the construction and operation of a kosher supermarket (the "Project") in the Village of Monticello. The property is owned by the Applicant and consists of a vacant lot. The construction of the two story building will take a year, operations may commence after construction is complete and equipment and inventory have been acquired. The estimated costs for the propped Project are: \$2,200,000 for construction; \$1,270,00 for equipment and \$1,890,000 for inventory and working capital for the first year.

According to a recent survey taken by the local kosher consuming families, each spends between \$400 and \$900 weekly for grocery needs. This adds up to an estimated gross sales income to \$221,000 a month.

In addition, Monticello is a popular vacation destination for weekends during the winter. Many homeowners come up to enjoy the peace and comfort of their winterized summer homes every other weekend. Others rent out resorts with their extended family too. These vacationers' supermarket orders easily add up to \$1,000 per family per weekend. Without any other kosher supermarkets open in this area for the winter season, this supermarket can expect at least \$50,000 a month just from the weekend visitors.

In the summer, while there are some more supermarkets open, they still can't possibly serve the enormous overflowing amount of vacationers that turn Monticello into a city. A new supermarket will not take anyone's business away, especially with the demand for kosher supermarkets growing. Additionally, having the ability of accepting WIC programs by being an all year round food retailer will have many of the WIC users shop at this supermarket.

Having this amount of weekly customers all year round enables the business to cover expenses comfortably every month, and bring in at least four times the profit in June, July, and August.

With the experience and expertise of close to four years of running food retail stores in this area, Chaim Wiesel, CEO of the Kosher Pantry, has the information needed to know what are the needs of the clientele. Stocking up on the specific brands and species the families and guests prefer, will ensure that items don't stay on the shelves until they expire, making the inventory loss minimal.

A superior mark-up will be placed on perishables, while shelf stable items like paper goods and groceries are rather low priced. All in all, the great prices will definitely attract many satisfied customers. Additionally, the food rotation will bring dramatic results to the income and minimize the loss. Grab and go sandwiches and ready meals also cost very little, but sell for double just for the service. Cold drinks and hot coffee bring in great profit, as people don't think twice when they need it refrigerated or piping hot. Bringing in houseware, crafts, and seasonal items to a local supermarket is also something the residents of Monticello will appreciate.