
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.

Varflex Corporation

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: Varflex Corpoation

1(b) Principal Address: 512 West Court Street

P.O. Box 551

Rome, New York 13442-0551

1(c) Telephone/Facsimile Numbers: 315-336-4400

315-336-0005

1(d) Email Address: dburgdorf@varflex.com / schoff@varflex.com

1(e) Federal Identification Number: 15-0478990

1(f) Contact Person: Dab Burgdorf / Chuck Schoff

1(g) Is the Applicant a Corporation:
If yes, Public Private
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>	Percentage of <u>Ownership</u>
-------------	----------------	-----------------------------------

See Attached

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.

No

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: Roderick C. McDonald
Firm: Bond Schoeneck & King, PLLC
Address: One Lincoln Center
Syracuse, N.Y. 13202-1355
Telephone/Fax: 315-218-8163 voice
315-218-8463 fax

3(b) Applicant's Accountant

Name/Title: Bruce M. Pietraszek, CPA
Firm: Firley, Moran, Freer & Eassa, P.C.
Address: 501 Campuswood Drive Suite 4
East Syracuse, N.Y. 13057
Telephone/Fax: 315-472-7045 voice
315-472-7053 fax

Business Description

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

See Attached

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.

See Attached

Reasons for Project

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

See Attached

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

See Attached

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

See Attached

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.**

See Attached

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).

See Attached

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.

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.

Assistance	Estimated Value
<input checked="" type="checkbox"/> Real Property Tax Abatement	\$ <u>800,000</u>
<input type="checkbox"/> Mortgage Tax Exemption	\$ _____
<input checked="" type="checkbox"/> Sales and Use Tax Exemption	\$ <u>400,000 Est.</u>
<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:

5780 Success Drive

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

Rome

*(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:

Rome City

7(d) Tax Account Number(s):

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.)?

Warehouse / Light Manufacturing

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

Manufacturing

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.***

See Attached

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: _____

N/A

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 [X] No

If yes, please describe.

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

Important: please attach Environmental Assessment Form to this Application.

7(k) What is the useful life of the facility? 40 est. years

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

If yes, which Empire Zone: _____

Is the business Empire Zone certified at this location: [] Yes [x] No

Attached a copy of the last Business Annual Report filed. If not certified, explain why not:

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: Rome Industrial Development Corporation

Address: 153 Brooks Road Suite 5

Rome, N.Y. 13440

Telephone: 315-338-0393

Balance of Mortgage: _____

Holder of Mortgage: _____

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.

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>
---------------------------	----------------------------	---------------------------------	-------------------------------

8(g) Are any of the tenants related to the owner of the facility? N/A
 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. N/A

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.)

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.

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

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 5 FTE

Average Salary of these jobs: \$ 25,000 est.

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 18 FTE

Average Salary of these jobs: \$ 25,000

Other locations in Oneida County 97 FTE

Average Salary of these jobs: \$ 32,500

Employment in other NYS locations, list below _____ FTE

Average Salary of these jobs: \$ _____

10(c) Please list the NIC codes for the jobs affiliated with this project. 335932

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.

Acquisition of Land	_____
Acquisition of Building(s)	800,000
Renovation Costs	693,000
New Construction of Buildings	_____
Machinery and Equipment (other than furniture costs)	_____
Fixtures	_____
Installation Costs	_____
Fees (other than your own broker and legal fees)	16,500
Legal Fees (IDA legal fees, Applicant legal fees)	18,500
Architectural/Engineering	_____
Interest on Interim Financing	_____
Other (specify)	_____
Subtotal	1,528,000
Agency Fee ¹	7,640
Total Project Cost	1,535,640

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?

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:

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

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

City Treasurer
City Hall
Rome, N.Y. 13440

12(c) Address of Receiver of School Taxes:

City Treasurer
City Hall
Rome, N.Y. 13440

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.

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.

Varflex Corporation

(Applicant)

By: _____

Name: Charles J. Schoff

Title: Treasurer

Date: August 12, 2013

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.

Agency Fee Schedule

Commitment Fee: \$1,000 – due following the initial inducement but prior to scheduling of the public hearing; this amount is non-refundable if the applicant fails to close on the project before the IDA. Upon closing with the IDA this amount is applied to the legal closing fees.

Bond Fees: ½ of 1% of total bond amount

IDA Agency Fee: PILOT, Mortgage Recording Exemption, Sales Tax Exemption:

- o Up to a \$1.0 Million project - \$5,000
- o Above \$1.0 Million project up to \$10.0 Million project – ½ of 1% of total project cost.
- o Above \$10.0 Million project – ½ of 1% of total project cost up to \$10.0 Million plus incremental increase of ¼ of 1% of total project above \$10.0 Million.

Agency Counsel fee:

Set by Bond/Transaction Counsel based upon the nature and complexity of the transaction. This applies to bond and non-bond transactions (leasebacks, sale-leasebacks, etc).

Agency Counsel fees in Bond and non bond transactions will not normally exceed the greater of (a) 2% of the Bond amount or project costs or (b) a minimum is in customary transactions \$8,500 to \$10,000.

Annual Fee:

For the term in which the property remains in the IDA's name, an annual lease payment is due in the amount of \$500. The first payment is due at closing. This amount is due on the anniversary date of the first date of the month in which the IDA documents were executed. For annual fees not paid and delinquent, a late charge of \$50 per month will be levied until such time the fee plus late charges are paid.

Other fees:

For an IDA property which requires follow up action – a 1/8 of one percent of the total reissuance, redemption, new or revised mortgage, refinancing, spreading agreement or other transaction requiring action of the IDA shall be 1/8 of one percent of total project amount for a minimum payment to the IDA of \$500.

2(a)

			Officer	Director	Shareholder	
Burgdorf,	Daniel	J.	Vice-President/General Manager	xxx		512 West Court Street; Rome, NY 13440
Griffin,	Dorothy	G.	President	xxx	50.00%	512 West Court Street; Rome, NY 13440
Griffin,	William	L.	Executive Vice-President	xxx	50.00%	512 West Court Street; Rome, NY 13440
Locke,	William	F.		xxx		185 Genesee Street, Suite 210; Utica, NY 13501
McDonald,	Roderick	C.		xxx		One Lincoln Center; Syracuse, NY 13202
Rieck,	Robert	J.	Secretary	xxx		512 West Court Street; Rome, NY 13440
Schoff,	Charles	J.	Treasurer	xxx		512 West Court Street; Rome, NY 13440
Williams,	Warren	E.		xxx		512 West Court Street; Rome, NY 13440

4(a) Vertically integrated manufacturer of electrical insulating sleeving.

5(a) Acquisition of 5780 Success Drive will add sufficient space for Varflex to relocate its Twist Frame and Winding Departments and respective raw material warehousing, currently located on West Court Street. Equipment transferred will include that already in service as well as used idle equipment not in service due to space restrictions. The result will be increased capacity for both departments. Raw materials for these departments, which are presently delivered and warehoused on West Court Street, will go directly to 5780 Success Drive.

Not all production to be carried out at 5780 Success Drive will need to be transferred to West Court Street. Certain customers order product at a limited stage of production directly from the Twist Frame and Winding Departments. These orders will be shipped directly from 5780 Success Drive thereby reducing its impact on the shipping department at West Court Street.

Space freed at West Court Street will be used for our Braider Department. Presently, at any one time, up to one-third of Varflex's inventory of braiders are idle and crated. These idle braiders need to be put into service to adequately meet current production demands and boost capacity for the Company's planned growth.

6(a) Free space at the West Court Street facility is limited. Being surrounded by residential property greatly restricts growth potential. Certain customers desire greater output which can not be presently provided. As a result these customers source their requirement off-shore at greater cost and lesser quality. These customers have exerted significant pressure on present capacity that can only be alleviated by expansion.

6(b) To take advantage of available tax (real estate and sales tax) incentives.

6(c) Project will significant cash flow. If Agency does not approve tax incentives Varflex will be burdened by additional cash outflows curtailing operating flexibility.

6(d) Varflex is the smallest of three manufacturers of insulated electrical sleeving in the United States. Capacity at its present facilities is at the maximum. In order to remain competitive that capacity has to expand. Varflex is forced to expand its facilities, which it can not do at 512 West Court Street.

6(f) Present facility location (512 West Court Street) is within the Rome Economic Development Zone; effective December 2, 1996 (expires on April 1, 2014). On March 1, 2001 QEZE designation (four years remain) was received.

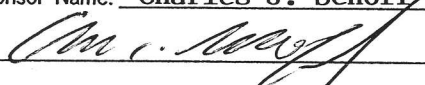
Sec. 485-b of the Real Property Tax Law Tax Abatement received on two buildings at present location. One building completed in December, 1997 and the second completed October, 2008. Application for a third building completed July, 2013 is in process.

7(g) Light manufacturing facility at 5780 Success Drive; Rome, NY. Consisting of 52,000 sq. ft. on approximately 7.64 acres of land.

PROJECT I.D. NUMBER

617.21
Appendix C
State Environmental Quality Review
SHORT ENVIRONMENTAL ASSESSMENT FORM
For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project sponsor)

1. APPLICANT/SPONSOR Varflex Corporation	2. PROJECT NAME
3. PROJECT LOCATION: Municipality Rome, N.Y. County Oneida	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) 5780 Success Drive Rome, NY	
5. IS PROPOSED ACTION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Expansion <input type="checkbox"/> Modification	
6. DESCRIBE PROJECT BRIEFLY: Purchase of existing building (52,000 Sq. Ft.) on approximately 7.64 acres of land	
7. AMOUNT OF LAND AFFECTED: Initially acres 7.64 Ultimately 7.64 acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open space <input type="checkbox"/> Other Describe:	
10. Does Action Involve A Permit Approval, Or Funding, Now Or Ultimately From Any Other Governmental Agency (Federal, State Or Local)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, List Agency Name And Permit/Approval Building And Occupancy Permit From	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, list agency name and permit/approval	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE	
Application/sponsor Name: <u>Charles J. Schoff</u>	Date: <u>August 12, 2013</u>
Signature: <u></u>	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

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

Name of Applicant: Varflex Corporation

Description of Project: Purchase of 5780 Success Drive

Name of All Sublessees or Other Occupants of Facility:

Principals or Parent of Applicant: _____

Products or Services of Applicant to be produced or carried out at facility:

Estimated Date of Completion of Project: Dec-15

Type of Financing/ Structure:

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

Type of Benefits being Sought by Applicant:

_____ Taxable Financing
_____ Tax-Exempt Bonds
 _____ Sales Tax Exemption on Eligible Expenses Until Completion
 _____ Mortgage Recording Tax Abatement
 _____ Real Property Tax Abatement

Project Costs

Land	
Existing Building	800,000
Existing Bldg. Rehab	693,000
Construction of New Building	
Addition or Expansion	
Engineering/ Architectural Fees	
Equipment	
Legal Fees (Bank, Bond, Transaction, Credit Provider, Trustee)	18500
Finance Charges (Title Insurance, Environmental Review, Bank Commitment Fee, Appraisal, Etc.)	16,500
Agency Fee	7640
Other (provide detail)	
TOTAL COST OF PROJECT	1535640

two yr rehab

1,528,000

Assistance Provided by the Following:

EDGE Loan:	
MVEDD Loan:	
Grants - Please indicate source & Amount:	
Other Loans - Please indicate source & Amount:	

Company Information

		Average Salary of these Positions	
Existing Jobs	18	25000	450000
Created Jobs (over three years)	5	25000	125000
Retained Jobs	18	25000	450000
			1025000

Earnings Information for Oneida County

Average Salary of Direct Jobs for Applicant	23000
Average of County Indirect Jobs	25000
Average of Construction Jobs	32000

Note: \$1,000,000 in construction expenditures generates 15 person - years of employment

Construction Person Years of Employment:

Calculation of Benefits (3 Year Period)

	Total Earnings	Revenues
Direct Jobs		
Created	345000	14662.5
Existing	1350000	57375
Indirect Jobs		
Created	937500	39843.75
Existing	3375000	143437.5
Construction - only one year		
Person Years	208000	8840
TOTALS Calculation of Benefits (3 Year Period)	6215500	264159

TAXABLE GOODS & SERVICES

	Spending Rate	Expenditures	State & Local Sales Tax Revenues
Direct Jobs			
Created	36%	124200	12109.5
Existing	0.36	486000	47385
Indirect Jobs			
Created	0.36	337500	32906.25
Existing	0.36	1215000	118462.5
Construction - only one year			
Person Years	0.36	74880	7301
TOTAL TAXABLE GOODS & SERVICES		2237580	218164

Local (3 year) real property tax benefit (assuming 60% of jobs existing and created own a residence) with an average assessment of \$80,000 and the remainder of jobs existing created pay real property taxes through rent based on an average assessment per apartment of \$50,000.

Tax Rate for School District where facility is located:

Tax Rate for Municipality where facility is located:

Tax Rate for County:

53.53

Real Property Taxes Paid:

83720.92

COSTS:

Real Property Taxes Abated on Improvements Only (10 yr. Period):

212,685

Amount of Taxes that would be abated by applying PILOT.

Mortgage Tax Abated (1.0%)	0
Estimated Sales Tax Abated During Construction Period (8.75%)	35,000

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.