# 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.

<u>PART I</u>	
Applicant	
Applicant's legal Name: Harbor Point Lodging Associates LLC	
Principal Address: 11751 East Corning Road, Corning NY 14830	
Project Address: <u>Genesee Street, Utica, New York</u>	
Telephone Number(s): <u>(607) 962-9868</u>	
Federal Identification Number:	
Company IRS Filing Office Location: E-file	
Company Officer completing this application:	
Name: Arun Patel	

Title: Manager

Phone:

(607) 962-9868 office Email:

apateltsf@gmail.com

1.	A.	Is the applicant a:			
		( ) Corporation: If YES, Public ( If a PUBLIC Corporation, on v	5. (5)	isted?	
2.	В.	( ) Sole Proprietorship ( ) Partnership ( ) Subchapter S ( ) DISC (X) Other (specify) <u>limited liability</u> State of incorporation, if applicab  Stockholders, Directors, Office Provide the following information	ers, Partners or Men		or parties:
		3	O , , , ,		Percentage of
	Name	Home Address	Social Secur		Ownership
Arun P	atel,				50%
Hemar	nt Patel				50%
		ip for the project is still being dete rship structure is in place.	rmined. The applica	nt will notify the	e Agency once
B. Provide the following information in regard to officers and directors:					
Arun P	Comp Office atel	and the state of t	Social Security Number	Other Principa Business Affil Visions Hotel	iation
Hemar	nt Patel			Visions Hotels	s LLC

C. Is the applicant or any of the persons 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.

Arun Patel and/or Hemant Patel hold ownership interests in numerous other entities, at differing levels of ownership. A list of entities is attached as Exhibit A.

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. No.

#### 3. Applicant's accountant

Name and Title: Tony Sandonato, Partner

Name of Firm: Mengel Metzger Barr

Address: 100 Chestnut Street, Rochester, NY 14604

Telephone Number: (585) 423-1860 Email: asandonato@mmb-co.com

#### 4. Applicant's attorney

Name and Title: Robert L. Halpin, Principal

Name of Firm: The Halpin Firm

Address: 4588 Route 224, Montour Falls, NY 14865

Telephone: (607) 594-3786 Email: rhalpin@thehalpinfirm.com

5. References (Individuals and institutions in this section may be contacted) Α. Banking/Financial Institution: Name of Address and Account Officer/ Institution Phone Number Contact Person **Tompkins Trust** PO Box 460, Ithaca NY14851 607-274-8633 Michelle Turek B. Business suppliers (list three largest accounts) Name of Address and Account Officer/ Terms of Annual Dollar Supplier Phone Number Contact Person Sale % Volume Applicant is a newly formed entity and has no supplier accounts C. Major customers (list three largest and show percentage of gross business obtained from each): Name of Address and Account Officer/ Terms of Annual Dollar Phone Number Contact Person Customer Sale % Volume Applicant is a newly formed entity and has no existing customers

## 6. Business Description

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

Home2 Suites by Hilton hotel

	D.	Describe the geogra	priicai markei(s) served.	
	Utica	New York		
7.		Present location(s)	of business operations	
	A.	List present location	(s):	
		None		
	В.	For what purpose is	each of these used? NA	
		1.		
		2.		
		3.		
	C.	For each of your pre- information: NA	sent locations which are <u>R</u>	ENTED, provide the following
		Name of Landlord	Landlord's Address	Landlord's Telephone Number
		1.		
		2.		
		3.		
		Amount of Space	Annual Rental	Lease Termination Date
		1.		
		2.		
		3.		

).	For each of your prese	nt locations which you <u>OWN</u> , provide the f	following information: NA
	Location	Annual Mortgage Payment	Termination Date
	1.		
	2.		
	3.		
	List which of your prese given: NA	nt locations, if any, will be vacated if IDA ap	proval for your project is
	9		
	#		
	If any of these locations do so: NA	will be sublet or sold, provide information o	oncerning your ability to
	-		-

#### **PART II**

### **Reasons for Project**

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

Visions Hotels has a successful track record of operating hotels in Utica and across upstate New York. The Home2 Suites product will allow service to extended stay market. There is currently no extended stay product in the Utica market.

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

IDA assistance is necessary for the project to meet its budgeted cost projections.

How	will the applicant's plans be affected if I	DA approval is	s not granted?
The a	pplicant will not proceed with the project	t in its present	scope without IDA assistance.
<b>.</b>			
	2		
	se confirm by checking the box, below, if or the Financial Assistance provided by		ood that the Project would not be undertaken
	X Yes or No		
			nce provided by the Agency, then provide a roject should be undertaken by the Agency:
Ident	tify the assistance being requested of th	e Agency (sele	ect all that apply):
1.	Exemption from Sales Tax	X Yes or	No
2.	Exemption from Mortgage Tax	X Yes or	No
3.	Exemption from Real Property Tax	X Yes or	No

4. Tax Exempt Financing \* \_\_\_\_Yes or \_XNo \* (typically for not-for-profits & small qualified manufacturers)

## A. Type of Project

Check category or categories best describing your project (O - Owner) and all end-users (T – Tenant(s)) and the square footage of each:

	Manufacturing		sf
	Industrial (Assembly or Service)		sf
	Research and Development		sf
	Warehousing		sf
-	Commercial		sf
	Pollution Control		sf
	Housing		sf
	Back Office		sf
	Facility for Aging		sf
	Multi-Tenant		sf
	Retail		sf
	Recreational		sf
0	Other (specify) Hotel	55,738	sf
	Total		sf

## B. <u>Description of Proposed Project</u>

Check all appropriate categories which apply to the proposed project:

Acquisition of land	YES()	NO(X)
2. Acquisition of existing building	YES()	NO(X)
3. Renovations to existing building	YES()	NO(x)
4. Construction of addition to existing building	YES()	NO(x)
5. Demolition	YES()	NO(x)
<ol><li>Construction of a new building</li></ol>	YES(X)	NO()
7. Acquisition of machinery and/or equipment	YES(x)	NO()
8. Installation of machinery and/or equipment	YES(x)	NO()
9. Other (specify)	YES()	NO()

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

D.	For what purpose was the site most recently used (e.g. light manufacturing, heavy manufacturing, assembly, etc.)?
Vacan	t ,
E.	Location(s)  Street Address  Number of Floors Footage per Floor
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.
	Is the proposed project located within the boundary of a Central New York Regional Transportation (Centro) District? ( ) Yes (x) No
G.	<ol> <li>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.</li> </ol>
Three:	story, 89 room Home 2 Suites by Hilton franchised hotel
	<ol> <li>If construction or renovation work on this project has already begun, please describe the work in detail.</li> </ol>
Some s	site preparation work has begun.

What is the estimated useful life of the:

3.

- a. Facility: 50+ Years
- b. Equipment: 5 to 20 Years

	If any of this equipment has already been purchased or ordered, please attach all invo
•	and purchase orders and list amounts paid and dates of expected delivery as well brief description:
	If the construction or operation of the proposed project will require any local ordinant variance to be obtained or requires a permit or prior approval of any state or federal ag
	or body (other than normal occupancy/construction permits), please specify:
ola	anning approval obtained from City of Utica Planning Board.
ola	
ola	anning approval obtained from City of Utica Planning Board.  Will the project have a significant effect on the environment, YES ( ) NO (x). I please describe the effect. Important: please attach Environmental Assessr

M.	1.	With	regard to the present owner of the project site, please give:
	Name	e: Appl	licant is owner
	Addre	ess:	
		_	
	Telep	hone N	Number:
	2.	If the	applicant already owns the project site, indicate:
		a.	date of purchase: August 1, 2017
		b.	purchase price: \$950,000
	3.	If the	project site is mortgaged, please indicate:
		a.	balance of mortgage:
		b.	holder of mortgage:
N.	direct	ly or inc	elationship, legally, by virtue of common control, or through related persons, directly, between the applicant and the present owner of the project site? YES f YES, please explain:
Applica	ant is th	ne own	er
Ο.	Is the	compa	any currently a tenant in the building to be occupied?
	YES	( ) NO	D() NA
P.	Are y	ou plar	nning to use/develop the entire proposed facility?
	YES	(x ) NO	O()

If NO, give the following information with respect to present tenants:

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

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

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

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.

X 8 - 9		•

Please provide copies of all present lease(s) at the proposed project site.

e.

	If YES, provide details of your proposals:
14	
	_
	Will financing by the Agency for the Project result in the removal or abandonment of a portion of the applicant or any related entity presently located in another area in State of New York? YES() NO()
	If the answer is yes, please explain briefly the reasons for the move.
1	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()NO()
	Is the proposed project reasonably necessary to preserve the competitive position of project occupant in its respective industry? YES ( ) NO ( )
	If any of the parties who will be tenants in this project are related to or affiliated with tapplicant, please identify them:
	THE PROOF OF THE P

Please attach any wr concerning the acquisit	ritten agreements tion of the real pr	s (e.g., options, property or equip	purchase contra ment for this pr	acts, invoices, etc. oposed facility.
			1 / Ja	

#### 2. Employment \*

a. List your present employment in the City of Utica, if any, and an estimate of the employment at the <u>proposed facility</u> at the end of two years. NOTE: New York State considers Full Time employment as 35 hours or more. In order to calculate Part Time into Full Time Equivalents (FTE), divide the total typical and consistent number of hours worked per week by 35.

Employment	Current # of applicant's jobs at/or to be located at proposed project	Number of FTE jobs to be RETAINED	Number of FTE jobs to be CREATED two years after project	Estimate number of residents in Labor Market Area that will fill projected jobs two years after
Full Time (FTE) Total	0 .	0	11.28	14 (includes part time employees)

The Labor Market Area consists of the following counties: Oneida, Lewis, Herkimer, Otsego, Madison and Oswego

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

Category	Current	Avg Salary or Salary Range	Avg Fringe Benefits or Range
Officers – GM	1	\$50,000 - \$65,000	\$3,700 - \$4,300
Sales/Supervisory			
Clerical - FD	4.14	\$22,360 - \$25,000	\$2,230 - \$2,280
Plant/Production	1	\$25,000	\$2,280
Other (specify) BOH	5.14	\$21,000 - \$23,000	\$2,200

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

Currently	End of Year One	End of Year Two
\$0	\$265,426	\$275,626

<sup>\*</sup> Company/Applicant will be required to submit Annual Project Monitoring Reports (attached) along with a copy of the NYS 45ATT (four quarters) for a minimum of five (5) years for any commercial project and ten (10) years for any industrial/manufacturing project, or for the

length of UIDA involvement in the project. Annual Project 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.

Sources of Funds for Project Costs:		% of Total project costs
Bank Financing:	\$8,000,000	<u>73%</u>
Equity (excluding equity attributed to grants/tax credits)	\$3,000,000	27%
Tax Exempt Bond Issuance (if applicable)	\$	×
Taxable Bond Issuance (if applicable)	\$	
Public Sources (Include sum total of all state and federal grants and tax credits)	\$	ž.
Identify each state and federal grant/credit:		
\$		
\$	<u></u>	
\$		
\$		
Total Sources of Funds for Project Costs:	\$11,000,000	
Have any of the above costs been paid or incurred as of the	ne date of this App	plication?
X Yes or No. If Yes, describe particulars: Profession been incurred	al fees and some	site work costs have
Mortgage Recording Tax Exemption Benefit: Amount of mortgage recording tax:	f mortgage that w	ould be subject to
Mortgage Amount (include sum total of construction/perma	anent/bridge finan	cing): \$8,000,000
Estimated Mortgage Recording Tax Exemption Benefit (pro Amount as indicated above multiplied by 0.75%):	oduct of mortgage	\$60,000

Please Note: The New York State General Municipal Law was recently amended to reflect that industrial development agencies are not exempt from the additional mortgage recording tax of

.25% that is assessed to properties that are located within a regional transportation district. Oneida County is located within the Central New York Regional Transportation District; as such, all UIDA projects will be exempt from .75% of mortgage recording tax, but must pay .25% of mortgage recording tax, which will be directed to the Transportation District.

## 3. Estimated Project Cost

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

Acquisition of Land (with carrying costs)	\$ <u>1,800,000</u>
Acquisition of Building(s)	\$
Renovation Costs	\$
New Construction of Buildings	\$ <u>6,585,000</u>
Machinery and Equipment (other than furniture costs)	\$ <u>889,500</u>
Furniture and Fixtures	\$ <u>785,500</u>
Installation Costs	\$ <u>included</u>
Architectural/Engineering Fees	\$ <u>160,000</u>
Fees (other than your own counsel and brokerage fees)	\$305,000
Interest on Interim Financings	\$ <u>140,000</u>
Other (specify) \$25,000 atty fees	\$ <u>335,000</u>
\$25,000 insurance \$60,000 pre opening \$125,000 working cap \$100,000 misc./contingency	

**Total Project Cost** 

\$11,000,000

Sales and Use Tax: Gross amount of costs for goods and services that are subject to State and local Sales and Use tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$6,200,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 542,500

## 4. Real Estate Taxes

List separately the proposed project's Real Estate Taxes and/or Assessed Value as it applies to land and building:

Project's	Real Estate Taxes	Assessed Value
Land(s)	\$2,500	\$40,000
Building(s)	\$190,000	\$3,000,000
Total	\$192,500	\$3,040,000

Calculate the value of the PILOT exemption anticipated for the project described:

### \$ To be determined

# 5. Project Schedule

d.

<u>ule</u>
ate the estimated dates for the following:
Construction commencement: <u>September 2017</u>
Construction completion: March 2019
Project financing: List the dates and in what amounts the estimated funds will be required:

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: <u>Utica</u> \$15.5 million

e.	What do you expect the applicant's (or any related entities) capital expenditures to
	be in the above municipality during the next three years (including this project):
	\$12 million

Б	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):
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.
6. Project Finan	cing Efforts
BON	THE APPLICANT'S RESPONSIBILITY TO SECURE A PURCHASER FOR IDA IDS ISSUED IN CONJUNCTION WITH THIS PROJECT. Below are a series of stions relating to your efforts to secure financing for your project if IDA approval is ted.
to the finan	applicant contacted any bank, financial/lending institution or private investor in regard cing for this project? YES (X) NO () If YES, please give details: in discussions with Tompkins Trust Company to provide financing for the project.
-	

2.	If No, please exp	olain how you	u will be ak	ole to financ	ce this pr	oject:	
icant ha	s established relati	onships with	n lenders to	provide pr	oject fina	ancing.	
-							
	e any other govern ce in regard to you	10-22-01	100				- 1 0 mg/s
		10-22-01	100				- 1 0 mg/s
		10-22-01	100				- 1 0 mg/s
		10-22-01	100				- 1 0 mg/s

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

- E. Financial Information (Attach the Following).
  - 1. Financial Statements for the last three fiscal years. NA new entity
  - 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.

#### REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the City of Utica Industrial Development Agency (the "Agency") and its Board of Directors.

Approval of the Application can be granted solely by this Agency's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Agency and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Agency as follows:

- 1. Annual Sales Tax Filings. In accordance with Section 858-b(2) 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.
- 2. 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 as well as tax benefits received with the action of the Agency. Failure to provide such reports as provided in the transaction documents will be an Event of Default under the Lease (or Leaseback) Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
- 3. Absence of Conflict of Interest. The Applicant has consulted the Agency website of the list of the Agency members, officers and employees of the Agency. No member, officer, or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein after described (if none, state "none"):
- 4. Hold Harmless. Applicant hereby releases the Agency and its members, officers, servants, agents

and employees 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 the processing of the Application, including attorneys' fees, if any.

- 5. The Applicant acknowledges that the Agency has disclosed that the actions and activities of the Agency are subject to the Public Authorities Accountability Act signed into law January 13, 2006 as Chapter 766 of the 2005 Laws of the State of New York.
- 6. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). <u>Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions</u>.
- 7. The Applicant acknowledges that it has been provided with a copy of the Agency's recapture policy (the "Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
- 8. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:
  - § 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the

competitive position of the project occupant in its respective industry.

- 9. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- 10. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

- 11. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- 12. 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.

STATE OF NEW YORK )	
COUNTY OF ONEIDA ) ss.:	
Steede	
Arm Tate!, being first duly	sworn, deposes and says:
1. That I am the Manage (Corpora febr Peint Codging Associates LLC authorized on behalf of the Applicant to bind the	(Applicant) and that I am duly
<ol><li>That I have read the attached Application, I kn best of my knowledge and belief, this Application true, accurate and complete.</li></ol>	CONTROL OF THE ASSESSMENT OF T
	(Signature of Officer)
Subscribed and affirmed to me under penalties of perjury this Z day of October, 2017  (Notary Public)	ROBERT L. HALPIN  Notary Public, State of New York  Qualified in Schuyler County  Commission Expired May 13, 2010
If the application has been completed by or in part by other for the applicant please indicate who and in what capacity:	
By:	
Name: Person Halpin	
Title: Attorner	
10/2/17	

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