

**City of Utica  
Industrial Development Agency  
Application**

The information required by this form is necessary to determine the eligibility of your project for IDA benefits. Please answer all questions; insert "NONE", or "NOT APPLICABLE", where necessary. If an estimate is given, put "EST." after the figure. Attach additional sheets if more space is needed for a response than is provided. Return three copies of this application to the City of Utica Industrial Development Agency.

All information contained in this form will be treated confidentially, to the extent permitted by law.

A project financed through this Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project.

PART I

Applicant

Applicant's legal Name: Gold Dome II LLC

Principal Address: 8400 Glen Eagle Dr., PO Box 207

Manlius, NY 13104

Telephone Number: 315-569-6520

Federal Identification Number: ~~XXXXXXXX~~ RRRRRR

Company IRS Filing Office Location: New entity, has not filed initial return

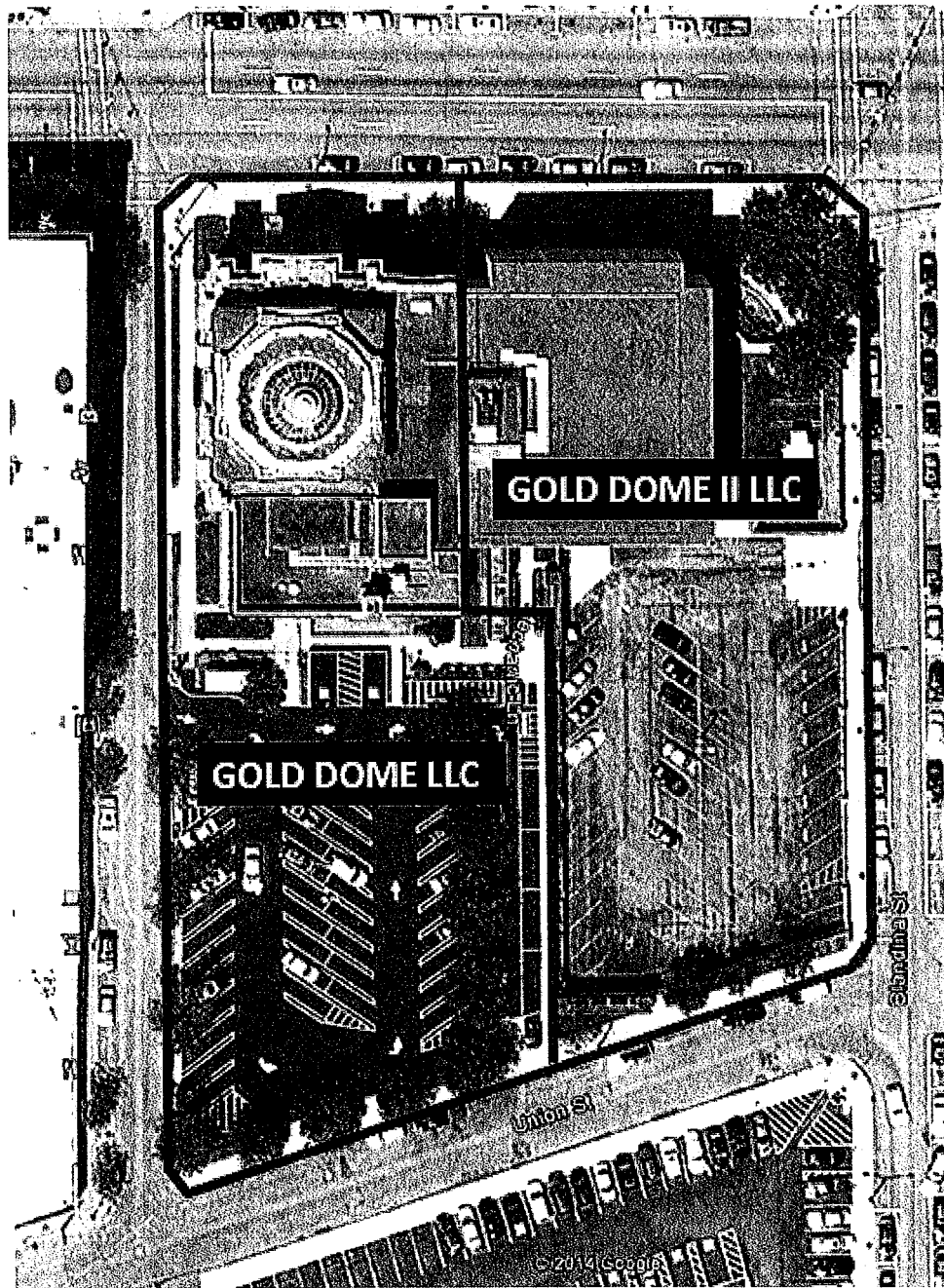
Company Officer completing this application:

Name: Kurt Wendler

Title: Member of Sphere Holdings LLC, parent company of Gold Dome II LLC

To aid the IDA board with their understanding of this application, the below aerial depicts the property and subdivision being sought by the applicant. Please note the applicant for the IDA benefits is Gold Dome II LLC, **NOT** Gold Dome LLC. There are no benefits being sought from the IDA for the Gold Dome LLC's portion of this project.

## Proposed Subdivision



1. A. **Is the applicant a:**

( ) Corporation: If YES, Public ( ) Private ( )  
If a PUBLIC Corporation, on which exchange is it listed?

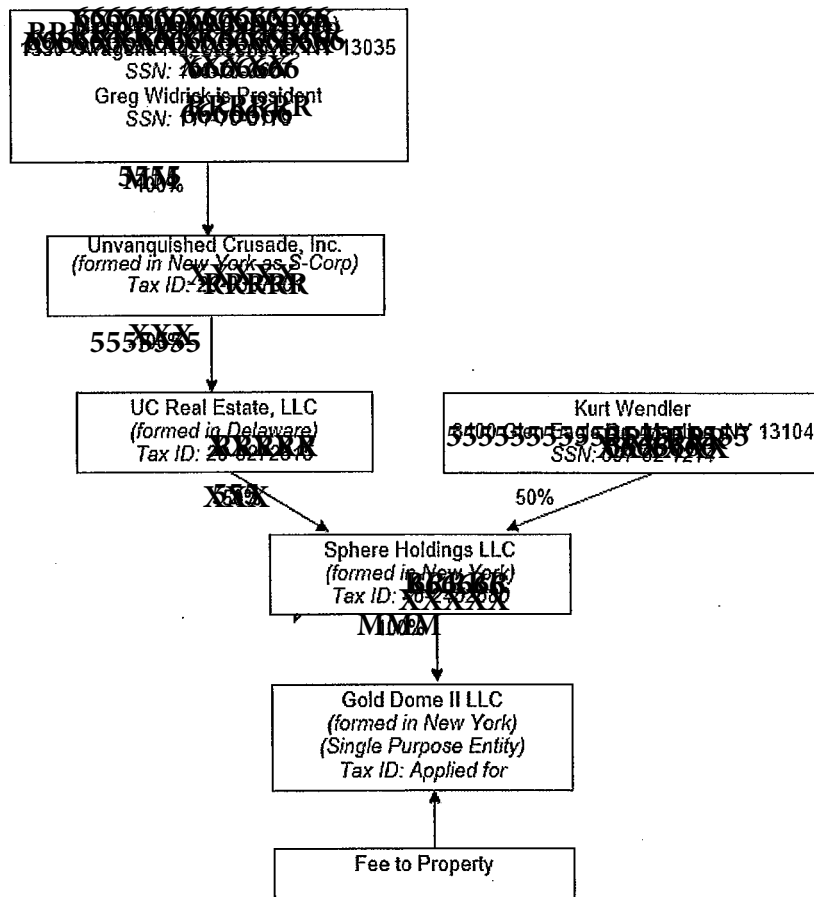
- ( ) Sole Proprietorship
- ( ) Partnership
- ( ) Subchapter S
- ( ) DISC
- (X) Other (specify) Limited Liability Company formed in New York State

B. State of incorporation, if applicable: Not applicable

2. **Stockholders, Directors, Officers, Partners or Members**

A. Provide the following information in regard to principal stockholders or parties:

**Gold Dome II LLC**  
Ownership Structure



B. Provide the following information in regard to officers and directors:

| <u>Company Officer</u> | <u>Name and Home Address</u>   | <u>Social Security Number</u> | <u>Other Principal Business Affiliation</u>  |
|------------------------|--|-------------------------------|--|
| <u>Greg Widrick</u>    | <del>XXXXXXXXXXXX</del><br><u>4030 Cazenovia Rd.<br/>Cazenovia, NY 13035</u> | <del>XXXXXXXXXX</del>         | <u>President of CAVAC</u><br><u>(Cazenovia based ambulance)</u><br><br><u>Member, Sphere Development LLC</u><br><u>and related entities</u>          |
| <u>Kurt Wendler</u>    | <del>XXXXXXXXXXXX</del><br><u>6400 Glen Eagle Dr.<br/>Manlius, NY 13104</u>  | <del>XXXXXXXXXX</del>         | <u>Member, Sphere STP LLC</u><br><u>(Tractor Supply in Herkimer, NY)</u><br><br><u>Member, Sphere Development LLC</u><br><u>and related entities</u> |

C. Is the applicant or any of the people listed in 2(A) above related, directly or indirectly, to any other entity by more than 50% common ownership? If also, indicate name of such entity and the relationship.

Yes, in addition the owners of Sphere Holdings LLC are also a combined 66.67% owner in Sphere Development LLC. Sphere Development LLC is an inactive real estate development firm and currently owns, through multiple single purpose entities, Madison Marketplace, a retail plaza located in Madison, NY.

D. Is the applicant affiliated with any other entity, directly or indirectly, other than as indicated in response to paragraph C above? If YES, please indicate name and relationship of such other entity and the address thereof:

Kurt Wendler is a 33.33% owner in Sphere STP LLC. Sphere STP LLC is a single purpose entity created to own the property of Tractor Supply Company located on Mohawk St. (Rt. 28) in Herkimer, NY. The mailing address for Sphere STP LLC is PO Box 207, Manlius, NY 13104.

3. **Applicant's accountant**

Name and Title: Kurt Wendler  
Name of Firm: Member of Sphere Holdings LLC  
Address: 8400 Glen Eagle Dr., Manlius, NY 13104  
Telephone Number: 315-569-6520

4. **Applicant's attorney**

Name and Title: Dennis Hennigan  
Name of Firm: Costello, Cooney & Fearon PLLC  
Address: 500 Plum St., Suite 300, Syracuse, NY 13204  
Telephone: 315-214-7283

5. **References** (Individuals and institutions in this section may be contacted)

- A. Banking/Financial Institution: Note that Gold Dome II LLC has never financed a project, however the following financial institution has financed most of the projects developed by the members. The applicant has interest from Solvay Bank, Berkshire Bank and M&T Bank in addition to First Niagara to finance the project. At this time the applicant has not chosen a lender.

| <u>Name of Institution</u> | <u>Address and Phone Number</u>   | <u>Account Officer/ Contact Person</u>   |
|----------------------------|---|--|
| <u>First Niagara Bank</u>  | <u>777 Canal View Blvd<br/>Suite 100<br/>Rochester, NY 14623<br/>518-546-3747</u> | <u>Jeff Parker<br/>Commercial Banker</u> |

- B. Business suppliers (list three largest accounts)  
Please note that Gold Dome II LLC is a newly formed entity and has no credit history. The below vendors currently supply the owners of Gold Dome II LLC with services and can be contacted.

| <u>Name of Supplier</u> | <u>Address and Phone Number</u> | <u>Account Officer/ Contact Person</u> | <u>Terms of Sale</u> | <u>Annual Dollar % Volume</u> |
|-------------------------|---------------------------------|--|----------------------|-------------------------------|
|-------------------------|---------------------------------|--|----------------------|-------------------------------|

New Water Technologies, 7967 Valley Rd., Madison, NY 13402, 315-821-2325, Jim Cunningham, Owner, 8 year contract, estimated 10%

Zielinski's Asphalt, 4989 Rt 12B, Oriskany Falls, NY 13425, 315-306-4057, Kevin Zielinski, Owner, Multi-yr contract, estimated 12%

Bailey, Haskell & LaLonde, 5232 Witz Dr., North Syracuse, NY 13212, 315-457-7902, Jim Blasting, Annual, estimated 10%

- C. Major customers (list three largest and show percentage of gross business obtained from each):

| <u>Name of Customer</u> | <u>Address and Phone Number</u> | <u>Account Officer/ Contact Person</u> | <u>Terms of Sale</u> | <u>Annual Dollar % Volume</u> |
|-------------------------|---------------------------------|--|----------------------|-------------------------------|
|-------------------------|---------------------------------|--|----------------------|-------------------------------|

Gold Dome II LLC does not have any customers. This entity is being created for the sole purpose of owning the office building.

Bassett will be the tenant.

6. **Business Description**

- A. Describe nature of business and principal products and/or services:

Sphere Holdings LLC is a real estate development firm owning 100% of Gold Dome II LLC. Gold Dome II LLC is a single purpose entity created for the sole purpose of owning the five story office building at 233-235 Genesee St. and leasing to Bassett Medical Center ("Bassett"), a member of the Bassett Healthcare Network, under a long-term lease. The office building has been vacant since M&T Bank purchased Partner's Trust (Previously the Savings Bank of Utica), approximately 7 years ago. Bassett intends to occupy the 4<sup>th</sup> & 5<sup>th</sup> floors with an operational support center to support their network of clinics and hospitals across NYS.

Bassett will be the primary tenant for the long-term lease with Gold Dome II LLC. It will take Bassett several years to fully absorb the 50,000 square feet office building. To aid Bassett in the short-term, discussions are underway with the City of Utica School District to sublease from Bassett for a short-term period (3 to 5 years) the 2<sup>nd</sup> & 3<sup>rd</sup> floors. The School District is in the unique situation of needing to vacate their existing leased facilities by the second quarter of 2015. The District's long-term plan is to relocate their administrative offices for a period of 3 to 5 years, which will allow them time to design and construct permanent district offices at one of their existing school locations. This transition period will allow Bassett time to consider in what way they will occupy the 2<sup>nd</sup> & 3<sup>rd</sup> floors when the School District vacates. For a majority of the long-term lease, Bassett will be the sole occupant of the entire 50,000 square feet.

- B. Describe the geographical market(s) served:

The focus of this facility will be to support the Bassett Healthcare Network. Initially this facility will focus on being an operational support center. The 1<sup>st</sup>, 4<sup>th</sup> & 5<sup>th</sup> floors will accommodate business equipment and employees. Bassett considers the increasing strength of the educational opportunities in Utica as a good reason to believe that future employees from this area will be well trained. These business functions support Bassett's current need and potential growth. Within the first 5 years Bassett anticipates their growth



## Hospitals

**H1 Bassett Medical Center**  
One Atwell Road  
Cooperstown, NY 13326  
607-547-3456

**The Bassett Clinic**  
607-547-3456

**H2 A.O. Fox Hospital**  
One Norton Avenue  
Oneonta, NY 13820  
607-432-2000

**H3 Cobleskill Regional Hospital**  
178 Grandview Drive  
Cobleskill, NY 12043  
518-254-3456

**H4 Little Falls Hospital**  
140 Burwell Street  
Little Falls, NY 13365  
315-823-1000

**H5 O'Connor Hospital**  
460 Andes Road  
Delhi, NY 13753  
607-746-0300

**H6 Tri-Town Regional Hospital**  
43 Pearl Street West  
Sidney, NY 13838  
607-563-7080

## Long-term Skilled Nursing & Rehabilitation

▲ **Valley Health Services**  
690 W. German Street  
Herkimer, NY 13350  
315-866-3330

▲ **A.O. Fox Nursing Home**  
One Norton Avenue  
Oneonta, NY 13820  
607-431-5980

## Home Health Services

■ **Durable Medical Equipment**

◆ **Home Health Agency**

## School-Based Health Centers

★ **A. Cooperstown**  
39 Linden Avenue  
Cooperstown, NY 13326  
(607) 547-1105

★ **B. Delaware Academy Student Health (DASH)**  
2 Sheldon Drive  
Delhi, NY 13753  
(607) 746-7454

★ **C. Edmeston Healthzone**  
11 North Street  
Edmeston, NY 13335  
(607) 965-6930

★ **D. Laurens Healthzone**  
P.O. Box 301  
Laurens, NY 13796  
607) 432-2050 ext 1300

★ **E. Middleburgh**  
291 Main Street  
Middleburgh, NY 12122  
(518) 827-3793

★ **F. Milford**  
42 W Main St  
Milford, NY 13807  
(607) 286-7909

★ **G. Morris Healthzone**  
West Main Street  
Morris, NY 13808  
(607) 263-2619

★ **H. Sherburne-Earlville**  
13 School Street  
Sherburne, NY 13460  
(607) 674-8416

★ **I. Student Health at Kortright (SHAK)**  
P.O. Box 113  
South Kortright, NY 13842  
(607) 538-1932

★ **J. Schenevus**  
159 Main St  
Schenevus, NY 12155  
(607) 638-5402

★ **K. Sidney**  
95 W Main St  
Sidney, NY 13838  
607-563-2135 ext 4069

★ **L. Stamford**  
1 River St  
Stamford, NY 12167  
607-652-2065

★ **M. Worcester**  
195 Main Street  
Worcester, NY 12197  
(607) 397-1013

★ **N. Unadilla Valley**  
4238 State Highway 8  
New Berlin, NY 13411  
(607) 847-6050

## Health Centers

**1. Andes**  
P.O. Box 115  
245 Lower Main Street  
Andes, NY 13731  
845-676-3663

**2. Canajoharie**  
56 Montgomery Street  
Canajoharie, NY 13317  
518-673-5555

**3. Cherry Valley\***  
2 Main Street  
Cherry Valley, NY 13320  
607-264-3036

**4. Clinton**  
34 Chenango Ave.  
Clinton, NY 13323  
315-853-5550

**5. Cobleskill Primary Care**  
136 Parkway Drive  
Cobleskill, NY 12043  
518-234-2555

**6. Delanson**  
One Cooley Heights  
Delanson, NY 12053  
518-895-2000

**7. Delhi**  
Crin Q. Flint  
Physician's Bldg.  
460 Andes Road  
Delhi, NY 13753  
Medical 607-746-0550  
Dental 607-746-0540

**8. Dolgeville\*\***  
9 Gibson Street  
Dolgeville, NY 13329  
315-429-8714

**9. Edmeston**  
P.O. Box 15, State Rt. 80  
Edmeston, NY 13335  
607-965-8900

**10a. Hamilton**  
160 Broad Street  
Hamilton, NY 13346  
Medical 315-825-3111  
Dental 315-825-3100

**10b. Hamilton Specialty Services**  
10 Eaton Street  
Hamilton, NY 13346  
OB/GYN 315-824-2651  
Other Specialties  
315-824-0161

**11. Hartwick Seminary Specialty Services**  
4580 State Rt. 28  
Milford, NY 13807

**12. Herkimer**  
321 E. Albany Street  
Herkimer, NY 13350  
315-867-2700

**13a. Little Falls Primary Care**  
170 Burwell Street  
Little Falls, NY 13365  
315-823-4546

**13b. Little Falls Specialty Services**  
140 Burwell Street  
2nd Floor East  
Little Falls, NY 13365  
315-823-4506

**14. Middleburgh**  
109 Baker Ave.  
Middleburgh, NY 12122  
518-827-7730

**15. Morris**  
93 Main Street  
Morris, NY 13808  
607-263-5111

**16. Newport\*\***  
3085 Bridge Street  
Newport NY 13416  
315-845-6100

**17. Norwich**  
55 Calvary Drive  
Norwich, NY 13815  
607-336-6362

**18a. Oneonta**  
125 Main Street  
Oneonta, NY 13820  
607-433-1790  
Pediatrics 607-433-1792

**18b. Oneonta Specialty Services**  
One Associate Drive  
Oneonta, NY 13820  
607-433-6300

**18c. Oneonta Surgical Associates**  
449 Main Street  
Oneonta, NY 13820  
607-432-5680

**18d. Bassett Family Medicine - Oneonta**  
Hannaford Plaza,  
739 State Rt. 28, Suite 9  
Oneonta, NY 13820  
607-431-1015

**18e. FoxCare Center\*\*\***  
One FoxCare Drive  
Oneonta, NY 13820

**19. Richfield Springs**  
8550 State Rt. 28  
Richfield Springs,  
NY 13439  
315-858-0040

**20. St. Johnsville**  
8 Park Place  
St. Johnsville, NY 13452  
518-568-3403

**21. Schoharie**  
111 Barton Hill Road  
Schoharie, NY 12157  
518-295-8521

**22. Sharon Springs**  
P.O. Box 275, State Rt. 20  
Sharon Springs, NY 13459  
518-284-2223

**23. Sherburne**  
20 Chapel Street  
Sherburne, NY 13460  
607-674-2445

**24a. Sidney**  
39 Pearl Street  
Sidney, NY 13838  
607-561-2021

**24b. Sidney\*\*\***  
59 River Street  
Sidney, NY 13838  
607-563-8022

**25. Southeastern Otsego\*\*\***  
4 Decatur Street  
Worcester, NY 12197  
607-397-8783

**26a. Stamford**  
Harper Street, State Rt. 23  
Stamford, NY 12167  
607-652-2537

**26b. Stamford\*\*\***  
32-34 Main Street  
Stamford, NY 12167  
607-652-2000

**27. Unadilla**  
16 Clifton Street  
Unadilla, NY 13849  
607-369-2271

**28. Walton**  
130 North Street  
Walton, NY 13856  
607-865-6541

**29. West Winfield**  
544 East Main Street  
West Winfield, NY 13491  
315-822-6348

\* Affiliated Sites

\*\* part of Little Falls Hospital

\*\*\* part of A.O. Fox Hospital



7. **Present location(s)**

A. List present location(s):

Not applicable, Gold Dome II LLC does not occupy any other locations. However Bassett currently has many locations in New York State. Please refer to the previous pages for a map showing where each location is present.

B. For what purpose is each of these used:

Not applicable, Gold Dome II LLC does not occupy any other locations. As identified in the key on the previous page, each location has a specific focus. However all locations are dedicated to providing and supporting compassionate quality healthcare to the residents of the communities they service.

C. For each of your present locations which are RENTED, provide the following information:

| <u>Name of Landlord</u> | <u>Landlord's Address</u> | <u>Landlord's Telephone Number</u> |
|-------------------------|---------------------------|------------------------------------|
|-------------------------|---------------------------|------------------------------------|

1. Not applicable, Gold Dome II LLC does not occupy any other locations.

2.

3.

| <u>Amount of Space</u> | <u>Annual Rental</u> | <u>Lease Termination Date</u> |
|------------------------|----------------------|-------------------------------|
|------------------------|----------------------|-------------------------------|

1. Not applicable, Gold Dome II LLC does not occupy any other locations.

2.

3.

D. For each of your present locations which you OWN, provide the following information for those which are mortgaged:

| <u>Annual Mortgage Payment</u> | <u>Termination Date</u> |
|--------------------------------|-------------------------|
|--------------------------------|-------------------------|

Not applicable, Gold Dome II LLC does not occupy any other locations.

E. List which of your present locations, if any, will be vacated if IDA approval for your project is given:

No locations will be vacated as a result of Bassett's expansion. To the extent employees are relocated to this facility from Cooperstown, this creates an opportunity for Bassett to expand clinical space in Cooperstown.

If any of these locations will be sublet or sold, provide information concerning your ability to do so:

No location will be sublet or sold.

## PART II

### Reasons for Project

Please explain in detail why you want to undertake this project:

At its completion this project will bring approximately 125 jobs to Oneida County and Downtown Utica. This historical landmark property has been vacant for the past 7 years and will become occupied. This will have a significant positive impact to downtown Utica and the greater Utica area.

Bassett is a high quality healthcare provider. Their commitment to this community is significant. For many years to come, this once vacant office space will become a hiring ground for good paying, career oriented jobs. In return Bassett will have a strong operational support center serviced by downtown Utica's strong electrical grid. Combine this with the addition of a newly installed fiber optic infrastructure in downtown Utica, and Bassett will have an extremely reliable network for many years. Ideally situated to the NYS Thruway within central NY, this facility will quickly become an instrumental part of Bassett's operations.

Why are you requesting the involvement of the IDA in your project?

The applicant is requesting a full property tax exemption for the duration of the time Bassett occupies the office space. It is anticipated that Bassett will occupy the office space for 40 years. The applicant is also requesting a waiver of mortgage recording taxes to offset the IDA fees.

It is critical that the IDA Board understand the existing assessments and impact to taxes in making their determination. As a result of an agreement between the Assessor's office and M&T Bank, the 50,000 square foot office building currently does not carry an assessment because the building is vacant. Should the building remain vacant, the taxes will remain at \$0. Accordingly, the granting of a full exemption of property taxes on the office building will not decrease the existing real estate tax base. In addition the City of Utica School District will benefit from not paying taxes and therefore reduce the cost of providing education to the City of Utica.

Based on conversations with the assessor, the office building would be assessed at \$1,000,000 once fully occupied. At this assessment the taxes would be as follows:

|                | <u>Tax Rate per \$1,000</u> | <u>Taxes</u>    |                                  |
|----------------|-----------------------------|-----------------|----------------------------------|
| <u>County</u>  | \$10.33                     | \$10,330        |                                  |
| <u>City</u>    | 25.25                       | 25,250          | <u>Current taxes from office</u> |
| <u>School</u>  | 26.76                       | 26,760          | <u>building today are \$0.</u>   |
| <u>Library</u> | 0.67                        | 670             |                                  |
|                |                             | <u>\$63,010</u> |                                  |

Bassett is a not-for-profit organization. Utilizing its not-for-profit status to eliminate real estate taxes is critical to who they are as a healthcare provider. The cost to provide quality healthcare is constantly under pressure. With the new Affordable Care Act, many new requirements have been mandated on healthcare providers. The utilization of Bassett's resources to pay property taxes places them at an unfair disadvantage. Bassett also relies on the generosity of individuals and companies to contribute funds towards their mission. By not utilizing their tax exempt status, contributors and the Bassett Board of Directors feel this is an ineffective use of their resources and they could place these contributions of time and funding at risk.

How will the applicant's plans be affected if IDA approval is not granted?

Should the tax exempt status not be granted, it would be impossible for Bassett to move forward with the lease. It is important to understand that Bassett has been in the site selection process for over a year. There are several sites identified for the purpose of expanding the operational support center and this site is at the top of the list. Should an exemption not be granted, Bassett will pursue the next available site. Given Bassett's geographic coverage in NYS there are several alternative locations identified. This location is the only location being considered in Oneida County.

A. Type of Project

Check category or categories best describing your project:

( ) Manufacturing

( ) Industrial Assembly or Service

( ) Research and Development

( ) Warehousing

(X) Commercial or Recreational

( ) Pollution Control (specify) \_\_\_\_\_

( ) Other (specify) \_\_\_\_\_

B. Description of Proposed Project

Check all appropriate categories which apply to the proposed project:

- |  |        |       |
|--|--------|-------|
| 1. Acquisition of land                           | YES(X) | NO( ) |
| 2. Acquisition of existing building              | YES(X) | NO( ) |
| 3. Renovations to existing building              | YES(X) | NO( ) |
| 4. Construction of addition to existing building | YES( ) | NO(X) |
| 5. Demolition                                    | YES( ) | NO(X) |
| 6. Construction of a new building                | YES( ) | NO(X) |
| 7. Acquisition of machinery and/or equipment     | YES(X) | NO( ) |
| 8. Installation of machinery and/or equipment    | YES(X) | NO( ) |
| 9. Other (specify)                               | YES(X) | NO( ) |

Bassett will enter into an agreement with the City of Utica to pay for up to 100 parking spaces (Bassett will add parking spaces when needed) to accommodate additional parking in the City of Utica owned parking lot located on Union St., known as the Union Lot. This will create a steady stream of funding of up to \$36,000 annually for the City of Utica to maintain the parking lot. The Union Lot contains approximately 200 parking spaces. This commitment from Bassett will significantly improve the utilization of the parking spaces while providing funding to the City of Utica.

C. What is the zoning classification of the proposed site?

Commercial – located in the City of Utica designated historic district.

D. For what purpose was the site most recently used (e.g. light manufacturing, heavy manufacturing, assembly, etc.)?

The previous use of the building was office space.

| <u>Location(s)</u>                         | <u>Street Address</u>  | <u>Number of Floors</u> | <u>Square Footage per Floor</u> |
|--|------------------------|-------------------------|---------------------------------|
| <u>City of Utica<br/>Historic District</u> | <u>233 Genesee St.</u> | <u>5</u>                | <u>10,000 sf</u>                |

F. Is the site in an Empire Zone? ( ) Yes (X) No  
 Is the business Empire Zone certified at this location: ( ) Yes (X) No  
 Attach a copy of the last Business Annual Report filed. If not certified, explain why not:

Not applicable, Gold Dome II LLC is a newly created entity and has yet to file its initial tax return or record its first business transaction.

- G. 1. Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings and other existing structures or facilities) and attach plot plans, photos or renderings, if available.

The approximately 50,000 square foot office building was constructed in 1977 by the Savings Bank of Utica (SBU) for the operation of their corporate headquarters and offices. During the last several years of SBU's existence they changed their name to Partner's Trust. Seven years ago M&T Bank purchased Partner's Trust. Because the headquarters of M&T Bank are located in Buffalo, NY, the SBU headquarters were vacated.

The construction of the 5 store office building was designed for a single tenant occupancy of SBU. Consequently, the office building and Gold Dome building contain one electric meter, one gas meter and a common access point on the third floor. The air condenser for the office building is original to the building and beyond its useful life. When the megatherm boiler for the office building reached its useful life, SBU reconfigured the gas boiler in the Gold Dome Bank to heat the office building. Both the air conditioner and boiler will need to be replaced in the office building. Finding a single user for the entire 50,000 square foot office space is important because the building was designed for one user. Accordingly there would need to be a significant investment into breaking up the utilities should the building be split into several leasable spaces.

The 4<sup>th</sup> floor will be renovated from floor slab to deck to accommodate an operational support center. This floor will accommodate the operational support center and a substantial investment will be made in capital improvements and installation of technology. It is anticipated the space would be ready for occupancy in 2015.

2. If construction or renovation work on this project has already begun, please describe the work in detail.

Work has not begun. This project is contingent upon the granting of IDA benefits.

3. What is the estimated useful life of the:
- a. Facility: 100 Years
  - b. Equipment: Various, ranging from 3 to 20 years.

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

Bassett will be installing an operational support center of approximately 20,000 to 50,000 square feet. This includes wiring, cables, and a wide range of business equipment and systems. In addition a new HVAC unit will be installed, bringing the building into today's energy efficient standards.

- I. If any of this equipment has already been purchased or ordered, please attach all invoices

and purchase orders and list amounts paid and dates of expected delivery as well as a brief description:

Nothing has been purchased as this project is contingent on a successful IDA application.

- J. If the construction or operation of the proposed project will require any local ordinance or variance to be obtained or requires a permit or prior approval of any state or federal agency or body (other than normal occupancy/construction permits), please specify:

For the building renovations a building permit will need to be issued.

- K. Will the project have a significant effect on the environment, YES ( ) NO (X). If so, please describe the effect. **Important: please attach Environmental Assessment Form to this Application**

As this project will be utilizing an existing building there is no detrimental impact anticipated. However the installation of a new HVAC system will considerably increase the energy efficiency of the building.

- L. Will a related real estate holding company, partnership or other entity be involved in the ownership structure of the Transaction? YES(X) NO( ) If YES, please explain:

Please refer to the ownership structure provided in section 2.

M. 1. With regard to the present owner of the project site, please give:

Name: M&T Bank, Attn: Eric Eisenried

Address: One M&T Plaza, Buffalo, NY 14203

Telephone Number: (716)842-5075

2. If the applicant already owns the project site, indicate:

a. date of purchase: Not owned

b. purchase price: Not applicable

3. If the project site is mortgaged, please indicate:

a. balance of mortgage: Not applicable

b. holder of mortgage: Not applicable

N. Is there a relationship, legally, by virtue of common control, or through related persons, directly or indirectly, between the applicant and the present owner of the project site?  
YES ( ) NO (X) If YES, please explain:

O. Is the company currently a tenant in the building to be occupied?

YES ( ) NO (X)

P. Are you planning to use/develop the entire proposed facility?

YES (X) NO ( )



If NO, give the following information with respect to present tenants: Building has been vacant for the past 7 years.

1. Present Tenant Information

a.      Name of Business      Floors Occupied      Square Feet Occupied      Nature of Tenant's Business

Not Applicable

b.      Which of the above tenants will be vacating upon your initial use of the facility? How many jobs will be affected?

Name of Firm                      Jobs                      Square Footage Now Occupied

Not Applicable

c.      For those tenants who will remain after your initial occupancy of the site, provide the following transaction:

Name of Tenant                      Term of Lease                      Renewal Options                      Square Footage Now Occupied

Not Applicable

Are any of the above tenants related to the owner of the facility?    YES ( )    NO ( )

d.      If the applicant will be occupying the premises of any of the tenants listed in (c) when their lease expires, please list.

Not Applicable

e.      Please provide copies of all present leases at the proposed project site.

Not Applicable

- f. Do you propose to lease part of the project facility to firms not presently tenants?  
YES (X) NO ( )

If YES, provide details of your proposals:

Basset

- g. Will financing by the Agency for the Project result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area in the State of New York? YES ( ) NO (X)

If the answer is yes, please explain briefly the reasons for the move.

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Is the proposed project reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the State of New York?

YES (X) NO ( )

Is the proposed project reasonably necessary to preserve the competitive position of the project occupant in its respective industry? YES (X) NO ( )

- h. If any of the parties who will be tenants in this project are related to or affiliated with the applicant, please identify them:

Not Applicable

1. Please attach any written agreements (e.g., options, purchase contracts, invoices, etc.) concerning the acquisition of the real property or equipment for this proposed facility.

2. Employment \*

- a. List your present employment in Oneida County, if any, and an estimate of the employment at the proposed facility at the end of one and two years. Note: employment numbers are direct employees of Bassett. The following numbers do not include construction workers or indirect employment.

| Employment | Present | At End of First Year | At End of Second Year | At End of 5 <sup>th</sup> year when School District vacates |
|------------|---------|----------------------|-----------------------|---|
| Full Time  | 0       | 25                   | 30                    | 100-110   |
| Part Time  | 0       | 5                    | 10                    | 15  |
| Seasonal   | 0       | 2                    | 0                     | 0   |
| Total      | 0       | 30                   | 40                    | 115-125   |

Estimate percent that total part time or seasonal working time bears to total annual full working time. 0%

- b. Characterize the labor force to be associated with this project location according to the following categories:

| Category          | Present | At End of First Year | At End of Second Year |
|-------------------|---------|----------------------|-----------------------|
| Officers          | 0       | 0                    | 0                     |
| Sales/Supervisory | 0       | 3                    | 4                     |
| Clerical          | 0       | 2                    | 4                     |
| Plant/Production  | 0       | 0                    | 0                     |
| Other (specify)   | 0       | 25                   | 32                    |

- c. Estimate the Annual Payroll for the employees associated with the project location.

At present: \$None

At end of one year: \$1,500,000 Estimated

At end of two years: \$1,920,000 Estimated

**\* Company will be required to submit Annual Job Monitoring Report for each year of benefit period (attached). Annual Job Monitoring Reports will be compared to employment counts as stated above and companies whose reported counts fall below those levels above will be subject to the Agency's Recapture Provisions Policy**

**3. Estimated Project Cost**

Listed the costs necessary for the construction, acquisition or renovation of the project (this should NOT include working capital needs, moving expenses, work in progress, stock in trade, applicant's debt repayment, real estate broker fees or your legal fees):

|   |                     |
|---|---------------------|
| Hard Costs<br><i>(Acquisition, renovation, machinery &amp; equipment)</i> | <u>\$20,585,000</u> |
| Soft Costs<br><i>(Engineering, fees, installation &amp; interest)</i>     | <u>\$1,190,020</u>  |
| Subtotal  | <u>\$21,775,020</u> |

**Agency Fee**

| <u>IDA Fee Schedule</u>            | <u>Rate</u> | <u>Limit</u> | <u>Cumulative</u> | <u>IDA Fee</u>   |
|------------------------------------|-------------|--------------|-------------------|------------------|
| .5% up to \$600,000                | 0.500%      | 600,000      | 600,000           | \$ 3,000         |
| .33% between \$600,000 and \$1.5mm | 0.333%      | 900,000      | 1,500,000         | 3,000            |
| .25% between \$1.5mm and \$3mm     | 0.250%      | 1,500,000    | 3,000,000         | 3,750            |
| .125% in excess of \$3mm           | 0.125%      | 18,775,020   | 21,775,020        | <u>23,469</u>    |
|                                    |             |              |                   | <u>\$ 33,219</u> |

Total Project Cost \$21,808,239

What is the amount of funding requested for financing through the agency?

No financing is being requested of the IDA.

4. Real Estate Taxes

List separately the proposed project's Real Estate Taxes and/or Assessed Value as it applies to land and building: The below numbers are based on conversations with the assessor. As a result of a settlement agreement the property has an assessment of \$0.

| Project's   | Real Estate Taxes | Assessed Value |
|-------------|-------------------|----------------|
| Land(s)     | \$0               | \$0            |
| Building(s) | \$0               | \$0            |
| Total       | \$0               | \$0            |

5. Project Schedule

Indicate the estimated dates for the following:

- a. Construction commencement: 4<sup>th</sup> Quarter 2014
- b. Construction completion: 4<sup>th</sup> Quarter 2015
- c. Project financing: List the dates and in what amounts the estimated funds will be required:

No financing is being requested.

- d. Indicate the name of the incorporated municipality in which the facility will be located and the applicant's (or any related entity's) estimated capital expenditures in such municipality during the past three years:

The City of Utica, downtown historical district. No previous cap ex in past 3 years.

- e. What do you expect the applicant's (or any related entity's) capital expenditures to be in the above municipality during the next three years (including this project):

\$21,808,239

- f. If the applicant or any related entity has previously secured the benefit of tax exempt financing in the City of Utica, whether through IDA, the New York Job Development Authority or any other entity, please explain (indicate date, location of financed facility, and outstanding balance):

None.

- g. Has the applicant or any related entity received the benefit of tax exempt financing anywhere within the United States within the past 90 days or is the applicant or any related entity contemplating the receipt of such financing assistance within the next 90 days? YES ( ) NO (X) if yes, please explain.

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6. Project Financing Efforts

IT IS THE APPLICANT'S RESPONSIBILITY TO SECURE A PURCHASER FOR IDA BONDS ISSUED IN CONJUNCTION WITH THIS PROJECT. Below are a series of questions relating to your efforts to secure financing for your project if IDA approval is granted.

- A. Has the applicant contacted any bank, financial/lending institution or private investor in regard to the financing for this project? YES (X) NO ( ) If YES, please give details:

The applicant will be financing this project through a commercial mortgage, no bonds are being requested of the IDA. A letter of interest from one of our financing institutions has been attached.

- B. Have you obtained a financial commitment for this project? YES (X) NO ( )

1. If Yes, please briefly describe this commitment and attach related correspondence:

Solvay Bank has delivered a term sheet outlining the terms in which they are willing to provide financing. Should the IDA exempt this property from real estate taxes the applicant is prepared to move forward under the terms of the Solvay Bank proposal.

2. If No, please explain how you will be able to finance this project:

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C. Are there any other governmental agencies that you have contacted concerning financial assistance in regard to your proposed project? YES ( ) NO (X) If YES, please explain:

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D. 1. Will the applicant's obligations be guaranteed, and if so, by whom?

There is a binding agreement between the applicant and M&T Bank to sell the property to the applicant. In addition there is a binding lease agreement between Bassett and the applicant. Based on these agreements the lender has committed to financing the project. However the commitment from Bassett is contingent upon receiving tax exempt status. With the approval of the benefits sought from the IDA, this project will move forward immediately.

2. Is the guarantor related to or affiliated with the applicant?

Not Applicable.

E. Financial Information (Attach the Following).

1. Financial Statements for the last three fiscal years.
2. Pro forma Balance Sheet as at start of operations at project site.
3. Projected Profit and Loss Statements for first two years of operation at project site.
4. Projected "Cash Flow" Statement, by quarters, for first year of operation at project site.

Certification

The undersigned requests that this application be submitted for review to the City of Utica Industrial Development Agency's Board of Directors. It is hereby certified by the undersigned that the information contained in this application and the attachments thereto is, to the best of my knowledge and belief accurate and it is truly descriptive of the project which is intended as the security for the financing. Intentional misstatements or misleading information contained herein could be cause for disapproval or could lead to voiding IDA benefits.

APPROVAL OF THE APPLICATION CAN BE GRANTED SOLELY BY THIS AGENCY'S BOARD OF DIRECTORS. IT IS ACKNOWLEDGED THAT APPLICANT SHALL BE RESPONSIBLE FOR ALL COSTS INCURRED BY THE AGENCY AND ITS COUNSELS IN CONNECTION WITH THE ATTENDANT NEGOTIATIONS AND ISSUANCE OF BONDS WHETHER OR NOT CARRIED TO A SUCCESSFUL CONCLUSION.

Signature: 

Print or Type Name: Kurt Wendler

Title: Member of parent company, Sphere Holdings LLC

Date: September 26, 2014

**Return the original application and six copies with a check in the amount of \$250.00 made payable to: Utica Industrial Development Agency, 1 Kennedy Plaza, Utica, New York, Attn.: Jack N. Spaeth, Executive Director.**



# CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY ANNUAL JOB MONITORING REPORT

COMPANY NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_  
PHONE NO. \_\_\_\_\_

EMPLOYER REGISTRATION NO: \_\_\_\_\_ CONTACT PERSON: \_\_\_\_\_  
(name & title) \_\_\_\_\_

ORIGINAL PROJECT DATE: \_\_\_\_\_

Please fill in the following information for the reporting period January 1, 201 \_\_\_\_\_ – December 31, 201 \_\_\_\_\_.

### FULL TIME EMPLOYEES \*

\*Note: A full-time employee works 35-40 hours per week. Use a fraction for part-time employees (i.e., .5 = 1 employee working 17 1/2 to 20 hours per week.)

| Permanent Occupations In Company | Current Employment (prior to Original Project Date) | # of Emp. Hired During Reporting Period |  | # of Male Employees | # of Female Employees |  | White | Black/African American | Hispanic | Asian |
|----------------------------------|---|---|--|---------------------|-----------------------|--|-------|------------------------|----------|-------|
| Management                       |   |   |  |                     |                       |  |       |                        |          |       |
| Professional                     |   |   |  |                     |                       |  |       |                        |          |       |
| Clerical                         |   |   |  |                     |                       |  |       |                        |          |       |
| Sales                            |   |   |  |                     |                       |  |       |                        |          |       |
| Service                          |   |   |  |                     |                       |  |       |                        |          |       |
| Construction                     |   |   |  |                     |                       |  |       |                        |          |       |
| Manufacturing                    |   |   |  |                     |                       |  |       |                        |          |       |
| Skilled                          |   |   |  |                     |                       |  |       |                        |          |       |
| Semi-Skilled                     |   |   |  |                     |                       |  |       |                        |          |       |
| Unskilled                        |   |   |  |                     |                       |  |       |                        |          |       |
| Other (Describe)                 |   |   |  |                     |                       |  |       |                        |          |       |
| <b>Total:</b>                    |   |   |  |                     |                       |  |       |                        |          |       |

Are you planning any additional increase or decrease in your employment workforce in the foreseeable future?  YES  NO

If yes, please describe:

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The information included herein is correct to the best of my knowledge and belief,

\_\_\_\_\_  
Company Official

\_\_\_\_\_  
Date