
APPLICATION FOR FINANCIAL ASSISTANCE

Oneida County Industrial Development Agency

153 Brooks Road
Rome, New York 13441-1405
(315) 338-0393 telephone
(315) 338-5694 fax

Shawna M. Papale, Secretary

A non-refundable application fee of \$250.00 must be submitted at the time of application, to be credited to the Company at closing.

Please submit the original application and fourteen copies.

MOHAWK, ADIRONDACK & NORTHERN RAILROAD CORPORATION
GENESEE & MOHAWK VALLEY RAILROAD CO., INC.
(Subsidiaries of Genesee Valley Transportation Co., Inc.)

Name of Applicant

Number (to be provided by the agency)

Note to Applicant:

The information requested by this form 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 fourteen copies with a check in the amount of \$250.00 made payable to: **Oneida County Industrial Development Agency**, 153 Brooks Road, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Secretary.

All information contained in this application 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 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.

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: MOHAWK, ADIRONDACK & NORTHERN RAILROAD CO., INC. (MA&N)
GENESEE & MOHAWK VALLEY RAILROAD CO., INC. (G&MV)
- 1(b) Principal Address: 8364 LEWISTON ROAD
BATAVIA, NEW YORK 14020
- 1(c) Telephone/Facsimile Numbers: 585.343.5398 (TELEPHONE)
585.343.4369 (FAX)
- 1(d) Email Address:
- 1(e) Federal Identification Number: MA&N – 16-1391323
G&MV – 16-1435205
- 1(f) Contact Person: JOHN S. HERBRAND, SECRETARY, GENERAL COUNSEL & ACTING CFO
- 1(g) Is the Applicant a [**XX**] Corporation:
If yes, Public [] Private [**XX**]
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>Home Address</u>	<u>Social Security No.</u>	<u>Percentage of Ownership</u>
GENESEE VALLEY TRANSPORTATION CO., INC.	8364 LEWISTON RD., BATAVIA, NY 14020	16 – 13859879	90

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.

GENESEE VALLEY TRANSPORTATION CO., INC., the parent company of both Applicants, has several other railroad subsidiaries:

Depew, Lancaster & Western Railroad Co., Inc.

Falls Road Railroad Co., Inc.

Lowville & Beaver River Railroad Co.

“the” Delaware Lackawanna Railroad Co., Inc.

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: JOHN S. HERBRAND, SECRETARY, GENERAL COUNSEL &
ACTING CFO

Firm: GENESEE VALLEY TRANSPORTATION CO., INC.

Address: 8364 LEWISTON ROAD
BATAVIA, NEW YORK 14020

Telephone/Fax: 585.295.1562 (TELEPHONE)
585.325.6287 (FAX)

3(b) Applicant's Accountant

Name/Title: JAMES BOWERS

Firm: BOWERS & COMPANY, CPAs

Address: 1200 MONY TOWER 1
100 MADISON ST.
SYRACUSE, NY 13202

Telephone/Fax: 315.234.1173 (TELEPHONE)
315.234.8111 (FAX)

Business Description

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

OPERATION OF RAILROADS IN ONEIDA COUNTY, NEW YORK

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.

THE APPLICANTS, BOTH SHORTLINE RAILROADS, PROVIDE RAIL TRANSPORTATION SERVICES BETWEEN BUSINESSES IN ONEIDA COUNTY AND CSX CORPORATION, THE CLASS I RAILROAD SERVING ONEIDA COUNTY, NEW YORK. IN THE 1990'S, CSX's PREDECESSOR, CONSOLIDATED RAIL CORPORATION, SOLD ITS LOCAL RAIL TRACK AND OPERATIONS TO THE APPLICANTS BECAUSE DECREASING VOLUMES OF LOCAL RAIL TRAFFIC COULD NOT CONTINUE TO SUPPORT LOCAL RAIL SERVICE BY A CLASS I RAILROAD. SINCE ACQUIRING THE PROPERTIES, THE APPLICANTS HAVE PROVIDED THE ESSENTIAL LINK BETWEEN THE FACTORY "DOCK" AND CSX, BY DELIVERING AND PICKING UP RAIL CARS A VARIOUS LOCATIONS ALONG THEIR LINES AND INTERCHANGING THE RAIL CARS WITH CSX AT UTICA YARD.

Reasons for Project

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

THE SOLE BUSINESS OF THE APPLICANTS IS PROVIDING LOCAL RAIL SERVICE.

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

THE APPLICANTS WISH TO OBTAIN COMPLETE RELIEF FROM PROPERTY, SCHOOL, SPECIAL DISTRICT AND ALL OTHER TAXES BASED UPON THEIR OWNERSHIP OF RAILROAD PROPERTY IN ONEIDA COUNTY. SUCH TAX RELIEF IS REQUIRED FOR THE LONG TERM VIABILITY OF LOCAL RAIL SERVICE IN ONEIDA COUNTY.

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

WITHOUT TAX RELIEF, FUNDS THAT WOULD OTHERWISE BE USED FOR RAILROAD OPERATIONS (INCLUDING, INTER ALIA, TRACK AND LOCOMOTIVE MAINTENANCE) WILL HAVE TO BE PAID TO THE TAXING JURISDICTIONS THROUGH WHICH THE APPLICANTS' RAILROAD PROPERTIES RUN. MAINTENANCE OF TRACK AND LOCOMOTIVES IS ESSENTIAL TO THE LONG TERM PROVISION OF RELIABLE, COST EFFECTIVE, RAIL TRANSPORTATION SERVICES.

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?

[**XX**] Yes [] No **If yes**, please explain briefly.

THE APPLICANTS CANNOT MOVE THEIR RAILROAD PROPERTIES OUTSIDE OF NEW YORK STATE. HOWEVER, IF THE APPLICANTS WERE TO CUT BACK OR CEASE RAILROAD OPERATIONS, ONEIDA COUNTY INDUSTRIES CURRENTLY SERVED BY THE APPLICANTS MIGHT BE FORCED TO MOVE THEIR OPERATIONS TO OUT-OF-STATE LOCATIONS WHERE RAILROAD TRANSPORTATION SERVICES MAY BE LESS EXPENSIVE.

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

IF TAX RELIEF IS NOT FORTHCOMING, THE APPLICANTS MAY BE FORCE TO RAISE THEIR RATES FOR PROVIDING RAIL TRANSPORTATION SERVICES, MAKING THE APPLICANTS LESS COMPETITIVE WITH SHORTLINE RAILROADS IN OTHER COUNTIES AND STATES THAT DO NOT HAVE TO PAY PROPERTY, SCHOOL AND SPECIAL DISTRICT TAXES.

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 [**XX**] No **If yes**, please explain briefly the reason for the move.

THE APPLICANTS ARE NOT SEEKING ANY FINANCING FROM THE AGENCY.

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) ? [**XX**] Yes [] No

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

THE APPLICANTS ARE CURRENTLY OPERATING UNDER LEASES AND PILOT AGREEMENTS WITH THE AGENCY. THOSE PILOT AGREEMENTS DO NOT PROVIDE FOR THE COMPLETE TAX RELIEF THAT THE APPLICANTS ARE PRESENTLY SEEKING AS PART OF THE RENEWAL OF THE LEASE AND PILOT PROGRAM BETWEEN THE AGENCY AND THE APPLICANTS.

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 [**XX**] No
If **yes**, please explain.

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) _____
- [**XX**] Other (specify) RAILROAD TRANSPORTATION SERVICES WITHIN
ONEIDA COUNTY

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
- [**XX**] Other (specify) RE-ESTABLISHING THE PILOT AGREEMENTS BETWEEN
ONEIDA COUNTY AND THE APPLICANTS

6(j) Please indicate the financial assistance you are requesting of the Agency, and provide the estimated value of said assistance.

Assistance	Estimated Value
[XX] Real Property Tax Abatement	\$_____
[] Mortgage Tax Exemption	\$-0-

- [] Sales and Use Tax Exemption \$-0-
- [] Issuance by the Agency of Tax Exempt Bonds \$-0-

Part III: Facility Information

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

7(a) Street Address of Facility:

UTICA RAIL YARD, UTICA, NY;
UTICA TO LYONS FALLS, NY
ROME, NY

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

SEE ATTACHMENT TO APPLICATION

*(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:

SEE ATTACHMENT TO APPLICATION

7(d) Tax Account Number(s):

SEE ATTACHMENT TO APPLICATION

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

RAILROAD

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

INDUSTRIAL

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. ***Please be as specific as possible.***

NOT APPLICABLE

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

If yes, please describe the work in detail, including the date of commencement.

NO CONSTRUCTION REQUIRED.

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

Construction commencement: _____

Construction completion: _____

- 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? 100 years

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 INDUSTRIAL DEVELOPMENT AGENCY.

Address:

Telephone:

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 [**XX**] No. If yes, please explain.

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

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

ONEIDA COUNTY IDA PRESENTLY LEASES THE RAILROAD PROPERTY TO THE APPLICANTS

- 8(e) Is the Applicant currently a tenant in the facility? [**XX**] Yes [] No

APPLICANTS CURRENTLY OPERATE THE FACILITY UNDER LEASEBACK FROM ONEIDA COUNTY IDA.

- 8(f) Are you planning to use the entire proposed facility?
[**XX**] 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.

Equipment

9(a) List the principal items or categories of equipment to be acquired as part of the project. (As soon as one is available but prior to final authorizing resolution, please submit a detailed inventory of said equipment.)

NO EQUIPMENT IS TO BE ACQUIRED AS PART OF THE PROJECT.

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.

NOT APPLICABLE

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

Part IV: Employment Information

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

Construction Jobs –0-

Permanent Jobs to be created by Project at Applicant's facility –0-

Permanent Jobs to be retained by Project at Applicant's facility 12 FULL AND PART
TIME JOBS.

10 (b) What is the applicant entity's current level of employment in Oneida County at the time of application.

At location to be assisted with the requested IDA benefits 12

Other locations in Oneida County -0-

APPLICANTS PROVIDE RAIL SERVICE TO A NUMBER OF INDUSTRY FACILITIES LOCATED ALONG THEIR RAIL LINES. IT IS ESTIMATED THAT THE TOTAL EMPLOYMENT AT THOSE FACILITIES IS APPROXIMATELY 1050. RECENTLY, THE APPLICANTS PLAYED A PIVOTAL ROLE IN THE DECISION BY EAST COAST OLIVE OIL CORPORATION TO REMAIN AND EXPAND IN ONEIDA COUNTY (AT ROME) RATHER THAN MOVING ITS OPERATIONS TO NEW JERSEY. EAST COAST OLIVE OIL'S CURRENT TOTAL EMPLOYMENT IS ABOUT 125 AND IS EXPECTED TO INCREASE TO ABOUT 135 UPON COMPLETION OF CONSTRUCTION OF ITS NEW FACILITY IN ROME, NEW YORK. BUT FOR THE APPLICANTS' WILLINGNESS WORK WITH ONEIDA COUNTY AND TO MAKE CERTAIN CONCESSIONS TO EAST COAST OLIVE OIL, THESE JOBS WOULD HAVE BEEN LOST TO ONEIDA COUNTY.

Part V: Estimated Project Cost and Financing

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

NOT APPLICABLE. APPLICANTS CURRENTLY OCCUPY THE FACILITY UNDER LEASEBACK FROM THE ONEIDA COUNTY IDA.

Acquisition of Land	
Acquisition of Building(s)	_____
Renovation Costs	_____
New Construction of Buildings	_____
Machinery and Equipment (other than furniture costs)	_____
Fixtures	_____
Installation Costs	_____
Fees (other than your own broker and legal fees)	_____
Legal Fees	_____
Architectural/Engineering	_____
Interest on Interim Financing	_____
Other (specify)	_____
Subtotal	_____
Agency Fee	_____ <u>5000</u> _____
Total Project Cost	_____

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

NONE

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:

SEE ATTACHMENT

Tax Acct #	Current Assessed Value (Land)	Current Assessed Value (Building)	Real Estate Taxes

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

12(c) Address of Receiver of School Taxes:

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.

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.

FINANCING NOT REQUIRED

- 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.

NOT APPLICABLE

- 13(c) Please complete the Cost/Benefit Analysis form and attach to this Application.

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:

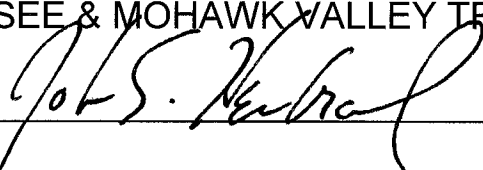
1. **Annual Sales Tax Filings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General 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.
3. **Absence of Conflict of Interest.** The Applicant has received from the Agency a list of the 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.

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.

MOHAWK, ADIRONDACK & NORTHER RAILROAD CORPORATION
GENESEE & MOHAWK VALLEY TRANSPORTATION CO., INC.

By: _____



JOHN S. HERBRAND
SECRETARY, GENERAL COUNSEL & ACTING CFO

Date: AUGUST 16, 2006

Return the original and fourteen copies of the application with a check in the amount of \$250.00 made payable to: **Oneida County Industrial Development Agency**, 153 Brooks Road, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Secretary.

Revised: SP 3/12/06