

Northland Communications

Applicant – Oneida County Rural Telephone Company DBA Northland Communications

Project – Renovation of current business office in Holland Patent and adding 8,300 sq. ft. The project will move 40 jobs from Utica.

Real Property Tax Abatement: \$20,500 over 10 years

Mortgage Tax Exemption: \$25,000

Sales Tax Exemption: \$99,750

Project Cost - \$2,893,137

Jobs – Retained - 68

New – 6

Initial Filing

APPLICATION FOR FINANCIAL ASSISTANCE

Oneida County Industrial Development Agency

584 Phoenix Drive
Rome, New York 13441-1405
(315) 338-0393 telephone
(315) 338-5694 fax

Shawna M. Papale, Executive Director

A non-refundable application fee of \$500.00 must be submitted at the time of application along with a \$1000 commitment fee that will be submitted at the time of application; the \$1000 commitment fee will be applied at closing.

Please submit the original application, SEQR form and Cost/ Benefit and two (2) copies along with an electronic copy of the application, SEQR form and Cost/ Benefit with the applicable fee.

All applications must be submitted 10 days prior to meeting.

Oneida County Rural Telephone Company
DBA Northland Communications

Name of Applicant

Number (to be provided by the agency)

Note to Applicant:

The information requested by this application is necessary to determine the eligibility of your project for Agency benefits. Please answer **all** questions, inserting "none" or "not applicable" where appropriate. If you are providing an estimate, please indicate by inserting "est" after the figure. Attach additional sheets if more space is needed for a response than is provided.

Return the original application and two copies with a check in the amount of \$1500.00 made payable to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. \$1000 will be applied at closing against the IDA legal fees. In addition, an electronic version of the application (signed), SEQR form (signed), and Cost/benefit to spapale@mvedge.org.

Upon the submission of this application to the IDA, this applicant becomes a public document. Be advised that any action brought before the OCIDA is public information. All agenda's for the OCIDA are issued prior to full agency meetings and posted in public domain. If there is information that the applicant feels is proprietary please identify as such and that information will be treated confidentially to the extent permitted by law.

By signing and submitting this Application, the Applicant acknowledges that it received a copy of the Uniform Tax Exemption Policy and the Oneida County IDA Penalty for Failure to Meet Employment Levels as adopted by the Agency and Agency Memorandums pertaining to the benefits of projects financed through the Agency.

A project financed through the 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. You will receive an engagement letter from the OCIDA legal counsel. You will be asked to sign the engagement letter acknowledging you understand the legal fees you will be responsible for them and also acknowledge what the process is. Should you not close and legal services have been rendered by the OCIDA legal counsel, your company will be responsible for those costs.

If your project requires a public hearing, a representative of the applicant is required to be present. A date will be coordinated by the OCIDA legal counsel.

If you have questions how to calculate your companies IDA application fee please consult with the Memorandum to Companies Sale – Leaseback Transactions or please contact the IDA Executive Director.

Part I: Applicant Information

Note: In responding to the following questions, please keep in mind that the Applicant will be party to all of the documents and is the individual or entity which will receive the actual financial assistance from the Agency.

Applicant

1(a) Applicant's Legal Name: Oneida County Rural Telephone Company

1(b) Principal Address: 9560 Main St
Holland Patent, NY 13354

1(c) Telephone/Facsimile Numbers: 315-865-5201 / 315-865-5211

1(d) Email Address: hkirkland@ocrt.com

1(e) Federal Identification Number: 15-0405595

1(f) Contact Person: Heather Kirkland

- 1(g) Is the Applicant a
- Corporation:
If yes, Public [] Private [X]
If public, on which exchange is it listed?

 - Subchapter S
 - Sole Proprietorship
 - General Partnership
 - Limited Partnership
 - Limited Liability Corporation/Partnership
 - DISC
 - Other(specify) _____

1(h) State of Organization (if applicable) New York

Applicant's Stockholders, Directors and Officers (or Partners)

2(a) Provide the following information with respect to parties with 15% or more in equity holdings:

<u>Name</u>	<u>Address</u>	<u>Percentage of Ownership</u>
The Jeremiah O McCarthy Irrevocable Trust #5	9560 Main St Holland Patent, NY 13354	69.53%
James P. McCarthy	5180 Leverett Lane Fayetteville, NY 13066	22.67%

2(b) Is the Applicant, or any of the individuals listed in 2(a) above, related directly or indirectly to any other entity by more than 50% common ownership? If so, indicate name of such entity and the relationship.

Oneida County Long Distance - owned 100% by Oneida County Rural Telephone (OCRT)
Oneida County Rural Telephone is related to the following entities through common ownership:
Northland Telephone Systems DBA Northland Communications; Northland Networks DBA Northland Communications; Dreamscape Online DBA Northland Communications; Holland Mobile DBA Northland Communications; Holland Leasing; Northland Software; Northland Data; Holland Internet (OCRT also owns 20% directly); Holland Wireless (OCRT also owns 15% directly); Holland Ten

2(c) Is the Applicant affiliated with any other entity, directly or indirectly, other than as listed in the response to 2(a) above? If yes, please indicate name and relationship of such other entity and the address thereof:

No

Applicant's Counsel and Accountant

3(a) Applicant's Attorney

Name/Title: Jeff Fetter

Firm: Scolaro, Fetter, Grizanti, McGough & King, PC

Address: 507 Plum Street, Suite 300
Syracuse, NY 13204

Telephone/Fax: 315-471-8111 / 315-471-1355

3(b) Applicant's Accountant

Name/Title: Carl Germain

Firm: Bush & Germain

Address: 901 Lodi St
Syracuse, NY 13203

Telephone/Fax: 315-424-1145

Business Description

4(a) Describe the nature of your business and principal products and/or services. Attach additional sheets if necessary.

Oneida County Rural Telephone (OCRT) started in 1905 in Holland Patent. In 1982, OCRT's owners started Northland Telephone Systems. Today, there are multiple companies affiliated with Northland and OCRT offering various telecommunications services. OCRT serves both residential and business customers within our service territory, which stretches from Marcy to Westernville. In addition to voice services, OCRT is able to offer long distance and internet through the affiliation with Northland. OCRT customers are currently served from our Holland Patent and Utica offices. Northland offers voice, high speed internet, dedicated connections, and telephone systems to business customers throughout Central NY, including Utica, Rome, Herkimer, Oneida, and Syracuse. Northland customers are currently served by our Utica or Syracuse office. Upon project completion, our Holland Patent office will continue to be the main office for OCRT and become a main office for Northland (in addition to our Syracuse office). The expanded and renovated building will house around 70 employees, 25 currently in Holland Patent and 45 moving from Utica.

Northland customers located in the Mohawk Valley would now be served from Holland Patent. Customers who visit our office will visit a newly renovated space with access to more personnel, which may also be closer to their location. Daily service to customers is mostly provided at the customer location or over the phone and would not be impacted by this change.

Daily support for OCRT's customers involves two departments located in Holland Patent (Customer Service and Outside Plant) and one located in Utica (Network Operations Center (NOC)). This project would move the NOC to Holland Patent, increasing communication and collaboration between departments.

Part II: Project Information

5(a) Explain your project in detail. This description should include explanation of all activities which will occur due to this project. Attach additional sheets if necessary.

Oneida County Rural Telephone will be renovating the current business office and also adding 8,300 square feet to provide space for Northland Communications. The two companies will join together under one roof in an effort to stay viable in the growing competitive landscape of the communications market. The project will have over 2 million dollars invested in it and give new life to a small village by keeping the tradition of local business thriving in rural communities and providing jobs close to home. It is our belief that bring Northland's 40 jobs from Utica to the small rural community will make a huge impact on our community. Our employees will be visiting local coffee shops, eating at local restaurants, banking locally and providing change in a small community. Although this project is about making two long standing businesses more viable in a newly competitive world, the location of the expansion is more about making an impact on a quaint little community. Schematic design is set to be completed in January 2016, with contractor selection in May 2016. Construction is set to begin the end of May 2016 and be completed by April 2017.

Reasons for Project

6(a) Please explain in detail why you want to undertake this project.

Oneida County Rural Telephone (OCRT) owns the building in Holland Patent, and the building is currently underutilized. Northland is paying rent only 12 miles away in Utica, meaning additional costs of maintaining two spaces. We also don't realize the synergies of having employees in one space.

One of our organizational goals is to increase revenue in the most efficient way possible, while balancing the needs of our employees, customers, and community. For many years, OCRT and Northland have shared employees and assets to increase efficiency and better serve customers. For example, together we have four employees in our Switching department, 0.6 of which are allocated to OCRT. If separated, OCRT would need two people in this department and Northland would still need four. This sharing opportunity is also available for other departments. In order to stay viable as we grow, we need to add employees in the most efficient way possible that also brings the most value to our customers. There are many synergies that would be realized by combining two offices that are less than 15 miles apart. Efficiencies realized by this project would help the companies remain viable into the future so we can focus on expanding our fiber network, which is a large driver of our growth and puts us in a position to remain competitive and satisfy our customers' increasing bandwidth requirements.

6(b) Why are you requesting the involvement of the Agency in your project?

The main growth opportunity for both Northland and OCRT comes from investing in fiber infrastructure. We strive to complete all other projects, including this project, at the lowest cost possible to allow for more fiber expansion. Increased costs in this project means less money we have to invest in fiber, which directly affects our growth and ability to provide jobs.

6(c) How will the Applicant's plans be affected if Agency approval is not granted?

Without approval, we will be financing more costs and therefore paying more interest. This means less dollars to invest in fiber infrastructure, which limits our growth opportunity and ability to compete in the future.

6(d) Is the proposed project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

Yes No **If yes**, please explain briefly.

Is the proposed project reasonably necessary to preserve the competitive position of the Applicant in its respective industry? Yes No **If yes**, please explain briefly.

OCRT's main competitor is Time Warner Cable, and our local presence and support has been a benefit to our customers. Over 300 customers still visit the office monthly to pay their bill or get technical assistance. With OCRT currently paying for a building that is underutilized, this project will allow us to use the space more efficiently and compete better with a national company.

6(e) Will financing by the Agency result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area of New York State?

Yes No **If yes**, please explain briefly the reason for the move.

6(f) Has the Applicant or any related entity previously secured financial assistance in Oneida County (whether through the Agency, the Empire State Development Corporation, or any other entity)? Yes No

If yes, please explain (indicate date of benefit, location of facility and outstanding balance).

Northland Networks was awarded grants in 2011 & 2013 to expand our fiber network.

6(g) Has the Applicant or any related entity secured financial assistance anywhere within the United States within the last 90 days or does the Applicant or any related entity anticipate receiving financial assistance within the next 90 days? Yes No

If yes, please explain.

Northland Communications received a training grant through CNY Works in 2015.

6(h) Check all categories best describing the **type of project**:

- Manufacturing
- Industrial Assembly or Service
- Research and Development
- Warehousing
- Commercial or Recreational
- Pollution Control (specify) _____
- Other (specify) _____

6(i) Check all categories best describing the **scope of the project**:

- Acquisition of land
- Acquisition of existing building
- Renovations to existing building
- Construction of addition to existing building
- Demolition of existing building
- Construction of a new building
- Acquisition of machinery and/or equipment
- Installation of machinery and/or equipment
- Other (specify) _____

6(j) Please indicate the financial assistance you are requesting of the Agency, and provide the estimated value of said assistance. Attach a sheet labeled Annual PILOT. that shows the annual utilization of the Real Property Tax Abatement by year and by taxing jurisdiction.

Assistance	Estimated Value
<input checked="" type="checkbox"/> Real Property Tax Abatement	\$ <u>250,500 over 10 years</u>
<input checked="" type="checkbox"/> Mortgage Tax Exemption	\$ <u>25,000</u>
<input checked="" type="checkbox"/> Sales and Use Tax Exemption	\$ <u>99,750</u>
<input type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds	\$ _____

Part III: Facility Information (if project that you are applying for is a housing project please also complete questions 7(m) through

Facility (Physical Information) If multiple locations please provide information on all.

7(a) Street Address of Facility:

9560 Main St

7(b) City, Town and/or Village:

Village of Holland Patent; Town of Trenton

*(Note: It is important that you list **all** incorporated municipalities in which the facility lies. This information will be used in scheduling a public hearing as required by statute.)*

7(c) School District:

Holland Patent

7(d) Tax Account Number(s):

305801 210.017-2-42

305801 210.017-2-38.3

Attach copies of the most recent real property tax bills. Include copies for all taxing jurisdiction for the site/ facility that IDA assistance is being sought.

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

Office space

7(f) Zoning Classification of location of the project:

C - Commercial

7(g) Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings, square footage, number of floors, type of construction,) and attach plot plans, photos or renderings, if available. If there are infrastructure improvements (water, sewer, gas, electrical, etc.) please provide details along with who will carry out those improvements and who will fund them. **Please be as specific as possible.**

This project involves renovation of 6,575 square feet of office space owned by Oneida County Rural Telephone, and an addition of 8,300 square feet. This project may also include purchasing additional land for storage of fiber.

This will involve re-routing of utilities between the current building and garage, and we are still working out the details.

7(h) Has construction or renovation commenced? Yes No

If yes, please describe the work in detail that has been undertaken to date, including the date of commencement.

If no, indicate the estimated dates of commencement and completion:

Construction commencement: May 2016

Construction completion: April 2017

7(i) Will the construction or operation of the facility or any activity which will occur at the site require any local ordinance or variance to be obtained or require a permit or prior approval of any state or federal agency or body (other than normal occupancy and/or construction permits)?

Yes No

If yes, please describe.

7(j) Will the project have a significant effect on the environment? Yes No

Important: please attach Environmental Assessment Form to this Application.

7(k) What is the useful life of the facility? 50 years

7(l) Is the site in an Empire Zone? Yes No

If yes, which Empire Zone: Oneida County

Is project located in a former Empire Zone or distressed area: Yes No
Provide detail.

Complete the following questions if your project is a Housing Project. Please reference the Oneida County Industrial Development Agency Uniform Tax Exemption and Agency Benefits Policy Market Rate Rental Housing Development Initiatives. (Add additional pages as needed).

7(m) Describe the housing project to be constructed or renovated in detail (type of housing, number of units, etc.):

N/A

7 (n) Describe how you will change the current use of the facility or property being utilized for the project. To assist the IDA in their determination of an eligible vacant urban infill site project please provide an extensive explanation as well as photos of what is being removed or replaced with the new construction.

N/A

7 (o) Will the project have any impact on the existing infrastructure or upgrades to the current infrastructure (water, sewer, electrical, gas, etc.)? If yes please provide detail and who you are working with at the applicable organization.

N/A

7 (p) If your project is a multi-use facility please provide details of the project, project square footage breakdown of non-housing to housing usage, detail the job creation and retention associated with the non-housing component.

N/A

7 (q) Does the project provide a community benefit? If yes provide detail substantiating (reference the IDA policy).

N/A

Facility (Legal Information)

8(a) With respect to the **present owner** of the facility, please give the following information:
(Note: the present owner is not necessarily the user of the facility, but that party which holds legal title to the facility.)

Legal Name: Oneida County Rural Telephone Company
Address: 9560 Main Street
Holland Patent, NY 13354
Telephone: 315-865-5201
Balance of Mortgage: \$0
Holder of Mortgage: N/A

If the Applicant is not the present owner of the facility, please attach any written agreements and contracts concerning the acquisition of the real property and/or equipment.

8(b) Is there a legal relationship, directly or indirectly, by virtue of common control or through related persons, between the Applicant and the present owner of the facility?
 Yes No. If yes, please explain.

Applicant is the owner of the facility.

8(c) Will a related real estate holding company, partnership or other entity, be involved in the ownership structure of the transaction?
 Yes No. If yes, please explain.

8(d) Will the title owner of the facility/ property also be the user of the facility?
 Yes No. If no, please explain.

8(e) Is the Applicant currently a tenant in the facility? Yes No

8(f) Are you planning to use the entire proposed facility?

Yes No

If no, please give the following information with respect to tenant(s) which will remain in the facility after the completion of the project:

<u>Name of Tenant</u>	<u>Floors Occupied</u>	<u>Square Feet Occupied</u>	<u>Nature of Business</u>
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8(g) Are any of the tenants related to the owner of the facility?

Yes No
If yes, please explain.

8(h) Will there be any other users other than the applicant to the IDA be utilizing the facility?

Yes No

If yes, please explain. Provide detail of the contractual arrangement including any financial exchange for the use of the site or property.

Oneida County Rural Telephone will share this facility with the affiliated companies listed above.

Equipment

9(a) List the principal items or categories of equipment to be acquired as part of the project. If you are requesting Sales Tax exemption it is important to be as detailed as possible. (If a complete list is not available at time of application, as soon as one is available but prior to final authorizing resolution, please submit a detailed inventory of said equipment to be covered.) Attach a sheet if needed.

Generator

9(b) Please provide a brief description of any equipment which has already been purchased or ordered, attach all invoices and purchase orders, list amounts paid and dates of expected delivery. Attach a sheet if needed.

None

9(c) What is the useful life of the equipment? 40 years

Part IV: Employment Information

10(a) Estimate how many construction jobs will be created or retained as a result of this project.

Construction Jobs 50

10(b) Estimate how many jobs will be created as a result of this project.

Permanent Jobs to be created by Project at Applicant's facility 6 FTE

Average Salary of these jobs: \$ \$40,000

10 (c) What is the applicant entity's current level of employment in Oneida County at the time of application. Please indicate in full time equivalents (FTE).

Permanent Jobs to be retained by Project at location to be assisted with the requested IDA benefits 68 FTE

Average Salary of these jobs: \$ _____

Other locations in Oneida County _____ FTE

Average Salary of these jobs: \$ _____

Employment in other NYS locations, list below 30 FTE

Average Salary of these jobs: \$ _____

10(c) Please list the NIC codes for the jobs affiliated with this project.

Part V: Estimated Project Cost and Financing

11(a) List the costs necessary for the construction, acquisition or renovation of the facility.

Acquisition of Land	10,000 est
Acquisition of Building(s)	0
Renovation Costs	595,448 est
New Construction of Buildings	1,620,120 est
Machinery and Equipment (other than furniture costs)	84,525 est
Fixtures	included above
Installation Costs	included above
Fees (other than your own broker and legal fees)	_____
Legal Fees (IDA legal fees, Applicant legal fees)	17,000 est
Architectural/Engineering	223,650 est
Interest on Interim Financing	_____
Other (specify) furniture & moving costs	328,000 est
Subtotal	2,878,743 est
Agency Fee¹	14,394
Total Project Cost	2,893,137

¹See Attached Fee Schedule (Page 19) for Agency Fee amount to be placed on this line

11(b) What amount of the Total Project Cost is the Applicant requesting financing by the Agency? 2,893,137

Real Estate Taxes

12(a) For each tax parcel which comprises the facility, please provide the following information, using figures from the most recent tax year:

Tax Acct #	Current Assessed Value (Land)	Current Assessed Value (Building)	Real Estate Taxes
305801 210.017-2-42	822,220	inc w/ land	41,210.14
305801 210.017-2-38.3	5,000	N/A	189.32

12(b) Address of Receiver of Town and/or Village Taxes:

Town	Commissioner of Finance _____ 800 Park Avenue _____ Utica, NY 13501 _____	Edward Wardner, Tax Collector _____ PO Box 302 _____ Holland Patent, NY 13354 _____	Village
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12(c) Address of Receiver of School Taxes:

Mary Zacek, Tax Collector

 9601 Main St

 Holland Patent, NY 13354

12(d) Will the completion of the proposed project result in the increase of the assessment of any of the parcels named above? Yes No

If yes, please indicate which tax account numbers will be affected.

305801 210.017-2-42, 305801 210.017-2-38.3

Financial Information

13(a) Has the Applicant contacted any bank, financial/lending institution or private investor with respect to the financing of the proposed project?

Yes No

If yes, please provide details.

We will be working with Adirondack Bank.

13(b) Has the Applicant received a commitment letter for said financing?

Yes No

If yes, please submit a copy of said commitment letter along with this Application.

13(c) please complete the Cost/Benefit Analysis form and attach to this Application. As you complete and have questions please call.

REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the Oneida County Industrial Development Agency's 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 OCIDA.
3. **Absence of Conflict of Interest.** The Applicant has consulted the OCIDA 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:
4. **Hold Harmless.** Applicant hereby releases Oneida County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") 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 OCIDA has disclosed that the actions and activities of the OCIDA 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.

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.

Oneida County Rural Telephone Company

(Applicant)

By: Heather Kirkland

Name: Heather Kirkland

Title: Director of Finance & Accounting

Date: 12/24/15

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 two copies with a check in the amount of \$1500.00 made payable to: **Oneida County Industrial Development Agency (OCIDA)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. \$1000 will be applied at closing against the IDA legal fees. In addition, an electronic version of the application (signed), SEQR form (signed), and Cost/benefit to spapale@mvedge.org.



Board Report

Table 1: Basic Information

Project Name	OCRT - Northland Communications Co-location
Project Applicant	Oneida County Rural Telephone Company
Project Description	Oneida County Rural Telephone Company will lease space at its Holland Patent facility to Northland Communications in order to fully utilize the facility. Northland will be moving approximately 40 employees from its Utica facility to Holland Patent. OCRT and Northland have shared resources for many years and this consolidation will enhance operating efficiency for both organizations. The co-location will enhance the competitive position of both organizations as well as provide an economic boost to the local community.
Project Industry	Professional, Scientific, and Technical Services
Municipality	Holland Patent Village
School District	Holland Patent
Type of Transaction	Lease
Project Cost	\$2,878,743
Mortgage Amount	\$2,500,000
Direct Employment Expected to Result from Project (Annual FTEs)	74

Figure 1: Estimated State & Regional Benefits / Estimated Project Incentives (Discounted Present Value *)



Table 2: Estimated State & Regional Benefits / Estimated Project Incentives Analysis (Discounted Present Value *)

Total State and Regional Benefits	\$1,558,770	
Total Project Incentives	\$288,399	
Benefit to Cost Ratio	5.4:1	
Projected Employment	State	Region
Total Employment	23	23
Direct **	1	1
Indirect ***	0	0
Induced ****	0	0
Temporary Construction (Direct and Indirect)	22	22

Table 3: Estimated State & Regional Benefits (Discounted Present Value *)

Total State and Regional Benefits	\$1,558,770
Income Tax Revenue	\$696,235
Property Tax/PILOT Revenue	\$314,453
Sales Tax Revenue	\$548,083

Table 4: Estimated Project Incentives (Discounted Present Value *)

Total Project Incentives	\$288,399
Mortgage Tax	\$25,000
Property Tax	\$171,549
Sales Tax	\$106,245
Less IDA Fee	-\$14,394

* Figures over 5 years and discounted by 2%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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