ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
333 WEST WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202
PHONE: 315.435.3770 • FAX: 315.435.3669 • ONGOVED.COM

OCIDA Regular Meeting Agenda
September 13, 2022

8:00 AM Call to Order the Meeting of the Agency

1. Approval of Minutes August 18, 2022 Regular Meeting
2. Treasurer's Report
3. Payment of Bills
4. Conflict of Interest

1. **Camillus Mills Redevelopment Company, Inc. / Camillus Mills Phase II, LLC (3101- 21-08A) Modification Meeting**

Agency Action Requested:
a. A resolution of the Board to authorize adoption of SEQRA determination.
b. A resolution of the Board consenting to modification of project.

Representative: Doug Sutherland, Member, Camillus Mills Phase II, LLC.

2. **1046 Old Seneca Turnpike, Inc. (3101-22-04A) Second Meeting**
The applicant is proposing to build an 88 room full-service hotel in the Town of Skaneateles. This a 98,000 square foot project on a 31 acre site at 1046 Old Seneca Turnpike. The applicant is requesting exemption from certain sales and use taxes and mortgage recording taxes.

Agency Action Requested:
a. A resolution of the Board to authorize adoption of SEQRA determination and authorizing the Agency to provide financial assistance in support of the project in the form of an exemption from New York State sales and use taxes and a partial exemption from New York State mortgage recording taxes.

Representative: Genevieve Trigg, 1046 Old Seneca Turnpike Legal Counsel, Barclay Damon

3. Syracuse Haulers Waste Removal, Inc. (3101-22-05A) Initial Meeting
Syracuse Haulers Waste Removal, Inc. is proposing new construction of an approximately 24,624 square foot transfer station in the Town of Dewitt. The applicant is requesting exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes.

Agency Action Requested:
a. A resolution of the Board authorizing a public hearing.

Representative: Sarah Stephens, Consultant, SS Funding Sources

4. CVE US EI 4 Manlius North, LLC (3101-21-16A) Modification Meeting
CVE US EI 4 Manlius North, LLC is proposing to modify its originally approved project and is now proposing to construct a 1.5 MW, 13.7-acre solar array on a 38.785-acre parcel of land in the Town of Manlius. The applicant is requesting additional exemptions from certain sales and use taxes and mortgage recording taxes.

Agency Action Requested:
a. A resolution of the Board authorizing an additional public hearing.

Representative: Carson Weinand, Senior Business Developer, CVE Group

5. CVE US EI 5 Manlius East, LLC (3101-21-17B) Modification Meeting
CVE US EI 5 Manlius East, LLC is proposing to modify its originally approved project and is now proposing to construct a 5MW, 36.7-acre solar array on a 68.278 -acre parcel of land in the Town of Manlius. The applicant is requesting additional exemptions from certain sales and use taxes and mortgage recording taxes.

Agency Action Requested:
a. A resolution of the Board authorizing an additional public hearing.

Representative: Carson Weinand, Senior Business Developer, CVE Group

6. CVE US EI6 Manlius West, LLC (3101-21-18C) Modification Meeting
CVE US EI 6 Manlius West, LLC is proposing to modify its originally approved project and is now proposing to construct a 5MW, 40.7-acre solar array on a 75-acre parcel of land in the Town of Manlius. The applicant is requesting additional exemptions from certain sales and use taxes and mortgage recording taxes.

Agency Action Requested:
a. A resolution of the Board authorizing an additional public hearing.

Representative: Carson Weinand, Senior Business Developer, CVE Group

7. ICM Controls Corp. (3101-04-04B) Modification Meeting
ICM Controls Corp. is requesting the Board to consent to the sale of its ownership interest in the land and improvements, with ICM Controls Corp. remaining at the project location as a tenant.

Agency Action Requested: A resolution of the Board approving the assignment of certain rights, title and interest in a Project Facility by ICM Controls Corp. to William Barry Blvd North Syracuse NY LLC.

Representative: Jeffrey Davis, OCIDA Counsel, Barclay Damon

9. DISTRICT EAST (3101-22-06A) Informational Meeting
District East representative will provide a project update.

Representative: Kevin Pole, OHB Redev, Inc. Legal Counsel, Bond, Schoeneck & King, PLLC

10. OCIDA Board SEQRA Working Group for District East

Representative: Robert Petrovich, Executive Director, OCIDA

Adjourn

DRAFT
Onondaga County Industrial Development Agency
Regular Meeting Minutes
August 18, 2022

A regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, August 18, 2022 at 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Patrick Hogan called the meeting to order at 8:04 am with the following:

PRESENT:
Patrick Hogan
Janice Herzog
Victor Ianno
Steve Morgan
Susan Stanczyk
Kevin Ryan
Fanny Villarreal

ABSENT:

ALSO PRESENT:
Robert M. Petrovich, Executive Director
Nate Stevens, Treasurer
Nancy Lowery, Secretary
Karen Doster, Recording Secretary
Alexis Rodriguez, Assistant Treasurer
Jeff Davis, Barclay Damon Law Firm
Brian Gerling, Barclay Damon Law Firm
Christopher Andreucci, Harris Beach Law Firm
Len Rauch, Office of Economic Development
Rebecca Shiroff, Office of Economic Development
Matthew Pelligra, Office of Economic Development
Genevieve Trigg, Barclay Damon Law Firm
Thomas Fernandez, 1046 Old Seneca Turnpike, Inc.
Norm Swanson, 1046 Old Seneca Turnpike, Inc.
Glenn Frank, OYA Solar
Ryan Benz, OHB Redev, Inc.
Mitch Latimer, Carpenter's Union

APPROVAL OF REGULAR MEETING MINUTES – JULY 21, 2022

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved the regular meeting minutes of July 21, 2022. Fanny Villarreal abstained. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of July 2022.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved the Treasurer's Report for the month of July 2022. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #472

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #472 for $2,973,118.17 and PILOT payments to Onondaga County for $1,306.56, City of Syracuse for $2,032.07, Jamesville Dewitt Central School District for $131.07, Town of DeWitt for $20.03 and Town of Onondaga for $4.08. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

The Conflict of Interest was circulated and there were no conflicts reported.

1046 OLD SENECA TURNPIKE, INC. INITIAL MEETING

Robert Petrovich stated Barclay Damon is conflicted out so Chris Andruecci of Harris Beach will be representing the Agency as conflict counsel.

Genevieve Trigg stated she is from Barclay Damon and here on behalf of 1046 Old Seneca Turnpike Inc. She stated the applicant is proposing to develop an 88 room full service hotel in the Town of Skaneateles. She stated unlike other lodging and hotel facilities in the area, the applicant proposes a modern resort type facility intended to satisfy the market demand and accommodate leisure groups, business groups as well as families. She stated Skaneateles is already a tourist destination. She stated this project will provide a destination that will be able to accommodate the masses of tourists that visit from outside the region to Skaneateles annually. She stated given the limited number of rooms that are available in the town, this project will

support the local community by offering luxury overnight accommodations as well as helping offset overflow from facilities such as Spa Mirabeau and the Sherwood. She stated since those existing facilities do not offer room blocks to guests other than for events at those facilities, the applicant's project will accommodate seasonal tourist and visitors seeking to enjoy the recreational opportunities, attractions and amenities throughout the town. She stated furthermore the town has banned short term rentals increasing demand so this project is needed to fill that demand and support tourism in the town. She stated the project is anticipated to create 50 full time jobs in the first 3 years. She stated all municipal approvals and SEQR have been completed. She stated the applicant is not seeking a PILOT, it is solely seeking sales and mortgage tax exemption to offset the capital cost.

Thomas Fernandez stated one of the major drivers to the market is the leisure group which is majority wedding blocks. He stated there is a lack of overall accommodations for those blocks in the market. He stated Skaneateles has roughly 12 major wedding venues such as the Sinclair, the Lodge, the Skaneateles Country Club and as previously said there is no room blocks in that market. He stated they have been working closely with staff at the Lodge at Welch Allyn and one of the biggest problems to bring more area guests is the lack of overnight accommodations to facilitate that site. He stated they know that is one driver that is going to be in both leisure and business travel to the market from outside this area. He stated the other is the overall lack of accommodations in the market. He stated they are looking to bring in rooms that match the family traveler, the getaway and the group travel. He stated this paired with a need for overall independent business travel being driven from the former Welch Allyn site and Tessy Plastics. He stated there is a need for this and it sits in a location within the town that plays well with all the different facilities. He stated their hotel will not offer banquet space and they will be there just as an amenity to all of these different facilities available in the market. He stated with an overall new demand for travel within the Finger Lakes and lack of accommodations they feel this project meets standards for this exemption.

Victor Ianno asked if there will be a restaurant in the facility. Thomas Fernandez stated there will a 100 seat restaurant in the facility and will be open to the public as well as guests.

Victor Ianno asked if there will be business meeting rooms. Thomas Fernandez stated not necessarily business meeting rooms but private dining rooms for small gatherings. He stated they are trying to utilize this just for overnight accommodations.

Robert Petrovich stated he is supportive of sales and use tax. He stated counsel has been working with staff to evaluate whether the appropriate path to proceed is tourism or the but/for provision relative to shortage of hotels in the area.

Chris Andreucci stated the statute doesn't allow the IDA to provide financial assistance for projects where retail makes up more than 1/3 of the total project cost and this would be 100%. He stated the project will have to fit in one of the 3 exemptions. He stated one is a highly distressed census tract which he does not believe that is the case. He stated the other is tourism and destination which means the project itself attracts folks from outside the economic development region. He stated as a side note way back when they put the tourism destination language in the statute, it was specifically for hotels but we have had case law since then that suggest the hotel in and of itself has to be the one that draws people to the area to make the tourism destination finding. He stated it is not an absolute; it is just in dicta in a case that came across. He stated the third would be the project provides services to the residents of the town that are not otherwise reasonably accessible. He stated there is a feasibility study that has been submitted that supports the conclusion that there is not enough overnight accommodations to the area. He stated this project in and of itself would support those findings or if there are enough folks within the region that are going to take advantage of the overnight accommodations the Board could do the but/for test. He stated today is not the findings but to approve a resolution to hold a public hearing and the Board will have to make a decision as to whether or not any of these exemptions apply.

Fanny Villarreal stated she is excited about this project and asked if the jobs are full time or part time. Genevieve Trigg stated they are anticipating 50 full time positions.

Patrick Hogan stated Mr. Swanson has a great record as far as development and it is amazing what he has done for this community over the years. He stated he is in favor of this.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing a public hearing for the 1046 Old Seneca Turnpike, Inc. project. Kevin Ryan abstained. Motion was carried.

FAYETTE MANLIUS, LLC ADMINISTRATIVE CORRECTION

Jeff Davis stated as they were preparing for closing it was identified that two different public hearing notice dates were sent out at the time. He stated one went to the paper saying one thing and one went to the taxing jurisdictions saying another thing. He stated they worked with the applicant and renoticed and redid the public hearing. He stated this resolution is reaffirmation of a prior approval so that procedurally everything is done correctly.

Robert Petrovich stated this course of action was supported and endorsed by the applicant. Jeff Davis stated they were given the option. He stated they felt it was a Scribner's error but the project was given the option and given the time period they would rather renotice and redo the public hearing which was done.

Nancy Lowery stated the public hearing was held and there were no comments.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution ratifying and reaffirming the approving resolution for the Fayette Manlius, LLC project. Motion was carried.

OYA CAMILLUS A LLC MEETING TO MODIFY

Jeff Davis stated OYA A and B have the same request from the applicant but requires separate votes.

Glenn Frank stated OYA is requesting permission with regard to OYA Camillus A and B LLC who is the referenced party in the original resolutions. He stated those memberships interests held by OYA Camillus A & B were originally held by OYA Solar CDG LLC which was in turn owned by OYA Solar for the purpose of a financing transaction with Greenbacker. He stated OYA Solar will cause OYA Renewables Construction 2 LLC to be formed and they are asking that membership interests be transferred to OYA Renewables Holding LLC which in turn is required by the Greenbacker transaction. He stated that the LLC will be owned jointly by a subsidiary of OYA Solar B1 Intermediate Hold Call LLC and Rosewood Energy LLC which is an affiliate of Greenbacker. He stated this is the same situation for OYA Camillus A and OYA Camillus B. He stated is the reason for the request for the change in control resolution.

Jeff Davis stated the Board has seen several of these with solar facilities where they need to change things around so this is similar to what the Board has seen before. He stated the resolutions before the Board are for consideration and in the resolutions it is noted in both A and B that it is a change in ownership. He stated it does not impact the prior SEQR resolutions and is not a material change to the financial assistance that has been provided. He stated the corporate structure items have been reviewed by counsel and there are no questions or concerns. He stated as consistent with IDA policy, there will be a small fee due to the IDA for the change in ownership, reprocessing and repapering of it from the legal side. He stated the applicant has agreed to work through that as well.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing the sale of a controlling interest in OYA Camillus A LLC to OYA Renewables Construction Holdings 2 LLC. Motion was carried.

OYA CAMILLUS B LLC MEETING TO MODIFY

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing the sale of a controlling interest in OYA Camillus B LLC to OYA Renewables Construction Holdings 2 LLC. Motion was carried.

DISTRICT EAST INITIAL MEETING

Ryan Benz stated OHB continues to move forward with the redevelopment of Shoppingtown Mall. He stated they are looking to bring a mixed use facility to the former Shoppingtown site including the residential component, office, retail, movie theater and shops. He stated a significant public component is multiple parks, walking paths and such. He stated they are here today to make a formal request to the Board in assisting them moving forward with the SEQR process and subsequent to that they will ask for future benefits associated with the project as outlined. He stated since they last spoke they continue to advance their conversations with the two related parties, Transform Co and Benderson, who owns the former Sears and Macy's buildings respectively. He stated while they are not ready to ink any deal they do continue to engage with them directly. He stated they remain optimistic that they can come to a deal and to

avoid a future eminent domain proceeding however they are not prepared at this point to unrequest the future eminent domain request. He stated they are optimistic and continue to move forward and continue to meet on a daily basis. He stated they have a lot of interest from future tenants and they are negotiating letters of intent to put the whole package together. He stated he thinks they are in a strong place and the benefits request will allow them to continue to move forward.

Jeff Davis stated one of first steps that has to happen in a project like this is somebody needs to be lead agency for SEQR. He stated the applicant has requested that OCIDA consider that and the Agency has done that on other projects as the Board is aware. He stated counsel has reviewed the long EAF the applicant has submitted and the materials and it is sufficient to proceed with a resolution before the Board in terms of consideration to declare intent to be lead agency for SEQR. He stated the resolution before the Board states it is a Type I action and would require a coordinated review with all involved agencies under SEQR. He stated this resolution would be the first step which is the Board's intent to declare lead agency status and classify the project as a Type I that would trigger a requirement on behalf of OCIDA to send out notices to all other involved and interested agencies that have been identified in the long form EAF. He stated then there is a 30 day wait period to see if anybody objects to OCIDA being lead agency. He stated that process would start where the Agency would have get through the SEQR process before the Board can consider the actual request and before an official vote.

Patrick Hogan stated he is in favor because this is a huge important project for the County. He stated he appreciates all the work Mr. Petrovich and the Economic Development Department have done and certainly would commend County Executive Ryan for taking this on. He stated he knows this is convoluted and a steep hill to climb but it will benefit the County.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution declaring the District East a Type I action under SEQRA and the Agency's intent to be Lead Agency for a coordinated environmental review. Motion was carried.

EXECUTIVE SESSION

Jeff Davis stated he would like to take a motion by the Board to go into Executive Session under the New York Public Office's Law Section 105 for the purpose of discussing the proposed acquisition of land.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board went into Executive Session at 8:31 am to discuss the acquisition of real property. Motion was carried.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board adjourned Executive Session at 8:45 am. Motion was carried.

(Steve Morgan left meeting.)

PURCHASE CONTRACTS EXECUTION

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing the adoption of SEQRA determination. Motion was carried.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing the Executive Director to enter into purchase contracts and any related documents with respect to parcels of property.

ADJOURN

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board adjourned the meeting at 8:47 am. Motion was carried.

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Nancy Lowery, Secretary

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
333 WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202
PHONE: 315.435.3770 • FAX: 315.435.3669

August 31, 2022

Revenue / Expense / Income	Current Period	Current YTD	2022 Budget Amount	Current YTD Change to Budget
Operating Revenue	149,191	2,150,331	1,444,000	706,331
Operating Expense	45,139	387,160	800,000	(412,840)
Program Expense	71,212	857,899	644,000	213,899
Net Ordinary Income	32,840	905,273	-	905,273

Current Assets	Current YTD	Prior YTD
Total Cash	4,109,772	3,050,234
Less Pass Through Received	-	2,500
Available Cash	4,109,772	3,047,733
Receivables (less pass through rec.)	153,141	638,375
Grant Reimbursements	-	-
Total	4,262,913	3,686,108

Reserve for Contracts	
County Operations 2022	412,840
333 W. Washington St 2022 Rent	47,496
OBG WPCP CO #4 Additional Studies	180,349
JMT 800 Hiawatha Engineering	6,657
Barclay Damon WPCP Options	-
Total	647,343

Receivables	
0-120 days	153,141
> 120 days	-
Total	153,141

Onondaga County Industrial Development Agency

Profit and Loss

August 2022

	TOTAL
Income	
500 Operating Revenue	
2116 Fees	
2116.1 Agency Fees	145,964.00
Total 2116 Fees	**145,964.00**
2410 Lease Income	750.00
2655 Other Operating Revenue	
2660 FTZ	2,000.00
Total 2655 Other Operating Revenue	**2,000.00**
Total 500 Operating Revenue	**148,714.00**
501 Non-Operating Revenue	
2401 Interest Income	176.68
501.2 Other Non-Operating Revenue	300.00
Total 501 Non-Operating Revenue	**476.68**
534 Pilot & Pass Thru Revenue	
529 PILOT Income	1,562,424.46
Total 534 Pilot & Pass Thru Revenue	**1,562,424.46**
Total Income	**$1,711,615.14**
GROSS PROFIT	**$1,711,615.14**
Expenses	
6400 Operating Expense	
6406 Other Professional Services	
6406.50 Consulting Services	2,500.00
Total 6406 Other Professional Services	**2,500.00**
6407 Administrative Expense	45,138.87
6408 Meeting Expenses	3,320.84
6409 Conference Attendence	4,284.49
6410 Office Expense	690.89
6411 Memberships / Sponsorships	15,000.00
Total 6400 Operating Expense	**70,935.09**
6440 Legal Fees	
6450 Barclay Damon	
6460 IDA General Legal	1,200.00
Total 6450 Barclay Damon	**1,200.00**
Total 6440 Legal Fees	**1,200.00**
6500 Agency Program Expenses	
6510 White Pine Commerce Park	33,901.32
6510.7 WPCP Marketing	3,684.73
Total 6510 White Pine Commerce Park	**37,586.05**

Onondaga County Industrial Development Agency

Profit and Loss

August 2022

	TOTAL
6530 800 Hiawatha Blvd. West	
6530.3 Engineering	6,629.61
Total 6530 800 Hiawatha Blvd. West	**6,629.61**
Total 6500 Agency Program Expenses	**44,215.66**
6600 Non-Operating Expenses	
6605 Pilot & Pass Thru Expenses	
6605.2 PILOT Expense	1,562,424.46
Total 6605 Pilot & Pass Thru Expenses	**1,562,424.46**
Total 6600 Non-Operating Expenses	**1,562,424.46**
Total Expenses	**$1,678,775.21**
NET OPERATING INCOME	**$32,839.93**
NET INCOME	**$32,839.93**

Onondaga County Industrial Development Agency

Balance Sheet

As of August 31, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
200 Cash	0.00
200.1 Cash - M & T Checking	3,228,176.11
200.2 Cash - M & T Money Maker Savings	890,503.74
200.4 Destiny USA Restricted Cash	-8,957.82
210 Petty Cash	50.00
Total 200 Cash	**4,109,772.03**
Total Bank Accounts	**$4,109,772.03**
Accounts Receivable	
380 Accounts Rec.	
380.6 A/R Fees, Lease & PILOT	1,811,313.46
Total 380 Accounts Rec.	**1,811,313.46**
Total Accounts Receivable	**$1,811,313.46**
Total Current Assets	**$5,921,085.49**
Fixed Assets	
100 Land	
101 White Pines Commerce Park	14,287,319.75
101.1 WPCP GEIS	
101.101 CHA GEIS 1	267,452.05
101.102 CHA GEIS 2	219,439.36
101.104 GEIS Reg Plan Board Overview	19,797.74
Total 101.1 WPCP GEIS	**506,689.15**
101.2 WPCP Legal	69,774.25
101.3 Engineering Services	52,675.00
101.301 Temporary Access	4,055.44
101.4 Environmental/Demo Services	10,318.98
Total 101.3 Engineering Services	**67,049.42**
101.5 Land Acquisition Costs	
101.501 Land Purchases	1,160,063.57
101.502 Closing Costs	3,168.14
Total 101.5 Land Acquisition Costs	**1,163,231.71**
Total 101 White Pines Commerce Park	**16,094,064.28**
106 North Salina Properties	0.00
106.1 435 North Salina	17,083.55
106.3 435 North Salina Building	634,421.53
Total 106 North Salina Properties	**651,505.08**
107 800 Hiawatha	604,840.42
Total 100 Land	**17,350,409.78**

Onondaga County Industrial Development Agency

Balance Sheet

As of August 31, 2022

	TOTAL
104 Machinery & Equipment	
104.1 Office Furniture	1,429.00
104.2 Equipment	4,589.00
Total 104 Machinery & Equipment	**6,018.00**
211 A/D Office Furniture	-3,493.00
213 A/D Buildings	-97,603.00
250 Investment in Real Property	6,180,006.00
Total Fixed Assets	**$23,435,337.78**
Other Assets	
240 Blue Sky Redevelopment	1,641.76
Total Other Assets	**$1,641.76**
TOTAL ASSETS	**$29,358,065.03**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
600 Accounts Payable	0.00
600.1 Due to Related Party - OED	387,159.19
600.102 Due to BD WPCP	42,216.66
600.205 Exp Pay Prev Period	133.14
600.206 Mileage Reimbursement	92.34
600.208 BlueRock Energy Agreement Deposit	25,000.00
600.209 Syracuse Rail Overpayment	500.00
600.3 Onondaga County Loan	14,971,938.48
600.31 Accrued Interest - OC Note Payable	2,129.00
Total 600.3 Onondaga County Loan	**14,974,067.48**
Total 600 Accounts Payable	**15,429,168.81**
601 PILOT and Pass Thru Payable	
602 Pass Thru Payable	1,562,424.46
604 Other Pass Thrus	-0.30
Total 601 PILOT and Pass Thru Payable	**1,562,424.16**
631 Due to Other Governments	
631.3 Schools	
631.356 Syracuse	0.01
Total 631.3 Schools	**0.01**
631.5 City of Syracuse	0.01
Total 631 Due to Other Governments	**0.02**
Total Other Current Liabilities	**$16,991,592.99**
Total Current Liabilities	**$16,991,592.99**

Onondaga County Industrial Development Agency

Balance Sheet

As of August 31, 2022

	TOTAL
Total Liabilities	**$16,991,592.99**
Equity	
3900 Equity Unreserved	8,742,531.91
3901 Equity-Investment Fixed Assets	2,345,838.63
463 Reserve For Contracts	647,342.52
465 Equity - Unreserved	-274,513.52
Net Income	905,272.50
Total Equity	**$12,366,472.04**
TOTAL LIABILITIES AND EQUITY	**$29,358,065.03**

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PAYMENT OF BILLS - SCHEDULE #473
September 13, 2022

GENERAL EXPENSES

1.	PARK STRATEGIES LLC*	$	2,500.00
	Consulting Services, August 2022, Inv#16586922		
2.	FEDEX*	$	17.20
	Inv#7-844-20623, 7-836-98719		
3.	NATIONWIDE**	$	1,842.69
	Commercial Liability Insurance Premium, Policy #7J2551		
4.	CRYSTAL ROCK***	$	61.52
	Inv#22196031, 9-4-22, Water		
5.	ROBERT PETROVICH	$	223.22
	Albany Meeting Mileage & Parking		
6.	LEONARD RAUCH	$	126.98
	Meeting Mileage		
7.	RAMBOLL AMERICAS ENGINEERING SOLUTIONS, INC.	$	31,357.50
	Inv#'s 1940015039, 1940014172, WPCP Site Development		
	TOTAL	**$**	**36,129.11**

*Ratification of Checks dated August 22, 2022
**Ratification of Check dated September 2, 2022
***Ratification of Check dated September 7, 2022

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESERVE FOR CONTRACTS
8/31/2022

DESCRIPTION	CONTRACT TERM	TOTAL CONTRACT	PORTION PAID	BALANCE OUTSTANDING
ONONDAGA COUNTY OED 2021	1-1-22-12-31-22	$800,000.00	$387,159.63	$412,840.37
333 W. WASHINGTON ST 2022 RENT	1-1-22-12-31-22	$60,000.00	$12,504.00	$47,496.00
OBG WPCP CO #4 ADDITIONAL STUDIES	11-30-18-12-31-22	$800,000.00	$619,651.25	$180,348.75
JMT 800 HIAWATHA ENGINEERING	2-13-19-12-31-22	$25,000.00	$18,342.60	$6,657.40
		$1,685,000.00	$1,037,657.48	$647,342.52

ACCOUNTS RECEIVABLE
8/31/2022

AGENCY FEES RECEIVABLE		$150,391.00
ACCOUNTS RECEIVABLE GENERAL		$2,750.00
TOTAL		$153,141.00

Onondaga County Industrial Development

Project Summary

9/7/2022

1. Project	**Camillus Mills Phase II, LLC**	**2. Project Number**	**3101-21-08A**
3. Location	Camillus	**4. School District**	West Genesee School District
		6. Project Type	New Construction
5. Tax Parcel(s)	002.-01-02.1	**Village**	Camillus

7.Total Project Cost	**$**	**13,005,000.00**
Land	$	-
Site Work	$	1,530,000
Building	$	9,482,000
Furniture & Fixtures	$	123,000
Equipment	$	100,000
Equipment Subject to NYS Production Exemption	$	-
Engineering/Architecture Fees	$	270,000
Financial Charges	$	670,000
Legal Fees	$	80,000
Other	$	100,000

8. Total Jobs	1.5	This will be one FTE and one PT position
8A. Job Retention	0	
8B: Job Creation (Next 5 Years)	1.5	

Cost Benefit Analysis

Camillus Mills Phase II, LLC

	Fiscal Impact ($)
Estimated Abatement Cost	**$434,562**
Sales Tax Abatement	$349,812
Mortgage Recording Tax Abatement	$84,750
Real Property Tax Relief	$0
New Investment	**$19,860,015**
PILOT Payments	$0
Project Wages (10 years)	$1,150,000
Construction Wages	$7,566,965
Employee Benefits (10 years)	$0
Project Capital Investment	$11,012,000
Agency Fees	$131,050
Benefit:Cost Ratio	**45.70 :1**

Project Description

This project is a $13million development of approximated 45,600 sf of building space on three floors that will be residential only. There will be 46 units. This is the re-development of the vacant parcel at the old Camillus Cutlery Company site.

CAMILLUS MILLS PHASE II

52 GENESEE ST.
CAMILLUS, NY

A ±44,634 SQ.FT. MIXED-USE MARKET-RATE APARTMENT BUILDING

THE SECOND PHASE OF THE REDEVELOPMENT OF THE HISTORIC CAMILLUS CUTLERY CO. FACTORY SITE



INTRODUCTION

Camillus Mills Redevelopment Co, Inc. is pleased to present the enclosed summary of **Camillus Mills Phase II**, a proposed ±44,643 sq.ft. multifamily apartment building at 52 Genesee Street, Camillus NY **(the "Project")**.

As background, the former Camillus Cutlery Company property known as 52-54 Genesee Street is owned by **Camillus Mills Redevelopment Co., Inc. (the "Company")** and is comprised of Tax Map Nos. 002.-01-02.1 (52 Genesee Street) and 002.-01-04.1 (54 Genesee Street) (together the "Property"). The entire ±4.4-acre Property is enrolled in the NYSDEC Voluntary Brownfield Cleanup Program.

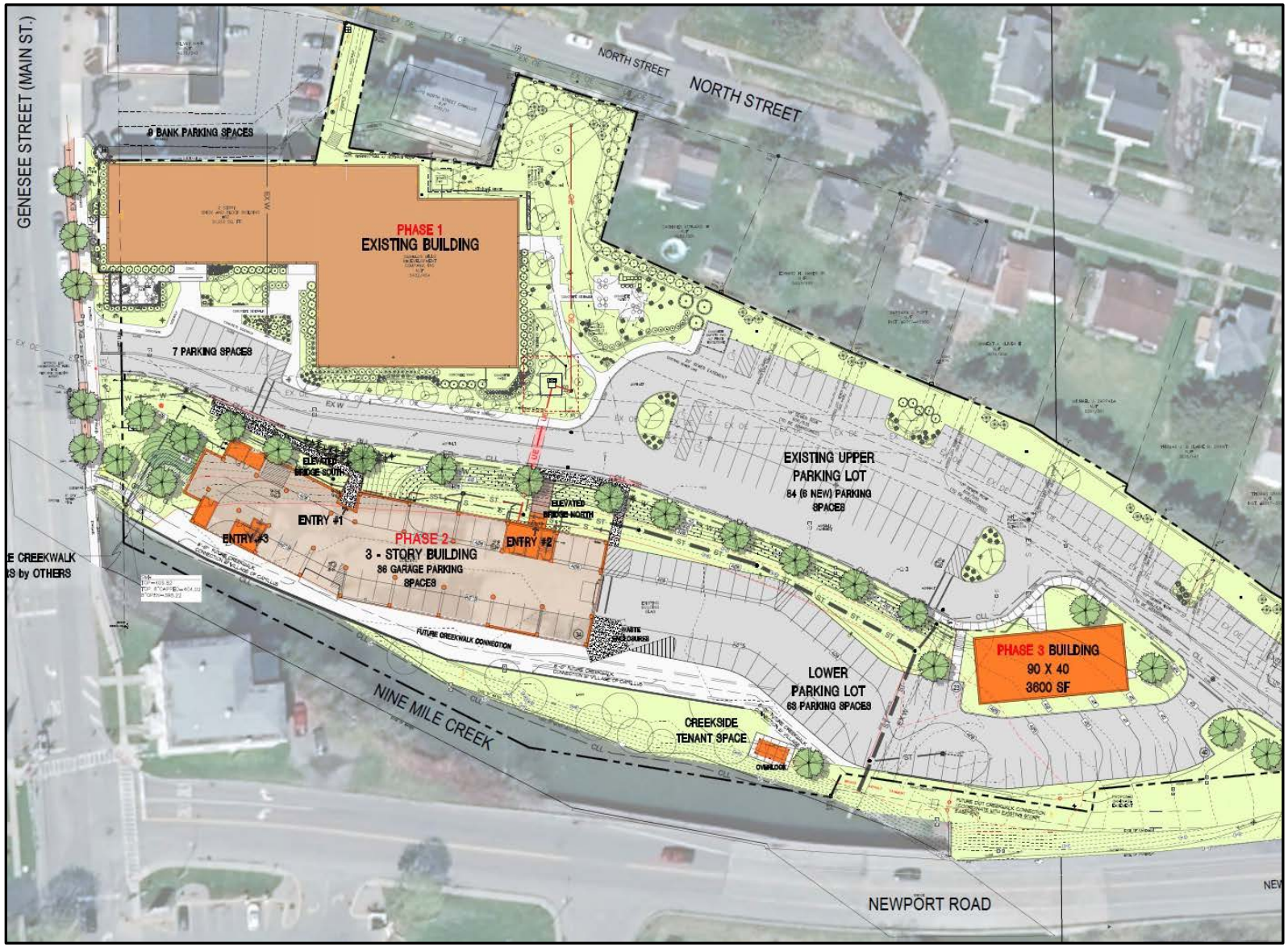
An affiliate of the Company named Camillus Mills, LLC, completed a certified historic rehabilitation of the National Register-listed former Camillus Cutlery Company headquarters building at 54 Genesee Street in 2017. Today the former headquarters contains 29 residential apartments and ±8,800 sq.ft. of commercial space and has become, once again, a vibrant and welcomed presence in the Village's downtown area. This completed project was envisioned as Phase I of an anticipated three-phase redevelopment of the 52-54 Genesee Street Property. The comprehensive redevelopment of the former Camillus Cutlery site is replacing an environmental liability and visual eyesore with a lively and revitalized multi-use campus in the heart of the Village of Camillus central business district.

A second affiliate of the Company, named **Camillus Mills Phase II, LLC** ("**Borrower" or "Applicant**") now seeks financing to proceed with construction of the fully approved second and largest phase of the redevelopment on the adjacent 52 Genesee Street lot. A location for a smaller third and final phase has been approved at the north end of the Property, however, is not imminent nor included in this request.



54 Genesee St. – Phase I of the Camillus Mills Redevelopment Project; Completed 2017

CAMILLUS MILLS DEVELOPMENT – THREE-PHASE MASTER PLAN



PROJECT OVERVIEW

The proposed Phase II building will be situated along the banks of Nine Mile Creek on the eastern portions of the Property identified as 52 Genesee Street. The Project will consist of one building containing approximately ±44,634 sq.ft. of gross building space on three floors. The building is expected to contain 46 residential units ranging from ±605–1,120 sq.ft. totaling ±36,464 rentable sq.ft..

To elevate the finished floors above the FEMA-designated flood plain adjacent to the creek, the building will be constructed on steel and concrete piles. This elevated construction will allow for a ±14,878 sq.ft. semi-open and secured parking garage beneath the building on the existing grade of the former factory. The garage will accommodate secured, covered parking for ±36 vehicles and will be serviced by the building's elevator. Phase II will also add ±63 additional open surface parking spaces to the north end of the new building for a total of 99 spaces (2.15 per apartment unit).

Architecturally, the Phase II building will feature a segmented design, and blend industrial components and features reflecting the various periods of construction that occurred at the former Camillus Cutlery manufacturing campus. Materials and features will include clapboard siding with a flat roof, ample windows that recall the old factory appearance, and fabricated steel and wooden cornices at various sections to add interest and context.

The building will also include elements of modern aesthetics and convenience, including oversized sliding glass doors and balconies or porches on approximately 27 of the residences (59% of units).

Numerous amenities will be included in the Project to attract and retain tenants. These include:

- Community room with kitchenette, lounge furniture, workspaces and terrace overlooking the creek at the first floor,
- Amply-size residents-only fitness room at the first floor,
- On-site leasing and management office,
- Indoor mail station and secure package delivery room at the main residential entry,
- Creekside pavilion and overlook area for tenant enjoyment of outdoor space.

Indoor amenities including the fitness center and community room will be managed via reservation app on tenants' smart phones. Tenants will also be notified of package arrivals on their phone. On-site staff will ensure regular and proper cleaning of common areas, and the building will feature keyless entry and elevator fobs and automatic doors to eliminate touch points.

WEST ELEVATION



EAST ELEVATION



SOUTH ELEVATION (GENESEE ST. FRONTAGE)



NORTH ELEVATION



PROJECT CONCEPTS AND IMAGERY



Functional Kitchens with modern finishes



Glass Showers – Camillus Mills Phase I pictured above



Suspended Black Metal Balconies



Open Floor Plans – Camillus Mills Phase I pictured above

INTERIOR RENDERINGS – VIEWS AT NORTH ENTRY AREA / RESIDENTIAL CORRIDOR



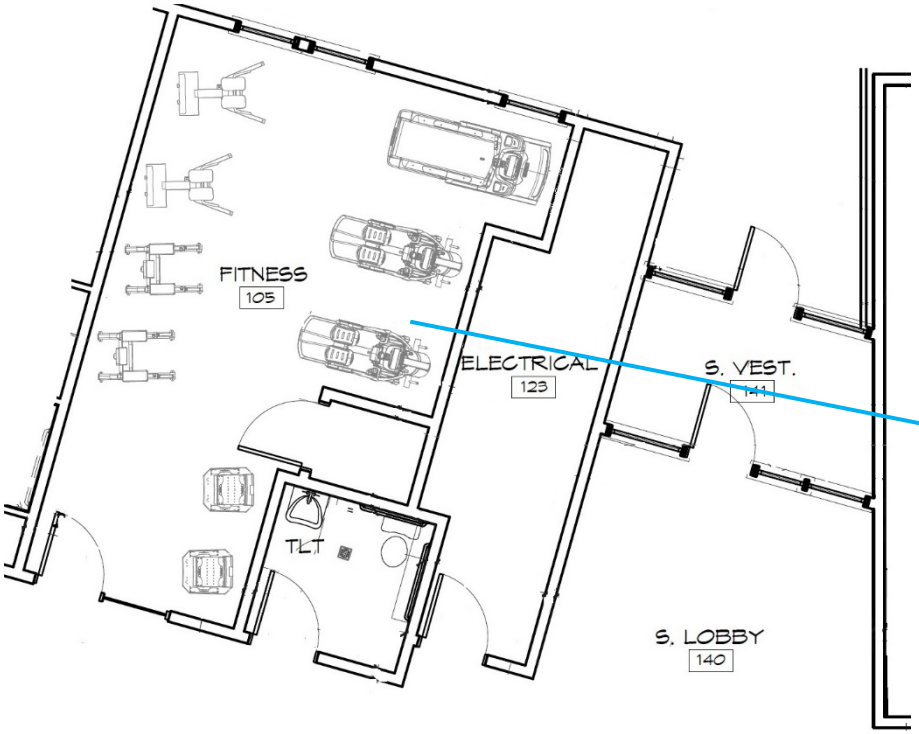


PROJECT AMENITIES

1ST FLOOR FITNESS ROOM

- Located near first floor south lobby and community room
- West facing windows with plentiful natural light
- Adjacent to unisex bathroom
- Modern fitness & cardio equipment, mirrored walls
- Key-card access for residential tenants only



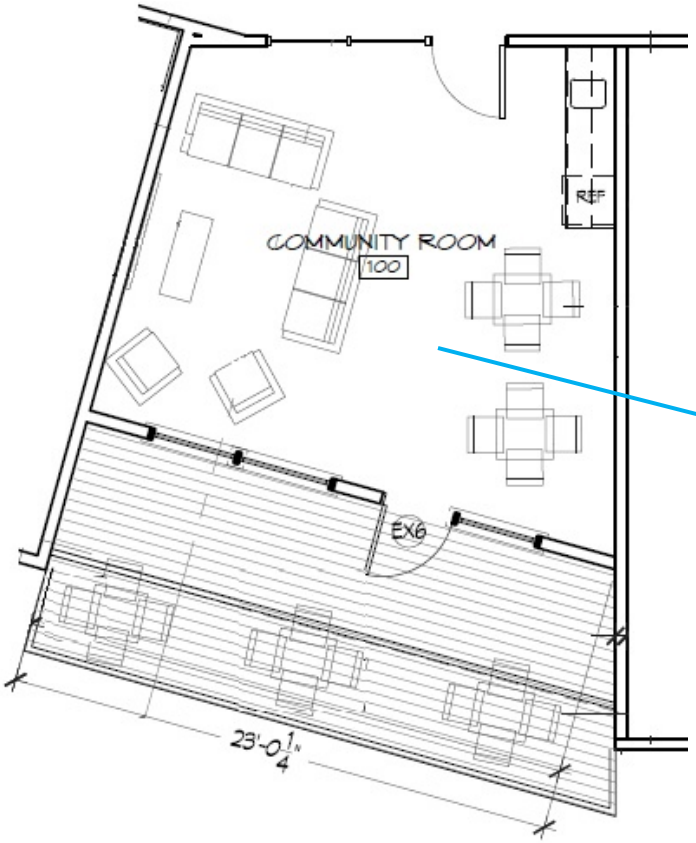




1ST FLOOR CLUB ROOM

- First floor with double French doors and lots of natural light
- 250 SF cantilevered terrace for outdoor tables and workspace
- Private creek-facing views with natural screening
- Club room doubles as "work-from-home" space during business hours. Comfortable seating areas for working with a laptop or friendly gatherings
- Kitchenette with refrigerator, sink, and coffee maker
- Key-card access for residential tenants only

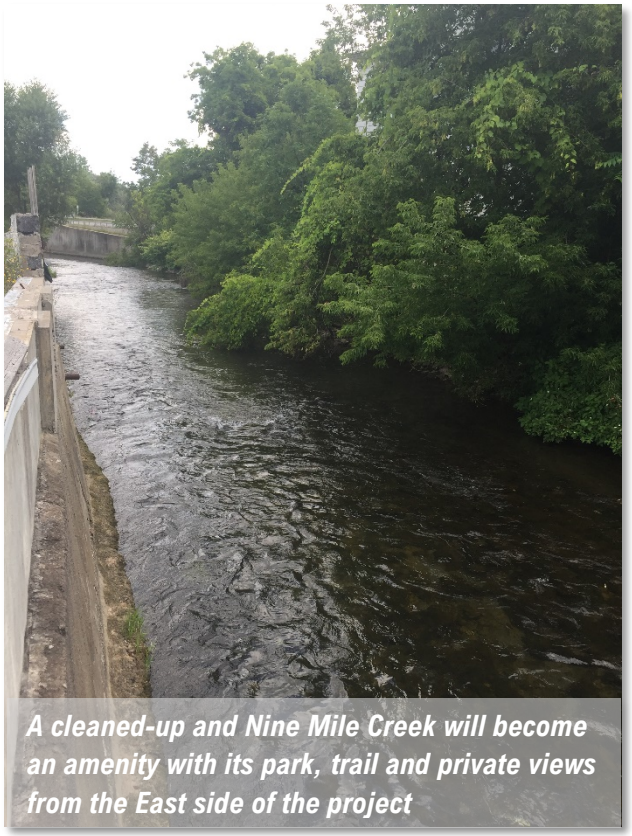




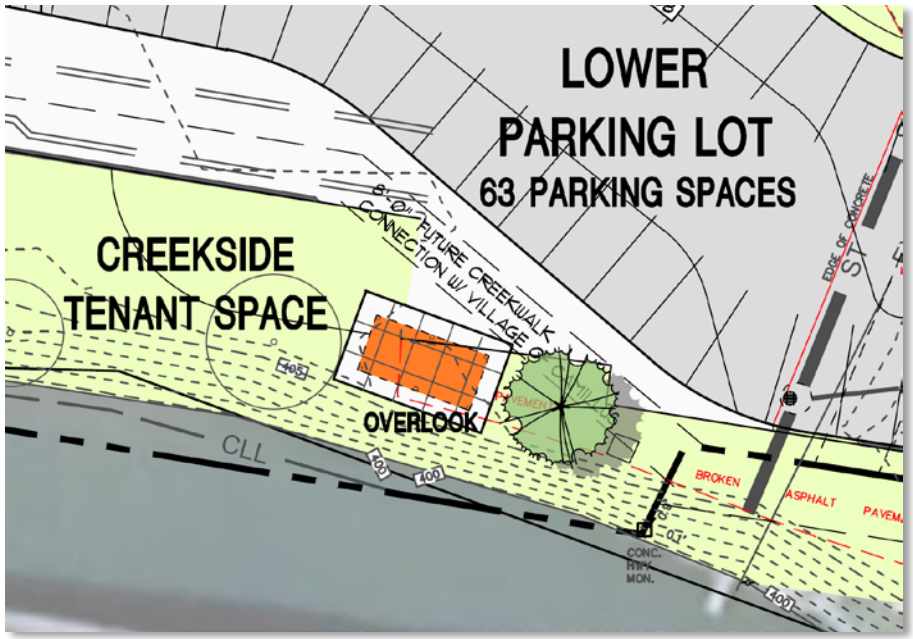


CREEKSIDE TRAIL & PARK

- Outdoor amenity space for use of all tenants
- Pavilion area with hardscape, seating, and grill(s)
- Private and serene place for relaxation, reading, morning coffee or work-from-home with a laptop
- Walking trail running the southern to northern length of the property along the creek



A cleaned-up and Nine Mile Creek will become an amenity with its park, trail and private views from the East side of the project



PROFESSIONAL PROPERTY MANAGEMENT

The Applicant will utilize professional property management services of The Sutton Companies ("Sutton") for day-to-day operations, leasing, and back-office functions such as bookkeeping and accounting.

Headquartered in Syracuse, Sutton is one of the Central New York region's most respected property management firms. Its current residential portfolio totals over 2,000 units in 25+ properties. Its commercial portfolio includes over 1,000,000 square feet of medical, office, retail and mixed-use space for a variety of institutional and private clients.

Sutton has managed Phase I of Camillus Mills since inception, and has been intimately involved in the planning and coordination of the Phase 2 and future Phase 3 efforts. Sutton's direct experience in the leasing and operations of Phase I has been an invaluable resource and has helped shape many attributes of the proposed offering. Sutton is acutely aware of the leasing environment for both residential and commercial units in the Greater Syracuse area and has perception of demand for additional housing units in the Village of Camillus. From its experience, Sutton has advised that compact but well-designed units (one-bedroom units in particular) will be met with strong demand. Sutton has advised the Applicant closely on all aspects including unit layouts and finishes, amenity space form and function, and projected pricing of residential and commercial units.

Over many years Sutton has become a trusted extension of the team for the members of the Borrower, as it currently manages over a half dozen other residential and commercial properties developed and owned by affiliates of the Borrower. Those properties include over 250 apartments and 125,000 SF of commercial space located in Syracuse, Skaneateles, Marcellus, Oswego and Rochester, NY.

SPONSORSHIP TEAM

The development of **Camillus Mills Phase II** – and the entire three-phase Camillus Mills Redevelopment project – is led by **Franklin Properties**. The company and its affiliates have developed, own and manage more than $75 million in real estate; five of which are certified historic rehabilitations of National Register Landmark properties for residential and commercial purposes. Four of the partners are also principals in MCK Building Associates, a general contractor with over $500 million in completed commercial and residential projects across New York State. Franklin Properties' development portfolio is available upon request.



Ted Kinder is a principal with Franklin Properties. He also co-founded MCK Building Associates in 1978 along with Robert Medina. He possesses a B.A. from Pennsylvania State University and an M.A. from Virginia Polytechnic Institute in Urban Design and Planning. He is a long time resident of Skaneateles, NY.



Tim Stitt, President of MCK, heads up the company's construction operations. Tim draws upon nearly 30 years of construction experience and has been a key member of MCK's management team since 1985. He has also been actively involved a partner in numerous private developments with Franklin Properties. Tim Resides in Oswego, NY.



Jamie Kinder is Executive Vice President of MCK Building Associates. He is head of Project Management and assists with estimating, marketing, and operations. Prior to joining MCK in 2004, he spent several years in the financial industry. Jamie is a resident of Camillus, NY.



Thomas Blair is a developer and attorney based in Skaneateles, NY. In the field of law, his specialties are Real Estate, Commercial Law, Banking, and Civil Litigation. He was admitted to the NYS bar in 2001. Mr. Blair attended undergraduate at SUNY Brockport and received his J.D. at Syracuse University. He is a resident of Skaneateles, NY.



Robert Medina is a principal of Franklin Properties. He also co-founded MCK in 1978 along with Ted Kinder and has 40 years' experience in the construction industry. Robert is a former member of the Board of Directors of the Syracuse Builders Exchange. He resides in Camillus, NY.



Douglas Sutherland is a principal of Franklin Properties. In his career Doug has led the development of dozens of complex real estate projects including adaptive reuse and ground up-development. Previously Doug held development positions with the Pyramid Companies.



Chris Kinder is Founder of CK Realty Partners, a commercial real estate mortgage advisory that has originated over $400 million of commercial mortgages since 2012. He is also founder of Cove Pointe Capital, a real estate investment company that has actively managed over $100 million of multifamily and commercial real estate. He was raised in Skaneateles, NY and resides in New Canaan, CT.

Onondaga County Industrial Development Agency

Project Summary Draft 8/5/2022

1. Project	**1046 Old Seneca Turnpike, LLC**	**2. Project Number**	**3101-22-04A**
3. Location	Skaneateles	**4. School District**	Skaneateles School District
		6. Project Type	New Construction and Retail
5. Tax Parcel(s)	028.-01-03.0	**Village** 0	

7.Total Project Cost	**$**	**25,105,000.00**
Land	$	1,700,000
Site Work	$	700,000
Building	$	19,000,000
Furniture & Fixtures	$	2,900,000
Equipment	$	-
Equipment Subject to NYS Production Exemption	$	-
Engineering/Architecture Fees	$	550,000
Financial Charges	$	215,000
Legal Fees	$	40,000
Other	$	-

8. Total Jobs	49
8A. Job Retention	0
8B: Job Creation (Next 5 Years)	49

Cost Benefit Analysis

1046 Old Seneca Turnpike, LLC

	Fiscal Impact ($)
Estimated Abatement Cost	**$1,228,087**
Sales Tax Abatement	$1,084,800
Mortgage Recording Tax Abatement	$143,287
Real Property Tax Relief	$0
New Investment	**$60,187,914**
PILOT Payments	$0
Project Wages (10 years)	$22,452,540
Construction Wages	$2,611,800
Employee Benefits (10 years)	$13,471,524
Project Capital Investment	$21,400,000
Agency Fees	$252,050
Benefit:Cost Ratio	**49.01 :1**

Project Description

This project is ocated on a 31 acre site at 1046 Old Seneca Turnpike in Skaneateles, the project will be a 98,000 sf, 88 room full-service, boutique hotel in association with the Hilton Curio Collection brand. Expected to open in fall 2023, guest amenities will include a fullservice restaurant with banquet capacity, an indoor pool, an indoor whirlpool, an outdoor pool, a fitness room, and a gift shop.

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR BENEFITS

1. In accordance with Section 224-a(8)(d) of Article 8 of the New York Labor Law, the Agency has identified that any "financial assistance" (within the meaning of Section 858 of the General Municipal Law) granted by the Agency to the Applicant consisting of sales and use tax exemption benefits, mortgage recording tax exemption benefits and real property tax exemption benefits, constitutes "public funds" within the meaning of Section 224-a(2)(b) of Article 8 of the New York Labor Law and such funds are not excluded under Section 224-a(3) of Article 8 of the New York Labor Law. The Agency hereby notifies the Applicant of the Applicant's obligations under Section 224-a (8)(a) of Article 8 of the New York Labor Law.

2. Fill in all blanks using "none", "not applicable" or "not available". If you have any questions about the way to respond, please call the Onondaga County Industrial Development Agency (the "Agency" or "OCIDA") at 315-435-3770.

3. If providing an estimate put "(est.)" after the figure or answer. If more space is needed to answer any specific question, attach a separate sheet.

4. If the OCIDA Board approves benefits, it is the company's responsibility to obtain and submit all necessary forms and documents.

5. All projects approved for benefits by the OCIDA Board will close with the Agency within 6-months of the inducement date. If this schedule cannot be met, the applicant will need to submit a closing schedule modification written request to the Executive Director that will be presented to OCIDA Board for consideration.

6. When completed, return this Application by mail or fax to the Agency at the address indicated below. A signed application may also be submitted electronically in PDF format to Nancy Lowery at nancylowery@ongov.net. **An Application will not be considered by the Agency until the Application fee has been received.**

7. The Agency will not give final approval for this Application until the Agency receives a completed NYS Full Environmental Assessment Form concerning the project which is the subject of this Application. The form is available at http://www.dec.ny.gov/permits/6191.html.

8. Please note the Public Officers Law declares all records in the possession of the OCIDA (with certain limited exceptions) are open to public inspection and copying. If the Applicant is of the opinion that there are elements of the project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, this Applicant must identify such elements in writing and request that such elements be kept confidential. In accordance with Article 6 of the Public Officer's Law, the OCIDA may also redact personal, private, and/or proprietary information from publicly disseminated documents.

9. The Applicant will be required to pay the Agency Application fee and, if accepted as a project of the Agency, all administrative and legal fees as stated in Section VI of the Application.

10. A complete Application consists of the following 9 items:
    - This Application
    - Local Access Agreement
    - Employment Plan
    - Conflict of Interest
    - A feasibility statement indicating the need for the requested benefits
    - Description of Project, Site Plans/Sketches, and Maps
    - NYS Full Environmental Assessment Form
    - A check payable to the Agency in the amount of $1,000
    - A check payable to Barclay Damon LLP in the amount of $2,500

11. This Application was adopted by the OCIDA Board on January 18, 2022.

It is the policy of the Agency that any project receiving benefits from the Onondaga County Industrial Development Agency will utilize 100% local contractors and local labor for the construction period of the project unless a waiver is granted in writing by the Agency.

Return to:

Onondaga County Industrial Development Agency
Attn: Nancy Lowery
333 W. Washington Street, Suite 130
Syracuse, NY 13202
Phone: 315-435-3770 | Fax: 315-435-3669
nancylowery@ongov.net

Section I: Applicant Information

Please answer all questions. Use "None", "Not Applicable" and "See Attached" where necessary.

Submittal Date: 07/05/2022

A) Applicant/Project Operator information (company receiving benefits):

Applicant/Project Operator: Click here to enter text. 1046 Old Seneca Turnpike LLC

Applicant/ Project Operator Address: 505 E. Fayette Street, Syracuse, NY 13202

Phone: (315) 569-7419 Fax: _____

Website: _____ E-mail: nswanson@woodbinegroup.com

Federal ID#: 81-1051078 NAICS: 721110

State and Year of Incorporation/Organization: New York 2016

Owner (if different from Applicant/Project Operator): _____

Owner Address: _____

Federal ID#: _____

State and Year of Incorporation/Organization: _____

List of stockholders, members, or partners of Owner:

_____

B) Individual Completing Application:

Name: Rob Kelsey

Title: CFO

Address: 505 E. Fayette Street, Syracuse, NY 13202

Phone: (315) 552-8539 Fax: _____

E-mail: rkelsey@woodbinegroup.com

C) Company Contact (if different from individual completing application):

Name: _____

Title: _____

Address: _____

Phone: _____ Cell Phone: _____

E-mail: _____

D) Company Counsel:

Name of Attorney: Kevin McAuliffe

Firm Name: Barclay Damon

Address: 125 East Jefferson Street, Syracuse, NY 13202

Phone: (315) 425-2875 Cell Phone: (315) 382-8703

E-mail: KMcAuliffe@barclaydamon.com

E) Business Organization (check appropriate category):

☐ Corporation ☐ Partnership

☐ Public Corporation ☐ Joint Venture

☐ Sole Proprietorship ☑ Limited Liability Company

☐ Other (please specify): _____

Year Established: 2016

State in which Organization is established: New York

F) List all stockholders, members, or partners with % of ownership greater than 5%:

Name	% of ownership
Norman E. Swanson	100%

G) Applicant Business Description:

Estimated % of sales within Onondaga County: 48%

Estimated % of sales outside Onondaga County but within New York State: 40%

Estimated % of sales outside New York State but within the U.S.: 10%

Estimated % of sales outside the U.S.: 2%

(*Percentage to equal 100%)

H) Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the company or management of the Company now a plaintiff or defendant in any civil or criminal litigation? ☐Yes ☑No
2. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? ☐Yes ☑No
3. Has any person listed in Section I ever been in receivership or declared bankruptcy? Please attach any explanations. ☐Yes ☑No

I) Has the Project Beneficiary received assistance from OCIDA, Syracuse Industrial Development Agency (SIDA), New York State or the Onondaga Civic Development Corporation (OCDC) in the past? If yes please attach an explanation and please give year, project name, and description of benefits and address of project.

☐Yes ☑No

Section II: Project and Site Information

A) Project Location: Location where the investment will take place. If Company is moving, the new location should be entered here and the current location should be in Section I.

Address: 1046 Old Seneca Turnpike, Skaneateles, NY 13152

Legal Address (if different): _____

City: _____ Village/Town: Town of Skaneateles

Zip Code: _____ School District: Skaneateles

Tax Map Parcel ID(s): 028.-01-03.0

Full Market Value: $124,000 Footage of Existing Building: 0

Census Tract: 36067016600

B) Type (Check all that apply):

- [x] New construction
- [ ] Expansion/Addition to current facilities
- [ ] Renovation of existing facility
- [ ] Housing Project
- [ ] Renewable Energy Project
- [x] Retail
- [ ] Purchase of machinery and/or equipment
- [ ] Brownfield/Remediated Brownfield
- [ ] LEED Certification
- [ ] Demolition and Construction
- [ ] Acquisition of existing facility/property
- [ ] Other:

C) Project Narrative: A statement that there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the agency.

* For a Retail Project (also see page 14)
* For a Renewable Energy Project (also see page 15)
* For a Housing Project (also see page 17)

D) Description of Project: Please provide a detailed narrative of the proposed Project. Please separately attach the description and any copies of site plans, sketches or maps. This narrative should include, but is not limited to:

- [ ] i) a description of your Company's background, customers, goods and services and the principal products to be produced and/or the principal activities that will occur on the Project site;
- [ ] (ii) the size of the Project in square feet and a breakdown of square footage per each intended use;
- [ ] (iii) the size of the lot upon which the Project sits or is to be constructed;
- [ ] (iv) the current use of the site and the intended use of the site upon completion of the Project;
- [ ] (vi) describe your method for site control (Own, lease, other).

E) Select Project type for all end users at Project site (you may check more than one):
**Please check any and all end users as identified below

- ☐ Industrial
- ☐ Acquisition of Existing Facility
- ☐ Housing Project (see page 17)
- ☐ Equipment Purchase
- ☐ Multi-Use Tenant
- ☐ Renewable Energy Project (see page 15)
- ☑ Commercial
- ☐ Bank Office
- ☑ Retail (see page 14)
- ☐ Mixed Use
- ☐ Facility for Aging
- ☐ Civic Facility (not for profit)
- ☐ Other _____

F) If applicant will not occupy 100% of the building in a real estate transaction, provide information on tenant(s) that includes name, present address, and percentage of project to be leased, type of business organization, relationship to applicant, date and term of lease.

G) For the Agency to consider this Project, please provide the following information:

1. Does the Project consist of new construction or expansion or substantial renovation of an existing facility?
   ☑ Yes ☐ No
2. Will the Project create new employment opportunities or retain existing jobs that may otherwise be lost?
   ☑ Yes ☐ No
3. Does the Project beneficiary serve a customer base primarily outside of Onondaga County?
   ☐ Yes ☑ No

H) Will the completion of the Project result in the removal of an industrial or manufacturing plant of the company from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the company located within the state? Please explain if you answer "Yes" by attaching a response.

☐ Yes ☑ No

I) Please attach a description of any compelling circumstances the Agency should be aware of while reviewing this application.

J) Local Approvals (Site Plan and Environmental Review)

1. Have site plans been submitted to the appropriate town or local planning department?
   ☑ Yes. What is the status? ☐ No. When will the plans be submitted?

Planning Board Approved May 20, 2020.

2. Has the project received site plan approval from the town or local planning board?
   ☑Yes ☐No
3. If no, what is the anticipated approval date? Planning Board Approved May 20, 2020.
4. If yes, provide the Agency with a copy of the Planning Board's approval resolution along with the related SEQR determination. (NOTE: SEQR determination is required for final approval and sales tax agency appointment.)
5. Environmental Information
   a. Please attach the appropriate Environmental Impact Forms to your application. Here is a link to the SEQR forms: http://www.dec.ny.gov/permits/6191.html
   b. Have any environmental issues been identified on the property?
      ☐Yes ☑No
      If yes, please attach an explanation.

Section III: Construction

A) Project Costs and Finances

Description of Costs	Total Budget Amount	% of Total Budget to be Procured in Onondaga County	Total Private Expenditure (should be less than or equal to total budget amount)
Land Acquisition	$1,700,000		
Site Work/Demo	$700,000		
Building Construction & Renovation	$19,000,000		
Furniture & Fixtures	$2,900,000		
Equipment*			
Engineering/Architect	$550,000		
Financial Charges	$215,000		
Legal	$40,000		
Other			
Management/Developer Fees			
Total Project Cost	$25,105,000		

Note: Do not include OCIDA fees, OCIDA application fees or OCIDA legal fees as part of the Total Project Cost. You may attach a separate chart if needed.

B) TOTAL Capital Costs $ 25,105,000

Project refinancing: estimated amount
(For refinancing of existing debt only) $ 0

Sources of Funds for Project Costs:

1. Bank Financing $ 19,105,000
2. Equity (excluding equity that is attributed to grants/tax credits) $ 6,000,000
3. Tax Exempt Bond Issuance (if applicable) $
4. Taxable Bond Issuance (if applicable) $

5. Public Sources (Include sum total of all state and federal grants and tax credits) $ 0

-Identify each state and federal grant/credit:

_____ $ _____

_____ $ _____

_____ $ _____

6. Total Sources of Funds for Project Costs $ 25,105,000

C) Employment and Payroll Information

*Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

1. Are there people currently employed at the project site?
   ☐ Yes ☑ No If yes, provide number of FTE jobs at the facility: _____
2. Complete the following:

Estimate the number of FTE jobs to be retained as a result of this Project:	0
Estimate the number of construction jobs to be created by this Project:	60
Estimate the average length of construction jobs to be created (months):	12
Current annual payroll at facility:	0
Please list, if any, benefits that will be available to either full and/or part time employees:	Company supplemented Group Health Insurance.
Average annual benefit paid by the company ($ or % salary) per FTE job:	60%
Amount or percent of wage employees pay for benefits:	8%
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	400,000

D) New Employment Benefits

i. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, and third, years after the Project is completed. Jobs should be listed by title of category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. Do not include construction workers.

ii. Feel free to include additional information or a substitute chart if you think additional material would add clarity.

Please use this chart to illustrate the current employment:

Job Title/Category	Current Annual Pay	Current Employment (FTE)
n/a		

Please use this chart to illustrate the projected employment growth:

Job Title/Category	Current Annual Pay	Jobs Created Year 1	Jobs Created Year 2	Jobs Created Year 3
Professional	$65,000	6	1	1
Clerical	$48,000	6		3
Service	$35,000	22	5	5

If you prefer, you may attach a job chart of your own that outlines the job growth projections regarding the Project.

E) Financial Assistance sought (estimated values):

☐ Real Property Tax Abatement (PILOT): _____

☑ Mortgage Recording Tax Exemption (.75% of amount mortgaged): $143,287.50

☑ Sales and Use Tax Exemption (4% Local, 4% State): $1,084,800

☐ Tax Exempt Bond Financing (Amount Requested): _____

☐ Taxable Bond Financing (Amount Requested): _____

F) Mortgage Recording Tax Exemption Benefit Calculator: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/ bridge financing): $ _____

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above, multiplied by .0075): $ _____

G) Sales and Use Tax Benefit Calculator: Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax – said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

$_____

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above) (This should match the amount in section "E" on page 9, this calculation only exists to help you with your estimate):

$ _____

Section IV: Estimate of Real Property Tax Abatement Benefits

Section IV of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application prior to the completed application being provided to the OCIDA Board.

A) PILOTS Estimate Table Worksheet

OCIDA estimate of current value	
New construction and renovation costs	
OCIDA estimate of increase in value	
OCIDA estimated value of completed project	
OCIDA estimate of taxes that would have been collected if the project did not occur	
Scheduled PILOT payments	

PILOT Year	Exemption %	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	100						
2	90						
3	80						
4	70						
5	60						
6	50						
7	40						
8	30						
9	20						
10	10						
TOTAL							

Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff.

SECTION: V For Retail Projects Only

1. Will the cost of the retail portion of the Project exceed one-third of the total project cost?

☑Yes ☐No

2. Is the Project located in a distressed area? A distressed area is a census tract that has a) a poverty rate of a least 20% or at least 20% of households receiving public assistance, and (b) an unemployment rate of least 1.25 times the statewide unemployment rate for the year to which the date relates.

☐Yes ☑No

3. Is the Project likely to attract a significant number of visitors from outside of the economic development region?

☑Yes ☐No

4. Is the predominate purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the Town, City, County or Village of where the Project will be located.

☑Yes ☐No

SECTION VI: For Solar Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the Project would be affected if these benefits were not provided. [see Section II (C)]

2. Is the applicant leasing the property?
   - ☐ Yes, please provide a copy of the lease
   - ☐ No, purchased the property. Please provide documentation.

3. Has the applicant provided written communication to the affected taxing jurisdictions notifying them of its intent to construct a renewable energy project?
   - ☐ Yes
   - ☐ No

4. Has the applicant received a letter of support for the megawatt cost to be used as a basis for the PILOT from the town, city or village where the Project is located?
   - ☐ Yes. Please provide copy.
   - ☐ No

5. Has the applicant received a letter of support for the megawatt cost to be used as a basis for PILOT from the school district?
   - ☐ Yes. Please provide copy.
   - ☐ No

6. Is the entire parcel being used for the solar project?
   - ☐ Yes
   - ☐ No, if not, have you reached out to the town assessor to discuss a subdivision or slash parcel? Explain: _____

7. Will the applicant enter into a decommissioning plan with the host community, including financial assurance the plan can be executed?
   - ☐ Yes, explain.
   - ☐ No

**PLEASE SEE FOLLOWING PAGE FOR OCIDA SOLAR GUIDANCE & BEST PRACTICE*

OCIDA SOLAR PILOTs GUIDANCE AND BEST PRACTICE

To be placed on the OCIDA meeting agenda, proposed solar projects must provide OCIDA with the following in advance of the Project's first OCIDA meeting:

1. Fully completed OCIDA application.
2. Copy of Environmental Assessment Form.
3. A SEQR resolution approved by a local municipality indicating municipality will be lead agency, the type of action (I, II, or unlisted) and, if completed, the SEQR determination made by the municipality.
4. Copies of your zoning applications submitted to the local municipality.
5. Verification of parcel subdivision process with the town (if the entire parcel will not be used for the solar project).
6. A statement clarifying whether the applicant will lease or purchase the real property on which the Project is situated. If leased, provide a copy of the proposed or executed lease. If lease parcel is less then entire parcel then see 5 above.
7. A supporting document from the School District and the Town Board outlining the agreed upon cost per megawatt to be used as a basis for the PILOT. OCIDA cannot create the PILOT schedule without this information.
8. Absent a showing otherwise by the Company, deemed acceptable by the Agency in the sole and absolute discretion, the Company must close with the Agency on a project prior to consideration of any requested organizational structure or project entity ownership changes.

You will receive a draft Cost Benefit Analysis and a Draft PILOT schedule from this office. You may use these documents as your Project progresses through the OCIDA approval process. OCIDA staff are available to update these two documents as needed.

SECTION VII: For Housing Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the project would be impacted if these benefits were not provided. [see Section II (C)]

2. Is the Project being built in a blighted area? Please describe.

3. Is the Project fulfilling an unmet need in the area? Please explain.

4. Please provide a market study documenting a need for such housing.

5. Is there support from local government officials for the Project and for the financial assistance being requested from the Agency? Please provide written documentation.

6. Is the Project considered infill in a populated area? Please explain.

7. Does the Project provide walkability?

8. Is there additional county infrastructure necessary to service the Project? If, yes, please explain.

9. Is the Project part of a larger mixed-use development? Please describe.

Section VIII: Local Access Policy Agreement

In absence of a waiver permitting otherwise, every project seeking the assistance of the Onondaga County Industrial Development Agency (Agency) must use local general contractors, sub-contractors, and labor for one-hundred percent (100%) of the construction of new, expanded, or renovated facilities. The project's construction or project manager need not be a local company.

Noncompliance may result in the revocation and/or recapture of all benefits extended to the project by the Agency. Local Labor is defined as laborers permanently residing in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins, and Wayne. Local (General/Sub) Contractor is defined as a contractor operating a permanent office in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins and Wayne. The Agency may determine on a case-by-case basis to waive the Local Access Policy for a project or for a portion of a project where consideration of warranty issues, necessity of specialized skills, significant cost differentials between local and non-local services or other compelling circumstances exist. The procedure to address a local labor waiver can be found in the OCIDA handbook, which is available upon request.

Prior to issuance of any NYS Tax & Finance ST-60 forms, the Applicant must submit a **Contractor Status Report to the Agency.**

In consideration of the extension of financial assistance by the Agency 1046 Old Seneca Turnpike LLC (the Company) understands the Local Access Policy and agrees to complete Appendix C of the Agency's application at the time of the application to the Agency and as part of a request to extend the valid date of the Agency's tax-exempt certificate for the Project. The Company understands that an Agency tax-exempt certificate is typically valid for 12 months from the effective date of the project inducement and extended thereafter upon request by the Company. The Company further understands that any request for a waiver to this policy must be submitted in writing and approved by the Agency.

I agree to the conditions of this agreement and certify all information provided regarding the construction and employment activities for the project as of 07/05/2022 (date).

Company: 1046 Old Seneca Turnpike LLC

Representative for Contract: Norman E. Swanson

Address: 505 E. Fayette Street City: Syracuse State: NY Zip: 13202

Phone: (315) 569-7421 Email: nswanson@woodbinegroup.com

Project Address: 1046 Old Seneca Turnpike City: Skaneateles State: NY Zip: 13152

General Contractor: Eastern Dev Co, Inc.

Contact Person: Norman E. Swanson

Address: 505 E. Fayette Street City: Syracuse State: NY Zip: 13202

Phone: (315) 569-7421 Email: nswanson@woodbinegroup.com

Authorized Representative: Rob Kelsey Title: CFO

Signature: Rob Kelsey Digitally signed by Rob Kelsey Date: 2022.07.05 09:47:06 -04'00'

Section IX: Agency Fee Schedule

* Minimum Fee to be applied to all project receiving OCIDA benefits is 1% of the Total Project Cost (TPC)

ACTIVITY	FEES	COMMENTS
Non- refundable Application Fee (All projects except Solar Projects) Non-refundable Application Fee (Solar Projects Only)	$1,000 $10,000	Due at time of application
Legal Deposit (All projects except Solar Projects) Legal Deposit (Solar Projects Only)	$2,500 $5,000	Due at time of application
Minimum Fee of 1% of TPC 1. Sales and Use Tax Exemption 2. Mortgage Recording Tax 3. PILOT **is an additional fee**	.01 X TPC .0025 X TPC (total .0125)	Due at closing
Bonds Bond refinancing and refunding	.0025 of TPC	Due at closing
Agency Legal Fees Fee for first $20 million Fee for expenses above $20 million	.0025 X of the project cost or bond amount .00125 X of project cost or bond amount	Due at closing
Amendment or Modification of IDA documents, including but not limited to name or organization change, refinancing, etc. Consent to the amendment or modification of IDA documents prior to closing on the project shall be given at OCIDA's sole and absolute discretion.	Up to but not to exceed 5% of Agency Fee as noted on the Cost Benefit Analysis at time of project approval. Attorney fees determined by OCIDA Legal Representative.	Due at time of Request

OCIDA reserves the right to modify this schedule at any time and assess fees and charges in connection with other transactions such as grants of easement or lease or sale of OCIDA-owned property.

Section X: Recapture of Tax Abatement/Exemptions

Information to be Provided by Companies: Each Company agrees that to receive benefits from the Agency it must, whenever requested by the Agency or required under applicable statutes or project documents, provide and certify or cause to be provided and certified such information concerning the Company, its finances, its employees and other topics which shall, from time to time, be necessary or appropriate, including but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

Please refer to the OCIDA Uniform Tax Exemption Policy. (add hyperlink)

I have read the foregoing and agree to comply with all the terms and conditions contained therein as well as policies of the Onondaga County Industrial Agency.

Name of Applicant Company: 1046 Old Seneca Turnpike LLC

Signature of Officer or Authorized Representative: Rob Kelsey Digitally signed by Rob Kelsey Date: 2022.07.05 09:47:46 -04'00'

Name & Title of Officer or Authorized Representative: Rob Kelsey, CFO

Date: 07/05/2022

Section XI: Conflict of Interest

Agency Board Members

1. Patrick Hogan, Chairperson
2. Janice Herzog, Vice Chairperson
3. Steve Morgan, Director
4. Victor Ianno, Director
5. Sue Stanczyk, Director
6. Kevin Ryan, Director
7. Fanny Villarreal, Director

Agency Officers/Staff

1. Robert M. Petrovich, Executive Director
2. Nathaniel Stevens, Treasurer
3. Nancy Lowery, Secretary
4. Karen Doster, Recording Secretary
5. Christopher Cox, Assistant Treasurer

Agency Legal Counsel & Auditor

1. Jeffrey Davis, Esq., Barclay Damon LLP
2. Amanda Fitzgerald, Esq., Barclay Damon LLP
3. Michael G. Lisson, CPA, Grossman St. Amour Certified Public Accountants PLLC

The Applicant has received from the Agency a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Name of Applicant Company: 1046 Old Seneca Turnpike LLC

Signature of Officer or Authorized Representative: Rob Kelsey Digitally signed by Rob Kelsey Date: 2022.07.05 09:49:06 -04'00'

Name & Title of Officer or Authorized Representative: Rob Kelsey, CFO

Date: 07/05/2022

Section XII: Representations, Certifications, and Indemnification

Norman E. Swanson (Name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Member (title) of 1046 Old Seneca Turnpike LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

A. First Consideration for Employment: In accordance with §858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the CNY Works for new employment opportunities created as a result of the Project.

B. Other NYS Facilities: In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or is reasonably necessary.

C. Annual Sales Tax Filings: In accordance with §874(8) 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, 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.

D. Outstanding Bonds: The Applicant understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the project that is requested by the Comptroller of the State of New York.

E. Employment Reports: The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant agrees to file with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, with said report being an agenda item subject to the open meetings law.

F. Prevailing Wage: The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant shall determine whether the Project is a "covered project" pursuant to Section 224-a of Article 8 of the New York Labor Law and, if applicable, the Applicant shall comply with Section 224-a of Article 8 of the New York Labor Law; and the Applicant further covenants that the Applicant shall provide such evidence of the foregoing as requested by the Agency.

G. Absence of Conflicts 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 hereinafter described in Section X.

H. Compliance: The Applicant understands and agrees that it is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

I. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the Agency. (1) No funds of the Agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

J. The Applicant confirms and acknowledges that the owner, occupant or operator receiving financial assistance for the proposed Project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules and regulations.

K. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.

L. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

M. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents 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 statement contained herein not misleading.

N. The OCIDA has the right to request and inspect supporting documentation regarding attestations made on this application.

O. Hold Harmless Agreement: Applicant hereby releases Onondaga 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 cause of action and attorney's fees and any other expenses incurred in defending any suits or action 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 process of the Application, including attorney's fees, if any.

Name of Applicant Company: 1046 Old Seneca Turnpike LLC

Signature of Officer or Authorized Representative: _____ MEMBER

Name & Title of Officer or Authorized Representative: Norman E. Swanson, Member

Date: 07/05/2022

STATE OF NEW YORK)

COUNTY OF ONONDAGA) ss.;

_____, being first duly sworn, deposes and says:

1. That I am the_____(Corporate Officer) of_____ (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.

2. That I have read and attached Application, I Know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this_____day of__, 20_____.

_____

(Notary Public)

End of Application

Rev 1.18.22

Skaneateles Lodge

PROJECT NARRATIVE

Skaneateles Lodge is located on a bucolic 31-acre site at 1046 Old Seneca Turnpike in the Town of Skaneateles. The project consists of 98,000 sf, inclusive of 88 rooms with a mix of standard king rooms, two-queen rooms, family oriented 2-bedroom suites, and bridal style suite. The new resort style property will be affiliated with the Curio Collection Brand by Hilton. With a fall 2023 opening date, guest will enjoy such amenities as a noteworthy food and beverage offering inclusive of 3 meal restaurant, as well as a craft coffee bar and outdoor dining options, paired with an indoor pool, an outdoor pool, three outdoor hot tubs, a fitness center, and gift shop.

The hotel structure will be comprised of a lower level with a two-story building above grade. Surface parking will be located to the west side. Other site improvements will include freestanding signage, located at the main entrance to the site, as well as landscaping and sidewalks.

The tourism draw to the Finger Lakes area is currently unprecedented, although there are currently very few options for overnight accommodations in the eastern stretch of the area. With a complete void of resort style offerings. Current demand is not sated by the local offerings.

There are three major groups seeking accommodations in the area. We identify these groups as leisure transient (individual visiting for pleasure solely based on area offerings), leisure group (majority of this group is wedding related), and business transient.

The drive up and air travel leisure tourist is seeking both amenities and location when selecting a hotel for their stay. Many of the drive-up travelers are coming from major metro markets such as NYC, Boston, and Philadelphia. These guests are basing their stay solely on area and amenities. Skaneateles Lodge will be able to bring travelers from outside the immediate area and capture guests that may be seeking similar accommodations in the western stretches of the Finger Lakes, the Lake Placid area, or locales outside of NY state.

The leisure group traveler makes up a significant percentage of overall accommodations and is a major tourism driver for the area. In conversations with fellow business members that are involved in event space sales the biggest obstacle to attracting new business is the overall lack of market accommodations. Skaneateles Lodge will allow these venues to accommodate more out of state guests with addition of more available rooms in the market.

Business travel to the area is also in state of growth but again lacking availability.

With the transition of the former Welch Allyn site to Hill-Rom and finally Baxter there is an influx of a need for accommodations. The proximity to the site and with a known brand (Hilton) aiding in the ease of business travel Skaneateles Lodge can now assist in growing both business transient and business group events to the area that would otherwise be held at a different facility.

This project will create new jobs, both temporary and permanent. Approximately 60 Skilled trade jobs will be available as soon as construction commences, with thirty-four (34) FT and/or FTE permanent staff hired for ongoing operations in year 1 and 49 total over the first 3 years. The operational jobs include managerial, service, and clerical.

Given the greatly inflated cost to build due to global COVID supply chain issues, the savings from OCIDA participation is a critical contribution to the project going forward.

It is our view that the property operations will repay these savings on construction in multiples through property taxes, sales taxes, occupancy taxes, and bringing guests into the county state-wide and regionally.

DESCRIPTION OF PROJECT

The site is owned by 1046 Old Seneca Turnpike LLC, which is 100% owned by Norman E. Swanson. The hotel will be operated by Skaneateles Suites LLC, which is 52% owned by Norman Swanson and 48% owned by Louise Swanson.

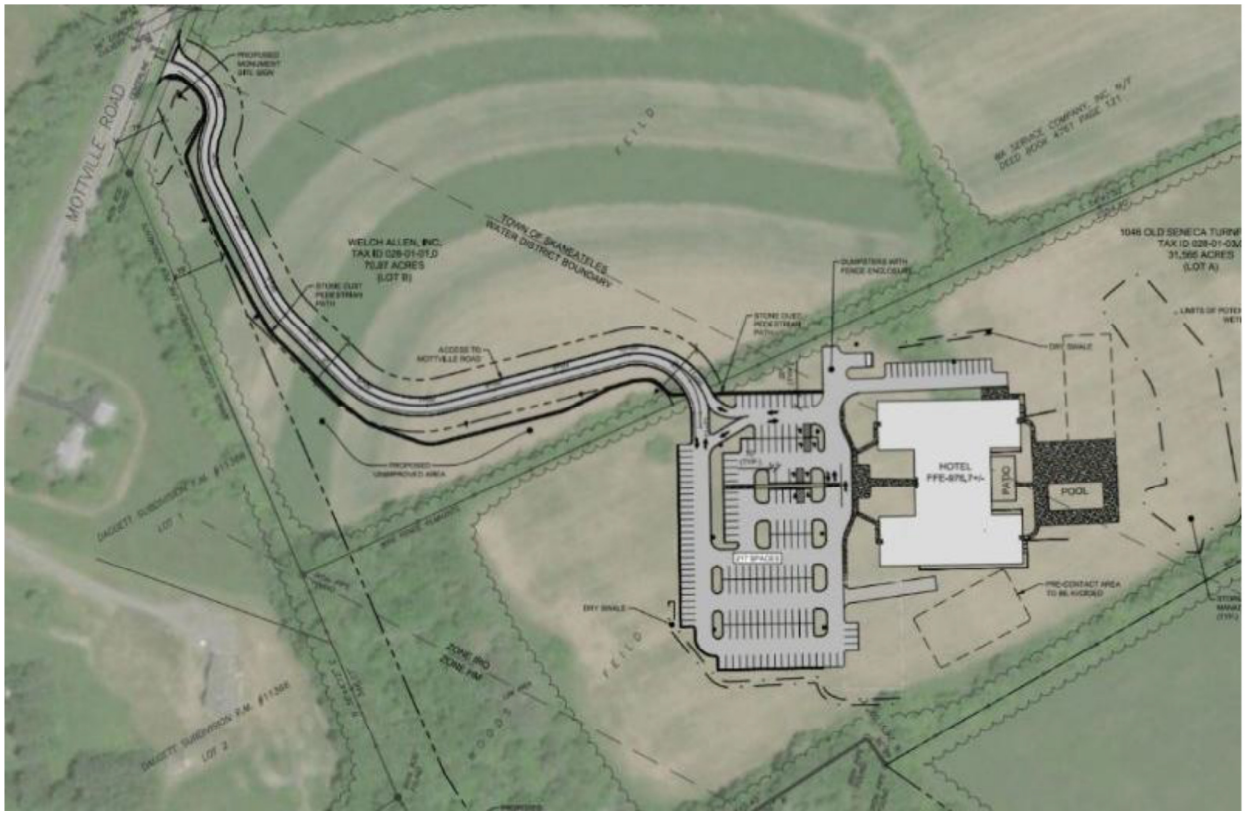
The development company is Eastern Dev Co, Inc., which is owned by Norman Swanson and has been the General Contractor on dozens of Norm Swanson ground-up and renovation construction projects.

Since 1984 Norm has been involved in the hospitality industry. His humble beginning came with the purchase of the Mohawk Manor on East Genesee Street in Syracuse which was transformed into the Genesee Grande Hotel. The Parkview Hotel, Hotel Skyler, and most recently, Tailwater Lodge in Altmar, NY are all examples of successful renovation and new build hospitality projects.

Tailwater Lodge in Altmar, New York was completed and opened in February of 2014. A former elementary school, this very special property is situated on 35 acres fronting 2000 feet of the famous Salmon River with 88 rooms and a modern banquet facility capable of handling 450 person events.

Much of Skaneateles Lodge is based off the design features of Tailwater Lodge.

Below are site map, elevation rendering, and a chart showing the breakdown of the facility configuration and amenities. The overall building is comprised of a basement level (27,287 sf), a first floor (40,290 sf), and a second floor (33,399) for a total area of 101,399 sf.





Guestroom Configuration	Number of Units
King	50
Queen/Queen	34
Suites	4
Total	88

Food & Beverage Facilities	Seating Capacity
Dining Room	150
Outdoor Dining	TBD

Amenities & Services	
Indoor Pool & Outdoor Pool	Outdoor Whirlpool with Terrace
Fitness Center	Retail Outlet
Game Room	Hiking Trails
Putting Green/Bocce Ball Courts	Outdoor Patio & Fire Pit

Infrastructure	
Parking Spaces	217 (surface)
Elevators	2 Guest
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Wood Frame

Instructions for Completing Part 1

Part 1 is to be completed by the applicant or project sponsor. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification.

Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information; indicate whether missing information does not exist, or is not reasonably available to the sponsor; and, when possible, generally describe work or studies which would be necessary to update or fully develop that information.

Applicants/sponsors must complete all items in Sections A & B. In Sections C, D & E, most items contain an initial question that must be answered either "Yes" or "No". If the answer to the initial question is "Yes", complete the sub-questions that follow. If the answer to the initial question is "No", proceed to the next question. Section F allows the project sponsor to identify and attach any additional information. Section G requires the name and signature of the applicant or project sponsor to verify that the information contained in Part 1is accurate and complete.

A. Project and Applicant/Sponsor Information.

Name of Action or Project: Woodbine Hotel		
Project Location (describe, and attach a general location map): 1046 Old Seneca Turnpike, Town of Skaneateles, Onondaga County		
Brief Description of Proposed Action (include purpose or need): Construction of hotel, parking areas, stormwater management areas, septic areas and associated utilities		
Name of Applicant/Sponsor: Woodbine Group (c/o CHA Consulting, Inc - Brian Bouchard)	Telephone: 315-228-0036 E-Mail: bbouchard@chacompanies.com	
Address: 300 S. State Street, Suite 600		
City/PO: Syracuse	State: NY	Zip Code: 13202
Project Contact (if not same as sponsor; give name and title/role):	Telephone: E-Mail:	
Address:		
City/PO:	State:	Zip Code:
Property Owner (if not same as sponsor): 1046 Old Seneca Turnpike LLC	Telephone: E-Mail:	
Address: 505 E. Fayette St.		
City/PO: Syracuse	State: NY	Zip Code: 13202

B. Government Approvals

B. Government Approvals, Funding, or Sponsorship. ("Funding" includes grants, loans, tax relief, and any other forms of financial assistance.)

Government Entity	If Yes: Identify Agency and Approval(s) Required	Application Date (Actual or projected)
a. City Counsel, Town Board, or Village Board of Trustees ☑Yes ☐No	Town Board (Site Plan Approval)	
b. City, Town or Village Planning Board or Commission ☑Yes ☐No	Town Planning Board (Site Plan Approval)	
c. City, Town or Village Zoning Board of Appeals ☐Yes ☑No		
d. Other local agencies ☐Yes ☑No		
e. County agencies ☑Yes ☐No	Health Department (Septic Permit)	
f. Regional agencies ☐Yes ☑No		
g. State agencies ☑Yes ☐No	DEC SPDES permit	
h. Federal agencies ☐Yes ☑No		

i. Coastal Resources.

i. Is the project site within a Coastal Area, or the waterfront area of a Designated Inland Waterway? ☐Yes ☑No

ii. Is the project site located in a community with an approved Local Waterfront Revitalization Program? ☑Yes ☐No

iii. Is the project site within a Coastal Erosion Hazard Area? ☐Yes ☑No

C. Planning and Zoning

C.1. Planning and zoning actions.

Will administrative or legislative adoption, or amendment of a plan, local law, ordinance, rule or regulation be the only approval(s) which must be granted to enable the proposed action to proceed? ☐Yes ☑No

- **If Yes,** complete sections C, F and G.
- **If No,** proceed to question C.2 and complete all remaining sections and questions in Part 1

C.2. Adopted land use plans.

a. Do any municipally- adopted (city, town, village or county) comprehensive land use plan(s) include the site where the proposed action would be located? ☑Yes ☐No

If Yes, does the comprehensive plan include specific recommendations for the site where the proposed action would be located? ☐Yes ☑No

b. Is the site of the proposed action within any local or regional special planning district (for example: Greenway; Brownfield Opportunity Area (BOA); designated State or Federal heritage area; watershed management plan; or other?) ☐Yes ☑No

If Yes, identify the plan(s):

_____

_____

_____

c. Is the proposed action located wholly or partially within an area listed in an adopted municipal open space plan, or an adopted municipal farmland protection plan? ☐Yes ☐No

If Yes, identify the plan(s):

_____

_____

_____

C.3. Zoning

a. Is the site of the proposed action located in a municipality with an adopted zoning law or ordinance. ☑ Yes ☐ No
If Yes, what is the zoning classification(s) including any applicable overlay district?
Indutrial/Research/Office District (IRO)

b. Is the use permitted or allowed by a special or conditional use permit? ☑ Yes ☐ No

c. Is a zoning change requested as part of the proposed action? ☐ Yes ☑ No
If Yes,
i. What is the proposed new zoning for the site? _____

C.4. Existing community services.

a. In what school district is the project site located? Skaneateles

b. What police or other public protection forces serve the project site?
Onondaga County Sheriff's Department and New York State Troopers

c. Which fire protection and emergency medical services serve the project site?
Mottville Fire

d. What parks serve the project site?

D. Project Details

D.1. Proposed and Potential Development

a. What is the general nature of the proposed action (e.g., residential, industrial, commercial, recreational; if mixed, include all components)? Commercial

b. a. Total acreage of the site of the proposed action? 30.97 acres
b. Total acreage to be physically disturbed? 12.9 acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 30.97 acres

c. Is the proposed action an expansion of an existing project or use? ☐ Yes ☑ No
i. If Yes, what is the approximate percentage of the proposed expansion and identify the units (e.g., acres, miles, housing units, square feet)? % _____ Units: _____

d. Is the proposed action a subdivision, or does it include a subdivision? ☐ Yes ☑ No
If Yes,
i. Purpose or type of subdivision? (e.g., residential, industrial, commercial; if mixed, specify types)

ii. Is a cluster/conservation layout proposed? ☐ Yes ☐ No
iii. Number of lots proposed? _____
iv. Minimum and maximum proposed lot sizes? Minimum _____ Maximum _____

e. Will the proposed action be constructed in multiple phases? ☐ Yes ☑ No
i. If No, anticipated period of construction: 24 months
ii. If Yes:
- Total number of phases anticipated _____
- Anticipated commencement date of phase 1 (including demolition) _____ month _____ year
- Anticipated completion date of final phase _____ month _____year
- Generally describe connections or relationships among phases, including any contingencies where progress of one phase may determine timing or duration of future phases: _____

f. Does the project include new residential uses? ☐ Yes ☑ No

If Yes, show numbers of units proposed.

	One Family	Two Family	Three Family	Multiple Family (four or more)
Initial Phase	_____	_____	_____	_____
At completion of all phases	_____	_____	_____	_____

g. Does the proposed action include new non-residential construction (including expansions)? ☑ Yes ☐ No

If Yes,

i. Total number of structures _____1_____

ii. Dimensions (in feet) of largest proposed structure: _____35_____ height; _____210_____ width; and _____225_____ length

iii. Approximate extent of building space to be heated or cooled: _____75,000_____ square feet

h. Does the proposed action include construction or other activities that will result in the impoundment of any liquids, such as creation of a water supply, reservoir, pond, lake, waste lagoon or other storage? ☐ Yes ☑ No

If Yes,

i. Purpose of the impoundment: _____

ii. If a water impoundment, the principal source of the water: ☐ Ground water ☐ Surface water streams ☐ Other specify:

_____

iii. If other than water, identify the type of impounded/contained liquids and their source.

_____

iv. Approximate size of the proposed impoundment. Volume: _____ million gallons; surface area: _____ acres

v. Dimensions of the proposed dam or impounding structure: _____ height; _____ length

vi. Construction method/materials for the proposed dam or impounding structure (e.g., earth fill, rock, wood, concrete):

_____

D.2. Project Operations

a. Does the proposed action include any excavation, mining, or dredging, during construction, operations, or both? (Not including general site preparation, grading or installation of utilities or foundations where all excavated materials will remain onsite) ☐ Yes ☑ No

If Yes:

i .What is the purpose of the excavation or dredging? _____

ii. How much material (including rock, earth, sediments, etc.) is proposed to be removed from the site?

- Volume (specify tons or cubic yards): _____
- Over what duration of time? _____

iii. Describe nature and characteristics of materials to be excavated or dredged, and plans to use, manage or dispose of them.

_____

_____

i*v.* Will there be onsite dewatering or processing of excavated materials? ☐ Yes ☐ No

If yes, describe. _____

_____

v. What is the total area to be dredged or excavated? _____acres

vi. What is the maximum area to be worked at any one time? _____ acres

vii. What would be the maximum depth of excavation or dredging? _____ feet

viii. Will the excavation require blasting? ☐ Yes ☐ No

ix. Summarize site reclamation goals and plan: _____

_____

_____

b. Would the proposed action cause or result in alteration of, increase or decrease in size of, or encroachment into any existing wetland, waterbody, shoreline, beach or adjacent area? ☐ Yes ☑ No

If Yes:

i. Identify the wetland or waterbody which would be affected (by name, water index number, wetland map number or geographic description): _____

_____

ii. Describe how the proposed action would affect that waterbody or wetland, e.g. excavation, fill, placement of structures, or alteration of channels, banks and shorelines. Indicate extent of activities, alterations and additions in square feet or acres:

_____

_____

_____

_____

iii. Will the proposed action cause or result in disturbance to bottom sediments? ☐Yes ☐No

If Yes, describe: _____

iv. Will the proposed action cause or result in the destruction or removal of aquatic vegetation? ☐Yes ☐No

If Yes:

- acres of aquatic vegetation proposed to be removed: _____
- expected acreage of aquatic vegetation remaining after project completion: _____
- purpose of proposed removal (e.g. beach clearing, invasive species control, boat access): _____

_____

- proposed method of plant removal: _____
- if chemical/herbicide treatment will be used, specify product(s): _____

v. Describe any proposed reclamation/mitigation following disturbance: _____

_____

c. Will the proposed action use, or create a new demand for water? ☑Yes ☐No

If Yes:

i. Total anticipated water usage/demand per day: 14,580 gallons/day

ii. Will the proposed action obtain water from an existing public water supply? ☑Yes ☐No

If Yes:

- Name of district or service area: Town of Skaneateles
- Does the existing public water supply have capacity to serve the proposal? ☑Yes ☐No
- Is the project site in the existing district? ☑Yes ☐No
- Is expansion of the district needed? ☐Yes ☑No
- Do existing lines serve the project site? ☐Yes ☑No

iii. Will line extension within an existing district be necessary to supply the project? ☐Yes ☑No

If Yes:

- Describe extensions or capacity expansions proposed to serve this project: _____

_____

- Source(s) of supply for the district: _____

iv. Is a new water supply district or service area proposed to be formed to serve the project site? ☐Yes ☐No

If, Yes:

- Applicant/sponsor for new district: _____
- Date application submitted or anticipated: _____
- Proposed source(s) of supply for new district: _____

v. If a public water supply will not be used, describe plans to provide water supply for the project: _____

_____

vi. If water supply will be from wells (public or private), what is the maximum pumping capacity: _____ gallons/minute.

d. Will the proposed action generate liquid wastes? ☑Yes ☐No

If Yes:

i. Total anticipated liquid waste generation per day: 14,580 gallons/day

ii. Nature of liquid wastes to be generated (e.g., sanitary wastewater, industrial; if combination, describe all components and approximate volumes or proportions of each): _____

Sanitary wastewater approximately (14,580 gallons per day)

_____

iii. Will the proposed action use any existing public wastewater treatment facilities? ☐Yes ☑No

If Yes:

- Name of wastewater treatment plant to be used: _____
- Name of district: _____
- Does the existing wastewater treatment plant have capacity to serve the project? ☐Yes ☐No
- Is the project site in the existing district? ☐Yes ☐No
- Is expansion of the district needed? ☐Yes ☐No

- Do existing sewer lines serve the project site? ☐Yes ☐No
- Will a line extension within an existing district be necessary to serve the project? ☐Yes ☐No

If Yes:

- Describe extensions or capacity expansions proposed to serve this project: _____

_____

_____

iv. Will a new wastewater (sewage) treatment district be formed to serve the project site? ☐Yes ☑No

If Yes:

- Applicant/sponsor for new district: _____
- Date application submitted or anticipated: _____
- What is the receiving water for the wastewater discharge? _____

v. If public facilities will not be used, describe plans to provide wastewater treatment for the project, including specifying proposed receiving water (name and classification if surface discharge or describe subsurface disposal plans):

Project is to be served by a new septic system that will be sized per NYS Department of Health regulations and recieve both NYS DEC and Onondaga County Health department approvals

vi. Describe any plans or designs to capture, recycle or reuse liquid waste: _____

_____

_____

e. Will the proposed action disturb more than one acre and create stormwater runoff, either from new point sources (i.e. ditches, pipes, swales, curbs, gutters or other concentrated flows of stormwater) or non-point source (i.e. sheet flow) during construction or post construction? ☑Yes ☐No

If Yes:

i. How much impervious surface will the project create in relation to total size of project parcel?

_____ Square feet or 3.41 acres (impervious surface)

_____ Square feet or 30.97 acres (parcel size)

ii. Describe types of new point sources. runoff from lodging building and parking areas

_____

iii. Where will the stormwater runoff be directed (i.e. on-site stormwater management facility/structures, adjacent properties, groundwater, on-site surface water or off-site surface waters)?

stormwater runoff will be directed to on-site stormwater management structures

_____

- If to surface waters, identify receiving water bodies or wetlands: _____

_____

_____

- Will stormwater runoff flow to adjacent properties? ☐Yes ☑No

iv. Does the proposed plan minimize impervious surfaces, use pervious materials or collect and re-use stormwater? ☑Yes ☐No

f. Does the proposed action include, or will it use on-site, one or more sources of air emissions, including fuel combustion, waste incineration, or other processes or operations? ☐Yes ☑No

If Yes, identify:

i. Mobile sources during project operations (e.g., heavy equipment, fleet or delivery vehicles)

_____

ii. Stationary sources during construction (e.g., power generation, structural heating, batch plant, crushers)

_____

iii. Stationary sources during operations (e.g., process emissions, large boilers, electric generation)

_____

g. Will any air emission sources named in D.2.f (above), require a NY State Air Registration, Air Facility Permit, or Federal Clean Air Act Title IV or Title V Permit? ☐Yes ☑No

If Yes:

i. Is the project site located in an Air quality non-attainment area? (Area routinely or periodically fails to meet ambient air quality standards for all or some parts of the year) ☐Yes ☐No

ii. In addition to emissions as calculated in the application, the project will generate:

- _____Tons/year (short tons) of Carbon Dioxide (CO_2)
- _____Tons/year (short tons) of Nitrous Oxide (N_2O)
- _____Tons/year (short tons) of Perfluorocarbons (PFCs)
- _____Tons/year (short tons) of Sulfur Hexafluoride (SF_6)
- _____Tons/year (short tons) of Carbon Dioxide equivalent of Hydroflourocarbons (HFCs)
- _____Tons/year (short tons) of Hazardous Air Pollutants (HAPs)

h. Will the proposed action generate or emit methane (including, but not limited to, sewage treatment plants, landfills, composting facilities)? ☐Yes ☑No

If Yes:

i. Estimate methane generation in tons/year (metric): _____

ii. Describe any methane capture, control or elimination measures included in project design (e.g., combustion to generate heat or electricity, flaring): _____

_____

i. Will the proposed action result in the release of air pollutants from open-air operations or processes, such as quarry or landfill operations? ☐Yes ☑No

If Yes: Describe operations and nature of emissions (e.g., diesel exhaust, rock particulates/dust):

_____

_____

j. Will the proposed action result in a substantial increase in traffic above present levels or generate substantial new demand for transportation facilities or services? ☐Yes ☑No

If Yes:

i. When is the peak traffic expected (Check all that apply): ☐ Morning ☐ Evening ☐Weekend

☐ Randomly between hours of _____ to _____.

ii. For commercial activities only, projected number of truck trips/day and type (e.g., semi trailers and dump trucks): _____

_____

iii. Parking spaces: Existing _____ Proposed _____ Net increase/decrease _____

iv. Does the proposed action include any shared use parking? ☐Yes ☐No

v. If the proposed action includes any modification of existing roads, creation of new roads or change in existing access, describe:

_____

vi. Are public/private transportation service(s) or facilities available within ½ mile of the proposed site? ☐Yes ☐No

vii Will the proposed action include access to public transportation or accommodations for use of hybrid, electric or other alternative fueled vehicles? ☐Yes ☐No

viii. Will the proposed action include plans for pedestrian or bicycle accommodations for connections to existing pedestrian or bicycle routes? ☐Yes ☐No

k. Will the proposed action (for commercial or industrial projects only) generate new or additional demand for energy? ☑Yes ☐No

If Yes:

i. Estimate annual electricity demand during operation of the proposed action: _____

_____

ii. Anticipated sources/suppliers of electricity for the project (e.g., on-site combustion, on-site renewable, via grid/local utility, or other):

National Grid (local utility)

iii. Will the proposed action require a new, or an upgrade, to an existing substation? ☐Yes ☑No

l. Hours of operation. Answer all items which apply.

i. During Construction:

- Monday - Friday: 7am-7pm
- Saturday: _____
- Sunday: _____
- Holidays: _____

ii. During Operations:

- Monday - Friday: 24 hours
- Saturday: 24 hours
- Sunday: 24 hours
- Holidays: 24 hours

m. Will the proposed action produce noise that will exceed existing ambient noise levels during construction, operation, or both? ☐ Yes ☑ No

If yes:

i. Provide details including sources, time of day and duration:

_____

_____

ii. Will the proposed action remove existing natural barriers that could act as a noise barrier or screen? ☐ Yes ☐ No

Describe: _____

_____

n. Will the proposed action have outdoor lighting? ☑ Yes ☐ No

If yes:

i. Describe source(s), location(s), height of fixture(s), direction/aim, and proximity to nearest occupied structures:

Parking lot lighting for safety and area lighting for patio and pool areas

_____

ii. Will proposed action remove existing natural barriers that could act as a light barrier or screen? ☐ Yes ☑ No

Describe: _____

_____

o. Does the proposed action have the potential to produce odors for more than one hour per day? ☐ Yes ☑ No

If Yes, describe possible sources, potential frequency and duration of odor emissions, and proximity to nearest occupied structures: _____

_____

_____

p. Will the proposed action include any bulk storage of petroleum (combined capacity of over 1,100 gallons) or chemical products 185 gallons in above ground storage or any amount in underground storage? ☐ Yes ☑ No

If Yes:

i. Product(s) to be stored _____

ii. Volume(s) _____ per unit time _____ (e.g., month, year)

iii. Generally, describe the proposed storage facilities:_____

_____

q. Will the proposed action (commercial, industrial and recreational projects only) use pesticides (i.e., herbicides, insecticides) during construction or operation? ☐ Yes ☑ No

If Yes:

i. Describe proposed treatment(s):

_____

_____

_____

_____

ii. Will the proposed action use Integrated Pest Management Practices? ☐ Yes ☐ No

r. Will the proposed action (commercial or industrial projects only) involve or require the management or disposal of solid waste (excluding hazardous materials)? ☐ Yes ☐ No

If Yes:

i. Describe any solid waste(s) to be generated during construction or operation of the facility:

- Construction: _____ tons per _____ (unit of time)
- Operation : _____ tons per _____ (unit of time)

ii. Describe any proposals for on-site minimization, recycling or reuse of materials to avoid disposal as solid waste:

- Construction: _____

  _____
- Operation: _____

  _____

iii. Proposed disposal methods/facilities for solid waste generated on-site:

- Construction: _____

  _____
- Operation: _____

  _____

s. Does the proposed action include construction or modification of a solid waste management facility? ☐ Yes ☑ No

If Yes:

i. Type of management or handling of waste proposed for the site (e.g., recycling or transfer station, composting, landfill, or other disposal activities): _____

ii. Anticipated rate of disposal/processing:

- _____ Tons/month, if transfer or other non-combustion/thermal treatment, or
- _____ Tons/hour, if combustion or thermal treatment

iii. If landfill, anticipated site life: _____ years

t. Will the proposed action at the site involve the commercial generation, treatment, storage, or disposal of hazardous waste? ☐ Yes ☑ No

If Yes:

i. Name(s) of all hazardous wastes or constituents to be generated, handled or managed at facility: _____

ii. Generally describe processes or activities involving hazardous wastes or constituents: _____

iii. Specify amount to be handled or generated _____ tons/month

iv. Describe any proposals for on-site minimization, recycling or reuse of hazardous constituents: _____

v. Will any hazardous wastes be disposed at an existing offsite hazardous waste facility? ☐ Yes ☐ No

If Yes: provide name and location of facility: _____

If No: describe proposed management of any hazardous wastes which will not be sent to a hazardous waste facility:

E. Site and Setting of Proposed Action

E.1. Land uses on and surrounding the project site

a. Existing land uses.

i. Check all uses that occur on, adjoining and near the project site.

☐ Urban ☑ Industrial ☐ Commercial ☑ Residential (suburban) ☐ Rural (non-farm)
☐ Forest ☑ Agriculture ☐ Aquatic ☐ Other (specify): _____

ii. If mix of uses, generally describe:

Industrial uses to the north, farm fields to the east and south and residential lots to the west of the property

b. Land uses and covertypes on the project site.

Land use or Covertype	Current Acreage	Acreage After Project Completion	Change (Acres +/-)
• Roads, buildings, and other paved or impervious surfaces	0.0	3.41	+3.41
• Forested	8.79	8.36	-0.43
• Meadows, grasslands or brushlands (non-agricultural, including abandoned agricultural)	0.0	7.19	+7.19
• Agricultural (includes active orchards, field, greenhouse etc.)	21.58	11.41	-10.17
• Surface water features (lakes, ponds, streams, rivers, etc.)	0.0	0.0	0.0
• Wetlands (freshwater or tidal)	1.20	1.20	0.0
• Non-vegetated (bare rock, earth or fill)	0.0	0.0	0.0
• Other Describe: _____			

c. Is the project site presently used by members of the community for public recreation? ☐ Yes ☑ No

i. If Yes: explain: _____

d. Are there any facilities serving children, the elderly, people with disabilities (e.g., schools, hospitals, licensed day care centers, or group homes) within 1500 feet of the project site? ☐ Yes ☑ No

If Yes,

i. Identify Facilities:

_____

_____

e. Does the project site contain an existing dam? ☐ Yes ☑ No

If Yes:

i. Dimensions of the dam and impoundment:

- Dam height: _____ feet
- Dam length: _____ feet
- Surface area: _____ acres
- Volume impounded: _____ gallons OR acre-feet

ii. Dam's existing hazard classification: _____

iii. Provide date and summarize results of last inspection:

_____

_____

f. Has the project site ever been used as a municipal, commercial or industrial solid waste management facility, or does the project site adjoin property which is now, or was at one time, used as a solid waste management facility? ☐ Yes ☑ No

If Yes:

i. Has the facility been formally closed? ☐ Yes ☐ No

- If yes, cite sources/documentation: _____

ii. Describe the location of the project site relative to the boundaries of the solid waste management facility:

_____

_____

iii. Describe any development constraints due to the prior solid waste activities: _____

_____

g. Have hazardous wastes been generated, treated and/or disposed of at the site, or does the project site adjoin property which is now or was at one time used to commercially treat, store and/or dispose of hazardous waste? ☐ Yes ☑ No

If Yes:

i. Describe waste(s) handled and waste management activities, including approximate time when activities occurred:

_____

_____

h. Potential contamination history. Has there been a reported spill at the proposed project site, or have any remedial actions been conducted at or adjacent to the proposed site? ☐ Yes ☑ No

If Yes:

i. Is any portion of the site listed on the NYSDEC Spills Incidents database or Environmental Site Remediation database? Check all that apply: ☐ Yes ☐ No

☐ Yes – Spills Incidents database Provide DEC ID number(s): _____

☐ Yes – Environmental Site Remediation database Provide DEC ID number(s): _____

☐ Neither database

ii. If site has been subject of RCRA corrective activities, describe control measures:_____

_____

_____

iii. Is the project within 2000 feet of any site in the NYSDEC Environmental Site Remediation database? ☐ Yes ☐ No

If yes, provide DEC ID number(s): _____

iv. If yes to (i), (ii) or (iii) above, describe current status of site(s):

_____

_____

v. Is the project site subject to an institutional control limiting property uses? ☐ Yes ☐ No

- If yes, DEC site ID number: _____
- Describe the type of institutional control (e.g., deed restriction or easement): _____
- Describe any use limitations: _____
- Describe any engineering controls: _____
- Will the project affect the institutional or engineering controls in place? ☐ Yes ☐ No
- Explain: _____

E.2. Natural Resources On or Near Project Site

a. What is the average depth to bedrock on the project site? >20 feet

b. Are there bedrock outcroppings on the project site? ☐ Yes ☑ No
If Yes, what proportion of the site is comprised of bedrock outcroppings? _____%

c. Predominant soil type(s) present on project site:
HnB Honeoye Silt Loam 3-8% slope _____%
HnC Honeoye Silt Loam 8-15%slope _____%
LtB Lima Silt Loam 3-8% slopes _____%

d. What is the average depth to the water table on the project site? Average: _____ feet

e. Drainage status of project site soils:
☐ Well Drained: _____% of site
☑ Moderately Well Drained: _____% of site
☐ Poorly Drained _____% of site

f. Approximate proportion of proposed action site with slopes:
☑ 0-10%: 90 % of site
☑ 10-15%: 10 % of site
☐ 15% or greater: _____% of site

g. Are there any unique geologic features on the project site? ☐ Yes ☑ No
If Yes, describe: _____

h. Surface water features.

i. Does any portion of the project site contain wetlands or other waterbodies (including streams, rivers, ponds or lakes)? ☐ Yes ☑ No

ii. Do any wetlands or other waterbodies adjoin the project site? ☐ Yes ☑ No

If Yes to either *i* or *ii*, continue. If No, skip to E.2.i.

iii. Are any of the wetlands or waterbodies within or adjoining the project site regulated by any federal, state or local agency? ☐ Yes ☐ No

iv. For each identified regulated wetland and waterbody on the project site, provide the following information:

- Streams: Name _____ Classification _____
- Lakes or Ponds: Name _____ Classification _____
- Wetlands: Name _____ Approximate Size _____
- Wetland No. (if regulated by DEC) _____

v. Are any of the above water bodies listed in the most recent compilation of NYS water quality-impaired waterbodies? ☐ Yes ☐ No

If yes, name of impaired water body/bodies and basis for listing as impaired: _____

i. Is the project site in a designated Floodway? ☐ Yes ☑ No

j. Is the project site in the 100-year Floodplain? ☐ Yes ☑ No

k. Is the project site in the 500-year Floodplain? ☐ Yes ☑ No

l. Is the project site located over, or immediately adjoining, a primary, principal or sole source aquifer? ☐ Yes ☑ No
If Yes:

i. Name of aquifer: _____

m. Identify the predominant wildlife species that occupy or use the project site: _____

_____ _____ _____

_____ _____ _____

n. Does the project site contain a designated significant natural community? ☐ Yes ☑ No

If Yes:

i. Describe the habitat/community (composition, function, and basis for designation): _____

_____

ii. Source(s) of description or evaluation: _____

iii. Extent of community/habitat:

- Currently: _____ acres
- Following completion of project as proposed: _____ acres
- Gain or loss (indicate + or -): _____ acres

o. Does project site contain any species of plant or animal that is listed by the federal government or NYS as endangered or threatened, or does it contain any areas identified as habitat for an endangered or threatened species? ☐ Yes ☑ No

If Yes:

i. Species and listing (endangered or threatened): _____

_____

_____

p. Does the project site contain any species of plant or animal that is listed by NYS as rare, or as a species of special concern? ☐ Yes ☑ No

If Yes:

i. Species and listing: _____

_____

q. Is the project site or adjoining area currently used for hunting, trapping, fishing or shell fishing? ☐ Yes ☐ No

If yes, give a brief description of how the proposed action may affect that use: _____

_____

E.3. Designated Public Resources On or Near Project Site

a. Is the project site, or any portion of it, located in a designated agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? ☐ Yes ☑ No

If Yes, provide county plus district name/number: _____

b. Are agricultural lands consisting of highly productive soils present? ☐ Yes ☐ No

i. If Yes: acreage(s) on project site? _____

ii. Source(s) of soil rating(s): _____

c. Does the project site contain all or part of, or is it substantially contiguous to, a registered National Natural Landmark? ☐ Yes ☑ No

If Yes:

i. Nature of the natural landmark: ☐ Biological Community ☐ Geological Feature

ii. Provide brief description of landmark, including values behind designation and approximate size/extent: _____

_____

_____

d. Is the project site located in or does it adjoin a state listed Critical Environmental Area? ☐ Yes ☑ No

If Yes:

i. CEA name: _____

ii. Basis for designation: _____

iii. Designating agency and date: _____

e. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? ☐ Yes ☑ No

If Yes:

i. Nature of historic/archaeological resource: ☐ Archaeological Site ☐ Historic Building or District

ii. Name: _____

iii. Brief description of attributes on which listing is based:

_____

f. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory? ☑ Yes ☐ No

g. Have additional archaeological or historic site(s) or resources been identified on the project site? ☑ Yes ☐ No

If Yes:

i. Describe possible resource(s): See SHPO Letter of findings

ii. Basis for identification: _____

h. Is the project site within fives miles of any officially designated and publicly accessible federal, state, or local scenic or aesthetic resource? ☐ Yes ☐ No

If Yes:

i. Identify resource: _____

ii. Nature of, or basis for, designation (e.g., established highway overlook, state or local park, state historic trail or scenic byway, etc.): _____

iii. Distance between project and resource: _____ miles.

i. Is the project site located within a designated river corridor under the Wild, Scenic and Recreational Rivers Program 6 NYCRR 666? ☐ Yes ☑ No

If Yes:

i. Identify the name of the river and its designation: _____

ii. Is the activity consistent with development restrictions contained in 6NYCRR Part 666? ☐ Yes ☐ No

F. Additional Information

Attach any additional information which may be needed to clarify your project.

If you have identified any adverse impacts which could be associated with your proposal, please describe those impacts plus any measures which you propose to avoid or minimize them.

G. Verification

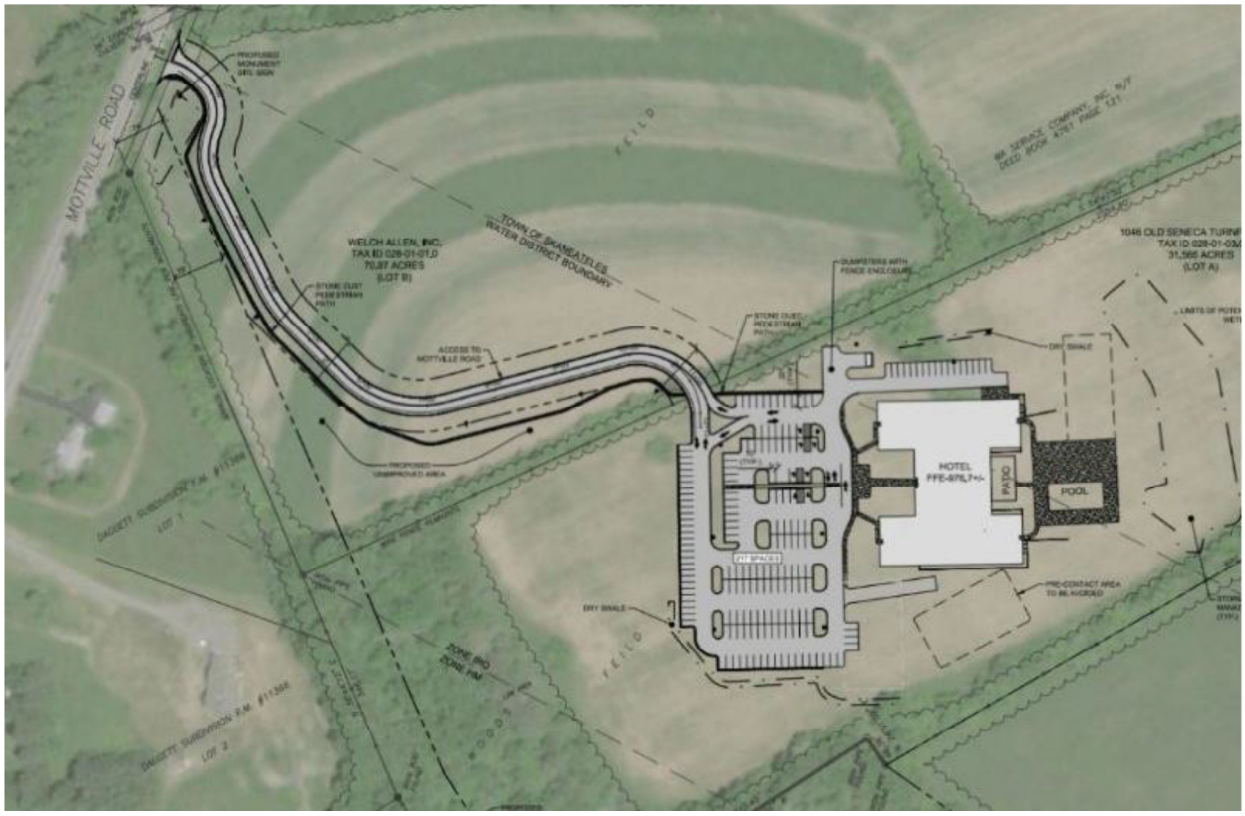
I certify that the information provided is true to the best of my knowledge.

Applicant/Sponsor Name _____ Date_____

Signature_____ Title_____

PRINT FORM

Below are site map, elevation rendering, and a chart showing the breakdown of the facility configuration and amenities. The overall building is comprised of a basement level (27,287 sf), a first floor (40,290 sf), and a second floor (33,399) for a total area of 101,399 sf.





Guestroom Configuration	Number of Units
King	50
Queen/Queen	34
Suites	4
Total	88

Food & Beverage Facilities	Seating Capacity
Dining Room	150
Outdoor Dining	TBD

Amenities & Services	
Indoor Pool & Outdoor Pool	Outdoor Whirlpool with Terrace
Fitness Center	Retail Outlet
Game Room	Hiking Trails
Putting Green/Bocce Ball Courts	Outdoor Patio & Fire Pit

Infrastructure	
Parking Spaces	217 (surface)
Elevators	2 Guest
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Wood Frame

March 13, 2020

Town of Skaneateles Planning Board
Attn: Mr. Joseph Southern
24 Jordan Street
Skaneateles, New York 13152

RE: Proposed Hotel – Special Permit
1046 Old Seneca Turnpike
CHA Project No. 36191

Dear Town of Skaneateles Planning Board:

CHA, on behalf of the owner/applicant, is pleased to submit the enclosed updated Site Plan Drawings and Architectural Elevations related to the current Special Permit Application. The plans are submitted for your review and approval, which includes updates based on feedback received during the Planning Board meeting on 2/18/20 as well as our recent coordination with neighboring properties. The following is a summary of the project and related updates.

- Architectural Updates
  - Please refer to the enclosed Graphic Renderings and updated Floor Plans/Elevations dated 3/4/2020.
  - The current hotel design was influenced by the local agriculture style of old barn structures which have three basic components
    - A stone foundation or base connecting the structure to the earth
    - A post and beam structures with vertical board and sometimes batten
    - All under a shingled gable roof.
  - These components have been incorporated in a repetitive manner for the proposed hotel building. The height of 35' has directed the layout of the project in a horizontal manner and eliminated the ability to have tall vertical components (such as silos, towers, etc) which would not have had a functional aspect as they do within their agricultural counterparts. Instead, the façade elements have been employed to break apart various wall planes and add significant fenestration to the building exterior.
  - The choice of materials includes various stone elements, wood post/beam accents, wood board, and shingled roof with some metal components.
  - The shape of the building provides functionality. The "H" shape breaks up the square layout and provides an impressive entrance courtyard with covered walkway constructed of matching building materials. This courtyard is heavily landscaped for a natural setting. The rear of the building has the same impact, allowing a recessed shape that provides the rear deck and patio with seclusion leading out into the pool area, also landscaped for a natural setting. The purpose of the "H" shape allows for a quieter setting on the buildings exterior corridors where all the guest rooms will be located, while having the common space, entrances, and lobby completely accessible in the core of the building.

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The current site plan design and architectural design have also included all the necessary design review elements contained with the Planning Design Standards 148-18D, the rural siting principles 148-25, and the following Special Permit Findings Criteria (Chapt 148-16):

1. Will comply with all provisions and requirements of this chapter and of all other local laws and regulations and will be consistent with the purposes of the land use district in which it is located, with the Comprehensive Plan and with the purposes of this chapter.

    a. The enclosed design plans and supporting documentation have carefully considered the existing zoning district compliance, Comprehensive Plan guidelines, and Special Permit Review. More specifically, the proposed project is an allowable use within the Industrial Research Office (IRO) zoning district as per Chapter 148-8 (B) Use Table, which includes the proposed lodging facility and restaurant as uses permitted by issuance of a Special Permit.
    b. The project does not require any variances or deviations from the Zoning Ordinance established by the Town.
    c. It is clearly stated in the Comprehensive Plan that "commercial development shall be directed to the northern Hamlets and the core downtown area of the Village". The project will also advance goals identified within the Comprehensive Plan. Specifically, Goal 3 "is centered on promoting clean industry job growth in and around the northern hamlets" and encouraging "supportive retail in hamlet population centers where there is sufficient demand to make a service or retail business viable".
    d. Although the project is adjacent to the more industrial aesthetic of the existing Hillrom campus, the proposed hotel has been designed through inspiration of agricultural barn structures which consist of stone base foundations, post and beam structural elements with vertical boards, and a shingled gabled roof.

2. Will not result in the release of harmful substances or any other nuisances, nor cause excessive noise, dust, odors, solid waste or glare.

    a. There will be no releases of harmful substances or nuisances associated with a hotel use.
    b. The on-site wastewater treatment system will be designed and permitted according to the Onondaga County Department of Health and NYSDEC standards required for the installation and operations of the septic system. This includes a pre-treatment system and redundant absorption fields necessary for longevity of the system.
    c. There will be no excessive noise, dust, odors, solid waste or glare associated with the hotel use. Construction will abide by the required State Pollution Discharge Elimination System (SPDES) permit required for construction activity to eliminate erosion and sediment concerns throughout the building phase as well as post construction management practices for the management of stormwater volume and quality. All permit requirements are outlined in the Stormwater Pollution Prevention Plan (SWPPP) developed by the design engineer and submitted to the Town Engineer for review and approval. The SWPPP will also be reviewed by the NYSDEC and approved prior to releasing the required permit necessary to start construction activities.

3. Will not adversely affect the general availability of affordable housing in the Town.

    a. The proposed hotel use will not impact the availability of affordable housing in the Town. Short term lodging proposed under the hotel use is unrelated to residential housing stock within the Town.

4. Will not cause undue traffic congestion, unduly impair pedestrian safety or overload existing roads, considering their current width, surfacing and condition.

    a. The applicant has prepared a Traffic Generation Assessment which has been submitted to the Town Engineer and the Onondaga County DOT for review and approval.
    b. The proposed hotel and restaurant use will generate a maximum of 62 vehicle trips or fewer entering or existing during peak hours, which will not have any potentially significant adverse impact on traffic operations within the greater study area around Mottville Road.

5. Will have appropriate parking and be accessible to fire, police and other emergency vehicles.

    a. The proposed parking meets the required Zoning ordinance for the hotel and restaurant use.
    b. In an effort to reduce impervious area on site, a number of excess parking spaces have been shown in a reserved parking area. This area will not be built during the project construction, but will be available in the future if additional parking demand warrants the additional spaces. All aspects of the design and approval, including the stormwater management system, has considered the additional pavement area so that it can be constructed without the need for any significant modifications to the site or stormwater system.
    c. The applicant has consulted with the local fire department to ensure there is adequate fire access throughout the building, as well as appropriate locations of on site fire hydrants and fire department connections within the building. Please refer to Mottville Chief Baker's letter provided to the Planning Board on 2-12-20.

6. Will not overload any public water, drainage or sewer system or any other municipal facility or service, including schools.

    a. The on-site wastewater treatment system will be designed and permitting accordingly to the Onondaga County Department of Health and NYSDEC standards required for the installation and operations of the septic system. This includes a pre-treatment system and redundant absorption fields necessary for longevity of the system.
    b. The project has been designed in accordance with the State Pollution Discharge Elimination System (SPDES) permit required for construction activity to eliminate erosion and sediment concerns throughout the building phase as well as post construction management practices for the management of stormwater volume and quality. All permit requirements are outlined in the Stormwater Pollution Prevention Plan (SWPPP) development by the design engineer and submitted to the Town Engineer for review and approval. The SWPPP will also be reviewed by the NYSDEC and approved prior to releasing the required permit necessary to start construction activities.
    c. The hotel use has access to public water at Mottville Road and will not impact the capacity of

the system. The existing pipe is a 12" watermain having a 65 PSI static pressure.

7. Will not degrade any natural resource, ecosystem or historic resource, including Skaneateles Lake or Owasco Lake.

    a. The proposed construction will not degrade any natural resources, ecosystem, or historic resources. The stormwater management will be provided in accordance with the Town and State regulations of the SPDES permit related to water quality and volume of runoff discharged from the project site. Historic resources have been screened through the completion of an Archeological Study and will be avoided, as acknowledged by the NYS State Historic Preservation Office letters dated 8/21/18 and 6/28/19.

8. Will be suitable for the property on which it is proposed, considering the property's size, location, topography, vegetation, soils, natural habitat and hydrology and, if appropriate, its ability to be buffered or screened from neighboring properties and public roads.

    a. The proposed project is surrounding by existing mature hedgerow inclusive of full height trees approximately 40-50ft in height. Additional extensive landscaping is provided throughout the proposed project to create a natural aesthetic around the parking lot and building. Photographs have been submitted, which included a flight of red balloons to a height of 35' (proposed building height and location on site). Various vantage points throughout the area, including road frontage on Old Seneca Turnpike, Mottville Road, Highland Ave, and Route 321, were photographed. The existing hedgerows lining the property will provide adequate screening of the property.
    b. The site lighting will be dark sky compliant. There will be no light trespass over adjacent property line. Light fixtures will be directed away from adjacent properties.
    c. Landscaping has been specifically included along the access road to prevent headlight glare onto adjacent properties.
    d. The project lot coverage and impervious areas are less than the maximum allowed within the district, leaving approximately 87% of the remaining parcel as open space.

9. Will be subject to such conditions on operation, design and layout of structures and provision of screening, buffer areas and off-site improvements as may be necessary to ensure compatibility with surrounding uses and to protect the natural, historic and scenic resources of the Town.

    a. Updates have been made to the architectural drawings and graphic renderings to shown conformance with the high level of architectural compatibility that the project will provide.

10. Will be consistent with the community's goal of concentrating retail uses in the village and hamlets, avoiding strip commercial development and locating nonresidential uses that are incompatible with residential use on well buffered properties.

    a. The use is located in an appropriate parcel within the Industrial research office (IRO) district.
    b. The building has a setback of approximately 1,100 ft from Mottville road and is surrounded by existing mature hedgerows for buffering.

c. The project meets the intent of the Comprehensive Plan, focusing viable business opportunities within the northern areas of the Town, and specifically the IRO district.

11. Will be able to comply with the rural siting principles in §148-25, if applicable, and with the site planning standards of § 148-18D.

    a. The project satisfies the site planning standards of 148-18D, including the layout, architecture, landscaping, circulation, etc described in the ordinance.
    b. The project satisfies the rural siting principles of 148-25, including retaining existing property line hedgerows for screening, placing the building in the rear of the field, tucked behind existing tree lines away from the road, minimizing clearing of vegetation, use of curves in the driveway to increase the screening of buildings. The building height of 35' will not protrude above the treelines and uses existing hedgerows as a backdrop. The building uses the natural topography, employing a walk out area of the basement for amenities.

12. Will have no greater overall impact on the site and its surroundings than would full development of uses of the property permitted by right. This criterion shall not apply in the HC District.

    a. The proposed lodging and restaurant use is fully compatible with the surrounding area. The scale of the project is small compared specifically to the adjacent Hillrom Industrial campus in terms of building size, traffic generation, etc. Other permitted uses in the district would potentially have greater impacts on the surrounding area, specifically impacting the adjacent residential properties. Other permitted uses such as light industry, office buildings, warehousing, and wholesale businesses would have greater traffic impacts and potentially noise.

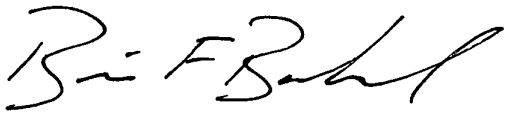
The revised Site Plans and Building Elevations will create a project intended to advance the Goals of the Comprehensive Plan, meet all aspects of the Town's design guidelines and Zoning ordinance, and fulfill the need for affordable lodging within the local area with an architectural character that mimics the natural surroundings.

The following items have been included in this submission:

- Ten (10) copies - Architectural Elevations & Colored Renderings

Should you have any questions related to the submission, please do not hesitate to contact me at 315-471-3920 or bbouchard@chacompanies.com

Very truly yours,



Brian F. Bouchard, P.E.
Project Engineer V

Enclosures
V:\Projects\ANY\K5\36191\Corres\Special Permit Review Narrative-3-13-20.docx

Tax Map 028.-01-03.0; and
Tax Map 028.-01-01.0 (For Easement Through)

RESOLUTION
OF THE SKANEATELES PLANNING BOARD
Action date: May 26, 2020

PLEASE TAKE NOTICE that the following resolution was duly adopted at the May 26, 2020 Planning Board Meeting:

WHEREAS, application (collectively the "Application") was made by Woodbine Group, Inc. ("Applicant") for approval of a Major Special Permit and Site Plan Review permitting construction of an 88-room hotel with amenities ("Project") on a 30.97 acre parcel located in the IRO District at 1046 Old Seneca Turnpike and Tax Map 028.-01-03.0, with Project access intended via an adjacent parcel on Mottville Road with Tax Map 028.-01-01.0, Skaneateles, New York (collectively the "Property"); and

WHEREAS, at its regular meeting held December 17, 2019, the Planning Board reviewed submission materials from the Applicant and its professionals, including a Project Application for Site Plan and Major Special Permit approval dated November 6, 2019, a narrative dated November 25, 2019, a Full Environmental Assessment Form ("FEAF") Part I – Project and Setting, dated November 25, 2019, together with plans and other supporting materials (collectively the "SEQR Application Materials"), at which time the Planning Board classified the action as an Unlisted Action under SEQR, and declared itself willing to act as lead agency under SEQR for coordinated review of the Application; and

WHEREAS, at its regular meeting held February 18, 2020, at which all Planning Board Members were present and acting throughout, the Planning Board re-reviewed the Application under SEQR with the consent of the Applicant, and thereafter adopted a Resolution declaring a SEQR Negative Declaration, with Findings in support thereof, at the Planning Board's regular meeting of April 21, 2020, pursuant to and in accordance with 6 NYCRR §617 et. seq.; and

WHEREAS, the Applicant made submissions to the Planning Board commencing on November 6, 2019, and made presentations to the Planning Board at each of its regular meetings up to and including May 12, 2020, and a public hearing was held on January 21, 2020, as extended to February 18, 2020, and April 21, 2020; and

WHEREAS, the Skaneateles Planning Board has made site visits to the Property, has reviewed and considered all of the material contained in the Board's file, has heard and considered submissions made on behalf of the Applicant, has heard and considered public comment and written objections submitted by interested parties and made part of the record of the Planning Board, has read and considered Resolutions of the Onondaga County Planning Board and other reviewing agencies, and has obtained engineering consultation; and

WHEREAS, the Board reviewed the Major Special Permit criteria required by §148-16B of the Town Code as it relates to the Application, and rendered the following findings ("Major Special Permit Findings"):

(1) That the Application will comply with all provisions and requirements of this chapter and of all other local laws and regulations and will be consistent with the purposes of the land use district in which it is located, with the Comprehensive Plan and with the purposes of this chapter;

(2) That the Application will not result in the release of harmful substances or any other nuisances, nor cause excessive noise, dust, odors, solid waste or glare;

(3) That the Application will not adversely affect the general availability of affordable housing in the Town;

(4) That the Application will not cause undue traffic congestion, unduly impair pedestrian safety or overload existing roads, considering their current width, surfacing and condition.

(5) That the Application will have appropriate parking and be accessible to fire, police and other emergency vehicles;

(6) That the Application will not overload any public water, drainage or sewer system or any other municipal facility or service, including schools;

(7) That the Application will not degrade any natural resources, ecosystem or historic resource, including Skaneateles Lake or Owasco Lake;

(8) That the Application will be suitable for the property on which it is proposed, considering the property's size, location, topography, vegetation, soils, natural habitat and hydrology and, if appropriate, its ability to be buffered or screened from neighboring properties and public roads;

(9) That the Application will be subject to such conditions on operation, design and layout of structures and provision of screening, buffer areas and off-site improvements as may be necessary to ensure compatibility with surrounding uses and to protect the natural, historic and scenic resources of the Town;

(10) That the Application will be consistent with the community's goal of concentrating retail uses in the village and hamlets, avoiding strip commercial development and locating nonresidential uses that are incompatible with residential use on well-buffered properties;

(11) That the Application will be able to comply with the rural siting principles in § 148-25, if applicable, and with the site planning standards of § 148-18D;

(12) That the Application will have no greater overall impact on the site and its surroundings than would full development of uses of the property permitted by right; and

WHEREAS, the Applicant proposed and the Planning Board found that the Application has been presented in compliance with site plan standards and criteria set forth in Town Code Section 148-18D, as set forth in the Narrative prepared for the Applicant by Brian F. Bouchard, P.E, of CHA Companies dated February 5, 2020 ("Narrative").

WHEREAS, the Applicant has also submitted for Planning Board review and comment the following engineered drawings, plans, correspondence and reply agency communications in connection with the Project:

1. Site Plan (collectively the "Site Plans") prepared by MBL Engineering, PLLC, comprised of the following:

   Site Plan C-001 dated May 5, 2020
   Site Plan G-001 and G-002 dated March 4, 2020
   Site Plan C-001 through C-004 dated March 5, 2020
   Grading Plan C-005 dated March 5, 2020
   Utility Plan C-006 through C-007 dated March 5, 2020
   Road Profile C-008 dated March 5, 2020
   Photometric Plan C-009 dated March 4, 2020
   Erosion Stormwater Control Plan C-010 dated December 31, 2019
   Misc. Detail C-011 dated March 5, 2020
   Misc. Detail C-012 dated December 21, 2019
   Landscaping Plan ("Landscape Plan") C-013 through C-014 dated May 5, 2020
   Landscape Notes & Planting Schedule dated May 5, 2020

2. Elevation and Floor Plans (the "Floor Plans") prepared by Lake Architectural A,AA,A101-103 and A300-301 dated March 4, 2020

3. Site Line Photos p1-8 prepared by CHA dated January 21, 2020

4. Survey prepared by Forest SeGuin, SeGuin Land Surveyors PLLC dated January 13, 2016

5. New York Parks, Recreation and Historic Preservation letters dated June 28, 2019 and August 31, 2018

6. Onondaga County Planning Board resolution January 15, 2020

7. Trip Generation Assessment letter by SRF Associates dated September 27, 2019

8. Onondaga County Department of Transportation letter of March 25, 2020

9. Mottville Fire Department letter (undated)

10. Town water Department-Joe Dwyer email dated January 15, 2020; and

11. Wastewater Correspondence letter prepared by Mike Lasell, MBL Engineering dated September 17, 2019.

NOW, THEREFORE, upon a motion made by Chairman Joseph Southern and duly seconded by Member Donald Kasper, and after an affirmative vote of all Members present, as recorded below, **BE IT RESLOVED** that the Town of Skaneateles Planning Board **APPROVES** the Application, with the following conditions:

A. The foregoing deliberation of Major Special Permit Findings pursuant to §148-16B of the Town Code are hereby approved, and incorporated in this Resolution as if set forth at length.

B. The Special Permit and Site Plan approval granted herein, which authorizes the Applicant to undertake and complete the Project, shall be completed in strict compliance with all drawings and plans constituting the Site Plans, and the Narrative.

C. Prior to the issuance of a building permit for any land disturbance or the construction of any structures, the following conditions shall apply:

1. **THAT** no building permits be issued until the Applicant receives and/or provides to the Planning Board: a) the authorization from the County DOH relative to the design and construction of the onsite wastewater treatment and management system; b) a SWPPP prepared in accordance with applicable regulatory requirements, and c) a SPDES Permit from the New York State Department of Environmental Conservation; and

2. **THAT** a pre-construction meeting be held on site with the contractor, Applicant's representatives, Town Engineer, and Codes Enforcement Officer, prior to issuance of a building permit for any construction.

D. After issuance of a building permit for the Project, the following conditions shall apply:

1. **THAT** the completed Project shall be as depicted on all drawings and plans constituting the Site Plans and the Floor Plans; and

2. **THAT** all required permits, if any, be obtained from the New York State Department of Environmental Conservation, the Onondaga County Department of Health, and any other agency or authority having jurisdiction over the Property or Project; and

3. **THAT** the existing trees, shrubs and ground cover (hereafter the "Woodland Buffer") located at the northwest boundary of both Tax Parcels comprising the Property be left in a natural condition, undisturbed by the Applicant or any other party, for no less than Fifty (50) feet from the property line on Tax Parcel 028.-01-01.0; and no less than Two Hundred (200) feet from the property line on Tax Parcel 028.-01-03.0; and

4. **THAT** any proposed installation of above-ground or underground utility transmission lines in the "Proposed Power Easement" area, as depicted on the Site Plan, is subject to Site Plan Review by the Planning Board to minimize disturbance to the Woodland Buffer; and

5. **THAT** a survey will be required for all structures in the Site Plan and all plantings required by the Landscape Plan, for verification of setbacks and protection of the Woodland Buffer; and

6. **THAT** Project restaurant operating hours ("Operating Hours") be limited to between 6 a.m. to 10 p.m. weekdays, and 6 a.m. to 11 p.m. on weekends; and

7. **THAT** no outdoor weddings or similar outdoor gatherings occur on the Project Property; and

8. **THAT,** if live music or DJ music is provided in the restaurant at the Project, such music must end one (1) hour prior to the conclusion of Operating Hours; and

9. **THAT** pool and other outdoor activities end no later than 10 p.m.; and

10. **THAT** an as-built survey be submitted to the Codes Enforcement Office with verification of conformance of completed Project within (60) days of completion of each phase; and

11. **THAT** the Applicant fund an escrow to pay for engineering services and review by the Planning Board Engineer of not less than $2,500.00.

Joseph Southern, Chair
Planning Board-Town of Skaneateles
Dated: May 26, 2020

RECORD OF VOTE

Chair	Joseph Southern	Present	[yes]
Vice Chair	Don Kasper	Present	[yes]
Member	Scott Winkelman	Present	[yes]
Member	Douglas Hamlin	Present	[yes]
Member	Jill Marshall	Present	[no]

FEASIBILITY STUDY

Proposed Skaneateles Lodge, Tapestry Collection by Hilton

OLD SENECA TURNPIKE
SKANEATELES, NEW YORK

SUBMITTED TO:

Mr. Norm Swanson
Woodbine Group
1030 E Genesee St
Syracuse, New York 13210-1809

+1 (315) 476-4212

PREPARED BY:

HVS Consulting & Valuation
Division of TS Worldwide, LLC
4775 Larimer Pkwy, Suite 200
Johnstown, Colorado 80534

+1 (720) 877-1376

September 16, 2021

Mr. Norm Swanson
Woodbine Group
1030 E Genesee St
Syracuse, New York 13210-1809

HVS DENVER
4775 Larimer Pkwy, Suite 200
Johnstown, Colorado 80534
+1 (720) 877-1376
+1 (415) 896-0516 FAX
www.hvs.com

Re: Proposed Skaneateles Lodge, Tapestry Collection by Hilton
Skaneateles, New York
HVS Reference: 2021021740

Dear Mr. Swanson:

Pursuant to your request, we herewith submit our feasibility study pertaining to the above-captioned property. We have inspected the real estate and analyzed the hotel market conditions in the Skaneateles, New York, area. We have studied the proposed project, and the results of our fieldwork and analysis are presented in this report. We have also reviewed the proposed improvements for this site. Our report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as provided by the Appraisal Foundation.

This report was produced during the ongoing COVID-19 pandemic. The impact of the pandemic is addressed throughout and considers market perspectives and information available on or about the effective date of the report. With vaccines widely available, and most travel restrictions lifted, the prevailing market outlook is that the peak impact of the pandemic on the travel industry is behind us. Most market participants believe that the recovery is underway and that demand will strengthen at an accelerating pace over the balance of the year. Our market research reflects a general expectation that the U.S. market will recover to 2019 levels by 2024; the timing and pace of recovery for individual markets will vary based on market-specific characteristics and conditions.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,
TS Worldwide, LLC
DRAFT DOCUMENT

Brett E. Russell, Managing Director, Senior Partner
BRussell@hvs.com, +1 (720) 877-1376
State Appraiser License (NY Temp) 46000053460

Superior results through unrivaled
hospitality intelligence. Everywhere.

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Addenda

Qualifications

Copy of Appraisal License(s)

1. Executive Summary

Subject of the Feasibility Study

The subject of the feasibility study is a 1,349,053-square-foot (30.97-acre) site to be improved with a full-service, boutique lodging facility; the hotel will be associated with the Hilton Tapestry Collection brand. The property, which is expected to open on January 1, 2023, will feature 88 rooms, pick from drop-down list, modify as needed, an indoor pool, an indoor whirlpool, an outdoor pool, a fitness room, a lobby workstation, a gift shop an outdoor patio, and vending areas. The hotel will also contain the appropriate parking capacity (217 (surface)) and all necessary back-of-the-house space.

RENDERING OF PROJECT



The subject site is also located proximate to the northern tip of Skaneateles Lake, one of the lakes located in the Finger Lake Region of Upstate New York, which is considered a tourism region within the Northeastern United States. The proposed property is expected to be a smaller boutique hotel that will cater to local commercial demand as well as provide an upscale lodging base to the region. The property is located within close proximity to a major commercial demand

generator, Welch Allyn, Inc. and Hill-Rom as well as being close to existing meeting and conference facilities. Lastly, the Skaneateles area has seen recent development in high end luxury vacation homes which has increase the need for upscale lodging options for guests of the vacation residents. The subject site's location is Old Seneca Turnpike, Skaneateles, New York .

Pertinent Dates

The effective date of the report is September 16, 2021. The subject site was inspected by Brett E. Russell on August 15, 2021. In addition to the inspection, Brett E. Russell participated in the research for this assignment and assisted in the report's preparation. Brett E. Russell participated in the analysis and reviewed the findings but did not personally inspect the property.

COVID-19

In December 2019, a novel coronavirus known as SARS-CoV-2 (COVID-19) was first identified in China, which has since spread throughout the world. The first reported case in the United States occurred in the State of Washington in late January 2020; by mid-March, cases had been identified in all 50 states, and the number of cases was increasing exponentially. The World Health Organization (WHO) officially declared COVID-19 a global pandemic on March 11, 2020, and the U.S. declared the outbreak a National Emergency on March 13, 2020. As the number of cases multiplied in the U.S. and throughout the world, governments implemented lockdowns and social-distancing measures in an effort to slow the spread of the virus. In most cases, these measures were effective, and the rates of infection slowed substantially through the summer months. After a spike in late December/early January, the number of new cases declined again. With vaccinations now available for all adults, infection rates have declined in most states. As a result, consumer confidence in being able to travel safely in the U.S. is rising; thus, the outlook for recovery of the travel industry has significantly improved. Most recently, the Delta variant has increased speculation for concern in some areas; however, the extent of the impact of the variant was largely unknown at the time of this report.

The pandemic led to global economic disruptions, as stock markets throughout the world suffered steep declines and the price of oil dropped precipitously. The markets have realized a significant recovery since the initial impact, and the price of oil has also recovered. In the United States, economic activity declined sharply because of restrictions on business and travel. In most areas of the nation, all but essential businesses were effectively closed for much of the second quarter of 2020, resulting in a 31.4% drop in GDP. With most states easing or lifting restrictions over the summer, the economy rebounded in the latter half of 2020, and with a 6.4% gain in the first quarter of 2021, actual GDP exceeded pre-pandemic levels. Significant government support contributed to this rebound, and the latest $1.9-trillion funding bill passed in March 2021 will further contribute to the ongoing economic recovery, with GDP growth for 2021 expected to reach or exceed 6.0%. While the long-term impact of the bailouts remains unknown, it is clear that the economic rebound is

already well underway and will continue to stimulate the recovery of the hospitality industry.

The hospitality industry was severely affected by the pandemic, as travel declined sharply and restrictions on group sizes resulted in the cancellation of meetings and conventions. Most festivals and sporting events were similarly affected. Business and group travel dropped sharply; leisure travel was also affected, although not as significantly, as many resort and drive-to destinations captured demand from Americans eager for a change of scenery. With vaccines widely available and infection rates falling, most travel restrictions have now been lifted, and travel has resumed. Leisure continues to be the strongest segment, with business travel also increasing, albeit at a slower pace. Group events are also returning, led by social gatherings. Corporate group and convention activity is anticipated to follow, initially consisting of events deferred from 2020 and early 2021, but this segment is not expected to regain historical levels until 2023 or 2024. The impact of the pandemic and ongoing recovery of the market are well illustrated by STR's RevPAR statistics for the month of April, which saw the greatest impact due to the pandemic. In April 2019, RevPAR for the U.S. lodging industry was $89.36. With the onset of the pandemic, RevPAR dropped to $17.79 in April 2020, an 80% decline. In April 2021, RevPAR recovered to $63.46, still 29% below the 2019 level but a substantial improvement over the 2020 performance. Given the recent trend, hotel owners, operators, and investors are increasingly optimistic about the balance of the year and the ultimate recovery of the market.

Ownership History

The developer of the proposed subject hotel is Woodbine Group, which is based in Syracuse, New York. The subject site was last sold in mid-2019; the Woodbine Group has owned the site since that time, having purchased it from undisclosed party for a reported price of $1,700,000. Based on discussions with the owner, the purchase appears to have been an arm's-length transaction and was not subject to any concessions. No other transfers of the property have occurred in the last three years. The site is neither listed nor under contract for sale, and we have no knowledge of any recent listings.

Management and Franchise History and Assumptions

The proposed subject hotel will be managed by the Woodbine Group. Details pertaining to management terms were not yet determined at the time of this report; however, we assume that the proposed hotel will be managed by a professional hotel-operating company, with fees deducted at rates consistent with current market standards. Our projections reflect a total management fee of 3.0% of total revenues.

The proposed subject hotel will reportedly operate under a franchise agreement with Hilton Worldwide as part of the Hilton Tapestry Collection of Hotels.

Summary of Hotel Market Trends

During the illustrated historical period, both occupancy and ADR generally followed a strengthening trend, with RevPAR increasing by roughly 10% between 2014 and 2019. This improvement in market conditions was driven largely by increase population and growth in popularity of the region for leisure and group. RevPAR reached its high point in 2017, supported by the entrance of new, high-rated supply and the overall strong economy at that time. In influx of new supply began in 2018 and impacted market performance; however, based on trends that occurred in 2019 and into 2020, the market was absorbing the new supply quickly. In March 2020, the COVID-19 pandemic began to affect the local market, similar to the rest of the nation, resulting in decreased business activity, inclusive of the hospitality, tourism, and manufacturing industries; thus, occupancy declined; however, strong levels of tourism in the summer months of 2020 allowed for higher rates resulting in average rate increase in 2020. Year-to-date 2021 data illustrate a strong improvement in occupancy and in ADR. This rapid recovery was again the result of high leisure demand during the summer months coupled with rescheduled weddings and group events that had previous been cancelled or postponed. While the pandemic will continue to affect business to some degree in the near term, the overall outlook is optimistic given the dynamics of this market, the successful rollout of vaccines, the removal of most COVID-related restrictions, and the recent increase in travel.

The following table provides a historical perspective on the supply and demand trends for a selected set of hotels, as provided by STR.

FIGURE 1-1 HISTORICAL SUPPLY AND DEMAND TRENDS (STR)

Year	Average Daily Room Count	Available Room Nights	Change	Occupied Room Nights	Change	Occupancy	Average Rate	Change	RevPAR	Change
2014	361	131,765	—	67,251	—	51.0 %	$219.18	—	$111.87	—
2015	361	131,765	0.0 %	67,405	0.2 %	51.2	229.35	4.6 %	117.32	4.9 %
2016	363	132,495	0.6	71,671	6.3	54.1	233.56	1.8	126.34	7.7
2017	363	132,495	0.0	76,871	7.3	58.0	225.52	(3.4)	130.84	3.6
2018	460	167,989	26.8	90,611	17.9	53.9	229.60	1.8	123.84	(5.4)
2019	511	186,393	11.0	102,485	13.1	55.0	224.43	(2.3)	123.40	(0.4)
2020	514	187,486	0.6	67,498	(34.1)	36.0	259.01	15.4	93.25	(24.4)
Year-to-Date Through July										
2020	440	93,183	—	29,038	—	31.2 %	$230.43	—	$71.81	—
2021	542	114,904	23.3 %	49,395	70.1 %	43.0	310.23	34.6 %	133.36	85.7 %

Hotels Included in Sample	Class	Competitive Status	Number of Rooms	Year Affiliated	Year Opened
Closed - Grand Adirondack Hotel	Upscale Class	*Not Competitive*	0	Dec 2020	Nov 1986
The Whiteface Lodge	Luxury Class	*Primary*	96	May 2020	Jun 2005
Hotel Saranac, Curio Collection by Hilton	Upper Upscale Class	*Secondary*	102	Jan 2018	Jul 1927
The Mirbeau Inn & Spa	Luxury Class	*Primary*	34	May 2020	May 2000
Tailwater Lodge Altmar, Tapestry Collection by Hilton	Upscale Class	*Primary*	87	Jun 2020	Jun 2012
Tapestry Collection by Hilton Hotel Canandaigua	Upscale Class	*Primary*	109	Jan 1900	U/C
The Lake House On Canandaigua	Luxury Class	*Primary*	124	Aug 2020	Aug 2020
Renaissance The Del Monte Lodge Rochester Hotel & Spa	Upper Upscale Class	*Secondary*	99	Mar 2001	Apr 2000
		Total	**651**		

Source: STR

The following tables reflect our estimates of operating data for hotels on an individual basis. These trends are presented in detail in the Supply and Demand Analysis chapter of this report.

FIGURE 1-2 PRIMARY COMPETITORS – OPERATING PERFORMANCE

		Est. Segmentatio		Estimated 2018				Estimated 2019					
Property	Number of Rooms	Transient	Group	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Whiteface Lodge Resort & Spa	96	55 %	45 %	96	40 - 45 %	$400 - $425	$180 - $190	96	50 - 55 %	$425 - $450	$220 - $230	85 - 90 %	160 - 170 %
Mirbeau Inn & Spa	34	60	40	34	40 - 45	375 - 400	150 - 160	34	50 - 55	325 - 350	170 - 180	85 - 90	120 - 130
Lake House on Canandaigua	125	60	40	0	—	—	—	0	—	—	—	—	—
Sherwood Inn	25	65	35	25	40 - 45	200 - 210	90 - 95	25	50 - 55	190 - 200	105 - 110	90 - 95	70 - 75
Hilton Garden Inn Auburn New York	92	70	30	92	75 - 80	125 - 130	95 - 100	92	70 - 75	130 - 140	95 - 100	120 - 130	65 - 70
Sub-Totals/Averages	**372**	**63 %**	**37 %**	**247**	**56.9 %**	**$248.04**	**$141.08**	**247**	**60.7 %**	**$261.89**	**$159**	**105 %**	**112.7 %**
Secondary Competitors	381	66 %	34 %	83	52.5 %	$196.02	$102.84	95	51.2 %	$184.90	$95	88 %	67.1 %
Totals/Averages	**753**	**64 %**	**36 %**	**330**	**55.8 %**	**$235.72**	**$131.46**	**342**	**58.0 %**	**$243.00**	**$141**	**100 %**	**100.0 %**

** Specific occupancy and average rate data were utilized in our analysis, but are presented in ranges in the above table for the purposes of confidentiality.*

FIGURE 1-3 SECONDARY COMPETITORS – OPERATING PERFORMANCE

		Est. Segmentatic			Estimated 2018				Estimated 2019			
Property	Number of Rooms	*Transient*	*Group*	Total Competitive Level	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
Hotel Saranac, Curio Collection by Hilton	102	70 %	30 %	25 %	25	40 - 45 %	$250 - $260	$110 - $115	26	50 - 55 %	$240 - $250	$120 - $125
Renaissance Del Monte Lodge Hotel & Spa	99	70	30	25	25	70 - 75	190 - 200	140 - 150	25	70 - 75	200 - 210	140 - 150
Ascend Collection, Hotel North Woods	92	60	40	25	23	35 - 40	150 - 160	60 - 65	23	25 - 30	115 - 120	30 - 35
Tailwater Lodge	88	60	40	25	11	45 - 50	130 - 140	65 - 70	22	45 - 50	130 - 140	65 - 70
Totals/Averages	**381**	**66 %**	**34 %**	**25 %**	**83**	**52.5 %**	**$196.02**	**$102.84**	**95**	**51.2 %**	**$184.90**	**$94.60**

** Specific occupancy and average rate data was utilized in our analysis, but is presented in ranges in the above table for the purposes of confidentiality.*

Summary of Forecast Occupancy and Average Rate

Based on our analysis presented in the Projection of Occupancy and Average Rate chapter, we have chosen to use a stabilized occupancy level of 72% and a base-year rate position of $212.00 for the proposed subject hotel. The following table reflects a summary of our market-wide and proposed subject hotel occupancy and average rate projections.

FIGURE 1-4 ADR FORECAST – MARKET AND PROPOSED SUBJECT PROPERTY

	Historical									
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Market ADR	$243.00	$276.78	$257.40	$252.25	$257.30	$265.02	$272.97	$281.16	$289.59	$298.28
Projected Market ADR Growth Rate	—	13.9%	-7.0%	-2.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Property ADR (As-If Stabilized)	**$212.00**	$241.47	$224.57	$220.07	$224.48	$231.21	$238.15	$245.29	$252.65	$260.23
ADR Growth Rate		13.9%	-7.0%	-2.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Stabilized ADR Penetration	87%	87%	87%	87%	87%	87%	87%	87%	87%	87.2%
Fiscal Year					**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Proposed Subject Property Average Rate					$224.48	$231.21	$238.15	$245.29	$252.65	$260.23
Opening Discount					3.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Average Rate After Discount					**$217.74**	**$228.90**	**$238.15**	**$245.29**	**$252.65**	**$260.23**
Real Average Rate Growth					—	5.1%	4.0%	3.0%	3.0%	3.0%
Market ADR					$257.30	$265.02	$272.97	$281.16	$289.59	$298.28
Proposed Subject ADR Penetration (After Discount)					85%	86%	87%	87%	87%	87%
ADR Expressed in Base-Year Dollars Deflated @ Inflation Rate					$203.15	$209.37	$211.49	$211.49	$211.49	$211.49

Summary of Forecast Income and Expense Statement

Our positioning of each revenue and expense level is supported by comparable operations or trends specific to this market. Our forecast of income and expense is presented in the following table.

FIGURE 1-5 DETAILED FORECAST OF INCOME AND EXPENSE

	2023 (Calendar Year)				2024				Stabilized				2026				2027			
Number of Rooms:	**88**				**88**				**88**				**88**				**88**			
Occupancy:	**58%**				**68%**				**72%**				**72%**				**72%**			
Average Rate:	**$217.74**				**$228.90**				**$238.15**				**$245.29**				**$252.65**			
RevPAR:	**$126.29**				**$155.65**				**$171.47**				**$176.61**				**$181.91**			
Days Open:	**365**				**365**				**365**				**365**				**365**			
Occupied Rooms:	**18,630**	**%Gross**	**PAR**	**POR**	**21,842**	**%Gross**	**PAR**	**POR**	**23,126**	**%Gross**	**PAR**	**POR**	**23,126**	**%Gross**	**PAR**	**POR**	**23,126**	**%Gross**	**PAR**	**POR**
OPERATING REVENUE																				
Rooms	$4,056	53.7 %	$46,091	$217.72	$4,999	53.8 %	$56,807	$228.88	$5,507	53.6 %	$62,580	$238.13	$5,673	53.6 %	$64,466	$245.30	$5,843	53.6 %	$66,398	$252.65
Food	2,477	32.8	28,150	132.97	3,055	32.9	34,720	139.89	3,385	33.0	38,471	146.39	3,487	33.0	39,625	150.78	3,592	33.0	40,813	155.30
Beverage	682	9.0	7,753	36.62	859	9.2	9,767	39.35	964	9.4	10,949	41.66	992	9.4	11,278	42.91	1,022	9.4	11,616	44.20
Other Operated Departments	294	3.9	3,342	15.79	338	3.6	3,837	15.46	365	3.5	4,143	15.76	376	3.5	4,267	16.24	387	3.5	4,395	16.72
Miscellaneous Income	42	0.6	477	2.26	48	0.5	548	2.21	52	0.5	592	2.25	54	0.5	610	2.32	55	0.5	628	2.39
Total Operating Revenues	7,552	100.0	85,813	405.35	9,300	100.0	105,678	425.78	10,273	100.0	116,734	444.19	10,582	100.0	120,245	457.55	10,899	100.0	123,850	471.27
DEPARTMENTAL EXPENSES *																				
Rooms	1,064	26.2	12,086	57.09	1,150	23.0	13,071	52.66	1,212	22.0	13,769	52.39	1,248	22.0	14,182	53.96	1,285	22.0	14,607	55.58
Food & Beverage	2,589	81.9	29,420	138.97	2,859	73.0	32,486	130.89	3,044	70.0	34,594	131.64	3,136	70.0	35,632	135.58	3,230	70.0	36,701	139.65
Other Operated Departments	132	45.0	1,505	7.11	140	41.4	1,587	6.39	146	40.0	1,657	6.31	150	40.0	1,707	6.50	155	40.0	1,758	6.69
Total Expenses	3,785	50.1	43,011	203.17	4,149	44.6	47,143	189.94	4,402	42.8	50,020	190.33	4,534	42.8	51,520	196.04	4,670	42.8	53,066	201.93
DEPARTMENTAL INCOME	3,767	49.9	42,802	202.18	5,151	55.4	58,535	235.84	5,871	57.2	66,714	253.86	6,048	57.2	68,725	261.51	6,229	57.2	70,784	269.35
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	663	8.8	7,536	35.60	672	7.2	7,631	30.75	704	6.8	7,995	30.42	725	6.8	8,235	31.34	746	6.8	8,482	32.28
Info & Telecom Systems	85	1.1	960	4.54	90	1.0	1,021	4.11	94	0.9	1,070	4.07	97	0.9	1,102	4.19	100	0.9	1,135	4.32
Marketing	391	5.2	4,448	21.01	397	4.3	4,514	18.19	396	3.9	4,504	17.14	408	3.9	4,639	17.65	421	3.9	4,779	18.18
Franchise Fee	284	3.8	3,226	15.24	400	4.3	4,545	18.31	496	4.8	5,632	21.43	511	4.8	5,802	22.08	526	4.8	5,976	22.74
Prop. Operations & Maint.	192	2.5	2,183	10.31	230	2.5	2,612	10.52	268	2.6	3,040	11.57	276	2.6	3,132	11.92	284	2.6	3,226	12.27
Utilities	178	2.4	2,022	9.55	189	2.0	2,150	8.66	198	1.9	2,252	8.57	204	1.9	2,320	8.83	210	1.9	2,389	9.09
Total Expenses	1,793	23.8	20,375	96.24	1,978	21.3	22,472	90.54	2,155	20.9	24,493	93.20	2,220	20.9	25,229	96.00	2,287	20.9	25,986	98.88
GROSS OPERATING PROFIT	1,974	26.1	22,428	105.94	3,174	34.1	36,063	145.30	3,715	36.3	42,221	160.66	3,828	36.3	43,496	165.51	3,942	36.3	44,799	170.47
Management Fee	227	3.0	2,574	12.16	279	3.0	3,170	12.77	308	3.0	3,502	13.33	317	3.0	3,607	13.73	327	3.0	3,716	14.14
INCOME BEFORE NON-OPR. INC. & EXP.	1,747	23.1	19,853	93.78	2,895	31.1	32,893	132.53	3,407	33.3	38,719	147.33	3,510	33.3	39,888	151.78	3,615	33.3	41,083	156.33
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	124	1.6	1,414	6.68	210	2.3	2,382	9.60	278	2.7	3,163	12.04	287	2.7	3,258	12.40	295	2.7	3,355	12.77
Insurance	42	0.6	482	2.28	43	0.5	492	1.98	45	0.4	507	1.93	46	0.4	522	1.99	47	0.4	538	2.05
Total Expenses	167	2.2	1,897	8.96	253	2.8	2,874	11.58	323	3.1	3,670	13.96	333	3.1	3,780	14.38	343	3.1	3,893	14.81
EBITDA	1,580	20.9	17,957	84.82	2,642	28.3	30,019	120.95	3,084	30.2	35,050	133.37	3,178	30.2	36,109	137.40	3,273	30.2	37,190	141.51
Reserve for Replacement	151	2.0	1,716	8.11	279	3.0	3,170	12.77	411	4.0	4,669	17.77	423	4.0	4,810	18.30	436	4.0	4,954	18.85
EBITDA LESS RESERVE	$1,429	18.9 %	$16,240	$76.71	$2,363	25.3 %	$26,849	$108.18	$2,673	26.2 %	$30,380	$115.60	$2,754	26.2 %	$31,299	$119.10	$2,837	26.2 %	$32,236	$122.66

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 1-6 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2023		2024		2025		2026		2027		2028		2029		2030		2031		2032	
Number of Rooms:	**88**		**88**		**88**		**88**		**88**		**88**		**88**		**88**		**88**		**88**	
Occupied Rooms:	**18,630**		**21,842**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**	
Occupancy:	**58%**		**68%**		**72%**		**72%**		**72%**		**72%**		**72%**		**72%**		**72%**		**72%**	
Average Rate:	**$217.74**	**% of**	**$228.90**	**% of**	**$238.15**	**% of**	**$245.29**	**% of**	**$252.65**	**% of**	**$260.23**	**% of**	**$268.04**	**% of**	**$276.08**	**% of**	**$284.36**	**% of**	**$292.89**	**% of**
RevPAR:	**$126.29**	**Gross**	**$155.65**	**Gross**	**$171.47**	**Gross**	**$176.61**	**Gross**	**$181.91**	**Gross**	**$187.36**	**Gross**	**$192.99**	**Gross**	**$198.78**	**Gross**	**$204.74**	**Gross**	**$210.88**	**Gross**
OPERATING REVENUE																				
Rooms	$4,056	53.7 %	$4,999	53.8 %	$5,507	53.6 %	$5,673	53.6 %	$5,843	53.6 %	$6,018	53.6 %	$6,199	53.6 %	$6,385	53.6 %	$6,576	53.6 %	$6,773	53.6 %
Food	2,477	32.8	3,055	32.9	3,385	33.0	3,487	33.0	3,592	33.0	3,699	33.0	3,810	33.0	3,925	33.0	4,042	33.0	4,164	33.0
Beverage	682	9.0	859	9.2	964	9.4	992	9.4	1,022	9.4	1,053	9.4	1,084	9.4	1,117	9.4	1,151	9.4	1,185	9.4
Other Operated Departments	294	3.9	338	3.6	365	3.5	376	3.5	387	3.5	398	3.5	410	3.5	423	3.5	435	3.5	448	3.5
Miscellaneous Income	42	0.6	48	0.5	52	0.5	54	0.5	55	0.5	57	0.5	59	0.5	60	0.5	62	0.5	64	0.5
Total Operating Revenues	7,552	100.0	9,300	100.0	10,273	100.0	10,582	100.0	10,899	100.0	11,226	100.0	11,563	100.0	11,910	100.0	12,266	100.0	12,634	100.0
DEPARTMENTAL EXPENSES *																				
Rooms	1,064	26.2	1,150	23.0	1,212	22.0	1,248	22.0	1,285	22.0	1,324	22.0	1,364	22.0	1,405	22.0	1,447	22.0	1,490	22.0
Food & Beverage	2,589	81.9	2,859	73.0	3,044	70.0	3,136	70.0	3,230	70.0	3,327	70.0	3,426	70.0	3,529	70.0	3,635	70.0	3,744	70.0
Other Operated Departments	132	45.0	140	41.4	146	40.0	150	40.0	155	40.0	159	40.0	164	40.0	169	40.0	174	40.0	179	40.0
Total Expenses	3,785	50.1	4,149	44.6	4,402	42.8	4,534	42.8	4,670	42.8	4,810	42.8	4,954	42.8	5,103	42.8	5,256	42.8	5,414	42.8
DEPARTMENTAL INCOME	3,767	49.9	5,151	55.4	5,871	57.2	6,048	57.2	6,229	57.2	6,416	57.2	6,609	57.2	6,807	57.2	7,010	57.2	7,221	57.2
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	663	8.8	672	7.2	704	6.8	725	6.8	746	6.8	769	6.8	792	6.8	816	6.8	840	6.8	865	6.8
Info & Telecom Systems	85	1.1	90	1.0	94	0.9	97	0.9	100	0.9	103	0.9	106	0.9	109	0.9	112	0.9	116	0.9
Marketing	391	5.2	397	4.3	396	3.9	408	3.9	421	3.9	433	3.9	446	3.9	460	3.9	473	3.9	487	3.9
Franchise Fee	284	3.8	400	4.3	496	4.8	511	4.8	526	4.8	542	4.8	558	4.8	575	4.8	592	4.8	610	4.8
Prop. Operations & Maint.	192	2.5	230	2.5	268	2.6	276	2.6	284	2.6	292	2.6	301	2.6	310	2.6	319	2.6	329	2.6
Utilities	178	2.4	189	2.0	198	1.9	204	1.9	210	1.9	217	1.9	223	1.9	230	1.9	237	1.9	244	1.9
Total Expenses	1,793	23.8	1,978	21.3	2,155	20.9	2,220	20.9	2,287	20.9	2,355	20.9	2,426	20.9	2,499	20.9	2,574	20.9	2,651	20.9
GROSS OPERATING PROFIT	1,974	26.1	3,174	34.1	3,715	36.3	3,828	36.3	3,942	36.3	4,060	36.3	4,182	36.3	4,308	36.3	4,437	36.3	4,570	36.3
Management Fee	227	3.0	279	3.0	308	3.0	317	3.0	327	3.0	337	3.0	347	3.0	357	3.0	368	3.0	379	3.0
INCOME BEFORE NON-OPR. INC. & EXP.	1,747	23.1	2,895	31.1	3,407	33.3	3,510	33.3	3,615	33.3	3,724	33.3	3,836	33.3	3,951	33.3	4,069	33.3	4,191	33.3
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	124	1.6	210	2.3	278	2.7	287	2.7	295	2.7	304	2.7	313	2.7	323	2.7	332	2.7	342	2.7
Insurance	42	0.6	43	0.5	45	0.4	46	0.4	47	0.4	49	0.4	50	0.4	52	0.4	53	0.4	55	0.4
Total Expenses	167	2.2	253	2.8	323	3.1	333	3.1	343	3.1	353	3.1	363	3.1	374	3.1	386	3.1	397	3.1
EBITDA	1,580	20.9	2,642	28.3	3,084	30.2	3,178	30.2	3,273	30.2	3,371	30.2	3,472	30.2	3,576	30.2	3,683	30.2	3,793	30.2
Reserve for Replacement	151	2.0	279	3.0	411	4.0	423	4.0	436	4.0	449	4.0	463	4.0	476	4.0	491	4.0	505	4.0
EBITDA LESS RESERVE	$1,429	18.9 %	$2,363	25.3 %	$2,673	26.2 %	$2,754	26.2 %	$2,837	26.2 %	$2,922	26.2 %	$3,010	26.2 %	$3,100	26.2 %	$3,193	26.2 %	$3,288	26.2 %

As illustrated, the hotel is expected to stabilize at a profitable level. Please refer to the Forecast of Income and Expense chapter of our report for a detailed explanation of the methodology used in deriving this forecast.

Feasibility Conclusion

The Feasibility Analysis chapter of this report converts these cash flows into a net present value indication assuming set-forth debt and equity requirements and a development cost of $25,000,000. The construction budget provided by the developer includes site cost, FF&E, hard and soft costs, and pre=opening expenses; however, it does not include any developer's profit or entrepreneurial incentive typically associated with a development of this scale . Our estimate of replacement cost reflects these additional items, as well as the developer's fee and an entrepreneurial incentive.

The conclusion of this analysis indicates that an equity investor contributing $8,764,000 (roughly 35% of the $25,000,000 development cost) could expect to receive a 23.0% internal rate of return over a ten-year holding period, assuming that the investor obtains financing at the time of the project's completion at the loan-to-value ratio and interest rate set forth. The proposed subject hotel has an opportunity to fill an under served market with quality hotel rooms to support the growing upscale leisure travel to the area. Additionally, the hotel will provide a much needed bed base for area's conference and meeting center. Based on our market analysis, there is sufficient market support for the proposed upscale, boutique hotel. Our conclusions are based primarily on improving trends in the market, continued upscale residential development, and lack of quality lodging facilities in the market area. Our review of investor surveys indicates equity returns ranging from 12.9% to 22.9%, with an average of 18.5%. Based on these parameters, the calculated return to the equity investor, 23.0%, is above the average and within the range of market-level returns given the anticipated cost of $25,000,000. We note that the calculated return is based upon the developer's budget and then modified utilizing a cost estimated approach by HVS, which includes the developer's administrative costs, as well as an entrepreneurial incentive.

Assignment Conditions

"Extraordinary Assumption" is defined in USPAP as follows:

> An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the

subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.[1]

The analysis is based on the extraordinary assumption that the described improvements have been completed as of the stated date of opening. The reader should understand that the completed subject property does not yet exist as of the date of this report. Our feasibility study does not address unforeseeable events that could alter the proposed project, and/or the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report, shall take place between the date of inspection and stated date of opening. The use of this extraordinary assumption may have affected the assignment results. We have made no other extraordinary assumptions specific to this feasibility study. However, several important general assumptions have been made that apply to this feasibility study and our studies of proposed hotels in general. These aspects are set forth in the Assumptions and Limiting Conditions chapter of this report.

Intended Use of the Feasibility Study

This feasibility report is being prepared for use in the development of the proposed subject hotel.

Identification of the Client and Intended User(s)

The client for this engagement is Woodbine Group. This report is intended for the addressee firm and may not be distributed to or relied upon by other persons or entities.

Scope of Work

The methodology used to develop this study is based on the market research and valuation techniques set forth in the textbooks authored by Hospitality Valuation Services for the American Institute of Real Estate Appraisers and the Appraisal Institute, entitled *The Valuation of Hotels and Motels,*[2] *Hotels, Motels and Restaurants: Valuations and Market Studies,*[3] *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations,*[4] *Hotels and Motels: A Guide to Market Analysis,*

[1] The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice*, 2020–2021 ed.

[2] Stephen Rushmore, *The Valuation of Hotels and Motels*. (Chicago: American Institute of Real Estate Appraisers, 1978).

[3] Stephen Rushmore, *Hotels, Motels and Restaurants: Valuations and Market Studies*. (Chicago: American Institute of Real Estate Appraisers, 1983).

[4] Stephen Rushmore, *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*. (Chicago: American Institute of Real Estate Appraisers, 1990).

Investment Analysis, and Valuations,[5] and *Hotels and Motels – Valuations and Market Studies.*[6]

1. All information was collected and analyzed by the staff of TS Worldwide, LLC. Information was supplied by the client and/or the property's development team.
2. The subject site has been evaluated from the viewpoint of its physical utility for the future operation of a hotel, as well as access, visibility, and other relevant factors.
3. The subject property's proposed improvements have been reviewed for their expected quality of construction, design, and layout efficiency.
4. The surrounding economic environment, on both an area and neighborhood level, has been reviewed to identify specific hostelry-related economic and demographic trends that may have an impact on future demand for hotels.
5. Dividing the market for hotel accommodations into individual segments defines specific market characteristics for the types of travelers expected to utilize the area's hotels. The factors investigated include purpose of visit, average length of stay, facilities and amenities required, seasonality, daily demand fluctuations, and price sensitivity.
6. An analysis of existing and proposed competition provides an indication of the current accommodated demand, along with market penetration and the degree of competitiveness. Unless noted otherwise, we have inspected the competitive lodging facilities summarized in this report.
7. Documentation for an occupancy and ADR projection is derived utilizing the build-up approach based on an analysis of lodging activity.
8. A detailed projection of income and expense made in accordance with the Uniform System of Accounts for the Lodging Industry sets forth the anticipated economic benefits of the proposed subject property.
9. A feasibility analysis is performed, in which the market equity yield that an investor would expect is compared to the equity yield that an investor must accept.

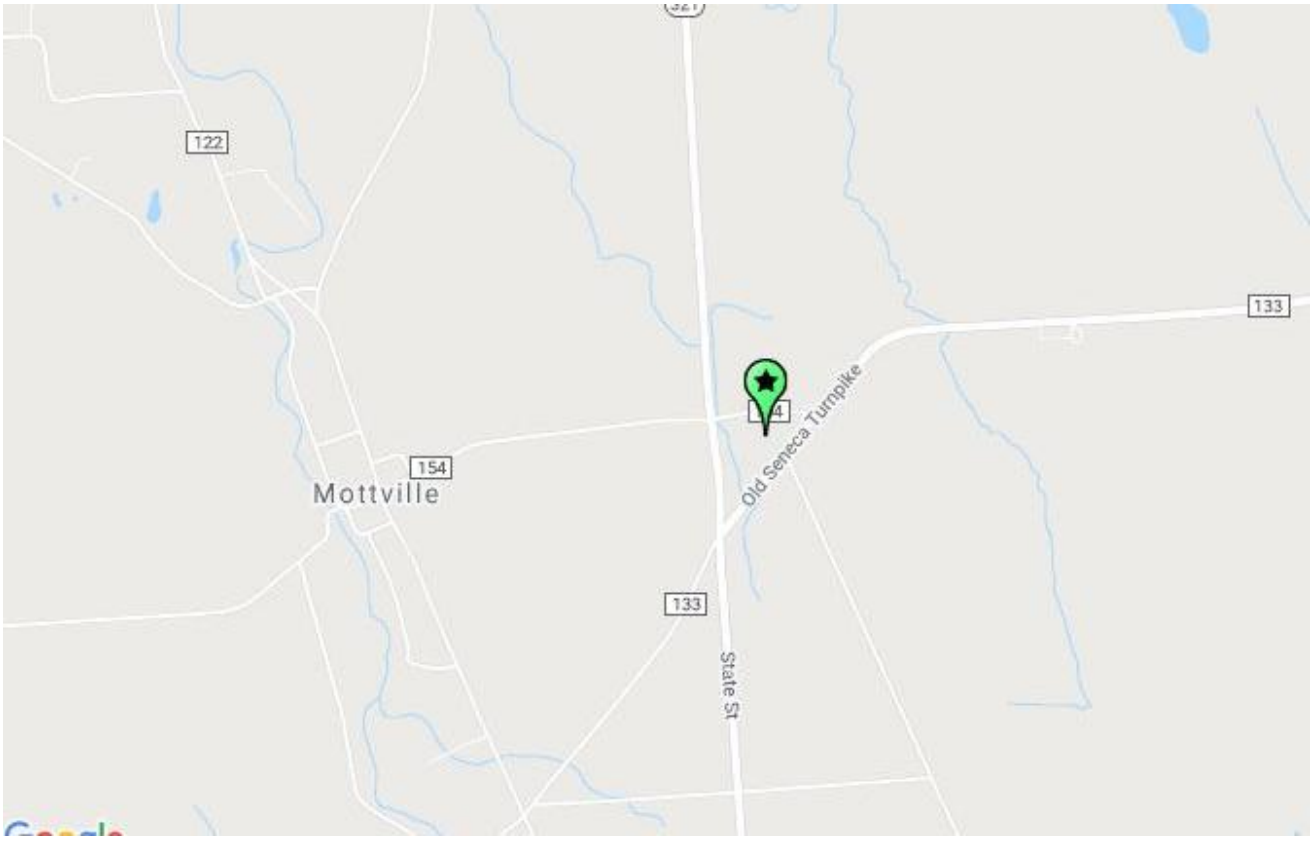
[5] Stephen Rushmore, *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations* (Chicago: Appraisal Institute, 1992).
[6] Stephen Rushmore and Erich Baum, *Hotels and Motels – Valuations and Market Studies.* (Chicago: Appraisal Institute, 2001).

2. Description of the Site and Neighborhood

The suitability of the land for the operation of a lodging facility is an important consideration affecting the economic viability of a property and its ultimate marketability. Factors such as size, topography, access, visibility, and the availability of utilities have a direct impact on the desirability of a particular site.

The subject site is located in the Town of Skaneateles between Old Seneca Turnpike and Mottville Road. This site is in the city of Skaneateles, New York.

LOCATION MAP



Physical Characteristics

The subject site measures approximately 30.97 acres, or 1,349,053 square feet. The parcel's adjacent uses are set forth in the following table.

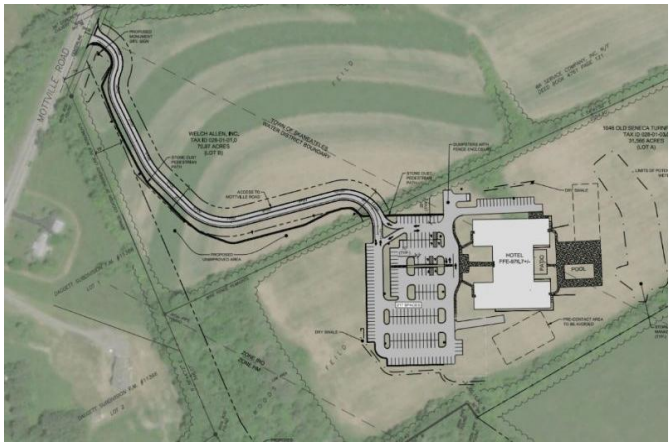
FIGURE 2-1 SUBJECT PARCEL'S ADJACENT USES

Direction	Adjacent Use
North	Agriculture
South	Agriculture
East	Agriculture
West	Agriculture

Topography and Site Utility

The topography of the site is generally flat and its shape should permit efficient use of the site for the building and other improvements, as well as ingress and egress. Upon completion of construction, the subject site will not contain any significant portion of undeveloped land that could be sold, entitled, and developed for alternate use. It is expected that the site will be developed fully with building and site improvements, thus contributing to the overall profitability of the hotel.

VIEW OF SUBJECT SITE



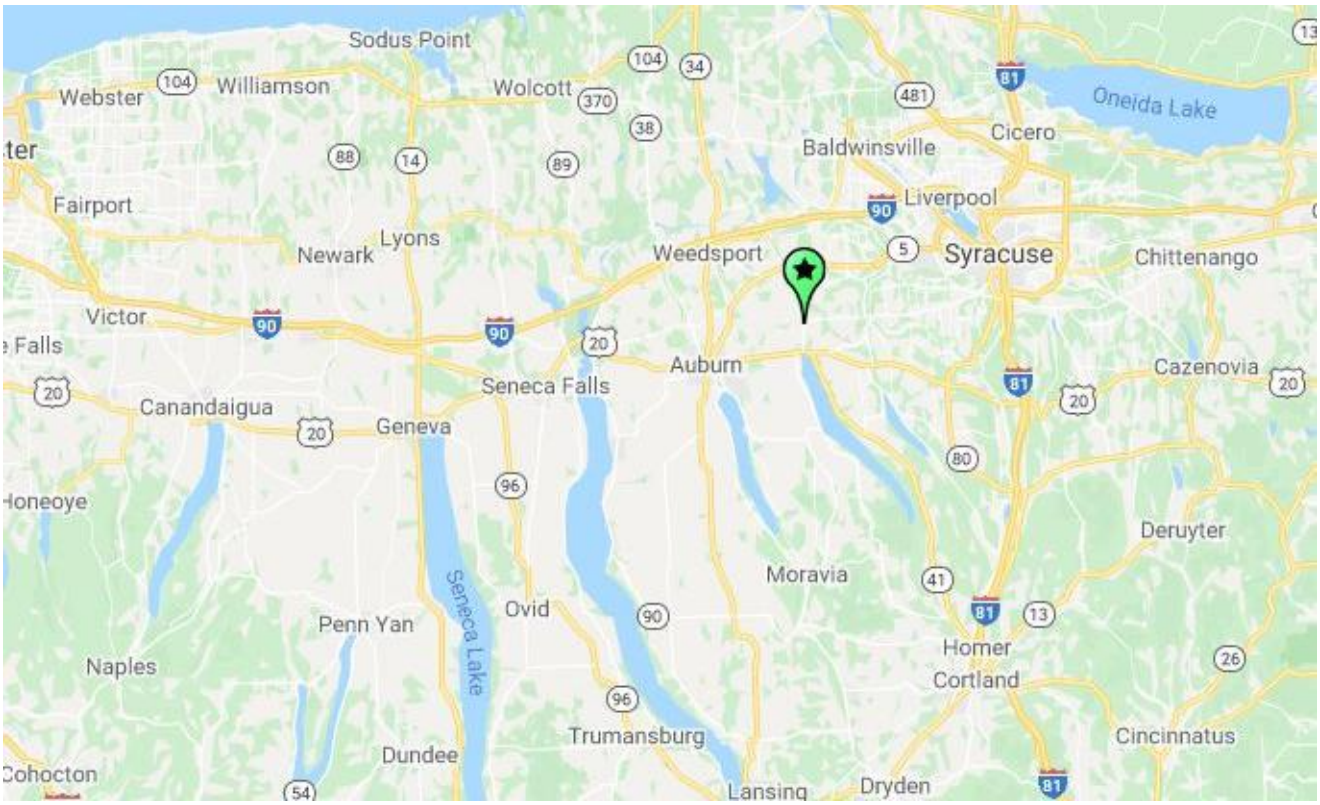
AERIAL PHOTOGRAPH



Access and Visibility

It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. The subject site is readily accessible to a variety of local and county roads, as well as state and interstate highways.

MAP OF REGIONAL ACCESS ROUTES



This market is served by a variety of major routes, including interstates and highways, as illustrated on the map. Regional access to/from the Town of Skaneateles and the subject site, in particular, is considered good.

Primary vehicular access to the subject site will be provided by Mottville Road via a long driveway that should enhance the sense of arrival at the property. The subject site is located in a rural area; however has easy access to roadways which directly to area demand generators. The proposed subject hotel is anticipated to have adequate signage at the street, as well as on its façade. Overall, the subject site benefits from good accessibility, and the proposed hotel is expected to enjoy fair visibility from within its local neighborhood.

Airport Access

The proposed subject hotel will be served by the Syracuse Hancock International Airport, which is located approximately 24 miles to the northeast of the subject site.

Neighborhood

The neighborhood surrounding a lodging facility often has an impact on a hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section of the report investigates the subject neighborhood and evaluates any pertinent location factors that could affect its future occupancy, average rate, and overall profitability.

The neighborhood that surrounds the subject site is generally defined by Stump Road to the north, Old Seneca Turnpike to the east, Jewett Road to the south, and Jordan Road to the west. The neighborhood is characterized by its rural nature with the majority of the area being farmland with pockets of residential and commercial development. Welch Allyn Inc and Hill-Rom are two large commercial demand generators within the neighborhood; Furthermore the WA Lodge is meeting and events center within the neighborhood. While no other hotels are located in the immediate neighborhood, the Mirabeau Inn and the Sherwood Inn are both located near the Town of Skaneateles. In general, this neighborhood is in the stable stage of its life cycle. The proposed subject hotel's opening should be a positive influence on the area, and the property is expected to be in character with and to complement surrounding land uses.

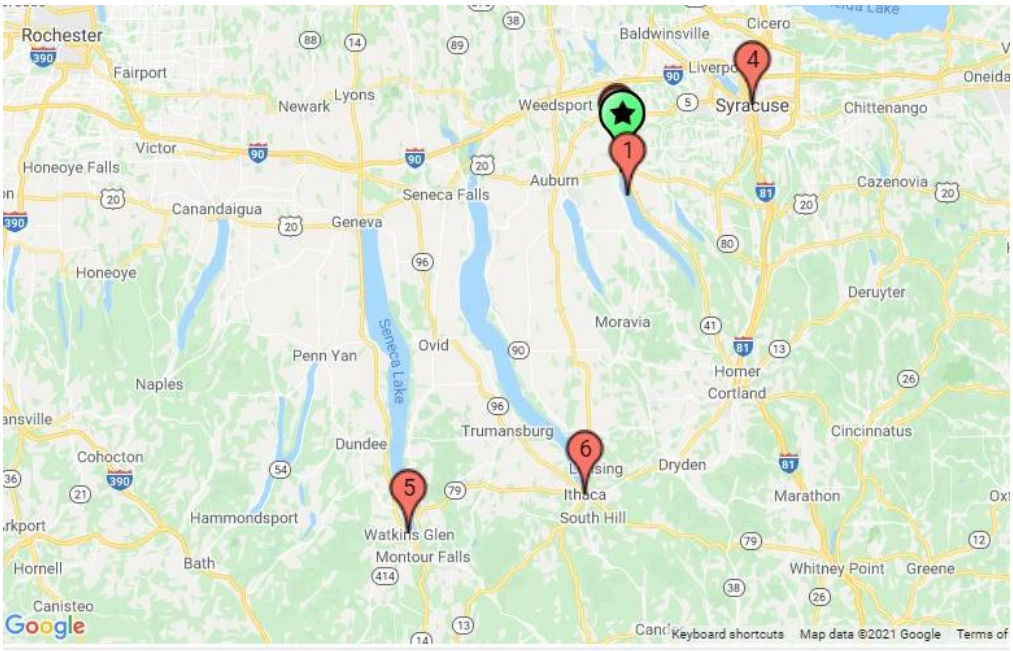
MAP OF NEIGHBORHOOD



Proximity to Local Demand Generators and Attractions

The subject site is located near the area's primary generators of lodging demand. A sample of these demand generators is reflected on the following map, including respective distances from and drive times to the subject site. The property will also be a destination for leisure guests from outside the region as well as weddings from couples throughout the greater New York area. Overall, the subject site is well situated with respect to demand generators.

ACCESS TO DEMAND GENERATORS AND ATTRACTIONS



	Demand Generator	Approx. Time from Subject Property	Approx. Distance
	Subject Property		
1	Skaneateles Lake	1 minute	0.3 mile
2	Welch Allyn Inc.	6 minutes	2.8 miles
3	Lodge At Welch Allyn	6 minutes	2.9 miles
4	Syracuse	30 minutes	18.3 miles
5	Seneca Lake Wine Trail	1 hour, 22 minutes	60.9 miles
6	Ithaca	57 minutes	41.6 miles

Utilities

The subject site will reportedly be served by all necessary utilities.

Soil and Subsoil Conditions

Geological and soil reports were not provided to us or made available for our review during the preparation of this report. We are not qualified to evaluate soil conditions other than by a visual inspection of the surface; no extraordinary conditions were apparent.

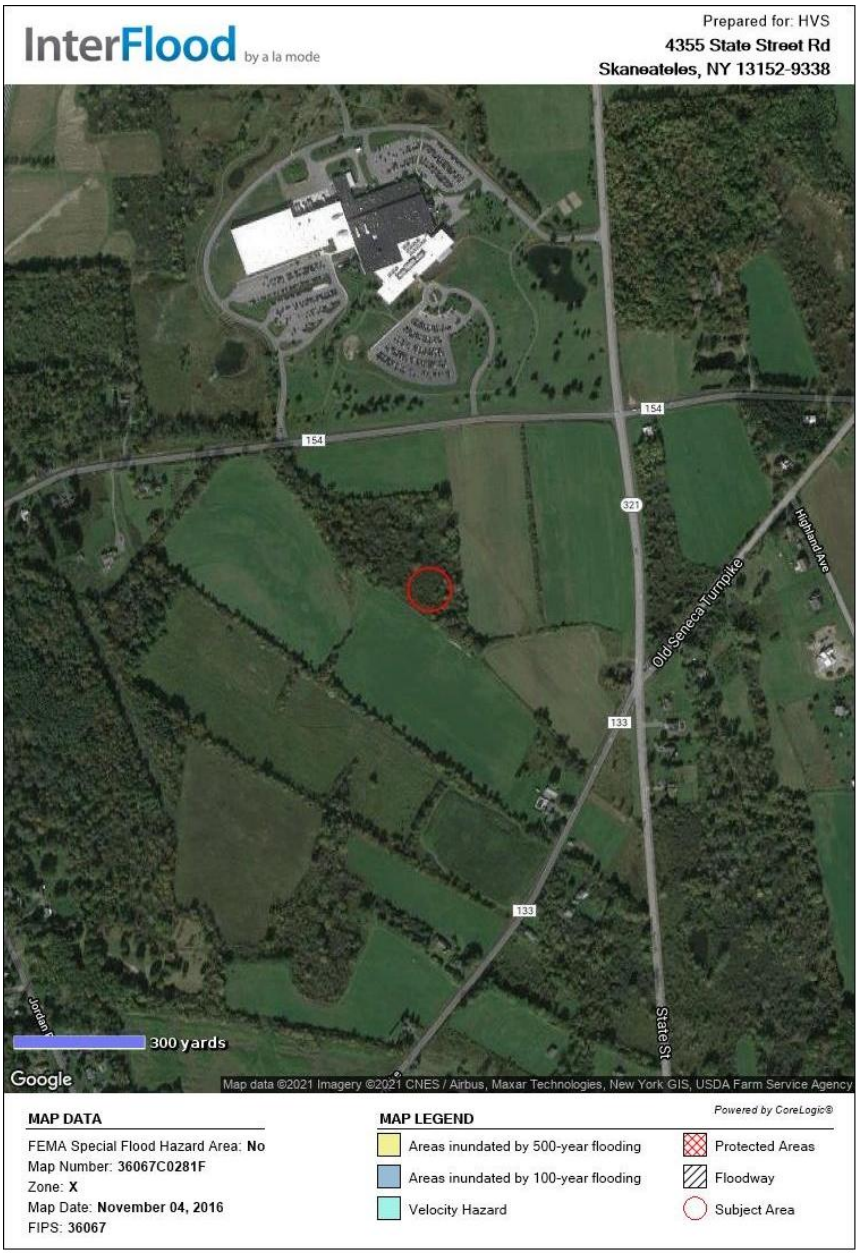
Nuisances and Hazards

We were not informed of any site-specific nuisances or hazards, and there were no visible signs of toxic ground contaminants at the time of our inspection. Because we are not experts in this field, we do not warrant the absence of hazardous waste and urge the reader to obtain an independent analysis of these factors.

Flood Zone

According to the Federal Emergency Management Agency map illustrated below, the subject site is located in .

COPY OF FLOOD MAP AND COVER



The flood zone definition for the designation is as follows: #N/A

Zoning

According to the local planning office, the subject property is zoned as follows: RR - Rural Residential District. Additional details pertaining to the proposed subject property's zoning regulations are summarized in the following table.

FIGURE 2-2 ZONING

Municipality Governing Zoning	Town of Skaneateles
Current Zoning	Rural Residential District
Current Use	Vacant Land
Is Current Use Permitted?	Yes
Is Change in Zoning Likely?	Yes
Permitted Uses	Residential
Hotel Allowed	Yes
Legally Non-Conforming	Not Applicable

We assume that all necessary permits and approvals will be secured (including the appropriate liquor license as applicable) and that the subject property will be constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations. Our zoning analysis should be verified before any physical changes are made to the site.

Legal Description, Easements and Encroachments

A copy of the subject property's legal description is provided in the addenda to this report. We are not experts in interpreting legal descriptions. The description appears to be accurate; however, we suggest obtaining verification of this description from a qualified expert. We are not aware of any easements attached to the property that would significantly affect the utility of the site or marketability of this project.

Conclusion

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities. The subject site is ideally located near the Town of Skaneateles and is close proximity to Skaneateles Lake. In general, the site should be well suited for future hotel use, with acceptable access, visibility, and topography for an effective operation.

3. Market Area Analysis

The economic vitality of the market area and neighborhood surrounding the subject site is an important consideration in forecasting lodging demand and future income potential. Economic and demographic trends that reflect the amount of visitation provide a basis from which to project lodging demand. The purpose of the market area analysis is to review available economic and demographic data to determine whether the local market will undergo economic growth, stabilize, or decline. In addition to predicting the direction of the economy, the rate of change must be quantified. These trends are then correlated based on their propensity to reflect variations in lodging demand, with the objective of forecasting the amount of growth or decline in visitation by individual market segment (e.g., commercial, meeting and group, and leisure).

Market Area Definition

The market area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. The subject site is located in the city of Skaneateles, the county of Onondaga, and the state of New York. Skaneateles is a Town located on the northern shores of Lake Skaneateles in the Finger Lakes region of central New York State. The Tow was formed in 1830 primarily as a result of early turnpike development in the region. The area has been historically a tourist destination and vacation home market; however, shifting social-economic trends has resulted in more people relocating to the area and building large, permanent homes. The town is located in the western section of Onondaga County and also includes the Village of Skaneateles. The greater Syracuse area is located 20 miles to the northeast of the subject market. Due to its proximity to Syracuse and the Rochester areas, the market captures a lot of demand coming from those markets. The continued growth of the region coupled with proximity to several central and western New York markets provides further economic growth opportunities.

LAKE SKANEATELES



The subject property's market area can be defined by its Combined Statistical Area (CSA): Syracuse-Auburn, NY. The CSA represents adjacent metropolitan and micropolitan statistical areas that have a moderate degree of employment interchange. Micropolitan statistical areas represent urban areas in the United States based around a core city or town with a population of 10,000 to 49,999; the MSA requires the presence of a core city of at least 50,000 people and a total population of at least 100,000 (75,000 in New England). The following exhibit illustrates the market area.

MAP OF MARKET AREA



Economic and Demographic Review

A primary source of economic and demographic statistics used in this analysis is the *Complete Economic and Demographic Data Source* published by Woods & Poole Economics, Inc.—a well-regarded forecasting service based in Washington, D.C. Using a database containing more than 900 variables for each county in the nation, Woods & Poole employs a sophisticated regional model to forecast economic and demographic trends. Historical statistics are based on census data and information published by the Bureau of Economic Analysis. Projections are formulated by Woods & Poole, and all dollar amounts have been adjusted for inflation, thus reflecting real change.

These data are summarized in the following table. Please note that these forecasts were formulated prior to the COVID-19 pandemic.

FIGURE 3-1 ECONOMIC AND DEMOGRAPHIC DATA SUMMARY

	2000	2010	2019	2025	Average Annual Compounded Change 2000-10	2010-19	2019-25
Resident Population (Thousands)							
Onondaga County	458.0	467.5	467.6	470.9	0.2 %	0.0 %	0.1 %
Syracuse, NY MSA	650.0	663.1	659.0	664.6	0.2	(0.1)	0.1
Syracuse-Auburn, NY CSA	731.8	742.9	737.1	743.3	0.2	(0.1)	0.1
State of New York	19,001.8	19,402.6	19,971.8	20,454.1	0.2	0.3	0.4
United States	282,162.4	309,348.1	331,969.3	350,937.2	0.9	0.8	0.9
Per-Capita Personal Income*							
Onondaga County	$35,377	$39,331	$46,126	$50,349	1.1	1.8	1.5
Syracuse, NY MSA	33,348	37,164	43,335	47,154	1.1	1.7	1.4
Syracuse-Auburn, NY CSA	32,770	36,605	42,688	46,450	1.1	1.7	1.4
State of New York	43,213	47,369	57,002	61,604	0.9	2.1	1.3
United States	36,812	39,622	46,751	50,233	0.7	1.9	1.2
W&P Wealth Index							
Onondaga County	93.1	95.7	95.5	96.8	0.3	(0.0)	0.2
Syracuse, NY MSA	88.2	90.7	90.1	91.0	0.3	(0.1)	0.2
Syracuse-Auburn, NY CSA	86.8	89.5	88.9	89.8	0.3	(0.1)	0.2
State of New York	111.7	115.1	118.1	118.6	0.3	0.3	0.1
United States	100.0	100.0	100.0	100.0	0.0	(0.0)	0.0
Food and Beverage Sales (Millions)*							
Onondaga County	$594	$670	$863	$911	1.2	2.9	0.9
Syracuse, NY MSA	792	863	1,105	1,167	0.9	2.8	0.9
Syracuse-Auburn, NY CSA	853	928	1,188	1,255	0.9	2.8	0.9
State of New York	23,876	30,918	41,191	43,566	2.6	3.2	0.9
United States	368,829	447,728	606,351	662,610	2.0	3.4	1.5
Total Retail Sales (Millions)*							
Onondaga County	$6,784	$6,717	$7,923	$8,211	(0.1)	1.9	0.6
Syracuse, NY MSA	8,668	8,603	10,186	10,570	(0.1)	1.9	0.6
Syracuse-Auburn, NY CSA	9,461	9,455	11,147	11,566	(0.0)	1.8	0.6
State of New York	227,613	249,096	302,020	317,609	0.9	2.2	0.8
United States	3,902,830	4,130,414	5,156,220	5,598,240	0.6	2.5	1.4

* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

The U.S. population grew at an average annual compounded rate of 0.8% from 2010 through 2019. The county's population has grown more slowly than the nation's population; the average annual growth rate of 0.0% between 2010 and 2019 reflects a gradually expanding area. Following this population trend, per-capita personal income increased slowly, at 1.8% on average annually for the county between 2010 and 2019. Local wealth indexes have remained stable in recent years, registering a near average 95.5 level for the county in 2019.

Food and beverage sales totaled $863 million in the county in 2019, versus $670 million in 2010. This reflects a 2.9% average annual change, stronger than the 1.2% pace recorded in the prior decade, the latter years of which were adversely affected by the recession. Over the long term, the pace of growth is forecast to moderate to a more sustainable level of 0.9%, which is projected through 2025. The retail sales sector demonstrated an annual decline of -0.1% in the decade spanning from 2000 to 2010, followed by an increase of 1.9% in the period from 2010 to 2019. An increase of 0.6% average annual change is expected in county retail sales through 2025.

Workforce Characteristics

The characteristics of an area's workforce provide an indication of the type and amount of transient visitation likely to be generated by local businesses. Sectors such as finance, insurance, and real estate (FIRE); wholesale trade; and services produce a considerable number of visitors who are not particularly rate sensitive. The government sector often generates transient room nights, but per-diem reimbursement allowances often limit the accommodations selection to budget and mid-priced lodging facilities. Contributions from manufacturing, construction, transportation, communications, and public utilities (TCPU) employers can also be important, depending on the company type.

The following table sets forth the county workforce distribution by business sector in 2000, 2010, and 2019, as well as a forecast for 2025. Please note that these forecasts were formulated prior to the COVID-19 pandemic.

FIGURE 3-2 HISTORICAL AND PROJECTED EMPLOYMENT (000S)

Industry	2000	Percent of Total	2010	Percent of Total	2019	Percent of Total	2025	Percent of Total	Average Annual Compounded Change 2000-2010	2010-2019	2019-2025
Farm	1.2	0.4 %	1.1	0.4 %	1.2	0.4 %	1.3	0.4 %	(1.1) %	1.2 %	0.5 %
Forestry, Fishing, Related Activities And Other	0.2	0.1	0.2	0.1	0.3	0.1	0.3	0.1	1.4	2.4	1.0
Mining	0.2	0.1	0.3	0.1	0.3	0.1	0.3	0.1	7.5	(2.3)	1.4
Utilities	3.1	1.0	1.7	0.6	1.8	0.6	1.8	0.5	(5.7)	0.7	0.1
Construction	13.7	4.5	13.0	4.3	14.3	4.4	14.9	4.3	(0.5)	1.1	0.6
Manufacturing	35.0	11.6	22.1	7.4	20.4	6.3	19.6	5.7	(4.5)	(0.9)	(0.7)
Total Trade	50.9	16.8	46.1	15.4	51.2	15.8	52.6	15.3	(1.0)	1.2	0.5
Wholesale Trade	16.8	5.5	14.4	4.8	15.8	4.9	16.2	4.7	(1.5)	1.0	0.4
Retail Trade	34.1	11.3	31.7	10.6	35.4	10.9	36.4	10.6	(0.7)	1.2	0.5
Transportation And Warehousing	9.8	3.2	10.0	3.3	11.1	3.4	12.0	3.5	0.2	1.2	1.2
Information	8.0	2.6	5.1	1.7	4.9	1.5	5.0	1.5	(4.5)	(0.3)	0.3
Finance And Insurance	17.4	5.7	18.8	6.3	19.1	5.9	20.9	6.1	0.8	0.2	1.5
Real Estate And Rental And Lease	8.2	2.7	10.6	3.5	12.9	4.0	13.9	4.0	2.6	2.2	1.3
Total Services	114.7	37.8	127.1	42.4	144.4	44.5	156.8	45.5	1.0	1.4	1.4
Professional And Technical Services	17.4	5.7	19.7	6.6	22.0	6.8	23.9	7.0	1.3	1.2	1.4
Management Of Companies And Enterprises	3.9	1.3	2.9	1.0	4.3	1.3	4.2	1.2	(2.8)	4.4	(0.2)
Administrative And Waste Services	14.0	4.6	17.2	5.7	15.5	4.8	16.4	4.8	2.0	(1.1)	1.0
Educational Services	11.8	3.9	12.5	4.2	14.1	4.3	15.9	4.6	0.6	1.3	2.0
Health Care And Social Assistance	31.2	10.3	36.5	12.2	43.1	13.3	48.9	14.2	1.6	1.9	2.1
Arts, Entertainment, And Recreation	5.0	1.6	6.3	2.1	7.1	2.2	7.6	2.2	2.3	1.4	1.1
Accommodation And Food Services	17.5	5.8	18.8	6.3	23.1	7.1	24.0	7.0	0.7	2.3	0.7
Other Services, Except Public Administration	13.9	4.6	13.2	4.4	15.2	4.7	15.8	4.6	(0.5)	1.6	0.6
Total Government	40.8	13.5	43.5	14.5	42.8	13.2	45.3	13.1	0.6	(0.2)	0.9
Federal Civilian Government	4.6	1.5	4.5	1.5	4.6	1.4	4.7	1.4	(0.3)	0.3	0.4
Federal Military	1.2	0.4	1.0	0.3	0.8	0.3	0.8	0.2	(1.7)	(2.0)	0.1
State And Local Government	35.1	11.6	38.1	12.7	37.4	11.5	39.7	11.5	0.8	(0.2)	1.0
TOTAL	303.2	100.0 %	299.6	100.0 %	324.8	100.0 %	344.5	100.0 %	(0.1) %	0.9 %	1.0 %
MSA	378.5	—	374.5	—	405.8	—	429.3	—	(0.1) %	0.9 %	0.9 %
U.S.	165,372.0	—	173,034.7	—	205,736.3	—	223,254.5	—	1.2	1.9	1.4

Source: Woods & Poole Economics, Inc.

Woods & Poole Economics, Inc. reports that during the period from 2000 to 2010, total employment in the county contracted at an average annual rate of -0.1%. More recently, the pace of total employment growth in the county accelerated to 0.9% on an annual average from 2010 to 2019, reflecting the initial years of the recovery.

Of the primary employment sectors, Total Services recorded the highest increase in number of employees during the period from 2010 to 2019, increasing by 17,291 people, or 13.6%, and rising from 42.4% to 44.5% of total employment. Of the various service sub-sectors, Health Care And Social Assistance and Accommodation And Food Services were the largest employers. Strong growth was also recorded in the Total Trade sector, as well as the Real Estate And Rental And Lease sector, which expanded by 11.0% and -7.6%, respectively, in the period from 2010 to 2019. Forecasts developed by Woods & Poole Economics, Inc. anticipate that total employment in the county will change by 1.0% on average annually through 2025. The trend is below the forecast rate of change for the U.S. as a whole during the same period.

The following table illustrates historical and projected employment, households, population, and average household income data, as provided by REIS for the overall Los Angeles market.

FIGURE 3-3 HISTORICAL & PROJECTED EMPLOYMENT, HOUSEHOLDS, POPULATION, AND HOUSEHOLD INCOME STATISTICS

Year	Total Employment	% Chg	Office Employment	% Chg	Industrial Employment	% Chg	Households	% Chg	Population	% Chg	Household Avg. Income	% Chg
2008	4,158,230	—	1,196,826	—	685,323	—	3,264,510	—	9,762,880	—	$3,264,510	—
2009	3,919,570	(5.7) %	1,127,861	(5.8) %	619,034	(9.7) %	3,255,590	(0.3) %	9,805,350	0.4 %	3,255,590	(0.3) %
2010	3,932,100	0.3	1,132,413	0.4	619,366	0.1	3,250,010	(0.2)	9,847,710	0.4	3,250,010	(0.2)
2011	3,961,730	0.8	1,140,136	0.7	616,627	(0.4)	3,290,940	1.3	9,905,860	0.6	3,290,940	1.3
2012	4,071,500	2.8	1,168,368	2.5	629,032	2.0	3,327,860	1.1	9,964,890	0.6	3,327,860	1.1
2013	4,157,670	2.1	1,191,650	2.0	637,318	1.3	3,358,360	0.9	10,016,730	0.5	3,358,360	0.9
2014	4,216,800	1.4	1,196,818	0.4	636,720	(0.1)	3,377,050	0.6	10,064,390	0.5	3,377,050	0.6
2015	4,335,530	2.8	1,223,505	2.2	635,335	(0.2)	3,391,180	0.4	10,098,780	0.3	3,391,180	0.4
2016	4,418,770	1.9	1,241,116	1.4	626,365	(1.4)	3,400,710	0.3	10,107,950	0.1	3,400,710	0.3
2017	4,483,730	1.5	1,261,573	1.6	618,037	(1.3)	3,393,090	(0.2)	10,091,410	(0.2)	3,393,090	(0.2)
2018	4,545,370	1.4	1,287,825	2.1	614,446	(0.6)	3,383,070	(0.3)	10,055,150	(0.4)	3,383,070	(0.3)
2019	4,584,000	0.8	1,290,293	0.2	608,622	(0.9)	3,395,370	0.4	10,033,930	(0.2)	3,395,370	0.4
2020	4,065,230	####	1,164,628	(9.7)	538,558	####	3,401,960	0.2	10,041,860	0.1	3,401,960	0.2
Forecasts												
2021	4,263,780	*4.9 %*	1,221,073	*4.8 %*	558,173	*3.6 %*	3,443,410	*1.2 %*	10,051,990	*0.1 %*	3,443,410	*1.2 %*
2022	4,378,720	*2.7*	1,246,504	*2.1*	565,071	*1.2*	3,487,470	*1.3*	10,066,840	*0.1*	3,487,470	*1.3*
2023	4,441,780	*1.4*	1,258,662	*1.0*	565,318	*0.0*	3,517,810	*0.9*	10,086,180	*0.2*	3,517,810	*0.9*
2024	4,472,740	*0.7*	1,267,356	*0.7*	561,642	*(0.7)*	3,546,940	*0.8*	10,100,990	*0.1*	3,546,940	*0.8*
2025	4,492,770	*0.4*	1,274,889	*0.6*	556,731	*(0.9)*	3,574,790	*0.8*	10,113,910	*0.1*	3,574,790	*0.8*
Average Annual Compound Change												
2008 - 2020		(0.2) %		(0.2) %		(2.0) %		0.3 %		0.2 %		0.3 %
2008 - 2010		(2.8)		(2.7)		(4.9)		(0.2)		0.4		(0.2)
2010 - 2020		0.3		0.3		(1.4)		0.5		0.2		1.1
Forecast 2021 - 2025		*1.3 %*		*1.1 %*		*(0.1) %*		*0.9 %*		*0.2 %*		*0.9 %*

Source: REIS Report, 1st Quarter, 2021

For the Los Angeles market, of the roughly 4,100,000 persons employed, 29% are categorized as office employees, while 13% are categorized as industrial employees. Total employment is expected to expand by 4.9% in 2021, while office employment is forecast to expand by 4.8% in 2021. By 2026, total employment is anticipated to rebound to 2019 levels.

The number of households is forecast to expand by 0.9% on average annually between 2021 and 2025. Population is forecast to expand during this same period, at an average annual compounded rate of 0.2%. Household average income is forecast to grow by 0.9% on average annually from 2021 through 2025.

Radial Demographic Snapshot

The following table reflects radial demographic trends for our market area measured by three points of distance from the subject site. Please note that these forecasts were formulated prior to the COVID-19 pandemic.

FIGURE 3-4 DEMOGRAPHICS BY RADIUS

	0.00 - 1.00 miles	0.00 - 3.00 miles	0.00 - 5.00 miles
Population			
2026 Projection	46,570	276,359	529,386
2021 Estimate	46,057	272,645	522,492
2010 Census	45,354	265,288	509,716
2000 Census	43,885	253,021	490,497
Percent Change: 2021 to 2026	1.1%	1.4%	1.3%
Percent Change: 2010 to 2021	1.6%	2.8%	2.5%
Percent Change: 2000 to 2010	3.4%	4.9%	3.9%
Households			
2026 Projection	24,111	129,252	243,890
2021 Estimate	23,837	127,449	240,561
2010 Census	23,448	124,352	234,809
2000 Census	23,474	121,231	228,232
Percent Change: 2021 to 2026	1.2%	1.4%	1.4%
Percent Change: 2010 to 2021	1.7%	2.5%	2.5%
Percent Change: 2000 to 2010	-0.1%	2.6%	2.9%
Income			
2021 Est. Average Household Income	$133,951	$152,693	$153,646
2021 Est. Median Household Income	98,179	102,252	101,789
2021 Est. Civ. Employed Pop 16+ by Occupation			
Architecture/Engineering	566	3,045	6,070
Arts/Design/Entertainment/Sports/Media	2,752	15,245	29,821
Building/Grounds Cleaning/Maintenance	394	1,943	5,053
Business/Financial Operations	3,490	14,937	27,005
Community/Social Services	316	2,101	4,135
Computer/Mathematical	1,571	6,809	13,210
Construction/Extraction	363	1,462	3,684
Education/Training/Library	1,622	11,060	19,015
Farming/Fishing/Forestry	16	59	207
Food Preparation/Serving Related	1,575	6,708	13,921
Healthcare Practitioner/Technician	1,736	9,575	17,402
Healthcare Support	411	2,174	4,617
Installation/Maintenance/Repair	163	848	2,017
Legal	903	6,884	12,441
Life/Physical/Social Science	556	3,228	5,134
Management	5,037	25,394	48,468
Office/Administrative Support	2,356	13,150	26,093
Production	419	1,878	3,782
Protective Services	122	1,024	2,346
Sales/Related	3,417	14,723	30,945
Personal Care/Service	724	4,300	8,994
Transportation/Material Moving	725	2,633	6,843

Source: Environics Analytics

This source reports a population of 522,492 and 240,561 households within a five-mile radius of the subject site. The average household income within this radius is reported at $153,646, while the median is $101,789.

Unemployment Statistics

The following table presents historical unemployment rates for the proposed subject hotel's market area.

FIGURE 3-5 UNEMPLOYMENT STATISTICS

Year	County	MSA	State	U.S.
2011	7.7 %	8.3 %	8.3 %	8.9 %
2012	7.9	8.5	8.5	8.1
2013	6.8	7.5	7.7	7.4
2014	5.6	6.1	6.3	6.2
2015	4.9	5.4	5.3	5.3
2016	4.5	4.9	4.9	4.9
2017	4.7	5.1	4.7	4.4
2018	4.0	4.3	4.1	3.9
2019	3.9	4.3	4.0	3.7
2020	8.4	8.4	10.0	8.1
Recent Month - Apr				
2020	17.1 %	17.3 %	16.2 %	14.8 %
2021	5.7	5.7	7.8	6.1

Source: U.S. Bureau of Labor Statistics

Prior to the pandemic, U.S. unemployment levels were firmly below the 4.6% level recorded in 2006 and 2007, the peak years of the economic cycle prior to the Great Recession. The unemployment rate for February 2020 was 3.5%. The unemployment rate had remained in the 3.5% to 3.7% range since April 2019, reflecting a trend of stability and strength of the U.S. economy. However, in April 2020, unemployment rose to 14.7%, and employment dropped by 20.7 million because of the COVID-19 pandemic. Steady declines in unemployment have been registered since April 2020; most recently, the national unemployment registered 5.4% in July 2021. After the nation's labor market showed signs of slowing in the fourth quarter of 2020, the fiscal stimulus from the U.S. government and a decline in the number of COVID-19 infections started to fuel improvements in the first quarter, a trend that extended into the second and third quarters with a roughly 500,0000-, 168,000-, and 782,000-person rise in employment registered in May, June, and July 2021, respectively.

Locally, the unemployment rate was 8.4% in 2020; for this same area in 2021, the most recent month's unemployment rate was registered at 5.7%, versus 17.1% for the same month in 2020. Unemployment rose in 2010 given the continued effects of the national recession. Unemployment declined in 2011, but increased minimally in 2012, consistent with regional and state-wide trends. Job growth resumed in 2013, and this positive trend generally continued through 2018. The most recent

comparative period illustrates relative stability. Local employment has remained strong at entities within the academic and healthcare sectors, particularly Syracuse University and SUNY Upstate Medical University. Our economic development research reflects a promising outlook because of the strong local employment base and continued tourism to the area.

Major Business and Industry

Providing additional context for understanding the nature of the regional economy, the following table presents a list of the major employers in the proposed subject property's market.

FIGURE 3-6 MAJOR EMPLOYERS

Rank	Firm	Number of Employees
1	SUNY Upstate Medical University	9,525
2	Syracuse University	4,621
3	St. Joseph's Hospital Health Center	3,745
4	Wegmans Food Markets, Inc.	3,713
5	Crouse Hospital	2,700
6	Loretto Health & Rehabilitation	2,476
7	Lockheed Martin	2,250
8	National Grid	2,000
9	Time Warner Cable	1,800
10	Raymour & Flanigan	1,400

Source: Onondaga County Office of Economic Development, 2019

The Finger Lake Region encompasses 11 “Finger Lakes” and 14 counties; the region includes cities such as Rochester and Syracuse. The subject hotel is situated in Skaneateles, roughly 20 miles southwest of the intersection of north-south Interstate 81 and east-west Interstate 90. Due to its rural location, Skaneateles is dependent upon visitation originating from diverse areas throughout Upstate New York and neighboring states. The area functions primarily as a summer leisure destination due in part to its access to Skaneateles Lake (one of the Finger Lakes). The region area also maintains notable outdoor activities, sightseeing, prominent wine trails, and a foliage season, similar to other northeastern locales such as the Adirondacks, Catskills, Berkshires of western Massachusetts, Pocono Mountains of Pennsylvania, Green Mountains of Vermont, and White Mountains of New Hampshire.

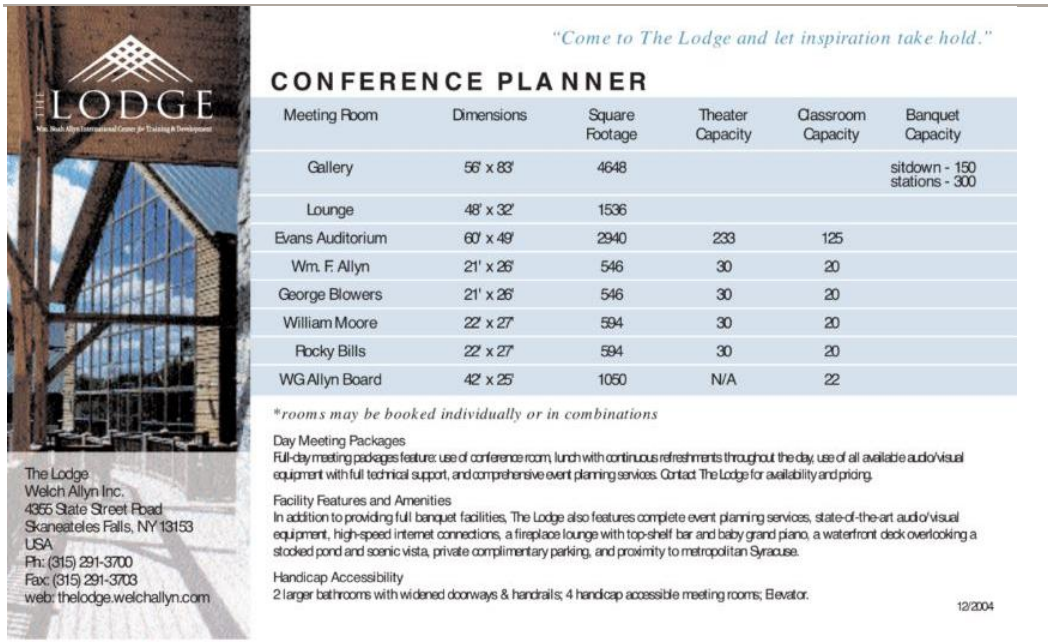
Conference Activity

The subject site is not located near any conventions center; however, will be the closes lodging facility to The Lodge Conference Center located adjacent. This corporate retreat and meeting facility features over 12,000 square feet of meeting space. It is used for all different groups including corporate retreats, training, as well as hosting SMERFE events including a large amount of weddings.

THE LODGE - CONFERENCE CENTER



CONFERENCE CENTER



"Come to The Lodge and let inspiration take hold."

THE LODGE

The Lodge
Welch Allyn Inc.
4355 State Street Road
Skaneateles Falls, NY 13153
USA
Ph: (315) 291-3700
Fax: (315) 291-3703
web: thelodge.welchallyn.com

CONFERENCE PLANNER

Meeting Room	Dimensions	Square Footage	Theater Capacity	Classroom Capacity	Banquet Capacity
Gallery	56' x 83'	4648			sitdown - 150 stations - 300
Lounge	48' x 32'	1536			
Evans Auditorium	60' x 49'	2940	233	125	
Wm. F. Allyn	21' x 26'	546	30	20	
George Blowers	21' x 26'	546	30	20	
William Moore	22' x 27'	594	30	20	
Rocky Bills	22' x 27'	594	30	20	
WG Allyn Board	42' x 25'	1050	N/A	22	

*rooms may be booked individually or in combinations

Day Meeting Packages
Full-day meeting packages feature: use of conference room, lunch with continuous refreshments throughout the day, use of all available audio/visual equipment with full technical support, and comprehensive event planning services. Contact The Lodge for availability and pricing.

Facility Features and Amenities
In addition to providing full banquet facilities, The Lodge also features complete event planning services, state-of-the-art audio/visual equipment, high-speed internet connections, a fireplace lounge with top-shelf bar and baby grand piano, a waterfront deck overlooking a stocked pond and scenic vista, private complimentary parking, and proximity to metropolitan Syracuse.

Handicap Accessibility
2 larger bathrooms with widened doorways & handrails; 4 handicap accessible meeting rooms; Elevator.

12/2004

Usage statistics for this facility were unavailable upon request. However, reports from the market reflect that the facility is highly utilized by groups such as local professional associations and trade shows.

Airport Traffic

Airport passenger counts are important indicators of lodging demand. Depending on the type of service provided by a particular airfield, a sizable percentage of arriving passengers may require hotel accommodations. Trends showing changes in passenger counts also reflect local business activity and the overall economic health of the area.

Syracuse Hancock International Airport serves the central New York State area. Many major commercial airlines service the airport. In August 2016, the FAA granted the airport approximately $2.5 million to begin replacing seven passenger-boarding bridges and reconfigure the airport's exit taxiways. The airport underwent a one-year, $62.4-million renovation that was completed in October 2018; upgrades included a redesign of the terminal's interior and exterior, the addition of an aviation history museum, and the construction of a pedestrian bridge. Furthermore, renovations to the parking garage and construction of a separate rental-car facility are planned for 2020.

The following table illustrates recent operating statistics for the Syracuse Hancock International Airport, which is the primary airport facility serving the proposed subject hotel's submarket.

FIGURE 3-7 AIRPORT STATISTICS - SYRACUSE HANCOCK INTERNATIONAL AIRPORT

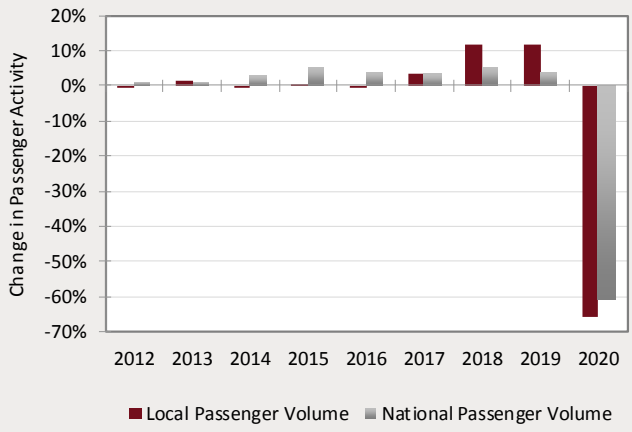
Year	Passenger Traffic	Percent Change*	Percent Change**
2011	1,997,534	—	—
2012	1,983,674	(0.7) %	(0.7) %
2013	2,011,690	1.4	0.4
2014	2,001,314	(0.5)	0.1
2015	2,007,854	0.3	0.1
2016	2,004,066	(0.2)	0.1
2017	2,074,878	3.5	0.6
2018	2,315,933	11.6	2.1
2019	2,583,193	11.5	3.3
2020	884,390	(65.8)	(8.7)
Year-to-date, Jul			
2020	620,727	—	—
2021	791,013	27.4 %	—

*Annual average compounded percentage change from the previous year

**Annual average compounded percentage change from first year of data

Source: Syracuse Hancock International Airport

FIGURE 3-8 LOCAL PASSENGER TRAFFIC VS. NATIONAL TREND



Source: HVS, Local Airport Authority

This facility recorded 884,390 passengers in 2020. The change in passenger traffic between 2019 and 2020 was -65.8%. The average annual change during the period shown was -8.7%. The recent increase in passenger traffic can be attributed in large part to more service by major air carriers in response to stronger economic conditions and a rise in demand. Several airlines either increased the number of flights in/out of the airport or added seats to their aircraft. Additionally, Frontier Airlines began commercial service to/from ten locations throughout the United States and Puerto Rico in July 2018.

The following table illustrates recent operating statistics for the Ithaca Tompkins Regional, which is the secondary airport facility serving the proposed subject property's submarket.

FIGURE 3-9 AIRPORT STATISTICS – ITHACA TOMPKINS REGIONAL

Year	Passenger Traffic	Percent Change*	Percent Change**
2011	241,482	—	—
2012	242,493	0.4 %	0.4 %
2013	238,270	(1.7)	(0.7)
2014	205,564	(13.7)	(5.2)
2015	175,889	(14.4)	(7.6)
2016	172,671	(1.8)	(6.5)
2017	177,041	2.5	(5.0)
2018	193,924	9.5	(3.1)
2019	199,715	3.0	(2.3)
2020	217,894	9.1	(1.1)
Year-to-date, Dec			
2020	0	—	—
2021	0	#NUM! %	—

*Annual average compounded percentage change from the previous year

**Annual average compounded percentage change from first year of data

Source: Ithaca Tompkins Regional

Air traffic registered 217,894 passengers in 2020. The change in passenger traffic between 2019 and 2020 was 9.1%.

Tourist Attractions

The Central New York State area is a popular tourist destination for residents of New York State as well as neighboring states and Canada. Skaneateles Lake has long been a popular destination for recreational sailing; however access to the Lake is limited since its considered one of the cleanest fresh water lakes in the world. The clean water is a source for Syracuse who uses the water unfiltered. In addition to the Lake tourist frequent the area for its abundance of wineries, numerous fishing and hunting a regions, as well as fall foliage viewing.

SKANEATELES LAKE

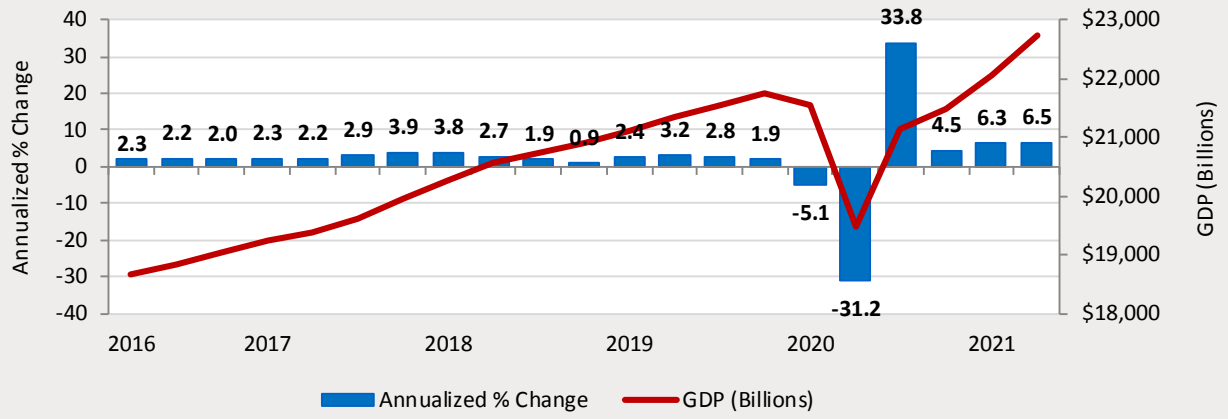


Conclusion

This section discussed a wide variety of economic indicators for the pertinent market area. The market area is experiencing a period of economic growth and expansion, led by the education and healthcare sectors. The area's status as a primary service center for residents of Central New York also supplies consistent economic benefits to the communities in this region. Furthermore, many of the corporations or institutions that support this area, such as Lockheed Martin and Syracuse University, are renowned entities working with a multitude of clients. The outlook for the market area is positive.

Our analysis of the outlook for this specific market also considers the broader context of the national economy. The U.S. economy expanded at an overall rate of 2.3% in 2019, a decline from the 2.9% level achieved in 2018. For the seven quarters leading up to 2020, GDP quarterly growth ranged between 1.3% and 2.9%, reflecting moderate economic expansion. The slowdown and impact of COVID-19 became more evident in the first quarter of 2020, when GDP declined by 5.0%. As shutdowns halted major components of the U.S. economy from mid-March through May, and partial, halting re-openings continued to dampen business activity, the U.S. economy contracted by an annualized rate of 31.4% in the second quarter, the largest such decline in U.S. history. The decline affected virtually every corner of the economy, with major decreases in personal consumption, exports, private inventory investment, residential and nonresidential fixed investment, and state and local government spending.

FIGURE 3-10 UNITED STATES GDP GROWTH RATE



Sources: tradingeconomics.com, Bureau of Economic Analysis

While shocking, the second-quarter GDP decline was offset by a significant rebound in economic activity in the third quarter of 2020, greatly moderating the overall impact for the year. The U.S. economy grew by 33.8% on an annualized basis in the third quarter, followed by 4.5%, 6.3%, and 6.5% gains in the subsequent three quarters, respectively. The rebound has been supported by substantial stimulus by the federal government, including the March 2020 $2-trillion CARES economic-aid package, the December 2020 $900-million aid package, and the March 2021 $1.9-trillion American Rescue Plan. The considerable federal stimulus has raised concerns about rising inflation, which has traditionally benefited hotel investments, though rising labor costs are also a concern. Hotel investors remain bullish based on factors such as a rebound in travel demand, rising hotel performance levels, and opportunities to generate significant returns as the industry recovers.

4. Supply and Demand Analysis

In the lodging industry, price varies directly, but not proportionately, with demand and inversely, but not proportionately, with supply. Supply is measured by the number of guestrooms available, and demand is measured by the number of rooms occupied; the net effect of supply and demand toward equilibrium results in a prevailing price, or average daily rate (ADR). The purpose of this section is to investigate current supply and demand trends, as indicated by the current competitive market, and to set forth a basis for the projection of future supply and demand growth.

Definition of Subject Hotel Market

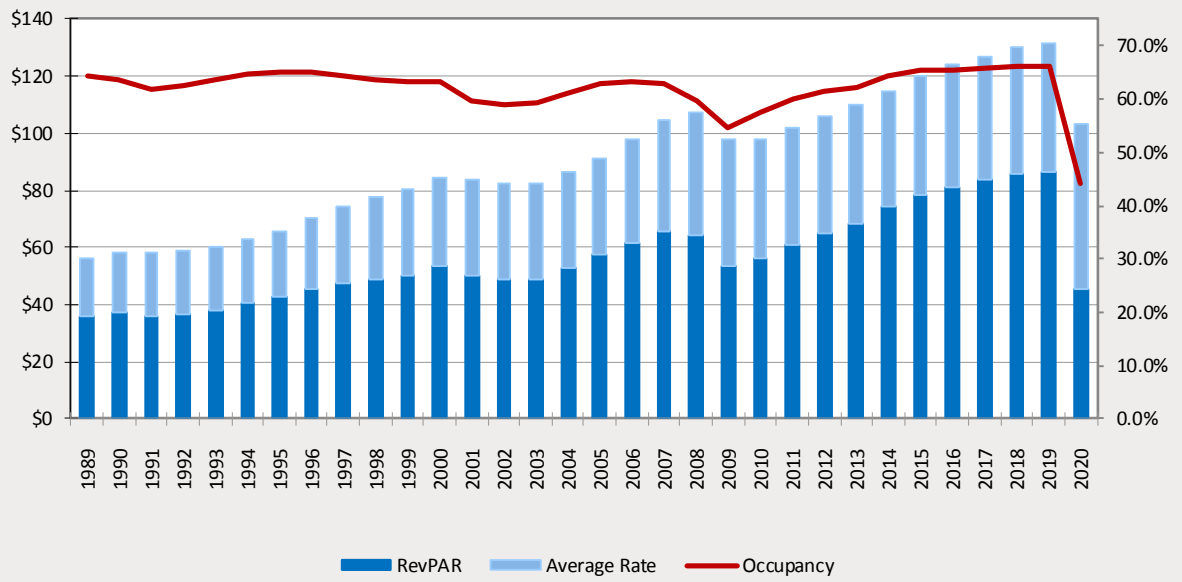
The subject site is located in the greater Syracuse lodging market. Within this greater market, the direct submarket that will include the proposed subject hotel is located in central New York within the area known as the Finger Lakes Region, and more directly the Town of Skaneateles . The proposed subject hotel is expected to compete with five hotels on a primary level based on location in the Skaneateles area or offering a similar product type in a similar finger lake region. We have considered an additional four hotels as future secondary competitors given differences in locations and submarkets.

National Trends Overview

A hotel's local lodging market is most directly affected by the supply and demand trends within the immediate area. However, individual markets are also influenced by conditions in the national lodging market. We have reviewed national lodging trends to provide a context for the forecast of the supply and demand for the proposed subject hotel's competitive set.

STR is an independent research firm that compiles data on the lodging industry, and this information is routinely used by typical hotel buyers. The following STR diagram presents annual hotel occupancy, average daily rate (ADR), and rooms revenue per available room (RevPAR) data since 1989. RevPAR is calculated by multiplying occupancy by average rate and provides an indication of how well rooms revenue is being maximized.

FIGURE 4-1 NATIONAL OCCUPANCY, AVERAGE RATE, AND REVPAR TRENDS



Source: STR

The preceding chart illustrates the impact of the recessions of the early 1990s, 2000s, and the financial crisis of 2008/09 on the U.S. lodging industry. In each case, the downturn caused lodging demand to drop, resulting in an occupancy decline. The aggregate average rate (ADR) also fell, as hoteliers used price as a marketing tool to attract demand and support occupancy levels. As occupancy recovered, ADR growth resumed, although the ADR recovery lagged somewhat behind occupancy levels, as price discounts contributed to the initial recovery of demand. Throughout the period, both supply and demand increased, which contributed to the increased degree of volatility evident in each successive cycle.

Following the financial crisis of the Great Recession, occupancy fell by over eight points, and ADR declined by 5.9%, resulting in an 18.3% decrease in RevPAR. The market recovered steadily thereafter, with occupancy surpassing the 65% mark in 2015, and average rates also consistently growing, albeit at a decelerating pace. The onset of the COVID-19 pandemic in March 2020 had a severe impact on the lodging industry, causing occupancy, ADR, and RevPAR to decline by unprecedented levels. The 2019 and 2020 annual data are presented in the following chart. The data are categorized by geographical region, price point, type of location, and chain scale, and the statistics include occupancy, ADR, and RevPAR.

FIGURE 4-2 NATIONAL OCCUPANCY AND ADR TRENDS – CALENDAR-YEAR DATA

	Occupancy			Average Rate			RevPAR			Percent Change	
	2019	2020	% Change	2019	2020	% Change	2019	2020	% Change	Rms. Avail.	Rms. Sold
United States	66.0 %	44.0 %	(33.3) %	$131.23	$103.25	(21.3) %	$86.64	$45.48	(47.5) %	(3.6) %	(35.7) %
Region											
New England	64.7 %	38.8 %	(40.1) %	$161.08	$123.17	(23.5) %	$104.25	$47.77	(54.2) %	(5.2) %	(43.2) %
Middle Atlantic	69.0	41.3	(40.1)	166.27	115.26	(30.7)	114.81	47.65	(58.5)	(8.7)	(45.3)
South Atlantic	67.5	45.7	(32.2)	128.41	107.99	(15.9)	86.68	49.40	(43.0)	(3.5)	(34.6)
E. North Central	61.1	39.1	(36.0)	112.64	86.72	(23.0)	68.82	33.93	(50.7)	(2.3)	(37.4)
E. South Central	62.4	45.7	(26.8)	103.58	85.74	(17.2)	64.61	39.18	(39.4)	0.5	(26.4)
W. North Central	58.3	39.1	(32.9)	99.28	83.65	(15.7)	57.88	32.72	(43.5)	0.2	(32.7)
W. South Central	62.6	44.9	(28.2)	101.84	82.88	(18.6)	63.77	37.25	(41.6)	(0.4)	(28.5)
Mountain	66.9	46.7	(30.1)	121.89	105.70	(13.3)	81.54	49.39	(39.4)	(4.3)	(33.2)
Pacific	73.6	47.1	(36.0)	171.40	129.57	(24.4)	126.16	61.01	(51.6)	(7.3)	(40.7)
Class											
Luxury	70.9 %	36.8 %	(48.1) %	$304.11	$285.78	(6.0) %	$215.73	$105.29	(51.2) %	(15.1) %	(55.9) %
Upper-Upscale	72.6	34.8	(52.1)	188.24	159.14	(15.5)	136.67	55.30	(59.5)	(13.3)	(58.5)
Upscale	71.5	42.8	(40.1)	143.60	117.80	(18.0)	102.68	50.45	(50.9)	(2.7)	(41.7)
Upper-Midscale	67.5	45.3	(32.9)	115.91	98.80	(14.8)	78.20	44.72	(42.8)	0.0	(32.9)
Midscale	59.5	44.4	(25.4)	95.82	84.47	(11.8)	57.03	37.52	(34.2)	(0.7)	(25.9)
Economy	59.4	49.2	(17.1)	75.50	65.45	(13.3)	44.83	32.30	(28.2)	(1.3)	(18.2)
Location											
Urban	73.2 %	37.9 %	(48.2) %	$183.20	$127.80	(30.2) %	$134.12	$48.47	(63.9) %	(10.9) %	(53.8) %
Suburban	66.7	46.4	(30.4)	111.26	88.81	(20.2)	74.24	41.24	(44.4)	(0.9)	(31.0)
Airport	73.7	44.5	(39.6)	119.22	93.71	(21.4)	87.85	41.72	(52.5)	(1.2)	(40.3)
Interstate	57.9	44.8	(22.7)	87.86	79.05	(10.0)	50.85	35.39	(30.4)	0.8	(22.0)
Resort	70.0	42.9	(38.6)	182.74	170.36	(6.8)	127.85	73.13	(42.8)	(12.9)	(46.6)
Small Town	57.8	44.4	(23.1)	107.26	96.95	(9.6)	61.98	43.07	(30.5)	(0.1)	(23.2)
Chain Scale											
Luxury	73.8 %	32.0 %	(56.7) %	$343.02	$329.54	(3.9) %	$253.17	$105.40	(58.4) %	(21.5) %	(66.0) %
Upper-Upscale	73.9	33.4	(54.8)	189.25	158.86	(16.1)	139.80	53.10	(62.0)	(13.7)	(61.0)
Upscale	72.6	43.0	(40.7)	142.38	115.11	(19.2)	103.32	49.52	(52.1)	(0.9)	(41.3)
Upper-Midscale	67.5	45.4	(32.7)	112.80	96.04	(14.9)	76.14	43.61	(42.7)	0.9	(32.1)
Midscale	58.1	44.2	(23.8)	86.61	77.29	(10.8)	50.30	34.19	(32.0)	0.9	(23.2)
Economy	58.7	50.9	(13.2)	63.70	58.21	(8.6)	37.36	29.64	(20.7)	(0.4)	(13.5)
Independents	63.5	44.8	(29.5)	133.08	110.74	(16.8)	84.44	49.56	(41.3)	(5.6)	(33.4)

Source: STR - December 2020 Lodging Review

In December 2019, a novel coronavirus known as SARS-CoV-2 (COVID-19) was first identified in China, which has since spread throughout the world. The first reported case in the United States occurred in the State of Washington in late January 2020; by mid-March, cases had been identified in all 50 states, and the number of cases was increasing exponentially. The World Health Organization (WHO) officially declared COVID-19 a global pandemic on March 11, 2020, and the U.S. declared the outbreak a National Emergency on March 13, 2020. As the number of cases multiplied in the U.S. and throughout the world, governments implemented lockdowns and social-distancing measures in an effort to slow the spread of the virus. In most cases, these measures were effective, and the rates of infection slowed substantially through the summer months. After a spike in late December/early January, the number of new cases declined again. With vaccinations now available for all adults, infection rates have declined in most states. As a result, consumer confidence in being able to travel safely in the U.S. is rising; thus, the outlook for recovery of the travel industry has significantly improved. Most recently, the Delta variant has increased speculation for concern in some areas; however, the extent of the impact of the variant was largely unknown at the time of this report.

The pandemic led to global economic disruptions, as stock markets throughout the world suffered steep declines and the price of oil dropped precipitously. The markets have realized a significant recovery since the initial impact, and the price of oil has also recovered. In the United States, economic activity declined sharply because of restrictions on business and travel. In most areas of the nation, all but essential businesses were effectively closed for much of the second quarter of 2020, resulting in a 31.4% drop in GDP. With most states easing or lifting restrictions over the summer, the economy rebounded in the latter half of 2020, and with a 6.4% gain in the first quarter of 2021, actual GDP exceeded pre-pandemic levels. Significant government support contributed to this rebound, and the latest $1.9-trillion funding bill passed in March 2021 will further contribute to the ongoing economic recovery, with GDP growth for 2021 expected to reach or exceed 6.0%. While the long-term impact of the bailouts remains unknown, it is clear that the economic rebound is already well underway and will continue to stimulate the recovery of the hospitality industry.

The hotel market performance data for 2020 reflect the onset and spread of the COVID-19 pandemic. Occupancy declined by 22 points, and ADR declined by roughly $28.00, resulting in a RevPAR loss of 47.5% when compared to 2019. The sharp downturn in travel caused by COVID-19 has continued into 2021, as the months of January and February 2020 were not notably affected by the pandemic. With travel still substantially below historic levels, data for the first quarter of 2021 continue to show a sharp downturn in travel activity.

FIGURE 4-3 NATIONAL OCCUPANCY AND ADR TRENDS – YEAR-TO-DATE DATA

	Occupancy - YTD June			Average Rate - YTD June			RevPAR - YTD June			Percent Change	
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change	Rms. Avail.	Rms. Sold
United States	43.1 %	53.8 %	24.9 %	$108.91	$111.08	2.0 %	$46.93	$59.77	27.4 %	5.2 %	31.3 %
Region											
New England	35.6 %	46.5 %	30.5 %	$115.09	$120.82	5.0 %	$40.98	$56.13	37.0 %	5.9 %	38.2 %
Middle Atlantic	40.2	48.1	19.6	119.46	117.21	(1.9)	48.01	56.35	17.4	0.2	19.9
South Atlantic	46.2	58.5	26.6	116.89	124.84	6.8	53.99	72.97	35.2	6.7	35.1
E. North Central	37.2	46.5	25.2	87.60	91.18	4.1	32.57	42.44	30.3	4.4	30.7
E. South Central	43.0	57.0	32.6	86.50	94.59	9.4	37.19	53.93	45.0	3.7	37.5
W. North Central	36.1	46.7	29.2	83.98	88.68	5.6	30.33	41.38	36.4	3.3	33.5
W. South Central	44.3	56.7	27.9	87.30	87.99	0.8	38.70	49.89	28.9	4.3	33.4
Mountain	45.7	55.8	22.2	111.62	111.54	(0.1)	51.01	62.29	22.1	9.0	33.2
Pacific	47.0	55.1	17.3	139.88	135.17	(3.4)	65.68	74.44	13.3	5.6	23.9
Class											
Luxury	41.1 %	45.0 %	9.5 %	$295.99	$320.44	8.3 %	$121.53	$144.11	18.6 %	22.6 %	34.3 %
Upper-Upscale	39.4	42.7	8.5	173.92	161.13	(7.4)	68.48	68.81	0.5	11.6	21.1
Upscale	42.2	54.9	30.0	126.48	120.49	(4.7)	53.35	66.09	23.9	6.8	38.9
Upper-Midscale	42.5	57.5	35.3	102.09	104.26	2.1	43.40	59.95	38.1	4.7	41.6
Midscale	41.3	53.9	30.7	83.90	91.02	8.5	34.64	49.09	41.7	3.0	34.5
Economy	46.8	57.0	21.8	64.94	71.21	9.7	30.41	40.62	33.6	0.0	21.8
Location											
Urban	41.7 %	45.5 %	9.1 %	$142.89	$128.00	(10.4) %	$59.54	$58.21	(2.2) %	5.9 %	15.6 %
Suburban	45.2	56.7	25.4	93.06	93.76	0.8	42.06	53.14	26.4	4.2	30.7
Airport	46.1	56.3	22.3	103.14	94.43	(8.4)	47.50	53.21	12.0	3.3	26.4
Interstate	40.8	54.9	34.6	77.24	85.22	10.3	31.50	46.78	48.5	2.6	38.1
Resort	45.6	54.0	18.4	183.93	196.89	7.0	83.82	106.26	26.8	16.3	37.7
Small Town	39.4	53.7	36.4	89.73	103.70	15.6	35.31	55.66	57.6	2.7	40.1
Chain Scale											
Luxury	41.6 %	38.9 %	(6.6) %	$350.02	$369.40	5.5 %	$145.73	$143.58	(1.5) %	27.3 %	18.8 %
Upper-Upscale	39.1	41.1	4.9	176.04	157.29	(10.7)	68.90	64.59	(6.2)	12.6	18.2
Upscale	42.6	55.2	29.5	125.35	115.79	(7.6)	53.42	63.90	19.6	7.0	38.5
Upper-Midscale	42.5	58.1	36.8	99.51	101.53	2.0	42.28	59.01	39.6	4.2	42.5
Midscale	41.2	53.6	30.1	77.02	82.62	7.3	31.70	44.25	39.6	2.3	33.2
Economy	48.5	58.3	20.2	57.10	62.29	9.1	27.70	36.32	31.1	(0.9)	19.1
Independents	43.1	53.9	25.1	109.63	122.53	11.8	47.21	65.99	39.8	4.8	31.1

Source: STR - June 2021 Lodging Review

In an effort to further understand the nature and degree of the impact of the pandemic thus far, we have reviewed the following weekly data for the U.S. lodging industry, as published by STR. Both occupancy and ADR began to decline significantly during the week of March 7, 2020, with national occupancy reaching a

nadir of 21%; RevPAR dropped 83% from the 2019 level for the week ending April 11, 2020. Modest improvements began in late April when stay-at-home orders and travel restrictions were relaxed; the decline from 2019 performance fell below 50% in the latter half of the summer. However, with the relaxation in restrictions, the number of nationwide cases began to rise, reaching a peak during the December 2020/January 2021 holiday season. As a result, travelers pulled back, and RevPAR declines once again exceeded 50% in most weeks throughout the early winter. Beginning in February 2021, with vaccination rates rising and the number of cases declining, travel increased, and the RevPAR decline fell below 50%; this positive trend is anticipated to continue as the population is increasingly vaccinated, group gathering restrictions are lifted, and consumer confidence in travel continues to rise. For the year-to-date June 2021 period, RevPAR registered a 27% improvement over the same period in 2020 ($60 vs. $47). The expectation of recovery over the next two to four years remains, particularly given that recent travel activity demonstrates that many Americans are eager to travel.

FIGURE 4-4 NATIONAL OCCUPANCY TRENDS – WEEKLY DATA

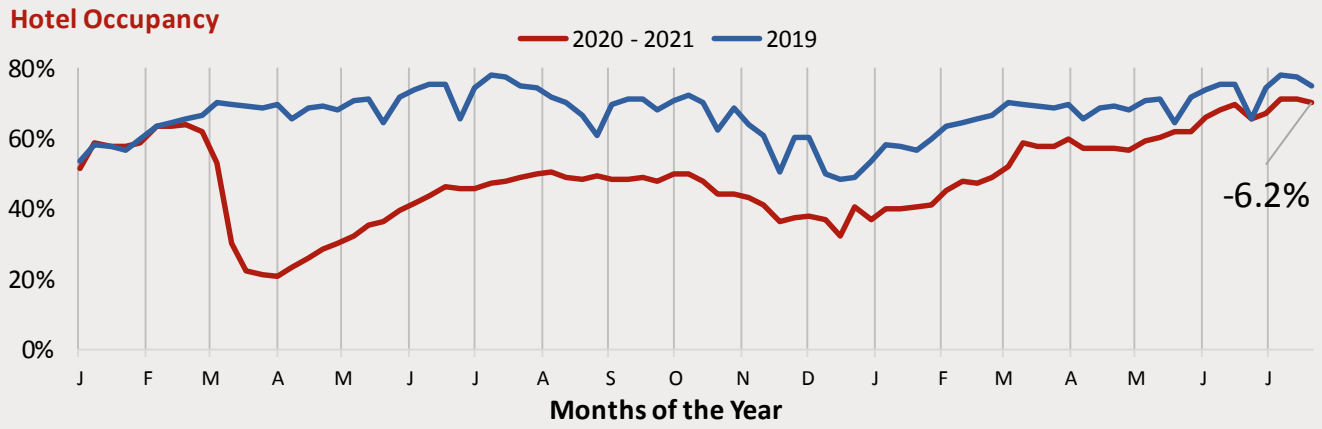


FIGURE 4-5 NATIONAL ADR TRENDS – WEEKLY DATA

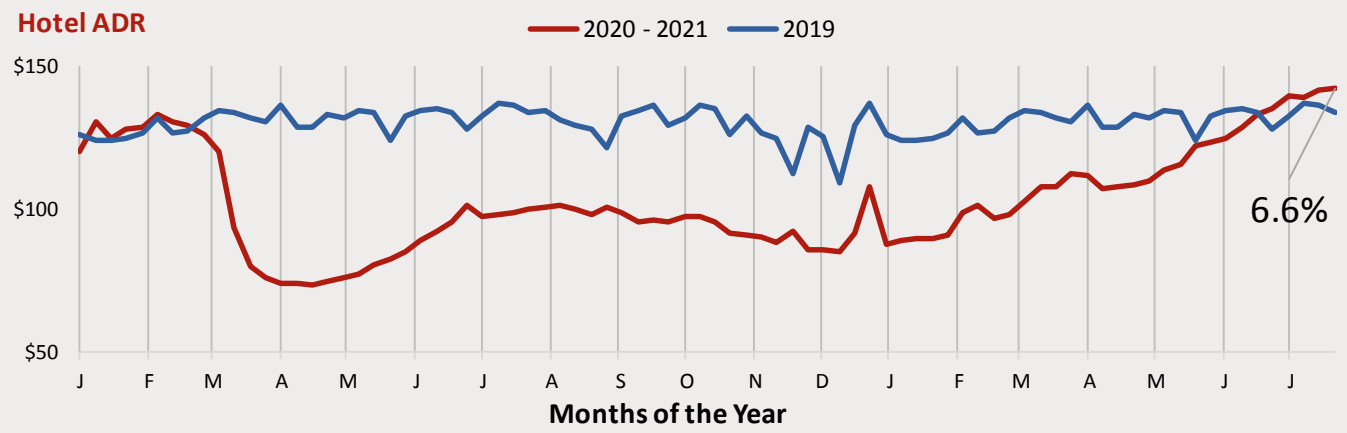
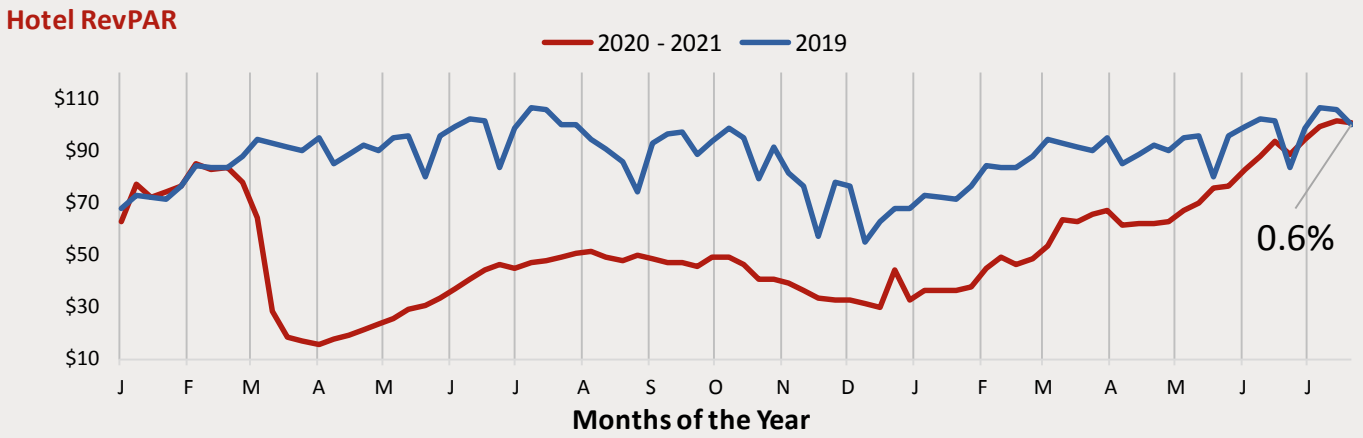


FIGURE 4-6 NATIONAL REVPAR TRENDS – WEEKLY DATA



The downturn has affected the various sectors of the lodging industry to differing degrees. Hotels that derive a significant component of their demand from the group segment have been hit the hardest, followed by properties in markets with a high proportion of business and international travel. For this reason, the major metropolitan areas reported deep RevPAR declines through the first quarter of 2021, a trend that is starting to reverse. Hotels in locations that depend primarily on automobile traffic have fared better and the extended-stay category has also outperformed the national average. The popularity of "drive-to" destinations has been a particular bright spot, demonstrating Americans' desire to travel, albeit in

the relative safety of their own vehicles. With air travel increasing, the leisure segment continues to outperform all other segments, and hotels and markets that primarily depend on leisure travelers are showing strong signs of recovery. As restrictions have been lifted, some business travel has also resumed, and group events have started to occur in markets where local restrictions permit larger gatherings. These trends are evidence of the ongoing recovery of the market, and the weekly and monthly statistics are expected to reflect substantial increases over 2020 levels for the balance of the year, as all segments are increasingly confident in the safety of travel.

The rate of infections is continuing to decline from the late 2020/early 2021 spike, and vaccines are increasingly available. Accordingly, hotel owners, operators, and investors generally anticipate the hospitality sector to recover at an accelerating pace, as vaccines, medical therapies, and public confidence support a return of travel. The recovery is expected to continue in 2022 and 2023, with national RevPAR anticipated to return to 2019 levels by 2024.

2019 Base Year

The severe disruption to the hospitality industry in 2020 and early 2021 is recognized by market participants as an anomaly. While it is important to understand how the hospitality industry, inclusive of individual markets and hotels, was affected by the pandemic, performance data from this period do not provide a reasonable basis for forecasting demand, occupancy, and ADR. Our interviews with market participants, including major brands, management companies, and investors, confirmed this opinion. The industry generally recognizes 2019 as representative of normalized performance levels, with recovery from the pandemic measured in terms of a rebound to those pre-pandemic benchmarks. We have utilized a similar approach in our analysis of the subject property and its competitive market, focusing on 2019 base-year performance and the trajectory of recovery to those metrics and beyond. Thus, the base year used in this report refers to 2019.

Historical Supply and Demand Data

As noted previously, STR is an independent research firm that compiles and publishes data on the lodging industry, routinely used by typical hotel buyers. HVS has ordered and analyzed an STR Trend Report of historical supply and demand data for a group of hotels considered applicable to this analysis for the proposed subject hotel. This information is presented in the following table, along with the market-wide occupancy, average rate, and rooms revenue per available room (RevPAR). RevPAR is calculated by multiplying occupancy by average rate and provides an indication of how well rooms revenue is being maximized.

In response to the travel restrictions and the decline in demand associated with the COVID-19 pandemic, numerous hotels in markets across the nation temporarily suspended operations. During these suspensions, hotels were typically closed to the

public, with the majority of staff furloughed; however, key management and maintenance staff were retained to preserve the property and prepare for reopening. While hotels in the subject market may have undergone or are undergoing similar reductions in operations, they are expected to reopen in 2021, if they have not reopened already. Our analysis considers the full supply of competitive rooms, including any hotels that have temporarily suspended operations.

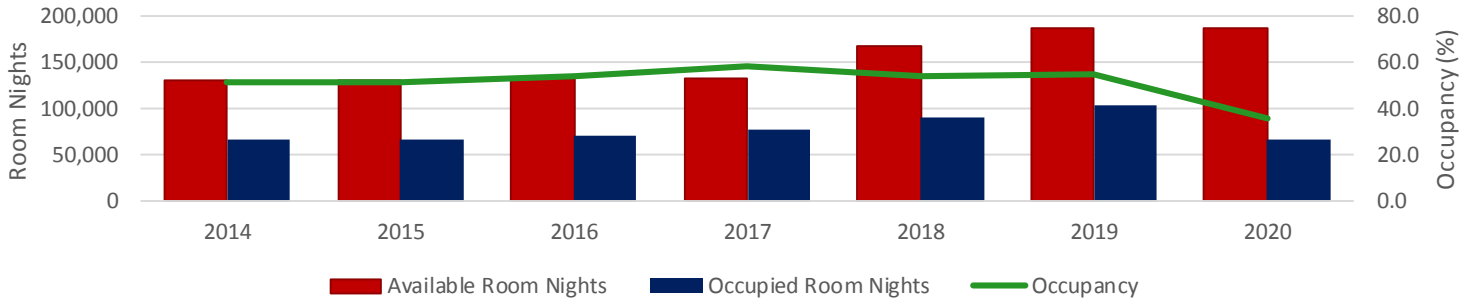
FIGURE 4-7 HISTORICAL SUPPLY AND DEMAND TRENDS

Year	Average Daily Room Count	Available Room Nights	Change	Occupied Room Nights	Change	Occupancy	Average Rate	Change	RevPAR	Change
2014	361	131,765	—	67,251	—	51.0 %	$219.18	—	$111.87	—
2015	361	131,765	0.0 %	67,405	0.2 %	51.2	229.35	4.6 %	117.32	4.9 %
2016	363	132,495	0.6	71,671	6.3	54.1	233.56	1.8	126.34	7.7
2017	363	132,495	0.0	76,871	7.3	58.0	225.52	(3.4)	130.84	3.6
2018	460	167,989	26.8	90,611	17.9	53.9	229.60	1.8	123.84	(5.4)
2019	511	186,393	11.0	102,485	13.1	55.0	224.43	(2.3)	123.40	(0.4)
2020	514	187,486	0.6	67,498	(34.1)	36.0	259.01	15.4	93.25	(24.4)
Year-to-Date Through July										
2020	440	93,183	—	29,038	—	31.2 %	$230.43	—	$71.81	—
2021	542	114,904	23.3 %	49,395	70.1 %	43.0	310.23	34.6 %	133.36	85.7 %

Hotels Included in Sample	Class	Competitive Status	Number of Rooms	Year Affiliated	Year Opened
Closed - Grand Adirondack Hotel	Upscale Class	*Not Competitive*	0	Dec 2020	Nov 1986
The Whiteface Lodge	Luxury Class	*Primary*	96	May 2020	Jun 2005
Hotel Saranac, Curio Collection by Hilton	Upper Upscale Class	*Secondary*	102	Jan 2018	Jul 1927
The Mirbeau Inn & Spa	Luxury Class	*Primary*	34	May 2020	May 2000
Tailwater Lodge Altmar, Tapestry Collection by Hilton	Upscale Class	*Primary*	87	Jun 2020	Jun 2012
Tapestry Collection by Hilton Hotel Canandaigua	Upscale Class	*Primary*	109	Jan 1900	U/C
The Lake House On Canandaigua	Luxury Class	*Primary*	124	Aug 2020	Aug 2020
Renaissance The Del Monte Lodge Rochester Hotel & Spa	Upper Upscale Class	*Secondary*	99	Mar 2001	Apr 2000
		Total	**651**		

Source: STR

FIGURE 4-8 HISTORICAL SUPPLY AND DEMAND TRENDS (STR)



It is important to note some limitations of the STR data. Hotels are occasionally added to or removed from the sample; furthermore, not every property reports data in a consistent and timely manner. These factors can influence the overall quality of the information by skewing the results, and these inconsistencies may also cause the STR data to differ from the results of our competitive survey. Nonetheless, STR data provide the best indication of aggregate growth or decline in existing supply and demand; thus, these trends have been considered in our analysis. Opening dates, as available, are presented for each reporting hotel in the previous table.

The STR data for the competitive set reflect a market-wide occupancy level of 2020 in 36.0%, which compares to 55.0% for 2019. The STR data for the competitive set reflect a market-wide average rate level of $259.01 in 2020, which compares to $224.43 for 2019. These occupancy and ADR trends resulted in a RevPAR level of $93.25 in 2020.

During the illustrated historical period, both occupancy and ADR generally followed a strengthening trend, with RevPAR increasing by roughly 10% between 2014 and 2019. This improvement in market conditions was driven largely by increase population and growth in popularity of the region for leisure and group. RevPAR reached its high point in 2017, supported by the entrance of new, high-rated supply and the overall strong economy at that time. In influx of new supply began in 2018 and impacted market performance; however, based on trends that occurred in 2019 and into 2020, the market was absorbing the new supply quickly. In March 2020, the COVID-19 pandemic began to affect the local market, similar to the rest of the nation, resulting in decreased business activity, inclusive of the hospitality, tourism, and manufacturing industries; thus, occupancy declined; however, strong levels of tourism in the summer months of 2020 allowed for higher rates resulting in average rate increase in 2020. Year-to-date 2021 data illustrate a strong improvement in occupancy and in ADR. This rapid recovery was again the result of high leisure demand during the summer months coupled with rescheduled weddings and group

events that had previous been cancelled or postponed. While the pandemic will continue to affect business to some degree in the near term, the overall outlook is optimistic given the dynamics of this market, the successful rollout of vaccines, the removal of most COVID-related restrictions, and the recent increase in travel.

Seasonality

Seasonality trends are presented in the following tables.

FIGURE 4-9 SEASONALITY

	2014	2015	2016	2017	2018	2019	2020	2021
High Season - July, August, September, October								
Occupancy	60.0 %	62.0 %	67.7 %	70.4 %	65.5 %	69.2 %	47.1 %	— %
Average Rate	$231.35	$246.96	$251.74	$243.55	$248.15	$238.58	$264.69	—
RevPAR	138.90	153.20	170.55	171.42	162.65	164.98	124.67	—
Shoulder Season - February, June, November								
Occupancy	50.4 %	49.3 %	52.1 %	57.7 %	52.7 %	53.9 %	33.7 %	— %
Average Rate	$211.64	$215.45	$222.63	$215.87	$219.37	$215.80	$239.64	—
RevPAR	106.69	106.17	115.90	124.45	115.54	116.22	80.77	—
Low Season - January, March, April, May, December								
Occupancy	44.2 %	43.5 %	44.3 %	48.4 %	45.2 %	44.3 %	25.0 %	— %
Average Rate	$210.88	$218.30	$218.71	$211.15	$214.55	$212.79	$266.37	—
RevPAR	93.23	95.05	96.99	102.09	96.93	94.31	66.55	—

Source: STR

The illustrated occupancy and ADR patterns reflect important seasonal characteristics. We have reviewed these trends in developing our forthcoming forecast of market-wide demand and average rate. The competitive market has historically been characterized by a moderate degree of seasonality, which is evident in the monthly occupancy statistics. The strongest occupancy levels are often recorded in the summer months when demand from leisure travelers typically supplements the commercial segment that is the principal source of demand in this submarket. ADR levels have historically reflected a similar pattern. It is important to note, that while the market is seasonal, the degree of the seasonality is lesser as the market has seen increased commercial demand as well as the wiliness of groups, such as weddings, to utilize the facilities in the market during the shoulder periods in the spring and fall.

Patterns of Demand

A review of the trends in occupancy and average rate by day of the week provides some insight into the impact that the current economic conditions have had on the competitive lodging market. The data, as provided by STR, are illustrated in the following table(s).

FIGURE 4-10 OCCUPANCY BY DAY OF WEEK (TRAILING 12 MONTHS)

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Aug - 20	42.4 %	44.6 %	50.2 %	49.0 %	49.3 %	58.0 %	61.7 %	50.6 %
Sep - 20	44.7	35.6	37.3	37.2	39.9	57.2	65.7	44.8
Oct - 20	43.9	39.3	39.7	38.4	41.0	56.6	66.8	47.3
Nov - 20	22.8	24.9	28.0	28.4	33.2	44.9	48.6	32.4
Dec - 20	22.8	26.7	24.7	26.2	25.9	26.1	34.0	26.5
Jan - 21	22.9	20.5	23.0	22.9	25.9	37.7	43.2	28.7
Feb - 21	39.3	33.4	32.8	35.6	42.4	57.2	69.4	44.3
Mar - 21	28.5	29.3	29.1	31.6	30.7	45.0	63.2	36.1
Apr - 21	26.2	28.6	31.4	29.4	34.0	48.2	55.8	36.5
May - 21	31.0	24.3	30.1	29.8	34.8	52.1	56.8	37.0
Jun - 21	46.9	47.7	48.5	49.0	55.5	68.6	72.9	55.1
Jul - 21	55.6	57.7	58.3	63.8	60.0	70.6	74.4	63.4
Average	**35.3 %**	**34.2 %**	**36.1 %**	**36.8 %**	**39.5 %**	**52.1 %**	**59.6 %**	**42.0 %**

Source: STR

FIGURE 4-11 AVERAGE RATE BY DAY OF WEEK (TRAILING 12 MONTHS)

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Aug - 20	$269.72	$279.56	$266.22	$268.35	$266.23	$301.78	$276.55	$276.14
Sep - 20	258.57	248.58	250.09	238.11	225.53	292.82	292.10	261.96
Oct - 20	265.00	234.18	238.58	229.90	206.22	291.91	303.62	260.93
Nov - 20	222.70	200.85	207.22	222.63	218.37	282.68	266.96	237.47
Dec - 20	461.49	425.98	404.36	405.14	425.73	438.71	437.15	426.77
Jan - 21	373.76	315.79	306.40	288.05	291.07	394.18	351.43	341.86
Feb - 21	358.36	347.77	345.11	320.54	320.94	364.03	341.33	343.60
Mar - 21	351.54	302.96	294.39	271.22	269.75	316.61	308.97	302.22
Apr - 21	262.56	245.61	239.12	221.18	251.52	286.43	293.49	263.51
May - 21	315.50	255.18	249.86	247.70	252.14	254.68	252.44	260.86
Jun - 21	327.38	322.42	307.50	305.37	291.28	330.79	338.44	318.30
Jul - 21	345.15	314.73	307.45	314.62	322.77	341.96	336.41	327.51
Average	**$309.34**	**$287.85**	**$282.88**	**$278.71**	**$276.18**	**$318.41**	**$310.87**	**$297.26**

Source: STR

FIGURE 4-12 OCCUPANCY AND AVERAGE RATE BY DAY OF WEEK (TRAILING 12 MONTHS)

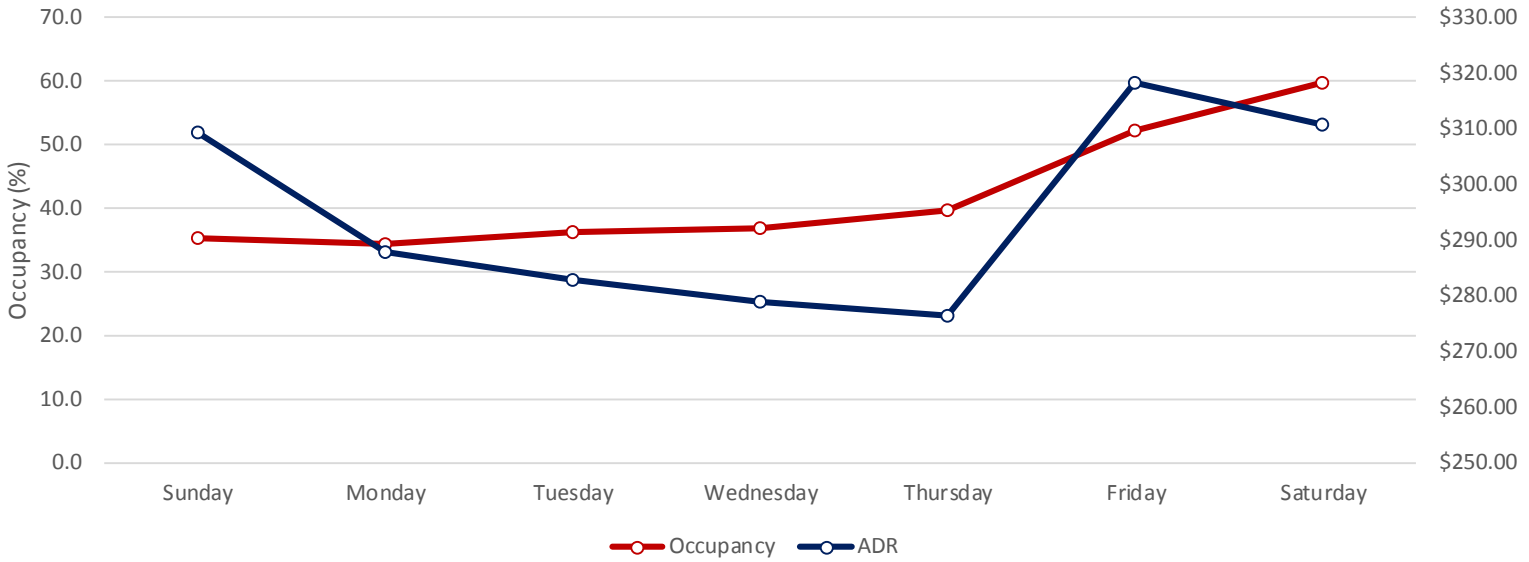


FIGURE 4-13 OCCUPANCY, AVERAGE RATE, AND REVPAR BY DAY OF WEEK (MULTIPLE YEARS)

Occupancy (%)	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Year
Aug 18 - Jul 19	40.4 %	46.4 %	48.9 %	49.9 %	50.9 %	64.1 %	71.1 %	53.1 %
Aug 19 - Jul 20	34.4	36.4	39.4	39.4	41.6	55.2	59.4	43.7
Aug 20 - Jul 21	35.3	34.2	36.1	36.8	39.5	52.1	59.6	42.0
Change (Occupancy Points)								
FY 19 - FY 20	(6.0)	(10.0)	(9.5)	(10.5)	(9.3)	(8.9)	(11.7)	(9.4)
FY 20 - FY 21	0.9	(2.1)	(3.3)	(2.6)	(2.1)	(3.1)	0.2	(1.7)

ADR ($)	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Year
Aug 18 - Jul 19	$233.26	$224.52	$216.17	$214.25	$206.06	$240.98	$244.49	$227.09
Aug 19 - Jul 20	232.94	223.18	219.13	214.62	212.14	248.79	251.81	231.36
Aug 20 - Jul 21	309.34	287.85	282.88	278.71	276.18	318.41	310.87	297.26
Change (Dollars)								
FY 19 - FY 20	($0.32)	($1.34)	$2.96	$0.37	$6.08	$7.81	$7.32	$4.27
FY 20 - FY 21	76.40	64.67	63.75	64.09	64.04	69.62	59.06	65.90
Change (Percent)								
FY 19 - FY 20	(0.1) %	(0.6) %	1.4 %	0.2 %	2.9 %	3.2 %	3.0 %	1.9 %
FY 20 - FY 21	32.8	29.0	29.1	29.9	30.2	28.0	23.5	28.5

RevPAR ($)	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Year
Aug 18 - Jul 19	$94.15	$104.18	$105.81	$107.00	$104.98	$154.46	$173.78	$120.58
Aug 19 - Jul 20	80.08	81.16	86.35	84.64	88.28	137.39	149.54	101.13
Aug 20 - Jul 21	109.19	98.51	102.21	102.55	109.14	165.86	185.20	124.83
Change (Dollars)								
FY 19 - FY 20	($14.07)	($23.02)	($19.46)	($22.36)	($16.69)	($17.07)	($24.23)	($19.45)
FY 20 - FY 21	29.10	17.35	15.86	17.92	20.86	28.47	35.66	23.70
Change (Percent)								
FY 19 - FY 20	(14.9) %	(22.1) %	(18.4) %	(20.9) %	(15.9) %	(11.1) %	(13.9) %	(16.1) %
FY 20 - FY 21	36.3	21.4	18.4	21.2	23.6	20.7	23.8	23.4

Source: STR

In most markets, business travel, including individual commercial travelers and corporate groups, is the predominant source of demand on Monday through Thursday nights. Leisure travelers and non-business-related groups generate a majority of demand on Friday and Saturday nights.

SUPPLY

Based on an evaluation of the occupancy, rate structure, market orientation, chain affiliation, location, facilities, amenities, reputation, and quality of each area hotel, as well as the comments of management representatives, we have identified several properties that are expected to be primarily competitive with the proposed subject hotel. If applicable, additional lodging facilities may be judged only secondarily competitive; although the facilities, rate structures, or market orientations of these hotels prevent their inclusion among the primary competitive supply, they are expected to compete with the proposed subject hotel to some extent.

Primary Competition

The following table summarizes the important operating characteristics of the future primary competitors and the aggregate secondary competitors (as applicable). This information was compiled from personal interviews, inspections, online resources, and our in-house database of operating and hotel facility data. In cases where exact operating data for an individual property (or properties) were not available, we have used these resources, as well as the STR data, to estimate positioning within the market.

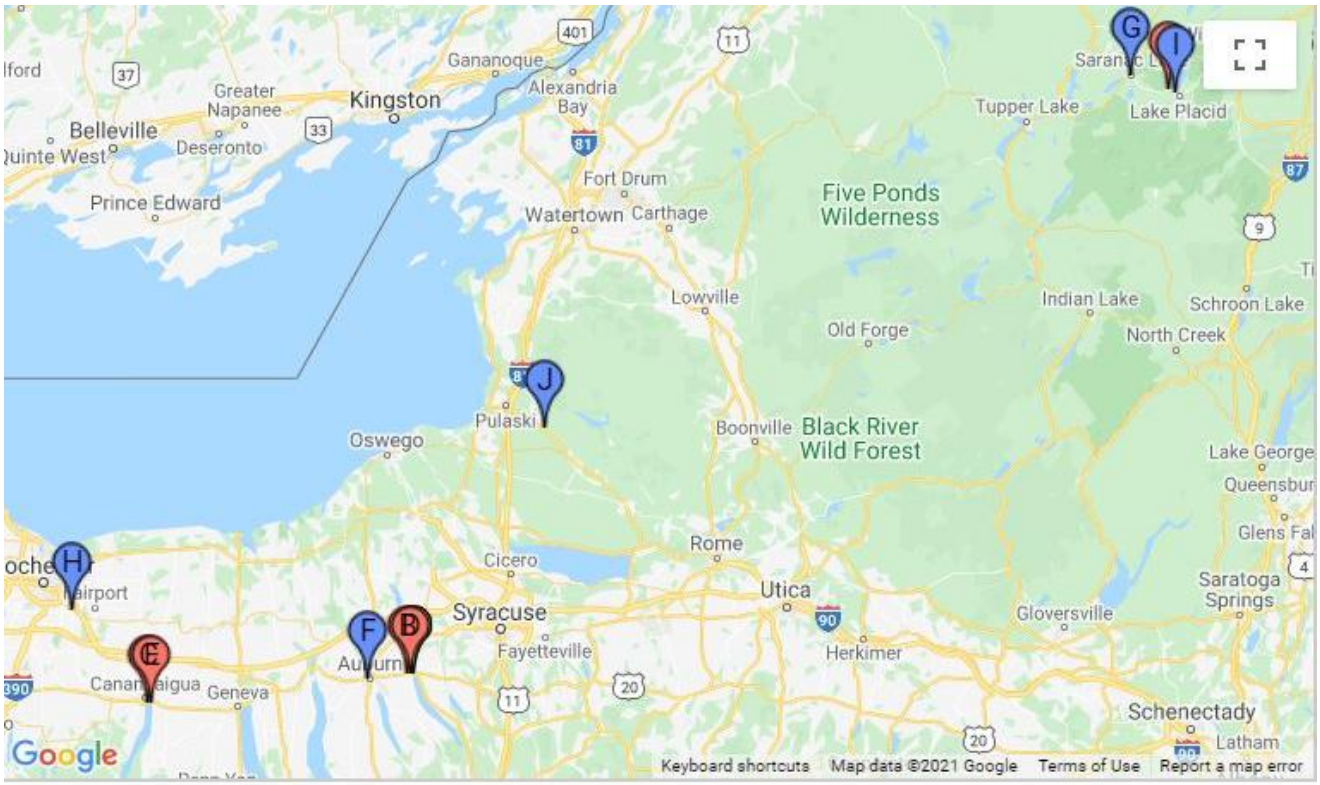
FIGURE 4-14 PRIMARY COMPETITORS – OPERATING PERFORMANCE

		Est. Segmentation		Estimated 2018				Estimated 2019					
Property	Number of Rooms	Transient	Group	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Whiteface Lodge Resort & Spa	96	55 %	45 %	96	40 - 45 %	$400 - $425	$180 - $190	96	50 - 55 %	$425 - $450	$220 - $230	85 - 90 %	160 - 170 %
Mirbeau Inn & Spa	34	60	40	34	40 - 45	375 - 400	150 - 160	34	50 - 55	325 - 350	170 - 180	85 - 90	120 - 130
Lake House on Canandaigua	125	60	40	0	—	—	—	0	—	—	—	—	—
Sherwood Inn	25	65	35	25	40 - 45	200 - 210	90 - 95	25	50 - 55	190 - 200	105 - 110	90 - 95	70 - 75
Hilton Garden Inn Auburn New York	92	70	30	92	75 - 80	125 - 130	95 - 100	92	70 - 75	130 - 140	95 - 100	120 - 130	65 - 70
Sub-Totals/Averages	**372**	**63 %**	**37 %**	**247**	**56.9 %**	**$248.04**	**$141.08**	**247**	**60.7 %**	**$261.89**	**$159**	**105 %**	**112.7 %**
Secondary Competitors	381	66 %	34 %	83	52.5 %	$196.02	$102.84	95	51.2 %	$184.90	$95	88 %	67.1 %
Totals/Averages	**753**	**64 %**	**36 %**	**330**	**55.8 %**	**$235.72**	**$131.46**	**342**	**58.0 %**	**$243.00**	**$141**	**100 %**	**100.0 %**

** Specific occupancy and average rate data were utilized in our analysis, but are presented in ranges in the above table for the purposes of confidentiality.*

The following map illustrates the locations of the proposed subject property and its future competitors.

MAP OF COMPETITION



- Proposed Hotel Skaneateles
- A — Whiteface Lodge Resort & Spa (Primary)
- B — Mirbeau Inn & Spa (Primary)
- C — Lake House on Canandaigua (Primary)
- D — Sherwood Inn (Primary)
- E — Proposed Tapestry Canandaigua (Primary)
- F — Hilton Garden Inn Auburn New York (Secondary)
- G — Hotel Saranac, Curio Collection by Hilton (Secondary)
- H — Renaissance Del Monte Lodge Hotel & Spa (Secondary)
- I — Grand Adirondack Hotel Lake Placid a Tribute Portfolio (Secondary)
- J — Tailwater Lodge (Secondary)

Our survey of the primarily competitive hotels in the local market shows a range of lodging types and facilities. Each primary competitor was inspected and evaluated. Descriptions of our findings are presented below.

PRIMARY COMPETITOR #1 - WHITEFACE LODGE RESORT & SPA



Whiteface Lodge Resort & Spa
7 Whiteface Inn Lane
Lake Placid, NY

FIGURE 4-15 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2018	96	40 - 45 %	$400 - $425	$180 - $190	75 - 80 %	140 - 150 %
Est. 2019	96	50 - 55	425 - 450	220 - 230	85 - 90	160 - 170

This property benefits from its well-known Lake Placid location and resort amenities. Overall, the property appeared to be in good condition. Its location is superior to that of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton.

PRIMARY COMPETITOR #2 - MIRBEAU INN & SPA



Mirbeau Inn & Spa
851 West Genesse Street
Skaneateles, NY

FIGURE 4-16 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2018	34	40 - 45 %	$375 - $400	$150 - $160	70 - 75 %	120 - 130 %
Est. 2019	34	50 - 55	325 - 350	170 - 180	85 - 90	120 - 130

This hotel benefits its upscale product and luxury spa facilities. Overall, the property appeared to be in good condition. Its location is similar to that of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton.

PRIMARY COMPETITOR #3 - LAKE HOUSE ON CANANDAIGUA



Lake House on Canandaigua
770 South Main Street
Canandaigua, NY

FIGURE 4-17 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration

This hotel benefits its recent opening and upscale product. Overall, the property appeared to be in good condition. Its location is similar to that of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton.

PRIMARY COMPETITOR #4 - SHERWOOD INN



Sherwood Inn
26 West Genesee Street
Skaneateles, NY

FIGURE 4-18 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2018	25	40 - 45 %	$200 - $210	$90 - $95	75 - 80 %	65 - 70 %
Est. 2019	25	50 - 55	190 - 200	105 - 110	90 - 95	70 - 75

This hotel is somewhat disadvantaged by its older product and independent branding. Overall, the property appeared to be in fair condition. Its location is similar to that of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton.

PRIMARY COMPETITOR #5 - HILTON GARDEN INN AUBURN NEW YORK



Hilton Garden Inn
Auburn New York
74 State Street
Auburn, NY

FIGURE 4-19 ESTIMATED HISTORICAL OPERATING STATISTICS

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2018	92	75 - 80 %	$125 - $130	$95 - $100	130 - 140 %	70 - 75 %
Est. 2019	92	70 - 75	130 - 140	95 - 100	120 - 130	65 - 70

This hotel benefits from its location in the larger populated area of Auburn and its national brand affiliation. Overall, the property appeared to be in good condition. Its location is superior to that of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton.

Secondary Competitors

We have also reviewed other area lodging facilities to determine whether any may compete with the proposed subject hotel on a secondary basis. The room count of each anticipated secondary competitor has been weighted based on its assumed degree of competitiveness in the future with the proposed subject hotel. By assigning degrees of competitiveness, we can assess how the proposed subject hotel and its future competitors may react to various changes in the market, including new supply, changes to demand generators, and renovations or franchise changes of existing supply. The following table sets forth the pertinent operating characteristics of the secondary competitors.

FIGURE 4-20 SECONDARY COMPETITOR(S) – OPERATING PERFORMANCE

		Est. Segmentatic			Estimated 2018				Estimated 2019			
Property	Number of Rooms	Transient	Group	Total Competitive Level	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
Hotel Saranac, Curio Collection by Hilton	102	70 %	30 %	25 %	25	40 - 45 %	$250 - $260	$110 - $115	26	50 - 55 %	$240 - $250	$120 - $125
Renaissance Del Monte Lodge Hotel & Spa	99	70	30	25	25	70 - 75	190 - 200	140 - 150	25	70 - 75	200 - 210	140 - 150
Ascend Collection, Hotel North Woods	92	60	40	25	23	35 - 40	150 - 160	60 - 65	23	25 - 30	115 - 120	30 - 35
Tailwater Lodge	88	60	40	25	11	45 - 50	130 - 140	65 - 70	22	45 - 50	130 - 140	65 - 70
Totals/Averages	**381**	**66 %**	**34 %**	**25 %**	**83**	**52.5 %**	**$196.02**	**$102.84**	**95**	**51.2 %**	**$184.90**	**$94.60**

** Specific occupancy and average rate data was utilized in our analysis, but is presented in ranges in the above table for the purposes of confidentiality.*

We have identified four hotels that are expected to compete with the proposed subject hotel on a secondary level. Three of the four secondary competitors utilize national branded assets located in more Urban areas throughout the Finger Lakes and Upstate New York region. Due to these hotels capturing more local corporate demand their were deemed secondary competitors. The last secondary competitor is a similar asset to the subject property and is operated by the same team that the proposed subject property is to be managed by. However, this property is located in a more rural market capturing more corporate retreat business from its surrounding communities thus was also deemed a secondary competitor.

Supply Changes

It is important to consider any new hotels that may have an impact on the proposed subject hotel's operating performance. The hotels that have recently opened, are under construction, or are in the stages of early development (if any) in the Skaneateles market are noted below. The list is categorized by the principal submarkets within the city.

FIGURE 4-21 AREA DEVELOPMENT ACTIVITY

Proposed Hotel Name	Estimated Number of Rooms	Hotel Product Tier	Development Stage	Expected Qtr. & Year of Opening
Tapestry Collection by Hilton Hotel Canandaigua	109	Upper-Upscale	Under Construction	3Q/2022
Grand Adirondack Hotel,Tribute Portfolio	92	Upper-Upscale	Under Construction	2Q/2022

Of the hotels listed in the preceding table, we have identified the following new supply that is expected to have some degree of competitive interaction with the proposed subject hotel based on location, anticipated market orientation and price point, and/or operating profile.

FIGURE 4-22 NEW SUPPLY

Proposed Property	Number of Rooms	Total Competitive Level	Weighted Room Count	Estimated Opening Date	Development Stage
Proposed Subject Property	88	100 %	88	January 1, 2023	Early Development
Tapestry Collection by Hilton Hotel Canandaigua	109	100	109	July 1, 2022	Under Construction
Grand Adirondack Hotel,Tribute Portfolio	92	25	23	June 1, 2022	Under Construction
Totals/Averages	**289**		**220**		

The proposed Tapestry Collection by Hilton Hotel Canandaigua and Grand Adirondack Hotel, Tribute Portfolio will be similar to the proposed subject hotel in terms of product offering and service level. However due to their relative distance from the subject property and differences in local markets, they have been weighted as secondarily competitive new supply in our analysis.

In response to the travel restrictions and the decline in demand associated with the COVID-19 pandemic, numerous hotels in markets across the nation temporarily suspended operations. During these suspensions, hotels were typically closed to the public, with the majority of staff furloughed; however, key management and maintenance staff were retained to preserve the property and prepare for reopening. While hotels in the subject market may have undergone or are undergoing similar reductions in operations, they are expected to reopen in 2021, if they have not reopened already. Our analysis considers the full supply of competitive rooms, including any hotels that have temporarily suspended operations.

While we have taken reasonable steps to investigate proposed hotel projects and their status, due to the nature of real estate development, it is impossible to determine with certainty every hotel that will be opened in the future or what their marketing strategies and effect on the market will be. Depending on the outcome of current and future projects, the future operating potential of the proposed subject hotel may be affected. Future improvement in market conditions will raise the risk of increased competition. Our forthcoming forecast of stabilized occupancy and average rate is intended to reflect such risk.

Supply Conclusion

We have identified various properties that are expected to be competitive to some degree with the proposed subject hotel. We have also investigated potential increases in competitive supply in this Skaneateles submarket. The Proposed Skaneateles Lodge, Tapestry Collection by Hilton should enter a dynamic market of varying product types and price points. Next, we will present our forecast for demand change, using the historical supply data presented as a starting point.

DEMAND

The following table presents the most recent trends for the subject hotel market as tracked by HVS. These data pertain to the competitors discussed previously in this section; performance results are estimated, rounded for the competition, and weighted if there are secondary competitors present. In this respect, the information in the table differs from the previously presented STR data and is consistent with the supply and demand analysis developed for this report.

FIGURE 4-23 HISTORICAL MARKET TRENDS

Year	Accommodated Room Nights	% Change	Room Nights Available	% Change	Market Occupancy	Market ADR	% Change	Market RevPAR	% Change
Est. 2018	67,183	—	120,469	—	55.8 %	$235.72	—	$131.46	—
Est. 2019	72,483	7.9 %	124,921	3.7 %	58.0	243.00	3.1 %	140.99	7.3 %
Est. 2020	56,686	(21.8)	136,694	9.4	41.5	276.78	13.9	114.78	(18.6)
Avg. Annual Compounded Chg., Est. 2018-Est. 2020:		(8.1) %		6.5 %			8.4 %		(6.6) %

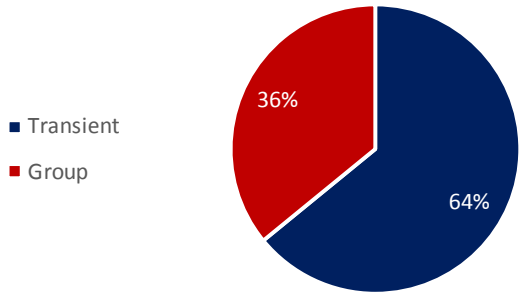
Demand Analysis Using Market Segmentation

For the purpose of demand analysis, the overall market is divided into individual segments based on the nature of travel. Based on our fieldwork, area analysis, and knowledge of the local lodging market, we estimate the 2019 distribution of accommodated-room-night demand as follows.

FIGURE 4-24 BASE-YEAR ACCOMMODATED-ROOM-NIGHT DEMAND

Market Segment	Marketwide Accommodated Demand	Marketwide Percentage of Total
Transient	46,464	64 %
Group	26,018	36
Total	**72,483**	**100 %**

FIGURE 4-25 MARKET-WIDE ACCOMMODATED-ROOM-NIGHT DEMAND



In the base year, the market's demand mix comprised transient demand, with this segment representing roughly 64% of the accommodated room nights in this Skaneateles submarket. The group segment comprised 36% of the total, with the final portion in nature, reflecting 0%.

Using the distribution of accommodated hotel demand as a starting point, we will analyze the characteristics of each market segment in an effort to determine future trends in room-night demand.

Transient Segment

Transient demand consists of individuals and families spending time in an area or passing through en route to other destinations; this segment represents travelers that are not associated with a group or room-night contract. Travel purposes include business, sightseeing, recreation, or visiting friends and relatives. Transient demand also includes room nights booked through Internet sites such as Expedia, Hotels.com, and Priceline; however, this demand may include group and convention attendees who use these channels to take advantage of any discounts that may be available on these sites. In resort destinations, transient demand is strongest Friday and Saturday nights, and all week during holiday periods and the summer months. In urban and suburban destinations, transient demand is typically strongest on Tuesday, Wednesday, and Thursday nights. The typical length of stay ranges from one to four days, depending on the destination and travel purpose. The rate of double occupancy typically ranges from 1.0 to 3.0 people per room, with higher double occupancy occurring in resort destinations. Price sensitivity tends to vary with product type. All-suite properties with inclusive food and beverage or luxury destination properties tend to drive strong transient room rates, with discounted rates offered at older or value-oriented hotels with limited amenities. For destination locations, future transient demand is related to the overall economic health of the primary source cities for visitation; the overall economic health of the surrounding neighborhood is considered for urban and suburban locations.

Primary transient demand generators for this market typically include companies in the area, such as Welch Allyn, Inc. In additional, the transient segment include leisure travelers who frequent the area during the summer months as well as those coming to the region year-round for the wineries or viewing the fall foliage in September and October. Commercially driven demand declined notably in 2020 and early 2021 given the COVID-19 pandemic; however this was offset by increased leisure transient demand during the summers of 2020 and 2021. As employees return to offices and business travel resumes coupled with continued strong leisure demand, we expect transient demand to remain strong and experience growth through the stabilized year.

Group Segment

In the limited-service sector, group demand is most commonly generated by groups that require ten or more room nights, but which need little to no meeting space within the hotel. Examples of these groups include family reunions, sports teams, and bus tours. In some markets, limited-service hotels may also accommodate demand from groups or individuals attending events at the local convention center or at one of the larger convention hotels in the area.

Training groups from nearby companies, such as Welch Allyn, Inc., have historically generated meeting/group demand for local hotels; furthermore, social groups, in particular weddings and reunions have represented primary sources of demand during weekend and holiday periods. However, this type of demand was almost non-existent in 2020 and early 2021 due to the COVID-19 pandemic. Smaller groups have begun to return to the market including wedding groups, and some larger groups are anticipated to return in the latter half of 2021, with a more notable rebound projected for 2022 and 2023. Demand within this segment is forecast to recover fully by the stabilized year.

Base Demand Growth Rates

The purpose of segmenting the lodging market is to define each major type of demand, identify customer characteristics, and estimate future growth trends. Starting with an analysis of the local area, two segments were defined as representing the proposed subject hotel's lodging market. Various types of economic and demographic data were then evaluated to determine their propensity to reflect changes in hotel demand. Based on this procedure, we forecast the following average annual compounded market-segment growth rates.

FIGURE 4-26 AVERAGE ANNUAL COMPOUNDED MARKET SEGMENT GROWTH RATES

	Annual Growth Rate					
Market Segment	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Transient	-6.0 %	35.0 %	15.0 %	8.0 %	4.0 %	2.0 %
Group	-50.0	45.0	20.0	10.0	5.0	3.0
Base Demand Growth	**-21.8 %**	**37.3 %**	**16.2 %**	**8.5 %**	**4.3 %**	**2.3 %**

Latent Demand

A table presented earlier in this section illustrated the accommodated-room-night demand in the proposed subject hotel's competitive market. Because this estimate is based on historical occupancy levels, it includes only those hotel rooms that were used by guests. Latent demand reflects potential room-night demand that has not been realized by the existing competitive supply, further classified as either unaccommodated demand or induced demand.

Unaccommodated Demand

Unaccommodated demand refers to individuals who are unable to secure accommodations in the market because all the local hotels are filled. These travelers must defer their trips, settle for less desirable accommodations, or stay in properties located outside the market area. Because this demand did not yield occupied room nights, it is not included in the estimate of historical accommodated-room-night demand. If additional lodging facilities are expected to enter the market, it is reasonable to assume that these guests will be able to secure hotel rooms in the future, and it is therefore necessary to quantify this demand.

Unaccommodated demand is further indicated if the market is at all seasonal, with distinct high and low seasons; such seasonality indicates that although year-end occupancy may not average in excess of 70%, the market may sell out certain nights during the year. To evaluate the incidence of unaccommodated demand in the market, we have reviewed the average occupancy by the night of the week for the past twelve months for the competitive set, as reflected in the STR data. This is set forth in the following table.

FIGURE 4-27 OCCUPANCY BY NIGHT OF THE WEEK

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Aug - 20	42.4 %	44.6 %	50.2 %	49.0 %	49.3 %	58.0 %	61.7 %	50.6 %
Sep - 20	44.7	35.6	37.3	37.2	39.9	57.2	65.7	44.8
Oct - 20	43.9	39.3	39.7	38.4	41.0	56.6	66.8	47.3
Nov - 20	22.8	24.9	28.0	28.4	33.2	44.9	48.6	32.4
Dec - 20	22.8	26.7	24.7	26.2	25.9	26.1	34.0	26.5
Jan - 21	22.9	20.5	23.0	22.9	25.9	37.7	43.2	28.7
Feb - 21	39.3	33.4	32.8	35.6	42.4	57.2	69.4	44.3
Mar - 21	28.5	29.3	29.1	31.6	30.7	45.0	63.2	36.1
Apr - 21	26.2	28.6	31.4	29.4	34.0	48.2	55.8	36.5
May - 21	31.0	24.3	30.1	29.8	34.8	52.1	56.8	37.0
Jun - 21	46.9	47.7	48.5	49.0	55.5	68.6	72.9	55.1
Jul - 21	55.6	57.7	58.3	63.8	60.0	70.6	74.4	63.4
Average	**35.3 %**	**34.2 %**	**36.1 %**	**36.8 %**	**39.5 %**	**52.1 %**	**59.6 %**	**42.0 %**

Source: STR

The following table presents our estimate of unaccommodated demand in the subject market.

FIGURE 4-28 UNACCOMMODATED DEMAND ESTIMATE

Market Segment	Accommodated Room Night Demand	Unaccommodated Demand Percentage	Unaccommodated Room Night Demand
Transient	46,464	4.1 %	1,883
Group	26,018	18.4	4,781
Total	**72,483**	**9.2 %**	**6,664**

Accordingly, we have forecast unaccommodated demand equivalent to 9.2% of the base-year demand, resulting from our analysis of monthly and weekly peak demand and sell-out trends.

Induced Demand

Induced demand represents the additional room nights that are expected to be attracted to the market following the introduction of a new demand generator. Situations that can result in induced demand include the opening of a new manufacturing plant, the expansion of a convention center, or the addition of a new hotel with a distinct chain affiliation or unique facilities. The following table summarizes our estimate of induced demand.

Accommodated Demand and Market-wide Occupancy

Based upon a review of the market dynamics in the proposed subject hotel's competitive environment, we have forecast growth rates for each market segment. Using the calculated potential demand for the market, we have determined market-wide accommodated demand based on the inherent limitations of demand fluctuations and other factors in the market area.

The following table details our projection of lodging demand growth for the subject market, including the total number of occupied room nights and any residual unaccommodated demand in the market.

FIGURE 4-29 FORECAST OF MARKET OCCUPANCY

	2019	2020	2021	2022	2023	2024	2025
Transient							
Base Demand	46,464	43,676	58,963	67,808	73,232	76,161	77,685
Unaccommodated Demand		1,883	2,543	2,924	3,158	3,284	3,350
Induced Demand			0	0	9,208	12,278	12,278
Total Demand	46,464	45,560	61,506	70,731	85,598	91,723	93,312
Growth Rate		(1.9) %	35.0 %	15.0 %	21.0 %	7.2 %	1.7 %
Group							
Base Demand	26,018	13,009	18,863	22,636	24,900	26,145	26,929
Unaccommodated Demand		4,781	6,932	8,319	9,150	9,608	9,896
Induced Demand			0	0	17,280	23,040	23,040
Total Demand	26,018	17,790	25,795	30,955	51,330	58,793	59,865
Growth Rate		(31.6) %	45.0 %	20.0 %	65.8 %	14.5 %	1.8 %
Totals							
Base Demand	72,483	56,686	77,826	90,444	98,132	102,306	104,614
Unaccommodated Demand		6,664	9,475	11,242	12,308	12,892	13,246
Induced Demand			0	0	26,488	35,318	35,318
Total Demand	72,483	63,350	87,301	101,686	136,928	150,516	153,177
less: Residual Demand		6,664	7,194	5,881	0	0	0
Total Accommodated Demand	72,483	56,686	80,107	95,805	136,928	150,516	153,177
Overall Demand Growth	7.9 %	(21.8) %	41.3 %	19.6 %	42.9 %	9.9 %	1.8 %
Market Mix							
Transient	64.1 %	77.1 %	70.5 %	69.6 %	62.5 %	60.9 %	60.9 %
Group	35.9	22.9	29.5	30.4	37.5	39.1	39.1
Existing Hotel Supply	342	375	467	467	467	467	467
Proposed Hotels							
Proposed Subject Property [1]					88	88	88
Tapestry Collection by Hilton Hotel Canandaigua [2]				55	109	109	109
Grand Adirondack Hotel,Tribute Portfolio [3]				13	23	23	23
Change to Existing Hotels							
Ascend Collection, Hotel North Woods [A]			-23	-23	-23	-23	-23
Available Room Nights per Year	124,921	136,694	162,151	187,129	242,451	242,451	242,451
Nights per Year	365	365	365	365	365	365	365
Total Supply	342	375	444	513	664	664	664
Rooms Supply Growth	3.7 %	9.4 %	18.6 %	15.4 %	29.6 %	0.0 %	0.0 %
Marketwide Occupancy	**58.0 %**	**41.5 %**	**49.4 %**	**51.2 %**	**56.5 %**	**62.1 %**	**63.2 %**

[1] Opening in January 2023 of the 100% competitive, 88-room Proposed Subject Property

[2] Opening in July 2022 of the 100% competitive, 109-room Tapestry Collection by Hilton Hotel Canandaigua

[3] Opening in June 2022 of the 25% competitive, 92-room Grand Adirondack Hotel,Tribute Portfolio

[A] Change of room count in November 2020 of the 25% competitive, Ascend Collection, Hotel North Woods

The defined competitive market of hotels experienced an occupancy decline in 2020 and early 2021 given the severe downturn in travel associated with the COVID-19 pandemic. Positive trends have been noted recently, as a rebound has begun. A full rebound is being driven by the lifting of all local and state restrictions in early 2021; this allowed many weddings to be booked in the summer and fall of 2021 and all through 2022, which should support the rebound of group demand; and the increase in transient demand, which has been significantly increased due to the fact more travelers are utilizing drive-to locations, will be lifted as well. The seasonality of the market, as well as the market's reliance on tourism and discretionary spending, has also been considered in our positioning of the stabilized market occupancy. Based on historical occupancy levels in this market, and taking into

consideration typical supply and demand cyclicality, market occupancy is forecast to stabilize in the low 60s.

5. Description of the Proposed Improvements

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

Project Overview

The Proposed Skaneateles Lodge, Tapestry Collection by Hilton will be a full-service, boutique lodging facility containing 88 rentable units. The two-story property will open on January 1, 2023. The subject site is also located proximate to the northern tip of Skaneateles Lake, one of the lakes located in the Finger Lake Region of Upstate New York, which is considered a tourism region within the Northeastern United States. The proposed property is expected to be a smaller boutique hotel that will cater to local commercial demand as well as provide an upscale lodging base to the region. The property is located within close proximity to a major commercial demand generator, Welch Allyn, Inc. and Hill-Rom as well as being close to existing meeting and conference facilities. Lastly, the Skaneateles area has seen recent development in high end luxury vacation homes which has increase the need for upscale lodging options for guests of the vacation residents.

PROPOSED SUBJECT PROPERTY EXTERIOR



Summary of the Facilities

Based on information provided by the proposed subject hotel's development representatives, the following table summarizes the facilities that are expected to be available at the proposed subject hotel.

FIGURE 5-1 PROPOSED FACILITIES SUMMARY

Guestroom Configuration	Number of Units
King	50
Queen/Queen	34
Suites	4
Total	88

Food & Beverage Facilities	Seating Capacity
Dining Room	150
Outdoor Dining	TBD

Amenities & Services	
Indoor Pool & Outdoor Pool	Outdoor Whirlpool with Terrace
Fitness Center	Retail Outlet
Game Room	Hiking Trails
Putting Green/Bocce Ball Courts	Outdoor Patio & Fire Pit

Infrastructure	
Parking Spaces	217 (surface)
Elevators	2 Guest
Life-Safety Systems	Sprinklers, Smoke Detectors
Construction Details	Wood Frame

Site Improvements and Hotel Structure

The proposed hotel will comprise one two-story building. Surface parking will be located to the west of the hotel structure. Other site improvements will include freestanding signage, located at the main entrance to the site, as well as landscaping and sidewalks. Additional signage is expected to be placed on the exterior of the building. The hotel's main entrance will lead directly into the lobby, and the first (ground) floor will house the public areas and the back-of-the-house space. Guestrooms are planned to be located on the first and second floors. The site and building components are anticipated to be normal for a hotel of this type and should meet the standards for this resort market.

Planned Facilities

The hotel's restaurant and lounge area is anticipated to be located off the lobby and will feature indoor and outdoor seating. Its size and layout is expected to be appropriate for the hotel. The furnishings of the space are expected to be of a similar

style and finish as lobby and guestroom furnishings. The hotel is anticipated to offer a private dining which can also be utilized for meeting space, which is to be located on the first floor; this space should be adequate and appropriate for a hotel of this type. The hotel will offer an indoor pool and whirlpool on the basement level of the property along with a fitness room. Additionally, an outdoor whirlpool and sitting areas will be situated near the outdoor dining area of the restaurant. Other amenities are likely to include a lobby workstation, a gift shop, and vending areas on all floors. Overall, the supporting facilities should be appropriate for a hotel of this type, and we assume that they will meet brand standards.

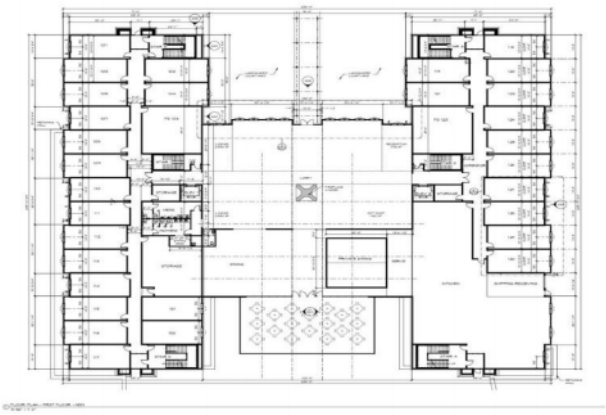
PROPOSED SUBJECT PROPERTY LOBBY



PROPOSED SUBJECT PROPERTY DINING AREA



FIRST FLOOR PLAN



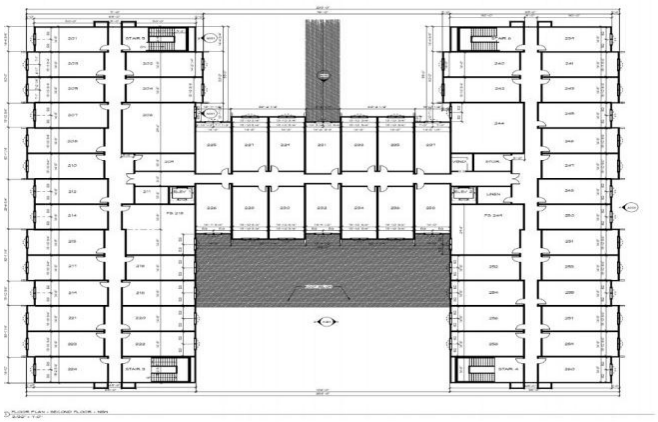
Guestrooms

The hotel is anticipated to feature standard and suite-style room configurations, with guestrooms present on all levels of the property's proposed single building. The standard guestrooms should offer typical amenities for this product type, while the suites are expected to feature a larger living area and additional amenities such as a microwave and small refrigerator. The guestroom bathrooms are anticipated to be of a standard size, with a shower-in-tub, commode, and single sink with vanity area, featuring a stone countertop. The floors are expected to be finished with tile, and the walls will likely be finished with knockdown texture (consistent with brand standards). Overall, the guestrooms should offer a competitive product for this upscale, boutique-style property.

PROPOSED SUBJECT PROPERTY GUESTROOM



GUESTROOM FLOOR PLAN



Back-of-the-House

The hotel is expected to be served by the necessary back-of-the-house space, including an in-house laundry facility, administrative offices, and a full-service kitchen to service the needs of the restaurant. These spaces should be adequate for a hotel of this type and should allow for the efficient operation of the property under competent management.

ADA and Environmental

We assume that the property will be built according to all pertinent codes and brand standards. Moreover, we assume its construction will not create any environmental hazards (such as mold) and that the property will fully comply with the Americans with Disabilities Act.

Capital Expenditures

Our analysis assumes that the hotel will require ongoing upgrades and periodic renovations after its opening in order to maintain its competitive level in this market and to remain compliant with brand standards. These costs should be adequately funded by the forecasted reserve for replacement, as long as a successful, ongoing preventive-maintenance program is employed by hotel staff.

Construction Budget

The construction budget for the 88-room subject hotel, as provided by the project developer, is illustrated in the following table.

FIGURE 5-2 SUBJECT PROPERTY CONSTRUCTION BUDGET

Component	Cost	Cost per
Hard Costs & Site Improvements		
Building & Site Improvements	$16,751,500	$189,497
Offsite Road/Misc	1,560,000	17,647
Subtotal Hard Cost & Site Improvements	$18,311,500	$207,144
FF&E		
Subtotal FF&E	2,950,000	$33,371
Pre-Opening Costs and Working Capital		
Subtotal Pre-Opening and Working Capital	$595,000	$6,731
Soft Costs		
MEP, Geo, CHA & MBL Engineering	$174,000	$1,968
Studies & Surveys	20,500	232
Architect	100,000	1,131
Structural Engineering	78,000	882
Final Design	162,000	1,833
Taxes and Interest	263,000	2,975
Feesm SBA 504, Title	318,000	3,597
Hilton Fees	411,000	4,649
Subtotal Soft Costs	$1,526,500	$17,268
Subtotal (without Land and Developer's Fee)	$23,383,000	$264,514
Site Cost	$1,700,000	$19,231
Subtotal (without Developer's Fee)	$25,083,000	$283,744

Conclusion

Overall, the proposed subject property should offer a well-designed, functional layout of support areas and guestrooms. All typical and market-appropriate features and amenities are expected to be included in the hotel's design. We assume that the building will be fully open and operational on the stipulated opening date and will meet all local building codes and brand standards. Furthermore, we assume that the hotel staff will be adequately trained to allow for a successful opening and that pre-marketing efforts will have introduced the product to major local accounts at least six months in advance of the opening date.

6. Projection of Occupancy and Average Rate

Along with ADR results, the occupancy levels achieved by a hotel are the foundation of the property's financial performance and market value. Most of a lodging facility's other revenue sources (such as food and beverage, other operated departments, and miscellaneous income) are driven by the number of guests, and many expense levels vary with occupancy. To a certain degree, occupancy attainment can be manipulated by management. For example, hotel operators may choose to lower rates in an effort to maximize occupancy. Our forecasts reflect an operating strategy that we believe would be implemented by a typical, professional hotel management team to achieve an optimal mix of occupancy and average rate.

Penetration Rate Analysis

The proposed subject hotel's forecasted market share and occupancy levels are based upon its anticipated competitive position within the market, as quantified by its penetration rate. The penetration rate is the ratio of a hotel's market share to its fair share.

Base-Year Penetration Rates by Market Segment

In the following table, the penetration rates attained by the primary competitors and the aggregate secondary competitors are set forth for each segment for the base year. As discussed previously in the Supply and Demand Analysis chapter of this report, we are utilizing the market's performance prior to the onset of the COVID-19 pandemic as a benchmark for projecting a return to normalized performance.

FIGURE 6-1 HISTORICAL PENETRATION RATES

Property	Transient	Group	Overall
Whiteface Lodge Resort & Spa	77 %	112 %	90 %
Mirbeau Inn & Spa	84	100	90
Lake House on Canandaigua			
Sherwood Inn	93	89	91
Hilton Garden Inn Auburn New York	141	108	129
Secondary Competition	91	83	88

The Hilton Garden Inn Auburn New York achieved the highest penetration rate within the transient segment. The highest penetration rate in the group segment

was achieved by the Whiteface Lodge Resort & Spa, while the #VALUE! led the market with the highest penetration rate.

Forecast of Subject Property's Occupancy

Because the supply and demand balance for the competitive market is dynamic, there is a circular relationship between the penetration factors of each hotel in the market. The performance of individual new hotels has a direct effect upon the aggregate performance of the market and, consequently, upon the calculated penetration factor for each hotel in each market segment. The same is true when the performance of existing hotels changes, either positively (following a refurbishment, for example) or negatively (when a poorly maintained or marketed hotel loses market share).

A hotel's penetration factor is calculated as its achieved market share of demand divided by its fair share of demand. Thus, if one hotel's penetration performance increases, thereby increasing its achieved market share, this leaves less demand available in the market for the other hotels to capture, and the penetration performance of one or more of those other hotels consequently declines (other things remaining equal). This type of market share adjustment takes place every time there is a change in supply or a change in the relative penetration performance of one or more hotels in the competitive market. Our projections of penetration, demand capture, and occupancy performance for the proposed subject hotel account for these types of adjustments to market share within the defined competitive market.

The proposed subject hotel's occupancy forecast is set forth as follows, with the adjusted projected penetration rates used as a basis for calculating the amount of captured market demand.

FIGURE 6-2 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY

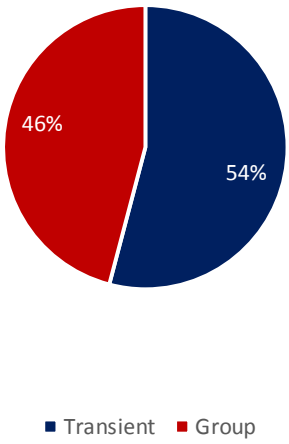
Market Segment	2023	2024	2025
Transient			
Demand	85,598	91,723	93,312
Market Share	11.9 %	13.0 %	13.5 %
Capture	10,163	11,881	12,637
Penetration	90 %	98 %	102 %
Group			
Demand	51,330	58,793	59,865
Market Share	16.3 %	17.2 %	17.5 %
Capture	8,347	10,092	10,474
Penetration	123 %	130 %	132 %
Total Room Nights Captured	**18,509**	**21,973**	**23,110**
Available Room Nights	32,120	32,120	32,120
Subject Occupancy	**58 %**	**68 %**	**72 %**
Market-wide Available Room Nights	242,451	242,451	242,451
Fair Share	**13 %**	**13 %**	**13 %**
Market-wide Occupied Room Nights	136,928	150,516	153,177
Market Share	**14 %**	**15 %**	**15 %**
Market-wide Occupancy	**56 %**	**62 %**	**63 %**
Total Penetration	**102 %**	**110 %**	**114 %**

Within the transient segment, the proposed subject hotel's occupancy penetration is positioned appropriately within the range of existing competitors, supported by the subject property's brand affiliation and close proximity of transient demand including Welch Allyn, Inc. and the recreation area of the region. The proposed subject hotel's occupancy penetration in the group segment is positioned above the market-average level given the proposed hotel's expected popularity for hosting wedding parties in the region. Additionally, the subject property is located within a mile of the Lodge at Welch Allyn which is utilized for numerous corporate, social, and other large group events. The subject property will be the closest hotel this grouped demand generator. These positioned segment penetration rates result in the following market segmentation forecast.

FIGURE 6-3 MARKET SEGMENTATION FORECAST – SUBJECT PROPERTY

	2023	2024	2025
Transient	55 %	54 %	55 %
Group	45	46	45
Total	100 %	100 %	100 %

FIGURE 6-4 STABILIZED MARKET SEGMENTATION – SUBJECT PROPERTY



Based on our analysis of the proposed subject hotel and market area, we have selected a stabilized occupancy level of 72%. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the proposed subject hotel may operate at occupancies above this stabilized level, we believe it equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.

Average Rate Analysis

One of the most important considerations in estimating the value of a lodging facility is a supportable forecast of its attainable average rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The projected average rate and the anticipated occupancy percentage are used to forecast rooms revenue, which in turn provides the basis for estimating most other income and expense categories.

Competitive Position

Although the ADR analysis presented here follows the occupancy projection, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding average rate. This relationship is best illustrated by revenue per available room (RevPAR), which reflects a property's

ability to maximize rooms revenue. The following table summarizes the historical average rate and the RevPAR of the proposed subject hotel's future primary competitors.

FIGURE 6-5 BASE-YEAR AVERAGE RATE AND REVPAR OF THE COMPETITORS

Property	Estimated 2019 Average Room Rate	Rooms Revenue Per Available Room (RevPAR)	RevPAR Penetration
Whiteface Lodge Resort & Spa	$425 - $450	$220 - $230	160 - 170 %
Mirbeau Inn & Spa	325 - 350	170 - 180	120 - 130
Lake House on Canandaigua	—	—	—
Sherwood Inn	190 - 200	105 - 110	70 - 75
Hilton Garden Inn Auburn New York	130 - 140	95 - 100	65 - 70
Average - Primary Competitors	$261.89	$158.89	112.7 %
Average - Secondary Competitors	184.90	94.60	67.1
Overall Average	**$243.00**	**$140.99**	100.0 %
Subject As If Stabilized (In 2019 Dollars)	**$212.00**	**$140.09**	**99.4 %**

We have selected the rate position of $212.00, in base-year dollars (2019), for the proposed subject hotel.

Based on these considerations, the following table sets forth the basis for our projection of the proposed subject hotel's average rate. We have positioned the proposed subject hotel's stabilized average rate in base-year (2019) dollars at $212.00, which reflects an ADR penetration of %. Based on our review of the proposed improvements and the anticipated profile of the product and its operation, it is our opinion that the ADR penetration level should be achievable with appropriate management and marketing. The positioned stabilized average rate is projected to increase at the same rate as the overall market's average rate, prior to consideration of any ADR discounting during the hotel's ramp-up period. Note that

our forecast of income and expense, which follows later in this report, assumes an underlying inflation rate of 1.0% in the first year, 2.0% in the second year, 2.0% in the third year, 2.0% in fourth year, and 2.0% in the fifth year, followed by a 3.0% annual rate of growth in the sixth projection year and beyond.

The proposed subject hotel's projected average rate (as if stabilized) is then fiscalized to correspond with the hotel's anticipated date of opening for each forecast year. Discounts of 3% and 1% have been applied to the stabilized room rates projected for the first two years of operation, as would be expected for a new property of this type as it builds its reputation and becomes established in the market.

The following table presents the proposed subject hotel's ADR penetration level, followed by the average rate deflated to base-year dollars by the assumed underlying inflation rate, for each year of the forecast.

FIGURE 6-6 ADR FORECAST – MARKET AND PROPOSED SUBJECT PROPERTY

	Historical									
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Market ADR	$243.00	$276.78	$257.40	$252.25	$257.30	$265.02	$272.97	$281.16	$289.59	$298.28
Projected Market ADR Growth Rate	—	13.9%	-7.0%	-2.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Property ADR (As-If Stabilized)	**$212.00**	$241.47	$224.57	$220.07	$224.48	$231.21	$238.15	$245.29	$252.65	$260.23
ADR Growth Rate		13.9%	-7.0%	-2.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Stabilized ADR Penetration	87%	87%	87%	87%	87%	87%	87%	87%	87%	87.2%
Fiscal Year					**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Proposed Subject Property Average Rate					$224.48	$231.21	$238.15	$245.29	$252.65	$260.23
Opening Discount					3.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Average Rate After Discount					**$217.74**	**$228.90**	**$238.15**	**$245.29**	**$252.65**	**$260.23**
Real Average Rate Growth					—	5.1%	4.0%	3.0%	3.0%	3.0%
Market ADR					$257.30	$265.02	$272.97	$281.16	$289.59	$298.28
Proposed Subject ADR Penetration (After Discount)					85%	86%	87%	87%	87%	87%
ADR Expressed in Base-Year Dollars Deflated @ Inflation Rate					$203.15	$209.37	$211.49	$211.49	$211.49	$211.49

We positioned the proposed subject hotel's stabilized ADR in the 2019 base year in consideration of its new facility, strong brand affiliation, and upscale product. Although the rate position would have been lowered in 2020, in line with market trends, we expect that rate position to recover and grow similarly to market trends going forward. Average rates for this competitive market are anticipated to continue to decline in the first projection year due to lower rates captures in the early months of 2021 with additional growth in the following years. The projected recovery and growth of market ADR is based upon the expectation that the Finger Lakes region

will continue to be a popular leisure and group destination. The need for upscale wedding venues and guestrooms are expected to be elevated over the next few years due to cancelations and postponements cause by the pandemic. Corporate and corporate group demand is expected to begin a slow but steady recovery in the second half of 2021 as well and should help average rate growth. The proposed subject hotel's ADR penetration level is forecast to reach % by the stabilized period, consistent with our stabilized ADR positioning.

The following table sets forth our concluding forecast of the proposed subject hotel's occupancy, average rate, and RevPAR, with corresponding penetration levels, for the first projection year through the stabilized year of operation. The market's historical and projected occupancy, average rate, and RevPAR are presented for comparison, with the projections fiscalized to correspond with the proposed subject hotel's forecast, as appropriate.

FIGURE 6-7 COMPARISON OF HISTORICAL AND PROJECTED OCCUPANCY, ADR, AND REVPAR – PROPOSED SUBJECT PROPERTY AND MARKET

				Projected					
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Proposed Skaneateles Lodge, Tapestry Collection by Hilton									
Occupancy				— %	— %	57.6 %	68.4 %	71.9 %	71.9 %
Change in Points				—	—	—	10.8	3.5	0.0
Occupancy Penetration				—	—	102.0 %	110.2 %	113.9 %	113.9 %
Average Rate			$241.47	$224.57	$220.07	$217.74	$228.90	$238.15	$245.29
Change				—	(2.0) %	(1.1) %	5.1 %	4.0 %	3.0 %
Average Rate Penetration				87.2 %	87.2 %	84.6 %	86.4 %	87.2 %	87.2 %
RevPAR				—	—	$125.47	$156.59	$171.35	$176.49
Change				—	—	—	24.8 %	9.4 %	3.0 %
RevPAR Penetration				—	—	86.3 %	95.2 %	99.4 %	99.4 %

	Historical			Projected					
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Skaneateles Submarket									
Occupancy	55.8 %	58.0 %	41.5 %	49.4 %	51.2 %	56.5 %	62.1 %	63.2 %	63.2 %
Change in Points	—	2.3	(16.6)	7.9	1.8	5.3	5.6	1.1	0.0
Average Rate	$235.72	$243.00	$276.78	$257.40	$252.25	$257.30	$265.02	$272.97	$281.16
Change	—	3.1 %	13.9 %	(7.0) %	(2.0) %	2.0 %	3.0 %	3.0 %	3.0 %
RevPAR	$131.46	$140.99	$114.78	$127.16	$129.15	$145.31	$164.52	$172.46	$177.63
Change	—	7.3 %	(18.6) %	10.8 %	1.6 %	12.5 %	13.2 %	4.8 %	3.0 %

The following occupancies and average rates will be used to project the proposed subject hotel's rooms revenue; this forecast reflects years beginning on January 1, 2023, which correspond with our financial projections.

FIGURE 6-8 FORECASTS OF OCCUPANCY AND AVERAGE RATE

Year	Occupancy	Average Rate Before Discount	Discount	Average Rate After Discount
2023	58 %	$224.48	3.0 %	$217.74
2024	68	231.21	1.0	228.90
2025	72	238.15	0.0	238.15

7. Projection of Income and Expense

In this chapter of our report, we have compiled a forecast of income and expense for the proposed subject hotel. This forecast is based on the facilities program set forth previously, as well as the occupancy and average rate (ADR) forecast discussed previously.

The forecast of income and expense is expressed in current dollars for each year. The stabilized year is intended to reflect the anticipated operating results of the property over its remaining economic life given any or all applicable stages of build-up, plateau, and decline in the life cycle of the hotel. Thus, income and expense estimates from the stabilized year forward exclude from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusual revenues or expenses. The ten-year period reflects the typical holding period of large real estate assets such as hotels. In addition, the ten-year period provides for the stabilization of income streams and comparison of yields with alternate types of real estate. The forecasted income streams reflect the future benefits of owning specific rights in income-producing real estate.

Comparable Operating Statements

In order to project future income and expense for the proposed subject hotel, we have included a sample of individual comparable operating statements from our database of hotel statistics. All financial data are presented according to the three most common measures of industry performance: ratio to sales (RTS), amounts per available room (PAR), and amounts per occupied room night (POR). These historical income and expense statements will be used as benchmarks in our forthcoming forecast of income and expense. The subject's stabilized statement of income and expense, deflated to 2019 dollars, is also presented.

FIGURE 7-1 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized $
Year:	**2019**	**2019**	**2018/19**	**2018**	**2018**	**2019**
Edition:	11	11	11	11	10	**11**
Number of Rooms:	**60 to 80**	**80 to 110**	**120 to 150**	**90 to 110**	**70 to 100**	**88**
Days Open:	**365**	**365**	**365**	**365**	**365**	**365**
Occupancy:	**73%**	**78%**	**73%**	**74%**	**63%**	**72%**
Average Rate:	**$197**	**$200**	**$206**	**$200**	**$190**	**$211**
RevPAR:	**$144**	**$156**	**$150**	**$148**	**$120**	**$152**
REVENUE						
Rooms	48.5 %	48.2 %	74.2 %	93.7 %	56.4 %	53.6 %
Food & Beverage	44.3	48.8	18.0	1.5	27.7	42.3
Other Operated Departments	0.4	3.0	7.2	4.5	15.3	3.5
Miscellaneous Income	6.8	0.1	0.5	0.3	0.6	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES*						
Rooms	32.3	26.4	21.1	32.1	32.6	22.0
Food & Beverage	83.3	73.3	81.4	93.3	69.4	70.0
Other Operated Departments	35.7	58.1	42.7	29.6	54.6	40.0
Total	52.7	50.3	33.4	32.8	45.9	42.8
DEPARTMENTAL INCOME	47.3	49.7	66.6	67.2	54.1	57.2
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	11.8	7.8	9.0	7.7	11.1	6.8
Info. and Telecom. Systems	2.5	1.2	1.5	0.5	0.0	0.9
Marketing	8.4	3.3	8.5	0.7	9.0	3.9
Franchise Fee	0.0	0.0	4.8	6.8	0.0	4.8
Property Operations & Maintenance	4.0	3.1	3.7	2.4	8.1	2.6
Utilities	3.1	1.4	3.3	2.3	5.6	1.9
Total	29.9	16.8	30.7	20.4	33.8	21.0
GROSS OPERATING PROFIT	17.4	32.9	35.9	46.8	20.3	36.2
Management Fee	(0.4)	2.9	3.5	0.0	3.8	3.0
INCOME BEFORE NON-OPER. INC. & EXP.	17.8	30.0	32.4	46.8	16.5	33.2
EBITDA LESS RESERVE	12.0 %	25.2 %	26.1 %	44.0 %	13.5 %	26.0 %

* Departmental expense ratios are expressed as a percentage of departmental revenues

FIGURE 7-2 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized $
Year:	**2019**	**2019**	**2018/19**	**2018**	**2018**	**2019**
Edition:	11	11	11	11	10	**11**
Number of Rooms:	**60 to 80**	**80 to 110**	**120 to 150**	**90 to 110**	**70 to 100**	**88**
Days Open:	**365**	**365**	**365**	**365**	**365**	**365**
Occupancy:	**73%**	**78%**	**73%**	**74%**	**63%**	**72%**
Average Rate:	**$197**	**$200**	**$206**	**$200**	**$190**	**$211**
RevPAR:	**$144**	**$156**	**$150**	**$148**	**$120**	**$152**
REVENUE						
Rooms	$52,420	$56,892	$54,652	$54,193	$43,689	$55,579
Food & Beverage	47,838	57,670	13,277	872	21,504	43,888
Other Operated Departments	401	3,501	5,327	2,586	11,843	3,679
Miscellaneous Income	7,332	90	397	172	483	526
Total	107,992	118,153	73,653	57,824	77,519	103,671
DEPARTMENTAL EXPENSES						
Rooms	16,928	15,045	11,538	17,374	14,225	12,227
Food & Beverage	39,870	42,300	10,809	814	14,923	30,721
Other Operated Departments	143	2,035	2,274	766	6,466	1,472
Total	56,941	59,380	24,621	18,953	35,615	44,420
DEPARTMENTAL INCOME	51,051	58,772	49,032	38,870	41,904	59,251
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	12,753	9,261	6,605	4,464	8,599	7,100
Info. and Telecom. Systems	2,743	1,393	1,111	275	0	950
Marketing	9,116	3,891	6,229	405	6,980	4,000
Franchise Fee	0	0	3,553	3,941	0	5,002
Property Operations & Maintenance	4,321	3,695	2,721	1,386	6,241	2,700
Utilities	3,360	1,609	2,401	1,324	4,373	2,000
Total	32,292	19,849	22,621	11,796	26,193	21,751
GROSS OPERATING PROFIT	18,759	38,923	26,411	27,074	15,711	37,499
Management Fee	(410)	3,441	2,578	0	2,916	3,110
INCOME BEFORE NON-OPER. INC. & EXP.	19,169	35,483	23,834	27,075	12,795	34,389
EBITDA LESS RESERVE	$12,898	$29,829	$19,209	$25,462	$10,464	$26,984

FIGURE 7-3 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Stabilized $
Year:	**2019**	**2019**	**2018/19**	**2018**	**2018**	**2019**
Edition:	11	11	11	11	10	**11**
Number of Rooms:	**60 to 80**	**80 to 110**	**120 to 150**	**90 to 110**	**70 to 100**	**88**
Days Open:	**365**	**365**	**365**	**365**	**365**	**365**
Occupancy:	**73%**	**78%**	**73%**	**74%**	**63%**	**72%**
Average Rate:	**$197**	**$200**	**$206**	**$200**	**$190**	**$211**
RevPAR:	**$144**	**$156**	**$150**	**$148**	**$120**	**$152**
REVENUE						
Rooms	$196.71	$200.00	$206.16	$200.37	$190.38	$211.49
Food & Beverage	179.51	202.74	50.08	3.22	93.71	167.00
Other Operated Departments	1.51	12.31	20.10	9.56	51.61	14.00
Miscellaneous Income	27.51	0.32	1.50	0.64	2.10	2.00
Total	405.24	415.36	277.83	213.80	337.81	394.49
DEPARTMENTAL EXPENSES						
Rooms	63.52	52.89	43.52	64.24	61.99	46.53
Food & Beverage	149.61	148.71	40.77	3.01	65.03	116.90
Other Operated Departments	0.54	7.15	8.58	2.83	28.18	5.60
Total	213.67	208.75	92.87	70.08	155.20	169.03
DEPARTMENTAL INCOME	191.57	206.61	184.96	143.72	182.61	225.46
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	47.85	32.56	24.92	16.51	37.47	27.02
Info. and Telecom. Systems	10.29	4.90	4.19	1.02	0.00	3.61
Marketing	34.21	13.68	23.50	1.50	30.42	15.22
Franchise Fee	0.00	0.00	13.40	14.57	0.00	19.03
Property Operations & Maintenance	16.21	12.99	10.27	5.13	27.20	10.27
Utilities	12.61	5.66	9.06	4.90	19.05	7.61
Total	121.18	69.78	85.33	43.61	114.14	82.77
GROSS OPERATING PROFIT	70.39	136.84	99.63	100.11	68.46	142.69
Management Fee	(1.54)	12.10	9.72	0.00	12.71	11.83
INCOME BEFORE NON-OPER. INC. & EXP.	71.93	124.74	89.91	100.11	55.76	130.86
EBITDA LESS RESERVE	$48.40	$104.86	$72.46	$94.15	$45.60	$102.68

The comparable statements' departmental income ranged from 53.5% to 70.9% of total revenue. The comparable properties achieved a gross operating profit ranging from 31.1% to 51.4% of total revenue.

Fixed and Variable Component Analysis

HVS uses a fixed and variable component model to project a lodging facility's revenue and expense levels. This model is based on the premise that hotel revenues and expenses have one component that is fixed and another that varies directly with occupancy and facility usage. A projection can be made by taking a known level of revenue or expense and calculating its fixed and variable components. The fixed component is then increased in tandem with the underlying rate of inflation, while the variable component is adjusted for a specific measure of volume such as total revenue.

The actual forecast is derived by adjusting each year's revenue and expense by the amount fixed (the fixed expense multiplied by the inflated base-year amount) plus the variable amount (the variable expense multiplied by the inflated base-year amount) multiplied by the ratio of the projection year's occupancy to the base-year occupancy (in the case of departmental revenue and expense) or the ratio of the projection year's revenue to the base year's revenue (in the case of undistributed operating expenses). Fixed expenses remain fixed, increasing only with inflation. Our discussion of the revenue and expense forecast in this report is based upon the output derived from the fixed and variable model. This forecast of revenue and expense is accomplished through a systematic approach, following the format of the *Uniform System of Accounts for the Lodging Industry*. Each category of revenue and expense is estimated separately and combined at the end in the final statement of income and expense.

Inflation and Appreciation Assumptions

In consideration of the trends in the Consumer Price Index (CPI), projections set forth by economists surveyed, and the Federal Reserve's target inflation rate, we have applied the underlying inflation rates as reflected in the following table.

FIGURE 7-4 INFLATION ASSUMPTIONS

		2019 to 20	1.0%
General Inflation Yr.1	1.0%	2020 to 21	2.0%
General Inflation Yr.2	2.0%	2021 to 22	2.0%
General Inflation Yr.3	2.0%	2022 to 23	2.0%
General Inflation Yr.4	2.0%	2023 to 24	2.0%
General Inflation Yr.5	2.0%	Long-Term Appr.	3.0%

Beyond the illustrated year, we have applied a 3.0% annual rate of growth to income and expenses to reflect the longer-term expectation of asset appreciation by typical investors. This position is based on interviews with numerous market participants indicating a distinction in the expectations of near-term cost inflation (i.e., related to labor and supplies) versus long-term income growth that drives appreciation. Any exceptions to the application of the assumed underlying inflation and EBITDA Less Replacement Reserve growth rates are discussed in our write-up of individual income and expense items.

Forecast of Revenue and Expense

Based on an analysis that will be detailed throughout this section, we have formulated a forecast of income and expense. The following table presents a detailed forecast through the fifth projection year, including amounts per available room and per occupied room. The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on January 1, 2023, expressed in inflated dollars for each year.

FIGURE 7-5 DETAILED FORECAST OF INCOME AND EXPENSE

	2023 (Calendar Year)				2024				Stabilized				2026				2027			
Number of Rooms:	**88**				**88**				**88**				**88**				**88**			
Occupancy:	**58%**				**68%**				**72%**				**72%**				**72%**			
Average Rate:	**$217.74**				**$228.90**				**$238.15**				**$245.29**				**$252.65**			
RevPAR:	**$126.29**				**$155.65**				**$171.47**				**$176.61**				**$181.91**			
Days Open:	**365**				**365**				**365**				**365**				**365**			
Occupied Rooms:	**18,630**	**%Gross**	**PAR**	**POR**	**21,842**	**%Gross**	**PAR**	**POR**	**23,126**	**%Gross**	**PAR**	**POR**	**23,126**	**%Gross**	**PAR**	**POR**	**23,126**	**%Gross**	**PAR**	**POR**
OPERATING REVENUE																				
Rooms	$4,056	53.7 %	$46,091	$217.72	$4,999	53.8 %	$56,807	$228.88	$5,507	53.6 %	$62,580	$238.13	$5,673	53.6 %	$64,466	$245.30	$5,843	53.6 %	$66,398	$252.65
Food	2,477	32.8	28,150	132.97	3,055	32.9	34,720	139.89	3,385	33.0	38,471	146.39	3,487	33.0	39,625	150.78	3,592	33.0	40,813	155.30
Beverage	682	9.0	7,753	36.62	859	9.2	9,767	39.35	964	9.4	10,949	41.66	992	9.4	11,278	42.91	1,022	9.4	11,616	44.20
Other Operated Departments	294	3.9	3,342	15.79	338	3.6	3,837	15.46	365	3.5	4,143	15.76	376	3.5	4,267	16.24	387	3.5	4,395	16.72
Miscellaneous Income	42	0.6	477	2.26	48	0.5	548	2.21	52	0.5	592	2.25	54	0.5	610	2.32	55	0.5	628	2.39
Total Operating Revenues	7,552	100.0	85,813	405.35	9,300	100.0	105,678	425.78	10,273	100.0	116,734	444.19	10,582	100.0	120,245	457.55	10,899	100.0	123,850	471.27
DEPARTMENTAL EXPENSES *																				
Rooms	1,064	26.2	12,086	57.09	1,150	23.0	13,071	52.66	1,212	22.0	13,769	52.39	1,248	22.0	14,182	53.96	1,285	22.0	14,607	55.58
Food & Beverage	2,589	81.9	29,420	138.97	2,859	73.0	32,486	130.89	3,044	70.0	34,594	131.64	3,136	70.0	35,632	135.58	3,230	70.0	36,701	139.65
Other Operated Departments	132	45.0	1,505	7.11	140	41.4	1,587	6.39	146	40.0	1,657	6.31	150	40.0	1,707	6.50	155	40.0	1,758	6.69
Total Expenses	3,785	50.1	43,011	203.17	4,149	44.6	47,143	189.94	4,402	42.8	50,020	190.33	4,534	42.8	51,520	196.04	4,670	42.8	53,066	201.93
DEPARTMENTAL INCOME	3,767	49.9	42,802	202.18	5,151	55.4	58,535	235.84	5,871	57.2	66,714	253.86	6,048	57.2	68,725	261.51	6,229	57.2	70,784	269.35
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	663	8.8	7,536	35.60	672	7.2	7,631	30.75	704	6.8	7,995	30.42	725	6.8	8,235	31.34	746	6.8	8,482	32.28
Info & Telecom Systems	85	1.1	960	4.54	90	1.0	1,021	4.11	94	0.9	1,070	4.07	97	0.9	1,102	4.19	100	0.9	1,135	4.32
Marketing	391	5.2	4,448	21.01	397	4.3	4,514	18.19	396	3.9	4,504	17.14	408	3.9	4,639	17.65	421	3.9	4,779	18.18
Franchise Fee	284	3.8	3,226	15.24	400	4.3	4,545	18.31	496	4.8	5,632	21.43	511	4.8	5,802	22.08	526	4.8	5,976	22.74
Prop. Operations & Maint.	192	2.5	2,183	10.31	230	2.5	2,612	10.52	268	2.6	3,040	11.57	276	2.6	3,132	11.92	284	2.6	3,226	12.27
Utilities	178	2.4	2,022	9.55	189	2.0	2,150	8.66	198	1.9	2,252	8.57	204	1.9	2,320	8.83	210	1.9	2,389	9.09
Total Expenses	1,793	23.8	20,375	96.24	1,978	21.3	22,472	90.54	2,155	20.9	24,493	93.20	2,220	20.9	25,229	96.00	2,287	20.9	25,986	98.88
GROSS OPERATING PROFIT	1,974	26.1	22,428	105.94	3,174	34.1	36,063	145.30	3,715	36.3	42,221	160.66	3,828	36.3	43,496	165.51	3,942	36.3	44,799	170.47
Management Fee	227	3.0	2,574	12.16	279	3.0	3,170	12.77	308	3.0	3,502	13.33	317	3.0	3,607	13.73	327	3.0	3,716	14.14
INCOME BEFORE NON-OPR. INC. & EXP.	1,747	23.1	19,853	93.78	2,895	31.1	32,893	132.53	3,407	33.3	38,719	147.33	3,510	33.3	39,888	151.78	3,615	33.3	41,083	156.33
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	124	1.6	1,414	6.68	210	2.3	2,382	9.60	278	2.7	3,163	12.04	287	2.7	3,258	12.40	295	2.7	3,355	12.77
Insurance	42	0.6	482	2.28	43	0.5	492	1.98	45	0.4	507	1.93	46	0.4	522	1.99	47	0.4	538	2.05
Total Expenses	167	2.2	1,897	8.96	253	2.8	2,874	11.58	323	3.1	3,670	13.96	333	3.1	3,780	14.38	343	3.1	3,893	14.81
EBITDA	1,580	20.9	17,957	84.82	2,642	28.3	30,019	120.95	3,084	30.2	35,050	133.37	3,178	30.2	36,109	137.40	3,273	30.2	37,190	141.51
Reserve for Replacement	151	2.0	1,716	8.11	279	3.0	3,170	12.77	411	4.0	4,669	17.77	423	4.0	4,810	18.30	436	4.0	4,954	18.85
EBITDA LESS RESERVE	$1,429	18.9 %	$16,240	$76.71	$2,363	25.3 %	$26,849	$108.18	$2,673	26.2 %	$30,380	$115.60	$2,754	26.2 %	$31,299	$119.10	$2,837	26.2 %	$32,236	$122.66

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 7-6 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2023		2024		2025		2026		2027		2028		2029		2030		2031		2032	
Number of Rooms:	**88**		**88**		**88**		**88**		**88**		**88**		**88**		**88**		**88**		**88**	
Occupied Rooms:	**18,630**		**21,842**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**		**23,126**	
Occupancy:	**58%**		**68%**		**72%**		**72%**		**72%**		**72%**		**72%**		**72%**		**72%**		**72%**	
Average Rate:	**$217.74**	**% of**	**$228.90**	**% of**	**$238.15**	**% of**	**$245.29**	**% of**	**$252.65**	**% of**	**$260.23**	**% of**	**$268.04**	**% of**	**$276.08**	**% of**	**$284.36**	**% of**	**$292.89**	**% of**
RevPAR:	**$126.29**	**Gross**	**$155.65**	**Gross**	**$171.47**	**Gross**	**$176.61**	**Gross**	**$181.91**	**Gross**	**$187.36**	**Gross**	**$192.99**	**Gross**	**$198.78**	**Gross**	**$204.74**	**Gross**	**$210.88**	**Gross**
OPERATING REVENUE																				
Rooms	$4,056	53.7 %	$4,999	53.8 %	$5,507	53.6 %	$5,673	53.6 %	$5,843	53.6 %	$6,018	53.6 %	$6,199	53.6 %	$6,385	53.6 %	$6,576	53.6 %	$6,773	53.6 %
Food	2,477	32.8	3,055	32.9	3,385	33.0	3,487	33.0	3,592	33.0	3,699	33.0	3,810	33.0	3,925	33.0	4,042	33.0	4,164	33.0
Beverage	682	9.0	859	9.2	964	9.4	992	9.4	1,022	9.4	1,053	9.4	1,084	9.4	1,117	9.4	1,151	9.4	1,185	9.4
Other Operated Departments	294	3.9	338	3.6	365	3.5	376	3.5	387	3.5	398	3.5	410	3.5	423	3.5	435	3.5	448	3.5
Miscellaneous Income	42	0.6	48	0.5	52	0.5	54	0.5	55	0.5	57	0.5	59	0.5	60	0.5	62	0.5	64	0.5
Total Operating Revenues	7,552	100.0	9,300	100.0	10,273	100.0	10,582	100.0	10,899	100.0	11,226	100.0	11,563	100.0	11,910	100.0	12,266	100.0	12,634	100.0
DEPARTMENTAL EXPENSES *																				
Rooms	1,064	26.2	1,150	23.0	1,212	22.0	1,248	22.0	1,285	22.0	1,324	22.0	1,364	22.0	1,405	22.0	1,447	22.0	1,490	22.0
Food & Beverage	2,589	81.9	2,859	73.0	3,044	70.0	3,136	70.0	3,230	70.0	3,327	70.0	3,426	70.0	3,529	70.0	3,635	70.0	3,744	70.0
Other Operated Departments	132	45.0	140	41.4	146	40.0	150	40.0	155	40.0	159	40.0	164	40.0	169	40.0	174	40.0	179	40.0
Total Expenses	3,785	50.1	4,149	44.6	4,402	42.8	4,534	42.8	4,670	42.8	4,810	42.8	4,954	42.8	5,103	42.8	5,256	42.8	5,414	42.8
DEPARTMENTAL INCOME	3,767	49.9	5,151	55.4	5,871	57.2	6,048	57.2	6,229	57.2	6,416	57.2	6,609	57.2	6,807	57.2	7,010	57.2	7,221	57.2
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	663	8.8	672	7.2	704	6.8	725	6.8	746	6.8	769	6.8	792	6.8	816	6.8	840	6.8	865	6.8
Info & Telecom Systems	85	1.1	90	1.0	94	0.9	97	0.9	100	0.9	103	0.9	106	0.9	109	0.9	112	0.9	116	0.9
Marketing	391	5.2	397	4.3	396	3.9	408	3.9	421	3.9	433	3.9	446	3.9	460	3.9	473	3.9	487	3.9
Franchise Fee	284	3.8	400	4.3	496	4.8	511	4.8	526	4.8	542	4.8	558	4.8	575	4.8	592	4.8	610	4.8
Prop. Operations & Maint.	192	2.5	230	2.5	268	2.6	276	2.6	284	2.6	292	2.6	301	2.6	310	2.6	319	2.6	329	2.6
Utilities	178	2.4	189	2.0	198	1.9	204	1.9	210	1.9	217	1.9	223	1.9	230	1.9	237	1.9	244	1.9
Total Expenses	1,793	23.8	1,978	21.3	2,155	20.9	2,220	20.9	2,287	20.9	2,355	20.9	2,426	20.9	2,499	20.9	2,574	20.9	2,651	20.9
GROSS OPERATING PROFIT	1,974	26.1	3,174	34.1	3,715	36.3	3,828	36.3	3,942	36.3	4,060	36.3	4,182	36.3	4,308	36.3	4,437	36.3	4,570	36.3
Management Fee	227	3.0	279	3.0	308	3.0	317	3.0	327	3.0	337	3.0	347	3.0	357	3.0	368	3.0	379	3.0
INCOME BEFORE NON-OPR. INC. & EXP.	1,747	23.1	2,895	31.1	3,407	33.3	3,510	33.3	3,615	33.3	3,724	33.3	3,836	33.3	3,951	33.3	4,069	33.3	4,191	33.3
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	124	1.6	210	2.3	278	2.7	287	2.7	295	2.7	304	2.7	313	2.7	323	2.7	332	2.7	342	2.7
Insurance	42	0.6	43	0.5	45	0.4	46	0.4	47	0.4	49	0.4	50	0.4	52	0.4	53	0.4	55	0.4
Total Expenses	167	2.2	253	2.8	323	3.1	333	3.1	343	3.1	353	3.1	363	3.1	374	3.1	386	3.1	397	3.1
EBITDA	1,580	20.9	2,642	28.3	3,084	30.2	3,178	30.2	3,273	30.2	3,371	30.2	3,472	30.2	3,576	30.2	3,683	30.2	3,793	30.2
Reserve for Replacement	151	2.0	279	3.0	411	4.0	423	4.0	436	4.0	449	4.0	463	4.0	476	4.0	491	4.0	505	4.0
EBITDA LESS RESERVE	$1,429	18.9 %	$2,363	25.3 %	$2,673	26.2 %	$2,754	26.2 %	$2,837	26.2 %	$2,922	26.2 %	$3,010	26.2 %	$3,100	26.2 %	$3,193	26.2 %	$3,288	26.2 %

The following description sets forth the basis for the forecast of income and expense. We anticipate that it will take three years for the proposed subject hotel to reach a stabilized level of operation. Each revenue and expense item has been forecast based upon our review of the proposed subject hotel's operating budget and comparable income and expense statements. The forecast is based upon calendar years beginning January 1, 2023, expressed in inflated dollars for each year.

Revenues associated with the proposed subject hotel's food and beverage (F&B) department, other operated departments, and miscellaneous income category have been forecast to reflect the hotel's planned facilities and amenities, including the hotel's full-service restaurant. The subject property's other income departments are expected to include a resort fee that covers parking and internet, as well as other items including revenue from pantry and vending machines. Expense levels fall within a range of reasonableness given the provided comparable operating statements; furthermore, franchise and management fees are set forth in accordance with our assumptions provided earlier in our report.

Rooms Revenue

Rooms revenue is determined by two variables: occupancy and average rate. We projected occupancy and average rate in a previous section of this report. The proposed subject hotel is expected to stabilize at an occupancy level of 72% with an average rate of $238.15 in 2025. Following the stabilized year, the proposed subject hotel's ADR is projected to increase along with the underlying rate of growth assigned to EBITDA Less Replacement Reserve.

Food and Beverage Revenue

Food and beverage (F&B) revenue is generated by a hotel's restaurants, lounges, coffee shops, snack bars, banquet rooms, and room service. In addition to providing a source of revenue, these outlets serve as an amenity that assists in the sale of guestrooms. With the exception of properties with active lounges or banquet facilities that draw local residents, in-house guests generally represent a substantial percentage of a hotel's F&B patrons. In the case of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton, the F&B department will include pick from drop-down list, modify as needed; moreover, banquet space is expected to encompass 0 square feet.

Although F&B revenue varies directly with changes in occupancy, the small portion generated by banquet sales and outside capture is relatively fixed.

FIGURE 7-7 FOOD AND BEVERAGE REVENUE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Food Revenue							
Percentage of Revenue	7.2 %	6.6 %	22.5 %	18.0 %	12.3 %	32.8 %	33.0 %
Per Available Room	$7,429	$5,658	$23,962	$16,525	$14,777	$28,150	$34,164
Per Occupied Room	$23.55	$18.37	$80.05	$56.95	$47.51	$132.97	$130.00
Beverage Revenue							
Percentage of Revenue	2.6 %	3.1 %	7.3 %	0.0 %	9.0 %	9.0 %	9.4 %
Per Available Room	$2,645	$2,618	$7,746	$0	$10,747	$7,753	$9,724
Per Occupied Room	$8.39	$8.50	$25.88	$0.00	$34.55	$36.62	$37.00
Food & Beverage Revenue							
Percentage of Revenue	9.8 %	9.7 %	29.7 %	18.0 %	21.3 %	0.0 %	0.0 %
Per Available Room	$10,074	$8,276	$31,708	$16,525	$25,524	$0	$0
Per Occupied Room	$31.93	$26.86	$105.93	$56.95	$82.06	$0.00	$0.00

Other Operated Departments Revenue

According to the Uniform System of Accounts, other operated departments include any major or minor operated department other than rooms and F&B.

FIGURE 7-8 OTHER OPERATED DEPARTMENTS REVENUE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	4.0 %	8.3 %	3.9 %	1.4 %	3.9 %	3.9 %	3.5 %
Per Available Room	$4,097	$7,072	$4,199	$1,313	$4,669	$3,342	$3,679
Per Occupied Room	$12.99	$22.96	$14.03	$4.52	$15.01	$15.79	$14.00

Miscellaneous Income

The miscellaneous income sources comprise those other than guestrooms, F&B, and the other operated departments. Changes in this revenue item through the projection period result from the application of the underlying inflation rate and projected changes in occupancy.

FIGURE 7-9 MISCELLANEOUS INCOME

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	5.8 %	0.3 %	5.0 %	6.9 %	5.2 %	0.6 %	0.5 %
Per Available Room	$5,973	$270	$5,374	$6,311	$6,237	$477	$526
Per Occupied Room	$18.93	$0.88	$17.95	$21.75	$20.05	$2.26	$2.00

Rooms Expense

Rooms expense consists of items related to the sale and upkeep of guestrooms and public space. Salaries, wages, and employee benefits account for a substantial portion of this category. Although payroll varies somewhat with occupancy, and managers can generally scale the level of service staff on hand to meet an expected occupancy level, much of a hotel's payroll is fixed. A base level of front desk personnel, housekeepers, and supervisors must be maintained at all times. As a result, salaries, wages, and employee benefits are only moderately sensitive to changes in occupancy.

Commissions and reservations are usually based on room sales and, thus, are highly sensitive to changes in occupancy and average rate. While guest supplies vary 100% with occupancy, linens and other operating expenses are only slightly affected by volume.

FIGURE 7-10 ROOMS EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	29.1 %	25.1 %	29.3 %	25.6 %	23.2 %	26.2 %	22.0 %
Per Available Room	$24,102	$17,417	$19,191	$17,352	$19,435	$12,086	$12,227
Per Occupied Room	$76.40	$56.54	$64.11	$59.81	$62.48	$57.09	$46.53

Food and Beverage Expense

Food expenses consist of items necessary for the primary operation of a hotel's food and banquet facilities. The costs associated with food sales and payroll are moderately to highly correlated to food revenues. Items such as china, linen, and uniforms are less dependent on volume. Although the other expense items are basically fixed, they represent a relatively insignificant factor. Beverage expenses consist of items necessary for the operation of a hotel's lounge and bar areas. The costs associated with beverage sales and payroll are moderately to highly correlated to beverage revenues.

FIGURE 7-11 FOOD AND BEVERAGE EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	115.8 %	90.4 %	83.6 %	63.7 %	60.7 %	81.9 %	70.0 %
Per Available Room	$11,668	$7,485	$26,499	$10,522	$15,491	$29,420	$30,721
Per Occupied Room	$36.99	$24.30	$88.53	$36.27	$49.80	$138.97	$116.90

Other Operated Departments Expense

Other operated departments expense includes all expenses reflected in the summary statements for the divisions associated in these categories, as discussed previously in this chapter.

FIGURE 7-12 OTHER OPERATED DEPARTMENTS EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	89.1 %	22.1 %	94.0 %	31.6 %	0.0 %	45.0 %	40.0 %
Per Available Room	$3,652	$1,565	$3,946	$414	$0	$1,505	$1,472
Per Occupied Room	$11.58	$5.08	$13.18	$1.43	$0.00	$7.11	$5.60

Administrative and General Expense

Administrative and general expense includes the salaries and wages of all administrative personnel who are not directly associated with a particular department. Expense items related to the management and operation of the property are also allocated to this category.

Most administrative and general expenses are relatively fixed. The exceptions are cash overages and shortages; commissions on credit card charges; provision for doubtful accounts, which are moderately affected by the number of transactions or total revenue; and salaries, wages, and benefits, which are very slightly influenced by volume.

FIGURE 7-13 ADMINISTRATIVE AND GENERAL EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	11.3 %	8.5 %	7.1 %	11.6 %	10.6 %	8.8 %	6.8 %
Per Available Room	$11,614	$7,220	$7,544	$10,658	$12,748	$7,536	$7,100
Per Occupied Room	$36.82	$23.43	$25.20	$36.73	$40.98	$35.60	$27.02

Information and Telecommunications Systems Expense

Information and telecommunications systems expense consists of all costs associated with a hotel's technology infrastructure. This includes the costs of cell phones, administrative call and Internet services, and complimentary call and Internet services. Expenses in this category are typically organized by type of technology or the area benefiting from the technology solution.

Marketing Expense

Marketing expense consists of all costs associated with advertising, sales, and promotion; these activities are intended to attract and retain customers. Marketing can be used to create an image, develop customer awareness, and stimulate patronage of a property's various facilities.

The marketing category is unique in that all expense items, with the exception of fees and commissions, are totally controlled by management. Most hotel operators establish an annual marketing budget that sets forth all planned expenditures. If the budget is followed, total marketing expenses can be projected accurately.

Marketing expenditures are unusual because, although there is a lag period before results are realized, the benefits are often extended over a long period. Depending on the type and scope of the advertising and promotion program implemented, the lag time can be as short as a few weeks or as long as several years. However, the favorable results of an effective marketing campaign tend to linger, and a property often enjoys the benefits of concentrated sales efforts for many months.

FIGURE 7-14 MARKETING EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	7.5 %	5.3 %	5.2 %	4.1 %	3.0 %	5.2 %	3.9 %
Per Available Room	$7,713	$4,542	$5,546	$3,734	$3,625	$4,448	$4,000
Per Occupied Room	$24.45	$14.74	$18.53	$12.87	$11.65	$21.01	$15.22

Franchise Fee

As previously discussed, the proposed subject property is expected to be franchised under the Hilton Tapestry Collection brand. Costs associated with this franchise are summarized in the introductory chapter in this report.

Marketing expense and franchise fees are often analyzed in total because hotels may account for some components of franchise expense in the marketing expense category. The subject property's total marketing and franchise expense has been forecast at 8.7% of total revenue on a stabilized basis; the comparable operating statements show a range from 3.0% to 7.5% of total revenue.

Property Operations and Maintenance

Property operations and maintenance expense is another expense category that is largely controlled by management. Except for repairs that are necessary to keep the facility open and prevent damage (e.g., plumbing, heating, and electrical items), most maintenance can be deferred for varying lengths of time.

Maintenance is an accumulating expense. If management elects to postpone performing a required repair, the expenditure has not been eliminated, only deferred until a later date. A lodging facility that operates with a lower-than-normal maintenance budget is likely to accumulate a considerable amount of deferred maintenance.

The age of a lodging facility has a strong influence on the required level of maintenance. A new or thoroughly renovated property is protected for several years by modern equipment and manufacturers' warranties. However, as a hostelry grows older, maintenance expenses escalate. A well-organized preventive maintenance system often helps delay deterioration, but most facilities face higher property operations and maintenance costs each year, regardless of the occupancy trend. The quality of initial construction can also have a direct impact on future maintenance requirements. The use of high-quality building materials and construction methods generally reduces the need for maintenance expenditures over the long term.

Changes in this expense item through the projection period result from the application of the underlying inflation rate and projected changes in occupancy.

FIGURE 7-15 PROPERTY OPERATIONS AND MAINTENANCE EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	4.0 %	3.4 %	6.5 %	3.6 %	2.9 %	2.5 %	2.6 %
Per Available Room	$4,168	$2,865	$6,903	$3,328	$3,455	$2,183	$2,700
Per Occupied Room	$13.21	$9.30	$23.06	$11.47	$11.11	$10.31	$10.27

Utilities Expense

The utilities consumption of a lodging facility takes several forms, including water and space heating, air conditioning, lighting, cooking fuel, and other miscellaneous power requirements. The most common sources of hotel utilities are electricity, natural gas, fuel oil, and steam. This category also includes the cost of water service.

Total energy cost depends on the source and quantity of fuel used. Electricity tends to be the most expensive source, followed by oil and gas. Although all hotels consume a sizable amount of electricity, many properties supplement their utility requirements with less expensive sources, such as gas and oil, for heating and

cooking. The changes in this utilities line item through the projection period are a result of the application of the underlying inflation rate and projected changes in occupancy.

FIGURE 7-16 UTILITIES EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	2.2 %	3.0 %	3.1 %	3.0 %	2.6 %	2.4 %	1.9 %
Per Available Room	$2,223	$2,512	$3,347	$2,785	$3,085	$2,022	$2,000
Per Occupied Room	$7.05	$8.15	$11.18	$9.60	$9.92	$9.55	$7.61

Management Fee

Management expense consists of the fees paid to the managing agent contracted to operate the property. Some companies provide management services and a brand-name affiliation (first-tier management company), while others provide management services alone (second-tier management company). Some management contracts specify only a base fee (usually a percentage of total revenue), while others call for both a base fee and an incentive fee (usually a percentage of defined profit). Basic hotel management fees are often based on a percentage of total revenue, which means they have no fixed component. While base fees typically range from 2% to 4% of total revenue, incentive fees are deal specific and often are calculated as a percentage of income available after debt service and, in some cases, after a preferred return on equity. Total management fees for the proposed subject hotel have been forecast at 3.0% of total revenue.

Property Taxes

Property (or ad valorem) tax is one of the primary revenue sources of municipalities. Based on the concept that the tax burden should be distributed in proportion to the value of all properties within a taxing jurisdiction, a system of assessments is established. Theoretically, the assessed value placed on each parcel bears a definite relationship to market value, so properties with equal market values will have similar assessments and properties with higher and lower values will have proportionately larger and smaller assessments.

FIGURE 7-17 HISTORIC SUBJECT PROPERTY TAX BURDEN (BASE YEAR)

	Real Property			
	Appraised Value		Assessed Value	
Year	Land	Percent Change	Land	Percent Change
2018	$93,000	—	$93,000	—
2019	93,000	0.0 %	93,000	— %
2020	102,198	9.9	93,000	—
2021	108,140	5.8	93,000	—

Source: Onondaga County

Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality.

FIGURE 7-18 COUNTY-ASSESSED VALUE OF COMPARABLE HOTELS

Hotel	Year Open	Real Property	Total	School
Mirbeau Inn & Spa	2000	$5,398,400	$5,398,400	$5,401,897
Sherwood Inn	NA	2,500,000	2,500,000	2,500,000
Assessments per Room	*# of Rms*			
Mirbeau Inn & Spa	34	$158,776	$158,776	$158,879
Sherwood Inn	25	100,000	100,000	100,000
Positioned Subject - Per Room	**88**	**$110,000**	**$127,000**	**$110,000**
Positioned Subject - Total		**$9,680,000**	**$11,176,000**	**$9,680,000**

Source: Onondaga County

We have positioned the future assessment levels of the subject site and proposed improvements, as well as the planned personal property, based upon the illustrated comparable data. We have positioned these assessments closest to the Mirabeau Inn & Spa because of the similarities in location and product; overall, the positioned assessments are well supported by the market data.

Tax rates are based on the city and county budgets, which change annually. The most recent tax rate in this jurisdiction was reported at 9.97270%. The following table shows changes in the tax rate during the last several years.

FIGURE 7-19 COUNTY TAX RATES

Year	Real Property Millage Rate	School Millage Rate	Personal Property Millage Rate	Equalization Rate
2018	9.34980	13.87802	9.34980	1.00000
2019	9.18390	14.19982	9.18390	1.00000
2020	9.59870	14.45013	9.59870	0.91000
2021	9.97270	14.26377	9.97270	0.86000

Source: Onondaga County

Based on comparable assessments and the tax rate information, the proposed subject property's projected property tax expense levels are calculated as follows.

FIGURE 7-20 PROJECTED PROPERTY TAX BURDEN (BASE YEAR)

	Real Property				Personal
	Land	Improvements	Total	School	Property
Positioned (Assessed Value)	$93,000	$9,587,000	$9,680,000	$9,680,000	$1,496,000
Equalization Rate			0.86000		
Millage Rate			9.97270	14.26377	9.97270
Tax Burden as of Current Assessment Year			$83,021	$138,073	$14,919

FIGURE 7-21 PROJECTED PROPERTY TAX EXPENSE – REAL PROPERTY

	Real Property			
Year	Real Tax Burden (Positioned Prior to Increase)	Base Rate of Tax Burden Increase	% of Positioned Tax Burden	Taxes Payable
Positioned	$221,094	—		$221,094
2023	$221,094	12.6 %	50 %	$124,458
2024	248,915	3.0	75	$192,287
2025	256,383	3.0	100	$264,074
2026	264,074	3.0	100	$271,997
2027	271,997	3.0	100	$280,157
2028	280,157	3.0	100	$288,561
2029	288,561	3.0	100	$297,218

FIGURE 7-22 PROJECTED PROPERTY TAX EXPENSE – PERSONAL PROPERTY

Personal Property			
Personal Tax Burden (Positioned Prior to Increase)	Base Rate of Tax Burden Increase	% of Positioned Tax Burden	Taxes Payable
$14,919	—		$14,919
$14,919	12.6	0 %	$0
16,797	3.0	100	$17,300
17,300	3.0	80	$14,256
17,819	3.0	70	$12,848
18,354	3.0	70	$13,233
18,905	3.0	70	$13,630
19,472	3.0	70	$14,039

FIGURE 7-23 PROJECTED PROPERTY TAX EXPENSE – SUMMARY

Taxes Payable		
Real	Personal	Total
$221,094	$14,919	$236,013
$124,458	$0	$124,458
$192,287	17,300	209,588
$264,074	14,256	278,330
$271,997	12,848	284,844
$280,157	13,233	293,390
$288,561	13,630	302,191
$297,218	14,039	311,257

Insurance Expense

The insurance expense category consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage.

Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy.

FIGURE 7-24 INSURANCE EXPENSE

	Comparable Operating Statements					Proposed Subject Property Forecast	
	#1	#2	#3	#4	#5	2023	Deflated Stabilized
Percentage of Revenue	1.5 %	1.0 %	1.4 %	1.0 %	0.6 %	0.6 %	0.4 %
Per Available Room	$1,592	$867	$1,485	$904	$716	$482	$450
Per Occupied Room	$5.05	$2.81	$4.96	$3.11	$2.30	$2.28	$1.71

Reserve for Replacement

Furniture, fixtures, and equipment are essential to the operation of a lodging facility, and their quality often influences a property's class. This category includes all non-real estate items that are capitalized, rather than expensed. The furniture, fixtures, and equipment of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use.

Periodic replacement of furniture, fixtures, and equipment is essential to maintain the quality, image, and income-producing potential of a lodging facility. Because capitalized expenditures are not included in the operating statement but affect an owner's cash flow, a forecast of income and expense should reflect these expenses in the form of an appropriate reserve for replacement.

The International Society of Hospitality Consultants (ISHC) oversees a major industry-sponsored study of the capital expenditure requirements for full-service/luxury, select-service, and extended-stay hotels. The most recent study was published in 2014.[7] Historical capital expenditures of well-maintained hotels were investigated through the compilation of data provided by most of the major hotel companies in the United States. A prospective analysis of future capital expenditure requirements was also performed based upon the cost to replace short- and long-lived building components over a hotel's economic life. The study showed that the capital expenditure requirements for hotels vary significantly from year to year and depend upon both the actual and effective ages of a property. The results of this study showed that hotel lenders and investors are requiring reserves for replacement ranging from 4% to 5% of total revenue.

Based upon the results of our analysis, our review of the proposed subject asset, and current industry norms, a reserve for replacement equal to 4% of total revenues has been factored into our forecast of revenue and expense for funding the periodic

[7] The International Society of Hotel Consultants, *CapEx 2014, A Study of Capital Expenditure in the U.S. Hotel Industry*.

replacement of the proposed subject property's furniture, fixtures, and equipment. This amount has been ramped up during the initial projection period.

Forecast of Revenue and Expense Conclusion

Projected total revenue, gross operating profit, and EBITDA Less Replacement Reserve are set forth in the following table.

FIGURE 7-25 FORECAST OF REVENUE AND EXPENSE CONCLUSION

		Total Revenue		Gross Operating Profit		House Profit	EBITDA Less Replacement Reserve		
	Year	Total	% Change	Total	% Change	Ratio	Total	% Change	As a % of Ttl Rev
Projected	2023	$7,552,000	—	$1,974,000	—	26.1 %	$1,429,000	—	18.9 %
	2024	9,300,000	23.1 %	3,174,000	60.8 %	34.1	2,363,000	65.4 %	25.3
	2025	10,273,000	10.5	3,715,000	17.0	36.3	2,673,000	13.1	26.2
	2026	10,582,000	3.0	3,828,000	3.0	36.3	2,754,000	3.0	26.2
	2027	10,899,000	3.0	3,942,000	3.0	36.3	2,837,000	3.0	26.2

8. Feasibility Analysis

Return on investment can be defined as the future benefits of an income-producing property relative to its acquisition or construction cost. The first step in performing a return-on-investment analysis is to determine the amount to be initially invested. For a proposed property, this amount is most likely to be the development cost of the hotel. Based on the total development cost, the individual investor will utilize a return-on-investment analysis to determine if the future cash flow from a current cash outlay meets his or her own investment criteria and at what level above or below this amount such an outlay exceeds or fails to meet these criteria.

As an individual or company considering investment in hotel real estate, the decision to use one's own cash, an equity partner's capital, or lender financing will be an internal one. Because hotels typically require a substantial investment, only the largest investors and hotel companies generally have the means to purchase properties with all cash. We would anticipate the involvement of some financing by a third party for the typical investor or for those who may be entering the market for hotel acquisitions at this time. In leveraged acquisitions and developments where investors typically purchase or build upon real estate with a small amount of equity cash (20% to 50%) and a large amount of mortgage financing (50% to 80%), it is important for the equity investor to acknowledge the return requirements of the debt participant (mortgagee), as well as his or her own return requirements. Therefore, we will begin our rate-of-return analysis by reviewing the debt requirements of typical hotel mortgagees.

Construction Cost Estimate

Because the subject property is a proposed hotel, we have reviewed the development budget for the proposed subject hotel in performing a cost analysis. The details of this budget, prepared by the developers of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton, are presented in the following table.

FIGURE 8-1 CONSTRUCTION BUDGET – PROPOSED SUBJECT PROPERTY

Component	Cost	Cost per
Hard Costs & Site Improvements		
Building & Site Improvements	$16,751,500	$189,497
Offsite Road/Misc	1,560,000	17,647
Subtotal Hard Cost & Site Improvements	$18,311,500	$207,144
FF&E		
Subtotal FF&E	2,950,000	$33,371
Pre-Opening Costs and Working Capital		
Subtotal Pre-Opening and Working Capital	$595,000	$6,731
Soft Costs		
MEP, Geo, CHA & MBL Engineering	$174,000	$1,968
Studies & Surveys	20,500	232
Architect	100,000	1,131
Structural Engineering	78,000	882
Final Design	162,000	1,833
Taxes and Interest	263,000	2,975
Feesm SBA 504, Title	318,000	3,597
Hilton Fees	411,000	4,649
Subtotal Soft Costs	$1,526,500	$17,268
Subtotal (without Land and Developer's Fee)	$23,383,000	$264,514
Site Cost	$1,700,000	$19,231
Subtotal (without Developer's Fee)	$25,083,000	$283,744

The construction budget provided by the developer includes site cost, FF&E, hard and soft costs, and pre=opening expenses; however, it does not include any developer's profit or entrepreneurial incentive typically associated with a development of this scale . Our estimate of replacement cost reflects these additional items, as well as the developer's fee and an entrepreneurial incentive.

Land Allocation

In order to determine feasibility and developers' equity contribution a site cost and allocation must be determined. As noted, the site was purchased for a reported amount of $1,700,000. Utilizing the revenue projection detailed in this report, a land value allocation was completed to determine if the property is being represented at market appropriate level.

Land allocation may be estimated in a variety of ways, including the sales comparison approach and the allocation, extraction, or ground rent capitalization

methods. For the majority of hostelry properties, the two primary methods used are the sales comparison approach and the ground-lease capitalization approach.

Ground Lease Approach to Land Allocation

Hotels and resorts are routinely constructed on leased land. The lease terms differ somewhat from property to property, but the basis for the rental calculation is often tied to a percentage of revenue formula. By using the forecasted revenues for the proposed subject property and applying a typical ground-lease rental formula, an appraiser can determine the hotel's economic rent (i.e., the income attributed to the land). The land value can then be estimated by capitalizing the hypothetical ground rent. The self-adjusting aspect of this approach is the key to its reliability.

We have researched actual long-term ground leases encumbering hotels. Our analysis of these ground lease rental formulas indicates that economic ground rents for hotels like the proposed subject property typically range from 2.0% to 5.0% of rooms revenue. Hotels with significant land relative to room count, hotels in resort areas, and hotels in land-sparse downtown markets may command higher ground rent.

Using the revenue projections set forth for the proposed subject property as part of this appraisal, the following table shows how the economic ground rent has been calculated. We have used a ground rent percentage of 2.5% in our analysis, and the stabilized revenue level has been deflated back to first-projection-year dollars.

Discounted Stabilized Rooms Revenue	$5,293,156
Rental Percentage	2.5%
Economic Ground Rent	**$132,329**

Rent generated from an unsubordinated ground lease represents a low-risk flow of income. Because the tenant's improvements typically amount to more than five times the value of the land, the risk of default is almost nonexistent. For hotel ground leases where the rent is tied to revenue, the property owner is also protected from the adverse effects of inflation. Based on these minimal risk factors, the current cost of long-term capital, and our analysis of the proposed subject property, we have selected a capitalization rate of 6.5%.

Applying the indicated capitalization rate to the proposed subject property's economic ground rent results in the following estimate of land allocation.

$$\frac{\text{Economic Ground Rent}}{\text{Capitalization Rate}} = \frac{\$105{,}863}{7.0\%} = \textbf{\$1,500,000}$$

The following sales support our conclusion of land allocation via the ground-lease approach.

FIGURE 8-1 SELECTED LAND SALES

Parcel	Seller	Buyer	Sale Date	Sale Price	Size (SF)	Price per SF
Kirkville Road & I-481 East Syracuse, NY 13057	Widewaters Hotels	Fortress Investment Group	September-20	$7,896,180	1,395,277	$5.66
Merdical Center Drive , Manlius, NY 13066	Varsity Pizza	JEA Senior Living	December-19	1,650,000	234,353	7.04
6683 Moore Road, Syracuse NY	Blue Water Holdings	Saia Motor Freight	April-19	733,000	250,000	2.93

We have applied the following adjustments to these selected sales.

FIGURE 8-2 LAND SALES ADJUSTMENT GRID

Elements of Comparison	Subject Property	Sale #1	Sale #2	Sale #3
Sale Price	$1,700,000	$7,896,180	$1,650,000	$733,000
Size (SF)	1,349,053	1,395,277	234,353	250,000
Price per SF	$1.26	$5.66	$7.04	$2.93
Date of Sale	Jan-19	Sep-20	Dec-19	Apr-19
Adjustments for Transaction Characteristics				
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0.0%	0.0%	0.0%
Adjusted Sales Price		$7,896,180	$1,650,000	$733,000
Financing Terms		Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment		0.0%	0.0%	0.0%
Adjusted Sales Price		$7,896,180	$1,650,000	$733,000
Conditions of Sale		Normal	Normal	Normal
Adjustment		0.0%	0.0%	0.0%
Adjusted Sales Price		$7,896,180	$1,650,000	$733,000
Market Conditions		Similar	Superior	Superior
Adjustment		0%	-5%	-5%
Adjusted Sales Price		$7,896,180	$1,567,500	$696,350
Adjusted Unit Price - Per Square Foot		$5.66	$6.69	$2.79
Adjustments for Site Characteristics				
Location		Superior	Superior	Superior
Direction of Adjustment		-	-	-
Functional Utility*		Similar	Similar	Similar
Direction of Adjustment		=	=	=
Size		Similar	Smaller	Smaller
Direction of Adjustment		=	-	-
Final Adjusted Unit Price - Per Square Foot		**$2.83**	**$2.34**	**$1.39**

* Includes topography, configuration, and offsite availability/capacity

Based on our analyses, a range of $1.39 to $2.83 is reflected for the subject site, which supports the $1.48-per-square-foot result of the ground-lease approach.!e$2,000,000

Mortgage Component

Hotel financing is typically available from a variety of lender types including commercial banks, mortgage REITs, private-debt investors, insurance companies, and CMBS lenders. Over the last several investment cycles, lenders have briefly pulled back from the lodging sector during periods of economic and/or operational distress. However, they have repeatedly been drawn back to the sector by the higher yields generated by hotel financing relative to other commercial real estate.

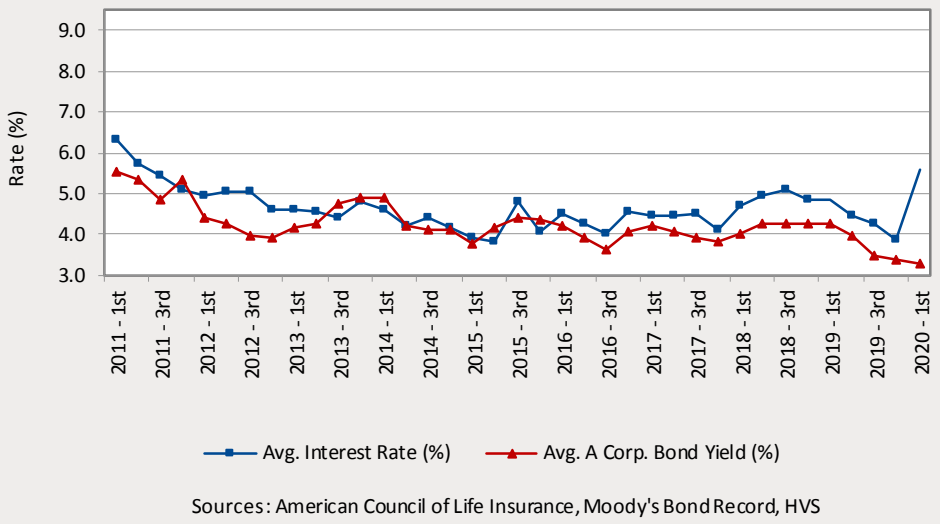
Data for the mortgage component may be developed from statistics of actual hotel mortgages made by long-term lenders. The American Council of Life Insurance,

which represents 20 large life insurance companies, publishes quarterly information pertaining to the hotel mortgages issued by its member companies.

Because of the six- to nine-month lag time in reporting and publishing hotel mortgage statistics, it was necessary to update this information to reflect current lending practices. Our research indicates that the greatest degree of correlation exists between the average interest rate of a hotel mortgage and the concurrent yield on an average-A corporate bond.

The following chart summarizes the average mortgage interest rates of the hotel loans made by these lenders. For the purpose of comparison, the average-A corporate bond yield (as reported by *Moody's Bond Record*) is also shown.

FIGURE 8-2 AVERAGE MORTGAGE INTEREST RATES AND AVERAGE-A CORPORATE BOND YIELDS



Sources: American Council of Life Insurance, Moody's Bond Record, HVS

The relationship between hotel interest rates and the yields from the average-A corporate bond can be detailed through a regression analysis, which is expressed as follows.

$$Y = 0.95165343\ X + 0.81443286$$

Where: Y = Estimated Hotel Mortgage Interest Rate
X = Current Average-A Corporate Bond Yield
(Coefficient of correlation is 95%)

The August 5, 2021, average yield on average-A corporate bonds, as reported by Moody's Investors Service, was 2.81%. When used in the previously presented equation, a factor of 2.81 produces an estimated hotel/motel interest rate of 3.49% (rounded).

Over the extended period of low interest rates throughout much of the last decade, hotel debt was generally available at interest rates between 3.0% and 6.0%, depending on the type of debt, loan-to-value ratio, and the quality of the asset and its market.

In addition to the mortgage interest rate estimate derived from this regression analysis, HVS constantly monitors the terms of hotel mortgage loans made by our institutional lending clients. Fixed-rate debt is being priced at roughly 300 to 500 basis points over the corresponding yield on treasury notes. As of August 5, 2021, the yield on the ten-year T-bill was 1.19%, indicating an interest rate range from 4.2% to 6.2%. Over the course of the last decade, the federal funds rate remained relatively low, peaking at 2.25% to 2.5% in December 2018. Subsequently, in 2019, concern about the trade war and a slowing economy led the Fed to reduce rates three times to a target rate of 1.5% to 1.75%. The rate remained at this level until March 3, 2020, at which point the Federal Reserve (Fed) cut the target rate by a full 50 bps to 1.0% to 1.25%, the first time the agency has instituted an emergency rate cut since 2008; this was followed up by a cut to the benchmark interest rate all the way to 0% on March 16. The Fed instituted these rate cuts to address the growing economic impact from COVID-19. Furthermore, on March 23, the Fed pledged to maintain liquidity in debt markets by purchasing as many government and corporate-backed bonds as necessary. Going forward, the Fed has indicated its intention to keep rates at minimal levels until the economy has fully recovered. Although lenders have increased spreads on hotel loans to offset increased risk during the pandemic, those spreads have begun to narrow and are expected to return to more typical levels as hotel performance improves and the lending environment returns to normal.

Based on our analysis of the current lodging industry mortgage market and adjustments for specific factors, such as the property's site, proposed facility, and conditions in the Skaneateles hotel market, it is our opinion that a 3.75% interest, 25-year amortization mortgage with a 0.061696 constant is appropriate for the proposed subject hotel. In the mortgage-equity analysis, we have applied a loan-to-cost ratio of 65%, which is reasonable to expect based on this interest rate and current parameters.

Equity Component

The remaining capital required for a hotel investment generally comes from the equity investor. The rate of return that an equity investor expects over a ten-year holding period is known as the equity yield. Unlike the equity dividend, which is a short-term rate of return, the equity yield specifically considers a long-term holding period (generally ten years), annual inflation-adjusted cash flows, property appreciation, mortgage amortization, and proceeds from a sale at the end of the holding period. To establish an estimate of the equity yield rate that a typical investor would require, we have used two sources of data: past appraisals and investor interviews.

Hotel Sales: Each appraisal performed by HVS uses a mortgage-equity approach in which income is projected and then discounted to a current value at rates reflecting the cost of debt and equity capital. In the case of hotels that were sold near the date of our valuation, we were able to derive the equity yield rate and unlevered discount rate by inserting the ten-year projection, total investment (purchase price and estimated capital expenditure and/or PIP), and debt assumptions into a valuation model and solving for the equity yield. The overall capitalization rates for the historical income and projected first-year income are based on the sales price "as is." The following table shows a representative sample of hotels that were sold on or about the time that we appraised them, along with the derived equity return and discount rates based on the purchase price and our forecast.

FIGURE 8-3 SAMPLE OF HOTELS SOLD

Hotel	Location	Number of Rooms	Date of Sale	Total Property Yield	Equity Yield	Overall Rate Based on Sales Price: Historical Year	Overall Rate Based on Sales Price: Projected Year One
Holiday Inn Casa Grande	Casa Grande, AZ	176	Jan-20	11.6 %	20.0 %	13.5 %	8.0 %
Marriott Griffin Gate Resort & Spa	Lexington, KY	409	Dec-19	11.0	19.3	11.7	9.3
Monarch Beach Resort	Dana Point, CA	400	Nov-19	8.1	14.9	5.5	5.3
Hilton Crystal City	Arlington, VA	393	Nov-19	10.6	18.3	6.3	8.3
Grand Hyatt Denver	Denver, CO	516	Sep-19	10.8	20.4	8.4	8.6
Kimpton Ink48 Hotel New York	New York, NY	222	Sep-19	10.6	16.6	2.4	3.6
Hyatt Regency Atlanta	Atlanta, GA	1,260	Sep-19	10.4	17.8	8.4	8.3
Hotel @ Fifth Avenue	New York, NY	182	Aug-19	10.1	15.1	1.7	5.5
Club Quarters Hotel Times Square	New York, NY	170	Aug-19	8.5	12.8	5.0	5.2
Irvine Marriott	Irvine, CA	496	Jul-19	9.4	15.8	7.2	7.2
Westin Tampa Bay	Tampa, FL	244	Jul-19	10.6	18.6	6.3	7.7
Westchester Marriott	Tarrytown, NY	444	Mar-19	11.3	19.2	7.1	7.7
Renaissance Cruise Port Hotel	Fort Lauderdale, FL	236	Mar-19	10.3	16.8	7.5	8.9
Marriott Mission Valley	San Diego, CA	353	Mar-19	10.4	16.9	8.2	7.8
Halcyon a Hotel in Cherry Creek	Denver, CO	154	Mar-19	9.6	16.7	4.0	6.3
Raleigh Hotel	Miami Beach, FL	105	Feb-19	10.4	16.3	–	4.0
Embassy Suites by Hilton	New York, NY	310	Jan-19	7.6	10.8	–	–
Snow King Resort	Jackson, WY	203	Dec-18	10.0	16.5	6.7	7.1
DoubleTree by Hilton Hotel	Westminster, CO	186	Dec-18	11.5	19.7	6.8	9.3
Topnotch at Stowe Resort & Spa	Stowe, VT	68	Dec-18	9.4	14.9	6.1	7.1
Cavallo Point Lodge	Sausalito, CA	142	Dec-18	9.0	15.2	5.8	6.1
Grand Hotel	Minneapolis, MN	140	Dec-18	10.1	16.2	10.5	8.3
Sheraton Suites	Wilmington, DE	223	Nov-18	11.3	20.3	11.0	11.5
Ritz-Carlton	Kapalua, HI	458	Oct-18	9.7	15.6	3.8	6.7
Embassy Suites by Hilton	Williamsburg, VA	161	Jul-18	10.7	19.4	6.5	8.0
Hilton Washington DC North	Gaithersburg, MD	301	Jul-18	12.5	20.6	6.5	8.0
Embassy Suites by Hilton	Napa, CA	205	Jul-18	8.1	12.2	6.5	6.0
Atlantic Terrace	Montauk, NY	96	Jul-18	10.0	16.1	4.5	5.2
Hyatt Centric	Santa Barbara, CA	200	Jul-18	9.6	15.3	5.5	5.8
Holiday Inn Hotel & Suites	Mesa, AZ	246	Jun-18	10.6	17.9	7.4	9.4
Waldorf Astoria Biltmore	Phoenix, AZ	606	Apr-18	9.5	15.9	6.8	7.0
Waldorf Astoria Grand Wailea	Wailea, HI	776	Apr-18	8.9	14.5	5.2	5.5
Embassy Suites by Hilton	Indianapolis, IN	221	Feb-18	10.9	18.9	8.0	9.1
Westin Tysons Corner	Falls Church, VA	407	Feb-18	10.4	18.1	8.3	8.7
DoubleTree University Area	Minneapolis, MN	140	Feb-18	9.7	17.0	—	7.7
Mystic Hotel Union Square	San Francisco, CA	82	Jan-18	8.9	15.2	6.2	6.4
DoubleTree Guest Suites	Tampa, FL	203	Jan-18	11.1	18.3	8.8	7.6
Sheraton Suites	Plantation, FL	263	Jan-18	12.5	21.2	7.4	9.1
			Min:	7.6 %	10.8 %	1.7 %	3.6 %
			Mean:	10.1	17.0	6.9	7.3
			Median:	10.4	16.8	6.7	7.7
			Max:	12.5	21.2	13.5	11.5

Source: HVS

Investor Interviews: We continuously monitor investor equity-yield requirements through discussions with hotel investors and brokers. During the previous period of market liquidity, we found that equity yield rates typically ranged from a low in the low-to-mid teens for high-barrier-to-entry "trophy assets"; the mid-to-upper teens for high-quality, institutional-grade assets in strong markets; and the upper teens to low 20s for quality assets in more typical markets. Equity yield rates have tended to exceed 20% for aging assets with functional obsolescence and/or other challenging property- or market-related issues. Equity return requirements typically vary with an investment's level of leverage.

The following table summarizes the range of equity yields indicated by hotel sales and investor interviews. We note that there tends to be a lag between the sales data and current market conditions; thus, the full effect of the change in the economy and capital markets may not yet be reflected.

FIGURE 8-4 SUMMARY OF EQUITY YIELD OR INTERNAL RATE OF RETURN REQUIREMENTS

	Pre-COVID		Current	
Source	Data Point Range	Average	Data Point Range	Average
HVS Hotel Sales - Full-Service & Luxury	10.8% - 21.2%	17.0%	—	—
HVS Hotel Sales - Select-Service & Extended-Stay	12.7% - 22.9%	18.5%	—	—
HVS Hotel Sales - Limited-Service	17% - 24.6%	19.7%	—	—
HVS Investor Interviews	13% - 25%			

Based on the assumed 65% loan-to-cost ratio, the risk inherent in achieving the projected income stream, and the anticipated market position of the subject property, it is our opinion that a typical equity investor would anticipate a 0.0% internal rate of return over a ten-year holding period, assuming that the investor obtains financing at the time of the project's completion at the loan-to-cost ratio and interest rate set forth.

Terminal Capitalization Rate

Inherent in this valuation process is the assumption of a sale at the end of the ten-year holding period. The estimated reversionary sale price as of that date is calculated by capitalizing the projected eleventh-year net income by an overall terminal capitalization rate. An allocation for the selling expenses is deducted from this sale price, and the net proceeds to the equity interest (also known as the equity residual) are calculated by deducting the outstanding mortgage balance from the reversion.

We have reviewed several recent investor surveys. The following chart summarizes the averages presented for terminal capitalization rates in various investor surveys during the past decade.

FIGURE 8-5 HISTORICAL TRENDS OF TERMINAL CAPITALIZATION RATES

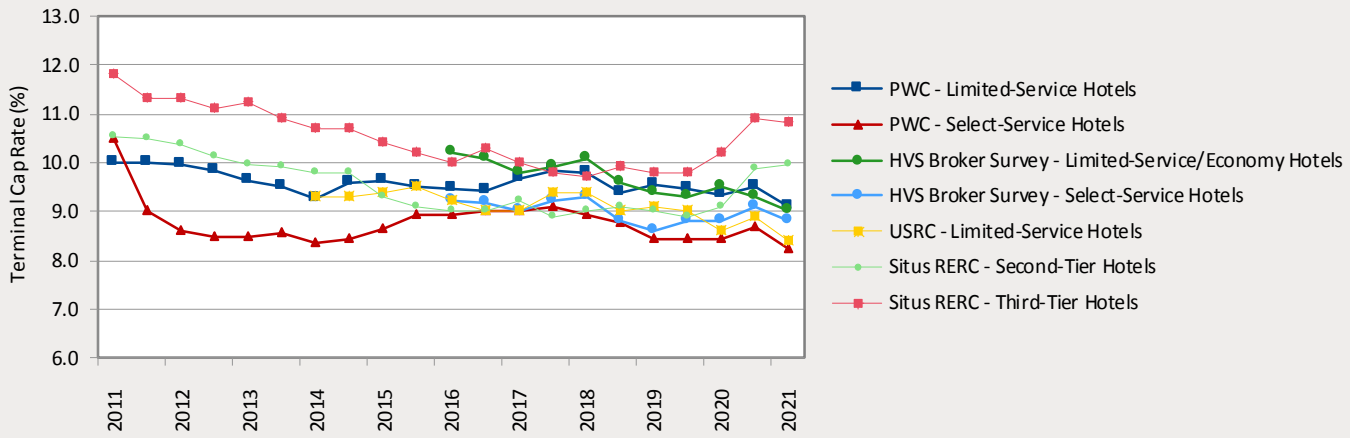


FIGURE 8-6 TERMINAL CAPITALIZATION RATES DERIVED FROM INVESTOR SURVEYS

	Pre-COVID		Current	
Source	**Data Point Range**	**Average**	**Data Point Range**	**Average**
HVS Brokers Survey	*Spring 2020 Survey*		*Spring 2021 Survey*	
Select-Service Hotels	6.0% - 10.5%	8.8%	7.0% - 10.0%	8.8%
Limited-Service & Economy Hotels	6.5% - 12.0%	9.5%	7.5% - 10.0%	9.0%
PWC Real Estate Investor Survey	*1st Quarter 2020 Survey*		*1st Quarter 2021 Survey*	
Select-Service Hotels	7.0% - 10.0%	8.4%	7.0% - 10.0%	8.3%
Limited-Service Hotels	7.75% - 12.0%	9.3%	8.0% - 11.0%	9.1%
USRC Hotel Investment Survey	*Winter 2020 Survey*		*Winter 2021 Survey*	
Limited-Service Hotels	6.5% - 9.3%	8.6%	7.5% - 9.3%	8.4%
Situs RERC Real Estate Report	*1st Quarter 2020 Report*		*4th Quarter 2020 Report*	
Second Tier Hotels	7.3% - 11.5%	9.1%	7.5% - 13.0%	10.0%
Third Tier Hotels	8.0% - 12.0%	10.2%	8.0% - 15.0%	10.8%

For purposes of this analysis, we have applied a terminal capitalization rate of 9.00%. Our final position for the terminal capitalization rate reflects the normalized

market for hotel investments and also considers the subject property's attributes. Terminal cap rates are at the low end of the range for quality hotel assets in markets with high barriers to entry and at the high end of the range for older assets or for those suffering from functional obsolescence and/or weak market conditions, reflecting the market's recognition that certain assets have less opportunity for significant appreciation.

Mortgage-Equity Method

As the two participants in a real estate investment, investors and lenders must evaluate their equity and debt contributions based on their particular return requirements. After carefully weighing the risk associated with the projected economic benefits of a lodging investment, the participants will typically make their decision whether or not to invest in a hotel or resort by determining if their investment will provide an adequate yield over an established period. For the lender, this yield will typically reflect the interest rate required for a hotel mortgage over a period that can range from seven to ten years. The yield to the equity participant may consider not only the requirements of a particular investor but also the potential payments to cooperative or ancillary entities, such as limited partner payouts, stockholder dividends, and management company incentive fees.

The return on investment analysis in a hotel acquisition would not be complete without recognizing and reflecting the yield requirements of both the equity and debt participants. The analysis will now calculate the yields to the mortgage and equity participants during a ten-year projection period.

The annual debt service is calculated by multiplying the mortgage component by the mortgage constant.

Mortgage Component	$16,274,000
Mortgage Constant	0.061696
Annual Debt Service	$1,004,000

The yield to the lender based on a 65% debt contribution equates to an interest rate of 3.75%, which is calculated as follows.

FIGURE 8-7 RETURN TO THE LENDER

Year	Total Annual Debt Service		Present Worth of $1 Factor at 3.7%		Discounted Cash Flow
2023	$1,004,000	x	0.964377	=	$968,000
2024	1,004,000	x	0.930022	=	934,000
2025	1,004,000	x	0.896892	=	900,000
2026	1,004,000	x	0.864942	=	868,000
2027	1,004,000	x	0.834130	=	837,000
2028	1,004,000	x	0.804415	=	808,000
2029	1,004,000	x	0.775759	=	779,000
2030	1,004,000	x	0.748124	=	751,000
2031	1,004,000	x	0.721474	=	724,000
2032	12,509,000 *	x	0.695773	=	8,703,000
			Value of Mortgage Component		$16,272,000

*10th year debt service of $1,004,000 plus outstanding mortgage balance of $11,505,000

The following table illustrates the cash flow available to the equity position, after deducting the debt service from the projected net income.

FIGURE 8-8 NET INCOME TO EQUITY

Year	Net Income Available for Debt Service		Total Annual Debt Service		Net Income to Equity
2023	$1,429,000	-	$1,004,000	=	$425,000
2024	$2,363,000	-	1,004,000	=	$1,359,000
2025	$2,673,000	-	1,004,000	=	$1,669,000
2026	$2,754,000	-	1,004,000	=	$1,750,000
2027	$2,837,000	-	1,004,000	=	$1,833,000
2028	$2,922,000	-	1,004,000	=	$1,918,000
2029	$3,010,000	-	1,004,000	=	$2,006,000
2030	$3,100,000	-	1,004,000	=	$2,096,000
2031	$3,193,000	-	1,004,000	=	$2,189,000
2032	$3,288,000	-	1,004,000	=	$2,284,000

In order for the present value of the equity investment to equate to the $8,764,000 capital outlay, the investor must accept a 23.0% return, as shown in the following table.

FIGURE 8-9 EQUITY COMPONENT YIELD

Year	Net Income to Equity		Present Worth of $1 Factor at 23.0%		Discounted Cash Flow
2023	$425,000	x	0.813007	=	$346,000
2024	$1,359,000	x	0.660980	=	898,000
2025	$1,669,000	x	0.537381	=	897,000
2026	$1,750,000	x	0.436895	=	765,000
2027	$1,833,000	x	0.355198	=	651,000
2028	$1,918,000	x	0.288779	=	554,000
2029	$2,006,000	x	0.234779	=	471,000
2030	$2,096,000	x	0.190877	=	400,000
2031	$2,189,000	x	0.155184	=	340,000
2032	$27,280,000 *	x	0.126166	=	3,442,000
			Value of Equity Component		$8,764,000

*10th year net income to equity of $2,284,080 plus sales proceeds of $24,996,000

Discounted Cash Flow Analysis

The process of converting the projected income stream into an estimate of value via the DCF method is described as follows.

1. An appropriate discount rate is selected to apply to the projected net income before debt service. This rate reflects the "free and clear" internal rate of return to an all-cash purchaser or a blended rate of debt and equity return requirements. The discount rate takes into consideration the degree of perceived risk, anticipated income growth, market attitudes, and rates of return on other investment alternatives, as well as the availability and cost of financing. The discount rate is chosen by reviewing sales transactions and investor surveys and interviewing market participants.
2. A reversionary value reflecting the sales price of the property at the end of the ten-year holding period is calculated by capitalizing the eleventh-year net income by the terminal capitalization rate and deducting typical brokerage and legal fees.
3. Each year's forecasted net income before debt service and depreciation and the reversionary sales proceeds at the end of the ten-year holding period are converted to a present value by multiplying the cash flow by the chosen discount rate for that year in the forecast. The sum of the discounted cash flows equates to the value of the subject property.

The following chart summarizes the averages presented for discount rates in various investor surveys during the past decade.

FIGURE 8-10 HISTORICAL TRENDS OF DISCOUNT RATES

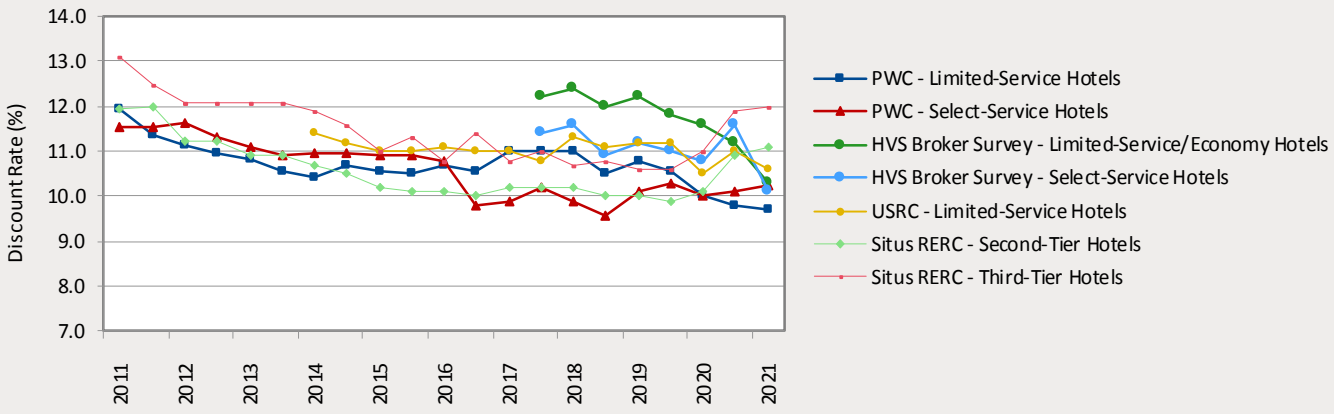


FIGURE 8-11 OVERALL DISCOUNT RATES DERIVED FROM SALES AND INVESTOR SURVEYS

	Pre-COVID		Current	
Source	**Data Point Range**	**Average**	**Data Point Range**	**Average**
HVS Hotel Sales - Full-Service & Luxury	7.6% - 12.5%	10.1%	—	—
HVS Hotel Sales - Select-Service & Extended-Stay	8.3% - 12.7%	10.7%	—	—
HVS Hotel Sales - Limited-Service	10% - 13.9%	11.5%	—	—
HVS Brokers Survey	*Spring 2020 Survey*		*Spring 2021 Survey*	
Select-Service Hotels	6.5% - 18.0%	10.8%	6.0% - 12.0%	10.1%
Limited-Service & Economy Hotels	6.5% - 20.0%	11.6%	5.5% - 12.0%	10.3%
PWC Real Estate Investor Survey	*1st Quarter 2020 Survey*		*1st Quarter 2021 Survey*	
Select-Service Hotels	8.0% - 12.0%	10.0%	8.0% - 12.0%	10.2%
Limited-Service Hotels	7.5% - 12.0%	10.0%	8.0% - 12.0%	9.7%
USRC Hotel Investment Survey	*Winter 2020 Survey*		*Winter 2021 Survey*	
Limited-Service Hotels	7.5% - 11.0%	10.5%	9.7% - 12.0%	10.6%
Situs RERC Real Estate Report	*1st Quarter 2020 Report*		*4th Quarter 2020 Report*	
Second Tier Hotels	6.5% - 13.5%	10.1%	7.5% - 16.0%	11.1%
Third Tier Hotels	9.5% - 13.5%	11.0%	8.0% - 18.0%	12.0%

We note that the averages illustrated in the previous table are derived from wide arrays of data points, and a range of reasonableness extends both lower and higher than the indicated data points. Based on our review of these surveys and sales

transactions (see total property yields shown in the table titled *Sample of Hotels Sold*), as well as our interviews of market participants, we have selected a discount rate of 12.75% for our analysis.

Utilizing the discount rate set forth, the DCF procedure is summarized as follows.

FIGURE 8-12 DISCOUNTED CASH FLOW ANALYSIS

Year	EBITDA Less Reserve		Discount Factor @ 12.75%	Discounted Cash Flow
2023	$1,429,146		0.88692	$1,267,535
2024	2,362,720		0.78662	1,858,571
2025	2,673,455		0.69767	1,865,191
2026	2,754,290		0.61878	1,704,290
2027	2,836,767		0.54880	1,556,829
2028	2,921,638		0.48674	1,422,090
2029	3,009,655		0.43170	1,299,274
2030	3,099,969		0.38288	1,186,929
2031	3,193,000		0.33959	1,084,141
2032	39,789,000	*	0.30119	11,983,936
			Estimated Value	$25,228,787
			(SAY)	$25,200,000
			Per Room	$286,000

Reversion Analysis	
11th Year's EBITDA Less Reserves	$3,386,722
Capitalization Rate	9.0%
Total Sales Proceeds	$37,630,000
Less: Transaction Costs @ 3.0%	1,128,900
Net Sales Proceeds	$36,501,100

*10th year net income of $3,289,000 plus sales proceeds of $36,501,100

Conclusion

In determining the potential feasibility of the Proposed Skaneateles Lodge, Tapestry Collection by Hilton, we analyzed the lodging market, researched the area's economics, reviewed the estimated development cost, and prepared a ten-year forecast of income and expense, which was based on our review of the current and historical market conditions, as well as comparable income and expense statements.

The conclusion of this analysis indicates that an equity investor contributing $8,764,000 (roughly 35% of the $25,000,000 development cost) could expect to receive a 23.0% internal rate of return over a ten-year holding period, assuming that

the investor obtains financing at the time of the project's completion at the loan-to-value ratio and interest rate set forth. The proposed subject hotel has an opportunity to fill an under served market with quality hotel rooms to support the growing upscale leisure travel to the area. Additionally, the hotel will provide a much needed bed base for area's conference and meeting center. Based on our market analysis, there is sufficient market support for the proposed upscale, boutique hotel. Our conclusions are based primarily on improving trends in the market, continued upscale residential development, and lack of quality lodging facilities in the market area. Our review of investor surveys indicates equity returns ranging from 12.9% to 22.9%, with an average of 18.5%. Based on these parameters, the calculated return to the equity investor, 23.0%, is above the average and within the range of market-level returns given the anticipated cost of $25,000,000. We note that the calculated return is based upon the developer's budget and then modified utilizing a cost estimated approach by HVS, which includes the developer's administrative costs, as well as an entrepreneurial incentive.

The analysis is based on the extraordinary assumption that the described improvements have been completed as of the stated date of opening. The reader should understand that the completed subject property does not yet exist as of the date of this report. Our feasibility study does not address unforeseeable events that could alter the proposed project, and/or the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report, shall take place between the date of inspection and stated date of opening. The use of this extraordinary assumption may have affected the assignment results. We have made no other extraordinary assumptions specific to this feasibility study. However, several important general assumptions have been made that apply to this feasibility study and our studies of proposed hotels in general. These aspects are set forth in the Assumptions and Limiting Conditions chapter of this report.

9. Statement of Assumptions and Limiting Conditions

1. This report is set forth as a feasibility study of the proposed subject hotel; this is not an appraisal report.
2. This report is to be used in whole and not in part.
3. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed marketable and free of any deed restrictions and easements. The property is evaluated as though free and clear unless otherwise stated.
4. We assume that there are no hidden or unapparent conditions of the sub-soil or structures, such as underground storage tanks, that would affect the property's development potential. No responsibility is assumed for these conditions or for any engineering that may be required to discover them.
5. We have not considered the presence of potentially hazardous materials or any form of toxic waste on the project site. We are not qualified to detect hazardous substances and urge the client to retain an expert in this field if desired.
6. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have assumed the proposed hotel would be designed and constructed to be in full compliance with the ADA.
7. We have made no survey of the site, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the described real estate will be within the boundaries of the property described, and that no encroachment will exist.
8. All information, financial operating statements, estimates, and opinions obtained from parties not employed by TS Worldwide, LLC are assumed true and correct. We can assume no liability resulting from misinformation.
9. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject site.
10. The property is assumed to be in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations (including the appropriate liquor license if applicable), and that all licenses, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser.

11. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.

12. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.

13. We are not required to give testimony or attendance in court because of this analysis without previous arrangements and shall do so only when our standard per-diem fees and travel costs have been paid prior to the appearance.

14. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.

15. We take no responsibility for any events or circumstances that take place subsequent to the date of our field inspection.

16. The quality of a lodging facility's onsite management has a direct effect on a property's economic viability. The financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.

17. The financial analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease because of market volatility and economic forces outside the control of the hotel's management. We assume that the price of hotel rooms, food, beverages, and other sources of revenue to the hotel will be adjusted to offset any increases or decreases in related costs. We do not warrant that our estimates will be attained, but they have been developed based upon information obtained during the course of our market research and are intended to reflect the expectations of a typical hotel investor as of the stated date of the report.

18. This analysis assumes continuation of all Internal Revenue Servicetax code provisions as stated or interpreted on either the date of value or the date of our field inspection, whichever occurs first.

19. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded to the nearest tenth of a percent. Thus, these figures may be subject to small rounding errors.

20. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client; the use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.

21. Evaluating and comprising financial forecasts for hotels is both a science and an art. Although this analysis employs various mathematical calculations to provide value indications, the final forecasts are subjective and may be influenced by our experience and other factors not specifically set forth in this report.

22. This study was prepared by TS Worldwide, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of TS Worldwide, LLC as employees, rather than as individuals.

10. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined result or direction in performance that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this study;
7. our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice;
8. Brett E. Russell personally inspected the property described in this report; Brett E. Russell participated in the analysis and reviewed the findings, but did not personally inspect the property;
9. Brett E. Russell provided significant assistance to Brett E. Russell, and that no one other than those listed above and the undersigned prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this report;
10. **Brett E. Russell has not** performed services, as an appraiser or in any other capacity, on the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
11. the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code

of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;

12. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives; and

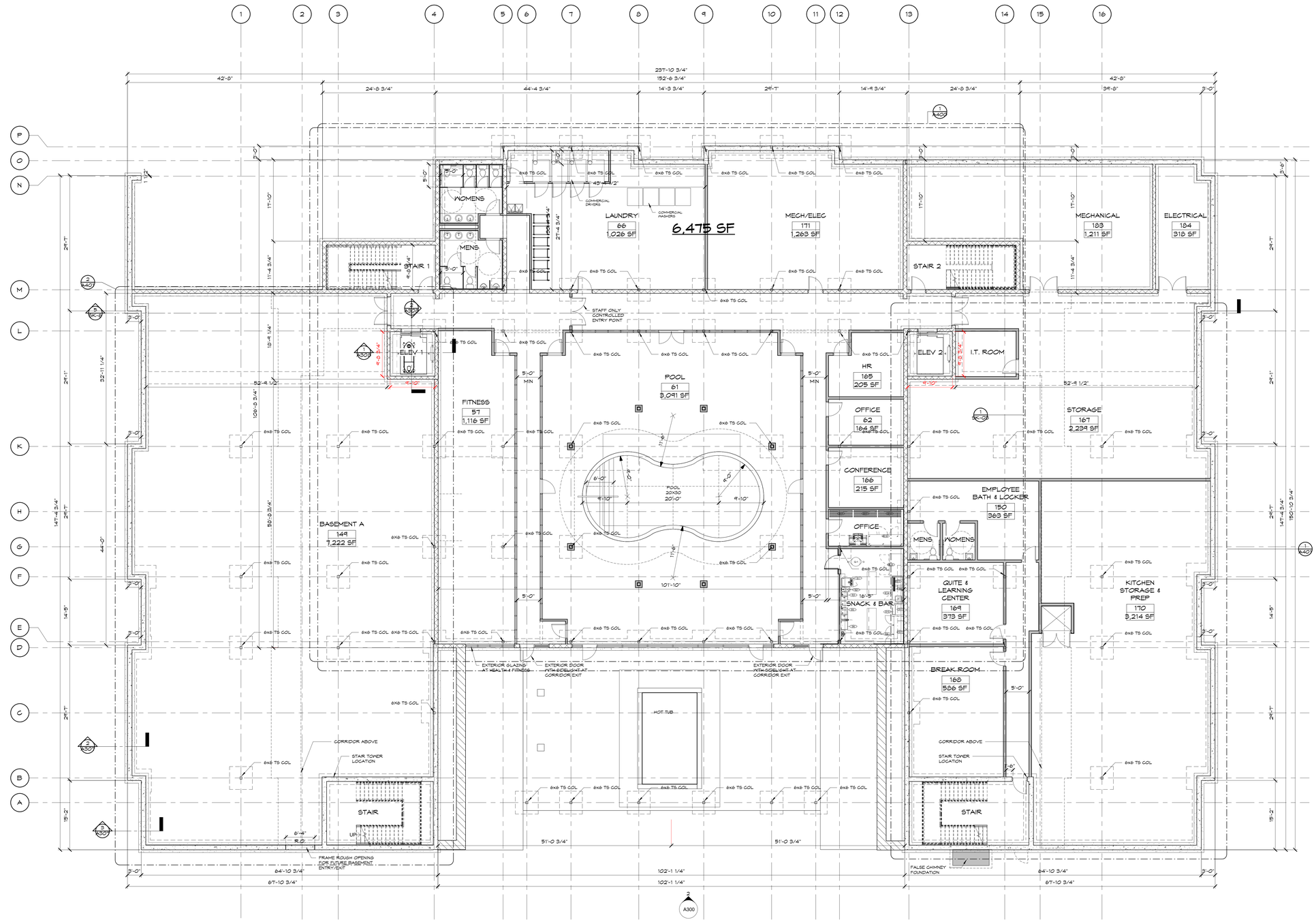
13. as of the date of this report, Brett E. Russell has not completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.

DRAFT REPORT

Brett E. Russell
Managing Director, Senior Partner
TS Worldwide, LLC
State Appraiser License (NY Temp) 46000053460

DRAFT REPORT

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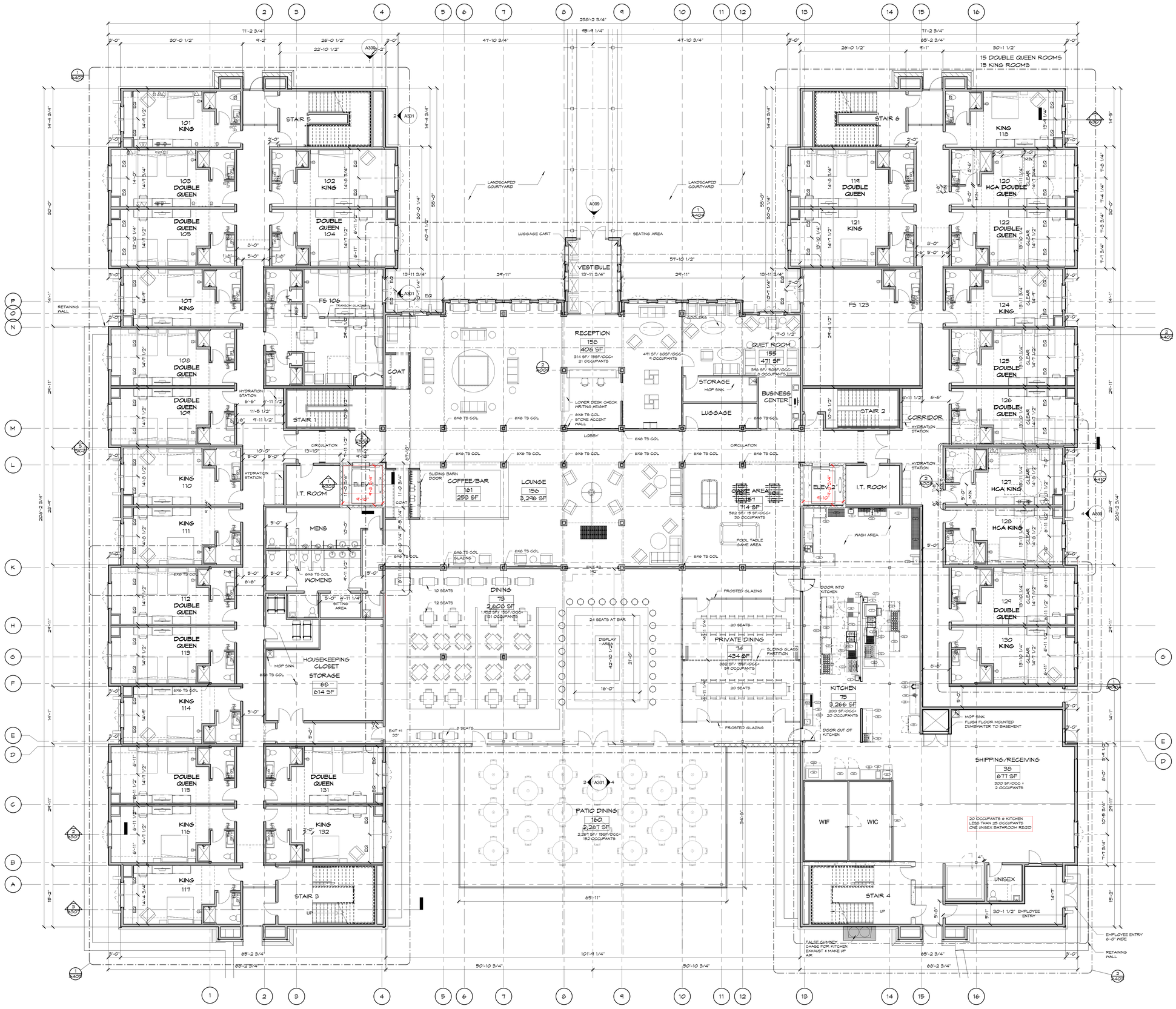
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Project number	LA19021
Date	2021-10-06
Drawn by	MLM
Checked by	MVL

A100

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Date	2021-10-06
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A101

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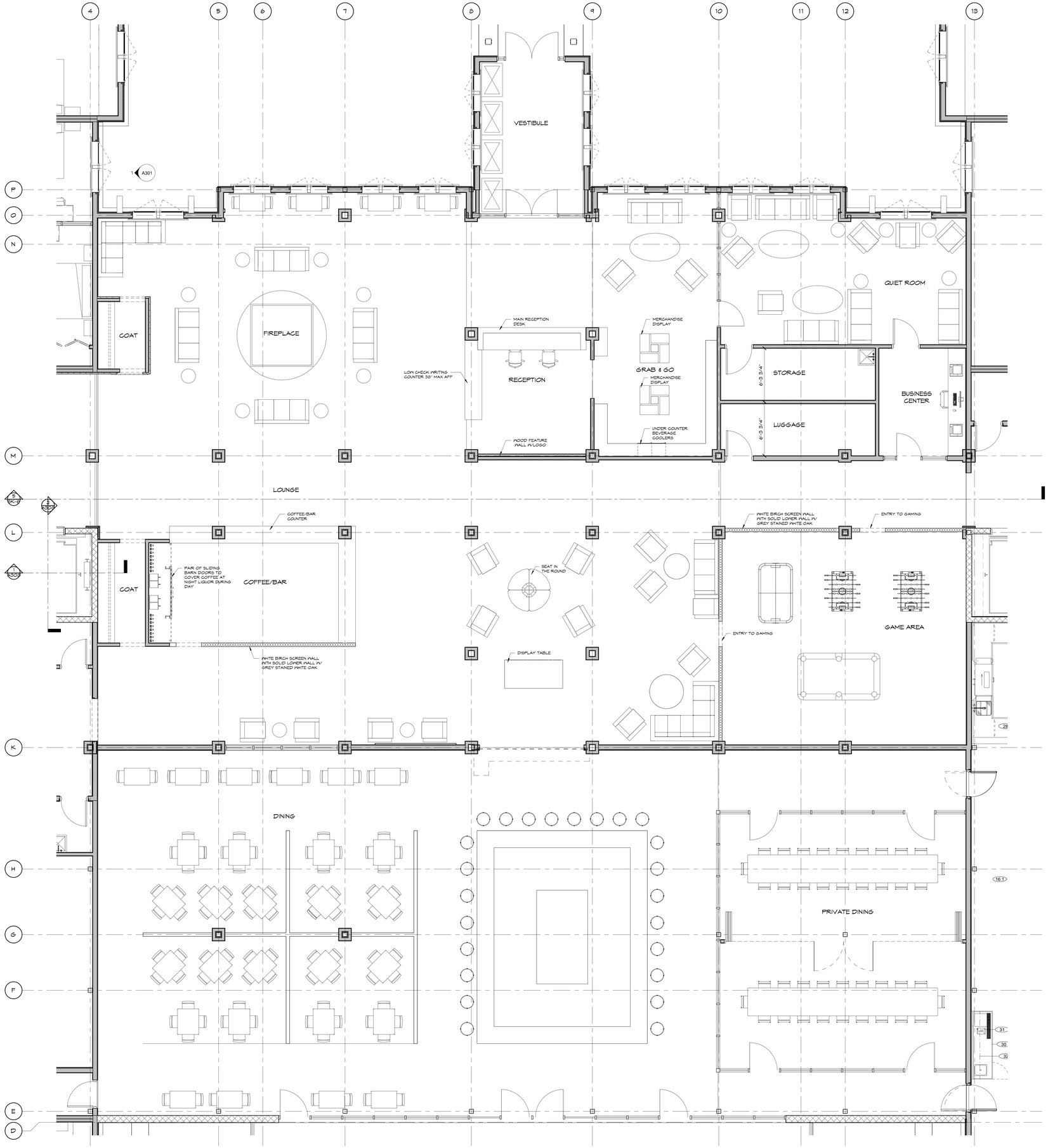
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Date	2021-10-06
Drawn by	Author
Checked by	Checker

A102

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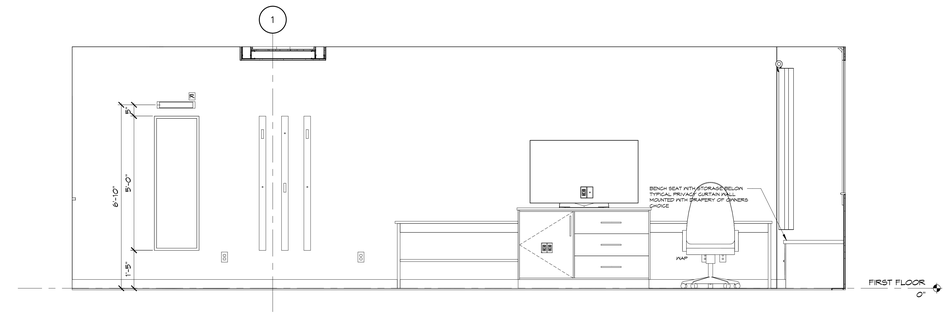
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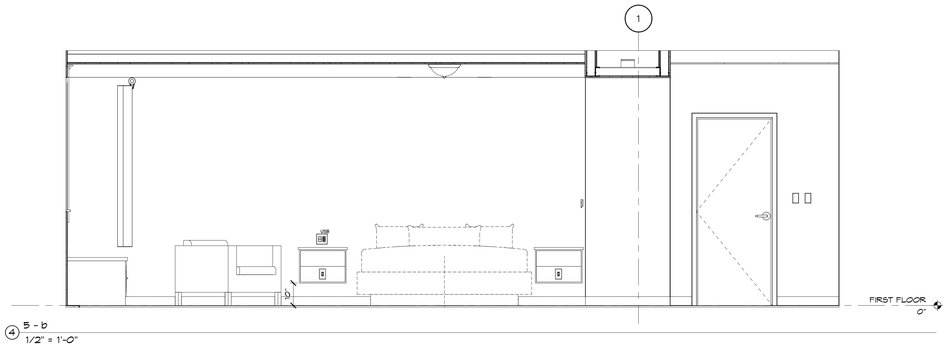
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Checked by	PVL

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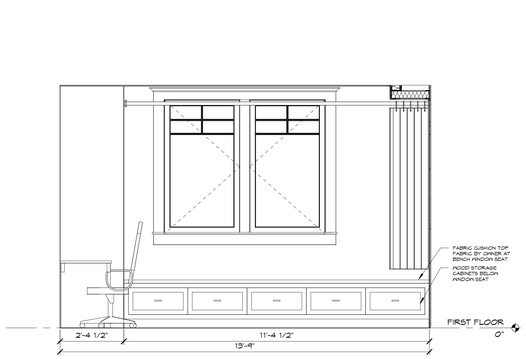
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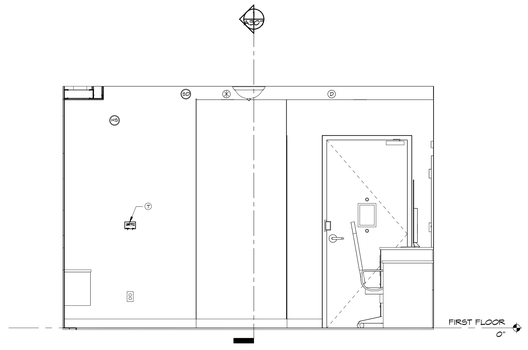
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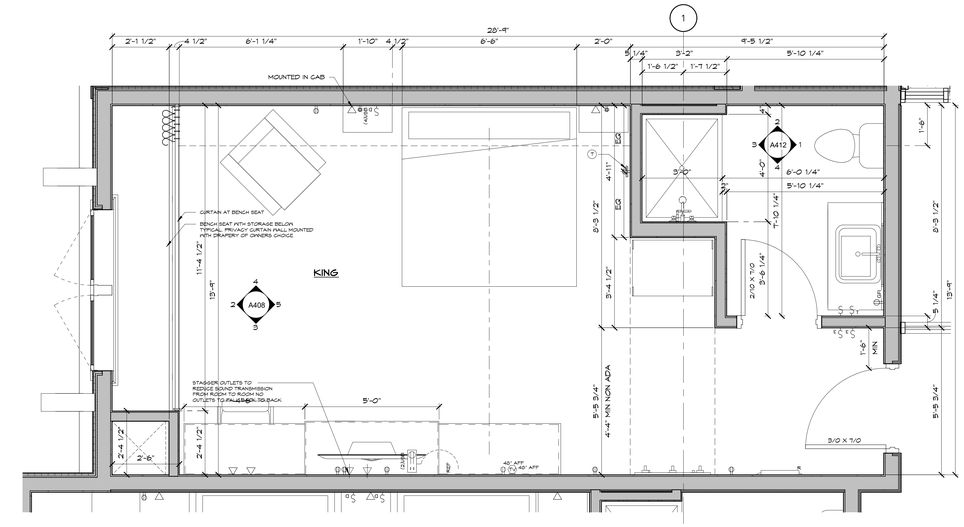
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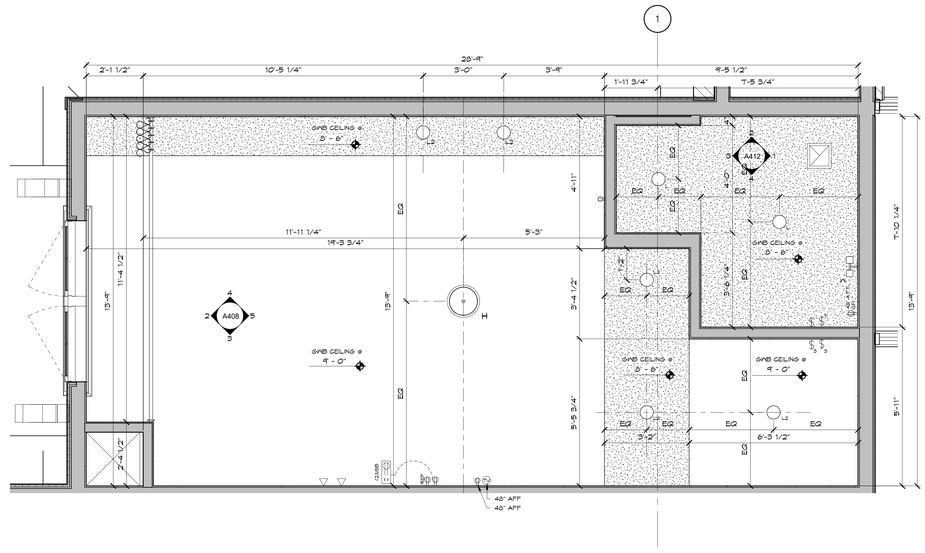
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5 5 - c
1/2" = 1'-0"



1 FLOOR PLAN - FIRST FLOOR - NEW - Callout 6 - Callout 1
1/2" = 1'-0"



6 RCP - FIRST FLOOR - NEW - Callout 1
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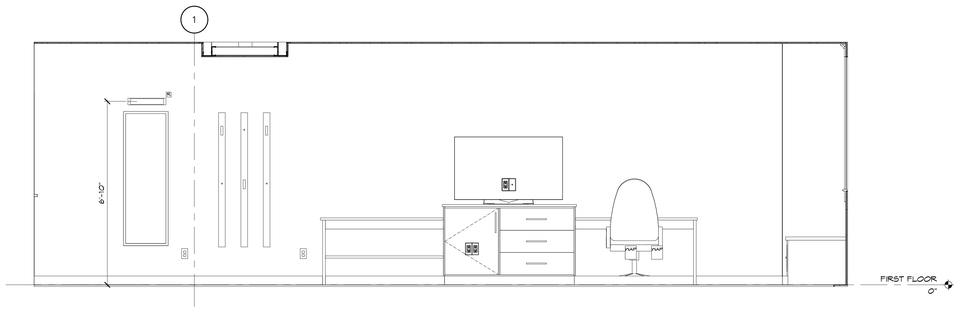
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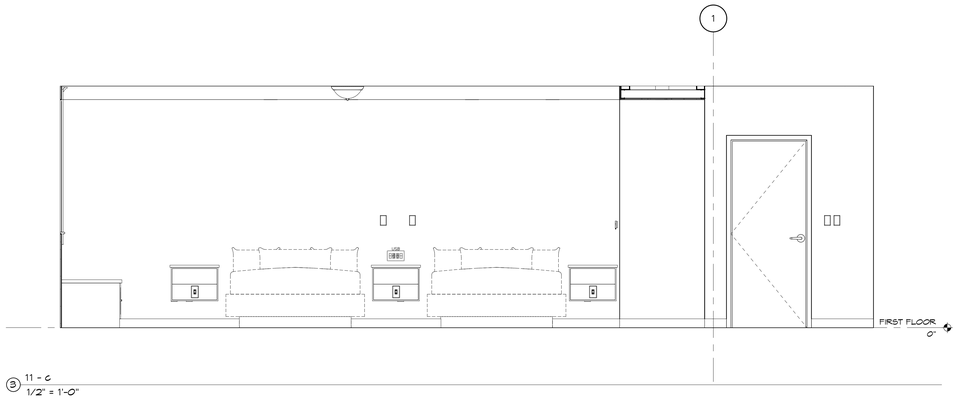
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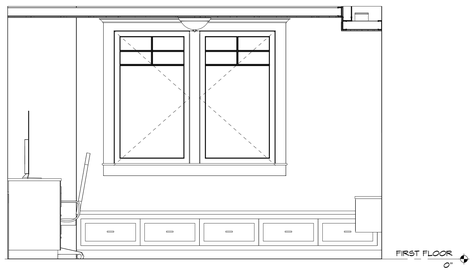
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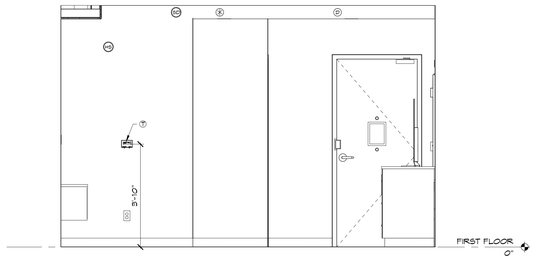
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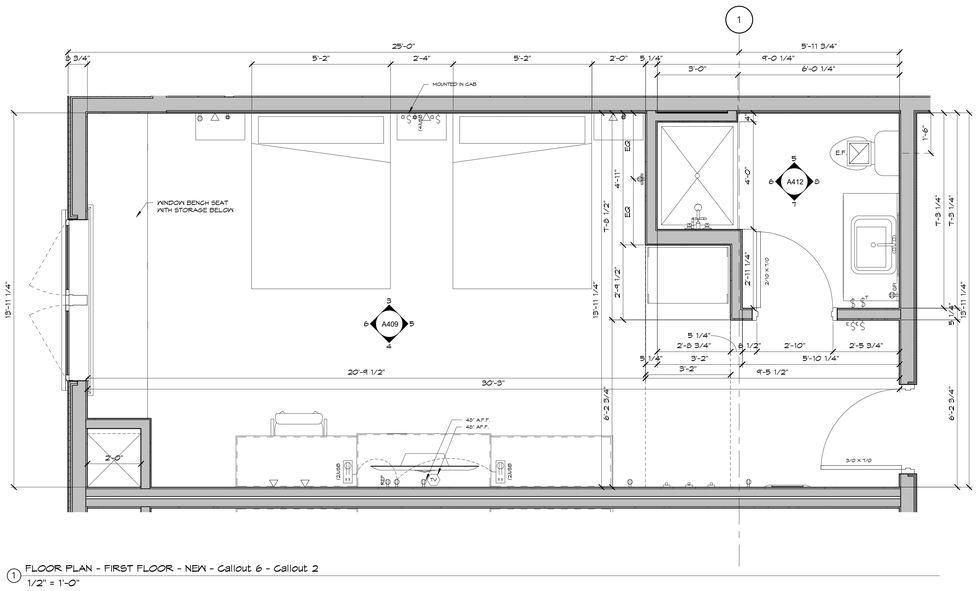
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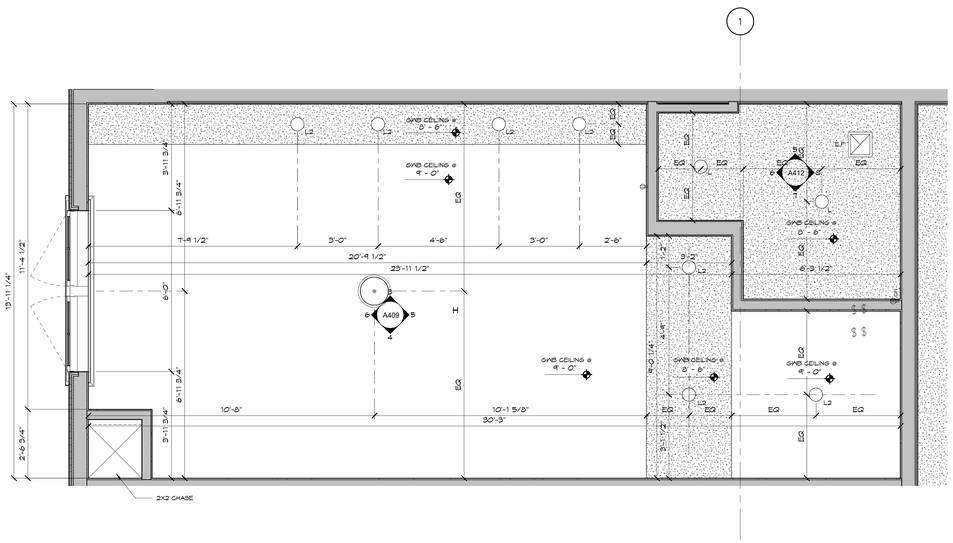
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1 FLOOR PLAN - FIRST FLOOR - NEW - Callout 6 - Callout 2
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2 RCP - FIRST FLOOR - NEW - Callout 2
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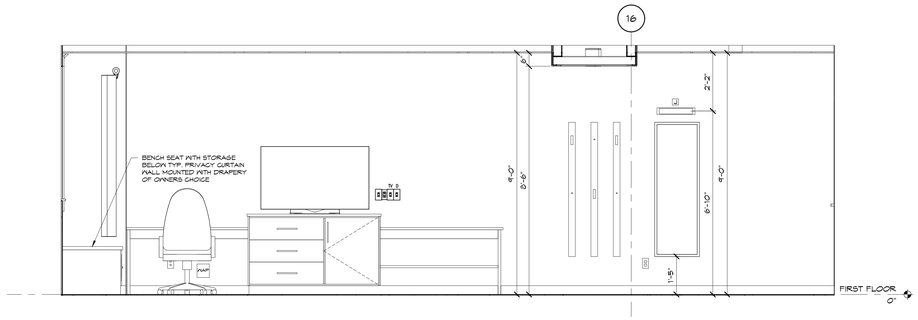
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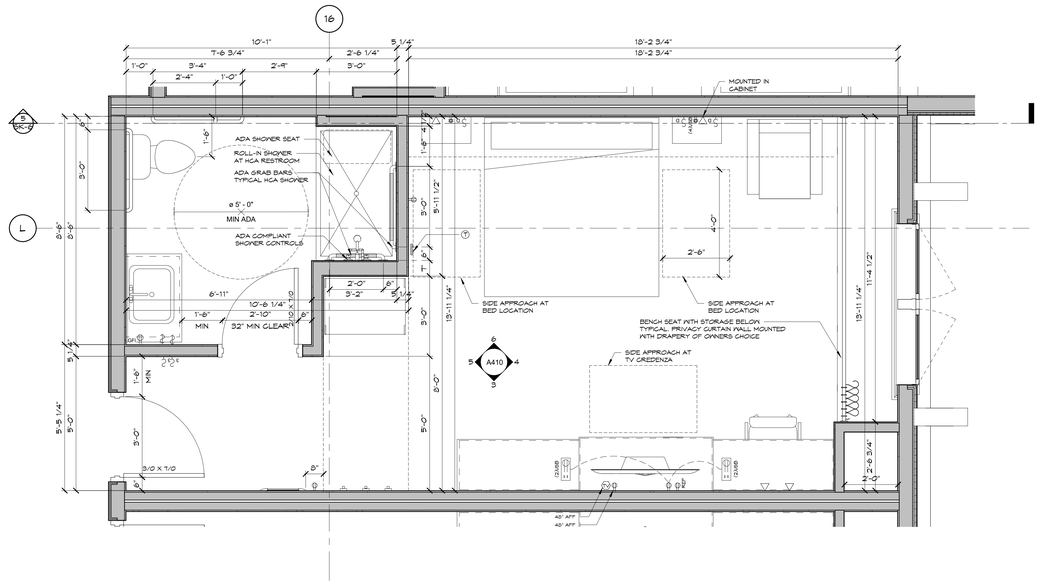
A409

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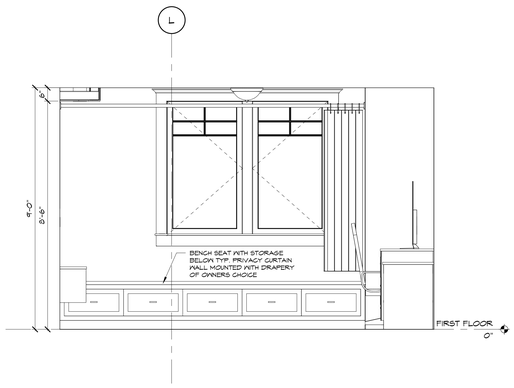
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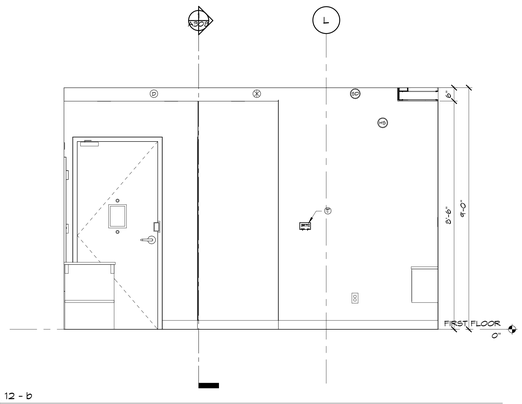
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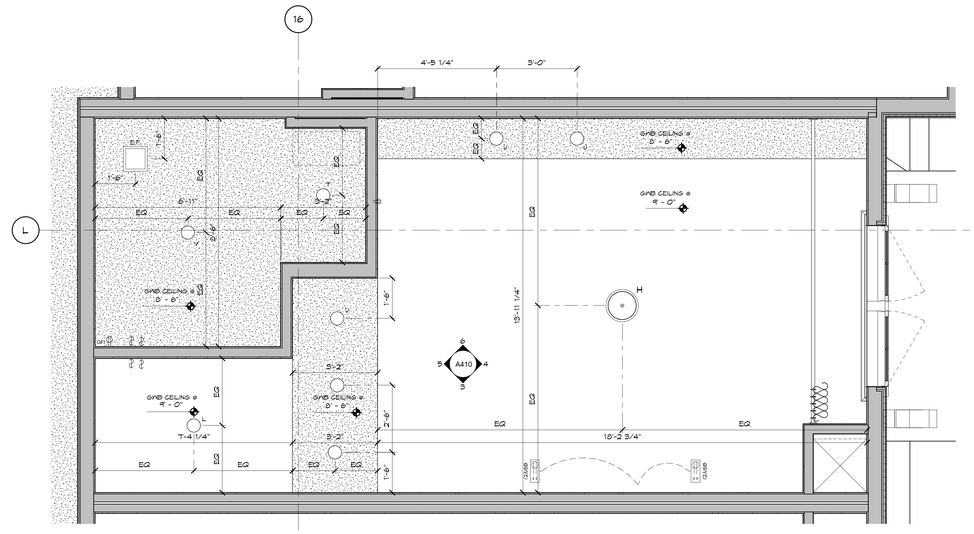
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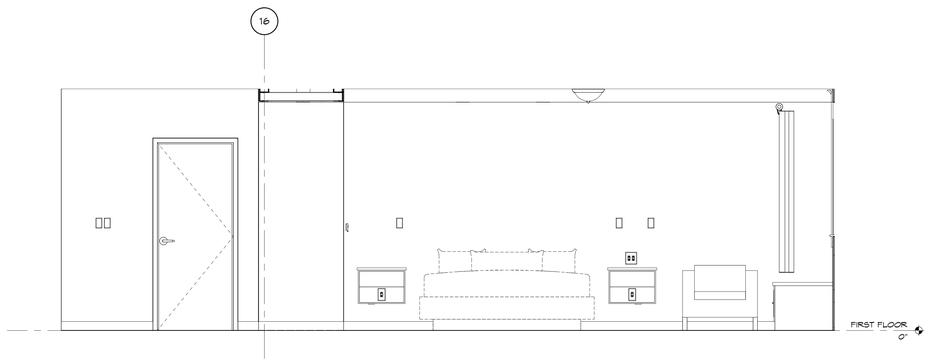
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2 RCP - FIRST FLOOR - NEW - Callout 3
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6 12 - c
1/2" = 1'-0"

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Skaneateles NY 13152
P: 315.263.6322
www.lakearchitectural.com

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Revision Schedule

Num	Date	Description	Issued By

THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS AT THE SITE AND PROMPTLY NOTIFY THE ARCHITECT IN WRITING OF ANY DISCREPANCIES.

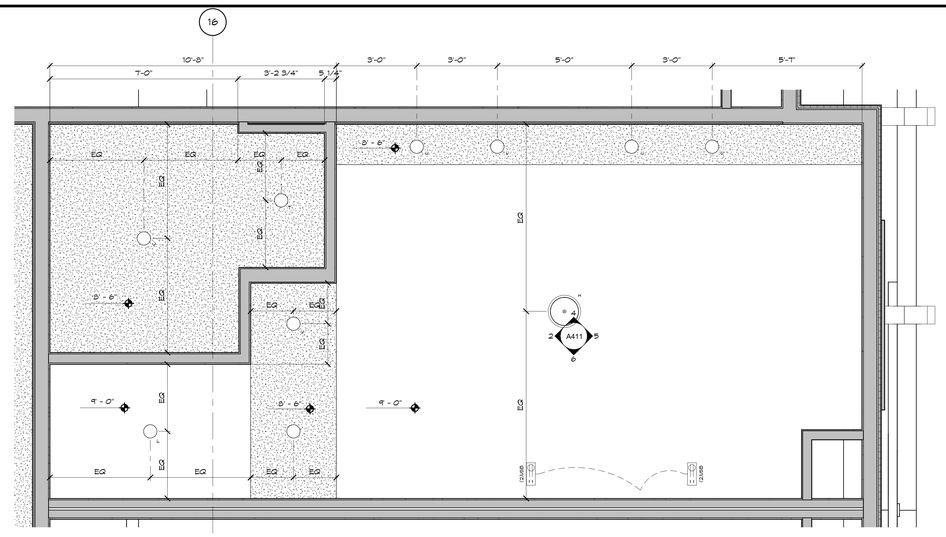
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Project number	LA19021
Date	2021-10-06
Drawn by	MLM
Checked by	PVL

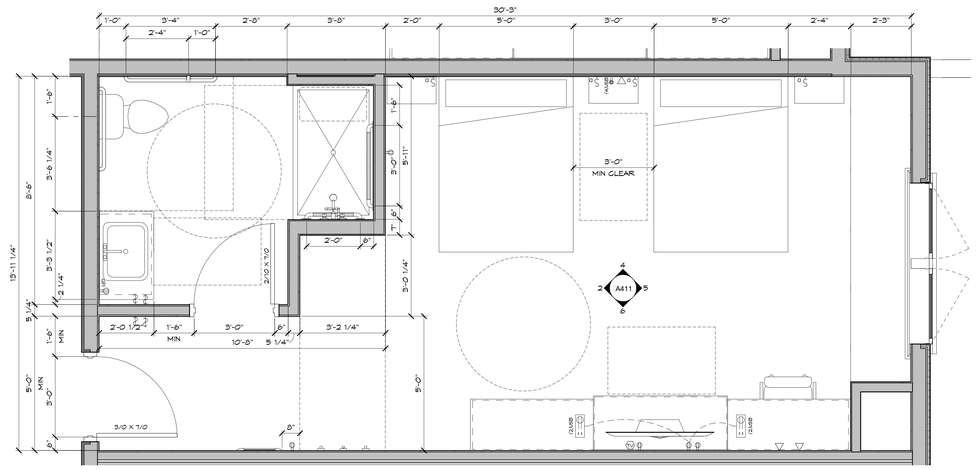
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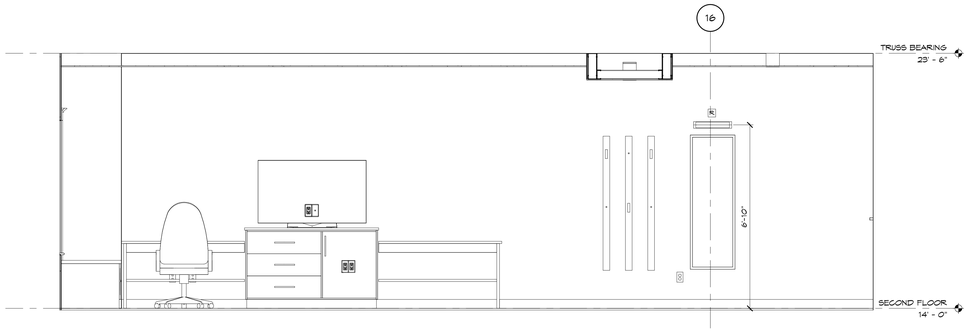
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HCA DOUBLE QUEEN UNIT

SKANEATELES HOTEL
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Revision Schedule

Num	Date	Description	Issued By

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Project number	LA19027
Date	2021-10-06
Drawn by	Author
Checked by	Checker

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Meeting Minutes

PROJECT: SKANEATELES HOTEL
ATTENDING: Norm Swanson, Charity Buchika, Melissa Parsons, Louise Swanson, Tom Fernandez, Joe Fernandez, Brian Corfield, Brian Benner, Wayne LaFrance, Mark Mareane, Anthony Fernando, Rob Gabor, Louise Swanson
DATE: 06/06/2022
RE: Skaneateles Hotel Project Review

NOTES:

1. GUESTROOM COMMENTS
    a. Lake to review adjoining door specifications for high stc rating (solid core doors review thickness)
    b. Lake to place connected rooms mimicking first floor on second floor rooms.
    c. Accent wall in guestrooms to be vertical white v groove wood
    d. Lake to update bed frames to platform beds
    e. Lake to show revised rug selection in room imagery
    f. Lake to add backlit mirror to bathroom matching tailwater
    g. Safe to be located in closet
    h. Lake to provide lower desk area adjacent to TV credenza for keureg and alarm clock
    i. Lake to update renderings with faucet and shower controls provided by Charity
    j. Lake to center TV credenza on beds in ADA rooms
    k. Lake to review main room light design with Charity
    l. Lake to show all electrical controls for typical rooms & coordinate with Rae after approval
    m. Provide horizontal bar hardware on shower door interior and exterior to act as towel rack and push bar
    n. Provide robe hooks and towel bars
    o. Provide corner shelf at shower
    p. Provide blocking for all restroom accessories
    q. Provide linear shower drains at all showers
    r. Lake to review lock requirements on sliding doors
2. EXTERIOR COMMENTS
    a. Lake to remove standing seam and replace with asphalt shingle
    b. Lake to adjust trim to driftwood color meshing with stone and roof color scheme

Name: *Mark Mareane*
Title: *Studio Leader*
Cc: *Skaneateles Hotel Team*

2100 WEST LAKE ROAD SKANEATELES NY 13152 P(315) 263-6322







Onondaga County Industrial Development Agency

Project Summary DRAFT 9/12/2022

1. Project	**Syracuse Haulers Waste Removal, Inc.**	**2. Project Number**	**3101-22-05A**
3. Location	DeWitt	**4. School District**	East Syracuse-Minoa School District
		6. Project Type	New Construction
5. Tax Parcel(s)	033.-04-10.1, 033.-04-10.3, 033.-04-13.1	**Village** 0	

7.Total Project Cost	**$**	**4,767,275.00**
Land	$	-
Site Work	$	479,464
Building	$	2,856,444
Furniture & Fixtures	$	-
Equipment	$	1,136,367
Equipment Subject to NYS Production Exemption	$	285,000
Engineering/Architecture Fees	$	10,000
Financial Charges	$	-
Legal Fees	$	-
Other	$	-

8. Total Jobs	88
8A. Job Retention	78
8B: Job Creation (Next 5 Years)	10

OCIDA Incentive Analysis

Syracuse Haulers Waste Removal, Inc.

Fiscal Impact ($)

Estimated Abatement	**$460,129**
Sales Tax Abatement	$319,425
Mortgage Recording Tax Abatement	$10,804
Real Property Tax Relief	$129,900
Estimated Investment	**$90,093,278**
PILOT Payments	$385,294
Project Wages (10 years)	$63,115,627
Construction Wages	$4,715,750
Employee Benefits (10 years)	$18,540,698
Project Capital Investment	$3,335,908
Agency Fees	$60,591
Benefit:Cost Ratio	**195.80 :1**

Project Description

Syracuse Haulers, Inc is proposing to expand it's existing facility with a roughly 24,624 SF transfer station. The project calls for an investment of over $5.5 million and include the remediation of soil on the adjacent lot, site work, construction of transfer station and purchase of equipment.

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Syracuse Haulers Waste Removal, Inc. 9/12/2022

A) PILOTS Estimate Table Worksheet DRAFT

for **10** years

OCIDA estimate of current market value				$ 695,000.00
Projected investment				$ 2,856,444.00
OCIDA estimate of increase in value				$ 622,430.01
OCIDA estimated value after project is completed				$ 1,317,430.01
Taxes that would have been collected if the project did not occur				$ 271,786.77
Scheduled PILOT payments				$ 385,294.14

PILOT YEAR	Exemption %	Onondaga County	DeWitt	East Syracuse-Minoa School District	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	100%	$ 3,660.19	$ 3,622.55	$ 17,538.60	$ 24,821.34	$ 47,050.91	$ 22,229.57
2	90%	$ 4,067.75	$ 4,025.92	$ 19,491.51	$ 27,585.18	$ 47,991.93	$ 20,406.74
3	80%	$ 4,490.15	$ 4,443.97	$ 21,515.53	$ 30,449.65	$ 48,951.77	$ 18,502.11
4	70%	$ 4,927.82	$ 4,877.14	$ 23,612.71	$ 33,417.67	$ 49,930.80	$ 16,513.14
5	60%	$ 5,381.20	$ 5,325.86	$ 25,785.17	$ 36,492.22	$ 50,929.42	$ 14,437.20
6	50%	$ 5,850.74	$ 5,790.57	$ 28,035.08	$ 39,676.39	$ 51,948.00	$ 12,271.62
7	40%	$ 6,336.91	$ 6,271.74	$ 30,364.67	$ 42,973.32	$ 52,986.96	$ 10,013.64
8	30%	$ 6,840.19	$ 6,769.84	$ 32,776.24	$ 46,386.27	$ 54,046.70	$ 7,660.44
9	20%	$ 7,361.06	$ 7,285.36	$ 35,272.12	$ 49,918.54	$ 55,127.64	$ 5,209.10
10	10%	$ 7,900.04	$ 7,818.79	$ 37,854.73	$ 53,573.55	$ 56,230.19	$ 2,656.64
TOTAL		**$ 56,816.05**	**$ 56,231.74**	**$ 272,246.35**	**$ 385,294.14**	**$ 515,194.32**	**$ 129,900.18**

	Year				
	0	**1**	**2**	**3**	
Jobs					
Current/Actuals	78				
Creation Goals	10	0			
Total Employment Goals	88	6	2	2	

DRAFT Project Tax Billing and Payment Schedule

1. The anticipated PILOT Filing is Q 4 2022
2. Applicant will NOT receive a 2023-24 School Tax Bill in September 2023
3. Applicant will receive a 2023 Town and County Tax Bill in January 2023
5. Applicant will not receive a 2024 Town and County Tax Bill
6. Applicant will receive an OCIDA PILOT Bill for Year 1 in January 2024

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ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR BENEFITS

1. In accordance with Section 224-a(8)(d) of Article 8 of the New York Labor Law, the Agency has identified that any "financial assistance" (within the meaning of Section 858 of the General Municipal Law) granted by the Agency to the Applicant consisting of sales and use tax exemption benefits, mortgage recording tax exemption benefits and real property tax exemption benefits, constitutes "public funds" within the meaning of Section 224-a(2)(b) of Article 8 of the New York Labor Law and such funds are not excluded under Section 224-a(3) of Article 8 of the New York Labor Law. The Agency hereby notifies the Applicant of the Applicant's obligations under Section 224-a (8)(a) of Article 8 of the New York Labor Law.

2. Fill in all blanks using "none", "not applicable" or "not available". If you have any questions about the way to respond, please call the Onondaga County Industrial Development Agency (the "Agency" or "OCIDA") at 315-435-3770.

3. If providing an estimate put "(est.)" after the figure or answer. If more space is needed to answer any specific question, attach a separate sheet.

4. If the OCIDA Board approves benefits, it is the company's responsibility to obtain and submit all necessary forms and documents.

5. When completed, return this Application by mail or fax to the Agency at the address indicated below. A signed application may also be submitted electronically in PDF format to Nancy Lowery at nancylowery@ongov.net. **An Application will not be considered by the Agency until the Application fee has been received.**

6. The Agency will not give final approval for this Application until the Agency receives a completed NYS Full Environmental Assessment Form concerning the project which is the subject of this Application. The form is available at http://www.dec.ny.gov/permits/6191.html.

7. Please note the Public Officers Law declares all records in the possession of the OCIDA (with certain limited exceptions) are open to public inspection and copying. If the Applicant is of the opinion that there are elements of the project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, this Applicant must identify such elements in writing and request that such elements be kept confidential. In accordance with Article 6 of the Public Officer's Law, the OCIDA may also redact personal, private, and/or proprietary information from publicly disseminated documents.

8. The Applicant will be required to pay the Agency Application fee and, if accepted as a project of the Agency, all administrative and legal fees as stated in Section VI of the Application.

9. A complete Application consists of the following 9 items:
    - This Application
    - Local Access Agreement
    - Employment Plan

- Conflict of Interest
- A feasibility statement indicating the need for the requested benefits
- Description of Project, Site Plans/Sketches, and Maps
- NYS Full Environmental Assessment Form
- A check payable to the Agency in the amount of $1,000
- A check payable to Barclay Damon LLP in the amount of $2,500

10. This Application was adopted by the OCIDA Board on January 18, 2022.

It is the policy of the Agency that any project receiving benefits from the Onondaga County Industrial Development Agency will utilize 100% local contractors and local labor for the construction period of the project unless a waiver is granted in writing by the Agency.

Return to:

Onondaga County Industrial Development Agency
Attn: Nancy Lowery
333 W. Washington Street, Suite 130
Syracuse, NY 13202
Phone: 315-435-3770 | Fax: 315-435-3669
nancylowery@ongov.net

Section I: Applicant Information

Please answer all questions. Use "None", "Not Applicable" and "See Attached" where necessary.

Submittal Date: 8/30/22

A) Applicant/Project Operator information (company receiving benefits):

Applicant/Project Operator: Click here to enter text. Syracuse Haulers Waste Removal, Inc.

Applicant/ Project Operator Address: 6223 Thompson Road, Suite 1000, Syracuse, NY 13206

Phone: 315-426-6771 Fax: 315-426-6770

Website: www.syracusehaulers.com E-mail: rocco@syracusehaulers.com

Federal ID#: 16-1451841 NAICS: 562000

State and Year of Incorporation/Organization: New York 1991

Owner (if different from Applicant/Project Operator):

Owner Address:

Federal ID#:

State and Year of Incorporation/Organization:

List of stockholders, members, or partners of Owner:
Rocco A Grosso

B) Individual Completing Application:

Name: Nicole Walz

Title: Controller

Address: 6223 Thompson Road, Suite 1000, Syracuse, NY 13206

Phone: 315-426-6771 Fax: 315-426-6770

E-mail: nicole@syracusehaulers.com

C) Company Contact (if different from individual completing application):

Name: Sarah Stephens

Title: Consultant

Address: 201 Croyden Road

Phone: 315-530-2502 Cell Phone: _____

E-mail: sarah@ssfundingresources.com

D) Company Counsel:

Name of Attorney: Gregory M Brown

Firm Name: Brown Duke & Fogel, PC

Address: 120 Madison Street, Suite 1620, Syracuse, NY 13202

Phone: 315-399-4343 Cell Phone: _____

E-mail: gbrown@bdflegal.com

E) Business Organization (check appropriate category):

☑ Corporation ☐ Partnership

☐ Public Corporation ☐ Joint Venture

☐ Sole Proprietorship ☐ Limited Liability Company

☐ Other (please specify): _____

Year Established: 1991

State in which Organization is established: New York

F) List all stockholders, members, or partners with % of ownership greater than 5%:

Name	% of ownership
Rocco A Grosso	100%

G) Applicant Business Description:

Estimated % of sales within Onondaga County: 89%

Estimated % of sales outside Onondaga County but within New York State: 11%

Estimated % of sales outside New York State but within the U.S.: 0

Estimated % of sales outside the U.S.: 0

(*Percentage to equal 100%)

H) Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the company or management of the Company now a plaintiff or defendant in any civil or criminal litigation? ☐Yes ☑No
2. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? ☐Yes ☑No
3. Has any person listed in Section I ever been in receivership or declared bankruptcy? Please attach any explanations. ☐Yes ☑No

I) Has the Project Beneficiary received assistance from OCIDA, Syracuse Industrial Development Agency (SIDA), New York State or the Onondaga Civic Development Corporation (OCDC) in the past? If yes please attach an explanation and please give year, project name, and description of benefits and address of project.

☐Yes ☑No

Section II: Project and Site Information

A) Project Location: Location where the investment will take place. If Company is moving, the new location should be entered here and the current location should be in Section I.

Address: 6223 Thompson Road

Legal Address (if different): _____

City: Syracuse Village/Town: Town of Dewitt

Zip Code: 13206 School District: Jamesville-Dewitt

Tax Map Parcel ID(s): 033-04-10.1, 033-04-10.3, 033-04-13.1

Full Market Value: $695,000 Footage of Existing Building: 112,700

Census Tract: 144

B) Type (Check all that apply):

- [x] New construction
- [x] Expansion/Addition to current facilities
- [ ] Renovation of existing facility
- [ ] Housing Project
- [ ] Renewable Energy Project
- [ ] Retail
- [x] Purchase of machinery and/or equipment
- [x] Brownfield/Remediated Brownfield
- [ ] LEED Certification
- [ ] Demolition and Construction
- [x] Acquisition of existing facility/property
- [ ] Other:

C) Project Narrative: A statement that there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the agency.

* For a Retail Project (also see page 14)
* For a Renewable Energy Project (also see page 15)
* For a Housing Project (also see page 17)

D) Description of Project: Please provide a detailed narrative of the proposed Project. Please separately attach the description and any copies of site plans, sketches or maps. This narrative should include, but is not limited to:

- [x] i) a description of your Company's background, customers, goods and services and the principal products to be produced and/or the principal activities that will occur on the Project site;
- [x] (ii) the size of the Project in square feet and a breakdown of square footage per each intended use;
- [x] (iii) the size of the lot upon which the Project sits or is to be constructed;
- [x] (iv) the current use of the site and the intended use of the site upon completion of the Project;
- [x] (vi) describe your method for site control (Own, lease, other). own

E) Select Project type for all end users at Project site (you may check more than one):
**Please check any and all end users as identified below

- [x] Industrial
- [ ] Acquisition of Existing Facility
- [ ] Housing Project (see page 17)
- [ ] Equipment Purchase
- [ ] Multi-Use Tenant
- [ ] Renewable Energy Project (see page 15)
- [x] Commercial
- [ ] Bank Office
- [ ] Retail (see page 14)
- [ ] Mixed Use
- [ ] Facility for Aging
- [ ] Civic Facility (not for profit)
- [ ] Other _____

F) If applicant will not occupy 100% of the building in a real estate transaction, provide information on tenant(s) that includes name, present address, and percentage of project to be leased, type of business organization, relationship to applicant, date and term of lease.

G) For the Agency to consider this Project, please provide the following information:

1. Does the Project consist of new construction or expansion or substantial renovation of an existing facility?
   [x] Yes [ ] No
2. Will the Project create new employment opportunities or retain existing jobs that may otherwise be lost?
   [x] Yes [ ] No
3. Does the Project beneficiary serve a customer base primarily outside of Onondaga County?
   [ ] Yes [x] No

H) Will the completion of the Project result in the removal of an industrial or manufacturing plant of the company from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the company located within the state? Please explain if you answer "Yes" by attaching a response.

[ ] Yes [x] No

I) Please attach a description of any compelling circumstances the Agency should be aware of while reviewing this application.

J) Local Approvals (Site Plan and Environmental Review)

1. Have site plans been submitted to the appropriate town or local planning department?
   [ ] Yes. What is the status? [x] No. When will the plans be submitted?
   June 2022 Septmber 2022

2. Has the project received site plan approval from the town or local planning board?
   ☐Yes ☑No
3. If no, what is the anticipated approval date? 9/15/2022
4. If yes, provide the Agency with a copy of the Planning Board's approval resolution along with the related SEQR determination. (NOTE: SEQR determination is required for final approval and sales tax agency appointment.)
5. Environmental Information
   a. Please attach the appropriate Environmental Impact Forms to your application. Here is a link to the SEQR forms: http://www.dec.ny.gov/permits/6191.html
   b. Have any environmental issues been identified on the property?
      ☑Yes ☐No
      If yes, please attach an explanation.

The newly acquired parcel was the former site of Oberdorfer; the site has DEC approved BUD that has been renewed for Syracuse Haulers. The site will require capping of some areas as well as other soil remediation and controls.

Section III: Construction

A) Project Costs and Finances

Description of Costs	Total Budget Amount	% of Total Budget to be Procured in Onondaga County	Total Private Expenditure (should be less than or equal to total budget amount)
Land Acquisition	0	0	0
Site Work/Demo	479464	100	479464
Building Construction & Renovation	2,856,444	100	2,856,444
Furniture & Fixtures			
Equipment*	1136367	100	1136367
Engineering/Architect	285,000	100	285,000
Financial Charges			
Legal	10,000	100	10,000
Other			
Management/Developer Fees			
Total Project Cost	4,767,275		4,767,275

Note: Do not include OCIDA fees, OCIDA application fees or OCIDA legal fees as part of the Total Project Cost. You may attach a separate chart if needed.

B) TOTAL Capital Costs $ 4,767,275

Project refinancing: estimated amount
(For refinancing of existing debt only) $ 0

Sources of Funds for Project Costs:

1. Bank Financing $ 1,440,663
2. Equity (excluding equity that is attributed to grants/tax credits) $ 2,214,339
3. Tax Exempt Bond Issuance (if applicable) $ 0
4. Taxable Bond Issuance (if applicable) $ 0

5. Public Sources (Include sum total of all state and federal grants and tax credits) $ 1,112,273

-Identify each state and federal grant/credit:

ESD pending application $ 1,112,273

_____ $ _____

_____ $ _____

6. Total Sources of Funds for Project Costs $ 4,767,275

C) Employment and Payroll Information

*Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

1. Are there people currently employed at the project site?
   ☑ Yes ☐ No If yes, provide number of FTE jobs at the facility: 78
2. Complete the following:

Estimate the number of FTE jobs to be retained as a result of this Project:	78
Estimate the number of construction jobs to be created by this Project:	100 estimate
Estimate the average length of construction jobs to be created (months):	13 months
Current annual payroll at facility:	4,902,000
Please list, if any, benefits that will be available to either full and/or part time employees:	health insurance, 401k, vacation days, personal days
Average annual benefit paid by the company ($ or % salary) per FTE job:	16,000
Amount or percent of wage employees pay for benefits:	0
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	10

D) New Employment Benefits

i. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, and third, years after the Project is completed. Jobs should be listed by title of category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. Do not include construction workers.

ii. Feel free to include additional information or a substitute chart if you think additional material would add clarity.

Please use this chart to illustrate the current employment:

Job Title/Category	Current Annual Pay	Current Employment (FTE)
Drivers / Thrower	2,506,000	37
Sales Reps	331,000	4
Management & Office Support	927,000	18
Recycling / Separation	130,000	3
Shop / Buildings & Grounds	1,008,000	16

Please use this chart to illustrate the projected employment growth:

Job Title/Category	Current Annual Pay	Jobs Created Year 1	Jobs Created Year 2	Jobs Created Year 3
Supervisor	$65,000	1	0	0
Operator	$60,000	1	1	0
Spotter	$50,000	1	0	0
Sorter	$42,000	3	1	2

If you prefer, you may attach a job chart of your own that outlines the job growth projections regarding the Project.

E) Financial Assistance sought (estimated values):

☑ Real Property Tax Abatement (PILOT): TBD

☑ Mortgage Recording Tax Exemption (.75% of amount mortgaged): 10,804.97

☑ Sales and Use Tax Exemption (4% Local, 4% State): 205,167

☐ Tax Exempt Bond Financing (Amount Requested): _____

☐ Taxable Bond Financing (Amount Requested): _____

F) Mortgage Recording Tax Exemption Benefit Calculator: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/ bridge financing): $ 1,440,663

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above, multiplied by .0075): $ 10,804.97

G) Sales and Use Tax Benefit Calculator: Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax – said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

$ 2,564,589

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above) (This should match the amount in section "E" on page 9, this calculation only exists to help you with your estimate):

$ 205,167

Section IV: Estimate of Real Property Tax Abatement Benefits

Section IV of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application prior to the completed application being provided to the OCIDA Board.

A) PILOTS Estimate Table Worksheet

OCIDA estimate of current value	
New construction and renovation costs	
OCIDA estimate of increase in value	
OCIDA estimated value of completed project	
OCIDA estimate of taxes that would have been collected if the project did not occur	
Scheduled PILOT payments	

PILOT Year	Exemption %	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	100						
2	90						
3	80						
4	70						
5	60						
6	50						
7	40						
8	30						
9	20						
10	10						
TOTAL							

Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff.

SECTION: V For Retail Projects Only

1. Will the cost of the retail portion of the Project exceed one-third of the total project cost?

☐Yes ☐No

2. Is the Project located in a distressed area? A distressed area is a census tract that has a) a poverty rate of a least 20% or at least 20% of households receiving public assistance, and (b) an unemployment rate of least 1.25 times the statewide unemployment rate for the year to which the date relates.

☐Yes ☐No

3. Is the Project likely to attract a significant number of visitors from outside of the economic development region?

☐Yes ☐No

4. Is the predominate purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the Town, City, County or Village of where the Project will be located.

☐Yes ☐No

SECTION VI: For Solar Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the Project would be affected if these benefits were not provided. [see Section II (C)]

2. Is the applicant leasing the property?
   - ☐ Yes, please provide a copy of the lease
   - ☐ No, purchased the property. Please provide documentation.

3. Has the applicant provided written communication to the affected taxing jurisdictions notifying them of its intent to construct a renewable energy project?
   - ☐ Yes
   - ☐ No

4. Has the applicant received a letter of support for the megawatt cost to be used as a basis for the PILOT from the town, city or village where the Project is located?
   - ☐ Yes. Please provide copy.
   - ☐ No

5. Has the applicant received a letter of support for the megawatt cost to be used as a basis for PILOT from the school district?
   - ☐ Yes. Please provide copy.
   - ☐ No

6. Is the entire parcel being used for the solar project?
   - ☐ Yes
   - ☐ No, if not, have you reached out to the town assessor to discuss a subdivision or slash parcel? Explain: _____

7. Will the applicant enter into a decommissioning plan with the host community, including financial assurance the plan can be executed?
   - ☐ Yes, explain.
   - ☐ No

**PLEASE SEE FOLLOWING PAGE FOR OCIDA SOLAR GUIDANCE & BEST PRACTICE*

OCIDA SOLAR PILOTs GUIDANCE AND BEST PRACTICE

To be placed on the OCIDA meeting agenda, proposed solar projects must provide OCIDA with the following in advance of the Project's first OCIDA meeting:

1. Fully completed OCIDA application.
2. Copy of Environmental Assessment Form.
3. A SEQR resolution approved by a local municipality indicating municipality will be lead agency, the type of action (I, II, or unlisted) and, if completed, the SEQR determination made by the municipality.
4. Copies of your zoning applications submitted to the local municipality.
5. Verification of parcel subdivision process with the town (if the entire parcel will not be used for the solar project).
6. A statement clarifying whether the applicant will lease or purchase the real property on which the Project is situated. If leased, provide a copy of the proposed or executed lease. If lease parcel is less then entire parcel then see 5 above.
7. A supporting document from the School District and the Town Board outlining the agreed upon cost per megawatt to be used as a basis for the PILOT. OCIDA cannot create the PILOT schedule without this information.
8. Absent a showing otherwise by the Company, deemed acceptable by the Agency in the sole and absolute discretion, the Company must close with the Agency on a project prior to consideration of any requested organizational structure or project entity ownership changes.

You will receive a draft Cost Benefit Analysis and a Draft PILOT schedule from this office. You may use these documents as your Project progresses through the OCIDA approval process. OCIDA staff are available to update these two documents as needed.

SECTION VII: For Housing Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the project would be impacted if these benefits were not provided. [see Section II (C)]

2. Is the Project being built in a blighted area? Please describe.

3. Is the Project fulfilling an unmet need in the area? Please explain.

4. Please provide a market study documenting a need for such housing.

5. Is there support from local government officials for the Project and for the financial assistance being requested from the Agency? Please provide written documentation.

6. Is the Project considered infill in a populated area? Please explain.

7. Does the Project provide walkability?

8. Is there additional county infrastructure necessary to service the Project? If, yes, please explain.

9. Is the Project part of a larger mixed-use development? Please describe.

Section VIII: Local Access Policy Agreement

In absence of a waiver permitting otherwise, every project seeking the assistance of the Onondaga County Industrial Development Agency (Agency) must use local general contractors, sub-contractors, and labor for one-hundred percent (100%) of the construction of new, expanded, or renovated facilities. The project's construction or project manager need not be a local company.

Noncompliance may result in the revocation and/or recapture of all benefits extended to the project by the Agency. Local Labor is defined as laborers permanently residing in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins, and Wayne. Local (General/Sub) Contractor is defined as a contractor operating a permanent office in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins and Wayne. The Agency may determine on a case-by-case basis to waive the Local Access Policy for a project or for a portion of a project where consideration of warranty issues, necessity of specialized skills, significant cost differentials between local and non-local services or other compelling circumstances exist. The procedure to address a local labor waiver can be found in the OCIDA handbook, which is available upon request.

Prior to issuance of any NYS Tax & Finance ST-60 forms, the Applicant must submit a **Contractor Status Report to the Agency.**

In consideration of the extension of financial assistance by the Agency Syracuse Haulers (the Company) understands the Local Access Policy and agrees to complete Appendix C of the Agency's application at the time of the application to the Agency and as part of a request to extend the valid date of the Agency's tax-exempt certificate for the Project. The Company understands that an Agency tax-exempt certificate is typically valid for 12 months from the effective date of the project inducement and extended thereafter upon request by the Company. The Company further understands that any request for a waiver to this policy must be submitted in writing and approved by the Agency.

I agree to the conditions of this agreement and certify all information provided regarding the construction and employment activities for the project as of 8/30/22 (date).

Company: Syracuse Haulers Waste Removal, Inc.
Representative for Contract: Rocco Grosso
Address: 6223 Thompson Road, Suite 1000 City: Syracuse State: NY Zip: 13206
Phone: 315-426-6771 Email: rocco@syracusehaulers.com
Project Address: 6223 Thompson Road City: Syracuse State: NY Zip: 13206

General Contractor: TBD
Contact Person: _____
Address: _____ City: _____ State: _____ Zip: _____
Phone: _____ Email: _____
Authorized Representative: _____ Title: _____
Signature: _____

Section IX: Agency Fee Schedule

* Minimum Fee to be applied to all project receiving OCIDA benefits is 1% of the Total Project Cost (TPC)

ACTIVITY	FEES	COMMENTS
Non- refundable Application Fee (All projects except Solar Projects) Non-refundable Application Fee (Solar Projects Only)	$1,000 $10,000	Due at time of application
Legal Deposit (All projects except Solar Projects) Legal Deposit (Solar Projects Only)	$2,500 $5,000	Due at time of application
Minimum Fee of 1% of TPC 1. Sales and Use Tax Exemption 2. Mortgage Recording Tax 3. PILOT **is an additional fee**	.01 X TPC .0025 X TPC (total .0125)	Due at closing
Bonds Bond refinancing and refunding	.0025 of TPC	Due at closing
Agency Legal Fees Fee for first $20 million Fee for expenses above $20 million	.0025 X of the project cost or bond amount .00125 X of project cost or bond amount	Due at closing
Amendment or Modification of IDA documents, including but not limited to name or organization change, refinancing, etc. Consent to the amendment or modification of IDA documents prior to closing on the project shall be given at OCIDA's sole and absolute discretion.	Up to but not to exceed 5% of Agency Fee as noted on the Cost Benefit Analysis at time of project approval. Attorney fees determined by OCIDA Legal Representative.	Due at time of Request

OCIDA reserves the right to modify this schedule at any time and assess fees and charges in connection with other transactions such as grants of easement or lease or sale of OCIDA-owned property.

Section X: Recapture of Tax Abatement/Exemptions

Information to be Provided by Companies: Each Company agrees that to receive benefits from the Agency it must, whenever requested by the Agency or required under applicable statutes or project documents, provide and certify or cause to be provided and certified such information concerning the Company, its finances, its employees and other topics which shall, from time to time, be necessary or appropriate, including but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

Please refer to the OCIDA Uniform Tax Exemption Policy. (add hyperlink)

I have read the foregoing and agree to comply with all the terms and conditions contained therein as well as policies of the Onondaga County Industrial Agency.

Name of Applicant Company Syracuse Haulers Waste Removal, Inc.

Signature of Officer or Authorized Representative: _____

Name & Title of Officer or Authorized Representative: Rocco Grosso, CEO & Owner

Date: _____

Section XI: Conflict of Interest

Agency Board Members

1. Patrick Hogan, Chairperson
2. Janice Herzog, Vice Chairperson
3. Steve Morgan, Director
4. Victor Ianno, Director
5. Sue Stanczyk, Director
6. Kevin Ryan, Director
7. Fanny Villarreal, Director

Agency Officers/Staff

1. Robert M. Petrovich, Executive Director
2. Nathaniel Stevens, Treasurer
3. Nancy Lowery, Secretary
4. Karen Doster, Recording Secretary
5. Christopher Cox, Assistant Treasurer

Agency Legal Counsel & Auditor

1. Jeffrey Davis, Esq., Barclay Damon LLP
2. Amanda Fitzgerald, Esq., Barclay Damon LLP
3. Michael G. Lisson, CPA, Grossman St. Amour Certified Public Accountants PLLC

The Applicant has received from the Agency a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Name of Applicant Company: Syracuse Haulers Waste Removal, Inc.

Signature of Officer or Authorized Representative: _____

Name & Title of Officer or Authorized Representative: Rocco Grosso, CEO & Owner

Date: _____

Section XII: Representations, Certifications, and Indemnification

Rocco Grosso (Name of CEO or other authorized representative of Applicant) confirms and says that he/she is the CEO & Owner (title) of Syracuse Haulers Waste Removal, Inc. (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

A. First Consideration for Employment: In accordance with §858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the CNY Works for new employment opportunities created as a result of the Project.

B. Other NYS Facilities: In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or is reasonably necessary.

C. Annual Sales Tax Filings: In accordance with §874(8) 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, 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.

D. Outstanding Bonds: The Applicant understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the project that is requested by the Comptroller of the State of New York.

E. Employment Reports: The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant agrees to file with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, with said report being an agenda item subject to the open meetings law.

F. Prevailing Wage: The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant shall determine whether the Project is a "covered project" pursuant to Section 224-a of Article 8 of the New York Labor Law and, if applicable, the Applicant shall comply with Section 224-a of Article 8 of the New York Labor Law; and the Applicant further covenants that the Applicant shall provide such evidence of the foregoing as requested by the Agency.

G. Absence of Conflicts 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 hereinafter described in Section X.

H. Compliance: The Applicant understands and agrees that it is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

I. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the Agency. (1) No funds of the Agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

J. The Applicant confirms and acknowledges that the owner, occupant or operator receiving financial assistance for the proposed Project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules and regulations.

K. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.

L. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

M. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents 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 statement contained herein not misleading.

N. The OCIDA has the right to request and inspect supporting documentation regarding attestations made on this application.

O. Hold Harmless Agreement: Applicant hereby releases Onondaga 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 cause of action and attorney's fees and any other expenses incurred in defending any suits or action 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 process of the Application, including attorney's fees, if any.

Name of Applicant Company: Syracuse Haulers Waste Removal, Inc

Signature of Officer or Authorized Representative: _____

Name & Title of Officer or Authorized Representative: Rocco Grosso, CEO & Owner

Date: _____

STATE OF NEW YORK)

COUNTY OF ONONDAGA) ss.;

_____, being first duly sworn, deposes and says:

1. That I am the_____(Corporate Officer) of_____ (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.

2. That I have read and attached Application, I Know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this_____day of__, 20_____.

_____

(Notary Public)

End of Application

Rev 1.18.22

Project Description

Syracuse Haulers is requesting assistance from OCIDA in the form of a PILOT, sales and use exceptions as well as a mortgage recording exemption. Due to the increase in material costs as well as supply chain issues, this expansion is significantly higher in cost than it would have been prior to the COVID pandemic; therefore, Syracuse Haulers is seeking the assistance from OCIDA to ensure this project can be carried out. If OCIDA is unable to assist with incentives for this project Syracuse Haulers would likely significantly decrease the size of the expansion resulting in less job creation. OCIDA"s assistance will enable Syracuse Haulers to remediate the former Oberdorfer site, expand Syracuse Hauler's footprint, acquire new equipment and increase its workforce.

Syracuse Haulers Waste Removal, Inc. intends to expand its existing facility on the 17.67 parcel (033.-04-10.1) with a roughly 24,624 SF transfer station. The newly acquired lot will likely be subdivided with existing Syracuse Haulers parcels, tax id 033.-04-10.3 and 033.-04-13.1, a September 15th Town of Dewitt site review meeting will be held where it is anticipated that the subdivision will be requested.

The project calls for an investment of almost $5 million and include the remediation of soil on the adjacent lot, site work, construction of transfer station and purchase of equipment. Equipment includes a bailer, which is used for the final finished product generated in processing waste materials.

Once completed the project will include the creation of 10 new full-time jobs over the next 3 years to add to its existing workforce of 78 FTE's.

Syracuse Haulers has outgrown its existing facility and must expand in order to continue growing its business and serving its customers. The COVID pandemic brought on a number of challenges to our nation; including a labor shortage, which Syracuse Haulers, like many in its industry are still recovering from. Therefore, it is essential that Syracuse haulers, expand its footprint and purchase new equipment to increase the amount of material that can be processed. Without this expansion and purchase of equipment, Syracuse Haulers will be unable to maintain the volume of processed materials or expand its customer base, ensuring the viability of its company and workforce.

Syracuse Haulers hauls and recycles both single and dual stream waste as well as construction and household waste. Syracuse Haulers processes waste and recycles material, bailing the final product. Syracuse Haulers utilizes cutting edge technology to ensure that it maximizes recycling capabilities for the waste it collects. Syracuse Haulers provides LEED services for green construction projects that need to divert from a waste facility. To date they have completed over 25 LEED certified projects with a diversion rate of 84%.

Syracuse Haulers Profile

Syracuse Haulers Waste Removal, Inc. (SHWR) has 30 years of experience servicing villages and towns with residencies from 2,000 to 15,000 under multiple trash and recycling municipal contracts. SHWR has proven its ability under contracts in the Town of Manlius (8,000 homes/7800 tons trash & recycling), Town of Cicero (10,000 homes/12,500 tons trash & recycling), Town of Geddes (4,200 homes/3,500 tons trash), Town of Clay (15,000 homes/11,700 tons trash), Village of North Syracuse (2,350 homes/2,800 tons trash & recycling), Village of Manlius and the Village of Homer (1275 homes/1330 tons trash & recycling). Collection experience includes trash and recycling both curbside and automated. Recycling both dual stream and single stream. SHWR additionally services residential homes in Town of Marcellus, Town of Van Buren, Cazenovia, Madison and others. SHWR has commercial service agreements with Syracuse University 12 years, New York State Fair 6 years, Wegmans Mkts 6yrs, multiple large apartment complexes, 4 school districts and over 2,000 commercial customers and growing. We provide services for trash, recycling, food waste collection and disposal.

SHWR operates in Onondaga, Madison, Oneida-Herkimer, Cortland, Thompkins, Cayuga and Jefferson counties.

DEC Permitted Transfer Station Facility Onsite since 2006. Our DEC permitted transfer station allows us to collect and transfer various recycle items and C& D (construction and demolition material), such as clean wood, metal and sheetrock. We also provide LEED services for green construction projects that need to diverted from a waste facility. We have completed over 25 LEED certified projects with a diversion rate of 84%.



Schopfer Architects LLP
1111 JAMES ST.
SYRACUSE, NY 13203
315-474-6501
FAX 315-474-1922

Job No: 2165

Sheet No: L1.0

Sheet Title: SITE PLAN

Drawn by: GD

Date: 1/5/22

Checked by: RJS

Scale: AS NOTED

Revisions:

Number:	Date:	By:
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5		

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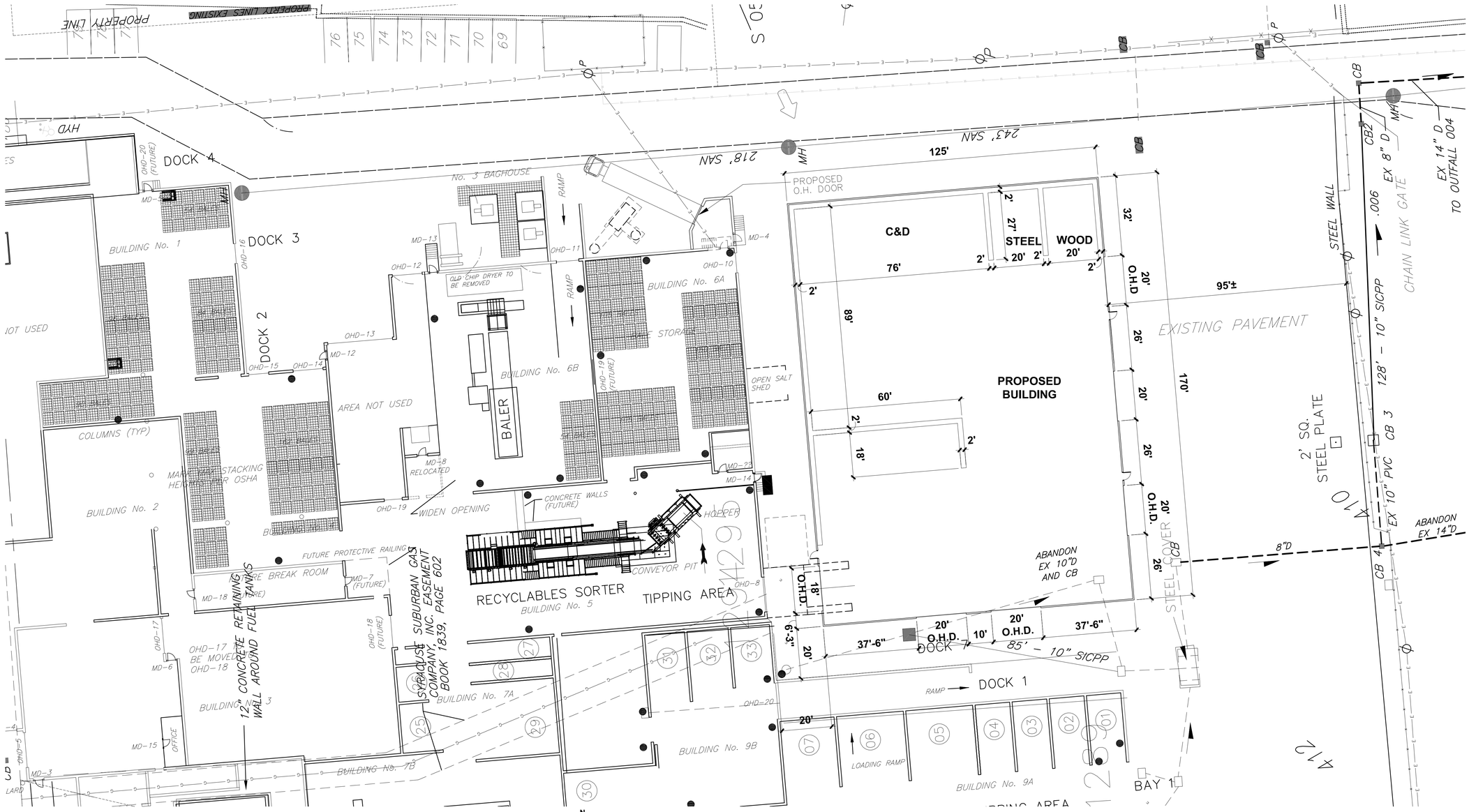
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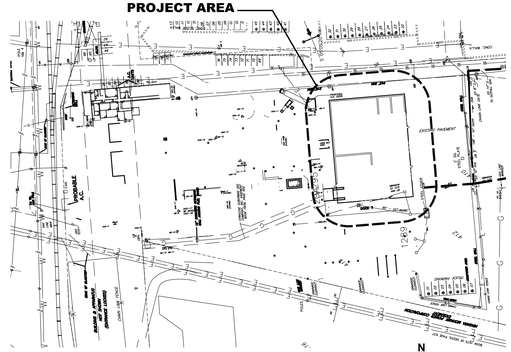
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SYRACUSE HAULERS
FACILITY EXPANSION

6223 THOMPSON ROAD
SYRACUSE, NEW YORK 13206



1 SITE PLAN
1"=20'



2 KEY PLAN
N.T.S.

SYRACUSE HAULERS
FACILITY EXPANSION

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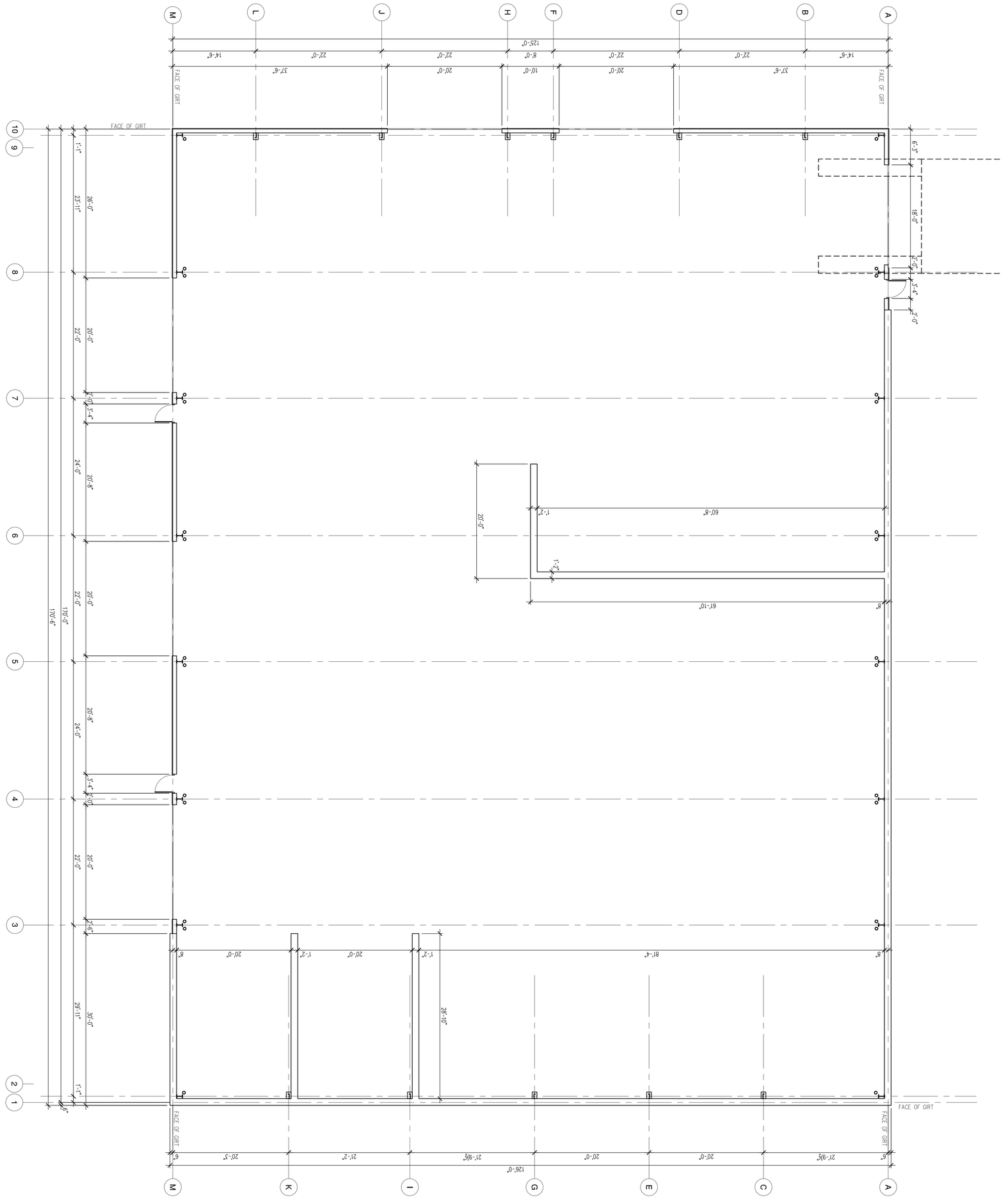
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Sheet Title:
PARTIAL SITE PLAN

Sheet No:
L1.1

Job No: 2165



1 FLOOR PLAN
SCALE 1/8" = 1'-0"

N

271

Job No:	2165
Sheet No:	A1.1
Sheet Title:	FLOOR PLAN
Revisions:	
Number:	
Date:	
By:	
Drawn by:	MPP
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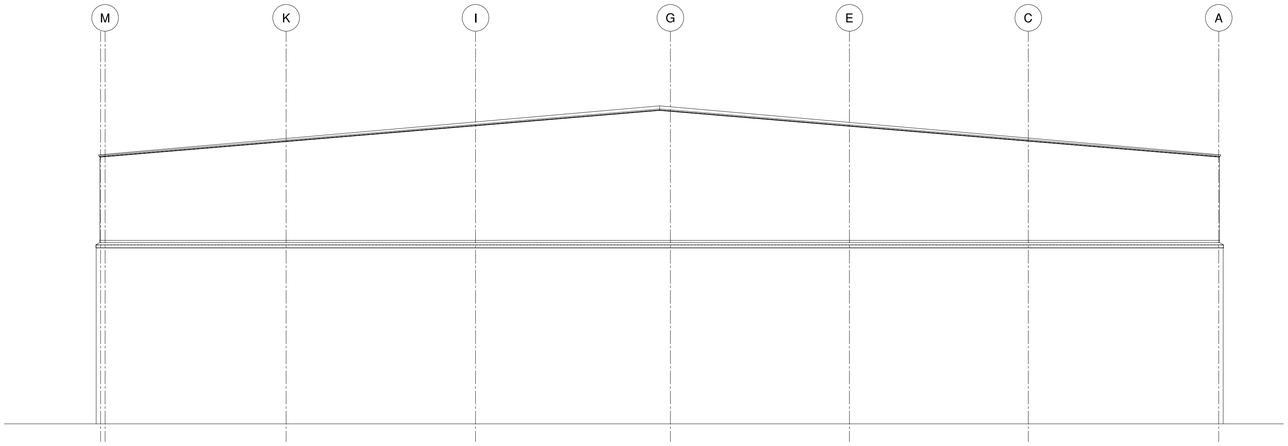
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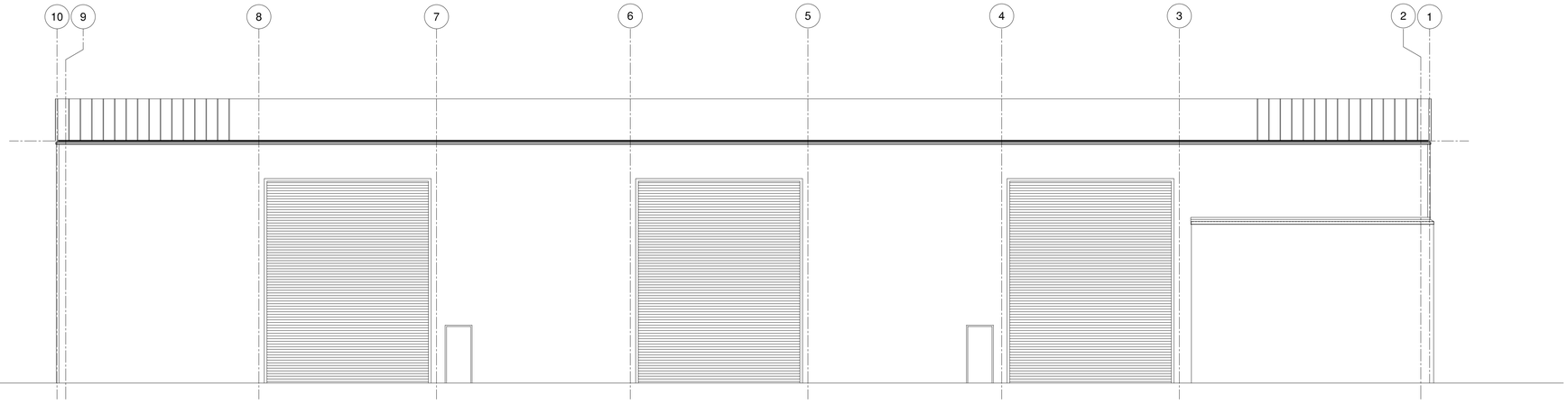
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SYRACUSE HAULERS
FACILITY EXPANSION

6223 THOMPSON ROAD
SYRACUSE, NEW YORK 13206



1 NORTH ELEVATION
SCALE 1/8" = 1'-0"



2 WEST ELEVATION
SCALE 1/8" = 1'-0"

SYRACUSE HAULERS
FACILITY EXPANSION

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MPP	RJS
Date:	Scale:
02-02-2022	AS NOTED

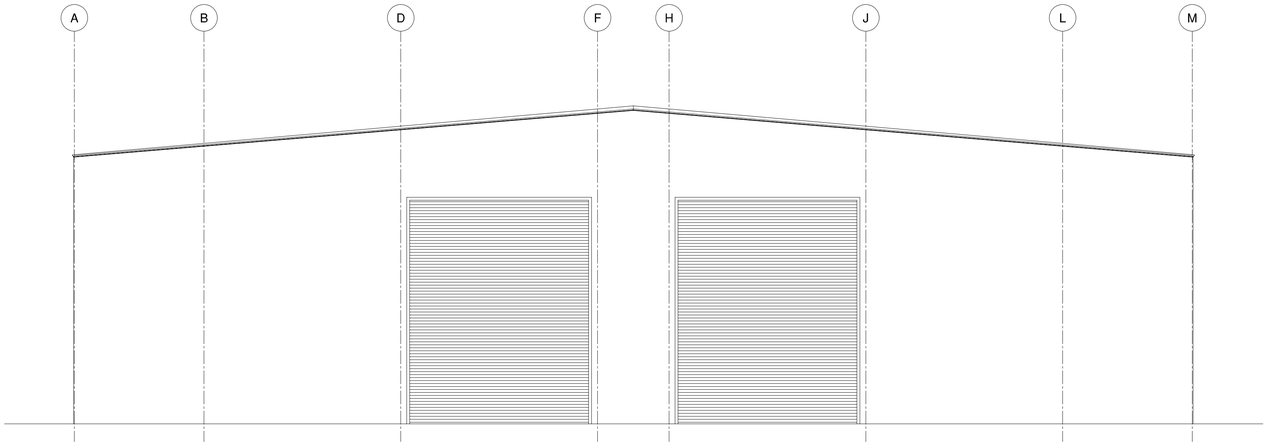
Revisions:

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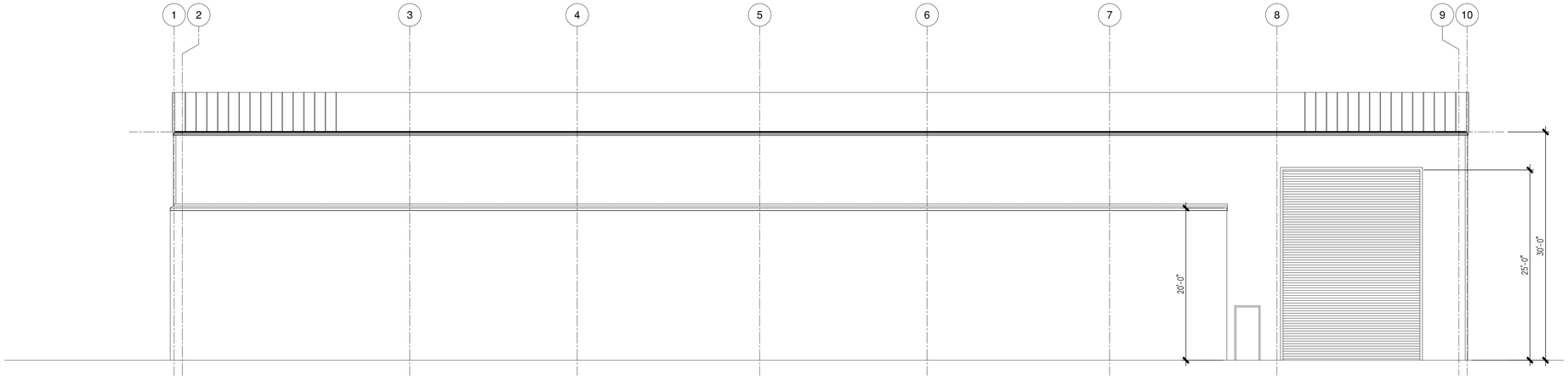
Sheet Title:
BUILDING ELEVATIONS

Sheet No:
A2.1

Job No: 2165



1 SOUTH ELEVATION
SCALE 1/8" = 1'-0"



2 EAST ELEVATION
SCALE 1/8" = 1'-0"

SYRACUSE HAULERS
FACILITY EXPANSION

6223 THOMPSON ROAD
SYRACUSE, NEW YORK 13206

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IT IS A VIOLATION OF LAW FOR ANY PERSON, UNLESS ACTING UNDER THE DIRECTION OF THE ARCHITECT, TO ALTER ANY ITEM ON THIS DOCUMENT IN ANY WAY.

Schopfer Architects LLP
1111 JAMES ST.
SYRACUSE, NY 13203
315-474-6501
FAX 315-474-1922

Drawn by:	Checked by:
MPP	RJS
Date:	Scale:
02-02-2022	AS NOTED

Revisions:

Number:	Date:	By:
1		
2		
3		
4		

Sheet Title:
BUILDING ELEVATIONS

Sheet No:
A2.2

Job No: 2165

Onondaga County Industrial Development Agency

Project Summary Draft 9/1/2022

1. Project	**CVE US E14 North, LLC**	**2. Project Number**	**3101-21-16A**
3. Location	Manlius	**4. School District**	Fayetteville-Manlius School District
5. Tax Parcel(s)	099.-01-03.0	**6. Project Type**	Solar new contruction
			0

7.Total Project Cost	**$**	**4,700,000**
Land	$	500,000
Site Work	$	1,000,000
Building	$	
Furniture & Fixtures	$	-
Equipment	$	2,000,000
Equipment Subject to NYS Production Exemption	$	-
Engineering/Architecture Fees	$	250,000
Financial Charges	$	400,000
Legal Fees	$	100,000
Other- Solar Installation Labor	$	150,000

8. Total Jobs	0
8A. Job Retention	0
8B: Job Creation (Next 5 Years)	0

Cost Benefit Analysis

CVE US E14 North, LLC

Fiscal Impact ($)

Abatement Cost	**$**	**219,725**
Sales Tax	$	188,000
Mortgage Tax	$	31,725
Property Tax Relief (PILOT)	$	-
New Investment	**$**	**5,173,500**
PILOT Payments	$	-
Project Wages (10 years)	$	-
Construction Wages	$	725,500
Employee Benefits (10 years)	$	-
Project Capital Investment	$	4,400,000
Agency Fees	$	48,000
Benefit:Cost Ratio		**24 :1**

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Project Description

CVE USI4 Manlius West, LLC are proposing to construct a 1.5MW solar array on 13.7 acres of land in the Town of Manlius.

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR BENEFITS

1. Fill in all blanks using "none", "not applicable" or "not available". If you have any questions about the way to respond, please call the Onondaga County Industrial Development Agency (the "Agency" or "OCIDA") at 315-435-3770.

2. If providing an estimate put "(est.)" after the figure or answer. If more space is needed to answer any specific question, attach a separate sheet.

3. If the OCIDA Board approves benefits, it is the company's responsibility to obtain and submit all necessary forms and documents.

4. When completed, return this Application by mail or fax to the Agency at the address indicated below. A signed application may also be submitted electronically in PDF format to Nancy Lowery at nancylowery@ongov.net. **An Application will not be considered by the Agency until the Application fee has been received.**

5. The Agency will not give final approval for this Application until the Agency receives a completed NYS Full Environmental Assessment Form concerning the project which is the subject of this Application. The form is available at http://www.dec.ny.gov/permits/6191.html.

6. Please note the Public Officers Law declares all records in the possession of the OCIDA (with certain limited exceptions) are open to public inspection and copying. If the Applicant is of the opinion that there are elements of the project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, this Applicant must identify such elements in writing and request that such elements be kept confidential. In accordance with Article 6 of the Public Officer's Law, the OCIDA may also redact personal, private, and/or proprietary information from publicly disseminated documents.

7. The Applicant will be required to pay the Agency Application fee and, if accepted as a project of the Agency, all administrative and legal fees as stated in Section VI of the Application.

8. A complete Application consists of the following 9 items:
   - This Application
   - Local Access Agreement
   - Employment Plan
   - Conflict of Interest
   - A feasibility statement indicating the need for the requested benefits
   - Description of Project, Site Plans/Sketches, and Maps
   - NYS Full Environmental Assessment Form
   - A check payable to the Agency in the amount of $1,000
   - A check payable to Barclay Damon LLP in the amount of $2,500

9. This Application was adopted by the OCIDA Board on September 14, 2021.

It is the policy of the Agency that any project receiving benefits from the Onondaga County Industrial Development Agency will utilize 100% local contractors and local labor for the construction period of the project unless a waiver is granted in writing by the Agency.

Return to:

Onondaga County Industrial Development Agency
Attn: Nancy Lowery
333 W. Washington Street, Suite 130
Syracuse, NY 13202
Phone: 315-435-3770 | Fax: 315-435-3669
nancylowery@ongov.net

Section I: Applicant Information

Please answer all questions. Use "None", "Not Applicable" and "See Attached" where necessary.

Submittal Date: 08/04/22

A) Applicant/Project Operator information (company receiving benefits):

Applicant/Project Operator: CVE US EI4 Manlius North, LLC

Applicant/ Project Operator Address: 109 W 27th St, New York, NY 10001

Phone: 914-847-0043 Fax: _____

Website: cvenorthamerica.com E-mail: carson.weinand@cvegroup.com

Federal ID#: 87-2982190 NAICS: _____

State and Year of Incorporation/Organization: New York, 2021

Owner (if different from Applicant/Project Owner): CVE North America, Inc.

Owner Address: 109 W 27th St, New York, NY 10001

Federal ID#: _____

State and Year of Incorporation/Organization: _____

List of stockholders, members, or partners of Owner:

_____

B) Individual Completing Application:

Name: Carson Weinand

Title: Senior Business Developer

Address: 109 W 27th St, New York, NY 10001

Phone: 239-784-8080 Fax: _____

E-mail: carson.weinand@cvegroup.com

C) Company Contact (if different from individual completing application):

Name: Thibaut Delespaul

Title: General Manager, CVE North America, Inc.

Address: 109 W 27th St, New York, NY 10001

Phone: 914-847-0043 Cell Phone: 917-750-5110

E-mail: thibaut.delespaul@cvegroup.com

D) Company Counsel:

Name of Attorney: Joshua Sabo, Esq.

Firm Name: Couch White, LLP

Address: 540 Broadway, Albany, NY 12201

Phone: 518-320-3443 Cell Phone:

E-mail: jsabo@couchwhite.com

E) Business Organization (check appropriate category):

☐ Corporation ☐ Partnership

☐ Public Corporation ☐ Joint Venture

☐ Sole Proprietorship ☑ Limited Liability Company

☐ Other (please specify):

Year Established: 2021

State in which Organization is established: New York

F) List all stockholders, members, or partners with % of ownership greater than 5%:

Name	% of ownership
CVE NA Devco, LLC	100%

G) Applicant Business Description:

Please attach a description of your Company's background, products, customers, goods and services.

Estimated % of sales within Onondaga County: 50%

Estimated % of sales outside Onondaga County but within New York State: 50%

Estimated % of sales outside New York State but within the U.S.: _____

Estimated % of sales outside the U.S.: _____

(*Percentage to equal 100%)

H) Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the company or management of the Company now a plaintiff or defendant in any civil or criminal litigation? ☐Yes ☑No
2. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? ☐Yes ☑No
3. Has any person listed in Section I ever been in receivership or declared bankruptcy? Please attach any explanations. ☐Yes ☑No

I) Has the Project Beneficiary received assistance from OCIDA, Syracuse Industrial Development Agency (SIDA), New York State or the Onondaga Civic Development Corporation (OCDC) in the past? If yes please attach an explanation and please give year, project name, and description of benefits and address of project.

☐Yes ☑No

Section II: Project and Site Information

A) Project Location: Location where the investment will take place. If Company is moving, the new location should be entered here and the current location should be in Section I.

Address: 8107 East Seneca Turnpike (assigned by SOCPA; subdivided from No Number Duguid Rd)

Legal Address (if different): _____

City: Manlius Village/Town: Manlius

Zip Code: 13104 School District: Fayetteville-Manlius

Tax Map Parcel ID(s): 099.-01-03.0 (to be updated once subdivision is filed)

Current Assessed Value: $251,000 (full parcel) Footage of Existing Building: 0

Census Tract: _____

B) Type (Check all that apply):

- ☑ New construction
- ☐ Expansion/Addition to current facilities
- ☐ Renovation of existing facility
- ☐ Housing Project
- ☑ Renewable Energy Project
- ☐ Retail
- ☐ Purchase of machinery and/or equipment
- ☐ Brownfield/Remediated Brownfield
- ☐ LEED Certification
- ☐ Demolition and Construction
- ☐ Acquisition of existing facility/property
- ☐ Other:

C) Project Narrative: A statement that there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the agency.

* For a Retail Project (also see page 14)
* For a Renewable Energy Project (also see page 15)
* For a Housing Project (also see page 17)

D) Description of Project: Please provide a detailed narrative of the proposed Project. Please separately attach the description and any copies of site plans, sketches or maps. This narrative should include, but is not limited to:

- ☑ (i) the size of the Project in square feet and a breakdown of square footage per each intended use;
- ☑ (ii) the size of the lot upon which the Project sits or is to be constructed;
- ☑ (iii) the current use of the site and the intended use of the site upon completion of the Project;

☑ (iv) the principal products to be produced and/or the principal activities that will occur on the Project site;

☑ (v) please describe your method for site control (Own, lease, other).

E) Select Project type for all end users at Project site (you may check more than one):
**Please check any and all end users as identified below

☐ Industrial	☐ Bank Office
☐ Acquisition of Existing Facility	☐ Retail (see page 14)
☐ Housing Project (see page 17)	☐ Mixed Use
☐ Equipment Purchase	☐ Facility for Aging
☐ Multi-Use Tenant	☐ Civic Facility (not for profit)
☑ Renewable Energy Project (see page 15)	☐ Other _____
☐ Commercial	

F) If applicant will not occupy 100% of the building in a real estate transaction, provide information on tenant(s) that includes name, present address, and percentage of project to be leased, type of business organization, relationship to applicant, date and term of lease.

G) For the Agency to consider this Project, please provide the following information:

1. Does the Project consist of new construction or expansion or substantial renovation of an existing facility?
   ☑ Yes ☐ No
2. Will the Project create new employment opportunities or retain existing jobs that may otherwise be lost?
   ☐ Yes ☑ No
3. Does the Project beneficiary serve a customer base primarily outside of Onondaga County?
   ☐ Yes ☑ No

H) Will the completion of the Project result in the removal of an industrial or manufacturing plant of the company from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the company located within the state? Please explain if you answer "Yes" by attaching a response.

☐ Yes ☑ No

I) Please attach a description of any compelling circumstances the Agency should be aware of while reviewing this application.

J) Local Approvals (Site Plan and Environmental Review)

1. Have site plans been submitted to the appropriate town or local planning department?

   ☑ Yes. What is the status? ☐ No. When will the plans be submitted?

   SEQRA Neg Dec and Special Use Permit have been awarded.

2. Has the project received site plan approval from the town or local planning board?

   ☑ Yes ☐ No

3. If no, what is the anticipated approval date? _____

4. If yes, provide the Agency with a copy of the Planning Board's approval resolution along with the related SEQR determination. (NOTE: SEQR determination is required for final approval and sales tax agency appointment.)

5. Environmental Information

   a. Please attach the appropriate Environmental Impact Forms to your application. Here is a link to the SEQR forms: http://www.dec.ny.gov/permits/6191.html

   b. Have any environmental issues been identified on the property?

      ☐ Yes ☑ No

      If yes, please attach an explanation.

Section III: Construction

A) Project Costs and Finances

Description of Costs	Total Budget Amount	% of Total Budget to be Procured in Onondaga County	Total Private Expenditure (should be less than or equal to total budget amount)
Land Acquisition	$500,000		
Site Work/Demo	$1,000,000		
Building Construction & Renovation			
Furniture & Fixtures			
Equipment	$2,000,000		
Engineering/Architect	$250,000		
Financial Charges	$400,000		
Legal	$100,000		
Other	$150,000		
Management/Developer Fees	$300,000		
Total Project Cost	$4,700,000		

Note: Do not include OCIDA fees, OCIDA application fees or OCIDA legal fees as part of the Total Project Cost. You may attach a separate chart if needed.

B) TOTAL Capital Costs $ 4,700,000

Project refinancing: estimated amount
(for refinancing of existing debt only) $ _____

Sources of Funds for Project Costs:

1. Bank Financing $ 4,230,000
2. Equity (excluding equity that is attributed to grants/tax credits) $ 470,000
3. Tax Exempt Bond Issuance (if applicable) $ _____
4. Taxable Bond Issuance (if applicable) $ _____

5. Public Sources (Include sum total of all state and federal grants and tax credits) $ _____

-Identify each state and federal grant/credit:

_____ $ _____

_____ $ _____

_____ $ _____

6. Total Sources of Funds for Project Costs $ 4,700,000

C) Employment and Payroll Information

*Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

1. Are there people currently employed at the project site?
☐Yes ☑No If yes, provide number of FTE jobs at the facility: _____

2. Complete the following:

Estimate the number of FTE jobs to be retained as a result of this Project:	0
Estimate the number of construction jobs to be created by this Project:	40
Estimate the average length of construction jobs to be created (months):	5 months
Current annual payroll at facility:	
Please list, if any, benefits that will be available to either full and/or part time employees:	
Average annual benefit paid by the company ($ or % salary) per FTE job:	
Amount or percent of wage employees pay for benefits:	
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	

D) New Employment Benefits

i. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, and third, years after the Project is completed. Jobs should be listed by title of category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. Do not include construction workers.

ii. Feel free to include additional information or a substitute chart if you think additional material would add clarity.

Please use this chart to illustrate the current employment:

Job Title/Category	Current Annual Pay	Current Employment (FTE)

Please use this chart to illustrate the projected employment growth:

Job Title/Category	Current Annual Pay	Jobs Created Year 1	Jobs Created Year 2	Jobs Created Year 3

If you prefer, you may attach a job chart of your own that outlines the job growth projections regarding the Project.

E) Financial Assistance sought (estimated values):

☐ Real Property Tax Abatement (PILOT): _____

☑ Mortgage Recording Tax Exemption (.75% of amount mortgaged): 31,725

☑ Sales and Use Tax Exemption (4% Local, 4% State): 188,000 (only 4% local applies)

☐ Tax Exempt Bond Financing (Amount Requested): _____

☐ Taxable Bond Financing (Amount Requested): _____

F) Mortgage Recording Tax Exemption Benefit Calculator: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/ bridge financing): $ 4,230,000

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above, multiplied by .0075): $ 31,725

G) Sales and Use Tax Benefit Calculator: Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax – said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

$ 4,700,000

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above) (This should match the amount in section "E" on page 9, this calculation only exists to help you with your estimate):

$ 188,000

Section IV: Estimate of Real Property Tax Abatement Benefits

Section IV of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application prior to the completed application being provided to the OCIDA Board.

A) PILOTS Estimate Table Worksheet

OCIDA estimate of current value	
New construction and renovation costs	
OCIDA estimate of increase in value	
OCIDA estimated value of completed project	
OCIDA estimate of taxes that would have been collected if the project did not occur	
Scheduled PILOT payments	

PILOT Year	Exemption %	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	100						
2	90						
3	80						
4	70						
5	60						
6	50						
7	40						
8	30						
9	20						
10	10						
TOTAL							

Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff.

SECTION: V For Retail Projects Only

1. Will the cost of the retail portion of the Project exceed one-third of the total project cost?

☐Yes ☐No

2. Is the Project located in a distressed area? A distressed area is a census tract that has a) a poverty rate of a least 20% or at least 20% of households receiving public assistance, and (b) an unemployment rate of least 1.25 times the statewide unemployment rate for the year to which the date relates.

☐Yes ☐No

3. Is the Project likely to attract a significant number of visitors from outside of the economic development region?

☐Yes ☐No

4. Is the predominate purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the Town, City, County or Village of where the Project will be located.

☐Yes ☐No

SECTION VI: For Solar Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the Project would be affected if these benefits were not provided. [see Section II (C)]

2. Is the applicant leasing the property?
   - ☐ Yes, please provide a copy of the lease
   - ☑ No, purchased the property. Please provide documentation.

3. Has the applicant provided written communication to the affected taxing jurisdictions notifying them of its intent to construct a renewable energy project?
   - ☑ Yes
   - ☐ No

4. Has the applicant received a letter of support for the megawatt cost to be used as a basis for the PILOT from the town, city or village where the Project is located?
   - ☐ Yes. Please provide copy.
   - ☑ No

5. Has the applicant received a letter of support for the megawatt cost to be used as a basis for PILOT from the school district?
   - ☐ Yes. Please provide copy.
   - ☑ No

6. Is the entire parcel being used for the solar project?
   - ☐ Yes
   - ☑ No, if not, have you reached out to the town assessor to discuss a subdivision or slash parcel? Explain: A SUP of our proposed site plan and subdivision has been received from the Town of Manlius.

7. Will the applicant enter into a decommissioning plan with the host community, including financial assurance the plan can be executed?
   - ☑ Yes, explain.
   - ☐ No

**PLEASE SEE FOLLOWING PAGE FOR OCIDA SOLAR BEST PRACTICES*

OCIDA SOLAR PILOTs GUIDANCE AND BEST PRACTICE

To be placed on the OCIDA meeting agenda, proposed solar projects must provide OCIDA with the following in advance of the Project's first OCIDA meeting:

1. Fully completed OCIDA application.
2. Copy of Environmental Assessment Form.
3. A SEQR resolution approved by a local municipality indicating municipality will be lead agency, the type of action (I, II, or unlisted) and, if completed, the SEQR determination made by the municipality.
4. Copies of your zoning applications submitted to the local municipality.
5. Verification of parcel subdivision process with the town (if the entire parcel will not be used for the solar project).
6. A statement clarifying whether the applicant will lease or purchase the real property on which the Project is situated. If leased, provide a copy of the proposed or executed lease. If lease parcel is less then entire parcel then see 5 above.
7. A supporting document from the School District and the Town Board outlining the agreed upon cost per megawatt to be used as a basis for the PILOT. OCIDA cannot create the PILOT schedule without this information.

You will receive a draft Cost Benefit Analysis and a Draft PILOT schedule from this office. You may use these documents as your Project progresses through the OCIDA approval process. OCIDA staff are available to update these two documents as needed.

SECTION VII: For Housing Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the project would be impacted if these benefits were not provided. [see Section II (C)]

2. Is the Project being built in a blighted area? Please describe.

3. Is the Project fulfilling an unmet need in the area? Please explain.

4. Please provide a market study documenting a need for such housing.

5. Is there support from local government officials for the Project and for the financial assistance being requested from the Agency? Please provide written documentation.

6. Is the Project considered infill in a populated area? Please explain.

7. Does the Project provide walkability?

8. Is there additional county infrastructure necessary to service the Project? If, yes, please explain.

9. Is the Project part of a larger mixed-use development? Please describe.

Section VIII: Local Access Policy Agreement

In absence of a waiver permitting otherwise, every project seeking the assistance of the Onondaga County Industrial Development Agency (Agency) must use local general contractors, sub-contractors, and labor for one-hundred percent (100%) of the construction of new, expanded, or renovated facilities. The project's construction or project manager need not be a local company.

Noncompliance may result in the revocation and/or recapture of all benefits extended to the project by the Agency. Local Labor is defined as laborers permanently residing in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins, and Wayne. Local (General/Sub) Contractor is defined as a contractor operating a permanent office in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins and Wayne. The Agency may determine on a case-by-case basis to waive the Local Access Policy for a project or for a portion of a project where consideration of warranty issues, necessity of specialized skills, significant cost differentials between local and non-local services or other compelling circumstances exist. The procedure to address a local labor waiver can be found in the OCIDA handbook, which is available upon request.

Prior to issuance of any NYS Tax & Finance ST-60 forms, the Applicant must submit a **Contractor Status Report to the Agency.**

In consideration of the extension of financial assistance by the Agency CVE US EI4 Manlius North LLC (the Company) understands the Local Access Policy and agrees to complete Appendix C of the Agency's application at the time of the application to the Agency and as part of a request to extend the valid date of the Agency's tax-exempt certificate for the Project. The Company understands that an Agency tax-exempt certificate is typically valid for 12 months from the effective date of the project inducement and extended thereafter upon request by the Company. The Company further understands that any request for a waiver to this policy must be submitted in writing and approved by the Agency.

I agree to the conditions of this agreement and certify all information provided regarding the construction and employment activities for the project as of 01/03/22 (date).

Company: CVE US EI4 Manlius North LLC

Representative for Contract: David Froelich

Address: 109 W 27th St City: New York State: NY Zip: 10001

Phone: 914-847-0043 Email: david.froelich@cvegroup.com

Project Address: 8107 East Seneca Turnpike City: Manlius State: NY 13104 Zip: _____

General Contractor: TBD

Contact Person: TBD

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Authorized Representative: David Froelich Title: Director of Business Development

Signature: David Froelich

Section IX: Agency Fee Schedule

* Minimum Fee to be applied to all project receiving OCIDA benefits is 1% of the Total Project Cost (TPC)

ACTIVITY	FEES	COMMENTS
Non- refundable Application Fee	$1,000	Due at time of application
Legal Deposit	$2,500	Due at time of application
Minimum Fee of 1% of TPC 1. Sales and Use Tax Exemption 2. Mortgage Recording Tax 3. PILOT **is an additional fee**	.01 X TPC .0025 X TPC (total .0125)	Due at closing
Bonds Bond refinancing and refunding	.0025 of TPC	Due at closing
Agency Legal Fees Fee for first $20 million Fee for expenses above $20 million	.0025 X of the project cost or bond amount .00125 X of project cost or bond amount	Due at closing

OCIDA reserves the right to modify this schedule at any time and assess fees and charges in connection with other transactions such as grants of easement or lease or sale of OCIDA-owned property.

Section X: Recapture of Tax Abatement/Exemptions

Information to be Provided by Companies: Each Company agrees that to receive benefits from the Agency it must, whenever requested by the Agency or required under applicable statutes or project documents, provide and certify or cause to be provided and certified such information concerning the Company, its finances, its employees and other topics which shall, from time to time, be necessary or appropriate, including but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

Please refer to the OCIDA Uniform Tax Exemption Policy. (add hyperlink)

I have read the foregoing and agree to comply with all the terms and conditions contained therein as well as policies of the Onondaga County Industrial Agency.

Name of Applicant Company: CVE US EI4 Manlius North, LLC

Signature of Officer or Authorized Representative:

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

Section XI: Conflict of Interest

Agency Board Members

1. Patrick Hogan, Chairperson
2. Janice Herzog, Vice Chairperson
3. Steve Morgan, Director
4. Victor Ianno, Director
5. Sue Stanczyk, Director
6. Kevin Ryan, Director
7. Fanny Villarreal, Director

Agency Officers/Staff

1. Robert M. Petrovich, Executive Director
2. Nathaniel Stevens, Treasurer
3. Nancy Lowery, Secretary
4. Karen Doster, Recording Secretary
5. Christopher Cox, Assistant Treasurer

Agency Legal Counsel & Auditor

1. Jeffrey Davis, Esq., Barclay Damon LLP
2. Amanda Fitzgerald, Esq., Barclay Damon LLP
3. Michael G. Lisson, CPA, Grossman St. Amour Certified Public Accountants PLLC

The Applicant has received from the Agency a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Name of Applicant Company: CVE US EI4 Manlius North, LLC

Signature of Officer or Authorized Representative: D1 Dfroelich

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

Section XII: Representations, Certifications, and Indemnification

David Froelich (Name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Director of Business Development (title) of CVE US EI4 Manlius North, LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

A. First Consideration for Employment: In accordance with §858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the CNY Works for new employment opportunities created as a result of the Project.

B. Other NYS Facilities: In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or is reasonably necessary.

C. Annual Sales Tax Filings: In accordance with §874(8) 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, 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.

D. Outstanding Bonds: The Applicant understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the project that is requested by the Comptroller of the State of New York.

E. Employment Reports: The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant agrees to file with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, with said report being an agenda item subject to the open meetings law.

F. Absence of Conflicts 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 hereinafter described in Section X.

G. Compliance: The Applicant understands and agrees that it is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

H. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the Agency. (1) No funds of the Agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

I. The Applicant confirms and acknowledges that the owner, occupant or operator receiving financial assistance for the proposed Project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules and regulations.

J. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.

K. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

L. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents 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 statement contained herein not misleading.

M. The OCIDA has the right to request and inspect supporting documentation regarding attestations made on this application.

N. Hold Harmless Agreement: Applicant hereby releases Onondaga 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 cause of action and attorney's fees and any other expenses incurred in defending any suits or action 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 process of the Application, including attorney's fees, if any.

Name of Applicant Company: CVE US EI4 Manlius North, LLC

Signature of Officer or Authorized Representative: D D Froelich

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

STATE OF ~~NEW YORK~~ CONNECTICUT)

COUNTY OF ~~ONONDAGA~~ FAIRFIELD) ss.;

DAVID FROELICH, being first duly sworn, deposes and says:

1. That I am the Director (Corporate Officer) of CVE US EI4 MANLIUS ~~EAST~~ NORTH LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.

2. That I have read and attached Application, I Know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 13th day of January, 20 22.

(Notary Public)

End of Application

Exp. 6/30/2024

Rev 8.5.21

August 6th, 2022

Onondaga County IDA
333 W. Washington St, Suite 130
Syracuse, NY 13202

RE: OCIDA Benefits Application - Section II, D: Description of Project

Dear OCIDA,

Please see the response from CVE US EI4 Manlius North, LLC regarding Section II, D: Description of Project of the OCIDA Application.

x (i) the size of the Project in square feet and a breakdown of square footage per each intended use;

- 13.7 acres, 1.5MWac

x (ii) the size of the lot upon which the Project sits or is to be constructed;

- 38.785 acres (per final subdivision map; to be subdivided from existing 230.854 acre parcel)

x (iii) the current use of the site and the intended use of the site upon completion of the Project;

- Current use of the site is an agricultural farm. The intended use of the site is solar renewable energy facility.

x (iv) the principal products to be produced and/or the principal activities that will occur on the Project site;

- The generation of solar electricity.

☐ (v) please describe your method for site control (Own, lease, other).

- Purchase and Sale Agreement.

Sincerely,
Carson Weinand
Senior Business Developer
Carson.weinand@cvegroup.com
239-784-8080

Onondaga County Industrial Development Agency

Project Summary DRAFT 9/1/2022

1. Project	**CVE USI5 Manlius East, LLC**	**2. Project Number**	**3101-21-17B**
3. Location	Manlius	**4. School District**	Fayetteville-Manlius School District
5. Tax Parcel(s)	099.-01-03.0	**6. Project Type**	Solar new contruction
			0

7.Total Project Cost	**$**	**16,500,000**
Land	$	750,000
Site Work	$	4,500,000
Building	$	
Furniture & Fixtures	$	-
Equipment	$	
Equipment Subject to NYS Production Exemption	$	5,500,000
Engineering/Architecture Fees	$	450,000
Financial Charges	$	1,200,000
Legal Fees	$	100,000
Other- Solar Installation Labor	$	3,000,000

8. Total Jobs	0
8A. Job Retention	0
8B: Job Creation (Next 5 Years)	0

Cost Benefit Analysis

CVE USI5 Manlius East, LLC

		Fiscal Impact ($)
Abatement Cost	**$**	**771,375**
Sales Tax	$	660,000
Mortgage Tax	$	111,375
Property Tax Relief (PILOT)	$	-
New Investment	**$**	**16,391,500**
PILOT Payments	$	-
Project Wages (10 years)	$	-
Construction Wages	$	725,500
Employee Benefits (10 years)	$	-
Project Capital Investment	$	15,500,000
Agency Fees	$	166,000
Benefit:Cost Ratio		**21 :1**

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Project Description

CVE USI5 Manlius West, LLC are proposing to construct a 5MW solar array on 36.7 acres of land in the Town of Manlius.

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR BENEFITS

1. Fill in all blanks using "none", "not applicable" or "not available". If you have any questions about the way to respond, please call the Onondaga County Industrial Development Agency (the "Agency" or "OCIDA") at 315-435-3770.

2. If providing an estimate put "(est.)" after the figure or answer. If more space is needed to answer any specific question, attach a separate sheet.

3. If the OCIDA Board approves benefits, it is the company's responsibility to obtain and submit all necessary forms and documents.

4. When completed, return this Application by mail or fax to the Agency at the address indicated below. A signed application may also be submitted electronically in PDF format to Nancy Lowery at nancylowery@ongov.net. **An Application will not be considered by the Agency until the Application fee has been received.**

5. The Agency will not give final approval for this Application until the Agency receives a completed NYS Full Environmental Assessment Form concerning the project which is the subject of this Application. The form is available at http://www.dec.ny.gov/permits/6191.html.

6. Please note the Public Officers Law declares all records in the possession of the OCIDA (with certain limited exceptions) are open to public inspection and copying. If the Applicant is of the opinion that there are elements of the project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, this Applicant must identify such elements in writing and request that such elements be kept confidential. In accordance with Article 6 of the Public Officer's Law, the OCIDA may also redact personal, private, and/or proprietary information from publicly disseminated documents.

7. The Applicant will be required to pay the Agency Application fee and, if accepted as a project of the Agency, all administrative and legal fees as stated in Section VI of the Application.

8. A complete Application consists of the following 9 items:
   - This Application
   - Local Access Agreement
   - Employment Plan
   - Conflict of Interest
   - A feasibility statement indicating the need for the requested benefits
   - Description of Project, Site Plans/Sketches, and Maps
   - NYS Full Environmental Assessment Form
   - A check payable to the Agency in the amount of $1,000
   - A check payable to Barclay Damon LLP in the amount of $2,500

9. This Application was adopted by the OCIDA Board on September 14, 2021.

It is the policy of the Agency that any project receiving benefits from the Onondaga County Industrial Development Agency will utilize 100% local contractors and local labor for the construction period of the project unless a waiver is granted in writing by the Agency.

Return to:

Onondaga County Industrial Development Agency
Attn: Nancy Lowery
333 W. Washington Street, Suite 130
Syracuse, NY 13202
Phone: 315-435-3770 | Fax: 315-435-3669
nancylowery@ongov.net

Section I: Applicant Information

Please answer all questions. Use "None", "Not Applicable" and "See Attached" where necessary.

Submittal Date: 08/06/22

A) Applicant/Project Operator information (company receiving benefits):

Applicant/Project Operator: CVE US EI5 Manlius East, LLC

Applicant/ Project Operator Address: 109 W 27th St, New York, NY 10001

Phone: 914-847-0043 Fax: _____

Website: cvenorthamerica.com E-mail: carson.weinand@cvegroup.com

Federal ID#: 87-3033538 NAICS: _____

State and Year of Incorporation/Organization: New York, 2021

Owner (if different from Applicant/Project Owner): _____

Owner Address: _____

Federal ID#: _____

State and Year of Incorporation/Organization: _____

List of stockholders, members, or partners of Owner:

_____

B) Individual Completing Application:

Name: Carson Weinand

Title: Senior Business Developer

Address: 109 W 27th St, New York, NY 10001

Phone: 239-784-8080 Fax: _____

E-mail: carson.weinand@cvegroup.com

C) Company Contact (if different from individual completing application):

Name: Thibaut Delespaul

Title: General Manager, CVE North America, Inc.

Address: 109 W 27th St, New York, NY 10001

Phone: 914-847-0043 Cell Phone: 917-750-5110

E-mail: thibaut.delespaul@cvegroup.com

D) Company Counsel:

Name of Attorney: Joshua Sabo, Esq.

Firm Name: Couch White, LLP

Address: 540 Broadway, Albany, NY 12201

Phone: 518-320-3443 Cell Phone:

E-mail: jsabo@couchwhite.com

E) Business Organization (check appropriate category):

☐ Corporation ☐ Partnership

☐ Public Corporation ☐ Joint Venture

☐ Sole Proprietorship ☑ Limited Liability Company

☐ Other (please specify):

Year Established: 2021

State in which Organization is established: New York

F) List all stockholders, members, or partners with % of ownership greater than 5%:

Name	% of ownership
CVE NA Devco, LLC	100%

G) Applicant Business Description:

Please attach a description of your Company's background, products, customers, goods and services.

Estimated % of sales within Onondaga County: 50%

Estimated % of sales outside Onondaga County but within New York State: 50%

Estimated % of sales outside New York State but within the U.S.: _____

Estimated % of sales outside the U.S.: _____

(*Percentage to equal 100%)

H) Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the company or management of the Company now a plaintiff or defendant in any civil or criminal litigation? ☐Yes ☑No
2. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? ☐Yes ☑No
3. Has any person listed in Section I ever been in receivership or declared bankruptcy? Please attach any explanations. ☐Yes ☑No

I) Has the Project Beneficiary received assistance from OCIDA, Syracuse Industrial Development Agency (SIDA), New York State or the Onondaga Civic Development Corporation (OCDC) in the past? If yes please attach an explanation and please give year, project name, and description of benefits and address of project.

☐Yes ☑No

Section II: Project and Site Information

A) Project Location: Location where the investment will take place. If Company is moving, the new location should be entered here and the current location should be in Section I.

Address: 8109 East Seneca Turnpike (assigned by SOCPA; subdivided from No Number Duguid Rd)

Legal Address (if different): _____

City: Manlius Village/Town: Manlius

Zip Code: 13104 School District: Fayetteville-Manlius

Tax Map Parcel ID(s): 099.-01-03.0 (to be updated once subdivision is filed)

Current Assessed Value: $251,000 (full parcel) Footage of Existing Building: 0

Census Tract: _____

B) Type (Check all that apply):

- ☑ New construction
- ☐ Expansion/Addition to current facilities
- ☐ Renovation of existing facility
- ☐ Housing Project
- ☑ Renewable Energy Project
- ☐ Retail
- ☐ Purchase of machinery and/or equipment
- ☐ Brownfield/Remediated Brownfield
- ☐ LEED Certification
- ☐ Demolition and Construction
- ☐ Acquisition of existing facility/property
- ☐ Other:

C) Project Narrative: A statement that there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the agency.

* For a Retail Project (also see page 14)
* For a Renewable Energy Project (also see page 15)
* For a Housing Project (also see page 17)

D) Description of Project: Please provide a detailed narrative of the proposed Project. Please separately attach the description and any copies of site plans, sketches or maps. This narrative should include, but is not limited to:

- ☑ (i) the size of the Project in square feet and a breakdown of square footage per each intended use;
- ☑ (ii) the size of the lot upon which the Project sits or is to be constructed;
- ☑ (iii) the current use of the site and the intended use of the site upon completion of the Project;

☑ (iv) the principal products to be produced and/or the principal activities that will occur on the Project site;

☑ (v) please describe your method for site control (Own, lease, other).

E) Select Project type for all end users at Project site (you may check more than one):
**Please check any and all end users as identified below

☐ Industrial	☐ Bank Office
☐ Acquisition of Existing Facility	☐ Retail (see page 14)
☐ Housing Project (see page 17)	☐ Mixed Use
☐ Equipment Purchase	☐ Facility for Aging
☐ Multi-Use Tenant	☐ Civic Facility (not for profit)
☑ Renewable Energy Project (see page 15)	☐ Other _____
☐ Commercial	

F) If applicant will not occupy 100% of the building in a real estate transaction, provide information on tenant(s) that includes name, present address, and percentage of project to be leased, type of business organization, relationship to applicant, date and term of lease.

G) For the Agency to consider this Project, please provide the following information:

1. Does the Project consist of new construction or expansion or substantial renovation of an existing facility?
   ☑ Yes ☐ No
2. Will the Project create new employment opportunities or retain existing jobs that may otherwise be lost?
   ☐ Yes ☑ No
3. Does the Project beneficiary serve a customer base primarily outside of Onondaga County?
   ☐ Yes ☑ No

H) Will the completion of the Project result in the removal of an industrial or manufacturing plant of the company from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the company located within the state? Please explain if you answer "Yes" by attaching a response.

☐ Yes ☑ No

I) Please attach a description of any compelling circumstances the Agency should be aware of while reviewing this application.

J) Local Approvals (Site Plan and Environmental Review)

1. Have site plans been submitted to the appropriate town or local planning department?

   ☑ Yes. What is the status? ☐ No. When will the plans be submitted?

   SEQRA Neg Dec and Special Use Permit have been awarded.

2. Has the project received site plan approval from the town or local planning board?

   ☑ Yes ☐ No

3. If no, what is the anticipated approval date? _____

4. If yes, provide the Agency with a copy of the Planning Board's approval resolution along with the related SEQR determination. (NOTE: SEQR determination is required for final approval and sales tax agency appointment.)

5. Environmental Information

   a. Please attach the appropriate Environmental Impact Forms to your application. Here is a link to the SEQR forms: http://www.dec.ny.gov/permits/6191.html

   b. Have any environmental issues been identified on the property?

      ☐ Yes ☑ No

      If yes, please attach an explanation.

Section III: Construction

A) Project Costs and Finances

Description of Costs	Total Budget Amount	% of Total Budget to be Procured in Onondaga County	Total Private Expenditure (should be less than or equal to total budget amount)
Land Acquisition	750,000		
Site Work/Demo	4,500,000		
Building Construction & Renovation			
Furniture & Fixtures			
Equipment	5,500,000		
Engineering/Architect	450,000		
Financial Charges	1,200,000		
Legal	100,000		
Other	3,000,000		
Management/Developer Fees	1,000,000		
Total Project Cost	16,5000,000		

Note: Do not include OCIDA fees, OCIDA application fees or OCIDA legal fees as part of the Total Project Cost. You may attach a separate chart if needed.

B) TOTAL Capital Costs $ 16,500,000

Project refinancing: estimated amount
(for refinancing of existing debt only) $ _____

Sources of Funds for Project Costs:

1. Bank Financing $ 14,850,000
2. Equity (excluding equity that is attributed to grants/tax credits) $ 1,650,000
3. Tax Exempt Bond Issuance (if applicable) $ _____
4. Taxable Bond Issuance (if applicable) $ _____

5. Public Sources (Include sum total of all state and federal grants and tax credits) $ _____

-Identify each state and federal grant/credit:

_____ $ _____

_____ $ _____

_____ $ _____

6. Total Sources of Funds for Project Costs $ 16,500,000

C) Employment and Payroll Information

*Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

1. Are there people currently employed at the project site?
   ☐Yes ☑No If yes, provide number of FTE jobs at the facility: _____
2. Complete the following:

Estimate the number of FTE jobs to be retained as a result of this Project:	0
Estimate the number of construction jobs to be created by this Project:	40
Estimate the average length of construction jobs to be created (months):	5 months
Current annual payroll at facility:	
Please list, if any, benefits that will be available to either full and/or part time employees:	
Average annual benefit paid by the company ($ or % salary) per FTE job:	
Amount or percent of wage employees pay for benefits:	
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	

D) New Employment Benefits

i. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, and third, years after the Project is completed. Jobs should be listed by title of category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. Do not include construction workers.

ii. Feel free to include additional information or a substitute chart if you think additional material would add clarity.

Please use this chart to illustrate the current employment:

Job Title/Category	Current Annual Pay	Current Employment (FTE)

Please use this chart to illustrate the projected employment growth:

Job Title/Category	Current Annual Pay	Jobs Created Year 1	Jobs Created Year 2	Jobs Created Year 3

If you prefer, you may attach a job chart of your own that outlines the job growth projections regarding the Project.

E) Financial Assistance sought (estimated values):

☐ Real Property Tax Abatement (PILOT): _____

☑ Mortgage Recording Tax Exemption (.75% of amount mortgaged): 111,375

☑ Sales and Use Tax Exemption (4% Local, 4% State): 660,000 (only 4% local applies)

☐ Tax Exempt Bond Financing (Amount Requested): _____

☐ Taxable Bond Financing (Amount Requested): _____

F) Mortgage Recording Tax Exemption Benefit Calculator: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/ bridge financing): $ 14,850,000

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above, multiplied by .0075): $ 111,375

G) Sales and Use Tax Benefit Calculator: Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax – said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

$ 16,500,000

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above) (This should match the amount in section "E" on page 9, this calculation only exists to help you with your estimate):

$ 660,000

Section IV: Estimate of Real Property Tax Abatement Benefits

Section IV of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application prior to the completed application being provided to the OCIDA Board.

A) PILOTS Estimate Table Worksheet

OCIDA estimate of current value	
New construction and renovation costs	
OCIDA estimate of increase in value	
OCIDA estimated value of completed project	
OCIDA estimate of taxes that would have been collected if the project did not occur	
Scheduled PILOT payments	

PILOT Year	Exemption %	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	100						
2	90						
3	80						
4	70						
5	60						
6	50						
7	40						
8	30						
9	20						
10	10						
TOTAL							

Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff.

SECTION: V For Retail Projects Only

1. Will the cost of the retail portion of the Project exceed one-third of the total project cost?

☐Yes ☐No

2. Is the Project located in a distressed area? A distressed area is a census tract that has a) a poverty rate of a least 20% or at least 20% of households receiving public assistance, and (b) an unemployment rate of least 1.25 times the statewide unemployment rate for the year to which the date relates.

☐Yes ☐No

3. Is the Project likely to attract a significant number of visitors from outside of the economic development region?

☐Yes ☐No

4. Is the predominate purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the Town, City, County or Village of where the Project will be located.

☐Yes ☐No

SECTION VI: For Solar Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the Project would be affected if these benefits were not provided. [see Section II (C)]

2. Is the applicant leasing the property?
   - ☐ Yes, please provide a copy of the lease
   - ☑ No, purchased the property. Please provide documentation.

3. Has the applicant provided written communication to the affected taxing jurisdictions notifying them of its intent to construct a renewable energy project?
   - ☑ Yes
   - ☐ No

4. Has the applicant received a letter of support for the megawatt cost to be used as a basis for the PILOT from the town, city or village where the Project is located?
   - ☐ Yes. Please provide copy.
   - ☑ No

5. Has the applicant received a letter of support for the megawatt cost to be used as a basis for PILOT from the school district?
   - ☐ Yes. Please provide copy.
   - ☑ No

6. Is the entire parcel being used for the solar project?
   - ☐ Yes
   - ☑ No, if not, have you reached out to the town assessor to discuss a subdivision or slash parcel? Explain: A SUP of our proposed site plan and subdivision has been received from the Town of Manlius.

7. Will the applicant enter into a decommissioning plan with the host community, including financial assurance the plan can be executed?
   - ☑ Yes, explain.
   - ☐ No

**PLEASE SEE FOLLOWING PAGE FOR OCIDA SOLAR BEST PRACTICES*

OCIDA SOLAR PILOTs GUIDANCE AND BEST PRACTICE

To be placed on the OCIDA meeting agenda, proposed solar projects must provide OCIDA with the following in advance of the Project's first OCIDA meeting:

1. Fully completed OCIDA application.
2. Copy of Environmental Assessment Form.
3. A SEQR resolution approved by a local municipality indicating municipality will be lead agency, the type of action (I, II, or unlisted) and, if completed, the SEQR determination made by the municipality.
4. Copies of your zoning applications submitted to the local municipality.
5. Verification of parcel subdivision process with the town (if the entire parcel will not be used for the solar project).
6. A statement clarifying whether the applicant will lease or purchase the real property on which the Project is situated. If leased, provide a copy of the proposed or executed lease. If lease parcel is less then entire parcel then see 5 above.
7. A supporting document from the School District and the Town Board outlining the agreed upon cost per megawatt to be used as a basis for the PILOT. OCIDA cannot create the PILOT schedule without this information.

You will receive a draft Cost Benefit Analysis and a Draft PILOT schedule from this office. You may use these documents as your Project progresses through the OCIDA approval process. OCIDA staff are available to update these two documents as needed.

SECTION VII: For Housing Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the project would be impacted if these benefits were not provided. [see Section II (C)]

2. Is the Project being built in a blighted area? Please describe.

3. Is the Project fulfilling an unmet need in the area? Please explain.

4. Please provide a market study documenting a need for such housing.

5. Is there support from local government officials for the Project and for the financial assistance being requested from the Agency? Please provide written documentation.

6. Is the Project considered infill in a populated area? Please explain.

7. Does the Project provide walkability?

8. Is there additional county infrastructure necessary to service the Project? If, yes, please explain.

9. Is the Project part of a larger mixed-use development? Please describe.

Section VIII: Local Access Policy Agreement

In absence of a waiver permitting otherwise, every project seeking the assistance of the Onondaga County Industrial Development Agency (Agency) must use local general contractors, sub-contractors, and labor for one-hundred percent (100%) of the construction of new, expanded, or renovated facilities. The project's construction or project manager need not be a local company.

Noncompliance may result in the revocation and/or recapture of all benefits extended to the project by the Agency. Local Labor is defined as laborers permanently residing in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins, and Wayne. Local (General/Sub) Contractor is defined as a contractor operating a permanent office in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins and Wayne. The Agency may determine on a case-by-case basis to waive the Local Access Policy for a project or for a portion of a project where consideration of warranty issues, necessity of specialized skills, significant cost differentials between local and non-local services or other compelling circumstances exist. The procedure to address a local labor waiver can be found in the OCIDA handbook, which is available upon request.

Prior to issuance of any NYS Tax & Finance ST-60 forms, the Applicant must submit a **Contractor Status Report to the Agency.**

In consideration of the extension of financial assistance by the Agency CVE US EI5 Manlius East LLC (the Company) understands the Local Access Policy and agrees to complete Appendix C of the Agency's application at the time of the application to the Agency and as part of a request to extend the valid date of the Agency's tax-exempt certificate for the Project. The Company understands that an Agency tax-exempt certificate is typically valid for 12 months from the effective date of the project inducement and extended thereafter upon request by the Company. The Company further understands that any request for a waiver to this policy must be submitted in writing and approved by the Agency.

I agree to the conditions of this agreement and certify all information provided regarding the construction and employment activities for the project as of 01/03/22 (date).

Company: CVE US EI5 Manlius East LLC

Representative for Contract: David Froelich

Address: 109 W 27th St City: New York State: NY Zip: 10001

Phone: 914-847-0043 Email: david.froelich@cvegroup.com

Project Address: 8109 East Seneca Turnpike City: Manlius State: NY Zip: 13104

General Contractor: TBD

Contact Person: TBD

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Authorized Representative: David Froelich Title: Director of Business Development

Signature: D J Froelich

Section IX: Agency Fee Schedule

* Minimum Fee to be applied to all project receiving OCIDA benefits is 1% of the Total Project Cost (TPC)

ACTIVITY	FEES	COMMENTS
Non- refundable Application Fee	$1,000	Due at time of application
Legal Deposit	$2,500	Due at time of application
Minimum Fee of 1% of TPC 1. Sales and Use Tax Exemption 2. Mortgage Recording Tax 3. PILOT **is an additional fee**	.01 X TPC .0025 X TPC (total .0125)	Due at closing
Bonds Bond refinancing and refunding	.0025 of TPC	Due at closing
Agency Legal Fees Fee for first $20 million Fee for expenses above $20 million	.0025 X of the project cost or bond amount .00125 X of project cost or bond amount	Due at closing

OCIDA reserves the right to modify this schedule at any time and assess fees and charges in connection with other transactions such as grants of easement or lease or sale of OCIDA-owned property.

Section X: Recapture of Tax Abatement/Exemptions

Information to be Provided by Companies: Each Company agrees that to receive benefits from the Agency it must, whenever requested by the Agency or required under applicable statutes or project documents, provide and certify or cause to be provided and certified such information concerning the Company, its finances, its employees and other topics which shall, from time to time, be necessary or appropriate, including but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

Please refer to the OCIDA Uniform Tax Exemption Policy. (add hyperlink)

I have read the foregoing and agree to comply with all the terms and conditions contained therein as well as policies of the Onondaga County Industrial Agency.

Name of Applicant Company: CVE US EI5 Manlius East, LLC

Signature of Officer or Authorized Representative:

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

Section XI: Conflict of Interest

Agency Board Members

1. Patrick Hogan, Chairperson
2. Janice Herzog, Vice Chairperson
3. Steve Morgan, Director
4. Victor Ianno, Director
5. Sue Stanczyk, Director
6. Kevin Ryan, Director
7. Fanny Villarreal, Director

Agency Officers/Staff

1. Robert M. Petrovich, Executive Director
2. Nathaniel Stevens, Treasurer
3. Nancy Lowery, Secretary
4. Karen Doster, Recording Secretary
5. Christopher Cox, Assistant Treasurer

Agency Legal Counsel & Auditor

1. Jeffrey Davis, Esq., Barclay Damon LLP
2. Amanda Fitzgerald, Esq., Barclay Damon LLP
3. Michael G. Lisson, CPA, Grossman St. Amour Certified Public Accountants PLLC

The Applicant has received from the Agency a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Name of Applicant Company: CVE US EI5 Manlius East, LLC

Signature of Officer or Authorized Representative:

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

Section XII: Representations, Certifications, and Indemnification

David Froelich (Name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Director of Business Development (title) of CVE US EI5 Manlius East, LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

A. First Consideration for Employment: In accordance with §858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the CNY Works for new employment opportunities created as a result of the Project.

B. Other NYS Facilities: In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or is reasonably necessary.

C. Annual Sales Tax Filings: In accordance with §874(8) 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, 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.

D. Outstanding Bonds: The Applicant understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the project that is requested by the Comptroller of the State of New York.

E. Employment Reports: The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant agrees to file with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, with said report being an agenda item subject to the open meetings law.

F. Absence of Conflicts 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 hereinafter described in Section X.

G. Compliance: The Applicant understands and agrees that it is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

H. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the Agency. (1) No funds of the Agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

I. The Applicant confirms and acknowledges that the owner, occupant or operator receiving financial assistance for the proposed Project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules and regulations.

J. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.

K. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

L. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents 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 statement contained herein not misleading.

M. The OCIDA has the right to request and inspect supporting documentation regarding attestations made on this application.

N. Hold Harmless Agreement: Applicant hereby releases Onondaga 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 cause of action and attorney's fees and any other expenses incurred in defending any suits or action 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 process of the Application, including attorney's fees, if any.

Name of Applicant Company: CVE US EI5 Manlius East, LLC

Signature of Officer or Authorized Representative: D Froelich

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

Connecticut

STATE OF ~~NEW YORK~~)

COUNTY OF ~~ONONDAGA~~ Fairfield) ss.;

DAVID FROELICH, being first duly sworn, deposes and says:

1. That I am the Director (Corporate Officer) of CVE US EI5 Manlius East LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.

2. That I have read and attached Application, I Know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 15th ~~day of~~, 20 22.

(Notary Public)

End of Application

exp. 6/30/2024

Rev 8.5.21

August 6th, 2022

Onondaga County IDA
333 W. Washington St, Suite 130
Syracuse, NY 13202

RE: OCIDA Benefits Application - Section II, D: Description of Project

Dear OCIDA,

Please see the response from CVE US EI5 Manlius East, LLC regarding Section II, D: Description of Project of the OCIDA Application.

x (i) the size of the Project in square feet and a breakdown of square footage per each intended use;

- 36.7 acres, 5.0 MWac

x (ii) the size of the lot upon which the Project sits or is to be constructed;

- 68.278 acres (per final subdivision map; to be subdivided from existing 230.854 acre parcel)

x (iii) the current use of the site and the intended use of the site upon completion of the Project;

- Current use of the site is an agricultural farm. The intended use of the site is solar renewable energy facility.

x (iv) the principal products to be produced and/or the principal activities that will occur on the Project site;

- The generation of solar electricity.

☐ (v) please describe your method for site control (Own, lease, other).

- Purchase and Sale Agreement.

Sincerely,
Carson Weinand
Senior Business Developer
Carson.weinand@cvegroup.com
239-784-8080

Onondaga County Industrial Development Agency

Project Summary DRAFT 9/1/2022

1. Project	**CVE USI6 Manlius West, LLC**	**2. Project Number**	**3101-21-18C**
3. Location	Manlius	**4. School District**	Fayetteville-Manlius School District
5. Tax Parcel(s)	099.-01-03.0	**6. Project Type**	Solar new contruction
			0

7.Total Project Cost	**$**	**14,725,000**
Land	$	750,000
Site Work	$	4,500,000
Building	$	
Furniture & Fixtures	$	-
Equipment	$	
Equipment Subject to NYS Production Exemption	$	5,500,000
Engineering/Architecture Fees	$	450,000
Financial Charges	$	1,150,000
Legal Fees	$	100,000
Other- Solar Installation Labor	$	1,275,000

8. Total Jobs	0
8A. Job Retention	0
8B: Job Creation (Next 5 Years)	0

Cost Benefit Analysis

CVE USI6 Manlius West, LLC

		Fiscal Impact ($)
Abatement Cost	**$**	**688,394**
Sales Tax	$	589,000
Mortgage Tax	$	99,394
Property Tax Relief (PILOT)	$	-
New Investment	**$**	**14,598,750**
PILOT Payments	$	-
Project Wages (10 years)	$	-
Construction Wages	$	725,500
Employee Benefits (10 years)	$	-
Project Capital Investment	$	13,725,000
Agency Fees	$	148,250
Benefit:Cost Ratio		**21 :1**

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Project Description

CVE USI6 Manlius West, LLC are proposing to construct a 5MW solar array on 40.7 acres of land in the Town of Manlius.

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR BENEFITS

1. Fill in all blanks using "none", "not applicable" or "not available". If you have any questions about the way to respond, please call the Onondaga County Industrial Development Agency (the "Agency" or "OCIDA") at 315-435-3770.

2. If providing an estimate put "(est.)" after the figure or answer. If more space is needed to answer any specific question, attach a separate sheet.

3. If the OCIDA Board approves benefits, it is the company's responsibility to obtain and submit all necessary forms and documents.

4. When completed, return this Application by mail or fax to the Agency at the address indicated below. A signed application may also be submitted electronically in PDF format to Nancy Lowery at nancylowery@ongov.net. **An Application will not be considered by the Agency until the Application fee has been received.**

5. The Agency will not give final approval for this Application until the Agency receives a completed NYS Full Environmental Assessment Form concerning the project which is the subject of this Application. The form is available at http://www.dec.ny.gov/permits/6191.html.

6. Please note the Public Officers Law declares all records in the possession of the OCIDA (with certain limited exceptions) are open to public inspection and copying. If the Applicant is of the opinion that there are elements of the project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, this Applicant must identify such elements in writing and request that such elements be kept confidential. In accordance with Article 6 of the Public Officer's Law, the OCIDA may also redact personal, private, and/or proprietary information from publicly disseminated documents.

7. The Applicant will be required to pay the Agency Application fee and, if accepted as a project of the Agency, all administrative and legal fees as stated in Section VI of the Application.

8. A complete Application consists of the following 9 items:
   - This Application
   - Local Access Agreement
   - Employment Plan
   - Conflict of Interest
   - A feasibility statement indicating the need for the requested benefits
   - Description of Project, Site Plans/Sketches, and Maps
   - NYS Full Environmental Assessment Form
   - A check payable to the Agency in the amount of $1,000
   - A check payable to Barclay Damon LLP in the amount of $2,500

9. This Application was adopted by the OCIDA Board on September 14, 2021.

It is the policy of the Agency that any project receiving benefits from the Onondaga County Industrial Development Agency will utilize 100% local contractors and local labor for the construction period of the project unless a waiver is granted in writing by the Agency.

Return to:

Onondaga County Industrial Development Agency
Attn: Nancy Lowery
333 W. Washington Street, Suite 130
Syracuse, NY 13202
Phone: 315-435-3770 | Fax: 315-435-3669
nancylowery@ongov.net

Section I: Applicant Information

Please answer all questions. Use "None", "Not Applicable" and "See Attached" where necessary.

Submittal Date: 08/06/22

A) Applicant/Project Operator information (company receiving benefits):

Applicant/Project Operator: CVE US EI6 Manlius West, LLC

Applicant/ Project Operator Address: 109 W 27th St, New York, NY 10001

Phone: 914-847-0043 Fax: _____

Website: cvenorthamerica.com E-mail: carson.weinand@cvegroup.com

Federal ID#: 87-3187796 NAICS: _____

State and Year of Incorporation/Organization: New York, 2021

Owner (if different from Applicant/Project Owner): _____

Owner Address: _____

Federal ID#: _____

State and Year of Incorporation/Organization: _____

List of stockholders, members, or partners of Owner:

_____

B) Individual Completing Application:

Name: Carson Weinand

Title: Senior Business Developer

Address: 109 W 27th St, New York, NY 10001

Phone: 239-784-8080 Fax: _____

E-mail: carson.weinand@cvegroup.com

C) Company Contact (if different from individual completing application):

Name: Thibaut Delespaul

Title: General Manager, CVE North America, Inc.

Address: 109 W 27th St, New York, NY 10001

Phone: 914-847-0043 Cell Phone: 917-750-5110

E-mail: thibaut.delespaul@cvegroup.com

D) Company Counsel:

Name of Attorney: Joshua Sabo, Esq.

Firm Name: Couch White, LLP

Address: 540 Broadway, Albany, NY 12201

Phone: 518-320-3443 Cell Phone:

E-mail: jsabo@couchwhite.com

E) Business Organization (check appropriate category):

☐ Corporation ☐ Partnership

☐ Public Corporation ☐ Joint Venture

☐ Sole Proprietorship ☑ Limited Liability Company

☐ Other (please specify):

Year Established: 2021

State in which Organization is established: New York

F) List all stockholders, members, or partners with % of ownership greater than 5%:

Name	% of ownership
CVE NA Devco, LLC	100%

G) Applicant Business Description:

Please attach a description of your Company's background, products, customers, goods and services.

Estimated % of sales within Onondaga County: 50%

Estimated % of sales outside Onondaga County but within New York State: 50%

Estimated % of sales outside New York State but within the U.S.: _____

Estimated % of sales outside the U.S.: _____

(*Percentage to equal 100%)

H) Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the company or management of the Company now a plaintiff or defendant in any civil or criminal litigation? ☐Yes ☑No
2. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? ☐Yes ☑No
3. Has any person listed in Section I ever been in receivership or declared bankruptcy? Please attach any explanations. ☐Yes ☑No

I) Has the Project Beneficiary received assistance from OCIDA, Syracuse Industrial Development Agency (SIDA), New York State or the Onondaga Civic Development Corporation (OCDC) in the past? If yes please attach an explanation and please give year, project name, and description of benefits and address of project.

☐Yes ☑No

Section II: Project and Site Information

A) Project Location: Location where the investment will take place. If Company is moving, the new location should be entered here and the current location should be in Section I.

Address: 8105 East Seneca Turnpike (assigned by SOCPA; subdivided from No Number Duguid Rd)

Legal Address (if different): _____

City: Manlius Village/Town: Manlius

Zip Code: 13104 School District: Fayetteville-Manlius

Tax Map Parcel ID(s): 099.-01-03.0 (to be updated once subdivision is filed)

Current Assessed Value: $251,000 (full parcel) Footage of Existing Building: 0

Census Tract: _____

B) Type (Check all that apply):

- [x] New construction
- [ ] Expansion/Addition to current facilities
- [ ] Renovation of existing facility
- [ ] Housing Project
- [x] Renewable Energy Project
- [ ] Retail
- [ ] Purchase of machinery and/or equipment
- [ ] Brownfield/Remediated Brownfield
- [ ] LEED Certification
- [ ] Demolition and Construction
- [ ] Acquisition of existing facility/property
- [ ] Other:

C) Project Narrative: A statement that there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the agency.

* For a Retail Project (also see page 14)
* For a Renewable Energy Project (also see page 15)
* For a Housing Project (also see page 17)

D) Description of Project: Please provide a detailed narrative of the proposed Project. Please separately attach the description and any copies of site plans, sketches or maps. This narrative should include, but is not limited to:

- [x] (i) the size of the Project in square feet and a breakdown of square footage per each intended use;
- [x] (ii) the size of the lot upon which the Project sits or is to be constructed;
- [x] (iii) the current use of the site and the intended use of the site upon completion of the Project;

☑ (iv) the principal products to be produced and/or the principal activities that will occur on the Project site;

☑ (v) please describe your method for site control (Own, lease, other).

E) Select Project type for all end users at Project site (you may check more than one):
**Please check any and all end users as identified below

☐ Industrial	☐ Bank Office
☐ Acquisition of Existing Facility	☐ Retail (see page 14)
☐ Housing Project (see page 17)	☐ Mixed Use
☐ Equipment Purchase	☐ Facility for Aging
☐ Multi-Use Tenant	☐ Civic Facility (not for profit)
☑ Renewable Energy Project (see page 15)	☐ Other _____
☐ Commercial	

F) If applicant will not occupy 100% of the building in a real estate transaction, provide information on tenant(s) that includes name, present address, and percentage of project to be leased, type of business organization, relationship to applicant, date and term of lease.

G) For the Agency to consider this Project, please provide the following information:

1. Does the Project consist of new construction or expansion or substantial renovation of an existing facility?
   ☑ Yes ☐ No
2. Will the Project create new employment opportunities or retain existing jobs that may otherwise be lost?
   ☐ Yes ☑ No
3. Does the Project beneficiary serve a customer base primarily outside of Onondaga County?
   ☐ Yes ☑ No

H) Will the completion of the Project result in the removal of an industrial or manufacturing plant of the company from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the company located within the state? Please explain if you answer "Yes" by attaching a response.

☐ Yes ☑ No

I) Please attach a description of any compelling circumstances the Agency should be aware of while reviewing this application.

J) Local Approvals (Site Plan and Environmental Review)

1. Have site plans been submitted to the appropriate town or local planning department?

   ☑ Yes. What is the status? ☐ No. When will the plans be submitted?

   SEQRA Neg Dec and Special Use Permit have been awarded.

2. Has the project received site plan approval from the town or local planning board?

   ☑ Yes ☐ No

3. If no, what is the anticipated approval date? _____

4. If yes, provide the Agency with a copy of the Planning Board's approval resolution along with the related SEQR determination. (NOTE: SEQR determination is required for final approval and sales tax agency appointment.)

5. Environmental Information

   a. Please attach the appropriate Environmental Impact Forms to your application. Here is a link to the SEQR forms: http://www.dec.ny.gov/permits/6191.html

   b. Have any environmental issues been identified on the property?

      ☐ Yes ☑ No

      If yes, please attach an explanation.

Section III: Construction

A) Project Costs and Finances

Description of Costs	Total Budget Amount	% of Total Budget to be Procured in Onondaga County	Total Private Expenditure (should be less than or equal to total budget amount)
Land Acquisition	750,000		
Site Work/Demo	4,500,000		
Building Construction & Renovation			
Furniture & Fixtures			
Equipment	5,500,000		
Engineering/Architect	450,000		
Financial Charges	1,150,000		
Legal	100,000		
Other	1,275,000		
Management/Developer Fees	1,000,000		
Total Project Cost	14,725,000		

Note: Do not include OCIDA fees, OCIDA application fees or OCIDA legal fees as part of the Total Project Cost. You may attach a separate chart if needed.

B) TOTAL Capital Costs $ 14,725,000

Project refinancing: estimated amount
(for refinancing of existing debt only) $ _____

Sources of Funds for Project Costs:

1. Bank Financing $ 13,252,500
2. Equity (excluding equity that is attributed to grants/tax credits) $ 1,472,500
3. Tax Exempt Bond Issuance (if applicable) $ _____
4. Taxable Bond Issuance (if applicable) $ _____

5. Public Sources (Include sum total of all state and federal grants and tax credits) $ _____

-Identify each state and federal grant/credit:

_____ $ _____

_____ $ _____

_____ $ _____

6. Total Sources of Funds for Project Costs $ 14,725,000

C) Employment and Payroll Information

*Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

1. Are there people currently employed at the project site?
☐Yes ☑No If yes, provide number of FTE jobs at the facility: _____

2. Complete the following:

Estimate the number of FTE jobs to be retained as a result of this Project:	0
Estimate the number of construction jobs to be created by this Project:	40
Estimate the average length of construction jobs to be created (months):	5 months
Current annual payroll at facility:	
Please list, if any, benefits that will be available to either full and/or part time employees:	
Average annual benefit paid by the company ($ or % salary) per FTE job:	
Amount or percent of wage employees pay for benefits:	
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	

D) New Employment Benefits

i. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, and third, years after the Project is completed. Jobs should be listed by title of category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. Do not include construction workers.

ii. Feel free to include additional information or a substitute chart if you think additional material would add clarity.

Please use this chart to illustrate the current employment:

Job Title/Category	Current Annual Pay	Current Employment (FTE)

Please use this chart to illustrate the projected employment growth:

Job Title/Category	Current Annual Pay	Jobs Created Year 1	Jobs Created Year 2	Jobs Created Year 3

If you prefer, you may attach a job chart of your own that outlines the job growth projections regarding the Project.

E) Financial Assistance sought (estimated values):

☐ Real Property Tax Abatement (PILOT): _____

☑ Mortgage Recording Tax Exemption (.75% of amount mortgaged): 99,394

☑ Sales and Use Tax Exemption (4% Local, 4% State): 589,000 (only 4% local applies)

☐ Tax Exempt Bond Financing (Amount Requested): _____

☐ Taxable Bond Financing (Amount Requested): _____

F) Mortgage Recording Tax Exemption Benefit Calculator: Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/ bridge financing): $ 13,252,500

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above, multiplied by .0075): $ 99,394

G) Sales and Use Tax Benefit Calculator: Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax – said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

$ 14,725,000

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above) (This should match the amount in section "E" on page 9, this calculation only exists to help you with your estimate):

$ 589,000

Section IV: Estimate of Real Property Tax Abatement Benefits

Section IV of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application prior to the completed application being provided to the OCIDA Board.

A) PILOTS Estimate Table Worksheet

OCIDA estimate of current value	
New construction and renovation costs	
OCIDA estimate of increase in value	
OCIDA estimated value of completed project	
OCIDA estimate of taxes that would have been collected if the project did not occur	
Scheduled PILOT payments	

PILOT Year	Exemption %	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	100						
2	90						
3	80						
4	70						
5	60						
6	50						
7	40						
8	30						
9	20						
10	10						
TOTAL							

Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff.

SECTION: V For Retail Projects Only

1. Will the cost of the retail portion of the Project exceed one-third of the total project cost?

☐Yes ☐No

2. Is the Project located in a distressed area? A distressed area is a census tract that has a) a poverty rate of a least 20% or at least 20% of households receiving public assistance, and (b) an unemployment rate of least 1.25 times the statewide unemployment rate for the year to which the date relates.

☐Yes ☐No

3. Is the Project likely to attract a significant number of visitors from outside of the economic development region?

☐Yes ☐No

4. Is the predominate purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the Town, City, County or Village of where the Project will be located.

☐Yes ☐No

SECTION VI: For Solar Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the Project would be affected if these benefits were not provided. [see Section II (C)]

2. Is the applicant leasing the property?
   - ☐ Yes, please provide a copy of the lease
   - ☑ No, purchased the property. Please provide documentation.

3. Has the applicant provided written communication to the affected taxing jurisdictions notifying them of its intent to construct a renewable energy project?
   - ☑ Yes
   - ☐ No

4. Has the applicant received a letter of support for the megawatt cost to be used as a basis for the PILOT from the town, city or village where the Project is located?
   - ☐ Yes. Please provide copy.
   - ☑ No

5. Has the applicant received a letter of support for the megawatt cost to be used as a basis for PILOT from the school district?
   - ☐ Yes. Please provide copy.
   - ☑ No

6. Is the entire parcel being used for the solar project?
   - ☐ Yes
   - ☑ No, if not, have you reached out to the town assessor to discuss a subdivision or slash parcel? Explain: A SUP of our proposed site plan and subdivision has been received from the Town of Manlius.

7. Will the applicant enter into a decommissioning plan with the host community, including financial assurance the plan can be executed?
   - ☑ Yes, explain.
   - ☐ No

**PLEASE SEE FOLLOWING PAGE FOR OCIDA SOLAR BEST PRACTICES*

OCIDA SOLAR PILOTs GUIDANCE AND BEST PRACTICE

To be placed on the OCIDA meeting agenda, proposed solar projects must provide OCIDA with the following in advance of the Project's first OCIDA meeting:

1. Fully completed OCIDA application.
2. Copy of Environmental Assessment Form.
3. A SEQR resolution approved by a local municipality indicating municipality will be lead agency, the type of action (I, II, or unlisted) and, if completed, the SEQR determination made by the municipality.
4. Copies of your zoning applications submitted to the local municipality.
5. Verification of parcel subdivision process with the town (if the entire parcel will not be used for the solar project).
6. A statement clarifying whether the applicant will lease or purchase the real property on which the Project is situated. If leased, provide a copy of the proposed or executed lease. If lease parcel is less then entire parcel then see 5 above.
7. A supporting document from the School District and the Town Board outlining the agreed upon cost per megawatt to be used as a basis for the PILOT. OCIDA cannot create the PILOT schedule without this information.

You will receive a draft Cost Benefit Analysis and a Draft PILOT schedule from this office. You may use these documents as your Project progresses through the OCIDA approval process. OCIDA staff are available to update these two documents as needed.

SECTION VII: For Housing Projects Only

Please complete the following as an addendum:

1. Describe the reasons why the Agency's financial assistance is necessary. Describe how the project would be impacted if these benefits were not provided. [see Section II (C)]

2. Is the Project being built in a blighted area? Please describe.

3. Is the Project fulfilling an unmet need in the area? Please explain.

4. Please provide a market study documenting a need for such housing.

5. Is there support from local government officials for the Project and for the financial assistance being requested from the Agency? Please provide written documentation.

6. Is the Project considered infill in a populated area? Please explain.

7. Does the Project provide walkability?

8. Is there additional county infrastructure necessary to service the Project? If, yes, please explain.

9. Is the Project part of a larger mixed-use development? Please describe.

Section VIII: Local Access Policy Agreement

In absence of a waiver permitting otherwise, every project seeking the assistance of the Onondaga County Industrial Development Agency (Agency) must use local general contractors, sub-contractors, and labor for one-hundred percent (100%) of the construction of new, expanded, or renovated facilities. The project's construction or project manager need not be a local company.

Noncompliance may result in the revocation and/or recapture of all benefits extended to the project by the Agency. Local Labor is defined as laborers permanently residing in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins, and Wayne. Local (General/Sub) Contractor is defined as a contractor operating a permanent office in the State of New York counties of Cayuga, Cortland, Herkimer, Jefferson, Madison, Oneida, Onondaga, Oswego, Tompkins and Wayne. The Agency may determine on a case-by-case basis to waive the Local Access Policy for a project or for a portion of a project where consideration of warranty issues, necessity of specialized skills, significant cost differentials between local and non-local services or other compelling circumstances exist. The procedure to address a local labor waiver can be found in the OCIDA handbook, which is available upon request.

Prior to issuance of any NYS Tax & Finance ST-60 forms, the Applicant must submit a **Contractor Status Report to the Agency.**

In consideration of the extension of financial assistance by the Agency CVE US EI6 Manlius West LLC (the Company) understands the Local Access Policy and agrees to complete Appendix C of the Agency's application at the time of the application to the Agency and as part of a request to extend the valid date of the Agency's tax-exempt certificate for the Project. The Company understands that an Agency tax-exempt certificate is typically valid for 12 months from the effective date of the project inducement and extended thereafter upon request by the Company. The Company further understands that any request for a waiver to this policy must be submitted in writing and approved by the Agency.

I agree to the conditions of this agreement and certify all information provided regarding the construction and employment activities for the project as of 01/03/22 (date).

Company: CVE US EI6 Manlius West LLC

Representative for Contract: David Froelich

Address: 109 W 27th St City: New York State: NY Zip: 10001

Phone: 914-847-0043 Email: david.froelich@cvegroup.com

Project Address: 8105 East Seneca Turnpike City: Manlius State: NY Zip: 13104

General Contractor: TBD

Contact Person: TBD

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Authorized Representative: David Froelich Title: Director of Business Development

Signature: D Froelich

Section IX: Agency Fee Schedule

* Minimum Fee to be applied to all project receiving OCIDA benefits is 1% of the Total Project Cost (TPC)

ACTIVITY	FEES	COMMENTS
Non- refundable Application Fee	$1,000	Due at time of application
Legal Deposit	$2,500	Due at time of application
Minimum Fee of 1% of TPC 1. Sales and Use Tax Exemption 2. Mortgage Recording Tax 3. PILOT **is an additional fee**	.01 X TPC .0025 X TPC (total .0125)	Due at closing
Bonds Bond refinancing and refunding	.0025 of TPC	Due at closing
Agency Legal Fees Fee for first $20 million Fee for expenses above $20 million	.0025 X of the project cost or bond amount .00125 X of project cost or bond amount	Due at closing

OCIDA reserves the right to modify this schedule at any time and assess fees and charges in connection with other transactions such as grants of easement or lease or sale of OCIDA-owned property.

Information to be Provided by Companies: Each Company agrees that to receive benefits from the Agency it must, whenever requested by the Agency or required under applicable statutes or project documents, provide and certify or cause to be provided and certified such information concerning the Company, its finances, its employees and other topics which shall, from time to time, be necessary or appropriate, including but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation.

Please refer to the OCIDA Uniform Tax Exemption Policy. (add hyperlink)

I have read the foregoing and agree to comply with all the terms and conditions contained therein as well as policies of the Onondaga County Industrial Agency.

Name of Applicant Company: CVE US EI6 Manlius West, LLC

Signature of Officer or Authorized Representative: D Froelich

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

Section XI: Conflict of Interest

Agency Board Members

1. Patrick Hogan, Chairperson
2. Janice Herzog, Vice Chairperson
3. Steve Morgan, Director
4. Victor Ianno, Director
5. Sue Stanczyk, Director
6. Kevin Ryan, Director
7. Fanny Villarreal, Director

Agency Officers/Staff

1. Robert M. Petrovich, Executive Director
2. Nathaniel Stevens, Treasurer
3. Nancy Lowery, Secretary
4. Karen Doster, Recording Secretary
5. Christopher Cox, Assistant Treasurer

Agency Legal Counsel & Auditor

1. Jeffrey Davis, Esq., Barclay Damon LLP
2. Amanda Fitzgerald, Esq., Barclay Damon LLP
3. Michael G. Lisson, CPA, Grossman St. Amour Certified Public Accountants PLLC

The Applicant has received from the Agency a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Name of Applicant Company: CVE US EI6 Manlius West, LLC

Signature of Officer or Authorized Representative:

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

Section XII: Representations, Certifications, and Indemnification

David Froelich (Name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Director of Business Development (title) of CVE US EI6 Manlius West, LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

A. First Consideration for Employment: In accordance with §858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the CNY Works for new employment opportunities created as a result of the Project.

B. Other NYS Facilities: In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the project in its respective industry or is reasonably necessary.

C. Annual Sales Tax Filings: In accordance with §874(8) 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, 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.

D. Outstanding Bonds: The Applicant understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the project that is requested by the Comptroller of the State of New York.

E. Employment Reports: The Applicant understands and agrees that, if the Project receives any financial assistance from the Agency, the Applicant agrees to file with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, with said report being an agenda item subject to the open meetings law.

F. Absence of Conflicts 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 hereinafter described in Section X.

G. Compliance: The Applicant understands and agrees that it is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

H. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if financial assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the Agency. (1) No funds of the Agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

I. The Applicant confirms and acknowledges that the owner, occupant or operator receiving financial assistance for the proposed Project is in substantial compliance with applicable local, state, and federal tax, worker protection and environmental laws, rules and regulations.

J. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.

K. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

L. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents 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 statement contained herein not misleading.

M. The OCIDA has the right to request and inspect supporting documentation regarding attestations made on this application.

N. Hold Harmless Agreement: Applicant hereby releases Onondaga 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 cause of action and attorney's fees and any other expenses incurred in defending any suits or action 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 process of the Application, including attorney's fees, if any.

Name of Applicant Company: CVE US EI6 Manlius West, LLC

Signature of Officer or Authorized Representative: D D Froelich

Name & Title of Officer or Authorized Representative: David Froelich, Director, Business Development

Date: 01/03/22

STATE OF ~~NEW YORK~~ Connecticut)

COUNTY OF ~~ONONDAGA~~ Fairfield) ss.;

DAVID FROELICH, being first duly sworn, deposes and says:

1. That I am the Director (Corporate Officer) of CVE US EI6 Manlius West LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.

2. That I have read and attached Application, I Know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this 15th day of January, 20 22.

(Notary Public)

End of Application

exp. 6/30/2024

Rev 8.5.21

August 6th, 2022

Onondaga County IDA
333 W. Washington St, Suite 130
Syracuse, NY 13202

RE: OCIDA Benefits Application - Section II, D: Description of Project

Dear OCIDA,

Please see the response from CVE US EI6 Manlius West, LLC regarding Section II, D: Description of Project of the OCIDA Application.

x (i) the size of the Project in square feet and a breakdown of square footage per each intended use;

- 40.7 acres, 5.0 MWac

x (ii) the size of the lot upon which the Project sits or is to be constructed;

- 123.791 acres (per final subdivision; to be subdivided from existing 230.854 acre parcel)

x (iii) the current use of the site and the intended use of the site upon completion of the Project;

- Current use of the site is an agricultural farm. The intended use of the site is solar renewable energy facility.

x (iv) the principal products to be produced and/or the principal activities that will occur on the Project site;

- The generation of solar electricity.

☐ (v) please describe your method for site control (Own, lease, other).

- Purchase and Sale Agreement.

Sincerely,
Carson Weinand
Senior Business Developer
Carson.weinand@cvegroup.com
239-784-8080