

**TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR FINANCIAL ASSISTANCE**

DATE: 04/13/2016

APPLICATION OF: Blue Point Brewing Company, Inc.
Company Name / Ownership of Proposed Project

ADDRESS: One Busch Place, Attn Tax 202-5
St. Louis, MO 63118

Type of Application: Tax-Exempt Bond Taxable Bond Lease
 Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space "see attachment number 1", etc.) or by N.A., where not applicable. Application must be filed in ten copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is \$2,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency's staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

Please write or call:

Town of Brookhaven Industrial Development Agency
c/o Town of Brookhaven Division of Economic Development

One Independence Hill
Farmingville, New York 11738

(631) 451-6563

I. Company Data

A. COMPANY (APPLICANT FOR ASSISTANCE)

Company Name: Blue Point Brewing Company, Inc.

Address: One Busch Place, Attn Tax, 202-5

St. Louis, MO 63118

Contact: Lance Warren Title: Director Business Tax

Phone Number: [REDACTED] E-mail: [REDACTED]

Federal Employer ID #: [REDACTED] N. American Industry Classification System (NAICS): [REDACTED]

B. BUSINESS TYPE:

Sole Proprietorship

Partnership

Privately Held

Public Corporation

Listed on NYSE Exchange

State of Incorporation New York

C. ANY RELATED COMPANY PROPOSED TO BE A USER OF THE FACILITY:

NAME	RELATIONSHIP
<u>N/A</u>	

D. COMPANY COUNSEL:

Firm Name: Anheuser-Busch, LLC

BOND COUNSEL

tbd

Address: One Busch Place

St. Louis, MO 63118

Individual Attorney: Mr. Tom Larson

Phone: 314-577-3298

E. PRINCIPAL STOCKHOLDERS OR PARTNERS, IF ANY (5% OR MORE EQUITY)

NAME	PERCENT OWNED
<u>Anheuser-Busch, LLC</u>	<u>100%</u>
<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>

F. Has the company ever filed for bankruptcy?

No

G. Have any of the owners / top executives ever been convicted of a felony?

See attached statement

If yes, please explain:

H. Has the company ever been convicted of a felony?

See attached statement

If yes, please explain:

I. If any of the above persons (see "G" above), or a group of them, owns more than 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.

See attached Ownership Structure chart

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

See attached Ownership Structure chart

K. List parent corporation, sister corporations and subsidiaries:

See attached Ownership Structure chart

L. Has the company (or any related corporation or person) been involved in or benefited by any prior industrial development financing in the municipality in which this project is located, whether by this agency or another issuer? (Municipality herein means city, town or village, or if the project is not in an incorporated city, town or village, the unincorporated areas of the county in which it is located.) If so, explain in full:

No

M. 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.

No

N. List major bank references of the company:

J.P. Morgan, Vernon Wright, 312-954-9107

O. OPERATION AT CURRENT LOCATION:

1. Employment: 37 2. Payroll 2,315,000
3. Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

See attached statement

4. Size of existing facility acreage: 4.5 acres
5. Number of buildings and square feet: 12 buildings, approx. 40,000 ft2

II. PROPOSED PROJECT DATA

A. Location of project: (include as an attachment a map showing the location)

Address: 225 W. Main St.
Patchogue, NY 11772

Suffolk County Tax Map: District 204 Section 8 Block 9 Lot 5.3

B. Project Site: (Include as an attachment copies of survey, preliminary site plan, architectural rendering of the facility)

If acquiring land, please note that Federal law prohibits the use of 25% or more of tax-exempt IDB proceeds for the purchase of land. If acquiring existing buildings, please note that Federal law prohibits the acquisition of existing buildings with tax-exempt IDB proceeds unless the rehabilitation expenses of the building are equal to or greater than 15% of the portion of the cost of acquiring the building that is financed with tax-exempt IDB proceeds. Rehabilitation does not include any amount expended on new construction (additions or expansions).

1. Acreage: Approximately 8 acres

2. Buildings:

A) Existing number and square feet of each building:

one building - 53,361 sq ft

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

see attached statement

C) New Construction – number and square feet of each building:

see attached statement

D) Builder or contractor and address: TBD

E) Architect name and address: _____

Scott Edwards Architecture LLP

2525 East Burnside Street, Portland OR, 97214

3. Indicate present use of site: former private college

4. Indicate relationship of applicant to present user of site:

Unrelated

C. Proposed project ownership (company or realty partnership):

Blue Point Brewing Company, Inc.

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

See Attached Statement

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

None intended

F. List principal items or categories of equipment to be acquired as part of this project:

The equipment acquired will be state of the art craft beer manufacturing

equipment including items such as brew kettles, beer packers, keg fillers, and palletizers.

G. Has construction work on this project begun? If yes, complete the following:

(a.) SITE CLEARANCE:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	_____
(b.) FOUNDATION:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	_____
(c.) FOOTINGS:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	_____
(d.) STEEL:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	_____
(e.) MASONRY:	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	% COMPLETE	_____
(f.) OTHER:						_____

H. Existing facilities within New York State:

1) Are there other facilities owned, leased, or used by the company (or a related company or person) within the state? If so, describe whether owned, leased, or other terms of use:

- Leased brewery & pub at 161 River Ave, Patchogue, NY 11772

-See attached Ownership Structure chart - NY facilities highlighted in yellow - all are leased

2) If there are other facilities within the state, is it expected that any of these facilities will close or be subject to reduced activity?

YES NO

3) If you answered yes to question 2, above, please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail:

See attached schedule

4) Has the company thought about moving to another state? If so, please explain:

Although other existing brewing operations and/or sites could be

used for expected demand, the goal of producing Blue Point

products locally could not be achieved.

5) Will the project meet zoning requirements at the proposed location?

YES NO

6) If a change of zoning is required, please provide the details/status of the change of zone request.

I. Does the company, or any related corporation or person, have a lease on the project site?

YES NO

J. Does the company now own the project site?

YES NO

1. If yes, indicate:

A) Date of purchase: n/a

B) Purchase price: n/a

C) Balance of existing mortgage: n/a

D) Holder of mortgage: n/a

E) Special conditions: n/a

2. If no, indicate:

A) Present owner of site: _____

B) Does the company or any related person or corporation have an option or a contract to purchase the site and/or any buildings on the site?

YES NO

If yes, indicate:

1) Date signed: _____

2) Purchase price: _____

3) Settlement date: _____

4) Please attach a copy of option or contract.

K. Is there a relationship legally or by virtue of common control or ownership between the company (and/or its stockholders) and the seller of the project (and/or its shareholders)?
If yes, please describe this relationship:

No

L. How much equity do you have in this project?

Project will be financed entirely by Anheuser-Busch

III. PROJECT COSTS

A. Give an accurate estimate of cost of all items:

	AMOUNT
LAND	\$ 0
BUILDING	\$ 15,200,000
SITE WORK	\$ 1,000,000
LEGAL FEES	\$ 0
ENGINEERING FEES	\$ 2,500,000

FINANCIAL CHARGES	\$ 0
EQUIPMENT	\$ 14,700,000
RECORDING FEES	\$ 0
OTHER (SPECIFY)	\$ 1,600,000
TOTAL	\$ 35,000,000

B. METHOD OF FINANCING COSTS	Amount	Term
1. Tax-exempt IDB financing:	\$ _____	_____ years
2. Taxable IDB financing:	\$ _____	_____ years
3. SBA (504) or other governmental financing:	\$ _____	_____ years
4. Other loans:	\$ _____	_____ years
5. Company's equity contribution:	\$ 35M	
Total Project Costs	\$ 35M	

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application?

YES NO If yes, give particulars on a separate sheet.

D. Are costs of working capital, moving expenses, work in progress, or stock in trade included in the proposed uses of bond proceeds? Give details:

No

E. Will any of the funds borrowed through the Agency be used to repay or refinance an existing mortgage or outstanding loan? Give details:

No

F. What portion, if any, of the cost of the project is to be financed from funds of the company (other than from the proposed bond issue)? Give details:

100%

G. Has the company made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom:

No

IV. MEASURE OF GROWTH AND BENEFITS

A. If the company presently operates in the Town of Brookhaven, give current employment and payroll. Also give reasonable estimates of employment and payroll directly attributable to the facility to be built in the Town of Brookhaven.

CURRENT EMPLOYMENT FIGURES	UNDER \$30,000	\$30,000 - \$50,000	\$50,000 - \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	1	9	12	8
Number of Part-Time Employees (FTE) earning:	7			

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES		\$ 2,273,000
TOTAL PAYROLL FOR PART-TIME EMPLOYEES		\$ 42,000
TOTAL PAYROLL FOR ALL EMPLOYEES	37	\$ 2,315,000

PROJECTED EMPLOYMENT FIGURES - YEAR ONE	UNDER \$30,000	\$30,000 - \$50,000	\$50,000 - \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	1	13	12	17
Number of Part-Time Employees (FTE) earning:	8	0	0	0

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES		\$ 3,100,000
TOTAL PAYROLL FOR PART-TIME EMPLOYEES		\$ 45,000
TOTAL PAYROLL FOR ALL EMPLOYEES	51	\$ 3,145,000

PROJECTED EMPLOYMENT FIGURES - YEAR TWO	UNDER \$30,000	\$30,000 - \$50,000	\$50,000 - \$75,000	OVER \$75,000
Number of Full-Time Employees (FTE) earning:	1	19	16	19
Number of Part-Time Employees (FTE) earning:	12	0	0	0

TOTAL PAYROLL FOR FULL-TIME EMPLOYEES		\$ 4,500,000
TOTAL PAYROLL FOR PART-TIME EMPLOYEES		\$ 65,000
TOTAL PAYROLL FOR ALL EMPLOYEES	67	\$ 4,565,000

The Board reserves the right to visit the facility to confirm that job creation numbers are being met.

V. PROJECT CONSTRUCTION SCHEDULE

A. What is the proposed date for commencement of construction or acquisition of the project?

Dec. 1, 2016

- B. Give an accurate estimate of the time schedule to complete the project and when the first use of the project is expected to occur:

Construction Dec. 1, 2016 - Oct. 20, 2017

First Use - Sept. 15, 2017

- C. At what time or times and in what amount or amounts is it estimated that funds will be required?

May 2016: \$17,000,000

December 2016: \$18,000,000

VI. SUBMIT THE FOLLOWING INFORMATION OF THE COMPANY

- A. Financial statements for the last two fiscal years (unless included in the company's annual report).
- B. What, if any, will be the expected increase in the dollar amount of sales? \$ 15,000,000
- C. Company's annual reports (or 10-K's if publicly held) for the two most recent fiscal years.
- D. Quarterly reports (form 10-Q's) and current reports (form 8-K's) since the most recent annual report, if any.
- E. In addition, please attach the financial information described in items A, B, and C of any expected guarantor of the proposed bond issue.
- F. Completed Long Environmental Assessment Form.
- G. Most recent quarterly filing of NYS Department of Labor form 45, as well as the most recent fourth quarter filing. Please remove the employee Social Security numbers and note the full-time equivalency for part-time employees.

Town of Brookhaven Industrial Development Agency
Payment in Lieu of Tax (PILOT) Policy

An annual fee of \$1,000 will be due to the Agency in addition to the PILOT payment to cover ongoing costs incurred by the Agency on behalf of the project.

1. The Town of Brookhaven Industrial Development Agency (IDA) may grant, or be utilized to obtain a partial or full real property tax abatement for a determined period which can be as long as ten years. To be eligible for this abatement there would be a requirement of new construction, or renovation, and a transfer of title of the real property to the Town of Brookhaven IDA.
2. The Chief Executive Officer (CEO) or their designee shall consult with the Town Assessor to ascertain the amounts due pursuant to each PILOT Agreement. Thereafter, the PILOT payment for each project shall be billed to the current lessees. The lessees can pay the PILOT payment in full by January 31st of each year, or in two equal payments due January 31st and May 31st of each year of the PILOT Agreement. The CEO or their designee shall send all PILOT invoices to the lessees on a timely basis.
3. The Town of Brookhaven IDA shall establish a separate, interest bearing bank account for receipt and deposit of all PILOT payments. The CEO or their designee shall be responsible for depositing and maintaining said funds with input from the Chief Financial Officer (CFO).
4. The CEO or their designee shall remit PILOT payments and penalties if any, to the respective taxing authorities in the proportionate amounts due to said authorities. These remittances shall be made within thirty (30) days of receipt of the payments to the Agency.
5. If first-half PILOT payments are not received on a timely basis (as outlined in paragraph 2 hereof), the following interest and penalties shall accrue:

(i)	2/1 to 2/28	1% of the amount due
(ii)	3/1 to 3/31	2% of the amount due
(iii)	4/1 to 4/30	3% of the amount due
(iv)	5/1 to 5/31	4% of the amount due
(v)	6/1 to 6/30	5% of the amount due
(vi)	7/1 to 7/31	5% of the amount due
(vii)	8/1 to 8/31	5% of the amount due
(viii)	9/1 to 9/30	5% of the amount due
(ix)	10/1 to 10/31	5% of the amount due
(x)	11/1 to 11/30	5% of the amount due

PILOT payments paid after May 31st shall pay interest and penalties as follows:

- | | | |
|-------|---------------|-----------------------------|
| (i) | 6/1 to 6/30 | 5% interest and 5% penalty |
| (ii) | 7/1 to 7/31 | 6% interest and 5% penalty |
| (iii) | 8/1 to 8/31 | 7% interest and 5% penalty |
| (iv) | 9/1 to 9/30 | 8% interest and 5% penalty |
| (v) | 10/1 to 10/31 | 9% interest and 5% penalty |
| (vi) | 11/1 to 11/30 | 10% interest and 5% penalty |

For PILOT payments past due beyond one year, additional interest and penalties will accrue.

6. If a PILOT payment is not received by January 31st of any year or May 31st of the second half of the year the lessee shall be in default pursuant to the PILOT Agreement. The Agency may

EXHIBIT A

Proposed PILOT Schedule

Upon acceptance of the Application and completion of the Cost Benefit Analysis, the Agency will attach the proposed PILOT Schedule, together with the estimates of net exemptions based on estimated tax rates and assessment values to this Exhibit.

Exhibit	
Year	PILOT Amount
1	\$ 270,747
2	\$ 270,747
3	\$ 276,161
4	\$ 281,685
5	\$ 287,318
6	\$ 293,065
7	\$ 298,926
8	\$ 304,905
9	\$ 311,003
10	\$ 317,223
PROPOSED PILOT BENEFITS ARE FOR DISCUSSION PURPOSES ONLY AND HAVE NOT BEEN APPROVED BY THE AGENCY.	
01/29/2019	

give the lessee notice of said default. If the payment is not received within sixty (60) days of when due, the CEO shall notify the Board, and thereafter take action as directed by the Board.

7. The CEO shall maintain records of the PILOT accounts at the Agency office.
8. Nothing herein shall be interpreted to require the Agency to collect or disburse PILOT payments for any projects which are not Agency projects.
9. Should the Applicant fail to reach employment levels as outlined in their application to the Agency, the Board reserves the right to reduce or suspend the PILOT Agreement, declare a default under the Lease or the Installment Sale Agreement, and/or convey the title back to the applicant.
10. This policy has been adopted by the IDA Board upon recommendation of the Governance Committee and may only be amended in the same manner.

CERTIFICATION

Andrew R. Goeller (name of Chief Executive Officer of company submitting application) deposes and says that he or she is the CEO (title) of Blue Point Brewing Co., the corporation (company name) named in the attached application; that he or she has read the foregoing application and knows the contents thereof; that the same is true to his or her knowledge.

Deponent further says that the reason this verification is being made by the Deponent and not by Blue Point Brewing Co. (company name) is because the said company is a corporation. The grounds of Deponent's belief relative to all matters in the said application which are not stated upon his or her own personal knowledge, are investigations which Deponent has caused to be made concerning the subject matter of this application as well as information acquired by Deponent in the course of his or her duties as an officer of and from books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "Applicant"), Deponent acknowledges and agrees that Applicant shall be and is responsible for all costs incurred by the Town of Brookhaven Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the Applicant in connection with this application and all matters relating to the issuance of bonds. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act 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 Applicant is unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees to bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue, the Applicant shall pay to the Agency an administrative fee set by the Agency not to exceed an amount equal to 1% of the total project cost financed by the bond issue, which amount is payable at closing. The Agency's bond counsel's fees and the administrative fee may be considered as a cost of the project and included as part of any resultant bond issue.

Deponent further certifies that he or she has read the Payment in Lieu of Tax (PILOT) Policy of the Town of Brookhaven Industrial Development Agency and will agree to the terms thereof.

x Andrew R. Goeller
Chief Executive Officer of Company

Sworn to me before this
Day of April, 2016
Andrew R. Goeller
(seal)



**Town of Brookhaven Industrial Development Agency
Application for Financial Assistance
Attached Statements
April 13, 2016**

Section 1, G

Have any of the owners / top executives ever been convicted of a felony?

We are not aware that the owner of the company or its top executives have ever been convicted of a felony and can confirm that the owner of the company has not been convicted of a felony in the last 10 years.

Section 1, H

Has the company ever been convicted of a felony?

We are not aware that the company has ever been convicted of a felony and can confirm that it has not been convicted of a felony since its acquisition by Anheuser-Busch in 2014.

Section 1, O, 3

Operation at Current Location: Type of operation (manufacturing, wholesale, distribution, retail, etc.) and products and/or services:

The current Blue Point Brewing Company operation resides at 161 River Avenue, Patchogue, NY 11772. The operation involves a craft beer manufacturing facility consisting of approximately 10,000 barrels of capacity. The operation includes the brewing, packaging, warehousing, and shipment of craft beer products. The current location also has a small experiential tasting room. Products include various varieties of craft beer products.

Section 2, B, 2, B

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

The proposed project consists of completely renovating the former private college building located at 225 W. Main St., Patchogue, NY 11772. The renovation would involve demolition

Section 2, H, 2

If there are other facilities within the state, is it expected that any of these facilities will close or be subject to reduced activity?

Yes

Section 2, H, 3

If you answered yes to question 2, above, please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail:

If the proposed project goes forward, it is anticipated that the current location will remain in production while the proposed project site is renovated and equipment installed. Once the proposed project site is completed and fully in operation, the plan is to relocate fully to the new site and cease operations at the existing location as the lease terminates.

The proposed expansion is essential as the current operation as is does not have the capacity for future projected sales. Although other existing brewing operations could be used for anticipated demand, the goal of producing the product within the original local community could not be achieved. In addition, the proposed project provides the required area to also handle further expansions. Finally, Blue Point Brewing Company desires to be a focal point of the Town of Brookhaven and Patchogue Village revitalization, contributing to the enhancement of the existing retail business community, and creating an exciting tourist destination.