

---

# APPLICATION FOR FINANCIAL ASSISTANCE

---

## Oneida County Industrial Development Agency

153 Brooks Road  
Rome, New York 13441-1405  
(315) 338-0393 telephone  
(315) 338-5694 fax

Shawna M. Papale, Secretary

*A non-refundable application fee of \$250.00 must be submitted at the time of application, to be credited to the Company at closing.*

*Please submit the original application and twelve copies.*

(For office use only)

Cast Coast Olive Oil  
Name of Applicant

Number

***Note to Applicant:***

The information requested by this form is necessary to determine the eligibility of your project for Agency benefits. Please answer **all** questions, inserting "none" or "not applicable" where appropriate. If you are providing an estimate, please indicate by inserting "est" after the figure. Attach additional sheets if more space is needed for a response than is provided.

Return the original application and fourteen copies with a check in the amount of \$250.00 made payable to: **Oneida County Industrial Development Agency**, 153 Brooks Road, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Secretary.

All information contained in this application will be treated confidentially, to the extent permitted by law.

By signing and submitting this Application, the Applicant acknowledges that it received a copy of the Uniform Tax Exemption Policy adopted by the Agency and Agency Memorandums pertaining to the benefits of projects financed through the Agency.

A project financed through the Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project.

**Part I: Applicant Information**

**Note:** In responding to the following questions, please keep in mind that the Applicant will be party to all of the documents and is the individual or entity which will receive the actual financial assistance from the Agency.

**Applicant**

- 1(a) Applicant's Legal Name: East Coast Olive Oil Corporation (ECOO)
- 1(b) Principal Address: 75 Wurz Ave \_\_\_\_\_  
Utica, NY, 13502 \_\_\_\_\_  
\_\_\_\_\_
- 1(c) Telephone/Facsimile Numbers: Tel: (315) 797 7070 \_\_\_\_\_  
Fax: (315) 797 6981 \_\_\_\_\_
- 1(d) Federal Identification Number: 16-1397516 \_\_\_\_\_
- 1(e) Contact Person: Luis V. Gato \_\_\_\_\_
- 1(f) Is the Applicant a
  - Corporation:  
If yes, Public  Private   
If public, on which exchange is it listed?  
\_\_\_\_\_
  - Subchapter S
  - Sole Proprietorship
  - General Partnership
  - Limited Partnership
  - Limited Liability Corporation/Partnership
  - DISC
  - Other(specify) \_\_\_\_\_
- 1(g) State of Organization (if applicable) New York \_\_\_\_\_

**Applicant's Stockholders, Directors and Officers (or Partners)**

2(a) Provide the following information with respect to parties with 15% or more in equity holdings:

<u>Name</u>	<u>Home Address</u>	<u>Social Security No.</u>	<u>Percentage of Ownership</u>
Tagol – Companhia de Oleaginosas do Tejo, SA	R. Gen. Ferreira Martins, Nº6, 10º 1495-137 Algés Portugal	NA	80%

2(b) Is the Applicant, or any of the individuals listed in 2(a) above, related directly or indirectly to any other entity by more than 50% common ownership? If so, indicate name of such entity and the relationship.

Not in the USA. It's relations outside the USA have no relationship with any company that holds directly or indirectly any interest in ECOO.

2(c) Is the Applicant affiliated with any other entity, directly or indirectly, other than as listed in the response to 2(a) above? If yes, please indicate name and relationship of such other entity and the address thereof:

Some of the minority shareholders have equity interests in a Company named East Coast Realty that actually leases real estate to ECOO.

**Applicant's Counsel and Accountant**

3(a) Applicant's Attorney

Name/Title: Richard Cohen \_\_\_\_\_  
Firm: Cohen & Cohen \_\_\_\_\_  
Address: 258 Genesee St, Suite 205  
Utica, NY, 13502 \_\_\_\_\_  
\_\_\_\_\_  
Telephone/Fax: (315) 798 8830 \_\_\_\_\_  
\_\_\_\_\_

3(b) Applicant's Accountant

Name/Title: Joseph E. LaClair \_\_\_\_\_  
Firm: TFG CPAs \_\_\_\_\_  
Address: 115 Solar Street, Suite 100 \_\_\_\_\_  
Syracuse, New York 13204-5461 \_\_\_\_\_  
Telephone/Fax: Tel.: (315) 471 2777 \_\_\_\_\_  
Fax: (315) 471 2128 \_\_\_\_\_

**Business Description**

4(a) Describe the nature of your business and principal products and/or services. Attach additional sheets if necessary.

ECOO engages in the importing, manufacturing, packaging of food products and transportation of products. ECOO's product lines include edible oils, vinegar products, other imported specialty items and blow-molding of plastic jugs. The Companies currently package under private labels and distribute their branded products to the retail, industrial, and food service markets throughout the USA and Canada.

**Part II: Project Information**

5(a) Explain your project in detail. Attach additional sheets if necessary.

- ECOO has to find a suitable building or construct it.
- ECOO needs a building from 150,000sq ft to 200,000sq ft depending on whether we decide for an automatic or manual warehouse. In that building we'll have the following estimated areas (considering an automated warehouse option which is the most likely):

Functionality	Area
Office 1st	3.235
Office 2nd	9.100
Employee	4.375
Maint	3.110
Labs etc	1.500
Filling	8.370
Production	24.615
Mezzanine - tank	6.175
Raw Mat'l Warehouse	64.214
Plastics/Misc rec	11.785
Tank Farm	12.020
Plastics	5.990
Guard house	-
Bulk Shed	2.500
Rail Shed	-
Sitework	16
ASRS	15.985
<b>Total</b>	<b>172.990</b>
Without 2nd floor	157.715

The option for a conventional warehouse would add roughly 30,000 sq ft to the building.

- This will therefore be a place where ECOO will concentrate all its current operations. The areas above consider ECOO's needs as of our current projections for the next five years. It includes three more lines than today (one to accommodate operations we have in Boston, MA and two new). In this facility our conservative estimates (even considering automation in warehousing) indicate 11 new jobs until 2008, 16 until 2009 and 20 until 2010.

**Reasons for Project**

6(a) Please explain in detail why you want to undertake this project.

- ECOO is the number one importer of bulk Olive Oil in the USA. ECOO is probably number one or two packer of Olive Oil (OO) in the USA. Current market share of OO is of 8%. ECOO has also faced success in other Edible Oils. Last years sales of 120M were 20% over 2005.

- The OO market in the USA (and the OO is a higher valued market compared to other Edible Oils) has no single major players dominating it today and it is growing at nearly 4% a year without any major marketing efforts. In fact, per capita consumption in the USA is very small compared to other developed countries.
- ECOO believes it is now time to move fast and capture a large parcel of the market as it will retrieve First Movers advantage by:
  - being able to increase revenues and margin to pursue a Marketing strategy that will make the Market grow faster
  - increasing ECOO's role as major Private Label manufacturer, and therefore working with distribution to develop the market, increase product awareness and shelf space and so also making the market grow faster
- ECOO's current facilities have no room for growth or new lines and ECOO has to use 5 different warehouses to keep its inventory.

6(b) Why are you requesting the involvement of the Agency in your project?

As you know, we have found three potential sites in the State of New York (two in Rome and one in Utica, being the Rome-Shell building site our number one option). We have not yet committed to one of them. We have also identified sites in the State of New Jersey as it would permit us significant operational savings.

We understand that IDA plays a major role in helping developers in the state of New York. Retaining and creating jobs and business is a known motif for your actions. We come to you believing that you can help us stay in the State of New York. We do believe you can help improve NY's business case as it would otherwise recommend us to move to NJ. Furthermore, financial help will probably be necessary to meet our target budget and we'll certainly appreciate it. ECOO has an internal 12,5M USD budget for this project (building and basic equipment alone) but, as you can see in the projections we are sharing, it seems very difficult to achieve our intents with the budget we have

6(c) How will the Applicant's plans be affected if Agency approval is not granted?

Without the OCIDA incentives we will build the plant in NJ. We would also downsize this project.

6(d) Is the proposed project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

[ X ] Yes [ ] No **If yes, please explain briefly.**

This project will not take place in the State of NY without the requested assistance because: Logistically, the centre of our operations is placed to the southeast of Utica. We conducted a logistics study with The Facility Group that indicated ECOO could benefit greatly (up to 1,3M a year) from moving to Pennsylvania or New Jersey. This has a considerable impact over the value of our company particularly when we consider future

growth through the years. There are obviously downsides to such a decision but, from a numbers/economic point of view alone, the business case is still clearly unfavorable to ECOO remaining in the state of New York (without the OCIDA incentives).

Is the proposed project reasonably necessary to preserve the competitive position of the Applicant in its respective industry?  Yes  No **If yes**, please explain briefly.

Yes, absolutely. The market has currently no single player with over 15% Market Share and there are big players in the world. The US OO Market is the fastest growing market of all countries with some dimension, and margins are good. Now is the time to reach for winning positions. Growth and dimension are keys in order to be price competitive especially for a company like us 75% devoted to Private Labels. If we don't grow somebody will and will become more competitive. We have no room for growth at our current facility!

6(e) Will financing by the Agency result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area of New York State?

Yes  No **If yes**, please explain briefly the reason for the move.

Note: ECOO will of course close its current facilities to move into the new one.

6(f) Has the Applicant or any related entity previously secured financial assistance in Oneida County (whether through the Agency, the Empire State Development Corporation, or any other entity)?  Yes  No

**If yes**, please explain (indicate date of benefit, location of facility and outstanding balance).

Utica Plastics, a company 100% held by ECOO, benefited from a Link Deposit Loan of \$450,000 in July 2004. No balance left. We have also requested help from ESDC for this project.

6(g) Has the Applicant or any related entity secured financial assistance anywhere within the United States within the last 90 days or does the Applicant or any related entity anticipate receiving financial assistance within the next 90 days?  Yes  No

**If yes**, please explain.

Yes, but only commercial banking financing for trading goods and working capital.

6(h) Check all categories best describing the **type of project**:



- Manufacturing
- Industrial Assembly or Service
- Research and Development
- Warehousing
- Commercial or Recreational
- Pollution Control (specify) \_\_\_\_\_
- Other (specify) \_\_\_\_\_

Please note that in our business it is crucial to retain ownership over process. In fact our process and especially the flexibility we have put into it have granted us an outstanding competitive position in terms of service to our clients. This project is mainly about building a new facility where we can put new production lines, expand and improve current lines and become more efficient and therefore competitive. So we consider this to be a manufacturing process. We will also incorporate raw materials and finished goods warehousing now that we intend to build a new facility. Owning warehousing is not so crucial. For instance ECOO has lived so far renting most of its warehousing space and it will keep renting warehousing in the future.

6(i) Check all categories best describing the **scope of the project**:

- Acquisition of land
- Acquisition of existing building
- Renovations to existing building
- Construction of addition to existing building
- Demolition of existing building
- Construction of a new building
- Acquisition of machinery and/or equipment
- Installation of machinery and/or equipment
- Other (specify) \_\_\_\_\_

As we explained above this project is mainly about building a new facility where we can put new production lines, expand and improve current lines and become more efficient and therefore competitive. We will of course need to also buy the land and relocate/install current lines. Of the 3 sites we have pre-selected, there is one of them that does have a building that would be bought, renovated and we would built very significant additions to the building (actually the building would become 1/4 to 1/3 of the total building; as we have stressed this is not our number one option.)

6(j) Please indicate the financial assistance you are requesting of the Agency, and provide the estimated value of said assistance.

**Assistance**

**Estimated Value**

Real Property Tax Abatement  
year (see calculations bellow) \_\_\_\_\_

\$123,667est to \$378,667est per

	savings of RE taxes	
	from	to
building	12500000	15600000
square footage	150000	200000
assess. per sq ft	45	55
assessed value	6750000	11000000
land	220000	360000
TOTAL	6970000	11360000
Real est. Tax	5,00%	5,00%
Real est. Tax Value	371000	568000
discount 1st 5years	66,67%	66,67%
savings	247346	378686
discount 2nd 5years	33,33%	33,33%
savings	82440	126216

Mortgage Tax Exemption

\$127,200est to \$159,600est

Sales and Use Tax Exemption

\$475,000

Issuance by the Agency of Tax Exempt Bonds estimated from \$12,616,000 up to \$16,650,000 depending on eligibility. ECOO has been informed that there is intention to change current legislation that restricts Tax Exempt Bonds from companies that, comprising the past three years and the next three years going forward, would invest more than \$10,000,000 in capital expenditure. **Legislation has to change and we do not find this possibility likely at this point.**

**Part III: Facility Information**

**Facility (Physical Information)**

7(a) Street Address of Facility:

It will most likely be in Site (i) Rome, at Griffiss Business Technology and Business Park, between Donaldson, Brooks and Selfridge Rd or, less likely, at Site (ii) Rome, at Griffiss Business Technology and Business by Donaldson at the "Shell Building" or at Site (iii) Utica, between Leland Ave and 5S at the so-called Railyard site.

7(b) City, Town and/or Village:

(i) and (ii) Rome; (iii) or Utica \_\_\_\_\_

*(Note: It is important that you list **all** incorporated municipalities in which the facility lies. This information will be used in scheduling a public hearing as required by statute.)*

7(c) School District:

Rome Scholl District (site (i) and (ii)) or Utica School District (site (iii)) \_\_\_\_\_

7(d) Tax Account Number(s):

NA \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7(e) For what purpose was the facility site most recently used (i.e., light manufacturing, heavy manufacturing, assembly, etc.)?

Site (i) has been Void; site (ii) has been void but has a shell-building; (i) and (ii) used to be a Air Force Base; site (iii) has been void, belongs to a rail company, has rails that will be moved

7(f) Zoning Classification:

Site (i) and (ii): Planned Development -Light Industrial  
Site (iii) Light Manufacturing

7(g) Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings, square footage, number of floors,) and attach plot plans, photos or renderings, if available. **Please be as specific as possible.**

- ECOO needs a building from 150,000sq ft to 200,000sq ft depending on whether we decide for an automatic or manual warehouse. In that building we'll have the following estimated areas (considering an automated warehouse option which is the most likely):

<b>Functionality</b>	<b>Area</b>
Office 1st	3.235
Office 2nd	9.100
Employee	4.375
Maint	3.110
Labs etc	1.500
Filling	8.370
Production	24.615
Mezzanine - tank	6.175
Raw Mat'l Warehouse	64.214
Plastics/Misc rec	11.785
Tank Farm	12.020
Plastics	5.990
Guard house	-
Bulk Shed	2.500
Rail Shed	-
Sitework	16
ASRS	15.985
<b>Total</b>	<b>172.990</b>
Without 2nd floor	157.715

The option for a conventional warehouse would add roughly 30,000 sq ft to the building.

- This will therefore be a place where ECOO will concentrate all its current operations. The areas above consider ECOO's needs as of our current projections for the next five years. It includes three more lines than today (one to accommodate operations we have in Boston, MA and two new). In this facility our conservative estimates (even considering automation in warehousing) indicate 11 new jobs until 2008, 16 until 2009 and 20 until 2010.
- However, ECOO expects its growth to go beyond 2010 and we do believe we might have other motifs for growing. In fact all sites we're looking for must accommodate the double the construction area we intent to build now. The first phase will therefore enable ECOO to grow double its current size and ECOO intends to grow its activities four times in the site it will be developing though this second phase will only happen some years from now.
- As said, ECOO will be adding two new production lines to its portfolio. ECOO intends to be the first PET packer of Olive Oil in the USA.
- The Project's cost is in excess of 14,8M USD.

## PROJECT BUDGET

Here are our current estimates:

	From				To			
	2.006	2.007	2.008		2.006	2.007	2.008	
Land	220			220	450			450
Building Acquisition				0				0
Building Renovation				0				0
New Construction	8.350	1.100		9.450	8.850	3.700		12.550
Engineering Fees	600	300		900	600	400		1,000
Production Machinery & Equipment	200	2,900	500	3,600	200	3,750	1,350	5,300
Furniture, Fixture, Equipment	200	200		400	400	400		800
Other (please explain below)				0				0
eq. Relocation		116		116		180		180
miscellaneous	30	25		55	40	45		85
<b>TOTAL</b>	<b>9.600</b>	<b>4.641</b>	<b>500</b>	<b>14.741</b>	<b>10.540</b>	<b>8.475</b>	<b>1.350</b>	<b>20.365</b>

Rev 15 ASRS March 27, 2006

	Area	Cost / sq ft	Cost
Office 1st	3.235	\$ 90	\$ 291.150
Office 2nd	9.100	\$ 90	\$ 819.000
Employee	4.375	\$ 55	\$ 240.625
Maint	3.110	\$ 55	\$ 171.050
Labs etc	1.500	\$ 55	\$ 82.500
Filling	8.370	\$ 100	\$ 837.000
Production	24.615	\$ 55	\$ 1,353.825
Mezzanine - tank	6.175	\$ 55	\$ 339.625
Raw Mat'l Warehouse	64.214	\$ 55	\$ 3,531.770
Plastics/Misc rec	11.785	\$ 55	\$ 648.175
Tank Farm	12.020	\$ 40	\$ 480.800
Plastics	5.990	\$ 55	\$ 329.450
Guard house	-	\$ 25	\$ -
Bulk Shed	2.500	\$ 20	\$ 50.000
Rail Shed	-	\$ 20	\$ -
Sitework	16	\$ 150.000	\$ 2,400.000
ASRS	15.985	\$ 90	\$ 1,438.650
	<b>172.990</b>	<b>\$ 75</b>	<b>\$ 13,013.620</b>
ASRS Equip			\$ 1,800.000
			<b>\$ 14,813.620</b>
Miscellaneous Process Equipment			\$ 800.000
Without 2nd floor	157.715	Total	<b>\$ 15,613.620</b>

- All numbers are estimates. Do not include agency fees or financial costs (see cost benefit analysis). This estimate is what we consider maximum at this point. The price per square foot roughly includes \$450,000 in engineering fees (and not the full \$900,000 we think we'll have to pay) and includes \$2,600,000 in equipment and not the full \$5,300,000 of our maximum estimate which includes new production lines.
- Please note one of the sites we've pre-selected (site (iii)) includes a building so we would actually be buying a building. This would then lead to less construction costs. This would be roughly a wash in terms of costs and is now a remote chance. Please also note we are considering the option for an automatic warehouse; this will result in roughly minus \$1,8Million in construction and \$1,8Million in equipment.

7(h) Has construction or renovation commenced? [ ] Yes [ X ] No

If **yes**, please describe the work in detail, including the date of commencement.

If **no**, indicate the estimated dates of commencement and completion:

Construction commencement: June 2007 \_\_\_\_\_

Construction completion: Summer 2008 est for the whole project to finish;  
Construction itself may be finished 3 to 4 months earlier. \_\_\_\_\_

- 7(i) Will the construction or operation of the facility require any local ordinance or variance to be obtained or require a permit or prior approval of any state or federal agency or body (other than normal occupancy and/or construction permits)?

Yes     No

If **yes**, please describe.

It might if we decide for an automated warehouse as it will most probably be over 50 feet high.

- 7(j) Will the project have a significant effect on the environment?  Yes  No

**Important: please attach Environmental Assessment Form to this Application.**

- 7(k) What is the useful life of the facility?                      Over 30 years (for the building provided there is maintenance)

**Facility (Legal Information)**

8(a) With respect to the **present owner** of the facility, please give the following information:  
*(Note: the present owner is not necessarily the user of the facility, but that party which holds legal title to the facility.)*

**For both (i) and (ii) sites in Rome:**

Legal Name: Griffiss Local Development Corporation\_\_\_\_\_

Address: 153 Brooks Road, \_\_\_\_\_

Rome, New York, 13441\_\_\_\_\_

Telephone: (315) 338 0393\_\_\_\_\_

Balance of Mortgage: Na\_\_\_\_\_

Holder of Mortgage: NA\_\_\_\_\_

**For (iii) in Utica:**

Legal Name: GENESEE AND MOHAWK VALLEY RAILROAD CO., INC.,  
\_\_\_\_\_

Address: 8364 Lewiston Road, Batavia, New York 14020-1245\_\_\_\_\_

Telephone: (585) 343 5398\_\_\_\_\_

Balance of Mortgage: NA\_\_\_\_\_

Holder of Mortgage: NA\_\_\_\_\_

There is a leaseback to OCIDA on this site.

If the Applicant is not the present owner of the facility, please attach any written agreements and contracts concerning the acquisition of the real property and/or equipment.

8(b) Is there a legal relationship, directly or indirectly, by virtue of common control or through related persons, between the Applicant and the present owner of the facility?  
[ ] Yes [ X ] No. If yes, please explain.

One of GENESEE AND MOHAWK VALLEY RAILROAD CO., INC., Genesee Valley Transportation is a ECOO supplier though we believe that is not something that really applies to the question.

8(c) Will a related real estate holding company, partnership or other entity, be involved in the ownership structure of the transaction?  
 Yes  No. If yes, please explain.

8(d) Will the title owner of the facility also be the user of the facility?  
 Yes  No. If no, please explain.

8(e) Is the Applicant currently a tenant in the facility?  Yes  No

8(f) Are you planning to use the entire proposed facility?  
 Yes  No

If no, please give the following information with respect to tenant(s) which will remain in the facility after the completion of the project:

<u>Name of Tenant</u>	<u>Floors Occupied</u>	<u>Square Feet Occupied</u>	<u>Nature of Business</u>
-----------------------	------------------------	-----------------------------	---------------------------

8(g) Are any of the tenants related to the owner of the facility?  
 Yes  No NA  
If yes, please explain.

## Equipment

9(a) List the principal items or categories of equipment to be acquired as part of the project. (As soon as one is available, please submit a detailed inventory of said equipment.)  
Basic Equipment: Broiler (s), Filter(s), Tanks, Piping, Plumbings, pumps, racks  
Small Equipment Improvements: case coders, labeler (pepper line), labeler (bottle line), de-bagger, capper (bottle line), Lab equipment, palletizers, case packers, other miscellaneous, namely IT (and specifically related to warehouse management systems)  
AS/RS (Automatic warehouse equipment): racks, conveyors and elevators  
New Lines: Filling equipments (beginning to end-of-line) for PET (or glass) bottles

9(b) Please provide a brief description of any equipment which has already been purchased or ordered, attach all invoices and purchase orders, list amounts paid and dates of expected delivery. Attach a sheet if needed.



NA

9(c) What is the useful life of the equipment? Usually 8 \_\_\_\_\_ years

**Part IV: Employment Information**

10(a) Estimate how many construction and permanent jobs will be created or retained as a result of this project.

Construction            264

Permanent                \_\_\_\_\_

Retained                 132

Create                    2 (2006); 4 (2007); 5 (2008); 5 2009); 4(2010)

10 (b) What is the applicant entity's current level of employment in Oneida County at the time of application.

At location to be assisted with the requested IDA benefits    ECOO 122  
Other locations in Oneida County                                    Utica Plastics 10  
\_\_\_\_\_

**Part V: Estimated Project Cost and Financing**

11(a) List the costs necessary for the construction, acquisition or renovation of the facility. Do **not** include working capital needs, moving expenses, work in progress, stock in trade, Applicant's debt repayment, real estate broker fees or your legal fees.

	From				To			
	2.006	2.007	2.008	Total	2.006	2.007	2.008	Total
Aquisition of Land	220			220	450			450
Aquisition of Building				0				0
Renovation Cost				0				0
New construction of Buildings	8.350	1.100		9450	8.850	3.700		12550
Machinery and Equipment (other than furnitu	400	3.100	500	4000	600	4.150	1.350	6100
Fixtures				0				0
Installation Costs				0				0
Fees				0				0
Architectural/Engineering	600	300		900	600	400		1000
Interest on Interim Financing				0				0
Other (specify)	20	25		45	35	45		80
Subtotal	9.590	4.525	500	14.615	10.535	8.295	1.350	20.180
Agency Fee	5				5			
Total Project Cost	9.595	4.525	500	14.615	10.540	8.295	1.350	20.180

All numbers are estimates. Do not include agency fees or financial costs (see cost benefit analysis)

Please note one of the sites we've pre-selected (site (ii)) includes a building so we would actually be buying a building. This would then lead to less construction costs. This would be roughly a wash in terms of costs and is now a remote chance. Please also note we are considering the option for an automatic warehouse; this will result in roughly minus \$1,8Million in construction and \$1,8Million in equipment.

11(b) What amount of the Total Project Cost is the Applicant requesting financing by the Agency?

\$12.5 Million

### Real Estate Taxes

12(a) For each tax parcel which comprises the facility, please provide the following information, using figures from the most recent tax year:

Tax Acct #	Assessed Value (Land)	Assessed Value (Building)	Real Estate Taxes
	From \$220,000 To \$ 360,000	From \$7,200,000 To: \$11,000,000	From: \$371,000 TO: \$568,000

All numbers are estimates

12(b) Address of Receiver of Town and/or Village Taxes:

(i) and (ii) if Rome: City of Rome, 198 N. Washington St.  
Rome, NY 13440

(iii) if Utica: P.O. Box 521, Utica, New York

---

---

12(c) Address of Receiver of School Taxes:

(i) and (ii) if Rome: Rome City School District  
112 E Thomas Street, Rome, NY 13440

(iii) if Utica: P.O. Box 521, Utica, New York

---

12(d) Will the completion of the proposed project result in the increase of the assessment of any of the parcels named above?  Yes  No

If yes, please indicate which tax account numbers will be affected.

The parcel at Griffiss does not have an assigned number to date.

### Financial Information

13(a) Has the Applicant contacted any bank, financial/lending institution or private investor with respect to the financing of the proposed project?  
 Yes  No

If yes, please provide details.

ECOO has contacted the following banks:

HSBC  
BCPBank  
BCP  
M&T

All still under negotiation

13(b) Has the Applicant received a commitment letter for said financing?  
 Yes  No

If yes, please submit a copy of said commitment letter along with this Application.

13(c) Please complete the Cost/Benefit Analysis form and attach to this Application.

## REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the Oneida County Industrial Development Agency's Board of Directors.

Approval of the Application can be granted solely by this Agency's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Agency and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Agency as follows:

1. **Annual Sales Tax Filings.** 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 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.
2. **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.
3. **Absence of Conflict 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 herein after described:
4. **Hold Harmless.** Applicant hereby releases Oneida County Industrial Development Agency and the members, officers, servants, agents and employees thereof (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 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 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.

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.

*Luís Pedro de Oliveira Velez Gato*  
(Applicant)

By: East Coast Olive Oil Corporation \_\_\_\_\_

Name: Luís V. Gato \_\_\_\_\_

Title: Director \_\_\_\_\_

Date: APRIL 24, 2006

Return the original and fourteen copies of the application with a check in the amount of \$250.00 made payable to: **Oneida County Industrial Development Agency**, 153 Brooks Road, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Secretary.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
COST/BENEFIT ANALYSIS  
Required by §859-a(3) of the  
New York General Municipal Law

---

TO BE ATTACHED TO AND MADE PART OF APPLICATION TO THE  
OCIDA

---

NAME OF APPLICANT: East Coast Olive Oil Corporation\_\_

DESCRIPTION OF PROJECT: ECOO's New Plant\_\_\_\_\_

NAME OF ALL SUBLESSEES OR  
OTHER OCCUPANTS OF FACILITY: NA\_\_\_\_\_

PRINCIPALS OR PARENT OF APPLICANT:  
TAGOL - Companhia de  
Oleaginosas do Tejo, SA; R. Gen.  
Ferreira Martins, nº 6, 10º, 1495-  
137 Algés, Portugal

PRINCIPALS OF ANY SUBLESSEE  
OR OCCUPANT: NA\_\_\_\_\_

PRODUCT/SERVICES: Manufacturing (blending and  
packaging) Edible Oils and Other Food Products

ESTIMATED DATE OF COMPLETION OF PROJECT: Summer 2007

TYPE OF FINANCING/STRUCTURE:  Tax-Exempt Financing

Taxable Financing  
 Sale/Leaseback  
 Other \_\_\_\_\_

**TYPES OF BENEFITS RECEIVED:**

Taxable Financing  
 Tax-Exempt Bonds  
 Sales Tax Until Completion Date  
 Mortgage Tax Abatement  
 Real Property Tax Abatement

**PROJECT COSTS – CAPITAL INVESTMENT**

Please note we have pre-selected three sites in Oneida County:

- Site (i) The “Depo-Site” in Rome which is our preferred option, now being validated
- Site (ii) The “Shell-Building” site in Rome
- Site (iii) The Utica Railyard Site

Project Costs	From	To	Probable
Land	220000	450000	450000 *
Existing Building			
Existing Bldg. Rehab			
Construction of New Building	9450000	12550000	11550000 *
Addition or Expansion			
Engineering/ Architectural Fees	900000	1000000	1000000
Equipment	4000000	6100000	4000000
new lines (07/08)	1000000	2700000	1000000
other	3000000	3400000	3000000 * All* add 15M
Legal Fees (Bank, Bond, Transaction, Credit Provider, Trustee)	60000	80000	70000
Finance Charges* (Title Insurance, Environmental Review, Bank Commitment Fee, Appraisal, Etc.)	9000	19000	14000
Agency Fee	5000	5000	5000
Other (relocation costs)	166000	260000	350000
<b>TOTAL COST OF PROJECT</b>	<b>14810000</b>	<b>20464000</b>	<b>17439000</b>

\* Finance Charges do not include interest which is estimated to range up to \$1,160,000 a year  
 We have not considered mortgage as we expect to be exempt.



Please note the following:

There is still a remote possibility we acquire the Rome Shell Building Site instead of the Rome Depo Site and there is a building in that site, therefore costs might shift from construction to acquisition of building plus renovation.

ECOO is still in a pre-engineering, master planning phase. Project has not been finalized or approved by our Board and ECOO is still working on keeping values to the low side of this estimate.

Job Revolving Fund Loan            na  
Other Grants or Loans            na

**COMPANY INFORMATION**

**EARNINGS INFORMATION**

Existing Jobs                    122  
(plus 10 for Utica Plastics)\_  
Created Jobs (Year 3) \_\_\_\_\_  
2006: 2  
2007: 4  
2008: 5  
2009: 5  
2010: 4

County Spec Average Direct Jobs        \$31,000  
County Spec Average Indirect Jobs        \$31,000\_\_

Retained Jobs                    122\_\_\_\_\_

County Spec Average Construction Jobs \$31,000\_\_

**MULTIPLIER INFORMATION**

Indirect Job Rate 2.5  
Sales Tax Rate (9.75%)  
Mortgage Tax Rate (1%)

Assumed Real Property Tax Rate Per Thousand for Municipality where project is located: \$52,37 per \$1,000 for Rome (ii) and (ii) and \$47,42 per \$1,000 for Utica\_\_\_\_\_

Assumed Real Property Assessment of facility where IDA assistance is being sought: estimated \$45 to \$55 per sq feet ; From \$7,200,000 to \$11,000,000 for the building plus \$220,000 to \$360,000 for the land\_\_\_\_\_

Assumed NYS Income Tax rate on earnings 4.25%: about 150k currently per year\_\_

**Note:** \$1,000,000 in construction expenditures generates 22 person – years of employment

**CALCULATION OF BENEFITS (3 – YEAR PERIOD)**

**NYS PERSONAL INCOME TAX RECEIVED**

	<u>Total Earnings</u>	<u>Revenues</u>
Direct Jobs		
Created	1860000__	79050__
Existing	12276000	521730__
Indirect Jobs		
Created	3750000__	159375__
Existing	24750000__	1051875__
Construction		
Person Years	31680000__	1346400__
<b>TOTALS</b>	<b>74316000__</b>	<b>3158430__</b>

**TAXABLE GOODS AND SERVICES**

	<u>Spending Rate</u>	<u>Expenditures</u>	<u>State and Local Sales Tax Revenues</u> <small>(Expenditure Column x .0825)</small>
<b>Direct Jobs</b>			
Created <small>(total earnings for direct jobs created x .36)</small>	36.0%	669600__	65286__
Existing <small>(total earnings for direct jobs existing x .36)</small>	36.0%	4419360__	430888__
<b>Indirect Jobs</b>			
Created <small>(total earnings for indirect jobs created x .36)</small>	36.0%	1350000__	131625__
Existing <small>(total earnings for indirect jobs existing x .36)</small>	36.0%	8910000__	868715__
<b>Construction</b>			
Person yrs. <small>(total earnings for construction person yrs. x .36)</small>	36.0%	11404800__	1111968__
Totals	_____	26753760__	2608492__

Local (3 year) real property tax benefit (assuming \_\_\_\_\_% of jobs existing and created own a residence) with an average assessment of \$\_\_\_\_\_ and the remainder of jobs existing created pay real property taxes through rent based on an average assessment per apartment of \$\_\_\_\_\_.

Real Property Taxes Paid \$631104\_\_\_\_\_

**COSTS**

Real Property Taxes Abated on Improvements  
Only (3-year period)

\$ 123,667 to 372,167 x 34.3

Mortgage Tax Abated

\$ \_\_\_\_\_ 150050 \_\_\_\_\_

Estimated Sales Tax Abated During Construction Period

\$475000 to \$570190\_\_

**NOTE:** If there is a tax-exempt financing of all or a portion of the project cost, there is a neutral cost/benefit because of lower interest rates by reason of exclusion of interest from gross income of bondholders for purposes of Federal and State income taxes. Taxable financing carries the same cost/benefit for State Income Tax purposes. Such cost/benefits cannot be quantified.

Luis Gato de Oliveira Vali de Gato  
(Applicant)

By: East Coast Olive Oil Corporation \_\_\_\_\_

Name: Luis V. Gato \_\_\_\_\_

Title: Director \_\_\_\_\_

Date: April 24, 2006