

Application for Financial Assistance
through the
County of Chautauqua
Industrial Development Agency

The information listed on this form is necessary to determine the eligibility of the project applicant. Please fill in all blanks, using "NONE" or "NOT APPLICABLE" where necessary. If an estimate is given, put "EST" after the figure. Attach additional sheets if necessary. All information completed with this form will be treated confidentially. This application is only for the purpose of determining whether the applicant is eligible for consideration by the Board of Directors of the County of Chautauqua Industrial Development Agency. Return eight (8) copies of this application to the County of Chautauqua Industrial Development Agency at the address listed on the cover of this document.

PART I

A. APPLICANT

Federal ID #

Company Name: Chautauqua Harbor Hotel, LLC

Office Address: 617 Dingens Street, Buffalo NY 14206-2407

Telephone: 716-893-6551

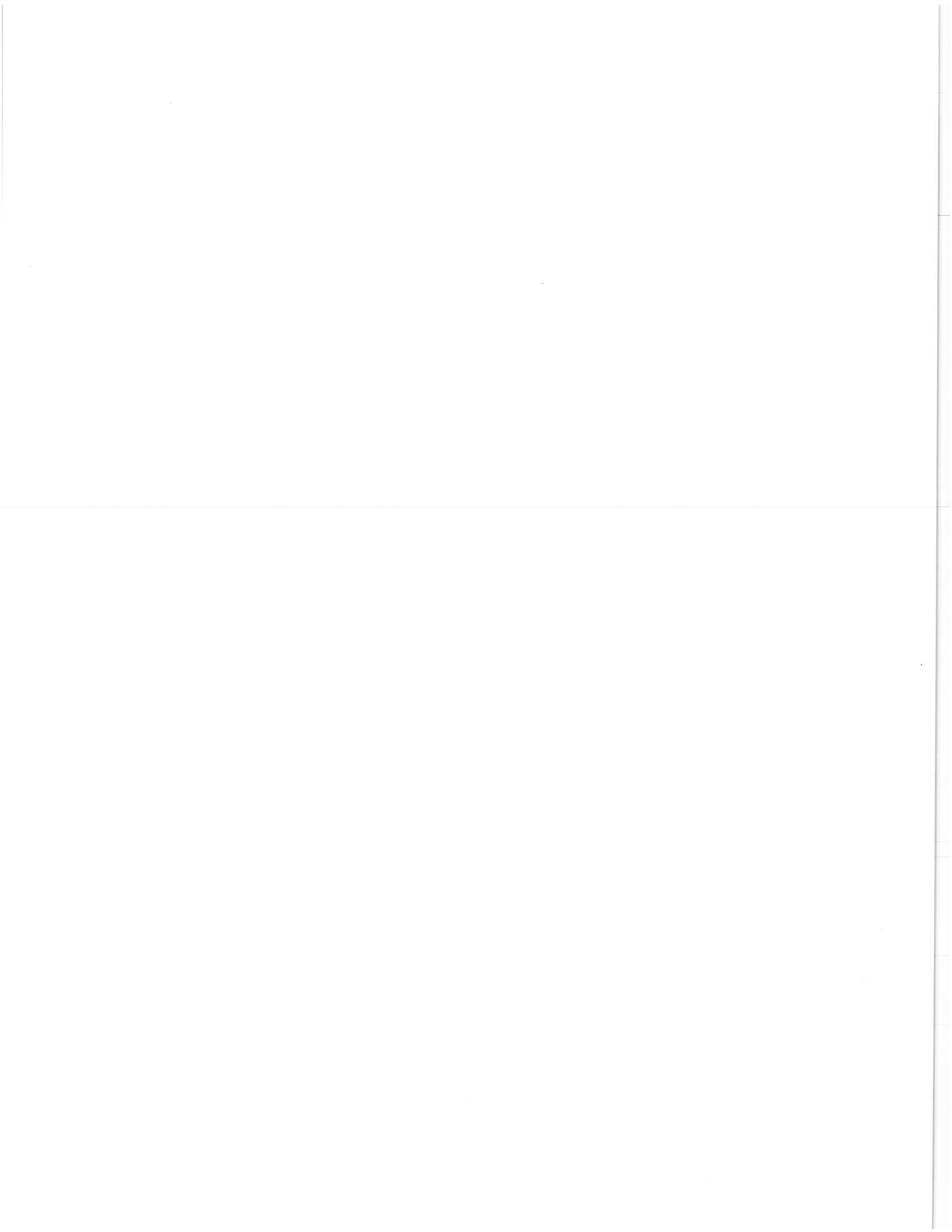
Company officer completing this application :

Name: David P. Hart

Title: Manager

1. Number of locations of present business facilities:

- a. County of Chautauqua: **None**
- b. New York State: **None**
- c. Outside New York State: **None**



2. Business Organization (check appropriate categories):

Corporation Partnership

Sole Proprietorship Subchapter S

Other (Specify) Limited Liability Company (LLC)

3. Is business publicly or privately held? D Public X Private

4. List principal stockholders and percentage of ownership if applicable:

	Percentage	Home Address
Hart Chautauqua LLC	50%	617 Dingens St., Buffalo NY 14206-2407
Krog Chautauqua LLC	50%	4 Centre Drive, Orchard Park NY 14127

5. Is the business a subsidiary of, or affiliated directly or indirectly with any other organization? Yes No If "Yes" indicates relationship and name and address of the related organization(s) on a separate sheet.

6. Complete the following information:

7.

<u>Officers</u>	<u>Address</u>	<u>Social Security Number</u>	<u>Other Principal Business Affiliations</u>
David P. Hart	617 Dingens Street Buffalo, NY 14206-2407		
Peter L. Krog P.E.	4 Centre Drive Orchard Park, NY 14127		

B. References (these will be contacted):

1. Banking (List names of banks, account officers address and telephone number):

Northwest Savings Bank	Neil Aquino	3517 Union Rd. Buffalo, NY 14225	716-631-8767
M & T Bank	Michael Murak	One Fountain Plaza Buffalo NY	716-848-3164

2. Business Suppliers (List three largest accounts - names, addresses, telephone numbers, and list suppliers' terms of sale):

Sysco
173 N. Warners Road
Warners, NY

Southern Wine & Sprints
PO Box 3141
Hicksville, NY 11802

Maines Food & Paper
PO Box 642530
Pittsburgh, PA 15264

Southern Tier Brewing
2072 Stoneman Circle
Lakewood, NY 14750

3. Major customers (List three largest- names, addresses, telephone numbers, and show percentage (%) of gross business obtained from each):

Commercial Contractors Not applicable

Retail Customers Transient and corporate hotel customers

4. What are your terms of sale? Paid upon service

5. Current Landlord (List name, address and telephone number): Not applicable

6. Legal Counsel (List name, address and telephone number):

Lipsitz Green Scime Cambria LLP
Michael Schiavone
42 Delaware Avenue, Suite 120
Buffalo, NY 14202
716-849-1333 X-309

C. Business Description

1. Describe type of business: Destination hotel including 8000 square feet of meeting and event space.
2. Describe the principal products and services: Hospitality (guest rooms, food and beverage)
3. Describe the market(s) served: Corporate, Leisure, Group, Associations, Athletic, and Weddings

D. Present Location

1. If you rent:
 - a. What is the present annual rent (state whether firm has a gross or net lease): Not applicable
 - b. When does the lease expire? Not applicable
2. If you own:
 - a. What is the current annual mortgage payment? Not applicable
 - b. When does the mortgage terminate? Not applicable
3. Describe present location (include square footage, number of buildings, number of floors, etc.) Undeveloped property of approximately 9.3 acres on Chautauqua Lake
4. List the current annual taxes by respective taxing jurisdictions:
 - a. Building(s): Not applicable
 - b. Land:\$ \$25,714.54

E. Previous Financial Activities

1. What were your company's estimated capital expenditures in Chautauqua County, New York, during the past three (3) years? (Specify by place, year and amount.)

None

2. Has your company ever been a recipient of funds obtained through tax-exempt or taxable bonds? Yes No If "Yes" give details below:

3. Describe your company's effort to secure assistance or financing in the County of Chautauqua, or any other area, on a separate sheet. See below.

F. Types of Financial Assistance Requested
(Cross out those, which are not applicable.)

1. Industrial Development Revenue Bonds

A. ~~Tax Exempt~~

B. ~~Taxable~~

2. Tax Lease (PILOT, Sales Tax abatement and Mortgage Tax abatement)

3. ~~Other loan(s) Describe:~~

E.3

Chautauqua Harbor Hotel LLC applied to New York State through the 2015 Consolidated Funding Application Process. The Project was awarded a Regional Council Capital Fund -Capital Grant and a Market New York grant.

Part 2

A. Describe the Project
(Include a general, functional description and prospective location.)

Applicant proposes to develop a Destination Hotel of approximately 130,000 square feet anticipated to be rated 4-Diamond. The Hotel includes 132 guest rooms, 8000 square feet of event space with pre-function areas and breakout rooms, indoor and outdoor swimming pools, a fitness room, dining and lounge areas and seasonal outdoor food and beverage facilities. The grounds overlooking Chautauqua Lake include manicured lawns, gardens, and patios. The hotel also includes various support spaces including kitchen, laundry, administrative offices, and mechanical rooms.

B. Reasons for Project

1. Briefly describe the reasons why this project is necessary and what effect it will have on your business:

The Harbor Hotel brand is a business unit of Hart Hotels Inc. There are currently three Harbor Hotels located in Portland, Maine, Clayton, NY and Watkins Glen, NY. The Harbor Hotel locations are identified as small to medium sized towns or cities located on a popular waterfront and within a community that embraces water based lifestyle. The subject location nearby Jamestown, NY and the entire Chautauqua Lake community appear to be a perfect fit to grow the Harbor Hotel brand in a fourth location.

2. If your business is unable to arrange suitable financing for this project, what will be the impact on your company and the County of Chautauqua? Would your company proceed with the project without Agency assistance and / or financing? Describe in detail:

The project will cost in excess of \$200,000 per room. This is a significant investment in an unaffiliated full service projected Four Diamond destination hotel. This is a very risky investment. The developers seek to leverage state and local economic assistance along with their own equity and business model. State and local assistance is critical. The project will not go forward without the agency assistance.

C. Type of Project

1. Check category which best describes your project:

- | | |
|--|---|
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Warehousing |
| <input type="checkbox"/> Industrial Assembly | <input type="checkbox"/> Pollution Control |
| <input type="checkbox"/> Research | <input checked="" type="checkbox"/> Other (Specify) Destination Hotel |

2. If pollution control, check appropriate items below:

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Air | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Water | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Air/Water | <input type="checkbox"/> Other (Specify) |

D. Proposed Location

1. Does the project consist of (check appropriate categories):

- | | | |
|--|---|--|
| a. Construction of a new building | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. Renovations to an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| c. Construction of an addition to an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| d. Acquisition of an existing building | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If the Company is to acquire an existing plant, attach a photograph and indicate if it is in operation, about to be abandoned or abandoned. If in operation, describe present products.

List costs or orders made by Company for the project, at the date of this application, on a separate sheet.

2. Describe the proposed location(s) of this project, including square footage, number of floors, address, etc. (If new construction is involved or expansion of existing plant, attach proposed floor plan):

The property is located at the intersection of Dunham Avenue and Duquesne Street in the Village of Celeron. The Project is approximately 130,000 square feet on four floors and is more fully described in Part 2, Section A of this application. Preliminary plans are attached.

3. List the present owner of the project site and the owner's name, address, and phone number. (If currently owned by the applicant, indicate date of purchase, reason for purchase and current use of the site):

Chautauqua Harbor Hotel LLC (617 Dingens Street, Buffalo, NY 14206-2407, 716-893-6551 is the current owner of the project site. The property was purchased in March 2014 for development of a Destination Hotel. The property is current vacant undeveloped land.

4. Does the project site currently have existing occupant(s)?
 Yes No

If "Yes," list all lessees, the amount of space occupied by each, and the date of termination of such leases on a separate sheet.

5. Is there a relationship legally or by virtue of common control between the applicant or present owner?
 Yes No Applicant is the owner.

If "Yes," provide details on a separate sheet.

6. Does the Company have an option to purchase the project site or has a contract of sale been executed for such purchase? (If so, attach particulars.)
 Yes No Applicant is the owner.

7. Has the Company placed any purchase orders or entered into any other agreements or contracts with respect to proposed project costs? (If so, attach particulars.)
 Yes No Applicant has made limited commitments for preliminary architectural and engineering design services.

E. Location Maintenance Costs

1. What are the real estate taxes on the land and the building? (If current rate is not available, give assessed value for each and so state.)

Land\$ \$25,714.54

Building \$ - 0 -

2. What is the estimated useful life of the:

a. Facility 50 + years

b. Equipment 20 +-years

3. Is proposed Project site served by:

- a. Transportation Rail Truck Air
 Water
- b. Utilities Sewer Water Gas
 Electric Power

F. Employment

1. Employment at present time, if Company is now in existence within Chautauqua County, and an estimate of such employment at the proposed location at the end of one and two years :

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>
Full Time	-0-	75	81
Part Time*	-0-	12	16
Seasonal*	-0-	6	10

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

Total \$ 90,000.00

2. Estimate the annual payroll :

At present \$ -0-

In one year \$ 1,600,000.00

G. Project Costs

1. List the costs necessary for the construction, acquisition or renovation of the project. (The project costs should not include working capital needs or moving expenses.)

Description	Amount
Land	\$ 500,000
Building(s)	\$ 23,900,000
Renovation	\$ n/a
Machinery and Equipment (Do <u>not</u> include furniture costs)	\$ 2,300,000
Installation	\$ 1,200,000

(G. Continued)

Fees (Do not include your own counsel fees)	\$ -0-
Architectural Fees	\$ 600,000
Financial Charges (specify) Application fee	\$ 500,000
Other (specify) soft costs	\$ 1,500,000
Subtotal	\$ 30,500,000
Agency Administrative Fee	\$ 300,000
<u>Total Project Cost</u>	\$ 30,800,000

2. What is the amount of funds and term requested for financing through the County of Chautauqua Industrial Development Agency?

\$ -0- Years Not applicable

H. Project Schedule

1. Indicate the estimated days for:
 - a. Financing of the project 11/2016 – 5/2018
 - b. Commence of construction 11/1/2016
 - c. Completion of construction 5/1/2018
2. List the date(s) and in what amount(s) the estimated funds will be required: Not applicable

I. Other Agency Involvement

1. Have you contacted any other governmental agency in reference to this project?
 Yes No

If "Yes," please indicate the agency and the nature of the inquiry below:

A 2015 CFA application to Empire State Development resulted in the award of a capital grant and Market NY grant.

2. Have you contacted any financing institutions or other industrial development agencies in New York State, or elsewhere, for financial assistance in reference to this project or one of a similar nature?
 Yes No

If "Yes," please indicate below the institution and / or agency and the present status of the inquiry:

J. Financial Information (attach the following)

1. Certified financial statements for the last three (3) fiscal years.
As the applicant is a newly formed single-purpose entity, there are no certified financial statements.

For Industrial Development Bonds (IDB) complete Questions 2, 3 & 4.

2. Pro forma sheet as at start of operations at project site.
3. Project profit and loss statements for first two (2) years of operation at projected site.
4. Projected "cash flow" statement, by quarters, for first year of operation at project site.

Certification

David P. Hart deposed and says that he/she is the **Manager** of **Chautauqua Harbor Hotel LLC**, the corporation named in attached application; that he has read the foregoing application and attachments and knows the contents thereof; that the same is true to his knowledge, contains no information or data that is false or incorrect and is truly descriptive of the project which is intended as security for the requested financing.

Deponent further says the reason for this verification is made by the deponent and not by Chautauqua Harbor Hotel LLC, is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information required by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the non-profit County of Chautauqua Industrial Development Agency (hereinafter referred to as the "Agency") acting in connection with the attendant negotiations and ultimately the closing of the project and (or) financing. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application, then upon presentation of invoice, applicant shall pay to the Agency, its agents or assigns all actual costs involved in conduct of the application and the drafting of documents up to that date and time, including fees of counsel for the Agency.

The costs incurred by the Agency and paid by the applicant, including the Agency's counsel's fees and the administrative fee, may be considered as a cost of the project and included as part of any resultant bond issue, subject to the limitations imposed by law.

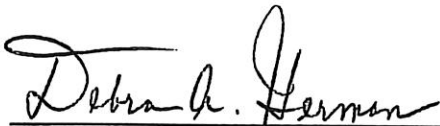


(Chief Executive Officer of company submitting application)

Notary

Sworn to before me this

6th day of September 20, 2016



(Seal)

DEBRA A. HERMAN
NOTARY PUBLIC, STATE OF NEW YORK
REGISTRATION No. 01HE8172277
QUALIFIED IN ERIE COUNTY
My Commission Expires Aug. 6, 2019

TO: Project Applicants
 FROM: County of Chautauqua Industrial Development Agency
 RE: Cost/Benefit Analysis Questionnaire

In order for the County of Chautauqua Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

Since we need this Questionnaire to be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire, and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

- 1. Name of Project Beneficiary ("Company"): Chautauqua Harbor Hotel LLC
- 2. Brief Identification of the Project: 132 Room Destination Hotel
- 3. Estimated Amount of Project Benefits Sought:
 - A. Amount of Bonds Sought: \$ -0-
 - B. Value of Sales Tax Exemption Sought \$ 1,440,000
 - C. Value of Real Property Tax Exemption Sought \$ 4,544,000
 - D. Value of Mortgage Recording Tax Exemption Sought \$ 265,000

PROJECTED PROJECT INVESTMENT

- A. Land-Related Costs
 - 1. Land acquisition \$ 500,000
 - 2. Site preparation \$ 1,300,000
 - 3. Landscaping \$ included above
 - 4. Utilities and infrastructure development \$ included above
 - 5. Access roads and parking development \$ included above
 - 6. Other land-related costs (describe) \$ _____

B. Building-Related Costs	
1. Acquisition of existing structures	\$ <u> n/a </u>
2. Renovation of existing structures	\$ <u> n/a </u>
3. New construction costs	\$ <u> 15,400,000 </u>
4. Electrical systems	\$ <u> 2,400,000 </u>
5. Heating, ventilation and air conditioning	\$ <u> 3,000,000 </u>
6. Plumbing & Fire Protection	\$ <u> 1,800,000 </u>
7. 7. Other building-related costs (describe)	\$ <u> </u>
C. Machinery and Equipment Costs	
1. Production and process equipment	\$ <u> </u>
2. Packaging equipment	\$ <u> </u>
3. Warehousing equipment	\$ <u> </u>
4. Installation costs for various equipment	\$ <u> </u>
5. Other equipment-related costs (describe)	\$ <u> </u>
D. Furniture and Fixture Costs	
1. Office furniture	\$ <u> included below </u>
2. Office equipment	\$ <u> included below </u>
3. Computers	\$ <u> included below </u>
4. Other furniture-related costs (describe)	\$ <u> 3,500,000 </u>
Hotel furniture, kitchen equipment and installation	
E. Working Capital Costs	
1. Operation costs	\$ <u> </u>
2. Production costs	\$ <u> </u>
3. Raw materials	\$ <u> </u>
4. Debt service (Construction Financing)	\$ <u> 800,000 </u>
5. Relocation costs	\$ <u> </u>
6. Skills training	\$ <u> </u>
7. Other working capital-related costs (describe)	\$ <u> </u>
F. Professional Service Costs	
1. Architecture and engineering	\$ <u> 600,000 </u>
2. Accounting/legal	\$ <u> </u>
3. Other service-related costs (describe)	\$ <u> </u>
G. Other Costs	
1. Soft Costs	\$ <u> 1,950,000 </u>
2.	\$ <u> </u>

H. Summary of Expenditures

1. Total Land Related Costs	\$ 1,800,000
2. Total Building Related Costs	\$ 22,600,000
3. Total Machinery and Equipment Costs	\$
4. Total Furniture and Fixture Costs	\$ 3,500,000
5. Total Working Capital Costs	\$ 800,000
6. Total Professional Service Costs	\$ 600,000
7. Total Other Costs	\$ 1,950,000

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

i. Please provide estimates of total construction jobs at the Project:

Year	Construction Jobs (Annual wages and benefits \$40,000 and under)	Construction Jobs (Annual wages and benefits over \$40,000)
Current Year		8 ave. FTE
Year 1		45 ave. FTE
Year 2		15 ave. FTE
Year 3		
Year 4		
Year 5		

ii. Please provide estimates of total annual wages and benefits of total construction jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ 100,000	\$ 6,000
Year 1	\$ 8,000,000	\$ 480,000
Year 2	\$ 2,650,000	\$ 159,000
Year 3	\$	\$
Year 4	\$	\$
Year 5	\$	\$

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Please provide estimates of total existing permanent jobs to be preserved or retained as a result of the Project:

Year	Existing Jobs (Annual wages and benefits \$40,000 and under)	
Existing Jobs (Annual wages and benefits over \$40,000 Current Year	-0-	-0-
Year 1	-0-	-0-
Year 2	-0-	-0-
Year 3	-0-	-0-
Year 4	-0-	-0-
Year 5	-0-	-0-

II. Please provide estimates of total new permanent jobs to be created at the Project:

Year Jobs	New Jobs (Annual wages and benefits \$40,000 and under)	New (Annual wages and benefits over \$40,000)
Current Year	-0-	
Year 1	69	6
Year 2	6	1
Year 3	2	-0-
Year 4	2	-0-
Year 5	2	-0-

III. Please provide estimates of total annual wages and benefits of total permanent construction jobs at the Project:

Year	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	\$ 100,000	\$ 6,000
Year 1	\$ 8,000,000	\$ 480,000
Year 2	\$ 2,650,000	\$ 157,000
Year 3	\$	\$
Year 4	\$	\$
Year 5	\$	\$

IV. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1st year following project completion)	\$ <u>2,000,000</u>
Additional Sales Tax Paid on Additional Purchases	\$ <u>160,000</u>
Estimated Additional Sales (1st full year following project completion)	\$ <u>6,000,000</u>
Estimated Additional Sales Tax to be collected on additional sales (1st full year following project completion)	\$ <u>480,000</u>

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Year	Existing Real Property Taxes	New Pilot Payments	Total
Current Year	\$25,700	-0-	\$ 25,700
Year 1	\$25,700	-0-	\$ 25,700
Year 2	\$25,700	-0-	\$ 25,700
Year 3	\$25,700	-0-	\$ 25,700
Year 4	\$25,700	-0-	\$ 25,700
Year 5	\$25,700	-0-	\$ 25,700
Year 6	\$25,700	\$100,000	\$125,700
Year 7	\$25,700	\$100,000	\$125,700
Year 8	\$25,700	\$100,000	\$125,700
Year 9	\$25,700	\$100,000	\$125,700
Year 10	\$25,700	\$100,000	\$125,700
Year 11	\$25,700	\$200,000	\$225,700
Year 12	\$25,700	\$200,000	\$225,700
Year 13	\$25,700	\$200,000	\$225,700
Year 14	\$25,700	\$200,000	\$225,700
Year 15	\$25,700	\$200,000	\$225,700

- III. Please provide estimates for the impact of other economic benefits expected to be produced as a result of the Project:

Based on a 5% occupancy tax, estimated first full year collection will equal \$200,000. Approximately \$400,000 of service charges and gratuities will be paid by hotel patrons. This will be distributed to hotel employees in addition to salaries. Hotel patrons expected to spend \$50 per day outside of the hotel. This will add \$1.7m to local area tourism spending.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge, such responses are true, correct, and complete.

I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

Date Signed: September 6, 2016

**Name of Person Completing Project
Questionnaire on behalf of the Company.**

Name: David P. Hart

Title: Manager

Phone Number: 716-893-6551

Signature: 

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

New Job Skills	Number of Positions Created	Wage Rate
AAA Four Diamond Hotel GM	1	\$ 90,000
Destination Sales	1	\$ 48,000
Destination Banquet	1	\$ 40,000
Destination Concierge	2	\$ 23,000
* AAA Four Diamond		
Food & Beverage, Housekeeping	Various	Various
Guest Service		

* All hired positions will be trained in top tier hotel service delivery, cleanliness and customer satisfaction.

Should you need additional space, please attach a separate sheet.

**County of Chautauqua
Industrial Development Agency**

**FINANCIAL FEE
STRUCTURE**

REVOLVING LOAN FUNDS

1% of total loan

CIVIC FACILITIES BONDS

1% of total IDA project cost

INDUSTRIAL REVENUE BONDS

1% of total IDA project cost

TAX LEASES

1% of total IDA project cost

**AN APPLICATION FEE OF \$250 IS DUE UPON SUBMISSION OF ALL LOAN APPLICATIONS
AN APPLICATION FEE OF \$1,000 IS DUE UPON SUBMISSION OF ALL BOND AND TAX LEASE
APPLICATIONS**