

**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: UTICA HARBOR LODGING GROUP LLC

Principal Address: 11751 EAST CORNING ROAD  
CORNING NY 14830

Project Address: WELLS AVENUE  
\_\_\_\_\_

Telephone Number(s): 716.307.2253

Federal Identification Number: 88-3880252

Company IRS Filing Office Location: E-File

Company Officer completing this application:

Name: ROBERT HALPIN

Title: VICE PRESIDENT

Phone: 607 594 3786 cell 585 281 5652 office

Email: RHALPIN@THEHALPINFIRM.COM

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

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

- \_\_\_\_\_  
( ) Sole Proprietorship  
( ) Partnership  
( ) Subchapter S  
( ) DISC  
(x) Other (specify) LIMITED LIABILITY COMPANY \_\_\_\_\_

B. State of incorporation, if applicable: NY \_\_\_\_\_

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>Percentage of Ownership</u>
ARUN PATEL	223 OAK HILL ROAD	50%
	HORSEHEADS NY 14845	
HEMANT PATEL	2402 STONEGATE TRAIL	50%
	CORNING NY 13830	

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

<u>Company Officer</u>	<u>Name and Home Address</u>	<u>Other Principal Business Affiliation</u>
MANAGING MEMBER	ARUN PATEL, 223 OAK HILL ROAD	VISIONS HOTELS
	HORSEHEADS NY 14845	
MANAGING MEMBER	HEMANT PATEL, 2402 STONE	VISIONS HOTELS
	CORNING NY 14830	
VICE PRESIDENT	MINESH PATEL	
VICE PRESIDENT	ROBERT HALPIN	

- 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 HEMANT PATEL HOLD VARYING

OWNERSHIP INTERESTS IN ENTITIES LISTED ON

ADDENDUM 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: ANTHONY SANDONATO

Name of Firm: MENGEL METZGER BARR

Address: 100 CHESTNUT STREET SUITE 1200

ROCHESTER NY 14604

Telephone Number: 585 423 1860

Email: asandonato@mmb-co.com

4. **Applicant's attorney**

Name and Title: ROBERT L. HALPIN

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)

A. Banking/Financial Institution:

<u>Name of Institution</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
Bank of Utica	222 Genesee Street Utica NY 13502	Brian Loughlin
	315 797 2700	

B. Business suppliers (list three largest accounts)

<u>Name of Supplier</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
NA - No operations yet		

C. Major customers (list three largest)

<u>Name of Customer</u>	<u>Address and Phone Number</u>	<u>Account Officer/ Contact Person</u>
NA - No operations yet		

6. **Business Description**

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

See attached.

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B. Describe the geographical market(s) served:

The applicant has no current business operations

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7. **Present location(s) of business operations**

A. List present location(s):

1. The applicant has no current business locations.

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2.

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3.

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B. For what purpose is each of these used?

1.

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2.

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3.

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

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

1. NA

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2.

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3.

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Amount of Space                      Annual Rental                      Lease Termination Date

1. NA

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2.

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3.

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

	<u>Location</u>	<u>Annual Mortgage Payment</u>	<u>Termination Date</u>
1.	NA		
2.			
3.			

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

None

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

NA

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

The project will not proceed if IDA approval is not granted.

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Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes or  No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

NA

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Identify the assistance being requested of the Agency (select all that apply):

- 1. Exemption from Sales Tax  Yes or  No
- 2. Exemption from Mortgage Tax  Yes or  No
- 3. Exemption from Real Property Tax  Yes or  No
- 4. Tax Exempt Financing \*  Yes or  No

\* (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
x	Multi-Tenant	180,000 living space in 3 bldg. apt. compl.	sf
x	Retail	120,000 (two hotels)	sf
x	Recreational	38,000 (recreation center)	sf
	Other (specify)		sf
	Total	338,000	sf

**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( )   | 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 ) |
| 6. Construction of a new building                | 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) <u>site work</u>              | YES( x ) | 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.)?

vacant/abandoned industrial

E.	<u>Location(s)</u>	<u>Street Address</u>	<u>Number of Floors/ SF/floor</u>
		Wells Avenue, City of Utica	See project plan attached

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.

Is the proposed project located within the boundary of a Central New York Regional Transportation (Centro) District? (x) Yes ( ) No

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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: 10 years \_\_\_\_\_

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

Furniture, fixtures and equipment for multi-unit apartment complex, destination recreation center

two hotels

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.

K. 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:

Site plan approval from City planning board; subdivision approval

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

M. 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:

The applicant will be the overall project developer. As the capital stack for each element of the project

(hotels, recreation center, multi-family) is brought together, the elements will be hived off to separate ownership

and operation entities affiliated with the applicant.

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

Name: Utica Harbor Point Development Corp.

Address: 1 Kennedy Plaza Utica NY 13052

Telephone Number: \_\_\_\_\_

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

a. date of purchase: NA

b. purchase price: NA

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

a. balance of mortgage: NA

b. holder of mortgage: NA

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:

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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NA

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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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NA

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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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NA

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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.

NA

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

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:

Residential apartments will be leased to individuals and families.

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.

NA

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:

NA

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 the City of Utica, if any, and an estimate of the employment at the proposed facility at the end of two years. NOTE: New York State considers Full Time employment as 35 hours or more. Full-time jobs, plus the combination of two or more part-time jobs that, when combined together, constitute the equivalent hours of a full-time position (35 or more hours).

Employment	Current # of applicant's jobs at/or to be located at proposed project location	Number of FTE jobs to be RETAINED	Number of FTE jobs to be CREATED two years after project completion	Estimate number of residents in Labor Market Area that will fill projected jobs two years after project completion
Full-Time (FTE)	0	0	35	35

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/ Anticipated	Avg Salary or Salary Range	Avg Fringe Benefits or Range
Officers			
Sales/Supervisory	6	\$50,000-\$60,000	\$5,000
Clerical	3	\$40,000-\$50,000	\$5,000
Plant/Production	26	\$30,000-\$45,000	\$3,000
Other (specify)			

Notes:

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

Currently	End of Year One	End of Year Two
\$ 0	\$ 2 million (following project completion)	\$ 2.2 million (following project completion)

**\* Company/Applicant will be required to submit Annual Project Monitoring Reports (attached) along with a copy of the NYS 45 (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:	\$ 50,000,000	55%
Equity (excluding equity attributed to grants/tax credits)	\$ 40,000,000	45%
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)	\$ _____	_____

Identify each state and federal grant/credit:

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Sources of Funds for Project Costs:	\$ 90,000	100
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Have any of the above costs been paid or incurred as of the date of this Application?

Yes  No. If Yes, describe particulars:

\_\_\_\_\_

Approximately \$100,000 in professional fees

**Mortgage Recording Tax Exemption Benefit:** Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing): \$ 50,000,000

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage Amount as indicated above multiplied by 0.75%): \$ 375,000

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 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	\$ 2,900,000 (includes carrying costs)
Acquisition of Building(s)	\$ _____
Renovation Costs	\$ _____
New Construction of Buildings	\$ 63,000,000
Machinery and Equipment (other than furniture costs)	\$ 3,900,000
Furniture and Fixtures	\$ 8,000,000
Installation Costs	\$ Included
Architectural/Engineering Fees	\$ 700,000
Fees (other than your own counsel and brokerage fees)	\$ 7,000,000
Interest on Interim Financings	\$ 3,500,000
Other (specify) <u>Financing costs, legal,</u>	\$ 1,000,000
<u>insurance</u>	_____
<b>Total Project Cost</b>	<b>\$ 90,000,000</b>

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:

\$ 50,000,000  
\_\_\_\_\_

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

\$ 4,375,000  
\_\_\_\_\_

**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)	\$ 262,093	\$ 160,400
Building(s)	\$ 20,662,891	\$ 14,739,600
Total	\$ 20,924,984	\$ 114,900,000

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

\$ See Cost Benefit Analysis  
\_\_\_\_\_

**5. Project Schedule**

Indicate the estimated dates for the following:

- a. Construction commencement: 60 days after all municipal approvals
- b. Construction completion: 72 months after commencement
- c. Project financing: List the dates and in what amounts the estimated funds will be required:

To be determined

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- 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 entities) capital expenditures to be in the above municipality during the next three years (including this project):

\$50 million

\_\_\_\_\_

- 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):

Affiliated entities have received tax exemptions/abatements for Utica Hampton Inn, Utica Fairfield Inn Utica

Holiday Inn Express and Hotel Utica/Doubletree projects.

- 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 ( ) if YES, please explain.

No

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 project has been discussed among internal investor pool.

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:

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

Financing will be obtained from a combination of relationship

lenders and investor groups

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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?

Unknown at this time.

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

Not available

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.

### 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). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
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.:

*Schuyler*

Robert Harper, being first duly sworn, deposes and says:

1. That I am the VP (Corporate Office) of Utica Harbor Lodging Group LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

*[Handwritten Signature]*

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury  
this 18 day of December, 2023

Kristi A. Pierce  
(Notary Public)

Kristi A. Pierce  
Notary Public, State of New York  
Reg. No. 01PI6135987  
Qualified in Schuyler County  
My Commission Expires 10/31/ 2025

If the application has been completed by or in part by other than the person signing this application for the applicant please indicate who and in what capacity:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**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.**

**UTICA HARBOR LODGING GROUP LLC**  
**HARBOR POINT DEVELOPMENT PROJECT**

**Project Narrative**

***Background:***

Utica Harbor Lodging Group LLC (“UHLG”) is an affiliate entity of Visions Hotels LLC. Visions Hotels is a hotel development and management company that currently operates sixty hotels across New York, Pennsylvania, Massachusetts and Connecticut, including five hotels in the City of Utica. Four of its Utica properties were new-build projects constructed as part of the successful redevelopment of the north-city Genesee Street area. The fifth was the redevelopment of the landmark Hotel Utica into the DoubleTree by Hilton – Utica, an anchor lodging and dining facility on Lafayette Street in the heart of the city. For all of these projects Visions worked cooperatively with the city’s leadership and economic development team to advance their community renewal efforts.

Based on this successful partnership, Visions was invited to participate in the city’s redevelopment of the Harbor Point area. This project envisages transforming a series of contaminated former industrial sites bordering the canal harbor into a mix of recreation, entertainment, lodging and retail uses that will both attract new commerce and families and enhance the opportunities for those already living and working in the city and its surrounding communities. UHLG’s contribution to these efforts is a mixed-use development consisting of two hotels, a multi-building apartment complex and a destination entertainment facility.

***The Project:***

Each hotel will have approximately 100 rooms and will be operated under a national franchise brand. Both hotels will service the extended stay market. Current plans call for the facilities designed to cater to families and transient business as well as guests seeking a more upscale destination lodging experience.

The residential component will consist of 120 apartment units. The units will be market-rate with an upscale finish, designed to attract young families and professionals that are currently either underserved by Utica’s existing apartment stock or living outside the City. Approximately 70% of the units will be two-bedroom, with the remainder a mix between one-and three- bedrooms. The units will be divided among three four-story buildings, with the first story dedicated to parking and storage for residents, fitness center and other common area amenities, and an office for administration.

The entertainment facility will be designed to provide entertainment opportunities for both out of town guests and local residents. The mix of opportunities will be



designed to serve the entire family. Contemplated amenities may include bowling, laser tag, arcade games, simulation golf, billiards, indoor mini-golf, pickleball and batting cages, with dining, sports bar, wine bar and craft beer and cocktails.

### ***The Vision:***

UHLG has worked cooperatively with Utica Harbor Point Development Corporation (the "Development Corporation") to plan the project to complement the City's other development efforts and to address existing and anticipated needs. Both the elements of the project as well as details such as location, infrastructure and amenities have been developed with the active input of the Development Corporation's board and consultants. The preferred master plan incorporated into the Harbor Point District's generic environmental impact statement shows the area where UHLG proposes to construct a hotel designated for "residential/business" use. The portion of the project site where UHLG proposes to construct the residential component is designated as "residential". The entertainment center concept has been developed with the input and encouragement of the Development Corporation's board. UHLG and the Development Corporation are currently parties to a letter of intent providing the outline of terms and conditions of UHLG's acquisition of the project site. UHLG anticipates a formal contract with the Development Corporation within the next thirty (30) days.

Visions currently operates the only extended stay product in Utica (the Home2 Suites) and based on its experience sees a current and expanding need for extended stay rooms. Existing demand drivers are tied to the area's health care, governmental and educational markets. Future demand will be driven by increased need from these markets as well as the sports and entertainment markets. More guests are making more multi-day trips to Utica, and Visions sees this trend continuing.

The need for housing in Utica is supported by the city's housing study. The residential component of the project will consist of market-rate rental units targeting renters who are underserved by the city's current rental mix and thus forced to choose between living outside the city or settling for "down market" rental options. See Utica Housing Study, July 2022, p. 26. It is well understood that a supply of quality and affordable housing goes hand-in-hand with economic development efforts. See, e.g. <https://www.naco.org/articles/housing-part-county%E2%80%99s-economic-development-strategy>. Utica's existing multi-family supply is fragmented and old. See Utica Housing Study, July 2022, p. 16. Approximately three-quarters of multi-family units have nine units or fewer, and the average apartment property is sixty-five years old.

The entertainment center will address Utica's limited offering of year-round recreation opportunities. There is no similar facility in the Oneida County region.

The center be a regional tourism destination in its own right, and will service out-of-town visitors and local families.

Anticipated construction phasing is as follows:

First hotel, one apartment building and entertainment center	Commence October 1, 2024 Complete December 31, 2026
Second hotel, second apartment building	Commence May 2026 Complete October 31, 2028
Third apartment building	Commence by October 2027 Complete December 31, 2028

It is anticipated that the project will employ 20 FTEs within two years after completion of the first phase and a total 35 FTEs within two years after completion of the second phase.

***Requested Financial Assistance:***

The city's housing study makes clear that subsidies will be necessary to support the housing development Utica needs. A tax abatement as requested in the application will be necessary for this project to obtain requisite debt and equity financing. The costs of materials are higher than they were when the cost assumptions in the city's study were compiled. Due to prevailing wage requirements the cost of labor will also likely be higher than that factored into the city's study and for prior Visions projects (such as the Home2 Suites). There are also significant development costs for this project that are not applicable to other projects, as evidenced by the fact that UHLG has already incurred \$100,000 in professional fees. Finally, higher interest rates mean that the cost of borrowing is up significantly. Once all of these items are incorporated into the project's cost structure, financing simply will not be feasible unless property taxes, which are the largest ongoing operational cost, are managed through a PILOT abatement like that proposed. These realities combined with the project's importance to the harbor redevelopment project justify the requested financial assistance.

**City of Utica Industrial Development Agency  
One Kennedy Plaza, Utica, New York 13502**

**RETAIL DETERMINATION**

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

- A. Will any portion of the project consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

Yes or  No. If the answer is yes, please continue.

*For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.*

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 32 %  
If the answer is less than 33% do not complete the remainder of the retail determination.

If the answer to A is Yes **AND** the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

1. Will the project be operated by a not-for-profit corporation  Yes or  No.

2. Is the Project location or facility likely to attract a significant number of visitors from outside the City of Utica?

Yes or  No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

Yes or  No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes or  No.

If yes, explain \_\_\_\_\_  
\_\_\_\_\_

5. Is the project located in an area that has been designated an Empire Zone?  Yes or  No

**The undersigned hereby certifies that the information contained in this Retail Determination is true, accurate and complete.**

Print Name of Applicant: Utica Harbor Lodging Group LLC

Print Name of Authorized Representative: Arun Patel

Title: Manager

Signature: 

Date: December 12 2023

**UTICA INDUSTRIAL DEVELOPMENT AGENCY  
COST/BENEFIT ANALYSIS  
Required by §859-a(3) of the  
New York General Municipal Law**

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**TO BE ATTACHED TO AND MADE PART OF APPLICATION TO THE AGENCY**

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**Name of Applicant:** UTICA HARBOR LODGING GROUP LLC

**Address of Project:** WELLS AVENUE, UTICA, NEW YORK  
\_\_\_\_\_

**Description of Project:**  
HOTEL AND MULT-UNIT APARTMENT COMPLEX WITH RECREATION CENTER  
\_\_\_\_\_  
\_\_\_\_\_

**Name of all Sublessees or Other Occupants of Facility:**  
NA  
\_\_\_\_\_  
\_\_\_\_\_

**Principals or Parent Company of Applicant:**  
ARUN PATEL AND HEMANT PATEL  
\_\_\_\_\_  
\_\_\_\_\_

**Principals of any Sublessee or Occupant:**  
NA  
\_\_\_\_\_  
\_\_\_\_\_

**Product/Services of Applicant:**  
PROPERTY DEVELOPMENT  
\_\_\_\_\_  
\_\_\_\_\_

**Estimated Completion Date of Project:** AUGUST 2030

**Type of Financing/Structure:**

<input type="checkbox"/>	Tax-Exempt Financing
<input type="checkbox"/>	Taxable Financing
<input checked="" type="checkbox"/>	Lease/Leaseback, Sale/Leaseback
<input type="checkbox"/>	Other

**Explain:** \_\_\_\_\_

Types of Benefits        Tax-Exempt Bonds  
 Expected to Receive: X Sales Tax Until Completion Date  
X Mortgage Tax Abatement  
X Real Property Tax Abatement

**Project Costs - Capital Investment**

Land	\$ 2,900,000	Cost per Acre \$ 145,000
Existing Building	\$ _____	
Rehab of Existing Building	\$ _____	
Construction of New Building	\$ 63,000,000	Cost per Sq Ft \$ 186
Addition or Expansion	\$ _____	Cost per Sq Ft \$ _____
Engineering and Architectural Fees	\$ 700,000	
Equipment (detail below)	\$ 11,900,000	
Legal Fees		
Bank, Bond, Transaction, Company, Credit Provider, Trustee	\$ 1,000,000	
Finance Charges		
Title Insurance, Environmental Review, Bank Commitment Fee, Appraisals, etc.	\$ 10,500,000	
<b>TOTAL COST OF PROJECT</b>	<b>\$ 90,000,000</b>	

Type of Equipment to be Purchased FFE, HVAC, ELEVATORS, PTAC, COMMUNICATION/SECURITY  
 \_\_\_\_\_  
 \_\_\_\_\_

Grants or Loans expected to be received (by who and amount)  
LOAN WITH COMMERCIAL MORTGAGE LENDER(S) \$ 50,000,000  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_

**Company Information**

Existing Jobs 0  
 Created Jobs (by year 3) 35  
 Retained Jobs 0

**BENEFITS**

**Taxable Goods and Services**

		Spending Rate	Wages	Expenditures	Sales Tax Rate	State/ Local Sales Tax Revenues
Direct Jobs						
<u>35</u>	Created	36.0%	x <u>1,469,000</u>	= <u>528,840</u>	x 8.75%	= <u>46,274</u>
	Existing	36.0%	x _____	= _____	x 8.75%	= _____
Indirect Jobs						
	Created	36.0%	x _____	= _____	x 8.75%	= _____
	Existing	36.0%	x _____	= _____	x 8.75%	= _____
<u>60</u>	Construction	36.0%	x <u>4,728,750</u>	= <u>1,702,750</u>	x 8.75%	= <u>148,956</u>
	Totals					<u>195,230</u>
					x 3 years =	<u>585,689</u>

**Real Property Taxes**

Local (3 year) real property tax benefit (assuming <sup>50</sup> % of jobs existing and created own a residence with an average assessment of \$ 100,000 and the remainder of jobs existing and created pay real property taxes through rent based on an average assessment per apartment of \$ 25,000 Current tax rate: 66.25/\$1000 of AV

Real Property Taxes Paid \$ 99375

**3 Yr Comparative Benefits** \$ 1,542,864

**COSTS**

Real Property Taxes Abated on Improvements only (3-year period) \$ 1,560,800

Mortgage Tax Abated \$ 375,000

Estimated Sales Tax Abated During Construction Period \$ 1,875,000

**3 Yr Comparative Costs** \$ 3,810,800

(If there is tax-exempt financing of all or a portion of the project cost, there is a neutral cost/benefit because of lower interest rates by reason of exclusion of interest from gross income of bondholders for purposes of Federal and State income taxes. Taxable financing carries the same cost/benefit for State Income Tax purposes. Such cost/benefits cannot be qualified.)

*RLH*