

Accelerated Sales Tax Exemption Program (ASTEP) Application

Submit your electronically completed Core Application via email to your assigned Project Manager as a Word Document file or a Word Document saved as a PDF.

A. APPLICANT OVERVIEW

Applicant Name (the "Applicant"): Kitchen Commons, Inc	Name of operating company (if different from Applicant):
Operating company Address: 2191 3rd Avenue, NY NY 10030	Website address: eterrakitchen.com
EIN #: [REDACTED]	NAICS Code: [REDACTED]
State and date of incorporation or formation: 05/28/2020	Qualified to conduct business in NY? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Applicant is (check one of the following, as applicable):	
<input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Business Corporation <input type="checkbox"/> Other: <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Natural Person <input type="checkbox"/> S Corporation	
Is the Applicant publicly traded? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Is the Applicant affiliated with a publicly traded company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, name the affiliated company:	

B. APPLICANT CONTACT INFORMATION

	Name/Title	Company	Address	Email	Phone	Primary ¹
Applicant Contact Person	Eugene Kharlamb	Kitchen Commons, Inc	2191 3rd Ave, NY NY 100135	eugene@eterrakitchen.com		<input checked="" type="checkbox"/>
Attorney						<input type="checkbox"/>
Accountant						<input type="checkbox"/>
Consultant/Other						<input type="checkbox"/>

C. APPLICABLE FINANCIAL ASSISTANCE

Provide the estimated value of each of the following types of Project Financial Assistance being requested. Discuss the estimation of the Requested Financial Assistance with your assigned Project Manager, if needed.

Requested Financial Assistance	Estimated Value of Requested Financial Assistance
Sales Tax Waiver	\$

D. PROPOSED PROJECT ACTIVITIES

Describe the proposed Project, including its purpose and Project Location, in the text box below. Refer to the example below.

Applicant "Kitchen Commons Inc" is a shared commercial kitchen operator, is seeking financial assistance in connection with the launching of the shared kitchen facility. Applicant intend to purchase commercial kitchen equipment necessary to upgrade and build out a permitted food manufacturing facility, furnishings, computer, cameras and other security equipment. The facility will occupy 5100 square feet on two floors and will me operated by Kitchen Commons, inc. Total development cost is approximately \$182,000 in material cost and \$80,000 in labor costs for a total cost of \$262,000. Equipment will be purchased over time. Expected completion is August 2022.

Example: [Applicant Name] ("Applicant") is a [supermarket operator and/or supermarket developer]. Applicant is seeking financial assistance in connection with the [list Project activities, such as acquisition, construction, furnishing, equipping, etc.] of a [] square foot [building or retail condominium] [to be located within a [] square foot mixed-use facility] on a [] square foot parcel of land at [address] (the "Facility"). The Facility will be owned by [Applicant or Holding Company] and operated by [Company Name] as a [Banner] supermarket. The total development cost is approximately [Project cost]. The project is anticipated to be completed in [] [months or years].

¹ Please select the individual to whom questions should be directed and who may speak on behalf of the Applicant.

E. PROJECT LOCATION DETAIL

Complete this table for *each* Project Location with a distinct Block/Lot. For Projects with more than one Block/Lot, copy the Project Location table below and paste it directly underneath to complete it.

Project Location Information		
Project Address: 2191 3rd Avenue		Location # of
Borough/Block/Lot: 1784-4	Community Board #: 111	Neighborhood: Harlem
Square footage of land: 4106	Square footage of existing building: 15,765	Number of Floors: 4
How is the anticipated Project Location currently used and what percentage is currently occupied? see attached page		
In the case of relocation, what will happen with the Applicant's current facility? facility infrastructure shall remain intact		
<p>Is there any space at the Project Location that is currently being/will be occupied and/or used by any entity other than the Applicant or operating company, whether Affiliates or otherwise?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, attach a separate page and provide details about tenants such as (1) name of tenant business(es) (whether Affiliates or otherwise), (2) square footage of tenant operations, (3) tenant occupancy commencement and termination dates, and (4) copies of leases, licenses, or other documents evidencing a right to possession or occupancy.</p> <p>For the purposes of this question, any license or other right of possession or occupancy granted by the Applicant or operating company with respect to the Project Location shall be deemed a tenancy.</p>		
Construction Information		
<p>Construction Start Date (as defined in the Policies and Instructions): 04/15/2021</p> <p>Facility Operations Start Date (as defined in the Policies and Instructions): 04/15/2021</p>		
<p>Does the Project involve the construction of a new building or an expansion/renovation of an existing building? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please complete the following questions and attach a separate page and provide drawings, plans, or a description of the proposed work.</p> <p>Does the Project involve subsurface disturbance or excavation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Anticipated square footage of Facility after construction and/or renovation: N/A</p> <p>Anticipated square footage of <i>non-building improvements</i> after construction and/or renovation (e.g. parking lot construction): N/A</p> <p>Please describe any <i>non-building improvements</i> on a separate page.</p> <p>Square feet of grocery space created: 0</p> <p>Percentage of retail space for perishable goods: 0</p> <p>Square feet of retail space for fresh produce: 0</p> <p>Are energy efficiency improvements or the installation of a renewable energy system anticipated as part of the Project?² YES</p>		
<p>Which of the below statements best reflects your current stage in the contractor procurement process?</p> <p><input type="checkbox"/> A contractor has been selected and the procurement process is complete.</p> <p><input type="checkbox"/> The procurement process has begun but a contractor has not been selected. Selection is anticipated by:</p> <p><input checked="" type="checkbox"/> The procurement process has not begun. Procurement is anticipated to begin by: 04/1/2021 <input type="checkbox"/></p> <p>Other:</p> <p><input type="checkbox"/> Not applicable</p>		
Zoning Information		
<p>Current zoning of Project Location:</p> <p>Is a zoning variance or special permit required for the Project to proceed at this Location? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, attach a separate page and describe the zoning variance or special permit required, which agencies are involved, and the anticipated schedule for zoning approval.</p> <p>Is the Project subject to any other city, state or federal approvals? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, attach a separate page and describe the approval required, and if applicable, list any other environmental review that may be required.</p> <p>Is the Project subject to a tax lot or condominium apportionment? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, attach a separate page and describe the approvals required, and the anticipated schedule for approval.</p> <p>Is the Project Location a designated historic landmark or located in a designated historic district? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Is the Project Location within the NYC Coastal Zone Boundary? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
<p>Intended use(s) of site (check all that apply): <input type="checkbox"/> Non-Supermarket Retail % <input type="checkbox"/> Office % <input type="checkbox"/> Restaurant % <input checked="" type="checkbox"/> Other</p> <p>%100 <input type="checkbox"/> Residential % For residential use, please describe number of units, % affordable and affordable housing financing</p>		

² More information on free energy efficiency advisory services can be found [here](#).

F. ANTICIPATED OWNERSHIP

1. Check the accurate description of the Project Location's anticipated ownership.

<input type="checkbox"/> Applicant or an Affiliate is/expects to be the Project Location's fee simple owner.	(Projected) Acquisition date:
<input checked="" type="checkbox"/> Applicant or an Affiliate leases/expects to lease the Project Location. <input type="checkbox"/> Lease is for an entire building and property. <input checked="" type="checkbox"/> Lease is for a portion of the building and/or property.	03/10/2021 (Projected) Lease signing date: (Projected) Possession date: 03/10/2021
<input type="checkbox"/> Neither of the above categories fully describes Applicant's interest or intended interest in the Project Location. Describe the anticipated ownership of the Project Location premises:	

2. Does/will an Affiliate own/control the Project Location? ☐ Yes ☒ No

If yes, complete the table below:

Name of Affiliate:	Address of Affiliate:
Affiliate is (check one of the following, as applicable): <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Business Corporation <input type="checkbox"/> Other: <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Natural Person <input type="checkbox"/> S Corporation	

G. PROJECT FINANCING

1. **Sources of Financing.** Provide amounts as aggregates for all Project Locations. Add table rows, if needed.

Sources	Total Amount	Percent of Total Financing
Equity	\$ 277,000	100 %
Commercial Loan (Bank Name:)	\$	%
New York City Public Funds	\$	%
Source:	\$	%
Source:	\$	%
New York State Public Funds	\$	%
Other:	\$	%
Total	\$	100%

2. Mortgage amount on which tax is levied (exclude SBA 504 financing³): Zero

3. Anticipated closing date between the Issuer and the Project Company: N/A

³ The SBA 504 Loan Program, administered by the Small Business Administration, is designed to provide small businesses with long-term financing to acquire and improve major fixed assets, such as owner-occupied commercial real estate and heavy machinery.

4. **Uses of Financing.** Provide amounts as aggregates for all Project Locations

Uses	Total Amount	Percent of Total Financing
Land and Building Acquisition	\$0	%
Construction Hard Costs (i.e. site excavation, building materials, labor, landscaping, construction materials, etc.)	\$ 80K	20 %
Construction Soft Costs (i.e. pre-planning, legal, financing, design, etc.)	\$ 15K	4 %
Furnishings, Fixtures, & Equipment (FF&E) and Machinery & Equipment (M&E) (i.e. generators, desks, chairs, electronic equipment, specialized manufacturing equipment, assembly equipment, etc.)	\$ 182K	45 %
FF&E purchased in NYC	\$27K	6
M&E purchased in NYC	\$ 156	
Closing Fees (costs associated the execution of deal, i.e. debt service reserve fund, financing fees, loan origination fees, attorney fees, pre-payment penalties, etc.)	\$ 0	%
Other (please describe):	\$	%
Total	\$ 277K	68 %

4a. Indicate anticipated budgeting of Hard Costs: Electrical: 10 % Carpentry: 60 % Painting: 10 % Plumbing: 20 %
Excavation or Demolition: % Other: %

4b. Indicate anticipated budgeting of Soft Costs: Architecture: 0 % Engineering: 0 % Design: 30 % Other: 70 %

H. EMPLOYMENT INFORMATION

For all responses below, please note that part-time employees work an average of between 17.5 and 35 hours per week, and full-time employees work 35 hours or more per week. Hourly wages should represent the pay rate and are exclusive of overtime. For any salaried employees, please divide the annual salary by 1,820 (working hours per year) to produce an hourly wage. Wage information should exclude principals.

- Number of Employees Applicant employed throughout New York City as of the last pay period:
Part-time (working between 17.5 and 35 hours per week): 0 Full-time (working 35 or more hours per week): 0
- If Applicant currently occupies and operates at the Project Location, how many Full- and Part-time Employees are employed at Project Location?
Part-time (working between 17.5 and 35 hours per week): 0 Full-time (working 35 or more hours per week): 0
- How many Full- and Part-time Employees will be employed at Project Location upon project completion?
Part-time (working between 17.5 and 35 hours per week): Full-time (working 35 or more hours per week): 2
- Number of Employees Applicant employed throughout New York City as of the last pay period: 0

I. WAGE INFORMATION

For all responses, the questions in this section, *besides question 1*, apply only to permanent employees employed or to be employed at the Project Location. Please note that this information is required to be provided to the Corporation on an annual basis.

- Are any of your employees (including part-time and seasonal employees) paid less than \$13.30 per hour (an hourly wage rate of \$12.15 plus a health benefits supplement of \$1.80)? No
- Regarding employment if Applicant currently occupies and operates at the Project Location
Average hourly wage per part-time employee: 18 Average hourly wage per full-time employee: 18
Hourly wage of highest compensated part-time employee: Hourly wage of highest compensated full-time employee:
Hourly wage of lowest compensated part-time employee: Hourly wage of lowest compensated full-time employee:
- Regarding employment at the Project Location upon completion of the proposed project
Average hourly wage per part-time employee: 15 Average hourly wage per full-time employee: 15
Hourly wage of highest compensated part-time employee: Hourly wage of highest compensated full-time employee: 25
Hourly wage of lowest compensated part-time employee: Hourly wage of lowest compensated full-time employee: 15
- Generally describe all other forms of compensation and benefits that Permanent Employees will receive. Examples: healthcare, employer-contributions for retirement plans, on-the-job training, reimbursement for educational expenses, etc.

On-the job training, salary

J. LABOR

The Applicant and its Affiliates hereinafter will be referred to collectively as the “Companies” or individually as a “Company.” If none of the following questions apply to any of these Companies, answer *No*. For any question that does apply, be sure to specify to which of the Companies the answer is relevant.

1. Have any of the Companies during the current calendar year or any of the five preceding calendar years experienced labor unrest situations, including actual or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents?
☐ Yes ☒ No If Yes, explain on an attached sheet.
2. Are any of the Companies’ employees *not* permitted to work in the United States?
☐ Yes ☒ No If Yes, provide details on an attached sheet.
3. 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 or preceding three year calendar years?
☐ Yes ☒ No If “Yes,” use an attached sheet to briefly describe the nature and date of the inspection and the inspecting governmental entity. 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 any of the Companies as a consequence.

K. FINANCIALS

1. Has the Applicant, Affiliate(s), Principal(s), or any close relative of the Principal(s), ever received, or is any such person or entity currently receiving, financial assistance or any other kind of non-discretionary benefit from any Public Entities?
☐ Yes ☒ No If Yes, provide details on an attached sheet.
2. Has Applicant, or any Affiliate or Principal, or any existing or proposed occupant at the Project Location(s), obtained, or is any such person or entity in the process of obtaining, or contemplating obtaining, other assistance from the NYCIDA/Build NYC and/or other Public Entities?
☐ Yes ☒ No If Yes, 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, provide details on an attached sheet.
4. Has 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, provide details on an attached sheet.

L. ANTI-RAIDING

1. Will the completion of the Project result in the relocation of any plant or facility located within New York State, but outside of New York City, to New York City? ☐ Yes ☒ No
If “Yes,” provide the names of the owners and addresses of the to-be-removed plant(s) or facility(ies):
2. Will the completion of the Project result in the abandonment of any plants or facilities located in an area of New York State other than New York City? ☐ Yes ☒ No
If “Yes,” provide the names of the owners/operators and the addresses of the to-be-abandoned plant(s) or facility(ies):

If the answer to question 1 or 2 is “Yes,” answer questions 3 and 4.

3. 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
4. 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 3 or 4 is “Yes,” provide a detailed explanation in a separate document.

M. COMPLIANCE WITH LAW

- 1. The Applicant and any owner or occupant of the proposed project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. ☒ Yes ☐ No
- 2. The proposed project, as of the date of this application, is in compliance with all provisions of Article 18-A of the General Municipal Law, including, but not limited to the provisions of Section 859-a and Section 862(1) thereof. ☒ Yes ☐ No

N. SUPERMARKET DEVELOPMENT & OPERATIONS

- 1. Will the Project Location participate in the Supplemental Nutrition Assistance Program ("SNAP")? ☐ Yes ☐ No
If "No," please describe why:
- 2. Will the Project Location participate in the Special Supplemental Nutrition Program for Women, Infants and Children ("WIC")? ☐ Yes ☐ No
If "No," please describe why:
- 3. Will the Project Location participate in any other community-focused programs or partnerships (e.g. senior discounts, cooking demonstrations, volunteer days, etc.)? ☒ Yes ☐ No
If "Yes," please describe each activity and its frequency (e.g. daily senior discounts, weekly healthy cooking demonstrations, etc.):
- 4. Do Applicant and/or its Affiliates own and/or operate other supermarkets or supermarket-related businesses in New York City?
☐ Yes ☒ No
If "Yes," please complete the following table and add rows as needed:

Store & Company Name	Address	Size (sf)	Years in Operation	Owned or Leased

- 5. Do the Applicant and/or its Affiliates own and/or operate any other businesses in New York City? ☐ Yes ☒ No
If "Yes", please describe the nature of business and years in operation:
- 6. Has the Project Location been approved for/is currently seeking FRESH Zoning benefits? ☐ Yes ☒ No
If "Yes", please describe the applicable FRESH Zoning benefits (i.e. additional development rights, reduction in required parking, larger as-of-right in M1), primary applicant company, and anticipated schedule for approval:

O. ADDITIONAL QUESTIONS

- 1. How does the Applicant intend to utilize the tax savings provided through the NYCIDA? **see attached**
- 2. What are the primary sources of revenue supporting Applicant's operations? **shared commercial kitchen rentals**
- 3. If the Applicant's income statement categorizes any revenues as "Other operating revenues," describe what revenues are captured in that category: ☒ N/A
- 4. If the Applicant's income statement categorizes any revenues as "Other general and administrative," describe what revenues are captured in that category: ☒ N/A

CERTIFICATION

I, the undersigned officer/member/partner of Applicant, on behalf of Applicant and its Affiliates, hereby request, represent, certify, understand, acknowledge and agree as follows:

I request that this Application, together with all materials and data submitted in support of this Application (collectively, these "Application Materials"), be submitted for review to the Agency's Board of Directors (the "Board"), in order to obtain from the Board an expression of intent to provide the benefits requested herein for the Project.

I certify that I have the authority to sign these Application Materials on behalf of, and to bind, Applicant and its Affiliates.

I certify under penalty of perjury to the best of my knowledge and belief, after due investigation, that the information contained in these Application Materials is accurate, true and complete and does not contain a misstatement of a material fact or omit to state a material fact necessary to make the statements contained herein not misleading. I understand that an intentional misstatement of fact, or, whether intentional or not, a material misstatement of fact, or the providing of materially misleading information, or the omission of a material fact, may cause the Corporation to reject the request made in the Application Materials.

I acknowledge that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the project.

I further understand and agree as follows:

That notwithstanding submission of this Application, the Agency shall be under no obligation to present Applicant's proposed Project to the Board for approval. If the Agency presents Applicant's proposed Project to the Board for approval, the Agency does not guaranty that such approval will be obtained. If upon presenting Applicant's proposed Project to the Board for approval the Agency obtains such approval, such approval shall not constitute a guaranty from the Agency to Applicant that the Project transaction will close.

That preparation of this Application and any other actions taken in connection with the proposed Project shall be entirely at Applicant's sole cost and expense. Under all circumstances, the Application Fee is non-refundable, including but not limited to the circumstance where the Agency decides, in its sole discretion, to not present Applicant's proposed project to the Board for Approval.

That each of Applicant and each of its Affiliates (collectively, the "Indemnitors") hereby releases the Agency and NYCEDC and their respective directors, officers, employees and agents (collectively, the "Indemnitees") from and against any and all claims that any Indemnitor has or could assert and which arise out of, or are related to, any Application Materials, any actions taken in connection therewith or any other actions taken in connection with the proposed Project (collectively, the "Actions"). Each Indemnitor hereby indemnifies and holds harmless each of the Indemnitees from and against any and all claims and damages brought or asserted by third parties, including reasonable attorneys' fees, arising from or in connection with the Actions. As referred to herein, "third parties" shall include, but shall not be limited to, Affiliates.

That in the event the Agency discloses the Application Materials in response to a request made pursuant to FOIL, Applicant hereby authorizes the Agency to make such disclosure and hereby releases the Agency from any claim or action that Applicant may have or might bring against the Agency, their directors, officers, agents, employees and attorneys, by reason of such disclosure; and that Applicant agrees to defend, indemnify and hold the Agency and the NYCEDC and their respective directors, officers, agents, employees and attorneys harmless (including without limitation for the cost of reasonable attorneys' fees) against claims arising out of such disclosure as such claims may be made by any party including the Applicant, Affiliate, Owner or Principal, or by the officers, directors, employees and agents thereof.

That capitalized terms used but not defined in this Application have the respective meanings specified in the Policies and Instructions.

I acknowledge and agree that the Agency reserves its right in its sole and absolute discretion to request additional information, waive any requirements set forth herein, and/or amend the form of this Application, to the full extent permitted by applicable law.

Requested, Represented, Certified, Acknowledged, Understood and Agreed by Applicant,

I certify that, using due care, I know of no misstatement of material fact in the Application Materials, and know of no material fact required to be stated in the Application Materials to make the statements made therein not misleading. **Certified by Preparer,**

This 15 day of March, 20 21 .

Name of Applicant: EUGENE KHARLAMB

Signatory: KITCHEN COMMONS, INC

Title of Signatory: CTO

Signature: 

This day of , 20 .

Name of Preparer:

Signatory:

Title of Signatory:

Signature:

ASTEP APPLICATION: ATTACHMENTS CHECKLIST

Submit the following attachments to your NYCIDA application by the Complete Application Package Submission Deadline associated with your targeted Board Meeting date.

- A. ☒ **Signed ASTEP Application.**
- B. ☒ **Short Environmental Assessment Form** (SEAF, provided by NYCIDA).
- C. ☒ **Doing Business Data Form** (Provided by NYCIDA).
- D. ☐ **Past 3 years of financial statements** (or Affiliate payroll if operations comparable).
- E. ☐ **Current payroll** (or Affiliate payroll if operations comparable).
- F. ☒ **Completed background investigation questionnaire.**
- G. ☒ **Short Bios** for principals and key management staff that include employment history and education.
- H. ☐ **Contract of Sale/Lease Agreement** for acquiring title or leasehold title to the proposed site.
- I. ☐ Executed **Commitment Letter or Term Sheet** from financial institution(s) providing financing that clearly indicates portion(s) in connection with which assistance is being sought.
- J. ☒ **Any marketing materials**, renderings or banner/cooperative logos (Optional).
- K. ☐ **Any documents reflecting support** from community based organizations, local elected officials, etc.(Optional).
- L. ☐ **Non-refundable \$500 application fee** payable to NYCIDA, mailed to
Strategic Investments Group
NYCEDC
110 William Street
New York, NY 10038
- M. ☐ **Acord Certificate of Liability Insurance.**
- N. ☐ **Workers Compensation Insurance.**