

Tompkins County
Industrial Development Agency
Industrial Application for Incentives

Applicant Information

Date: 2014/03/21

Name of Company/Applicant: Advanced Design Consulting USA, Inc.	
Owner: Alexander Deyhim	
Address: 126 Ridge Road	
City/State/ZIP: Lansing, NY 14882	
Primary Contact: Rebecca Schindler	
Phone: 607-533-3531	Fax: 607-533-3618
Email: Rebecca.schindler@adc9001.com	

Will a separate company hold title to/own the property in question that is separate from the operating company/applicant? If yes, please provide the name and contact information for that entity.	
Name: Alexander Deyhim	
Address: 126 Ridge Road	
City/State/Zip: Lansing, NY 14882	
Contact: Alex Deyhim	
Phone: 607-533-3531	Fax: 607-533-3618
Email: alex.deyhim@adc9001.com	
Owner: Alexander Deyhim	
Describe the terms and conditions of the lease between the applicant and the owner of the property. Alex Deyhim owns both property and business on the property.	

Applicant Attorney: Edward Mazza	
Address: 307 N. Tioga St.	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Edward Mazza	
Phone: 607-273-6000	Fax: 607-273-4100
Email: ed@mazzalawoffices.com	

Applicant Accountant: Sciarabba Walker & Co.,LLP	
Address: 410 East Upland Rd	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Dave Iles	
Phone: 607-272-5550	Fax: 607-273-6357
Email: info@swcllp.com	

Applicant Engineer/Architect (if known): Will provide information when architect is finalized	
Address:	
City/State/ZIP:	
Primary Contact:	
Phone:	Fax
Email:	
Applicant Contractor (if known): Alex Deyhim	
Address: 126 Ridge Road	
City/State/ZIP: Lansing, NY 14882	
Primary Contact: Alex Deyhim	
Phone: 607-533-3531	Fax: 607-533-3618
Email: alex.deyhim@adc9001.com	

Business History

Year Company was Founded: 1995 Type of Ownership (Sole Proprietor)
 NAICS Code: 332721

Product or Service: - Engineering Design and Analysis - Manufacturing and Planning - Temperature Control/Clean Room Assembly/Testing Facility - Ultra-High Vacuum (UHV) Facility - Metrology Laboratory - Magnetic Measurement Facility (Undulator Testing Facility) - Electronics and Instrumentation

Major Customers:

- Brookhaven National Laboratory (Long Island NY)
- Oak Ridge National Laboratory (Tennessee)
- Niki Glass (Japan)
- Several International Companies such as Asian and European Countries.

The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.

Major Suppliers:

- Yarde Metals (Binghamton NY)
- McMaster Carr (NJ)
- Kurt Lesker (PA)

Who are your major competitors in Tompkins County? NONE

Has your business ever received incentives tied to job creation from local governments in New York State?

 X Yes No

If Yes, please describe. TCIDA delivered sales tax abatement on previous expansion project at this location.

Were the goals met? X Yes No

If No, why were goals not met? _____

After expansion:

Annual Sales to customers in Tompkins County \$ 100,000 Percent subject to sales tax 0%

Annual purchases of operating items subject to local sales tax \$ 66,000

Business profit history. Please supply in spreadsheet format five (5) years of Past History and Three (3) years future projections.

Years	Historical						Projected		
	1	2	3	4	5		1	2	3
Revenues	1,721,275	3,377,146	3,388,870	3,409,858	3,005,356		3,200,000	3,800,000	4,500,000
	2013	2012	2011	2010	2009		2014	2015	2016
Profits	15,951	47,673	44,341	<5,117>	192,229		50,000	80,000	150,000

Project Description

Please give a brief narrative description of the project.

A 20,000 sqf building will go up at 126 Ridge Road, Lansing, NY 14882. Our existing machine shop will move into this building. The benefit of this new building will allow us to purchase more cnc machines, build larger equipment in a shorter period of time. Thus allowing us to win more contracts that we are capable of manufacturing. The expansion will create 10 new full-time permanent jobs, 5 engineering, 2 administration, and 3 technicians. This will be accomplished within 3-5 years.

Location: 126 Ridge Road, Lansing NY 14882

Property size (acres) – both existing and proposed: Existing: 4.47

Building size (square feet) – both existing and proposed: Existing: 15,000 sq. ft Proposed: 20,000 sq. ft

Proposed project start and completion dates: 2014/05/01-2014/10/01

What types of green building practices do you plan to use, if any? Efficient Lighting, Light Sensors, Use as much natural light as possible, E-glass thermal, Recycling, Machine shop has a closed cycle.

Do you certify that the project will not result in the relocation of all or part of any business or jobs from within New York State to Tompkins County? X Yes No

Will this project result in a regular increase in overnight visitors to your facility (e.g. for training programs)? X Yes No

If Yes, number of visitors per year 10 Average duration of stay (days) 3-5 days

Occupancy

List the name(s), nature of business of proposed tenant(s), and percentage of total square footage to be used for each tenant (Additional sheets may be attached if necessary).

ADC Inc.- Advanced Design Consulting USA, Inc. is an engineering and scientific consulting firm providing solutions to complex problems. The company provides devices, integrated systems and a broad array of high-precision components and instruments to commercial, academic and government agencies worldwide. ADC's innovative solutions leverage its expertise in precision robotics, sub-micron positioning systems, and optical subsystems to enhance the capabilities and productivity of its customers' manufacturing, engineering and research applications.

Please visit www.adc9001.com for more overview.

Project Costs

	<u>Amount</u>	<u>% subject to sales tax</u>
Value of land to be acquired (if any):	<u>N/A</u>	N/A
Value of building to be acquired (if any):	<u>N/A</u>	N/A
Cost of new construction:	<u>1,000,000</u>	<u>60%</u>
Value of improvements to existing building:	<u>150,000</u>	<u>60%</u>
Value of equipment to be acquired:	<u>700,000</u>	<u>100%</u>
Other: Landscaping & Office Furniture	<u>180,000</u>	<u>80%</u>
TOTAL:	<u>2,030,000</u>	N/A

For IDA to fill out

Estimated reimbursement of soft costs based on project cost: _____

Agency Fee: _____

Agency Counsel Fee: _____

Agency Bond Counsel Fee: _____

Financing

Amount of anticipated financing from a lending institution \$614,000

(Please note: the applicant must inform the TCIDA at the time of issuance of commitment letter if the financing will exceed the amount stated here.)

Value of Incentives

Property tax abatement

Assumptions	
\$1,500,000	Value of increase in assessment
4%	Annual increase in assessment and tax rate

Year	<u>New Taxes Paid</u> <u>\$174,014</u>				<u>Taxes Abated</u> <u>\$169,922</u>			
	County	School	City/Town	Total	County	School	City/Town	Total
1	1,035	3,104	216	4,355	9,314	27,932	1,946	39,191
2	2,460	7,378	514	10,353	8,302	24,898	1,734	34,935
3	3,998	11,990	835	16,824	7,195	21,577	1,503	30,275
4	5,655	16,959	1,181	23,796	5,986	17,951	1,250	25,187
5	7,438	22,307	1,554	31,299	4,668	14,000	975	19,643
6	9,355	28,055	1,954	39,364	3,236	9,704	676	13,616
7	11,413	34,227	2,384	48,024	1,681	5,042	351	7,075
Totals	41,355	124,020	8,639	174,014	40,383	121,103	8,435	169,922

Value of sales tax abatement: \$122,720

Estimated length of sales tax abatement (years): 2 years

Estimated value of abatement for facility construction including information on assumptions used in calculations: \$55,200 (60% of construction and renovation costs x 8%)

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: \$67,520 (100% of equipment costs and 80% of other costs x 8%)

Mortgage Recording tax abatement: \$1,535

Other government incentives or support include summary of program, name of contact person and terms and conditions of program: _____

Need for Incentives

Are you asking for a schedule of incentives that deviates from the IDA's Standard property tax abatement (as listed below)?

 Yes X No

<u>Year</u>	<u>Abatement</u>
1	90%
2	77%
3	64%
4	51%
5	39%
6	26%
7	13%

If the applicant is requesting incentives that are greater than the IDA's Standard Policies, please include a detailed description and justification for this request.

Employment Information (please note that during the course of the abatement you will be required to provide detailed employment information annually.)

Please provide a description of the benefits that you offer to your employees.

- Health Insurance: Blue Cross/Blue Shield
- Dental Plan: Blue Cross/Blue Shield
- 401K
- Profit Sharing
- Vacation
- Sick Days
- Paid Holidays

Please provide a description of internal training and advancement opportunities offered to your employees.

- Internal training is always provided to everyone.
- Safety Training
- Tool & Die training for machine shop: 4 yr training period
- Assembly & Testing, UHV, High Precision, Wiring controllers and instrumentation: 1 yr training period
- Drafting, CAD work: 1 yr training period
- Engineering, Design work: 3 yr training period
- Purchasing: 1 yr training period
- Sales & Marketing: 2 yr training period
- Accounting: 2 yr training period
- IT: 1 year training period
- Advancement opportunities are there for anyone one who would like to advance.

What percentages of your current positions do women occupy? 4%

What percentages of your current positions do minorities occupy? 0%

Are you willing to pay a livable wage as defined by the Alternatives Federal Credit Union (AFCU) of Ithaca, NY (<http://www.alternatives.org/2013livingwagechart.html>) to all employees for the duration of the abatements?

 Yes X No

What percent of current workforce and management are in:

Tompkins County?	<u>63%</u>
In New York State?	<u>100%</u>
Out of New York State?	<u>0%</u>

Do you have a strategy for ensuring diversity in hiring? Yes X No

If yes, please describe.

ADC strictly follows personnel procedures that ensure equal opportunity for all people without regard to race, color, religion, creed, national origin, sex, age, marital status, and disability, veteran or draft status. ADC does not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability. ADC makes reasonable accommodations wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the duties and assignments connected with the job and provided that any accommodations made do not require significant difficulty or expense. We hold a strong, positive track record in this area.

Will you allow your building to used as a polling facility? Yes No

Please provide your Employment Plan

Permanent Occupations in Company	Current Permanent Full-Time Jobs by Occupation		Projection of New Permanent Full-Time Jobs			
	Average Annual Salary Ranges/ Hourly Wage	Number of Employees	New Jobs Added in Year 1	New Jobs Added in Year 2	New Jobs Added in Year 3	Total New Jobs
Professional:						
Clerical:	30,000.00	3	0	1	1	2
Sales:	45,000.00	1				
Services:	45,000.00	1				
Manufacturing:						
High Skilled:	50,000.00	1	1	0	0	1
Medium Skilled:	40,000.00	2	1	1	0	2
Basic Skilled:	28,000.00	0				
Other (Describe):						
Engineering	70,000.00	6	1	2	2	5
Technicians:						
High Skilled:	60,000.00	1	1			
Medium Skilled:	45,000.00	1			1	2
Basic Skilled:	24,000.00	0				
Total:		15	4	4	4	12

Estimated percentage of new hires who would be unemployed at time of hire 30%

Construction Labor

Will you use contractors who:

Have a certified apprenticeship program Yes X No
 Pay a prevailing wage Yes X No
 Use Local Labor X Yes No

Environmental Review

Environmental Assessment Form – short or long

Submitted to: Town of Lansing

Agency name: Planning Board

Agency address: 29 Auburn Rd., Lansing, NY

Date of submission: 6/1/12

Status of submission: Neg. Dec. 7/23/12

(please note: an environmental review must be completed before TCIDA can vote on proposed financial incentive. It is the applicant's responsibility to provide a copy of the determination of environmental impact by another agency to TCIDA.)

Permits

Describe other permits required and status of approval process.

Site Plan & SEQR Review completed on 7/23/12, Alex Deyhim, Advanced Design Consulting, 126 Ridge Road, Tax Parcel # 35.-2-2.2. See Attached 07-23-12pbminutes.pdf

Other

Do you have any thing else you would like to tell TCIDA regarding this project?

Advance Design Consulting has been in business for 17 yrs. and is a homegrown company. 90% of our business comes from overseas, Asia and Europe. ADC has managed to grow with 3 new expansions ourselves in the last 12 years. We have developed a lot of standard products and a very good customer base. We have lost several large contracts purely due to our size. Physically we do not have enough space. This expansion of the 20,000 sqf will allow us to win these large products and produce them in a timely manner. The new expansion will result in new engineering, administration and manufacturing jobs.

We have also attached last years building plans that are being updated and will be submitted once finalized.

CERTIFICATION

Alexander Deyhim deposes that she/he is the President
(Name of chief executive officer of company submitting application) (Title)

of Advanced Design Consulting USA, Inc., the corporation named in the attached application; that
(Company Name)

he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason this verification is made by the deponent and not by

Advanced Design Consulting USA, Inc. is because the said company is a corporation.
(Company Name)

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.

As an officer of said corporation (hereinafter referred to as the "Applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the nonprofit Tompkins County Industrial Development Agency (hereinafter referred to as the "Agency") acting in behalf of the attached application whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds or transfer of title are ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action, or withdraws, abandons, cancels, or neglects the application or if the Agency or Applicant are unable to find buyers willing to purchase the total bond issue required or financing for the project, then upon presentation of invoice, the Applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue or transfer of title the Applicant shall pay to the Agency an administrative fee set by the Agency, not to exceed an amount equal to 1% of the total project cost. The cost incurred by the Agency and paid by the Applicant, including bond counsel, the Agency's general counsel's fees and the Agency's administrative fees, may be considered as a cost of the project and included as part of the resultant bond issue.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.

SIGNATURE PAGE FOLLOWS ON SEPARATE PAGE

CERTIFICATION
SIGNATURE PAGE

A handwritten signature in black ink, appearing to be 'M. R. L.', written over a horizontal line.

Signature of chief officer of company submitting application

NOTARY

Sworn to before me this

_____ day of _____, 20_____
