

**City of Utica
Industrial Development Agency**

**MacSpace LLC
Application
Redacted Status Report 5/3/22**

**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: _____ MacSpace LLC _____

Principal Address: _____ 131 Paris Rd _____

_____ New Hartford, NY 13413 _____

Telephone Number: _____ 315-796-4432 _____

Federal Identification Number: _____ 81-3717542 _____

Company IRS Filing Office Location: _____

Company Officer completing this application:

Name: _____ Preston MacDiarmid _____

Title: _____ President _____

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) _____ LLC _____

B. State of incorporation, if applicable: __registered in New York__

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

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

Percentage of Name	Home Address	Social Security No.	Ownership
Preston MacDiarmid	131 Paris Rd New Hartford, NY 13413	(REDACTED)	50%
Preston MacDiarmid	131 Paris Rd New Hartford, NY 13413	(REDACTED)	50%

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>
President Preston MacDiarmid	131 Paris Rd New Hartford, NY 13413	(REDACTED)	Stockholder
Secretary/Treasurer Dorlene MacDiarmid	(same address)	(REDACTED)	Stockholder

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.

Preston MacDiarmid is greater than 50% stockholder of Quanterion Solutions Incorporated
It is planned that MacSpace will lease the property to Quanterion Solutions Incorporated.

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: _(REDACTED)_____

Name of Firm: __(REDACTED)

Address: _____

Telephone Number: _____

4. **Applicant's attorney**

Name and Title: ____ (REDACTED)_____

Name of Firm: _____

Address: _____

Telephone: _____

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

A. Banking/Financial Institution:

<u>Name of Institution</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
(REDACTED)		

NY

B. Business suppliers (list three largest accounts)

<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>
(REDACTED)				

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>
Quanterion Solutions, Inc.		Eric MacDiarmid	Lease	100%

(Building purchased by MacSpace LLC will be leased to Quanterion Solutions, Inc. 100 Seymour Rd. Utica NY 13502)

6. **Business Description**

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

MacSpace business is real estate leasing. Quanterion's business is engineering and software/systems development primarily for the federal government.

B. Describe the geographical market(s) served:

Quanterion does business nationally with staff in Utica/Rome, Virginia, North Carolina, Colorado and New Mexico. MacSpace LLC was a new business purchasing a building at 264-266 Genesee St. Utica, NY (previously Citizens Bank). The building is leased to Quanterion under a ten-year lease.

7. **Present location(s)**

A. List present location(s):

1. Quanterion was previously primarily at SUNY Poly at 100 Seymour Rd. Utica.
2. MacSpace office is at 131 Paris Rd. New Hartford, NY.

B. For what purpose is each of these used:

1. Engineering/software development.
2. Office of the LLC.
- 3.

C. For each of your present (at application time) locations which are RENTED, provide the following information:

Name of Landlord Landlord's Address Landlord's Telephone Number

1. SUNY Poly 100 Seymour Rd Utica, NY (315) 792-7500
2. Owned by the owners of MacSpace LLC
- 3.

Amount of Space Annual Rental Lease Termination Date

1. ~5390 sq. ft. ~\$68,616
- 2.
- 3.

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

Annual Mortgage Payment Termination Date

(Quanterion lease at SUNY Poly will be terminated when the Citizens Bank location is purchased and renovated to suit Quanterion's needs.)

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

100 Seymour Rd, Utica NY 13502 due to inadequate space for new staff _____

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

NA _____

PART II

Reasons for Project (not updated from original application)

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

Quanterion is out of space at SUNY Poly and its current space is not well-suited to its engineering activities. The Citizens Bank building is much larger providing the company with further growth potential in a prominent location. Nevertheless, the building is set up to be a bank, not an engineering-oriented business. The proposed project will renovate the building into professional offices accompanied by collaborative work spaces. The primary area of the 2-floor plus basement building to be renovated is the first floor, transitioning it from a “teller-centric” operation to approximately 12 professional offices with modular collaboration spaces for approximately 24 engineers/computer scientists. The second floor will house the corporate leadership space for approximately 8 individuals. The walk-out basement will house additional staff, a server room and storage. The building infrastructure will be upgraded in terms of electrical wiring and network connectivity. Handicapped equipped bathrooms will be added on the first floor. The exiting vaults will be re-purposed to suit the company’s classified work.

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

We believe that the company relocating to downtown area will be a plus for the surrounding area enhancing other successful operations like the Stanley Theater, the Fort Schuyler Club, Swifty’s, Ancora, the 258 Building and Key Bank. It will help offset what could be considered a declining trend with the former Oneida National Building first floor vacancy, and with the former Northland building and the former Eastern Rock building empty on Court Street vacant. The bank building will be purchased in cash by the owners of the newly created MacSpace LLC. Support is being sought from the IDC for the renovation/fit-out of the building to provide work space for highly paid professionals.

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

Without IDA help, MacSpace would likely not purchase the Citizens Bank building due to financial constraints and would seek space for the company on the former Griffiss AFB.

A. Type of Project

Check category or categories best describing your project:

() Manufacturing

() Industrial Assembly or Service

(X) Research and Development (for AFRL and other DoD organizations)

() Warehousing

() Commercial or Recreational

() Pollution Control (specify) _____

(X) Other (specify) ____ Engineering/Computer Scientists services to government and industry _____

B. Description of Proposed Project

Check all appropriate categories which apply to the proposed project:

- | | | |
|--|--------|-------|
| 1. Acquisition of land | YES() | 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() |
| 5. Demolition | YES() | NO() |
| 6. Construction of a new building | YES() | 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?

CBD-Central Business District

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

Citizens Bank

<u>Location(s)</u>	<u>Street Address</u>	<u>Number of Floors</u>	<u>Square Footage Per Floor</u>
264-266 Genesee St. Utica, NY		2 plus basement	1 st 7000 2 nd 3500 Bsmt 7000

F. Is the site in an Empire Zone? (X) Yes () 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:

- 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.

CITIZENS Bank at 264-266 Genesee St. will be acquired by MacSpace LLC using its own funding. The building will be leased to Quanterion Solutions, Inc. an engineering/software development company currently operated at SUNY Poly. Employees are located in the Utica/Rome area. The support from the IDA will help reduce the cost of converting the building from a bank to professional engineering offices.

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

Work has not begun.

3. What is the estimated useful life of the:

a. Facility: ___~50 years_____

b. Equipment: _Computer equipment 3-5 years; office furniture 20 years

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

Construction materials walls for offices, network and electrical wiring; plumbing for handicapped bathrooms. Computers and servers.

- 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 _____

- 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:

No variance will be required. A building permit will be required. _____

- 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**

- 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:

MacSpace is purchasing the building to lease it to Quanterion _____

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

Name: _Gramercy Property Trust_

Address: _521 5th Avenue, New York, NY 10175_____

Telephone Number: ____212.297.1053_____

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

a. date of purchase: __Not closed yet)_____

b. purchase price: (REDACTED)_____

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

a. balance of mortgage: __no mortgage_____

b. holder of mortgage: _____

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:

MacSpace will own the building; it is owned 50% each by Dorlene and Preston MacDiarmid. MacSpace will lease the building to Quanterion Solutions, Inc. Preston MacDiarmid owns 90% of the stock of Quanterion and is the company's President.

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:

1. Present Tenant Information

a.	<u>Name of Business</u>	<u>Floors Occupied</u>	<u>Square Feet Occupied</u>	<u>Nature of Tenant's Business</u>
	CITIZENS Bank	3	~17500	Bank

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

<u>Name of Firm</u>	<u>Jobs</u>	<u>Square Footage Now Occupied</u>
Bank is relocating to a new	Utica location	

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

<u>Name of Tenant</u>	<u>Term of Lease</u>	<u>Renewal Options</u>	<u>Square Footage Now Occupied</u>
Bank will remain for a few months after the property closing in order to meet legal requirements for notification of account holders			

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

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

Quanterion Solutions will replace CITIZENS Bank_____

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

- 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:

For ~3 months Citizens Bank will remain; after that Quanterion Solutions will move in following renovations _____

- 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.

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 (X)

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:

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.

(Purchase Sale Agreement (PSA) is being finalized at this time)

2. Employment *

- a. List your present employment (as of the beginning pursuit of additional space in a different location in June of 2016) in Oneida County, if any, and an estimate of the employment at the proposed facility at the end of one and two years.

Employment	Present	At End of First Year	At End of Second Year
Full Time	37	44	51
Part Time	8	11	14
Seasonal	0	0	0
Total	45	55	65

Estimate percent that total part time or seasonal working time bears to total annual full working time. 10 %

- 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	3	3	3
Sales/Supervisory	8	8	9
Admin/Clerical	10	11	12
Plant/Production	24 Technical Staff	33 Technical Staff	41 Technical Staff
Other (specify)	45	55	65

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

At present: \$ \$3,462,934

At end of one year: \$ \$4,232,475

At end of two years: \$ \$5,002,015

*** Company will be required to submit Annual Job Monitoring Reports for a minimum of five (5) years for any commercial project and ten (10) years for any industrial/manufacturing project (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):

Acquisition of Land	\$ <u>600,000</u>
Acquisition of Building(s)	\$ <u>0</u>
Renovation Costs	\$ <u>160,000</u>
New Construction of Buildings	\$ <u>0</u>
Machinery and Equipment (other than furniture costs)	\$ <u>20,000</u>
Fixtures	\$ <u>10,000</u>
Installation Costs	\$ _____
Fees (other than your own counsel and brokerage fees)	\$ <u>0</u>
Architectural/Engineering Fees	\$ _____
Interest on Interim Financings	\$ _____
Other (specify)	\$ _____
Subtotal	\$ <u>790,000</u>
Total Project Cost	\$ <u>790,000</u>

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

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)	\$ 2,647	\$ 41,600
Building(s)	\$ 29,571	\$ 464,800
Total	\$ 32,218	\$ 502,800

5. Project Schedule

Indicate the estimated dates for the following:

- a. Construction commencement: _December 2016_____
- b. Construction completion: __May 1, 2017_____
- c. Project financing: List the dates and in what amounts the estimated funds will be required:

January 1, 2017_____

- 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:

_City of Utica___ \$0_____

- 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):

~\$500,000 not including the building purchase or payroll_____

- 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):

 N/A

- 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 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 () NO (X) If YES, please give details:

Project will be self-funded _____

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

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

Company and personal resources will be used

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

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:

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

 N/A

 N/A

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.
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. The undersigned attests to and fully understands the recapture provisions provided for in the Agency's Uniform Tax Exemption Policy.

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: Preston MacDiarmid

Title: President

Date: 8/30/16

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.