



Empowering Businesses. Inspiring Growth.

APPLICATION FOR FINANCIAL ASSISTANCE

Isomedix Operations, Inc.

(Applicant Name)

Robert T. Armistead
Chairman

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Phone: 845-234-4192 Fax: 845-220-2228

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business@ocnyida.com

Updated July 2014

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Isomedix Operations, Inc. (DBA – STERIS Isomedix Services)

Mailing Address: 5960 Heisley Road, Mentor, Ohio _____

Phone No.: 440-354-2600 _____

Fax No.: _____

Fed Id. No.: 202091512 _____

Contact Person: Stephen Norton _____

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

See attached annual report, page 94.

Corporate Structure (*attach schematic if applicant is a subsidiary or otherwise affiliated with another entity*) See annual report.

Form of Entity

Corporation STERIS Corporation is a "C" corporation and Isomedix Operations, Inc. is a wholly owned subsidiary.

Date of Incorporation: August 9, 1985
State of Incorporation: Ohio

Partnership

General _____ or Limited _____
Number of general partners _____
If applicable, number of limited partners _____

Date of formation _____
Jurisdiction of Formation _____

Limited Liability Company/Partnership (number of members _____)

Date of organization: _____
State of Organization: _____

Sole Proprietorship

If a foreign organization, is the applicant authorized to do business in the State of New York?

APPLICANT'S COUNSEL

Name: Ronald Snyder
Address: 5960 Heisley Road, Mentor, Ohio 44060

Phone No.: 440-392-7410

Fax No.: _____

II. PROJECT INFORMATION

A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected.

STERIS Isomedix Services is proposing a new industrial sterilization facility in the Chester Industrial Park on the site located at 32 Elizabeth Drive, known as Block 2, Section 117, Lots 4&5. The proposed development project includes the purchase of 10.77 acres of land, the construction of a 61,138 square foot facility including 4,082 square foot of office space, 53,376 square foot of warehouse space. The facility will provide industrial sterilization services to the medical device manufacturing industry. The total capital investment is anticipated to be \$12.2 million.

B) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations. **Attached.**

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations.

Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.

Isomedix Operations, Inc. is a wholly owned subsidiary of STERIS Corporation.

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.

See attached Amended S-4

Project Data

1. Project site (land)

(a) Indicate approximate size (in acres or square feet) of project site.

10.77 acres

(b) Are there buildings now on the project site? _____ Yes No

(c) Indicate the present use of the project site.

The land is located within the Chester Industrial Park and is available for development

(d) Indicate relationship to present user of project.

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings:

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:

The Phase I construction of a 61,138 square foot facility including 4,082 square foot of office space, 53,376 square foot of warehouse space. The total capital investment is anticipated to be \$12.2 million.

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:

5. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered. . .

The facility will provide industrial sterilization services to the medical device manufacturing industry.

. . . *including* the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)

The construction of a 61,138 square foot facility including 4,082 square foot of office space, 53,376 square foot of warehouse space.

6. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

7. List principal items or categories of equipment to be acquired as part of the project.

Industrial Irradiator and related material handling equipment.

8. Has construction work on this project begun?

Complete the following

(a) site clearance	_____ Yes	<u>X</u> No	_____ % complete
(b) foundation	_____ Yes	<u>X</u> No	_____ % complete
(c) footings	_____ Yes	<u>X</u> No	_____ % complete
(d) steel	_____ Yes	<u>X</u> No	_____ % complete
(e) masonry work	_____ Yes	<u>X</u> No	_____ % complete
(f) other (describe below)	_____ Yes	<u>X</u> No	_____ % complete

9. Will any of the funds borrowed through the Agency be used for refinancing?
No. _____

10. Is a purchaser for the bonds in place? _____

COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
Estimated Sales Tax Exemption	\$594,676.8 (calculated using a sales tax of 8.125%) _____	New Jobs Created <u>25</u> Existing Jobs Retained <u>110</u>
Estimated Mortgage Tax Exemption	\$ _____	Private Funds invested <u>\$12.2 million</u>
Estimated Property Tax Abatement	\$ _____	Other Benefits _____
Estimated Interest Savings IRB Issue	\$ _____	Expected Yearly Payroll \$ _____ Expected Gross Receipts \$ _____

B) Project Address: 32 Elizabeth Drive, known as Block 2, Section 117, Lots 4&5, Chester, NY

Tax Map Number _____
(Section/Block/Lot)

Located in City of _____

Located in Town of Chester

Located in Village of _____

School District of _____

C) Are utilities on site? (AVAILABLE FOR TIE IN)

Water No Electric No

Gas No Sanitary/Storm Sewer No

D) Present legal owner of the site Chester Industrial Park Associates, LP
If other than from applicant, by what means will the site be acquired for this project? _____

E) Zoning of Project Site: Current: M-1 _____ Proposed: M-1 _____

F) Are any variances needed? None required

G) Principal use of project upon completion: The facility will provide industrial sterilization services to the medical device manufacturing industry. _____

H) Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another? No.

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York? No.

Will the project result in the abandonment of one or more plants or facilities located in the State of New York? No.

I) Estimate how many construction/permanent jobs will be created or retained as a result of this project and the estimated annual salary range:

<u>Number of jobs created</u>	<u>Estimated Annual Salary Range</u>
Construction: <u>6-85</u>	\$ _____ to \$ _____
Permanent: <u>25</u>	\$ <u>33,000</u> to \$ <u>74,000</u>
Retained: <u>110</u>	\$ <u>33,000</u> to \$ <u>74,000</u>

J) Financial Assistance being applied for: Estimated Value

_____ Real Property Tax Abatement \$
Please indicate the term of the PILOT: _____ Years

_____ Mortgage Tax Exemption \$
Please provide the Mortgage Amount: \$ _____

_____ X Sales and Use Tax Exemption \$

Amount of Goods & Services to be purchased: \$ __\$4 million_

_____ Issuance by the Agency of Tax Exempt Bonds	\$
K) Project Costs (Estimates)	
Land	\$2.5 million _____
Building	\$9.7 million _____
Equipment	\$ _____
Soft costs	_____
Other	_____
Total	\$12.2 million _____

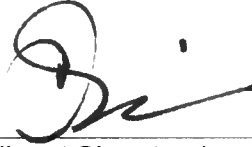
III. REPRESENTATIONS BY THE APPLICANT

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 proposed 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 proposed project must 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 Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must 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 proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Filings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed 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.
- E. Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- F. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or

employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.



(Applicant Signature)

GERARD J. REIS

(Name of Officer)

S.R.V.P., GOVERNMENT AFFAIRS
(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o Robert T. Armistead, Chairman, Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, NY 12553.

The Agency will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE (page 10)

Bond Counsel
CHARLES SCHACHTER, ESQ./
RUSSELL GAENZLE, ESQ.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817

Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years.
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.
4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.



(Applicant Signature)

By: _____

Name: GERARD T. REIS

Title: SR.V.P., GOVERNMENT AFFAIRS

Cathi L. Majewski
(Notary Public)

Sworn to before me this 3 day

[stamp]

of MARCH, 2015

CATHI L. MAJEWSKI
Notary Public, State of Ohio
My Commission Expires 4/9/2018
(Recorded in Lake County)

**FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:**

Application Fee:

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Transaction/Bond Counsel Fee: \$2,500

Closing Fee:

IDA Fee

One-percent of the first \$2,000,000 of the project cost (as identified on page 7 of this application), plus one-half percent of amount above that, due at closing.*

IDA Bond Counsel Fee

Balance due to be determined based on Project and overall structure (typically \$25,000 to \$35,000 plus out of pocket expenditures).

NOTE: IDA reserves the right to seek additional IDA and Bond Counsel fees for exceptionally complex/large transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

4 Crotty Lane

New Windsor, NY 12553

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a

straight one-half percent (0.5%) of the project cost (as identified on page 7 of this application).

**LABOR POLICY
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Adopted 04-24-2014**

The Orange County Industrial Development Agency (IDA) was created for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter "construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs shall employ workers in Orange County during all project phases, including the construction phase.

For the purposes of this Policy, the local labor market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland and Westchester Counties. Applicants receiving IDA benefits shall utilize at least 85% local labor for their approved projects. However, the IDA recognizes that the use of local labor may not be possible for the following reasons:

- 1) Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers;
- 2) Specialized construction is required and no local contractors or local construction workers have the required skills, certifications or training to perform the work;
- 3) Significant cost differentials in bid prices whereby the use of local labor significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations;
- 4) No local labor is available for the project; and
- 5) The contractor requires the use of key or core persons such as supervisors, foremen, or construction workers having special skills.

The request to secure an exemption for use of non-local labor must be received in writing from the applicant. The request will be reviewed by the Executive Director who shall have the authority to approve or disapprove the request. The Executive Director shall report each authorized exemption to the Board of Directors at its monthly meeting.

In addition, applicants receiving IDA benefits and Contractors on the project shall make every effort to utilize vendors, material suppliers, subcontractors and professional services from Orange County and the surrounding counties. Applicants and contractors shall be required to

keep records of those local vendors, material suppliers, contractors and professional services who they have solicited and with whom they have contracted with or awarded.

It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects there is opportunity for veterans to gain both short term and long term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to the IDA's Executive Director the following information:

- 1) Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the application and project;
- 2) Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
- 3) The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification for all contractors and their employees performing work on the site; and
- 4) A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project.

All Orange County IDA projects are subject to local monitoring by the IDA. The Construction Manager, acting as agent for the applicant, on the project shall keep a log book on site detailing the number of workers on the job for each trade and the counties in which they reside which shall be subject to periodic inspection by the monitoring entity. The monitor shall issue a report to the Executive Director relative to compliance with this labor policy who shall share such information with the IDA Board of Directors. If a violation of the policy has occurred, the Executive Director shall notify the applicant in writing and give such applicant a warning of such violation. In the event there is a subsequent violation of the policy, the Executive Director shall bring such information to the Board of Directors which may, in its discretion, take action to revoke IDA benefits.

The applicant of an IDA approved project shall be required to maintain a 4' x 8' bulletin board on the project site containing the following information:

- 1) Contact information of the applicant;
- 2) Summary of the IDA benefits received; and
- 3) Contractors' names and contact information.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors.



February 17, 2015

Laurie Villasuso
Associate Executive Director
Orange County Industrial Development Agency
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Dear Director Villasuso:

This letter is in response to your review of the Industrial Development Agency application submitted Feb. 10, 2015 on behalf of Isomedix Operations, Inc., a wholly owned subsidiary of STERIS Corporation.

As you are aware, Isomedix has proposed an expansion of its operations located in Chester, New York. The capital investment is approximately \$10.5 million and will include the addition of 25 new jobs with annual salaries ranging between \$33,000 and \$74,000, as well as the retention of 110 existing jobs.

We also estimate that the project will employ between 60 and 85 skilled tradespeople during the approximately 12-month construction period, with the project to be completed in April 2016.

Isomedix Operations, Inc. is proposing a new facility in the Chester Industrial Park on the site located at 32 Elizabeth Drive, known as Block 2, Section 117, Lots 4&5. The proposed development project includes the purchase of 10.77 acres of land, the construction of a 61,138 square foot facility that will provide industrial sterilization services to the medical device manufacturing industry.

This project is located in Chester (CSD) school district. We anticipate that approximately \$4 million of the proposed \$10.5 million investment will be used to purchase materials used in the construction of the building. If Orange County were to approve an 8.125 percent sales tax abatement, we anticipate the savings to Isomedix would be approximately \$325,000.

We look forward to working with you to secure this incentive that will assist us with our ability to invest in our local operations, grow our business and create jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerry Reis", written over a circular stamp or mark.

Gerry Reis
Senior Vice President, Government Affairs
STERIS Corporation



May 5, 2015

Laurie Villasuso
Associate Executive Director
Orange County Industrial Development Agency
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Dear Director Villasuso,

Isomedix Operations, Inc., a wholly owned subsidiary of STERIS Corporation, is requesting to modify its project application to include the Enhanced 10 year PILOT.

As you are aware, Isomedix Services is proposing a new industrial sterilization facility in the Chester Industrial Park on the site located at 32 Elizabeth Drive, known as Block 2, Section 117, Lots 4&5. The proposed development project includes the purchase of 10.77 acres of land, the construction of a 61,138 square foot facility including 4,082 square foot of office space, and 53,376 square foot of warehouse space.

The facility will provide industrial sterilization services to the medical device manufacturing industry. The total capital investment is anticipated to be \$12.2 million.

We appreciate the assistance provided to date by IDA, as we have evaluated how to invest in our existing operations in Chester, New York to expand and create jobs.

We look forward to discussing next steps and assisting you and IDA staff with the application and approval process.

Sincerely,



Gerry Reis
Senior Vice President
Government Affairs

GR/lr