

12/3/2024

Project: Finger Lakes Railway Corp.
Location: Various

Tax Parcel(s): See detail in application.

Project Number: 3101-24-08B
School District: Vaious
Project Type: Capital Improvements
Village: 0

Total Project Cost:	\$	6,889,806
Land Acquisition	\$	-
Site Work/Demo	\$	-
Building Construction & Renovation	\$	6,889,806
Furniture & Fixtures	\$	-
Equipment	\$	-
Project Soft Cost	\$	-

8. Total Jobs	4
8A. Job Retention	4
8B: Job Creation	0
(Next 5 Years)	

Community Investment /Abatement

Fiscal Impact (\$)

Abatement Summary	\$1,094,450
Sales Tax Abatement	\$358,270
Mortgage Tax Abatement	\$0
Property Tax Relief (PILOT)	\$736,180
Community Investment	\$10,372,206
PILOT Payments (-)	\$0
Project Salaries Estimated (10 yrs)	\$0
Construction Benefit Estimate	\$3,482,400
Total Project Cost	\$6,889,806

Investment:Abatement Ratio 9.48 :1

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Project Description

The applicant is proposing to make capital improvements to their railroad infrastructure.

Finger Lakes Railway Corp.

A) PILOTS Estimate Table Worksheet

for 10 years

Projected investment		\$ 6,889,806
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Scheduled PILOT payments		\$ 1,290,680
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Year	% Exemption	Onondaga County	Town of Camillus	Village of Camillus	Town of Elbridge	Town of Geddes	Village of Solvay	West Genesee School District	Jordan Elbridge School District	Marcellus School District	Solvay School District	Total PILOT
1	100%	\$ 8,564.96	\$ 6,105.03	\$ 1,055.79	\$ 2,487.42	\$ 82.75	\$ 661.44	\$ 14,828.63	\$ 21,057.64	\$ 315.18	\$ 4,222.58	\$ 59,381.42
2	90%	\$ 10,486.23	\$ 7,474.49	\$ 1,292.63	\$ 3,045.39	\$ 101.32	\$ 809.81	\$ 18,154.95	\$ 25,781.23	\$ 385.89	\$ 5,169.78	\$ 72,701.72
3	80%	\$ 12,518.62	\$ 8,923.15	\$ 1,543.16	\$ 3,635.63	\$ 120.95	\$ 966.77	\$ 21,673.64	\$ 30,778.01	\$ 460.68	\$ 6,171.76	\$ 86,792.37
4	70%	\$ 14,665.44	\$ 10,453.39	\$ 1,807.79	\$ 4,259.11	\$ 141.70	\$ 1,132.56	\$ 25,390.46	\$ 36,056.15	\$ 539.68	\$ 7,230.16	\$ 101,676.44
5	60%	\$ 16,930.13	\$ 12,067.64	\$ 2,086.96	\$ 4,916.82	\$ 163.58	\$ 1,307.45	\$ 29,311.35	\$ 41,624.07	\$ 623.02	\$ 8,346.66	\$ 117,377.68
6	50%	\$ 19,316.21	\$ 13,768.41	\$ 2,381.09	\$ 5,609.78	\$ 186.63	\$ 1,491.72	\$ 33,442.39	\$ 47,490.42	\$ 710.82	\$ 9,523.01	\$ 133,920.48
7	40%	\$ 21,827.26	\$ 15,558.27	\$ 2,690.63	\$ 6,339.04	\$ 210.90	\$ 1,685.64	\$ 37,789.82	\$ 53,664.05	\$ 803.23	\$ 10,760.98	\$ 151,329.82
8	30%	\$ 24,467.01	\$ 17,439.86	\$ 3,016.02	\$ 7,105.67	\$ 236.40	\$ 1,889.50	\$ 42,360.04	\$ 60,154.08	\$ 900.37	\$ 12,062.39	\$ 169,631.34
9	20%	\$ 27,239.25	\$ 19,415.88	\$ 3,357.76	\$ 7,910.77	\$ 263.19	\$ 2,103.59	\$ 47,159.65	\$ 66,969.84	\$ 1,002.39	\$ 13,429.12	\$ 188,851.44
10	10%	\$ 30,147.87	\$ 21,489.13	\$ 3,716.30	\$ 8,755.49	\$ 291.29	\$ 2,328.21	\$ 52,195.39	\$ 74,120.92	\$ 1,109.42	\$ 14,863.09	\$ 209,017.11
		\$ 186,162.99	\$ 132,695.27	\$ 22,948.13	\$ 54,065.12	\$ 1,798.71	\$ 14,376.67	\$ 322,306.32	\$ 457,696.40	\$ 6,850.67	\$ 91,779.54	\$ 1,290,679.82

Year						
	0	1	2	3	4	5
Jobs						
Current/Actuals	4					
Creation Goals	0	0	0	0		
Total Employment Goals	0	4	4	4	4	4



**ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
APPLICATION FOR FINANCIAL ASSISTANCE**

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. 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.
3. If the OCIDA Board approves benefits, it is the company’s responsibility to obtain and submit all necessary forms and documents.
4. All projects approved for benefits by the OCIDA Board will close with the Agency within 6-months of the OCIDA Board approval 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.
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 https://extapps.dec.ny.gov/docs/permits_ej_operations_pdf/feafpart1.pdf
6. Public Officers Law stipulates all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and reproduction. Should the Applicant believe there are project elements which are trade secrets if publicly disclosed or otherwise widely disseminated, would cause substantial injury to the Applicant’s competitive position, the 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 Agency may also redact personal, private, and/or proprietary information from publicly disseminated documents.
7. The completed Application and associated fees MUST be received 10 business days prior to the upcoming OCIDA Board meeting in order to be placed on the agenda. A signed application may be submitted by mail, fax or electronically in PDF format to Nate Stevens at natestevens@ongov.net.
 - 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

This Application was adopted by the OCIDA Board on February 15, 2024.

Return completed application to:
 Onondaga County Industrial Development Agency
 335 Montgomery Street, Floor 2M Syracuse, NY 13202
 Phone: 315-435-3770 | Fax: 315-435-3669
natestevens@ongov.net

Section I: Applicant Information

Submittal Date: Sept 12, 2024 - Revised 11/22/24, 11/27/24

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

1. Applicant/Project Operator: Finger Lakes Railway Corp.
 Applicant/Project Operator Address: 68 Border City Road, Geneva, NY 14456
 Phone: 315-781-1234 Fax: None
 Website: www.fingerlakesrail.com Email: info@fingerlakesrail.com
 Federal ID#: 16-1474407 NAICS: NOT APPLICABLE
 State of Incorporation: Delaware
 See link for your NYS incorporation information. <https://apps.dos.ny.gov/publicInquiry>

2. Owner (if different from Applicant/Project Operator): NOT APPLICABLE
 Owner Address: NOT APPLICABLE
 Federal ID#: NOT APPLICABLE
 State of Incorporation: NOT APPLICABLE
 List of stockholders, members, or partners of Owner: NOT APPLICABLE

B) Applicant Business Organization (check appropriate category):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Public Corporation | <input type="checkbox"/> Joint Venture |
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other, explain | |

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

Name	% of ownership
<u>Farmrail System, Inc.</u>	<u>46.81</u>
<u>Genesee & Wyoming, Inc.</u>	<u>46.81</u>
<u>Michael V. Smith</u>	<u>6.38%</u>
<u> </u>	<u> </u>

C) Applicant Business Description:Estimated % of sales within Onondaga County: 32Estimated % of sales outside Onondaga County but within New York State: 68Estimated % of sales outside New York State but within the U.S.: 0Estimated % of sales outside the U.S.: (*Percentage to equal 100%) 0**Applicant /Owner History:**

1. Is the Owner and/or Applicant or any manager or owner of the Owner and/or Applicant now a plaintiff or defendant in any civil or criminal litigation? ☐ No ☒ Yes, explain
2. Has any owner of manager of the Owner and/or Applicant listed above ever been convicted of a criminal offense (other than a minor traffic violation)? ☒ No ☐ Yes, explain
3. Has any person listed in Section I ever been in receivership or declared bankruptcy?
☒ No ☐ Yes, explain

D) Has the Applicant/Owner received assistance from Onondaga County Industrial Development Agency (OCIDA, Syracuse Industrial Development Agency (SIDA), New York State or the Onondaga Civic Development Corporation (OCDC) in the past?

☐ No ☒ Yes, explain (Provide year, project name, benefit description, amounts, address)

E) Individual Completing Application:Name: R. Eric Betke Title: PresidentAddress: P.O. Box 1099, Geneva, NY 14456 Phone: 315-781-1234Cell Phone: 860-655-1305 E-mail: ericbetke@fingerlakesrail.com**F) Company Contact (if different from individual completing application):**Name: R. Eric Betke or Veronica Fields Title: President / Mgr. of R/E & Industrial Dev.Address: P.O. Box 1099, Geneva, NY 14456 Phone: 315-781-1234Cell Phone: 315-374-4994 Email: ericbetke@fingerlakesrail.com; veronicafields@fingerlakesrail.com

G) Company Counsel:

Name of Attorney: Robert M. Gach

Firm Name: Whiteman, Osterman & Hanna

Address: One Commerce Plaza 19th Floor, Albany, NY 12260

Phone: 518-487-7653

Cell Phone: NONE

Email: rgach@woh.com

Section II: Project and Site Information

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

Address: 6-COUNTY FREIGHT RAIL CORRIDOR/SYSTEM, INCLUDING ONONDAGA COUNTY (SEE ATTACHMENT)

Legal Address (if different): N/A

City: N/A Town: N/A Village: N/A

Zip Code: SEE ATTACHMENT School District: MULTIPLE

Tax Map Parcel ID(s): MULTIPLE - SEE ATTACHMENT

Full Market Value: N/A Square Footage of Existing Building(s): 1,000 (539 Horan - Car Dept. Bldg)

B) Project Activity (Check all that apply):

- | | |
|---|---|
| <input checked="" type="checkbox"/> New construction | <input type="checkbox"/> Acquisition of existing facility |
| <input checked="" type="checkbox"/> Expansion to current facilities | <input type="checkbox"/> Brownfield/Remediated Brownfield |
| <input checked="" type="checkbox"/> Renovation of existing facility | <input checked="" type="checkbox"/> Demolition and construction |
| | <input checked="" type="checkbox"/> Purchase of machinery/equipment |

C) Select Project Type or Project End Use at site (you may check more than one):

- | | |
|--|--|
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Mixed Use |
| <input type="checkbox"/> Retail (see Section V) | <input type="checkbox"/> Facility of Aging |
| <input type="checkbox"/> Housing Project (see Section VII) | <input checked="" type="checkbox"/> Distribution/Wholesale |
| <input type="checkbox"/> Civic Facility (not for profit) | <input type="checkbox"/> Commercial |
| <input checked="" type="checkbox"/> Industrial | <input type="checkbox"/> Renewable Energy Project (see Section VI) |
| <input checked="" type="checkbox"/> Other, explain | |

D) Project Narrative: Please check one of the two boxes below and attach statement.

- ☒ A statement that the Project described in this application would not be undertaken but for the financial assistance provided by the Agency.
- ☐ If the Project is going to advance regardless of any financial assistance from the Agency, please provide a statement indicating why the project should be considered by the Agency for any financial assistance.

E) Description of Project: Please attach a detailed narrative of the proposed Project. Please attached 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;
- ☐ (v) describe your method for site control (Own, lease, other).

F) 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?

☒ No ☐ Yes

G) Please describe any compelling circumstances the Agency should be aware of while reviewing this application.

H) Local Approvals (Site Plan and Environmental Review)

Have site plans been submitted to the appropriate town or local planning department?

☒ No. When will the plans be submitted? N/A ☐ Yes, what is the status? N/A

Has the project received site plan approval from the town or local planning board?

☒ No, anticipated approval date. N/A ☐ Yes, date N/A

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.)**

1. Environmental Review Information

- a. Please attach the appropriate Environmental Impact Forms to your application. Here is a link to the SEQR forms: https://extapps.dec.ny.gov/docs/permits_ej_operations_pdf/feafpart1.pdf
- b. Has Lead Agency been established? ☒ No ☐ Yes, name of Lead Agency
Exempt Type II (Onondaga County IDA)
- c. Have any environmental issues been identified on the property?
☒ No ☐ Yes, explain

Section III: FINANCIAL AND EMPLOYMENT INFORMATION

A) Project Costs and Finances

Project	City/Town	Project Cost Total	Material Total	Labor Total	Equipment Total	Engineering Total	Sales Tax
Bridge rehabilitation - Route 174	Camillus	\$ 1,800,000	\$ 720,000	\$ 720,000	\$ -	\$ 360,000	\$ 93,600
Signal Upgrade - Boyd Avenue	Solvay	\$ 375,000	\$ 202,500	\$ 155,625	\$ -	\$ 16,875	\$ 19,500
Tie Replacement - 2 to 4.5	Solvay	\$ 918,063	\$ 485,655	\$ 432,408	\$ -	\$ -	\$ 47,739
Tie Replacement - 4.5 to 7	Camillus	\$ 891,323	\$ 471,510	\$ 419,813	\$ -	\$ -	\$ 46,349
Tie Replacement - 7 to 9.5	Camillus	\$ 840,158	\$ 444,444	\$ 395,714	\$ -	\$ -	\$ 43,688
Tie Replacement - 9.5 to 12	Camillus	\$ 865,363	\$ 457,777	\$ 407,586	\$ -	\$ -	\$ 44,999
Tie Replacement - 12 to 14.5	Elbridge	\$ 409,341	\$ 217,360	\$ 172,333	\$ -	\$ -	\$ 21,286
Tie Replacement - 14.5 to 17	Elbridge	\$ 421,621	\$ 223,881	\$ 177,502	\$ -	\$ -	\$ 21,924
Tie Replacement - 17 to 18	Elbridge	\$ 86,654	\$ 46,013	\$ 36,481	\$ -	\$ -	\$ 4,506
Xing replacement - Boyd Avenue	Solvay	\$ 62,850	\$ 22,815	\$ 37,647	\$ 2,388	\$ -	\$ 3,268
Xing replacement - Horan Road	Solvay	\$ 79,433	\$ 36,380	\$ 39,240	\$ 3,813	\$ -	\$ 4,131
Xing replacement - Milton Avenue	Camillus	\$ 140,000	\$ 59,780	\$ 73,500	\$ 6,720	\$ -	\$ 7,280
		\$ 6,889,806	\$ 3,388,115	\$ 3,067,850	\$ 12,921	\$ 376,875	\$ 358,270

Please have documentation available upon request. Do not include OCIDA fees, OCIDA application fees or OCIDA legal fees as part of the Total Project Cost.

Sources of Funds for Project Costs:

1. Bank Financing _____
2. Equity \$ 4,714,806 _____
3. Tax Exempt Bond Issuance (if applicable) \$ _____
4. Taxable Bond Issuance (if applicable) \$ _____
5. Total Sources of Funds for Project Costs \$ _____
6. Public Sources (Include sum total of all state and federal grants and tax credits) \$ 2,175,000 _____

-Identify each state and federal grant/credit:

NYSDOT/FRA _____	\$ 1,800,000 _____
NYSDOT/FRA _____	\$ 375,000 _____
_____	\$ _____

B) Employment and Payroll Information

Full Time Equivalent (FTE) is defined as one employee working no less than 35 hours per week or two or more employees together working a total of 35 hours per week.

1. Are there people currently employed at the project site? 45-system wide
4- avg. daily Onondaga
☐ No ☒ Yes, provide number of FTE jobs at the project site
 If you are relocating, are all employees moving to new site? ☒ No, explain ☐ Yes
2. Complete the following:

Estimate the number of FTE jobs to be retained as a result of this Project:	4
Estimate the number of construction jobs to be created by this Project:	80 (8 per project/10yrs.)
Estimate the average length of construction jobs to be created (months):	per project/10 yrs.
Current annual payroll including the benefit cost:	\$386,955 (\$4.3M total system wide)
Average salary amount that is an employee benefit (%):	31.8%
Average annual growth salary/wage rate (%)	3%-5% est.
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:	0

C) New Employment Benefits

Complete the following chart indicating the number of FTE jobs currently employed by the Applicant, FTE jobs currently 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.

Please use this chart to illustrate the current employment:

Job Title/Category	Current Annual Pay	Current Employment (FTE)
Engineering (MOW & Signals)	\$91,421 (Avg Wage/Bene/RR Retire Tax & Bene)	12
Maintenance of Equipment/Engines	\$78,850 (Avg Wage/Bene/RR Retire Tax & Bene)	7
Transportation	\$100,169 (Avg Wage/Bene/RR Retire Tax & Bene)	18
General & Admin (non-exec)	\$113,446 (Avg Wage/Bene/RR Retire Tax & Bene)	5
General & Admin (exec)	\$111,319 (Avg Wage/Bene/RR Retire Tax & Bene)	3
Onondaga: Avg. 4: 3-Transp, 1-MOE		

Please use this chart to illustrate the projected employment growth:

Job Title/Category	Projected Annual Pay	FTE Jobs Created Year 1	FTE Jobs Created Year 2	FTE Jobs Created Year 3	FTE Jobs Created Year 4	FTE Jobs Created Year 5

D) Financial Assistance sought:

☒ Real Property Tax Abatement (PILOT): *Agency Staff will provide draft and final PILOT schedule:* _____

☐ Mortgage Recording Tax Exemption (.75% of mortgage): NOT APPLICABLE _____

☒ Sales and Use Tax Exemption (4% Local, 4% State): 358,270 _____

☐ Tax Exempt Bond Financing (Amount Requested): NOT APPLICABLE _____

☐ Taxable Bond Financing (Amount Requested): NOT APPLICABLE _____

E) 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): \$ NOT APPLICABLE

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above, multiplied by .0075): \$ NOT APPLICABLE

F) 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: \$ 4,478,374

Estimated State and local Sales and Use Tax Benefit (product of 8% multiplied by the figure, above): \$ 358,270

Section IV: Estimate of Real Property Tax Abatement Benefits

This section of the Application will be: (i) completed by Agency 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 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.

In consideration of the extension of financial assistance by the Agency Finger Lakes Railway Corp. (the Company understands the Local Access Policy and agrees to abide by it. 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 12-3-24 (date).

If there are two applicants (Real Estate Holding and Operating Company) both need to complete this page.

Applicant(s) Company: Finger Lakes Railway Corp.

Representative for Contract: R. Eric Betke

Address: P.O. Box 1099 City: Geneva State: NY Zip: 14456

Phone: 315-781-1234 Email: ericbetke@fingerlakesrail.com

Project Address: Freight rail corridor/row City: Multiple Onondaga State: NY Zip: _____

Signature: 

General Contractor: _____

Contact Person: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Authorized Representative: _____ Title: _____

Signature: 

Section X: Recapture of Tax Abatement/Exemptions

Information to be Provided the Company: 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 (UTEP).

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.

If there are two applicants (Real Estate Holding and Operating Company) both need to complete this page.

Name of Applicant(s) Company

Finger Lakes Railway Corp.

Signature of Officer or Authorized Representative:

Richard Eric Betke

Name & Title of Officer or Authorized Representative:

R. Eric Betke, President

Date: 9/12/24

Section XI: Conflict of Interest

Agency Board Members

1. Patrick Hogan, Chairperson
2. Janice Herzog, Vice Chairperson
3. Sue Stanczyk, Director
4. Kevin Ryan, Director
5. Fanny Villarreal, Director
6. Cydney Johnson, Director
7. Elizabeth Dreyfuss, Director

Agency Officers/Staff

1. Robert M. Petrovich, Executive Director
2. Nathaniel Stevens, Treasurer
3. Alexis Rodriguez, Secretary
4. Karen Doster, Recording Secretary

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

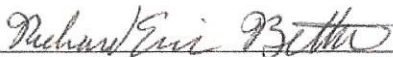
The Applicant(s) has received a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

If there are two applicants (Real Estate Holding and Operating Company) both need to complete this page.

Name of Applicant(s) Company

Finger Lakes Railway Corp.

Signature of Officer or Authorized Representative:



Name & Title of Officer or Authorized Representative:

R. Eric Betke, President

Date: 9/12/24

Section XII: Representations, Certifications, and Indemnification

If there are two applicants (Real Estate Holding and Operating Company) both need to complete this page.

R. Eric Betke (Name of CEO or other authorized representative of Applicant)(s) confirms and says that he/she is the President (title) of Finger Lakes Railway Corp. (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. 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. For additional information on NYS sales and use tax see [here](#).
- C. 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.
- D. 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 Project closing documents. Please see this page for [ST-340](#) form required in the above referenced employment report.

E. Housing Reports and Information: The Applicant understands and agrees that if the Project is a housing project, the Applicant shall file with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of revenue-generating units constructed or reconstructed and the household income or tenant age, as applicable. Upon request of the Agency, the Applicant shall provide supporting documentation for all housing related information provided. Failure to provide such reports and supporting information shall be an event of default under the Project closing documents

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. 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. 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.

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 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.

J. 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.

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.

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

L. 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, reconstruction, equipping 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:

Finger Lakes Railway Corp.

Signature of Officer or Authorized Representative:

Richard Eric Betke

Name & Title of Officer or Authorized Representative:

R. Eric Betke, President

Date: 9/12/24

STATE OF NEW YORK)

COUNTY OF ONONDAGA) ss.;

R. Eric Betke, being first duly sworn, deposes and says:

1. That I am the President (Corporate Officer) of Finger Lakes Railway Corp. (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 12 Sept day of 2024.

Tammy M. Spina
(Notary Public)

TAMMY M SPINA
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01SP0011873
Qualified in Seneca County
Commission Expires August 09, 2027

End of Application

Rev 2.15 23



FINGER LAKES RAILWAY CORP.

P.O. BOX 1099

GENEVA, NY 14456

Phone: (315) 781-1234 Fax: (315) 781-2505

www.fingerlakesrail.com

ATTACHMENT (REVISED 11.29.24) ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPLICATION FOR FINANCIAL ASSISTANCE

PERTINENT BACKGROUND INFORMATION

Finger Lakes Railway (FGLK) was founded in 1995 in a precedent-setting public-private initiative to preserve essential rail freight service in the aftermath of a regional carrier that had neglected marketing and maintenance of its upstate railroad properties. In order to achieve sustainable operating economics in light of established railroad property taxation that contributed to the predecessor's shutdown, FGLK's experienced railroad owner-operators reached agreement on annual payments in lieu of taxes (PILOTs) among Industrial Development Agencies of the six affected host counties. The current renewal of these formalized agreements is due for review in 2025.

FGLK is a Class III (small-business) railroad that operates, maintains and markets over 130 miles of track serving 39 active customers situated in Cayuga, Onondaga, Ontario, Oswego, Seneca, Schuyler and Yates counties. FGLK owns or leases 17 locomotives and more than 600 railcars to meet customer shipping needs. Since inception, it has grown from 6 to 45 full-time employees and from 5,642 first-year carloads to an annual range of 16,000-18,000, depending on general economic conditions. The cost-effectiveness of moving heavy bulk commodities by rail involves environmental side benefits from fuel efficiency (about three times better per ton-mile than trucking), dramatically reduced exhaust emissions and associated noise, and motor carrier diversion from damage-prone highway travel. A less obvious benefit of the railroad to the community from reduction of truck traffic and its inevitable pavement damage. At a 3:1 ratio of trucks to railcars, some 30,000 truckloads are shifted from congested county and local roads to the rails in Solway. A 2016 American Short Line and Regional Railroad Association (ASLRRRA) study indicated that short line railroads in New York State saved its counties and local communities \$22-million statewide in annual roadway maintenance.

The key to a coordinated effort to reduce costs of service to permit regular reinvestment lies in mutual commitment to a cluster of rail lines that differ in mileage, customers and traffic in each county but constitute a coordinated regional rail system for moving traffic from origins and to destinations throughout the United States and Canada. Extended customer reach is exemplified by inbound plastics from Texas, soda ash from Wyoming, and wines from California. Outbound paperboard is delivered to destinations as distant as Alberta, canned goods to Arizona, and salt to Florida. Movements are accomplished by means of direct connections with long-distance carriers CSX at Solway, Norfolk Southern at Geneva, and their affiliate The New York, Susquehanna and Western Railway at Syracuse. Using an anatomical analogy, FGLK's cluster of lines represents capillaries in a North American network of arteries and veins, and the whole of FGLK has far greater economic impact than its individual parts. The formularized PILOT arrangement recognizes that commonality of interests and associated value of transportation service accrues to the benefit of all counties, customers and consumers.



FGLK's rail line runs east to west starting at Solway (Syracuse), through Auburn to Geneva and continues west to Canandaigua and Shortsville, and includes a branch line between Penn Yan and Watkins Glen connected to the rest of the rail system via trackage rights on the Norfolk Southern Corning Secondary. The "Auburn Road Line" is a main line connecting the eastern rail yards in Syracuse and Solway to the western Geneva Yard through the central Auburn Yard. All FGLK terminating and originating traffic comes in or out through either Solway (54%) or Geneva (46%). A number of railcar loads are moved between on-line customers, which is crucial to the local economy and truck traffic reduction, including Smurfit WestRock's paper mill in Solway and box plant in Camillus.

Onondaga County Carload Traffic						
	2020	2021	2022	2023	2024	
Local County Traffic	832	730	633	551	438	
Solway Inbound	3,728	3,635	2,923	2,722	1,784	
Solway Outbound	5,706	6,104	6,345	5,462	4,089	
Totals	10,266	10,469	9,901	8,735	6,311	

Railroading inherently is a highly competitive, complex and capital-intensive business dependent on maximizing volume to realize relatively low returns, particularly in an inflationary economic environment. Over the past five years, FGLK has experienced a progressive decline in profitability, culminating in a reported 2023 loss of \$265,236 and potential repeat this year.

Major revenue-related expense categories included maintenance of way (26.4%), maintenance of equipment (10.6%), transportation (47.3%), and general and administrative (16.6%), a total of 100.9%. FGLK nonetheless has continued to reinvest in its rail properties, a total of \$2.3-million in 2023.

Consistent with the counties' interests in expanding the base of employment, FGLK's mission remains one of increasing market shares for existing customers while developing additional on-line industrial sites, accompanied by continuing reinvestment to update its infrastructure to the modern gross weight standard of 286,000 pounds. A single treated wooden crosstie replacement costs about \$120, and around 3,000 of them support each mile of line. Funds saved under the PILOT facilitate investment in track and bridges with expected lifespans of 50-100 years. A financial history of the reinvestments by FGLK to the railroad infrastructure through 2023 in Onondaga County is provided below.

Finger Lakes					Onondaga County			
YEAR	Total Railbed Maintenance	Total Operating	Total PILOT	Total Railbed	YEAR	Total Railbed Maintenance	PILOT Expense	Total Railbed
	Expense	Expense	Expense	Capital Investment		Expense		Capital Investment
1995	\$ 135,851	\$ 819,361	\$ -	\$ 298,471	1995	\$ 21,585	\$ -	\$ 37,544
1996	420,542	1,864,717	-	40,670	1996	66,820	-	-
1997	436,150	2,017,230	69,016	23,483	1997	69,300	11,503	-
1998	552,910	2,166,947	73,660	-	1998	87,851	12,277	-
1999	878,047	3,184,035	80,891	1,147,572	1999	139,512	13,482	178,989
2000	729,521	3,391,011	91,241	3,978	2000	115,913	15,207	3,978
2001	830,190	3,468,377	92,361	1,683,575	2001	131,908	15,394	635,846
2002	1,083,987	4,296,799	105,455	294,442	2002	172,234	17,576	18,252
2003	1,212,063	4,687,335	111,449	620,042	2003	192,584	18,575	219,432
2004	1,292,228	5,111,266	125,678	81,546	2004	205,321	20,946	-
2005	807,343	5,120,352	131,312	-	2005	128,278	21,885	-
2006	1,172,315	5,975,794	134,736	188,478	2006	186,268	22,456	-
2007	1,189,046	6,875,807	146,371	161,323	2007	188,927	24,395	-
2008	1,051,373	7,133,561	159,372	259,216	2008	167,052	26,562	31,495
2009	1,438,674	7,555,296	167,548	30,327	2009	228,590	27,925	-
2010	2,101,957	8,332,325	169,810	1,792,376	2010	333,979	28,302	-
2011	2,346,951	9,690,176	171,478	1,670,011	2011	372,905	28,580	198,000
2012	2,080,528	9,627,298	187,990	1,207,414	2012	330,574	31,332	99,629
2013	2,368,457	11,052,028	207,818	1,280,293	2013	376,323	34,636	-
2014	2,732,402	11,273,555	222,582	1,972,664	2014	434,149	37,097	167,071
2015	2,555,293	11,406,640	222,126	1,892,213	2015	406,009	37,021	13,700
2016	2,158,205	10,728,921	240,758	4,444,042	2016	342,916	40,126	3,452,704
2017	2,214,744	10,577,701	268,204	1,498,818	2017	351,899	44,701	323,422
2018	2,656,838	11,681,661	277,989	1,419,559	2018	422,143	46,332	253,774
2019	2,950,274	17,369,557	292,675	1,402,804	2019	468,767	48,779	185,714
2020	2,900,904	11,591,673	302,519	1,972,665	2020	460,923	50,420	-
2021	3,464,947	13,425,279	314,323	2,763,174	2021	550,543	52,387	15,377
2022	3,937,187	15,294,072	335,215	5,544,606	2022	625,577	55,869	-
2023	4,616,988	17,347,926	351,044	1,719,651	2023	733,590	58,507	-
2024				108,968	2024	-		
\$ 52,315,915 \$ 233,066,700 \$ 5,053,621 \$ 35,522,381					\$ 8,312,440 \$ 842,270 \$ 5,834,927			

FGLK is nearing completion of the \$1.53-million Solvay West End Yard Ladder Safety Improvement Project, for which FGLK's required contribution of \$1.03-million was

supplemented by a federal grant of \$500,000. The Solvay Yard, originally built in the late-1800s, was in dire need of modernization. In 2011, FGLK purchased from CSX and immediately replaced an out of service and condemned bridge with fill to restore the former main line. Project construction restarted on May 6, 2024 and includes widening of track centers, replacing turnouts, replacing all deteriorated ties, adding light poles and lighting and improving emergency access. In that regard, Onondaga's future as the "gateway" to the PILOT cluster of lines appears promising. Its location affords FGLK customers frequent local switching service (including inter-plant shuttle movements) and multiple-carrier transportation access assuring competitive freight rates throughout the country.

FGLK brings to Onondaga County its infrastructure, a second transportation modality, exemplary customer service, and commitment to grow its business base in conjunction with the IDA by facilitating expansion of existing customers and attracting new industry. Aside from its formularized PILOT payments, the County derives benefit from increased employment and tax revenue from FGLK customer growth, capital investments and business development. The projects for which the railroad seeks relief are best defined as a suite of capital-intensive improvement projects planned for the near term, others arising from future identified physical facility obsolescence, and prospective third-party commercial development opportunities.

As a part of our PILOT partnership, the county and local communities have received over \$38,000 in annual lease offsets, a no-cost easement for the Milton Avenue drainage project valued at \$160,000, as well as use of FGLK property on Martisco Road for school buses and snowplows to turn around.

The 39 dispersed beneficiaries of FGLK service include a diversified mix of businesses employing around 4,000 in-state workers that depend on competitive transportation pricing. Among the more prominent are Smurfit-WestRock's paper mill and box plant, Nucor Steel's modern electric-furnace mill, glass container specialist Owens-Illinois, flat-glass producer Guardian Industries, U.S. Salt's and Cargill's underground reserves, Seneca Foods' cannery and distribution center, and Pactiv Evergreen and Silgan container-manufacturing facilities.

Others reflect a cross-section of the regional industrial economy and include Birkett Mills, CaroVail, DeLong, E&J Gallo, Finger Lakes Agronomics, Liquid Products, Maybury, Phelps Supply, and several other fertilizer suppliers in support of New York agriculture, DuMond and other farms (soybeans, corn and other grains), Heidelberg (stone quarry, sand, ballast, rip-rap, asphalt), CertainTeed (shingles, roofing), Messer (beverage grade Co2), LPG suppliers (heating fuel), Tomra (glass recycling), Henkel/Zotos (cosmetics), Scepter (salt cake and aluminum ingots), Builders Choice Lumber (a new lumber yard), and Leonard's Express (a new freight forwarder).

Attached are letters from FGLK's rail customers and suppliers attesting to the importance of rail to their future operations and expansions in upstate New York.

C) Applicant Business Description:

Applicant/Owner History:

1. Is the owner and/or Applicant or any manager or owner of the Owner and/or Applicant now a plaintiff or defendant in any civil or crimination litigation? Yes, explain.

All common-carrier railroads are authorized by the Surface Transportation Board to operate in intrastate or interstate service and are therefore covered by the Federal Employer Liability Act

(FELA) and prohibited from coverage under the State Workers Compensation Act. Unlike FELA, Workers' Compensation employees typically do not sue their employer and must accept the benefits provided by the system. In FGLK's 29-year history, there has been no FELA claim against the company.

On April 22, 2024, FGLK was served notice as a third-party defendant, along with WestRock, by attorneys representing CSX, relating to a personal injury claim by one of CSX's employees. While FGLK operates in a close proximity rail yard, provides rail service to WestRock, and interchanges railcars to CSX, it has never owned the tracks, property or operated on the tracks where CSX train crews were picking up or delivering railcars. FGLK's insurers and their appointed counsel are handling the claim/case.

D) Applicant/Owner Assistance from Onondaga County Industrial Development Agency:

FGLK received assistance under a six-county identical PILOT approved in July of 1995 and July, 2005. In 2015, the IDAs and FGLK renewed an identical PILOT with increased benefits for every county.

	Freight Revenue						Tax Calculation				New Tax Calculation			OCIDA PILOT & FEES
	40101	40102	40103	40105	40112									
	Switching	Freight Adjustments	Fuel Surcharge	Haulage	Local Traffic	Total Freight Revenue	1st \$1.5M	Next \$500K	Remaining at 2%	6 IDA's Agency Fees	2.75%	6 IDA's Agency Fees	Total PILOT & Fees Due	
2014 PILOT PAYMENT - BASED ON 2013 REVENUES	8,478,828.00	-	267,354.38	17,710.00	278,452.82	9,042,345.20	60,000.00	15,000.00	140,846.90	6,000.00			221,846.90	36,974.48
2015 PILOT PAYMENT - BASED ON 2014 REVENUES	8,546,137.00	-	293,553.77	10,420.00	225,719.30	9,075,830.07	60,000.00	15,000.00	141,516.60	6,000.00			222,516.60	37,086.10
2016 PILOT PAYMENT - BASED ON 2015 REVENUES	8,730,897.00	-	38,667.42	4,859.49	254,550.50	9,028,974.41					248,296.80	18,000.00	266,296.80	44,382.80
2017 PILOT PAYMENT - BASED ON 2016 REVENUES	8,935,994.00	-	15,464.25	23,255.00	220,669.00	9,195,382.25					252,873.01	18,000.00	270,873.01	45,145.50
2018 PILOT PAYMENT - BASED ON 2017 REVENUES	9,530,936.00	-	4,959.78	26,030.00	254,511.00	9,816,436.78					269,952.01	18,000.00	287,952.01	47,992.00
2019 PILOT PAYMENT - BASED ON 2018 REVENUES	9,886,180.44	-	8,362.17	34,530.00	299,509.00	10,228,581.61					281,285.99	18,000.00	299,285.99	49,881.00
2020 PILOT PAYMENT - BASED ON 2019 REVENUES	10,103,647.98	-	3,170.07	31,910.00	262,950.00	10,401,678.05					286,046.15	21,000.00	307,046.15	51,174.36
2021 PILOT PAYMENT - BASED ON 2020 REVENUES	10,741,776.00	-	1,549.34	30,026.00	263,411.00	11,036,762.34					303,510.96	21,000.00	324,510.96	54,085.16
2022 PILOT PAYMENT - BASED ON 2021 REVENUES	11,657,992.00	-	-	3,705.00	309,232.81	11,970,929.81					329,200.57	21,000.00	350,200.57	58,366.76
2023 PILOT PAYMENT - BASED ON 2022 REVENUES	11,600,197.00	-	96,804.04	1,041.00	237,391.15	11,935,433.19					328,224.41	24,000.00	352,224.41	58,704.07
2024 PILOT PAYMENT - BASED ON 2023 REVENUES	11,466,857.00	-	119,941.26	16,873.00	225,513.10	11,829,184.36					325,302.57	24,000.00	349,302.57	58,217.09

FGLK inherited a rail facility that, because of low traffic volume and high property taxes, was undermaintained and had been shrunk, through track retirements and removals, to match a limited demand for rail service. A key goal was to establish a shared approach with the six counties through which the rail line would operate, thereby ensuring preservation of this important rail asset. Immediately upon the purchase of the lines from Conrail and securement of the six-county PILOT, FGLK embarked upon an upgrading and expansion program. The line from Auburn to Solway (Syracuse), which had been out of service for over five years, was reopened. The plan developed enabled FGLK to reinvest its earnings, grow its business, contribute to the tax base, and foster economic growth in the regions it served. While service improvements were made immediately, upgrading the infrastructure after years of neglect takes time and to this day, we continue to identify the next need for attention.

A Facilities Agreement added to FGLK's current PILOT provides offsets to the six-county municipalities for annual rental fees for new facilities occupying railroad property. For the year 2023, annual rental offsets totaled \$306,718, of which Onondaga County municipalities received \$198,764.

The reinvestments through 2023 by FGLK to the railroad infrastructure in Onondaga between FGLK's Milepost 2.88 in Solway and Milepost 18.36 (Onondaga/Cayuga border) include capitalized improvements totaling \$5.8-million.

Section II: Project and Site Information

Project	City/Town	Project Cost Total	Material Total	Labor Total	Equipment Total	Engineering Total	Sales Tax
Bridge rehabilitation - Route 174	Camillus	\$ 1,800,000	\$ 720,000	\$ 720,000	\$ -	\$ 360,000	\$ 93,600
Signal Upgrade - Boyd Avenue	Solvay	\$ 375,000	\$ 202,500	\$ 155,625	\$ -	\$ 16,875	\$ 19,500
Tie Replacement - 2 to 4.5	Solvay	\$ 918,063	\$ 485,655	\$ 432,408	\$ -	\$ -	\$ 47,739
Tie Replacement - 4.5 to 7	Camillus	\$ 891,323	\$ 471,510	\$ 419,813	\$ -	\$ -	\$ 46,349
Tie Replacement - 7 to 9.5	Camillus	\$ 840,158	\$ 444,444	\$ 395,714	\$ -	\$ -	\$ 43,688
Tie Replacement - 9.5 to 12	Camillus	\$ 865,363	\$ 457,777	\$ 407,586	\$ -	\$ -	\$ 44,999
Tie Replacement - 12 to 14.5	Elbridge	\$ 409,341	\$ 217,360	\$ 172,333	\$ -	\$ -	\$ 21,286
Tie Replacement - 14.5 to 17	Elbridge	\$ 421,621	\$ 223,881	\$ 177,502	\$ -	\$ -	\$ 21,924
Tie Replacement - 17 to 18	Elbridge	\$ 86,654	\$ 46,013	\$ 36,481	\$ -	\$ -	\$ 4,506
Xing replacement - Boyd Avenue	Solvay	\$ 62,850	\$ 22,815	\$ 37,647	\$ 2,388	\$ -	\$ 3,268
Xing replacement - Horan Road	Solvay	\$ 79,433	\$ 36,380	\$ 39,240	\$ 3,813	\$ -	\$ 4,131
Xing replacement - Milton Avenue	Camillus	\$ 140,000	\$ 59,780	\$ 73,500	\$ 6,720	\$ -	\$ 7,280
		\$ 6,889,806	\$ 3,388,115	\$ 3,067,850	\$ 12,921	\$ 376,875	\$ 358,270

The current taxable value assessments by Onondaga County are shown below under Property Tax ID#, and based on the final assessment rolls for both AV and latest EQ rates, totals \$181,976.

Property Tax ID#

SWIS	Tax Map. No.	Prop_Cls_Cd	County	Town_Village	Village	Taxable_AV	Equal_Rate	EqualzdTaxAV	School_District	Sch_Lib_1	Cnty_Tx_Rt	Town_Tax_Vill_Tax_Rt	Tot_Tax_Rts	Tot.Tax_Pmt	SpecDist_1	SpDist_Txs	
312889	041-02-14.0	843_NonCeilRR	Onondaga	Elbridge_No		120000	0.810	148148	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	3258.72	1.3782	165.38
312889	041-03-07.0	843_NonCeilRR	Onondaga	Elbridge_No		275000	0.810	339506	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	7467.90	1.3782	379.01
312889	042-02-10.0	843_NonCeilRR	Onondaga	Elbridge_No		215000	0.810	265432	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	5838.54	1.3782	296.31
312889	043-02-03.0	843_NonCeilRR	Onondaga	Elbridge_No		250000	0.810	308642	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	6789.00	1.3782	344.55
312889	044-03-15.0	843_NonCeilRR	Onondaga	Elbridge_No		150000	0.810	185185	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	4073.40	1.3782	206.73
312889	045-01-29.0	843_NonCeilRR	Onondaga	Elbridge_No		525000	0.810	648148	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	14256.91	1.3782	723.56
312889	045-02-10.0	843_NonCeilRR	Onondaga	Elbridge_No		105000	0.810	129630	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	2851.38	1.3782	144.71
312889	044-04-06.0	843_NonCeilRR	Onondaga	Elbridge_No		175000	0.810	216049	312801_Jordan Elt	17.5306	4.4844	5.141	0.0000	27.1560	4752.30	1.3782	241.19
313201	001-01-08.1	843_NonCeilRR	Onondaga	Geddes_Ville	Solvay	136800	0.625	218880	313202_Solvay	34.9638	5.8467	2.1014	14.4107	57.3226	7841.74	1.3476	184.36
313201	002-01-03.4	340_IndVacLnd	Onondaga	Geddes_Ville	Solvay	19500	0.625	31200	313202_Solvay	34.9638	5.8467	2.1014	14.4107	57.3226	1117.79	1.3476	26.28
312001	002-06-13.0	843_NonCeilRR	Onondaga	Camillus_Vil	Camillu	150920	0.890	169573	_West Genesee	22.1352	4.1036	3.4636	6.3800	36.0824	5445.55	0.2815	42.48
312001	003-05-26.0	843_NonCeilRR	Onondaga	Camillus_Vil	Camillu	134250	0.890	150843	_West Genesee	22.1352	4.1036	3.4636	6.3800	36.0824	4844.06	0.2815	37.79
312001	004-03-16.0	843_NonCeilRR	Onondaga	Camillus_Vil	Camillu	311299	0.890	349774	_West Genesee	22.1352	4.1036	3.4636	6.3800	36.0824	11232.40	0.2815	87.63
312089	015-04-08.0	843_NonCeilRR	Onondaga	Camillus_No		363353	0.890	408262	313202_Solvay	26.0076	4.1036	6.3193	0.0000	36.4305	13237.11	1.3820	502.15
312089	015-04-08.0/	431_AutoDeale	Onondaga	Camillus_No		26000	0.890	29213	313202_Solvay	26.0076	4.1036	6.3193	0.0000	36.4305	947.19	1.3820	35.93
312089	016-09-16.0	843_NonCeilRR	Onondaga	Camillus_No		135843	0.890	152633	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	4422.78	1.3820	187.74
312089	017-04-01.0	843_NonCeilRR	Onondaga	Camillus_No		126366	0.890	141984	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	4114.23	1.3820	174.64
312089	017-05-63.0	843_NonCeilRR	Onondaga	Camillus_No		222895	0.890	250444	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	7257.03	1.3820	308.04
312089	020-05-21.0	843_NonCeilRR	Onondaga	Camillus_No		471767	0.890	530075	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	15359.82	1.0815	510.22
312089	024-01-03.0	843_NonCeilRR	Onondaga	Camillus_No		146383	0.890	164475	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	4765.95	1.0815	158.31
312089	024-01-13.0	843_NonCeilRR	Onondaga	Camillus_No		48090	0.890	54034	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	1565.72	1.0815	52.01
312089	024-02-39.0	843_NonCeilRR	Onondaga	Camillus_No		772588	0.890	868076	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	25153.96	1.0815	835.55
312089	025-02-28.0	843_NonCeilRR	Onondaga	Camillus_No		679919	0.890	763954	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	22136.84	1.0815	735.33
312089	027-01-27.0	843_NonCeilRR	Onondaga	Camillus_No		99689	0.890	112010	_West Genesee	22.1352	4.1036	6.3193	0.0000	32.5581	3245.68	1.0815	107.81

Total Taxes 181976.00

6487.71

FGLK's rail corridor property is its asset, but is limited by its dimensions and adjacent non-industry zoning. Like most small railways, FGLK spends 26% of its freight revenues on track maintenance and as a five-year average, capital projects have run an additional \$2.66-million per year. In total for the past five years, FGLK has spent \$16.8-million for track maintenance and \$13.3-million in capital improvements. New York State Sales Taxes paid for these improvements totaled \$841,743 for year 2023; \$858,680 for year 2022; \$725,370 for year 2021; and \$460,180 for year 2020.

The entire cluster of rail corridors consists of 130 miles of track, including switching yards and sidings, 85 bridges, five buildings, 117 public highway and 132 private grade crossings. Municipal facilities occupy railroad right-of-way in Solvay/Geddes, Camillus and Elbridge for roadway and curbing, poles and overhead electric wiring, and underground pipelines for water, sewer and storm drainage. A Facilities Agreement added to FGLK's current PILOT provides offsets to the municipalities for annual rental fees for new facilities occupying railroad property. For the year 2023, offsets totaled \$306,718, of which Onondaga County municipalities received \$198,764.

Also, FGLK provides under an access agreement to Onondaga County use of railroad property and roadway off Marisco Road for a designated turnaround for school bus and for Onondaga DOT to perform necessary snow maintenance.

See attached letter of support from Commissioner Voss, Onondaga County DOT.

Considered a distressed community by New York State, the Village of Solvay has drainage infrastructure in poor condition that warrants full replacement. Federal aid was granted toward Solvay's Milton Avenue Paving and Drainage Project, including four new proposed outlets to be installed that require permanent non-exclusive easements from FGLK of its rail corridor property. FGLK received a formal request in August 2024 for assistance to prevent loss of project funding – that FGLK donate portions of its rail corridor for four drainage pipeline locations. Based on the nominal size of each pipe and other data provided to FGLK, the estimated market value for the occupations provided by ReLTEK, LLC (professional railroad right of way real estate services) for non-exclusive property easements for three 30" pipelines and one 36" pipeline is \$40,000 each, totaling \$160,000.

See attached letter of support from Mayor Baichi, Village of Solvay.

D) Project Narrative: Statement of Project advancement

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village?

If PILOT financial assistance (real estate/sales tax abatement) is not authorized by the IDA, the project as represented would not move forward.

Section III: Financial and Employment Information

B) Employment and Payroll Information (Salary & Fringe Benefits/Jobs to be Retained/Created)

FGLK employs system wide 45 full-time employees; 13 of whom reside in the Labor Market Area of **Onondaga (5), Cayuga (1), Oneida (1), Wayne (5) and Oswego (1)**. The daily average onsite in Onondaga County are 4 FTE's: (3) Transportation and (1) Maintenance of Equipment. FGLK estimates all those positions will be retained and anticipates hiring up to six additional

personnel system wide over the next three years. Of the present roster, 13 are classified as management, 30 are in production, and 2 fall in the administrative classification.

FGLK's available job positions are safety-sensitive and *federally* regulated. Applicants who receive conditional offers of employment must complete successful background investigations, job-function testing, medical examinations, and drug/alcohol screens.

FGLK's current 45-person employment roster averages 12 years of service, of which nine have been with FGLK for over 20 years. FGLK's average annual wage with fringe benefits is \$96,739. Full-time hourly employees are paid for overtime. Qualified hourly and salaried employees receive paid time off for illness, vacation and holidays, as well as other paid time off. In addition, FGLK provides an annual \$1,500 IRA match to all personnel. Railroad workers' unemployment benefits, sickness benefits, and retirement benefits are administered by the Railroad Retirement Board. Employers and employees pay higher retirement taxes than those covered by the Social Security Act. Railroad retirement benefits are higher than social security benefits, especially for career employees. The Railroad Retirement Act also provides supplemental railroad retirement annuities, which are payable to employees who retire directly from the rail industry. Railroad Retirement taxes at 20.75% are paid by FGLK, totaling \$650,951.

FGLK's contribution for all employee medical premiums (88%), HRA medical deductible (100%), and vision, dental and life insurance premiums (100%) totaled \$1,025,696 in 2023, \$917,602 in 2022, \$783,752 in 2021, \$688,569 in 2020, and \$702,403 in 2019.

NYS Withholding Taxes for year 2023 totaled \$186,599; for year 2022, \$175,727; for year 2021, \$160,252; and for year 2020, \$150,815.

Local Labor Policy

The New York State Rail Plan for investment strategies was developed in cooperation with New York's freight railroads. The plan stresses the commitment to the State's rail transportation infrastructure that serves businesses and industries, that it creates jobs for New Yorkers, and also transports many of the goods that we use each day.

FGLK makes every effort to use local contractors, suppliers, and its own railroad forces for projects, maintenance, inspections and upgrading. State and federal funding assistance includes requirements for bidding, certifications for MWBE/DBE, Buy America certifications, and other requirements under U.S. Department of Labor and the Railroad Retirement Board.

Supplemental Materials Attached

1. Letters from FGLK customers of the significance of the rail to their industries/businesses.
2. Letters from FGLK suppliers/vendors of the significance of the rail to their businesses.
3. Letter from Jay Yennock, 147 Croly
4. Letter from Onondaga County DOT
5. Letter from Mayor Biachi, Solvay