

**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: Primo Property Management, LLC

Principal Address: 231 Hampton Road

Frankfort, New York 13340

Telephone Number: ~~315-482-1197~~

Federal Identification Number: 80-0373808

Company IRS Filing Office Location: New York

Company Officer completing this application:

Name: Francis J. Pezzolanella

Title: LLC Member

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: New York

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

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

<u>Name</u>	<u>Home Address</u>	<u>Social Security No.</u>	<u>Percentage of Ownership</u>
Michael L. Pezzolanella	231 Hampton Rd, Frankfort, NY 13340	[REDACTED]	34%
Francis J. Pezzolanella	421 Broad Street Utica, NY 13501	[REDACTED]	33%
Rosemarie C. Pezzolanella	231 Hampton Rd Frankfort, NY 13340	[REDACTED]	33%

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>
Michael L. Pezzolanella	231 Hampton Rd, Frankfort, NY 13340	[REDACTED]	Pezzolanella Construction
Francis J. Pezzolanella	421 Broad Street Utica, NY 13501	[REDACTED]	Pezzolanella Construction
Rosemarie C. Pezzolanella	231 Hampton Rd Frankfort, NY 13340	[REDACTED]	Pezzolanella Construction

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.

Michael Pezzolanella, Francis Pezzolanella, & Rosemarie Pezzolanella are all principles
with Pezzolanella Construction Company Inc.

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: Vincent J Gilroy, CPA

Name of Firm: Vincent J Gilroy, CPA

Address: 258 Genesee Street

Utica, New York 13501

Telephone Number: 315-734-1004

4. **Applicant's attorney**

Name and Title: Patricia A. Bobrow

Name of Firm: Felt Evans LLP

Address: 46 North Park Row

Clinton, New York 13323

Telephone: 315-853-4436

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>
NBT Bank, NA	270 Genesee St Utica NY 13501 315-738-8700	MaryAnn Hallak-Serwatka
Bank of Utica	222 Genesee St Utica, NY 13501 315-797-2700	Brian Laughlin

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>
Utica Valley Electric	2415 W. Whitesboro St Utica, NY 13502 315-732-5197	Paul Thiabault	Net 30	\$ 60,000 15%
Triton Window & Door	728 Broad St Utica, NY 13501 315-798-9243	Tyler Smith	Net 30	\$ 210,000 55%
Gypsum Wholesales	3334 Walters Rd Syracuse, NY 13209 315-476-1677	Brad Emmick	Net 30	\$ 78,000 20%

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>
Pals Realty LLC	5046 Comercial Dr Yorkville, NY 13495	Joseph Steet	Net 30	\$ 1,850,000 60%
Cobalt Properties	PO Box 4325 Utica, NY 13501	David Mazloom	Net 30	\$ 220,000 8%
Nimey's Estate	2001 Bleecker St Utica, NY 13501	Matthew Nimey	Net 30	\$ 742,000 25%

6. **Business Description**

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

The project will provide three main products and services that will attract and benefit
the Mohawk Valley Region: 1. Urban Loft Rental Apartments 2. Commercial &
Retail Rental Space. 3. Rooftop Restaurant & Oyster Bar. All will provide quality
career opportunities in downtown Utica, while fostering a true mixed-use community
where people can live, work, and play.

B. Describe the geographical market(s) served:

Utica, New York and the Mohawk Valley

7.

Present location(s)

A. List present location(s):

1. 421 Broad Street Suite #1, Utica, New York 13501

2.

3.

B. For what purpose is each of these used:

1. Corporate Offices

2. Rental Spaces

3. Company Owned QSR Restaurant

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>
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1. N/A

2.

3.

<u>Amount of Space</u>	<u>Annual Rental</u>	<u>Lease Termination Date</u>
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1. N/A

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>
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N/A

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

N/A

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

N/A

PART II

Reasons for Project

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

Our plan meets the goals identified in Utica's Master Plan - increasing the number of downtown residents by 10%, eliminating deteriorated buildings through rehabilitation vs demolition, creating new retail opportunities, and solidifying the downtown as a gathering place. Our project is aligning with the proposed needs of future employees at Quad C, SUNY IT; the new AHL Hockey team and staff; and the expected visitors at our Harbor Point waterfront. However, to answer the call for sustainable development, we need assistance to provide the high energy efficient lighting and HVAC systems, to hire skilled architects to restore the historical qualities of our building and experienced engineers to creatively expand the needs of the facility to create as many full-time jobs as possible. We need assistance to increase property values, expand commerce, encourage downtown living in our city, further benefitting the region and state.

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

Because without IDA involvement we may not be able to make this project happen to the levels outlined above. The building is in very bad disrepair, and we are in need of any assistance available to make this project possible.

B. Description of Proposed Project

Check all appropriate categories which apply to the proposed project:

- | | | |
|--|--------|-------|
| 1. Acquisition of land | YES() | NO(X) |
| 2. Acquisition of existing building | YES(X) | NO() |
| 3. Renovations to existing building | YES(X) | NO() |
| 4. Construction of addition to existing building | YES(X) | NO() |
| 5. Demolition | YES(X) | NO() |
| 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() | NO(X) |
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C. What is the zoning classification of the proposed site?

Commercial Business District

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

Office Space

<u>Location(s)</u>	<u>Street Address</u>	<u>Number of Floors</u>	<u>Square Footage per Floor</u>
1	520 Seneca Street Utica, NY 13501	4 Including Basement	20,700

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:

Empire Zone Project Ceases to Exist

- 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.

Project is to restore the former HSBC building in Downtown Utica. The building is in very bad condition and has extensive water damage. All of the mechanicals and electrical wiring has either been destroyed or stolen by vandals. We plan a reclamation of the building to brand new condition, consisting of retail, residential, and office space.

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

Work has not yet begun. The building was only recently acquired.

3. What is the estimated useful life of the:

a. Facility: 50 Years

b. Equipment: 10 Years

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

Building materials for plumbing, electrical, elevators, etc.

- 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:

None

- 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:

It is anticipated that with the construction of a small attached parking structure
planning board approval will be needed as well as a variance from the city.

- 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:

An LLC has been formed for the purpose of owning the facility.

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

Name: Primo Property Management, LLC

Address: 421 Broad Street #1

Utica, NY 13501

Telephone Number: ~~518-252-1234~~

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

a. date of purchase: October 23, 2013

b. purchase price: \$51,000.00

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

a. balance of mortgage: No Mortgage

b. holder of mortgage: No 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:

Applicant and present owner will be the same.

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

N/A

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

N/A

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

N/A

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

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

N/A

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

N/A

- 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:

~~After the reclamation is complete, we will own/operate/manage and lease out all of the spaces.~~

- 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 () NO (X)

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

Related company of Primo Property Management, LLC will be operating a restaurant

on the premises.

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.

See Attached

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.

Employment	Present	At End of First Year	At End of Second Year
Full Time	0	13	13
Part Time	0	15	15
Seasonal	0	8	8
Total	0	31	31

Estimate percent that total part time or seasonal working time bears to total annual full working time. 30 %

- 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	5	5
Clerical	0	0	0
Plant/Production	0	0	0
Other (specify)	0	26	26

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

At present: \$ 0

At end of one year: \$ 650,000

At end of two years: \$ 650,000

*** 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):

Acquisition of Land	\$ 50,000.00
Acquisition of Building(s)	\$ 2,000.00
Renovation Costs	\$ 5,300,000.00
New Construction of Buildings	\$ 400,000.00
Machinery and Equipment (other than furniture costs)	\$ 0.00
Fixtures	\$ 0.00
Installation Costs	\$ 0.00
Fees (other than your own counsel and brokerage fees)	\$ 0.00
Architectural/Engineering Fees	\$ 100,000.00
Interest on Interim Financings	\$ 200,000.00
Other (specify)	\$ 0.00
Subtotal	\$ 0.00
Agency Fee	\$ 0.00
Total Project Cost	\$ 6,000,000.00

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

None

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)	\$ 3,077.00	\$ 50,500.00
Building(s)	\$ 3,016.00	\$ 49,500.00
Total	\$ 6,093.00	\$100,000.00

5. Project Schedule

Indicate the estimated dates for the following:

- a. Construction commencement: January 1, 2014
- b. Construction completion: December 31, 2015
- c. Project financing: List the dates and in what amounts the estimated funds will be required:

1/1/2014 - 7/1/2014 - Personal Funds - \$1,100,000.00

8/1/2014 - 12/31/2015 - Bank Funds - \$3,500,000.00

TBD - CFA FUNDING - \$600,000.00 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:

City of Utica

- 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):

\$6,000,000.00 +

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

In the process of obtaining funding with Bank of Utica, NBT or both.

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:

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

Initial Construction will be self-financed. Bank-financing will be utilized within 6
months of construction start.

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?

Yes, by LLC Members.

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

Yes, all Family Members.

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:  Member

Print or Type Name: Michael L. Pezzolanella

Title: LLC Member

Date: November, 13, 2013

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.