

**Cortland County IDA  
Application for benefits**

**Review Date Oct 2011**

Name of Applicant: **Sky Hospitality**

Nature of Business      Retail      Commercial/Service      Manufacturing  
                            Other      Hotel

Description of Project: **Construct 64 room hotel at the FLE Biz Park**

Location of Project: **5.5 acres on Rt 13 and entrance to FLE Biz Park**

Total number of FTE employees as of the date of application: **0**

Projected number of new FTE positions to be created within the 2 years of project:  
**10**

Average starting wage: **\$36K**

Date to begin new jobs : as soon as construction is complete. Estimate 2012

Projected fixed asset investment to be made: **4,810,000**

Exceeds \$500,000 **X** Yes No

**Qualifying Checklist**

**Referenced in Development Policy:**

**Yes    No    (Check one for each category)**

- The number of jobs to be created, with priority given to businesses Creating five full-time permanent jobs that pay starting hourly wages at 135% of the current NYS minimum wage or higher (**8.75=11.81p/hr**)
- The timeline for the projected investment and job creation is within the first two years of application
- The applicant will increase the skill base of the local workforce through training, opportunities for professional development and career track advancement

- Goods and services will be procured regionally, thereby increasing regional buyer-supply chains and producing a greater multiplier effect
- The level and type of investment is \$500,000 or greater
- The business enhances strategic goals identified in the BDC development Plan and enhance the overall regional economic climate

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**Additional comments or notes:**

**See project rationale for narrative and Project Summary Sheet for more detail on breakdown of jobs and wages**

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## Project Summary Sheet

**Project Name:** Best Western Finger Lakes East  
Sky Hospitality LLC  
Bharati Desai

<b>TOTAL PROJECT AMOUNT</b>	<b>\$4,810,000</b>
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**Estimated Value of each type of tax exemption being sought with Project:**

**Uniform Tax Exemption:**

Estimated new tax revenue if no IDA exemptions (based on 2011/12 rates and \$2,420,000 assessment)	\$822,780
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Estimated payments in lieu of taxes over term of PILOT agreement	\$287,976
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Estimated difference	\$534,804
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**Sales Tax Exemption:**

Based on estimated \$1.4 taxable purchases	\$112,000
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**Mortgage Recording Taxes:**

Based on estimated \$3.8 recorded mortgage	\$ 38,000
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<b>Estimated Value of Total Exemptions:</b>	<b>\$684,804</b>
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**EMPLOYMENT IMPACT:**

FTE before PILOT	-0-
Estimate of jobs to be created:	9

The jobs to be created will include:

2 full time managers-average wages/benefits:	\$40,000-60,000
2 full time department managers-average wages/benefits:	32,000-38,000
2 part-time managers, avg wages/benefits:	20,000-30,000
2 part-time department managers, avg wages/benefits:	16,000-19,000
12 part-time unskilled positions, avg wages/benefits:	\$10-15 per hour

<b>Agreed upon minimum FTE (80% of the estimated new jobs)</b>	<b>7</b>
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# Best Western Finger Lakes East

**Sky Hospitality LLC**  
**Bharati Desai, owner**

## Project Rationale

Sky Hospitality seeks to undertake a \$4.81 million project to construct a new 64-room, three-story hotel at Finger Lakes East Business Park in the town of Cortlandville.

The hotel, which will carry a Best Western flag, will be located on 5.5 acres of land fronting Route 13 between the entrance to the park and Shipwreck Golf and Cones. The developers have secured a purchase agreement from the property owner, Osbeck Realty.

A feasibility study has been conducted, an architect has been hired, building elevations, renderings, site layout, and floor plan have been completed, and a construction manager and civil engineer are also on board.

Set for construction in spring 2012 pending town site plan and aquifer protection district reviews, the 42,000 square-foot facility will:

- Provide construction related jobs preferring local vendors;
- Use local support services whenever possible (landscaping, maintenance, etc.);
- Create at least 10 new FTE staffing positions;
- Add more inventory to an underserved local hotel market;
- Provide new, upscale options for growing business-class visitors to the community;
- Provide new, Cortland-based options for event-related visitors (New York Jets training camp, local and regional college and university commencements and other activities, sports-related events coordinated by Tompkins Cortland Community College, SUNY Cortland, and the Cortland Regional Sports Council); and
- Contribute to the community's sales, occupancy, and property tax revenues

Staff is recommending consideration of a uniform payment in lieu of tax (PILOT) agreement with the owners for the reasons stated here; and in light of recent developments that have eliminated Empire Zone benefits that have assisted previous similar developments in the community.