

**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: **VEND-Uti Property Management Co., LLC**

Principal Address: **900 Oswego Street
Utica NY 13502**

Telephone Number: **315-724-2033**

Federal Identification Number: **47-1576026**

Company IRS Filing Office Location: **Cincinnati OH**

Company Officer completing this application:

Name: **Richard P. Viti**

Title: **President**

- 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:

NA

3. **Applicant's accountant**

Name and Title: **Dan Dreimiller, CPA P.C.**

Name of Firm: **Dan Dreimiller, CPA P.C.**

Address: **430 Court Street, Utica NY 13502**

Telephone Number: **315-749-7076**

4. **Applicant's attorney**

Name and Title: **Richard Cohen**

Name of Firm: **Cohen & Cohen LLP**

Address: **258 Genesee St., Suite 205
Utica NY 13502**

Telephone: **315-798-8830**

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	270 Genesee St Utica NY 13502 315-738-8700	Alicia Johnson

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>
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NA

- 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>
Ohio Baking Enterprises DBA: Spano's Bakery	900 Oswego St Utica NY	Richard P Viti		45%
New York Dough Co.				10%
Hemstroughts Bakery (in process)				45%

6. **Business Description**

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

Both New York Dough Co. and Ohio Baking Enterprises are owned by the same individuals who own VEND-Uti Property Management Co. The property location at 900 Oswego Street currently houses both of these businesses for the sole purpose of manufacturing, storing and distributing dough and bread products.

Hemstroughts Bakery will be purchased and integrated into the building as part of the building acquisition process. We currently are the sole distributor of Hemstroughts cookies in the CNY region.

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

At this time our products are being distributed in about a 55 mile radius around Utica. We go as far North as Boonville, West as Syracuse, East to Little Falls and South to Hamilton.

Our long term goal is to be able to distribute both the frozen dough and cookies by truck load throughout the United States through this manufacturing site.

7. **Present location(s)**

- A. List present location(s):

1. 900 Oswego St., Utica NY13502

B. For what purpose is each of these used:

Commercial/wholesale manufacturing and distribution of baked and frozen bakery products.

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

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

Property is currently owned by AMA Realty (Pat Agen - 794-3831) with an escalating lease in place. VEND-Uti is in the process of purchasing the building from AMA to continue the operations and manufacturing of the above stated businesses.

Amount of Space Annual Rental Lease Termination Date

18,216 square feet \$54,000 March 2017

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

Annual Mortgage Payment Termination Date

NA

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

NA

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

NA

PART II

Reasons for Project

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

We currently lease the building for \$4,500 a month. Per our lease agreement, our rental payment each year is increased by an additional \$5,000. Out of pocket renovations cost \$100,000 to get the building up to standards for light manufacturing. The purchase of the building will not only help with positive cash flow but also the security of ownership and the ability to expand our current product line and facility.

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

The project will take much longer to cash flow without UIDA assistance for the reduction in tax payments.

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

Possible job losses due to cash flow issues if we have to pay more for rent as mentioned above. In 2015, our annual rent expense will go up to \$60,000 and we will be limited in our expansion plans of bringing on Hemstroughts Bakery.

A. Type of Project

Check category or categories best describing your project:

- Manufacturing
- Industrial Assembly or Service
- Research and Development
- Warehousing
- 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() | 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() | 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() | NO() |

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

I-1 – Light manufacturing

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

Light Manufacturing

<u>Location(s)</u>	<u>Street Address</u>	<u>Number of Floors</u>	<u>Square Footage per Floor</u>
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900 Oswego Street, Utica NY

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.

See attached Appraisal

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

NA

3. What is the estimated useful life of the:

- a. Facility: **30 years**
- b. Equipment: **15 years**

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

After the building acquisition, our short term goal is to purchase the following equipment the first quarter of 2015.

20x28 Storage Freezer, Metal Detector, Roll Divider and Bread Line

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:

NA

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:

NA

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:

VEND-Uti Property Management will own the property. New York Dough Co., Ohio Baking Enterprises and Hemstroughts Bakery will all operate within the facility.

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

Name: **Pat Agen, AMA Realty**

Address: **P.O. Box 175, Utica NY 13503**

Telephone Number: **315-794-3831**

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

a. date of purchase: _____

b. purchase price: _____

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

a. balance of 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 (X) NO () If YES, please explain:

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

YES (X) NO ()

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>
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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>
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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>
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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.

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

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

If YES, provide details of your proposals:

- 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:

VEND-Uti/New York Dough Co./Ohio Baking Enterprises, DBA: Spano's Bakery, and Hemstroughts Bakery all have the same ownership structure.

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.

Employment	Present	At End of First Year	At End of Second Year
Full Time	8	10	12
Part Time	3	4	5
Seasonal	2	2	2
Total	13	16	19

Estimate percent that total part time or seasonal working time bears to total annual full working time. **20%**

- 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	1	1	1
Sales/Supervisory	0	1	1
Clerical	1	1.5	1.5
Plant/Production	7	8	8
Other (DRIVERS)	4	4	4

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

At present: **\$250,000**

At end of one year: **\$300,000**

At end of two years: **\$350,000**

* 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	\$ _____
Acquisition of Building(s)	\$360,000
Renovation Costs	\$30,000
New Construction of Buildings	\$ _____
Machinery and Equipment (other than furniture costs)	\$90,000
Fixtures	\$ _____
Installation Costs	\$12,000
Fees (other than your own counsel and brokerage fees)	\$ _____
Architectural/Engineering Fees	\$ _____
Interest on Interim Financings	\$ _____
Other (specify)	\$ _____
Subtotal	\$ _____
Agency Fee	\$ _____
Total Project Cost	\$492,000

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

Nothing at this time, hopefully first quarter of 2015

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)	\$	\$ 31,000
Building(s)	\$ 17,500	\$ 249,000
Total	\$ 17,500	\$ 280,000

5. Project Schedule

Indicate the estimated dates for the following:

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

- 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):

Equipment and Inventory

- 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):

NA

- 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.

NA

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:

NBT to hold mortgage

- 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:

In process with NBT Bank

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

C.

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

New York State may be able to assist with grant. Working on application now.

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

Yes. Richard and Alissa Viti and Alfred Damiano

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

Richard and Alissa Viti are spouses.

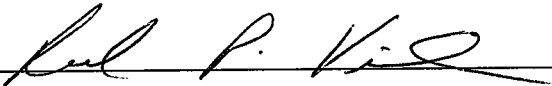
E. Financial Information (Attach the Following).

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: Richard P. Viti

Title: President

Date: 11-9-2014

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)								
Total:								

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

If yes, please describe:

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

Company Official Date