

# NYCIDA PROJECT COST/BENEFIT ANALYSIS

November 8, 2012

## APPLICANT

**Artex, Inc.**  
635 West 27<sup>th</sup> Street  
New York, NY 10001

## PROJECT LOCATION

33-20 48<sup>th</sup> Avenue  
Long Island City, NY 11101

### **A. Project Description:**

Artex, Inc., (the "Company") is a fine art storage, transportation, packing and handling company serving museums, galleries, auction houses and private collectors that seeks assistance in connection with the acquisition, renovation, equipping and/or furnishing of an approximately 140,000 square foot facility on an approximately 60,000 square foot parcel of land, through a to-be-formed real estate holding entity. Artex will occupy a portion of the facility.

Total project costs are estimated at \$20,550,000 with \$17,500,000 for acquisition, \$2,050,000 for construction hard costs, \$250,000 for fixed tenant improvements, \$200,000 for soft costs and \$550,000 for fees and other closing costs.

The Company plans to relocate 51.5 full-time equivalent employees from its current location in Manhattan, and create an additional three full-time positions within three years.

### **B. Costs to City (New York City taxes to be exempted):**

Mortgage Recording Tax Benefit:	\$	113,124
Land Tax Abatement (NPV, 25 years):		763,786
Building Tax Exemption (NPV, 25 years):		7,268,708
Sales Tax Exemption:		65,858
<b>Total Cost to NYC</b>	<b>\$</b>	<b>8,211,476</b>

### **C. Benefit to City (Estimated NYC direct and indirect taxes to be generated by Company) (estimated NPV 25 years @ 6.25%):**

**\$ 14,783,087**

**Company Contact Information**

This page collects information for all contacts involved in the Project.

Applicant Name: Artex Inc.	
Operating Company Address: 8712 Jericho City Drive, Landover MD 20785 (Corporate Offices)	
Website Address: www.artexfas.com	
EIN #: [REDACTED]	NAICS Code: 484200
Date of Application: October 1, 2012	

## 1. Officer of Applicant serving as contact person:

Name/Title: John K. Jacobs/President Firm: Artex Inc.  
 Phone: [REDACTED] Fax: [REDACTED]  
 E-mail Address: [REDACTED] Address: 8712 Jericho City Drive, Landover MD 20785

## 2. Attorney of Applicant:

Name: B. Lafe Metz Firm: Buchanan Ingersoll & Rooney PC  
 Phone: [REDACTED] Fax: [REDACTED]  
 E-mail Address: [REDACTED] Address: 301 Grant Street, Floor 20, Pittsburgh PA 15219-1410

## 3. Accountant of Applicant:

Name: William Larash Firm: Novotny, Larash & Granger, P.A.  
 Phone: [REDACTED] Fax: [REDACTED]  
 E-mail Address: [REDACTED] Address: 60 West Street, Suite 205

## 4. Other Advisor/Consultant to Applicant (if applicable):

Name: Sunil Aggarwal Firm: ThinkForward Financial  
 Phone: [REDACTED] Fax: [REDACTED]  
 E-mail Address: [REDACTED] Address: 27 Whitehall Street, NY, NY 10004

**Company Background**

This page collects a brief overview of the Applicant's structure and operations.

1. Applicant is (check one of the following, as applicable):

- General Partnership       Limited Partnership       C Corporation  
 S Corporation       Limited Liability Company       Natural Person  
 501(c)(3) Organization       Other (specify): \_\_\_\_\_

2. Are any securities of Applicant publicly traded?  Yes     No

3. Applicant's state of incorporation or formation: Maryland

4. Applicant's date of incorporation or formation: January 19, 1990

5. States in which Applicant is qualified to do business: Maryland, DC, New York, New Jersey, Massachusetts, Florida

6. Please provide a brief description the nature of the business, including a description of the industry, competitors, services offered, and any other relevant info:

Artex Inc. (Artex) is a company that specializes in the storage, transportation, packing and handling of fine art. Artex serves museums, galleries, auction houses and private collectors throughout the United States. Artex has offices and facilities in Washington D.C., Baltimore, New York, Boston, and Ft. Lauderdale, and is the nation's largest and most comprehensive service provider in this sector.

7. Please provide a brief description of the company history, unique company facts, etc.:

ARTEX Fine Services was founded in 1990 by John K. Jacobs and Todd Herman. ARTEX has assembled the most experienced staff of any company in the specialized field of fine art services. With over 200 full time employees ARTEX has the resources to manage any project no matter how large. Many of the Company's senior managers have more than 20 years of expertise in the field. As a result ARTEX has been given the responsibility for handling the most challenging and complex museum projects of our time, including:

- Relocating the entire collection of the National Museum of the American Indian from New York to Washington, D.C. This collection consists of over 850,000 objects that were digitally photographed, bar coded, packed, shipped and re-housed in the museum's new storage facility. Begun in 1999 the project took over four years to complete and was completed on time and on budget.
- In 2001 ARTEX designed and constructed a 70,000 square foot facility for the Smithsonian's American Art Museum and The National Portrait Gallery. This ARTEX owned facility includes climate-controlled storage, photography studios, graphics production, a cabinet shop, preparation areas, conservation and staff offices. Once completed the entire collections of both museums were moved in and ARTEX now leases the facility to the Smithsonian on a long-term basis.
- In 2003, after an exhaustive search, ARTEX identified an off-site storage facility for the Philadelphia Museum of Art to relocate a large part of their collections to. ARTEX provided the museum with an analysis of the space needed to store the collection and worked as a consultant to design the interior storage areas and systems to store the collection. ARTEX then worked closely with the museum, its architects and builders throughout the construction process to insure that the systems were properly installed. After construction was complete ARTEX relocated the collection from the museum to the off site facility, using specially designed moving equipment to avoid the need to individually pack each piece. The project was completed on time and on budget.

## **Proposed Project Activities**

This page provides a general outline of the NYCIDA/NYCCRC project.

1. Please provide a brief overview of the entire proposed Project. If necessary break down Project activities by tax lot to describe activities at each Project Location.

Artex is seeking to purchase a building in Long Island City, Queens along with other investor partners. Artex will lease a majority of the building from the real estate owner partnership. The current owner of the building, Pirulo Realty (AMPF and AMCI) will be leasing approximately 30% of the building for an up-to 5 year-term. Once that tenant has vacated its space, Artex will take over this space within the building as well, for a total lease interest of approximately 80% of the building.

In addition to building acquisition, Artex will renovate the building in order to accommodate its operations.

2. Please provide a brief description of how the proposed Project will affect current operations.

The purchase of building will allow Artex to secure continued operations in New York City as well as to consolidate to a location that provides it ability to grow.

3. Please provide a brief description of renovations/construction of the proposed Project.

Building renovations primarily consist of mechanical work, elevator cab enlargement by 5 inches and upgrade (to accommodate large art work that Artex stores), HVAC upgrades, office renovations including framing and drywall, and installation of shelving and other storage equipment.

4. Please provide a brief timeline for the entire proposed Project.

Artex and the real estate investment group hope to purchase the building by early December. In fact, the contract of sale stipulates a closing by December 20, 2012. Artex will undertake renovations in Q1 2013 and move into the building by Q2 2013.

Artex is seeking NYCIDA inducement and authorizing resolution at the November 2012 NYCIDA Board meeting in order to accommodate the above project schedule.

**Project Financing**

The chart immediately below requires information relating to the sources and uses of funds to be expended for the Project. For purposes of this chart, the amounts provided should be aggregates for all Project Locations.

**NOTE: TOTAL BUILDING AND CLOSING COSTS ARE INCLUDED (NOT PRORATED FOR ARTEX OWNERSHIP OR BUILDING USAGE PERCENTAGES)**

Sources of Funds (If needed use an additional sheet to indicate all sources and uses)								
Uses of Funds	Bond Proceeds	Commercial Financing (Loan 1)	Commercial Financing (Loan 2)	Affiliate/ Employee Loans	Capital Campaign	Company Funds	Other (Identify): ARTEX/PRINCIPAL EQUITY	Total Uses
Land & Building Acquisition		13,650,000					3,850,000	17,500,000
Construction Hard Costs							2,050,000	2,050,000
Construction Soft Costs							200,000	200,000
Fixed Tenant Improvements							250,000	250,000
Machinery Furnishings and/or Equipment								
Debt Service Reserve Fund								
Capitalized Interest								
Costs of Issuance								
Fees (explain): IDA, Other Closing							550,000	550,000
Other (explain)								
<b>Total</b>		13,650,000					6,900,000	20,550,000

Please list where machinery, equipment and furnishings will be purchased and what percentage of total machinery, equipment, and furnishings relating to the Project this will represent:

- New York City                                      Percentage of Total? 50
- New York State (excluding NYC)                      Percentage of Total? 10
- United States (excluding NYS)                      Percentage of Total? 40
- Outside United States                                      Percentage of Total? \_\_\_\_\_
- N/A - There is no equipment planned to be purchased with this project.

**Project Location Detail**

This page and the following 3 pages of this Application (i.e., pages 7 through 10, inclusive) make up the Proposed Project Packet.

Applicant must complete an individual Proposed Project Packet for each Project Location for which Applicant is seeking Project Financial Assistance.

Project Location		Project Location # 1 ___ of 1 ___	
Borough/Block/Lot: Queens/255/23			
Street address and zip code: 33-20 48 <sup>th</sup> Avenue, Queens, New York 11101			
Zoning: M2-1		Number of Floors: 4 plus basement	
Square footage of Existing Building: approximately 140,000 SF		Square footage of Land: 60,000	
Intended use(s) of site (e.g. manufacturing, office, retail, etc.): Industrial/manufacturing/warehouse			
Estimated square footage of Project after construction/ improvement completion: Project will be lease of approximately 51% of building growing into 79% of building			
Project Square Footage: Initially 70,000 SF growing to 110,000 SF			
Non-building Improvement square footage (if applicable): N/A			
Existing subtenant occupied square footage within building (in aggregate and per subtenant): 1) Pirulo Realty (AMPF and AMCI) – 39,000 SF 2) Shoe Service Plus – 12,000 SF 3) Urvan Appeal – 15,000 SF (basement)		Remaining length of each sublease: 1) 5 years 2) Less than 6 years 3) Month-to-month	
Nature of business for each sub-tenant: 1) AMPF and AMCI – Picture frame manufacturing and distribution 2) Shoe Service Plus – Shoe repair 3) Urvan Appeal – Apparel manufacturing/fabric cutting			

**Anticipated Ownership of Premises**

Please note that for purposes of answering the questions on this page, any reference to an "Affiliate" (as defined on the first page of this Application) should be deemed to mean an Affiliate of Applicant

1. Please check all that apply:

- Applicant or an Affiliate is the fee simple owner of the Project Location.
- Applicant or an Affiliate expects to be the fee simple owner of the Project Location.
- Applicant or an Affiliate leases the project Location.
- Applicant or an Affiliate expects to lease the project realty immediately following the closing.
- None of the above categories fully describe Applicant's interest or intended interest in the Project Location, which may be more accurately described as follows (please provide copies of supporting documentation, as applicable):

2. If Applicant or Affiliates leases or expects to lease the Project Location, choose one of the following

- Lease is for an entire building and property
- Lease is for space within a building.

3. If an Affiliate owns or controls (or will own or control) a Project Location, then describe such Affiliate by choosing one of the following selections and completing the chart provided below: Not yet formed

- General Partnership
- Limited Partnership
- C Corporation
- S Corporation
- Limited Liability Company
- 501(c)(3) Organization
- Natural Person
- Other (specify): \_\_\_\_\_

Name of Affiliate: TBD	EIN # of Affiliate: TBD
Address of Affiliate:	
Affiliation of Affiliate to Applicant:	
Contact Person:	Title of Contact Person:
Phone Number(s):	

**Employment Information**

The following information will be used as part of the NYCIDA/ NYCCRC's calculation of the benefit of the project, and as a basis for comparison with the information reported in periodic compliance surveys the Agency conducts throughout the life of the Project.

**Note: for the meanings of all defined terms, see page 1 of this Application.**

**A. Commencement of Operations**

1. When does Applicant expect to close with NYCIDA/NYCCR/Build NYC?  
December 2012
2. What will be the Facility Operations Start-Date? Q2 2013

**B. Current City-wide and Project Location Employment**

1. Currently, how many Full-time Employees do Applicant and Applicant's Affiliates employ throughout New York City as of the last pay period? 47
2. Currently, how many Part-time Employees do Applicant and Applicant's Affiliates employ throughout New York City as of the last pay period? 9
3. If the Applicant currently occupies and operates at the Project Location, how many Full-time and Part-time Employees are currently employed at the Project Location? (Indicate "NA" if no Employees are currently employed at the Project Location.) Part-time: N/A Full-time: N/A

**C. Expected City-wide Employment**

1. How many Full-time Employees do Applicant and Applicant's Affiliates expect to employ throughout New York City on the Facility Operations Start-Date? 47
2. How many Part-time Employees do Applicant and Applicant's Affiliates expect to employ throughout New York City on the Facility Operations Start-Date? 9

**D. Expected Relocation Employment**

1. Out of the number of Full-time Employees provided in the answer to C.1, how many are expected to be relocated to the Project Location on or about the Facility Operations Start Date? (Indicate "NA" if all employees at the Project Location will be new hires.)  
47
2. Out of the number of Part-time Employees provided in the answer to C.2, how many are expected to be relocated to the Project Location on or about the Facility Operations Start Date? (Indicate "NA" if all employees at the Project Location will be new hires.)  
9

**E. Estimated New-growth Employment**

Complete the following chart to indicate the number of new employees that are expected to be hired at the Project Location. Please review the illustrative example (see the sample below the chart) as a guide to completing the chart. **Note: In the chart below, year 1 is the year following the Facility Operations Start-Date; Year 2 is the second year following that date; Year 3 is the third, etc.**

Years following Facility Operations Start Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total New Growth
Permanent Full-time	1	1	1	1	3	1	1	1								10
Permanent Part-time																

**Illustration example for employment statistics**

**C. New Growth Employees**

*Scenario: A company with a total employment of 10 permanent full time employees at application has a Projected Start Date of Facility Operations of 5/23/2009. By 5/23/2010 they intend on adding to its workforce 2 employees, which is considered year 1, 0 employees the second year, 4 employees the third year, 2 part time employees the fourth year, and no more additional employees thereafter. There are also no layoffs anticipated.*

Years following Facility Operations Start Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total New Growth
Full-time Employees	2	0	4	0	0	0	0	0	0	0	0	0	0	0	0	6
Part-time Employees	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2

Although this company, after year 4, will have a total of 16 Full-time employees (the 10 original and the 6 New Growth) this chart should only reflect New Growth Employees. The 10 original employees are captured in Section B of the Project Location Information section of the application.



**Wage Information**

The questions in this section apply only to **Permanent Employees** employed or to be employed at the Project Location.

1. If Full-time Employees are to be relocated on the Facility Operations-Start Date, what will be the average quarterly and annual compensation for such relocated Full-time Employees? (Indicate "NA" if no Full-time Employees are being relocated.)  
Quarterly: \$12,250 Annual: \$49,000
2. If Part-time Employees are to be relocated on the Facility Operations-Start Date, what will be the average quarterly and annual compensation for such relocated Part-time Employees? (Indicate "NA" if no Part-time Employees are being relocated.)  
Quarterly: \$2,750 Annual: \$11,000
3. With regard to the Part-time Employees and Full-time Employees currently employed at the Project Location and provided in the answer to question B3 on the previous page (9), what is current annual average compensation? (Indicate "NA" if no Employees are currently employed at the Project Location.)  
Part-time: N/A Full-time: N/A
4. For new Full-time Employees expected to be hired in the first year following the Facility Operations Start-Date, what is the projected average quarterly and annual compensation?  
Quarterly: 13,000 Annual: 52,000
5. For new Part-time Employees expected to be hired in the first year following the Facility Operations Start-Date, what is the projected average quarterly and annual compensation?  
Quarterly: N/A Annual: N/A
6. For all new, Full-time Employees expected to be hired throughout the fifteen-year period following the Facility Operations Start-Date, please complete the following:
  - A. Projected average annual compensation: 65,000
  - B. Average annual compensation range: Hi: 70,000 Low: 40,000
7. For all new, Part-time Employees expected to be hired throughout the fifteen-year period following the Facility Operations Start-Date, please complete the following:
  - A. Projected average annual compensation: N/A
  - B. Average annual compensation range: Hi: N/A Low: N/A
8. Generally describe all other forms of compensation and benefits that Permanent Employee will receive at the Project Location. Examples: health care; employer-contributions for retirement plans; on-the-job training; reimbursement for educational expenses; etc.  
  
 Artex provides health care coverage at 70% of employer cost. In addition paid time off, which includes vacation and sick leave – depending on how long employee has worked at Artex (see schedule). Eight paid holidays are also a part of the benefits package. The company offers a 401k plan (but no employer match at this time).

**Company Background**

This section is meant to capture additional information about the company background.

The Applicant and its Affiliates hereinafter will be referred to as the "Companies" or individually as a "Company." If any of the following questions applies to none of these Companies, answer "NONE"; but, for any question that does apply, be sure to specify to which of the Companies the answer is relevant. When the space provided for an answer is insufficient, provide the answer on a separate sheet of paper and attach that paper to this Questionnaire.

1. List all of the labor union contracts and collective bargaining arrangements to which any of the Companies is currently a party (Note: This answer should match the answer to be supplied on page 14 of the Core Application, Question 10):

None

2. Have any of the Companies during the current calendar year and the five preceding calendar years experienced labor unrest situations, including pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents?

Yes  No

If Yes, please explain below or on an attached sheet:

3. Have any of the Companies received any federal and/or state unfair labor practices complaints asserted during the current calendar year and the five calendar years preceding the current calendar year?

Yes  No

If Yes, please describe and explain current status of complaints below or on an attached sheet:

4. Do any of the Companies have pending or threatened requests for arbitration, grievance proceedings, labor disputes, strikes or disturbances during the current calendar year and the five calendar years preceding the current calendar year?

Yes  No

If Yes, please explain below or on an attached sheet:

5. Are all employees of the Companies permitted to work in the United States?

Yes  No

If No, please provide details on an attached sheet.

What steps do the Companies take as a matter of course to ascertain their employees' employment status?

The Companies require an employment application and interview from prospective employees. In addition, the Companies collect I-9 forms and social security numbers.

6. Do the Companies complete and retain all required documentation related to this inquiry, such as Employment Eligibility Verification (I-9) forms?

Yes  No

If No, please explain below or on an attached sheet:

7. Has the United States Department of Labor, the New York State Department of Labor, the New York City Office of the Comptroller or any other local, state or federal department, agency or commission having regulatory or oversight responsibility with respect to workers and/or their working conditions and/or their wages, inspected the premises of any Company or audited the payroll records of any Company during the current calendar year or during the three calendar years preceding the current one?

Yes  No

If the answer to this question is "Yes," briefly describe the nature of the inspection, the inspecting governmental entity and when the inspection occurred. Briefly describe the outcome of the inspection, including any reports that may have been issued and any fines or remedial or other requirements imposed upon the Company or Companies as a consequence: (please use an attached sheet if necessary)

Due to the size of the Companies MD offices, the Companies are required to have an MWBE hiring plan. As a part of it normal compliance requirements, the federal government has reviewed the Companies payroll records.

8. Has any of the Companies incurred, or potentially incurred, any liability (including withdrawal liability) with respect to an employee benefit plan, including a pension plan?

Yes  No

If the answer to this question is "Yes," quantify the liability and briefly describe its nature and refer to any governmental entities that have had regulatory contact with the Company in connection with the liability: (please use an attached sheet if necessary)

9. Are the practices of any of the Companies now, or have they been at any time during the current calendar year or the five calendar years preceding the current calendar year, the subject of any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees?

Yes  No

If the answer to this is "Yes," provide details below or on an attached sheet. When answering this question, please consider "discrimination" to include sexual harassment.

**When answering the following questions, please note:** "Principal" means the following with respect to the Applicant and/or the SPE: all persons (entities or individuals) that control the Applicant and/or the SPE, and/or own more than 10 percent of either; all executive officers; all directors; and all members and general partners for, respectively, limited liability companies and partnerships.

1. Has Applicant, or any Affiliate or Principal, ever received, or is any such person or entity currently receiving, financial assistance or any other kind of non-discretionary benefit from any local, state or federal governmental entity or agency, or any public authority or public benefit corporation, or any local development corporation?

Yes  No If Yes, please provide details on an attached sheet.

**Please note:** local, state and federal governmental entities or agencies, public authorities or public benefit corporations, and local development corporations, shall be referred to as "Public Entit(y)(ies)."

2. Has Applicant, or any Affiliate or Principal, or any existing or proposed occupant at the Project site, obtained, or is any such person or entity in the process of obtaining, or contemplating obtaining, other assistance from the NYCIDA/ NYCCRC/Buld NYC and/or other Public Entities?

Yes  No If Yes, please provide details on an attached sheet.

3. Has Applicant, or any Affiliate or Principal, ever defaulted on a loan or other obligation to a Public Entity?

Yes  No If Yes, please provide details on an attached sheet.

## Core Application- Company Background

4. Has real property in which Applicant, or Affiliate or Principal, holds or has ever held an ownership interest and/or controlling interest of 25 percent or more, now or ever been (i) the subject of foreclosure (including a deed in lieu of foreclosure), or (ii) in arrears with respect to any type of tax, assessment or other imposition?  
 Yes  No If Yes, please provide details on an attached sheet.
5. Does Applicant, or any Affiliate or Principal, have any contingent liabilities not already covered above (e.g., judgment liens, lis pendens, other liens, etc.)? Please include mortgage loans and other loans taken in the ordinary course of business only if in default.  
 Yes  No If Yes, please provide details on an attached sheet.
6. Has the Applicant, or any Affiliate or Principal, failed to file any required tax returns as and when required with appropriate governmental authorities?  
 Yes  No If Yes, please provide details on an attached sheet.

Please answer the following questions relating to the Applicant (if the space provided below is insufficient, please provide complete information on an attached sheet):

7. List major customers:

Company Name	Address	Contact	Phone	Fax Number	Percent of Revenues
Michael Werner Gallery	4 E 77 <sup>th</sup> Street New York NY 10021				1.1%
The Jewish Museum	1109 Fifth Avenue New York NY 10128				0.8%
Private Collection	1130 Fifth Avenue New York NY 10021				0.6%

8. List major suppliers:

Company Name	Address	Contact	Phone	Fax Number
Wallons Welding & Fabrication, Inc.	1095 Pushaw Station Road, Sunderland MD 20689			
Willard Packaging Co.	18940 Woodfield Road, Gathensburg, MD 20879			
Van Owners Purchasing Bureau, Inc.	10-35 45 <sup>th</sup> Avenue, Long Island City, New York 11101			
Le Noble Lumber Co., Inc.	38-20 Review Avenue, Long Island City, NY 11101			

9. List major Funding sources (if applicable): Not applicable

Company Name	Address	Contact	Phone	Fax Number

10. List unions (if applicable): Not applicable

Union Name	Address	Contact	Phone	Fax Number

11. List banks:

Bank Name	Address	Contact	Phone	Account Type and Number
Bank of America, N.A.	1101 Wootton parkway, Suite 450, Rockville MD 20852			

12. List licensing authorities, if applicable:

Company Name	Address	Contact	Phone	Fax Number
Transportation Security Administration	See attached certificate			
NYS Department of Transportation	See attached letter			

# Retail Questionnaire

1. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of goods to customers who personally visit the Project?  Yes  No
2. If the answer to question 1 is "Yes," will the Applicant or any other Project occupant be a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the "retail sale of tangible personal property" (as defined in Section 1101(b)(4)(i) of the Tax Law)?  Yes  No
3. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of services to customers who personally visit the Project?  Yes  No
4. If the answer to question 1 or question 3 is "Yes," what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? \_\_\_\_\_%
5. If the answer to question 1 or question 3 is "Yes," and the answer to question #4 is more than 33.33%, indicate whether any of the following apply to the Project:
  - a. Will a not-for-profit corporation operate the Project?  
 Yes  No
  - b. Is the Project likely to attract a significant number of visitors from outside New York City?  
 Yes  No
  - c. Would the Applicant, but for the contemplated financial assistance from the NYCIDA, locate the related jobs outside New York State?  
 Yes  No
  - d. Is the predominant purpose of the Project to make available goods or services that would not, but for the Project, be reasonably accessible to New York City residents because of a lack of reasonably accessible retail trade facilities offering such goods or services?  
 Yes  No
  - e. Will the Project be located in one of the following: (a) an area designated as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) that, according to the most recent census data, has (i) a poverty rate of at least 20% for the year to which the data relates, or at least 20% of its households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?  Yes  No
6. If the answers to any of subdivisions (c) through (e) of question 5 are "Yes," will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in New York State?  Yes  No  
If "Yes," please furnish details in a separate attachment.
7. If the answers to any of subdivisions (a) through (e) of question #5 are "Yes," please furnish details in a separate attachment.

## Certification

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: Artex Inc.

By: Printed Name of Signer: Todd M. Herman

Title of Signer: Vice President

Signature: Todd M. Herman

Date: October 2, 2012

1. Will the completion of the Project result in the removal of a plant or facility of Applicant, or the removal of a plant or facility of any person or entity that is proposed to occupy the Project facility? (For the purposes of this question, "removal" shall mean removal from an area in New York State (but outside of New York City) to an area within New York City)  
 Yes       No

If "Yes," please provide the following information:

Address of the to-be-removed plant(s) or facility(ies):

Names of the to-be-removed person(s) or entity(ies), including the Applicant itself, if applicable.

2. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of any proposed occupant of the Project, located in an area of New York State other than New York City?  Yes  No

If "Yes," please provide the following information:

Addresses of the to-be-abandoned plant(s) or facility(ies):

Names of all current occupants of the to-be-abandoned plant(s) or facility(ies):

3. Will the completion of the Project in any way cause the removal and/or abandonment of plants and facilities anywhere in New York State (but outside of New York City)?  
 Yes       No

If "Yes," please provide all information relevant to such future removal and/or abandonment:

If the answer to either question 1, 2 or 3 is "Yes," please continue and answer questions 4 and 5.

4. Is the Project reasonably necessary to preserve the competitive position of this Applicant, or of any proposed occupants of the Project, in its industry?  
 Yes       No
5. Is the Project reasonably necessary to discourage the Applicant, or any proposed occupant of the Project, from removing such plant or facility to a location outside New York State?  
 Yes       No

If the answer to question 4 and/or question 5 is "Yes," please provide on a detailed explanation on a separate sheet of paper.

**Certification**

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: \_\_\_\_\_ of \_\_\_\_\_  
 Applicant: Artex Inc.

By: Printed Name of Signer: Todd M. Herman

Title of Signer: Vice President

Signature: Todd M. Herman

Date: October 2, 2012

## PART 1--PROJECT INFORMATION

Prepared by Project Sponsor

NOTICE: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form, Parts A through E. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. Provide any additional information you believe will be needed to complete Parts 2 and 3.

It is expected that completion of the full EAF will be dependent on information currently available and will not involve new studies, research or investigation. If information requiring such additional work is unavailable, so indicate and specify each instance.

Name of Action Acquisition of facility, operating lease for space within the facility, and renovation to that space

Location of Action (include Street Address, Municipality and County)

33-20 48th Avenue, Long Island City, Queens, New York 11101

Name of Applicant/Sponsor Artex Inc.

Address 8712 Jericho City Drive

City/PO Landover

State MD

Zip Code 20785

Business Telephone [REDACTED]

Name of Owner (if different) A real estate entity to be formed (affiliate of Bulgroup Properties L.P.)

Address 224 12th Avenue

City/PO New York

State NY

Zip Code 10001

Business Telephone [REDACTED]

Description of Action:

Artex is seeking to acquire (through an investment partnership) 33-20 48th Avenue in Long Island City Queens (an approximately 140,000 square foot building), and then lease a portion of this facility in order to relocate its art storage and transportation business, that is currently located in Manhattan. Artex anticipates initially leasing 53% of the space, growing into approximately 70-80% of the space. The facility ownership is anticipated to be a partnership between Artex principals and other investors.

In addition to the lease, Artex plans on renovating its space within the facility. Building renovations are planned to include HVAC upgrades, mechanical upgrades, widening and upgrade of elevator cab, office renovations including framing and drywall, and installation of shelving and other storage equipment.



**Please Complete Each Question--Indicate N.A. if not applicable**

**A. SITE DESCRIPTION**

Physical setting of overall project, both developed and undeveloped areas.

1. Present Land Use:  Urban  Industrial  Commercial  Residential (suburban)  Rural (non-farm)  
 Forest  Agriculture  Other \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. Total acreage of project area; 1.37 acres.

APPROXIMATE ACREAGE	PRESENTLY	AFTER COMPLETION
Meadow or Brushland (Non-agricultural)	<u>0</u> acres	<u>0</u> acres
Forested	<u>0</u> acres	<u>0</u> acres
Agricultural (Includes orchards, cropland, pasture, etc.)	<u>0</u> acres	<u>0</u> acres
Wetland (Freshwater or tidal as per Articles 24,25 of ECL)	<u>0</u> acres	<u>0</u> acres
Water Surface Area	<u>0</u> acres	<u>0</u> acres
Unvegetated (Rock, earth or fill)	<u>0</u> acres	<u>0</u> acres
Roads, buildings and other paved surfaces	<u>1.37</u> acres	<u>1.37</u> acres
Other (Indicate type) _____	_____ acres	_____ acres

3. What is predominant soil type(s) on project site? Urban Land Soils

- a. Soil drainage:  Well drained 100 % of site  Moderately well drained \_\_\_\_\_ % of site.  
 Poorly drained \_\_\_\_\_ % of site

b. If any agricultural land is involved, how many acres of soil are classified within soil group 1 through 4 of the NYS Land Classification System? N/A acres (see 1 NYCRR 370).

4. Are there bedrock outcroppings on project site?  Yes  No

a. What is depth to bedrock N/A (in feet)

5. Approximate percentage of proposed project site with slopes:

- 0-10% 0-3 %  10- 15% \_\_\_\_\_ %  15% or greater \_\_\_\_\_ %

6. Is project substantially contiguous to, or contain a building, site, or district, listed on the State or National Registers of Historic Places?  Yes  No

7. Is project substantially contiguous to a site listed on the Register of National Natural Landmarks?  Yes  No

8. What is the depth of the water table? 10-45 (in feet)

9. Is site located over a primary, principal, or sole source aquifer?  Yes  No

10. Do hunting, fishing or shell fishing opportunities presently exist in the project area?  Yes  No

11. Does project site contain any species of plant or animal life that is identified as threatened or endangered?  Yes  No

According to:

Identify each species:

12. Are there any unique or unusual land forms on the project site? (i.e., cliffs, dunes, other geological formations?)

Yes  No

Describe:

13. Is the project site presently used by the community or neighborhood as an open space or recreation area?

Yes  No

If yes, explain:

14. Does the present site include scenic views known to be important to the community?  Yes  No

15. Streams within or contiguous to project area:

Not applicable

a. Name of Stream and name of River to which it is tributary

Not applicable

16. Lakes, ponds, wetland areas within or contiguous to project area:

Not applicable

b. Size (in acres):

Not applicable

17. Is the site served by existing public utilities?  Yes  No
- a. If YES, does sufficient capacity exist to allow connection?  Yes  No
- b. If YES, will improvements be necessary to allow connection?  Yes  No
18. Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304?  Yes  No
19. Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the ECL, and 6 NYCRR 617?  Yes  No
20. Has the site ever been used for the disposal of solid or hazardous wastes?  Yes  No

**B. Project Description**

1. Physical dimensions and scale of project (fill in dimensions as appropriate).

- a. Total contiguous acreage owned or controlled by project sponsor: 70,000 SF acres.
- b. Project acreage to be developed: N/A acres initially; N/A acres ultimately.
- c. Project acreage to remain undeveloped: N/A acres.
- d. Length of project, in miles: N/A (if appropriate)
- e. If the project is an expansion, indicate percent of expansion proposed. N/A %
- f. Number of off-street parking spaces existing 16; proposed 16
- g. Maximum vehicular trips generated per hour: 10 (upon completion of project)?
- h. If residential: Number and type of housing units:

	One Family	Two Family	Multiple Family	Condominium
Initially	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Ultimately	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

- i. Dimensions (in feet) of largest proposed structure: N/A height; N/A width; N/A length.
- j. Linear feet of frontage along a public thoroughfare project will occupy is? N/A ft.

2. How much natural material (i.e. rock, earth, etc.) will be removed from the site? 0 tons/cubic yards.

3. Will disturbed areas be reclaimed  Yes  No  N/A

a. If yes, for what intended purpose is the site being reclaimed?

b. Will topsoil be stockpiled for reclamation?  Yes  No

c. Will upper subsoil be stockpiled for reclamation?  Yes  No

4. How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? 0 acres.

5. Will any mature forest (over 100 years old) or other locally-important vegetation be removed by this project?

Yes  No

6. If single phase project: Anticipated period of construction: 4 months, (including demolition)

7. If multi-phased:

a. Total number of phases anticipated N/A (number)

b. Anticipated date of commencement phase 1: N/A month N/A year, (including demolition)

c. Approximate completion date of final phase: N/A month N/A year.

d. Is phase 1 functionally dependent on subsequent phases?  Yes  No

8. Will blasting occur during construction?  Yes  No

9. Number of jobs generated: during construction 10; after project is complete 56

10. Number of jobs eliminated by this project 0.

11. Will project require relocation of any projects or facilities?  Yes  No

If yes, explain:

Artex will relocate operations from its leased facility at 635 West 27th Street, NY, NY 10001 to the project site.

12. Is surface liquid waste disposal involved?  Yes  No

a. If yes, indicate type of waste (sewage, industrial, etc) and amount \_\_\_\_\_

b. Name of water body into which effluent will be discharged \_\_\_\_\_

13. Is subsurface liquid waste disposal involved?  Yes  No Type \_\_\_\_\_

14. Will surface area of an existing water body increase or decrease by proposal?  Yes  No

If yes, explain:

15. Is project or any portion of project located in a 100 year flood plain?  Yes  No

16. Will the project generate solid waste?  Yes  No

a. If yes, what is the amount per month? 1 tons

b. If yes, will an existing solid waste facility be used?  Yes  No

c. If yes, give name Not yet determined; location Not yet determined

d. Will any wastes not go into a sewage disposal system or into a sanitary landfill?  Yes  No

e. If yes, explain:

17. Will the project involve the disposal of solid waste?  Yes  No

a. If yes, what is the anticipated rate of disposal? \_\_\_\_\_ tons/month.

b. If yes, what is the anticipated site life? \_\_\_\_\_ years.

18. Will project use herbicides or pesticides?  Yes  No

19. Will project routinely produce odors (more than one hour per day)?  Yes  No

20. Will project produce operating noise exceeding the local ambient noise levels?  Yes  No

21. Will project result in an increase in energy use?  Yes  No

If yes, indicate type(s)

22. If water supply is from wells, indicate pumping capacity N/A gallons/minute.

23. Total anticipated water usage per day 300 gallons/day.

24. Does project involve Local, State or Federal funding?  Yes  No

If yes, explain:

25. Approvals Required:

			Type	Submittal Date
City, Town, Village Board	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____	_____
			_____	_____
			_____	_____
City, Town, Village Planning Board	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____	_____
			_____	_____
			_____	_____
City, Town Zoning Board	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____	_____
			_____	_____
			_____	_____
City, County Health Department	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____	_____
			_____	_____
			_____	_____
Other Local Agencies	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	New York City IDA	10/18/12
			_____	_____
			_____	_____
Other Regional Agencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____	_____
			_____	_____
			_____	_____
State Agencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____	_____
			_____	_____
			_____	_____
Federal Agencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	_____	_____
			_____	_____
			_____	_____

C. Zoning and Planning Information

1. Does proposed action involve a planning or zoning decision?  Yes  No

If Yes, indicate decision required:

- |   |   |  |                                      |
|---|---|--|--------------------------------------|
| <input type="checkbox"/> Zoning amendment | <input type="checkbox"/> Zoning variance    | <input type="checkbox"/> New/revision of master plan | <input type="checkbox"/> Subdivision |
| <input type="checkbox"/> Site plan        | <input type="checkbox"/> Special use permit | <input type="checkbox"/> Resource management plan    | <input type="checkbox"/> Other       |

2. What is the zoning classification(s) of the site?

M2-1

3. What is the maximum potential development of the site if developed as permitted by the present zoning?

Maximum FAR is 2

4. What is the proposed zoning of the site?

Same

5. What is the maximum potential development of the site if developed as permitted by the proposed zoning?

N/A

6. Is the proposed action consistent with the recommended uses in adopted local land use plans?

Yes

No

7. What are the predominant land use(s) and zoning classifications within a ¼ mile radius of proposed action?

Industrial land use and industrial zoning are predominant.

8. Is the proposed action compatible with adjoining/surrounding land uses with a ¼ mile?

Yes

No

9. If the proposed action is the subdivision of land, how many lots are proposed? N/A

a. What is the minimum lot size proposed? N/A

10. Will proposed action require any authorization(s) for the formation of sewer or water districts?  Yes  No

11. Will the proposed action create a demand for any community provided services (recreation, education, police, fire protection)?

Yes  No

a. If yes, is existing capacity sufficient to handle projected demand?  Yes  No

12. Will the proposed action result in the generation of traffic significantly above present levels?  Yes  No

a. If yes, is the existing road network adequate to handle the additional traffic.  Yes  No

**D. Informational Details**

Attach any additional information as may be needed to clarify your project. If there are or may be any adverse impacts associated with your proposal, please discuss such impacts and the measures which you propose to mitigate or avoid them.

**E. Verification**

I certify that the information provided above is true to the best of my knowledge.

Applicant/Sponsor Name Todd Herman, Artex Inc. Date 10/18/2012

Signature *Todd M Herman*

Title Vice President

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment.