

**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)

- | | | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The timeline for the projected investment and job creation is within the
first two years of application |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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

Additional comments or notes:

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

Project Summary Sheet

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

TOTAL PROJECT AMOUNT	\$4,810,000
-----------------------------	--------------------

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
---	-----------

Estimated payments in lieu of taxes over term of PILOT agreement	\$287,976
---	-----------

Estimated difference	\$534,804
----------------------	-----------

Sales Tax Exemption:

Based on estimated \$1.4 taxable purchases	\$112,000
--	-----------

Mortgage Recording Taxes:

Based on estimated \$3.8 recorded mortgage	\$ 38,000
--	-----------

Estimated Value of Total Exemptions:	\$684,804
---	------------------

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

Agreed upon minimum FTE (80% of the estimated new jobs)	7
--	----------

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.