
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, Executive Director

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.

Hartford Fire Insurance Company

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, Executive Director.

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: Hartford Fire Insurance Company ["The Hartford"]

1(b) Principal Address: Hartford Plaza, 690 Asylum Avenue
Hartford, CT 06155

1(c) Telephone/Facsimile Numbers: c/o Lucia Anne Powers
(860)547-8499 (phone)
(860) 547-5966 (fax)

1(d) Email Address: lucia.powers@thehartford.com

1(e) Federal Identification Number: 06-0383750

1(f) Contact Person: Lucia Anne Powers

1(g) Is the Applicant a: Corporation:
If yes, Public Private
If public, on which exchange is it listed? Applicant's
parent company is listed on the NYSE [HIG]

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

1(h) State of Organization (if applicable) Connecticut

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>
The Hartford Financial Services Group, Inc.	Same As Above	N/A	100%

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.

The Hartford Fire Insurance Company is related directly and indirectly through stock ownership to its parent, affiliates and subsidiaries. The names of the legal entities can be supplied on request.

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: **To be determined**
Firm: _____
Address: _____
Telephone/Fax: _____

3(b) Applicant's Accountant

Name/Title: **Deloitte & Touche LLP**
c/o Paul Kraft
Firm: _____
Address: _____
Telephone/Fax: _____

Business Description

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

The Hartford serves millions of customers worldwide – including individuals, institutions, and businesses – through independent agents and brokers, financial institutions, and online.

After nearly 200 years in business, The Hartford is known for its financial strength and stability, superior customer service, and continued operational excellence.

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 New Hartford Business Center is comprised of over 600 employees dispersed between two offices; the main office on Middle Settlement Road (“MSR”) and a satellite office ½ mile away at the PAR Technology Park (“PAR”). The MSR location is approximately 85,000 square feet and houses employees from policyholder and sales support services, underwriting, and the New York Regional Office. The PAR location is approximately 36,000 square feet and houses audit, coding, professional support services, and training. The leases for the two facilities are coterminous and expire on 12/31/08.

In light of the current operational strategies, the business has been reviewing options regarding the future of this site including but not limited to: dispersing employees outside the New York area to the other Business Center locations, consolidating operations into one facility, and continuing presence in two facilities (a modified “business as usual”).

The New Hartford Business Center is highlighted as having a stable employee population with low attrition. The desired state is to consolidate operations into one facility. Having functions split between two locations causes redundancies in support services (cafeteria, mail rooms, vending), technology, and property management (as a result of two different landlords). Additionally, due to the nature of the functions, there is heavy paper traffic between the two existing buildings that requires employees to move back and forth between the sites.

The New Hartford, NY real estate market is limited with regard to existing product options that would accommodate all functions. Thus, in order to consolidate operations into one facility the business would need to partner with a developer on a new facility. Given the employee demographics, land sites within the greater New Hartford area (including Rome, NY) are being considered.

In light of the above, the business seeks support from the State and local economic development agencies so that the desired state is an economically viable alternative.

Reasons for Project

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

Consolidation of two locations into one location to address operational issues (as noted above). The project will also facilitate employment retention and potential future employment growth.

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

The business seeks support from the Mohawk Valley Edge due to the Company's retention of employees and capital investment associated with this project. Currently, The Hartford employs over 600 employees in the New Hartford Business Center. There are existing vacancies within The Hartford's US real estate portfolio that could accommodate the workload from the New Hartford Business Center. Given the company's presence in New Hartford since 1976, the business would like to remain in the area so long as the desired state of consolidating operations in one facility is economically viable. Initial scoping, which is location agnostic, projects an investment of approximately \$23M.

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

Given the company's presence in New Hartford since 1976, the business would like to remain in the area so long as the desired state of consolidating operations in one facility is economically viable. Should the project not be economically viable, other options and geographies would be considered.

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.

Given the company's presence in New Hartford since 1976, the business would like to remain in the area so long as the desired state of consolidating operations in one facility is economically viable. Should the project not be economically viable, other options and geographies would be considered.

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.

Given the company's presence in New Hartford since 1976, the business would like to remain in the area so long as the desired state of consolidating operations in one facility is economically viable. Should the project not be economically viable, other options and geographies would be considered.

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).

The Hartford previously claimed Empire Zone Wage Tax Credits in New Hartford. These benefits have expired.

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. **Recently closed on incentives regarding Windsor, CT building**

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

- Manufacturing
- Industrial Assembly or Service
- Research and Development
- Warehousing
- Commercial (Commercial Office Use)**
- 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 (Furniture, fixtures, & voice/data 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.

Assistance	Estimated Value
<input checked="" type="checkbox"/> Real Property Tax Abatement	TBD (PILOT)
<input type="checkbox"/> Mortgage Tax Exemption	\$ _____
<input checked="" type="checkbox"/> Sales and Use Tax Exemption Materials for real property improvements and purchase of tangible personal property (i.e. furniture and fixtures and data processing equipment)	TBD
<input type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds	\$ _____

Part III: Facility Information

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

- 7(a) Street Address of Facility: **Developer land purchase of: Property ID# 316.000-2-41.1**
- 7(b) City, Town and/or Village: **Town of New Hartford, New York**
(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: **New Hartford Central School District**
- 7(d) Tax Account Number(s): **316.000-2-41.1**
- 7(e) For what purpose was the facility site most recently used (i.e., light manufacturing, heavy manufacturing, assembly, etc.)? **Vacant Land**
- 7(f) Zoning Classification of location of the project: **PDP – Planned Development Park**
- 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.*
One single tenant office building for The Hartford; the building will be a three (3) story, 122,760 rentable square foot building.
- 7(h) Has construction or renovation commenced? [] Yes [X] **No**
If yes, please describe the work in detail, including the date of commencement.

If no, indicate the estimated dates of commencement and completion:
Construction commencement: **Fall 2007 (October / November)**
Construction completion: **Fall 2008 (October / November)**
- 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.
TBD – Town of New Hartford indicates there may be minor changes needed for the PUD (planned unit development). Developer will pursue required changes if needed.
- 7(j) Will the project have a significant effect on the environment? [] Yes [] No
Important: please attach Environmental Assessment Form to this Application
Please See Ryan Companies US, Inc. Application
- 7(k) What is the useful life of the facility? **40+ 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.)

VACANT LAND TO BE PURCHASED BY DEVELOPER

Legal Name:
Address:
Telephone:
Balance of Mortgage: **N/A**
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.

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
The facility will be owned by the developer and The Hartford will lease the facility

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.

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.)

Furniture and fixtures Voice/data equipment

- 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? **Varied**

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: **Please See Ryan Companies US, Inc. Application**

Permanent Jobs to be created by Project at Applicant's facility: **TBD***

***The request for assistance is based on employee retention and capital investment in the Upstate NY area. The business is projected to grow at normal rates over the next several years (5-7%).**

Permanent Jobs to be retained by Project at Applicant's facility: **689***

***Please note this number includes remote employees working within New York State that code to the New Hartford Business Center. Actual number of current seated employees is approximately 600 employees.**

- 10 (b) What is the applicant entity's current level of employment in Oneida County at the time of application: **689***

***Please note this number includes remote employees working within New York State that code to the New Hartford Business Center. Actual number of current seated employees is approximately 600 employees.**

At location to be assisted with the requested IDA benefits: **Same As Above**

Other locations in Oneida County: **Same As Above**

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 Ryan Companies US, Inc. Application

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

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

Town of New Hartford

Sanger Bldg, 111 New Hartford Street

New Hartford, NY 13413

12(c) Address of Receiver of School Taxes:

New Hartford Central School District

33 Oxford Road

New Hartford, NY 13413

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.
New office building will be constructed on existing tax record.

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** **N/A for The Hartford**

If yes, please provide details.

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

Yes **No** **N/A for The Hartford**

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.

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 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.

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 acknowledges 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.

Hartford Fire Insurance Company

(Applicant)

By: Barbara Hampton

Name: BARBARA HAMPTON

Title: IS VICE-PRESIDENT

Date: 9/17/07

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 1/25/07

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

TO BE ATTACHED TO AND MADE PART OF APPLICATION TO THE OCIDA

NAME OF APPLICANT: Hartford Fire Insurance Company ["The Hartford"]

DESCRIPTION OF PROJECT: Consolidation of two locations into one location

NAME OF ALL SUBLESSEES OR
OTHER OCCUPANTS OF FACILITY: N/A

PRINCIPALS OR PARENT OF APPLICANT: Hartford Financial Services Group [HIG]

PRINCIPALS OF ANY SUBLESSEE
OR OCCUPANT: N/A

PRODUCT/SERVICES:

The Hartford is a leading provider of investment products – annuities, mutual funds, college savings plans – as well as life insurance, group and employee benefits, automobile and homeowners' insurance, and business insurance.

ESTIMATED DATE OF COMPLETION OF PROJECT: Fall 2008 (October / November)

TYPE OF FINANCING/STRUCTURE: N/A

- Tax-Exempt Financing
- Taxable Financing
- Sale/Leaseback
- Other _____

TYPES OF BENEFITS RECEIVED:

- Taxable Financing
- Tax-Exempt Bonds
- Sales Tax Until Completion Date
- Mortgage Tax Abatement
- Real Property Tax Abatement

PROJECT COSTS – CAPITAL INVESTMENT

- Land
- Existing Building
- Rehab of Existing Building
- Construction of New Building
- Addition or Expansion
- Engineering and Architectural Fees
- Legal Fees
 - Bank, Bond, Transaction, Company, Credit Provider, Trustee
- Finance Charges
 - Title Insurance, Environmental Review, Bank Commitment Fee, Appraisals, etc.

SEE RYAN COMPANIES US, Inc
Application

Subtotal Ryan Companies: \$17.4M

Furniture and Automation **\$3.3M**
for furniture and fixtures (does not include desktops/laptops/monitors)

\$2.5 million
voice/data costs for items such as the phones, PBX, etc)
(does not include desktops/laptops/monitors)

Agency Fee _____ \$5,000 _____

TOTAL COST OF PROJECT Approximately \$23M

Job Revolving Fund Loan _____
Other Grants or Loans _____

COMPANY INFORMATION

EARNINGS INFORMATION

Existing Jobs: 689

Existing Job Wage/Salary: \$44,666/ year

***Please note this number includes remote employees working with New York State that code to the New Hartford Business Center. Actual number of current seated employees is approximately 600 employees.**

Created Jobs (Year 3) _____

The request for assistance is based on employee retention and capital investment in the Upstate NY area. The business is projected to grow at normal rates over the next several years (5-7%).

Retained Jobs: 689

Retained Job Wage/Salary: \$44,666/ year

***Please note this number includes remote employees working with New York State that code to the New Hartford Business Center. Actual number of current seated employees is approximately 600 employees.**

(Per Shawna Papale Do Not Need to Complete Further)

County Spec Average Direct Jobs \$ _____
County Spec Average Indirect Jobs \$ _____
County Spec Average Construction Jobs \$ _____

MULTIPLIER INFORMATION

Indirect Job Rate 2.5

Sales Tax Rate (9%)

Mortgage Tax Rate (1%)

Assumed Real Property Tax Rate Per Thousand for Municipality where project is located:

Assumed Real Property Assessment of facility where IDA assistance is being sought:

Assumed NYS Income Tax rate on earnings 4.25%: _____

Note: \$1,000,000 in construction expenditures generates 22 person – years of employment

CALCULATION OF BENEFITS (3 – YEAR PERIOD)

NYS PERSONAL INCOME TAX RECEIVED

	<u>Total Earnings</u>	<u>Revenues</u>
Direct Jobs		
Created	_____	_____
Existing	_____	_____
Indirect Jobs		
Created	_____	_____
Existing	_____	_____
Construction		
Person Years	_____	_____
TOTALS	_____	_____

TAXABLE GOODS AND SERVICES

	<u>Spending Rate</u>	<u>Expenditures</u>	<u>State and Local Sales Tax Revenues</u> <small>(Expenditure Column x .0825)</small>
Direct Jobs			
Created <small>(total earnings for direct jobs created x .36)</small>	36.0%	_____	_____
Existing <small>(total earnings for direct jobs existing x .36)</small>	36.0%	_____	_____
Indirect Jobs			
Created <small>(total earnings for indirect jobs created x .36)</small>	36.0%	_____	_____
Existing <small>(total earnings for indirect jobs existing x .36)</small>	36.0%	_____	_____
Construction			
Person yrs. <small>(total earnings for construction person yrs. x .36)</small>	36.0%	_____	_____
Totals	_____	_____	_____

Local (3 year) real property tax benefit (assuming _____% of jobs existing and created own a residence) with an average assessment of \$_____ and the remainder of jobs existing created pay real property taxes through rent based on an average assessment per apartment of \$_____.

Real Property Taxes Paid \$ _____

COSTS

Real Property Taxes Abated on Improvements
Only (3-year period) \$ _____

Mortgage Tax Abated \$ _____

Estimated Sales Tax Abated During Construction Period
\$ _____

NOTE: If there is a 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 quantified.