

**APPLICATION TO  
YONKERS INDUSTRIAL DEVELOPMENT AGENCY  
FOR  
FINANCIAL ASSISTANCE**



APPLICATION UPDATED

9/17/2015

**I. APPLICANT INFORMATION:**

**DATE:** October 2, 2014

**Company Name:** Cintas Corporation No. 2  
**Address:** 6800 Cintas Blvd., P.O. Box 625737, Cincinnati, OH 45262-5838  
**Phone No.:** 800.914.1960  
**Email:** ecksteinj@cintas.com  
**Fax No.:** 513.701.2904  
**Fed. I.D. No.:** 31-1703809  
**Contact Person:** John Eckstein

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

Scott Farmer 15.9%  
See attached list of Management and Directors

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

**TYPE OF ENTITY: (Please check one: Taxable  Tax Exempt**

What is the date of the establishment: April 26, 2000

Place of organization: Nevada

- Corporation \_\_\_\_\_
- Partnership (General \_\_\_\_\_ or limited \_\_\_\_\_;  
number of general partners \_\_\_\_\_ and, if applicable,  
number of limited partners \_\_\_\_\_).
- Limited Liability Company/Partnership (number of member \_\_\_\_\_).
- Sole Proprietorship \_\_\_\_\_

If a corporation, partnership, limited liability company/partnership:

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

**APPLICANT'S COUNSEL**

Name: Alfred B. DelBello, DelBello Donnellan Weingarten Wise & Wiederkehr, LLP

Address: One North Lexington Avenue, White Plains, New York 10601

Phone No.: (914) 681-0200

E-Mail: ADB@ddw-law.com with copy to JJG@ddw-law.com

**II. PROJECT INFORMATION**

Project Address: 325 Corporate Blvd.  
Yonkers, NY

Block & Lot Block 3455, p/o Lot 1

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

**COST OF TOTAL PROJECT:** \$ ~~25,100,000.00~~ +/- \$27,100,000.00  
Updated: 9/17/2015

**CLIENT COSTS:**

Real Estate \$ 8,600,000.00 +/-  
Construction \$ ~~9,000,000.00~~ +/- \$11,000,000.00  
Furnishings, Equip. & other Updated: 9/17/2015  
Sales taxable \$ 5,000,000.00 +/-  
Not sales-taxable \$ 2,500,000.00 +/-  
Property Assessed Value \$ TBD  
Mortgage Amount \$ 0

**COST BENEFIT ANALYSIS:**

Costs = Financial Assistance

Estimated Sales Tax Exemption \$ 834,250.00 UPDATED: 9/17/2015  
\*Reflects increase due  
Estimated Mortgage Tax Exemption \$ N/A to new sales tax rate  
Estimated Property Tax Abatement \$ TBD of 8.875%  
Estimated Interest Savings IRB Issue \$ N/A

Benefits = Economic Development

Private funds invested \$ 25,100,000 +/- Other Benefits TBD

**B) Job Creation and Retention (Please do not include Construction Jobs)**

Current # FTE (Full Time Equivalents) at Project Location	Estimate # of FTEs Jobs to be Created	Estimate # of FTEs Jobs to be Retained
0	78	82

C) Average Estimated Salary of jobs to be Created \$ 40,000.00 +/-  
 a. Annualized salary range of jobs to be created: \$16,000 +/- to \$150,000 +/-

D) Average Estimated Salary of jobs to be Retained \$ 40,000.00 +/-

E) Estimate how many construction jobs will be created as a result of this Project:  
 Construction: 25 +/-

F) If the cost of the total project (in II A above) exceeds \$5,000,000 **and** involves: (i) construction of a new facility, (ii) construction of an addition to an existing facility, or (iii) renovations or alterations to an existing facility please complete the following (if not, please proceed to II G below):

i. estimated cost of project construction contract(s): \$ ~~9,000,000.00 +/-~~ <sup>\$11,000,000.00</sup> Updated: 9/17/2015  
 ii. total cost attributable to materials: \$ ~~3,600,000.00 +/-~~ <sup>\$4,400,000.00</sup>  
 iii. total cost attributable to labor: \$ 5,400,000.00 +/- Updated: 9/17/2015

Estimated aggregate number of work hours of manual workers<sup>1</sup> to be employed  
 in project construction: 48,000 +/-

Estimated length of project construction: 11 months

Will project construction be governed by a project labor agreement ("PLA") with the Building and Construction Trades Council of Westchester and Putnam Counties, New York AFL-CIO ("Council")<sup>2</sup> Yes: \_\_\_\_\_ No: x

If you have answered YES to the preceding question, please attach a copy of the PLA; and you need not complete the remaining portions of this Section (but please see note below).

For each Contractor or Subcontractor currently known or reasonably expected to be involved in Project Construction, please state (attach additional pages as necessary) :

<sup>1</sup> As defined in Section 190 of the Labor Law.

<sup>2</sup> This may be either a PLA already in effect with the landlord of the Project facility, or a PLA made (or to be made) between the Applicant and the Council directly in connection with Project Construction.

Name : Arco Murray Construction Co

Address<sup>3</sup>: 3110 Woodcreek Dr., Downers Grove, IL 60515

(a) is this contractor Union or Open Shop (if union identify local)?  
Open Shop

(b) will contract require local (i.e. Westchester County) hiring?  
YES/NO  
If YES, what percentage of manual workers will be local  
      %

(c) If Non-Union, will contract require payment of Prevailing Wage<sup>4</sup>?  
YES/NO       

If the answer to question “(b)” or “(c)” above is NO, explain omission:  
Project is privately funded. Market labor rates will be  
paid.

If some or all of the Contractor(s) or Subcontractor(s) to be involved in Project Construction cannot reasonably be identified at this time, please state whether it is Applicant’s intention to require the following in its contract(s) for Project Construction:

(a) Local (i.e. Westchester County) hiring YES/NO  
If YES, what percentage of manual workers will be local  
      %

(b) Union labor YES/NO       

(c) If Non-Union, will contract require payment of Prevailing Wage?  
YES/NO       

(d) If the Applicant believes the information requested in this Section II(f) is not presently ascertainable, please check here and explain omission  
      

If the answer to question “(a)” “(b)” or “(c)” above is NO, explain omission:

Contract not yet awarded. Construction crews will be local where  
practicable, but it will not be required. Project will be open shop.  
Project privately funded. Market wage rates will be paid.

NOTE: If Applicant has indicated herein that Project Construction will involve a PLA, union labor, local hiring, and/or payment of

<sup>3</sup> If a contractor and/or subcontractor has a permanent location in or around Westchester County from which the contract will be administered, please use that address.  
<sup>4</sup> For purposes of this Application, “Prevailing Wage” shall mean the “prevailing rate of wage” as defined in Article 8 of the New York Labor Law.

Prevailing Wage, the Agency reserves the right to include such requirements in the Project Documentation as conditions for the extension and retention of tax benefits.

**G) Are Utilities on Site? (Yes/No)**

Water   No   Electric   No    
 Gas   No   Sanitary/Storm Sewer   No  

**H) Present legal owner of the site**   RMC Development Company, LLC    
 If other than Applicant, by what means will the site be acquired for this project:

  Fee Simple  

**I) Zoning of Project Site: Current:**   PEP District   **Proposed:**   No Change  

**J) Are any variances needed:**   No  

**K) Principal Use of Project upon completion:**

  Processing/Light Manufacturing Facility  

**L) 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?**

  Yes  

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  

**M) Financial Assistance being applied for and enter the Estimated Value**

<input checked="" type="checkbox"/>	Sales and Use Tax Exemption	\$ <u>  834,250.00  </u>	UPDATED: 9/17/2015 *Reflects increase due to new sales tax rate of 8.875%
<input type="checkbox"/>	Mortgage Tax Exemption	\$ <u>  722,500.00 +/-  </u>	
<input checked="" type="checkbox"/>	Real Property	\$ <u>  TBD  </u>	
<input type="checkbox"/>	Tax Exempt Industrial Revenue Bonds	\$ <u>                  </u>	

**REPRESENTATIONS BY THE APPLICANT**

The Applicant understands and agrees with the Agency as follows:

- A) **Job Listings** – In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives and Financial Assistance from the Agency, except otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the “DOL”) and with the administrative entity (collectively with the DOL, the “JTPA Entities”) of the service delivery area created by the federal job training partnership act (Public Law 97-300) (“JTPA”) in which the Project is located.
- B) **First Consideration for Employ** – In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives and Financial Assistance from the Agency, except otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) **Annual Sales Tax Filings** – In accordance with the Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the Annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) **Annual Employment Reports** – The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency on an annual basis, reports regarding the number of people employed at the project site including corresponding payroll records for the year ending.
- E) **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 employees of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein described:

N/A

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## **Hold Harmless and Other Agreement**

Applicant hereby releases City of Yonkers Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") from, and agrees that the Agency shall not be liable for and the applicant agrees to indemnify, defend, pay and hold the Agency harmless from and against any and all liability arising from or expense incurred by the Agency concerning (A) the Agency's costs and expenses in the examination and processing of, as well as action pursuant to or upon, the attached Application, as well as verification of assertions in the application or other applicant submittals or applicant claims made now or in the future, 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 costs and expenses in reviewing any acquisition, construction and/or installation of the Project described therein and (C) and further action, costs and expenses taken by the Agency – with respect to the project; including without limiting the generality of the foregoing, all causes of action and fees and expenses for Agency attorneys, accountants, economists, engineers, architects or other professionals or consultants incurred regarding any part of the application or the review and/or approval and/or monitoring of compliance by the applicant with all laws, rules and regulations and/or in defending any suits or actions which may arise as a result or any for 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 the respect to the Project, then, 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 the processing of the Application, including fees and expenses for Agency attorneys, accountants, economists, engineers architects or other professionals or consultants, if any.

Applicant upon approval shall be responsible for any reasonable costs incurred by the Agency to verify employment or use of benefits received by the YIDA or other information required under the Public Authorities Accountability Act or other law, rule or regulation otherwise at the time said Verification is required.

This Indemnity and Hold Harmless Agreement shall survive any closing or other transaction in which benefits are sought or received by the applicant and shall continue for a period of time up to and including three years after the last benefit is received by the applicant from the City of Yonkers Industrial Development Agency.

The applicant and the individual executing this application on behalf of the applicant acknowledge that the Agency will rely on the representations made herein when acting on this application and hereby represent 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.

Cintas Corporation No. 2

(Applicant)

By: Glenn Larsen

Name: Glenn Larsen

Title: Vice President, Engineering

Sworn to before me this  
7<sup>th</sup> day of October, 2014

Nancy Feds / Nancy Feds  
 Notary Public



NANCY FEDS  
 NOTARY PUBLIC  
 STATE OF OHIO  
 Comm. Expires  
 May 03, 2015  
 Recorded in  
 Clermont County

This Application should be submitted with a \$600.00 Application fee to the:

**City of Yonkers Industrial Development Agency**  
 87 Nepperhan Avenue, Suite 408  
 Yonkers, New York 10701  
 Attention: Ken Jenkins  
 President

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NOTES: The Agency will collect an Agency Fee at the time of closing. Fees are based on the type of Financial Transactions.

<u>TYPE</u>	<u>FEE</u>
Bond Transactions	1 %
Straight Lease Transactions	1/2 %

The Agency will collect an Annual Administrative Fee based on your project type and amount (see chart below)

<b>Bonds</b>	
up to \$10M	\$ 1,000
over \$10M	\$ 2,000
<b>Straight Lease</b>	
up to \$10M	\$ 500
over \$10M	\$ 1,000

This fee will be due annually on Feb 28th, after IDA benefits are provided to the project.



**SECURITY OWNERSHIP OF DIRECTOR NOMINEES AND  
NAMED EXECUTIVE OFFICERS**

The following table shows the amount of Cintas Corporation Common Stock each director and named executive officer named in the Summary Compensation Table owned on August 25, 2014:

<u>Name and Age of Beneficial Owner</u>	<u>Position</u>	<u>Common Stock Beneficially Owned<sup>(1)</sup></u>	
		<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
Scott D. Farmer 55	Chief Executive Officer and Director	18,909,693 <sup>(2)(3)</sup>	15.9%
Richard T. Farmer 79	Chairman Emeritus of the Board	299,005 <sup>(4)</sup>	*
Robert J. Kohlhepp 70	Chairman of the Board	227,810 <sup>(5)</sup>	*
Gerald S. Adolph 60	Director	28,556	*
John F. Barrett 65	Director	10,878 <sup>(6)</sup>	*
Melanie W. Barstad 61	Director	6,165	*
James J. Johnson 67	Director	19,554	*
Joseph Scaminace 61	Director	13,511	*
Ronald W. Tysoe 61	Director	24,806	*
William C. Gale 62	Senior Vice President and Chief Financial Officer	144,888	*
Thomas E. Frooman 47	Vice President and Secretary – General Counsel	95,460	*
J. Michael Hansen 46	Vice President and Treasurer	36,157	*
J. Phillip Holloman 59	President and Chief Operating Officer	158,274	*
All Directors and Executive Officers as a Group (13 persons)		19,974,757 <sup>(7)</sup>	16.8%

\* Less than 1%



## Proposed Cintas Service Facility

### Yonkers, NY

Cintas Corporation is proposing to construct a \$25.1 million service facility at 325 Corporate Blvd. South, Yonkers. The planned facility is to be the base of service operations supporting over 30,000 uniform wearers and other customers in New York City Metropolitan Area, as well as several counties in southeastern New York State. The Cintas fleet-based service operation serves the customers at their own place of business through a diverse line of rented textile, direct sale, and business support service products. The proposed 60,000 SF facility will be composed of approximately 9,000 SF of office space, the balance of the space used for drive-thru unloading and loading of the fleet, product inventory storage, and light processing of textile products, including approximately 13,000 SF for a conventional soap and water-based laundry operation. At peak operation Cintas will employ approximately 160 employees at the facility, who we refer to as our partners, through a diverse mix of salary and hourly positions, in the Service, Sales, Production, and Maintenance departments.

The construction of the proposed project will significantly enhance the local economy as well. The various required construction trades will come and go as needed throughout the project. Cintas expects the project to generate an average of 25 full time construction jobs over a period of 11 months. The presence of those workers every day will serve to support the local economy as they will be availing themselves of the products and services offered by the local businesses in Yonkers. It is the intent of Cintas to manage the project labor on an Open Shop basis. The project will be privately funded, with wage rates determined by the local market. Cintas firmly believes the construction business is largely a local business and that the best value is most often achieved through the use of local construction contractors, who time and time again Cintas has found to be the most competitive. However, due to the efforts required to accurately track temporary construction labor positions, and the potential for inaccurate subcontractor reporting, Cintas prefers not to require that any certain percentage of manual workers be local.