

TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financial assistance from the Town of Montgomery Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by 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. This application is subject to acceptance by the Agency.

TO: Town of Montgomery Industrial Development Agency
110 Bracken Road
Montgomery, New York 12549
Attention: Chief Executive Officer

This application by applicant respectfully states:

APPLICANT: Medline Industries, Inc.

APPLICANT'S STREET ADDRESS: Three Lakes Drive

CITY: Northfield STATE: IL ZIP CODE: 60093

PHONE NO.: 847-643-4603 FAX NO.: 847-643-3744 E-MAIL: egerstein@medline.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Eric Gerstein

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

NAME OF FIRM: _____

NAME OF ATTORNEY: _____

ATTORNEY'S STREET ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

PHONE NO.: _____ FAX NO.: _____ E-MAIL: _____

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

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary 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 the 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 (if applicable, such expenses may be paid out of proceeds of any bonds issued by the Agency to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency’s general counsel and bond counsel, may be considered as a part of the project, and if applicable included as a part of any resultant bond issue.
9. The Agency has established an application fee of Five Hundred Dollars (\$500) 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 notice of public hearing on application posted	_____ , 20__
9. Date notice of public hearing on application mailed	_____ , 20__
10. Date notice of public hearing on application published	_____ , 20__
11. Date public hearing conducted	_____ , 20__
12. Date Environmental Assessment Form ("EAF") received	_____ , 20__
13. Date Agency completed environmental review	_____ , 20__
14. Date of final approval of application	_____ , 20__

AGENCY FEE SCHEDULE INFORMATION

1. APPLICATION FEE: \$500.00 (Non-refundable)

2. AGENCY FEE:

- (a) ¾ of 1% of the first \$2,000,000 of Total Project Costs
- (b) ½ of 1% of the remaining Total Project Cost

3. AGENCY COUNSEL FEE:

- (a) Determine on a Project by Project Basis

SUMMARY OF PROJECT

Applicant: Medline Industries, Inc.

Contact Person: Eric Gerstein

Phone Number: 847-643-4603

Occupant: Medline Industries, Inc.

Project Location: No Current exact address. Site is roughly Route 416 Lot 2.12 and 35, Montgomery, NY 12549

Approximate Size of Project Site: 120 Acres

Description of Project: New 1,300,000 sq. ft. distribution center for medical supplies

Type of Project: Manufacturing Warehouse/Distribution Commercial Not-For-Profit Other-Specify

Employment Impact: Existing Jobs: 340
New Jobs: 150 -200 within five years of opening

Project Cost: \$ 117,802,000 est

Type of Financing: Tax-Exempt Taxable Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax: \$8,043,750 (99M*8.125%)_est
Mortgage Recording Taxes: \$ N/A
Real Property Tax Exemptions: \$17,608,653 est
Other (please specify): \$

Provide estimates for the following:

Number of Full Time Employees at the Project Site before IDA Status: 340
Estimate of Jobs to be Created: 150
Estimate of Jobs to be Retained: 340
Average Estimated Annual Salary of Jobs to be created: Excl. bonus 37,000
Annualized Salary Range of Jobs to be Created: 33,000 – 69,000
Estimated Average Annual Salary of Jobs to be retained: Excl. bonus 38,000

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

A. Identity of Company:

1. Company Name: Medline Industries, Inc.

Present Address: Three Lakes Drive, Northfield, IL

Zip Code: 60093

Employer's ID No.: 36-2596612

2. If the Company differs from the Applicant, give details of relationship: N/A

3. Indicate type of business organization of Company:

a. X Corporation (If so, incorporated in what country? What State? United States, Illinois, Date Incorporated? 12/19/1977 Type of Corporation? Sub Chapter S Corporation Authorized to do business in New York? Yes X ; No).

b. Partnership (If so, indicate type of partnership , Number of general partners , Number of limited partners).

c. Limited liability company (If so, formed in what state? , Number of Members? , Date formed? , Authorized to do business in New York State? Yes No).

d. Sole proprietorship.

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: See attached organization chart

B. Management of Company:

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

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Charles Mills Andrew Mills James Abrams Michael Drazin Ronald Barth William Abington III	Chief Executive Officer President Chief Operating Officer Chief Finance Officer Vice President-Sales Vice President-Operations	

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. (If yes to any of the foregoing, furnish details in a separate attachment).

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. Principal owners of Company: Is Company publicly held? Yes ___; No X.
If yes, list exchanges where stock traded:

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

NAME	ADDRESS	PERCENTAGE OF HOLDING
To be discussed		

D. Company's Principal Bank(s) of account: Wells Fargo, Bank of the West, JP Morgan

II. DATA REGARDING PROPOSED PROJECT

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

Medline Industries, Inc. a medical device manufacturer and distributor is looking to build a new 1,300,000 square foot distribution center to service our customers in the North East region

B. Location of Proposed Project:

1. Street Address: No exact address. Site is roughly located at Route 416 Lot 2.12 and 35
2. City of
3. Town of
4. Village of Montgomery
5. County of Orange
6. School District: Valley Central
7. Tax Map Number: 1-1-21.22

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 120 Acres. Is a map, survey, or sketch of the project site attached? Yes ___; No X.
2. Are there existing buildings on project site? Yes ___; No X.
 - a. If yes, indicate number and approximate size (in square feet) of each existing building:

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

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

d. Attach photograph of present buildings.

3. Utilities serving project site:
 - Water-Municipal: Yes
 - Other (describe)
 - Sewer-Municipal: Yes
 - Other (describe)
 - Electric-Utility: Yes
 - Other (describe)
 - Heat-Utility: Yes
 - Other (describe)
4. Present legal owner of project site: Medline Industries, Inc.
 - a. If the Company owns project site, indicate date of purchase: September 25, 2018; Purchase price: \$17,802,000.
 - b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ; No . If yes, indicate date option signed with owner: _____, 20__; and the date the option expires: _____, 20__.
 - 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 owners of the project site? Yes ; No . If yes, describe:
 - d. Current Assessed Value of the Project site: \$692,312
 - e. Current annual property tax payment of the Project site: \$20,187
5.
 - a. Zoning District in which the project site is located: Montgomery
 - b. Are there any variances or special permits affecting the site? Yes ; No . If yes, list below and attach copies of all such variances or special permits: Project site is currently zoned for Industrial Small Warehouse. It will need to be rezoned to Industrial Large Warehouse

D. Buildings:

1. Does part of the project consist of the acquisition or construction of a new building or buildings? Yes ; No . If yes, indicate number and size of new buildings: Project will be to build a 1,300,000 square foot distribution center
2. Does part of the project consist of additions and/or renovations to the existing buildings located on the Project site? Yes ; No . If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: Distribution of medical supplies and products

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 X; No _____. If yes, describe the Equipment: Racking, Conveyor systems, forklifts,

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes X; No _____. If yes, please provide detail: A small portion of Medline's current machinery and equipment may be moved to build out the distribution center

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: Equipment to be used in the operations of a distribution center shipping and receiving medical products and supplies.

F. Project Use:

1. What are the principal products to be produced at the Project? N/A

2. What are the principal activities to be conducted at the Project? Distribution of medical products and supplies.

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? N/A %

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: N/A

- a. Will the Project be operated by a not-for-profit corporation? Yes ___; No X. 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 X. If yes, please explain:
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes X; No __. If yes, please explain: Medline has explored other sites in NJ & PA, without the contemplated financial assistance, it is likely those other sites will be pursued.
- 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 X. If yes, please provide detail:
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering 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 X. If yes, please explain: _____
6. If the answers to any of subdivisions c. through e. of question 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 X; No __. If yes, please explain: 150-200 new jobs created with 340 transferring
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 ___; No X. If yes, please explain: Medline will cease operating at the existing facility in Middletown, NY. However the facility will likely be leased out to another tenant by its current owner

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 New York? Yes ; No .
If yes, please provide detail:
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 the competitive position of the Company or such Project Occupant in its industry? Yes ; No . If yes, please provide detail: Project is necessary to serve Medline customers in NY, PA, NJ region.
- 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: As Medline has outgrown its current NY facility, the company needed to consider all options for this new facility. While it is Medline's preference to remain in NY and specifically in Orange County in order to retain as many of its existing 340 employees as possible, the company had to exercise its fiduciary duty, and Medline's real estate team explored opportunities for this new distribution center in NY, NJ, and PA. Under the assumption that Medline would qualify for and receive incentives from both the State of NY and the local municipalities, Medline has begun to pursue creating its new facility in Montgomery in good faith. If Medline is unable to receive sufficient financial assistance from a state and local perspective, it will have to re-explore other options outside of Montgomery. Medline hopes and expects that a long standing relationship can be built in Montgomery and that no further exploration outside of Montgomery will be required.
10. Will the Project be owned by a not-for-profit corporation? Yes ; No . If yes, please provide detail:
11. Will the Project be sold or leased to a municipality? Yes ; No . If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you

need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals. Medline needs zoning approval from the local County. Additionally, Medline is working with empire state development for state incentives.

2. Describe the nature of the involvement of the federal, state, or local agencies described above: N/A

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No X. 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.:
2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures: Purchase of land in Sept. 2018 in the amount of 17.8mil
3. Please indicate the date the applicant estimates the Project will be completed: Fall 2020.

I. Method of Construction after Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the project? Yes ____; No X.
2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ____; No ____.

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 X __. If yes, please complete the following for each existing or proposed tenant or subtenant: It is possible that more than 10% but less than 30% may be leased over the short term. No decisions have been made; no lease agreement has been entered into.

1. Sublessee name: N/A
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: ___ Corporation: ___ Partnership: ___ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee 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 sublessee.

2. Sublessee name: N/A
Present Address:
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee is: _____
_____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
Will any portion of the space leased by this sublessee 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 sublessee.

3. Sublessee name: N/A

Present Address:

City: _____ State: _____ Zip: _____

Employer's ID No.:

Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee 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 sublessee.

- B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? N/A

IV. Employment Impact

- A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (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. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	25	65	250		340
Present Part Time					
Present Seasonal					
First Year Full Time	27	77	292		396
First Year Part Time					
First Year Seasonal					
Second Year Full Time	29	89	334		452
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT Independent Contractors N/A					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT Employees of Independent Contractors N/A					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					

First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Mid-Hudson Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	██████	██████	██████	
Estimated Number of Employees Residing in the Mid-Hudson Economic Development Region¹	25	65	250	

C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project: Within 5 years of opening

¹ The Mid-Hudson Economic Development Region consists of the following counties: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester.

- D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment.

Janitor/Maintenance: Clean and maintain facility
 Warehouse Associate: Receiving shipments and preparing customer order
 Driver: Semi truck drivers transporting products
 Office Administration: logistic planning, human resources
 Manager: Oversee warehouse operations, provide training

V. Project Cost and Financing Sources

- 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:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ <u>17,802,000</u>
Buildings	\$ <u>84,000,000 est</u>
Machinery and equipment costs	\$ <u>15,000,000 est</u>
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ <u>1,000,000 est</u>
Costs of Financing	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COSTS	\$ <u>117,802,000est</u>

- B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing 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:

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ _____
Public Sector	
Federal Programs	\$ _____
State Programs	\$ _____
Local Programs	\$ _____
Applicant Equity	\$ _____
Other (specify, e.g., tax credits)	
Excelsior investment and local jobs credits _____	\$ <u>10,000,000</u>
_____	\$ _____
_____	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ <u>10,000,000</u>

- C. Have any of the above expenditures already been made by the applicant?
 Yes X; No _____. If yes, indicate particulars

Land has been purchased

- D. Amount of loan requested: \$ N/A _____;

Maturity requested: _____ years.

- E. Has a commitment for financing been received as of this application date, and if so, from whom? N/A

Yes ____; No _____. Institution Name: _____

Provide name and telephone number of the person we may contact.

Name: _____ Phone: _____

- F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: N/A _____%

- G. The total amount estimated to be borrowed to finance the Project is equal to the following:
\$ N/A

VI. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes ___; No X. If yes, indicate:
 - a. Amount of loan requested: ___ Dollars;
 - b. Maturity requested: ___ Years.
2. If the answer to question 1 is yes, is the interest on such bonds intended to be exempt from federal income taxation? Yes ___; No ___.
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes:
 - a. retail food and beverage services: Yes ___; No ___
 - b. automobile sales or service: Yes ___; No ___
 - c. recreation or entertainment: Yes ___; No ___
 - d. golf course: Yes ___; No ___
 - e. country club: Yes ___; No ___
 - f. massage parlor: Yes ___; No ___
 - g. tennis club: Yes ___; No ___
 - h. skating facility (including roller skating, skateboard and ice skating):
Yes ___; No ___
 - i. racquet sports facility (including handball and racquetball court):
Yes ___; No ___
 - j. hot tub facility: Yes ___; No ___
 - k. suntan facility: Yes ___; No ___
 - l. racetrack: Yes ___; No ___
4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a 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 X; No ___.
2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ___; No X. If yes, what is the approximate amount of financing to be secured by mortgages? \$ _____.
3. 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?
\$ _____.

4. 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.

est

a. N.Y.S. Sales and Compensating Use Taxes: \$8,043,750 (99M*8.125%)

b. Mortgage Recording Taxes: \$ _____

c. Real Property Tax Exemptions: \$ 17,608,653 est

d. Other (please specify): _____

\$ _____

\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy? Yes ____; No X . If yes, please explain.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

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"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), 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, within 45 days of the end of the calendar year, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the “NYS-45”), and (2) the US Dept. of Labor BLS 3020 Multiple Worksites report if applicable.
- E. Uniform Agency Project Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the “Public Benefits”) and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.
- F. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.
- G. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons:
- H. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of

I affirm under penalty of perjury that all statements made on this application are true, accurate, and complete to the best of my knowledge.

x Michael Drazin
Applicant

By: Michael Drazin

Title: Chief Finance Officer

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 24 THROUGH 27 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 28.

VERIFICATION

(If Applicant is a Corporation)

STATE OF Illinois)
) SS.:
COUNTY OF Lake)

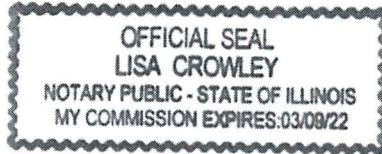
Michael Drazin deposes and says that he is the
(Name of chief executive of applicant)
Chief Finance Officer of Medline Industries, Inc.,
(Title) (Company Name)

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.

Michael Drazin
(Officer of applicant)

Sworn to before me this
8 day of Jan, 2019

Lisa Crowley
(Notary Public)



HOLD HARMLESS AGREEMENT

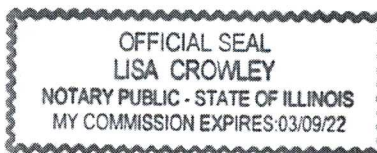
Applicant hereby releases Town of Montgomery Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency 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 Application, regardless of whether or not the application or the project described therein or the financial assistance requested therein are favorably acted upon by the Agency, (B) the Agency's financing, 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 or, if applicable, find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation 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.

x Michael Drazin
(Applicant)

BY: Michael Drazin

Sworn to before me this
8 day of Jan, 2019

Lisa Crowley
(Notary Public)



TO: Project Applicants
 FROM: Town of Montgomery Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the Town of Montgomery Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	Medline Industries, Inc.
2. Brief Identification of the Project:	Construction of & Operating 1.2mil Sqft distribution center
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ _____
B. Value of Sales Tax Exemption Sought	\$ <u>8,043,750</u>
C. Value of Real Property Tax Exemption Sought	\$ <u>17,608,653</u>
D. Value of Mortgage Recording Tax Exemption Sought	\$ <u>N/A</u>
4. Likelihood of accomplishing the Project in a timely fashion:	High

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ <u>17,802,000</u>
2. Site preparation	\$ _____
3. Landscaping	\$ _____
4. Utilities and infrastructure development	\$ _____
5. Access roads and parking development	\$ _____
6. Other land-related costs (describe)	\$ _____
B. Building-Related Costs	
1. Acquisition of existing structures	\$ _____
2. Renovation of existing structures	\$ _____
3. New construction costs	\$ <u>84,000,000</u>
4. Electrical systems	\$ _____
5. Heating, ventilation and air conditioning	\$ _____
6. Plumbing	\$ _____
7. Other building-related costs (describe)	\$ _____

C. Machinery and Equipment Costs		
1.	Production and process equipment	\$ _____
2.	Packaging equipment	\$ _____
3.	Warehousing equipment	\$15,000,000
4.	Installation costs for various equipment	\$ _____
5.	Other equipment-related costs (describe)	\$ _____
D. Furniture and Fixture Costs		
1.	Office furniture	\$ _____
2.	Office equipment	\$ _____
3.	Computers	\$ _____
4.	Other furniture-related costs (describe)	\$ _____
E. Working Capital Costs		
1.	Operation costs	\$ _____
2.	Production costs	\$ _____
3.	Raw materials	\$ _____
4.	Debt service	\$ _____
5.	Relocation costs	\$ _____
6.	Skills training	\$ _____
7.	Other working capital-related costs (describe)	\$ _____
F. Professional Service Costs		
1.	Architecture and engineering	\$1,000,000
2.	Accounting/legal	\$ _____
3.	Other service-related costs (describe)	\$ _____
G. Other Costs		
1.	_____	\$ _____
2.	_____	\$ _____
H. Summary of Expenditures		
1.	Total Land-Related Costs	\$17,802,000
2.	Total Building-Related Costs	\$84,000,000
3.	Total Machinery and Equipment Costs	\$15,000,000
4.	Total Furniture and Fixture Costs	\$ _____
5.	Total Working Capital Costs	\$ _____
6.	Total Professional Service Costs	\$1,000,000
7.	Total Other Costs	\$117,802,000

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

YEAR	Without IDA benefits	With IDA benefits
1	\$ 74,804,973	\$ 76,808,352
2	\$ 82,285,740	\$ 84,183,409
3	\$ 90,514,017	\$ 92,306,515
4	\$ 99,565,419	\$ 101,252,475
5	\$ 109,521,960	\$ 111,103,576

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	300	\$ 11,232,000	\$ 724,464
Year 1		\$	\$
Year 2		\$	\$
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application. 340 jobs retained

II. Estimates of the total new permanent jobs to be created by the Project are described in the tables in Section IV of the Application. 150-200 new full time jobs

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by Town of Montgomery residents: 25%

A. Provide a brief description of how the project expects to meet this percentage: Medline recruits from local areas and helps develop the employees to grow within the company. As employees advance in their careers, Medline continues to hire from local communities to backfill these roles.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$551,250 _____
Additional Sales Tax Paid on Additional Purchases	\$44,789 _____
Estimated Additional Sales (1 st full year following project completion)	\$3,242,602 _____
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$310,734 _____

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	558,649	0	558,649
Year 1	2,759,143	755,763	2,003,380
Year 2	2,759,143	861,204	1,897,939
Year 3	2,759,143	966,645	1,792,498
Year 4	2,759,143	1,072,057	1,687,056
Year 5	2,759,143	1,177,527	1,571,616
Year 6	2,759,143	1,282,968	1,476,175
Year 7	2,759,143	1,388,409	1,370,734
Year 8	2,759,143	1,493,580	1,262,293
Year 9	2,759,143	1,599,291	1,156,852
Year 10	2,759,143	1,704,733	1,054,410
Year 11	2,759,143	1,915,615	843,528
Year 12	2,759,143	2,126,497	632,646
Year 13	2,759,143	2,337,379	421,764
Year 14	2,759,143	2,548,261	210,882
Year 15	2,759,143	2,548,261	210,882

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response): Medline provides comprehensive benefits, including: medical, dental, vision, and Rx prescription drug plan, wellness programs, 401k with company match, life insurance and accidental death and dismemberment insurance, disability coverage, and tuition reimbursement

programs. Medline has a corporate culture of giving back to the community by striving to make an impact every day. Employees are encouraged to participate in many activities supporting the local community outside of work, such as fund raising programs for children with disabilities or fund raising programs for cancer patients.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

Date Signed: Jan 8, 2019.

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Michael Drazin

Title: CFO

Phone Number: 847-643-4603

Address: Three Lakes Drive, Northfield, IL 60093

Signature: Michael Drazin

