

## INSTRUCTIONS AND INFORMATION

1. Please note that Public Officers Law Article 6 states that all records in the possession of the Herkimer County Industrial Development Agency (Agency) are open to public inspection and copying. If you feel that certain sections of the Project Application should be withheld from public inspection please notate accordingly to request such sections be kept confidential.
2. New laws have been established in regards to record keeping, reporting, and recapture requirements for IDA's that authorize sales tax exemptions to a Project Operator or Agent. The Agency must now keep a record of the amount of sales tax benefits provided to each Project and make those records available to the State upon request. Also, within 30 days of providing financial assistance to a Project, the Agency must report to the State the amount of sales tax benefits intended to be provided to a Project. It is now a requirement of the State that the Agency post on the internet and make available without charge copies of its resolutions and Project agreements and documents.
3. If you are requesting a sales tax exemption from the Agency as part of your Application for assistance, you must include a realistic estimate of the value of the savings anticipated. **IT IS IMPERATIVE THAT THE SALES TAX ESTIMATES IN THE APPLICATION BE AS REALISTIC AS POSSIBLE.** This is the number that will be provided to the State.
4. The State requires that the Agency recapture any State sales tax benefits given if: a. the Project was not entitled to receive benefits; b. the exemptions exceed the amount authorized or were claimed for unauthorized property or services; c. the Project Operator failed to use the property or services in a manner indicated by its agreement with the Agency.
5. It is important that the Application is completed in its entirety leaving no blanks. If the question is not applicable please note n/a.
6. If more space is needed for a particular answer please attached a separate sheet.
7. The Agency non-refundable general application fee is \$250.00. The Market Rate Housing Benefit fee due with the application is \$1,500.00 which includes a non-refundable application fee of \$500.00 and a commitment fee of \$1,000 that will be applied at closing; if the project does not close, the \$1,000.00 is not refundable.
8. Agency fees are assessed at up to 1% of the total project cost.
9. The Agency will collect ½ (one-half) of the project fee at the time of signing of an inducement agreement. The final half of the Agency fee will be payable at which time the project closing takes place.
10. The applicant is responsible for all Agency legal fees related to this project.
11. Should your company for any reason decide to withdraw this application for financial assistance after submission but prior to completion, you will be responsible for any legal fees involved up to the time of withdrawal. Also, the Agency will assess a fee for services rendered and costs incurred to date.
12. The Agency will assess your company an annual administration fee to cover ongoing compliance and oversight functions in the form of rent under the Lease Agreement in the amount of \$500.00.



**APPLICATION TO  
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
FOR FINANCIAL ASSISTANCE**

**I. APPLICANT INFORMATION:**

Company Name: Mohawk Hospital Equipment, Inc. DBA Mohawk Healthcare  
Address: PO Box 27 335 Columbia Street  
Utica, NY 13502  
Product/Services: Wholesale Medical Distribution  
Phone No.: 315-797-0570 Fax No.: 315-797-0365  
Email Address: TSpellmanjr@emohawk.com  
Fed ID No.: 15-0618550 NAICS Code: 423-450  
Contact Person/Title: Thomas Spellman Jr. / President

**Principal Owners/Officers/Directors:**

(list owners with 15% or more in equity holdings with percentage ownership)

<u>Thomas Spellman Sr.</u>	<u>Sam Spellman</u>	_____
<u>Thomas Spellman Jr.</u>	<u>Murray Kirshtein</u>	_____
<u>Holly Spellman</u>	<u>Cindy Rosati</u>	_____

*Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)*

**Form of Entity:**

- ☒ Corporation 100% ESOP (S-Corporation)
- ☐ Partnership (General \_\_\_\_\_ or Limited \_\_\_\_\_; number of general partners \_\_\_\_\_ and, if applicable, number of limited partners).
- ☐ Limited Liability Company/Partnership (number of members \_\_\_\_\_).
- ☐ Sole Proprietorship

**If a corporation, partnership, limited liability company/partnership:**

Date of establishment December 1960.

Place of organization Utica, New York.

If a foreign organization, is the Applicant authorized to do business in the State of New York? N/A.

**APPLICANTS' COUNSEL**

Name: MURRAY KIRSHTEN  
 Address: 185 GENESEE ST. ST. 1401  
UTICA N.Y. 13501  
 Phone No.: 315-497-1970  
 Telefax No.: 315-797-1976

**II. PROJECT INFORMATION**

A) Describe the proposed project, acquisition, construction or reconstruction in as much detail as possible.

PURCHASE AND RECONSTRUCTION OF THE FACILITY LOCATED AT  
25 RIVERSIDE INDUSTRIAL PARK DR., LITTLE FALLS, N.Y. PURCHASE  
COST OF THE BUILDING IS \$1,300,000 AND ESTIMATED NEW CONSTRUCTION  
AND RENOVATION COSTS ARE UP TO \$500,000 WITHIN TWO YEARS.

B) Project Description (check all applicable)

- ☐ Manufacturing
- ☒ Warehousing/Distribution
- ☐ Tourism Destination Facility
- ☐ Retail
- ☐ Other – Specify \_\_\_\_\_

C) Name of all sub-lessees or other occupants of the facility:

N/A

D) Principals of any sub-lessee or occupant.

N/A

**III. COST BENEFIT ANALYSIS:****A) Project Cost (Estimates) (where applicable)**

1. Land	\$ <u>NA</u>
2. Building	\$ <u>1,300,000</u>
3. Renovation Costs	\$ <u>500,000</u>
4. Machinery and Equipment	\$ <u>20,000</u>
5. Soft Costs	\$ <u>10,000</u>
6. Legal Costs	\$ <u>25,000</u>
7. Other (specify)	\$ _____

Total Estimated Project Amount \$ 1,855,000

**B) FINANCING (Source of funds where applicable)**

Bank	\$ <u>N/A</u>
Private Funds Invested	\$ <u>N/A</u>
Industrial Revenue Bond	\$ <u>N/A</u>
Other (Company holdings)	\$ <u>1,855,000</u>
Total (should equal III. A)	\$ <u>1,855,000</u>

**C) Financial Assistance Requested (Proposed Benefit Estimates) (Please note n/a in any line where you are not seeking assistance)**

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☐ Straight Lease

Amount of Bonds Requested: \$ N/A

Amount of New Mortgage (s) required for project: \$ N/A

Project-Related Costs Subject to Sales Tax: \$ up to 500,000

**Estimated Value of Tax Exemptions:**

- |   |   |
|---|---|
| 1. NYS Sales and Compensating Use Tax<br>(State 4% + Local 4.25% = Total 8.25%)                     | \$ <u>41,250.00</u>   |
| 2. Mortgage Recording Taxes<br>(1% of total proposed mortgage amount)                               | \$ <u>up to 18,000</u>  |
| 3. Real Property Tax Exemptions<br>(the Agency will assist with this estimation<br>at your request) | \$ <u>WE REQUEST A FREEZE OF<br/>CURRENT ASSESSMENT FOR A<br/>PERIOD OF 10 YEARS.</u> |
| 4. Estimated interest savings on Issuance by the<br>Agency of Industrial Revenue Bonds              | \$ <u>N/A</u>   |

Total Estimated Value of Tax Exemptions \$ \_\_\_\_\_

## D) Employment Information/Job Creation

The Agency recommends the following standard when reporting **FTE – Full Time Equivalent** jobs: Full-time equivalent is a ratio that compares the number of hours worked during a pay period by an employee to the number of work hours during the pay period that equates to full time employment. For example, an employee who works hours equal to full time is 1.0 FTE. An employee who works half the hours of full time employment is 0.5 FTE, while an employee that works one-third the hours of full time employment would be considered .3 FTE. Please contact the Agency for assistance if needed.

Please provide the current number of existing jobs.

FTE 55 (please attach a list of current employees)

Please provide an estimated number of jobs to be retained as a result of this project.

FTE 21 Total number of FTE's at Little Falls location.

Please provide an estimated number of jobs that will be created as a result of this project.

FTE 6

Please provide the total number of jobs you anticipate upon completion of this project.

FTE 27

Please provide the average estimated annual salary of jobs to be created as a result of this project.

\$25,000.00

Please provide the annualized salary range of jobs to be created. From \$ 24,960.00 To \$ 32,000.00

Please provide the average annual salary of jobs to be retained. \$ 32,000.00

Please note any proposed fringe benefits for jobs to be created by job title.

Medical and dental insurance, 401k, Employee Stock Ownership Plan, Long-term disability insurance.

E) Estimate number of construction jobs to be used for this Project: FTE 10

## V. PROJECT LOCATION/UTILITIES/IMPACT

- A) Project Address: 25 Riverside Industrial Park Drive  
Little Falls, New York 13365
- B) Are Utilities on Site  
 Water X Electric X  
 Gas X Sanitary/Storm Sewer X
- C) Present legal owner of the site 25 Riverside Industrial Park LLC
- D) Zoning of Project Site: Current: Commercial Proposed: Commercial
- E) Are any variances needed: NO
- F) Principal use of Project upon completion: Warehouse Distribution Center
- G) Will the Project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another? Yes
- H) Will the Project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York? NO
- I) Will the Project result in the abandonment of one or more plants or facilities located in the State of New York? NO
- If you answered yes to G-H or I please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail. Attach supporting documentation.
- Yes. Mohawk Healthcare current location is in the footprint of the planned MVHS medical center in Utica, New York. And thus, our company was required to relocate to remain competitive we were unable to build new. To remain competitive we found the ideal location in Central New York with proximity to the New York State Thruway to service our customers.

VI. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A.) Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in



which the Project is located. The IDA encourages to the fullest extent possible, the hiring of local labor for all construction projects.

- B.) **Annual Sales Tax Filings.** In accordance with Section 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. In accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. A copy of such form should be provided to the Agency annually upon submission to the State.
- C.) **Sales Tax Tracking.** The Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance that they will submit to the Agency, a quarterly tracking form (form will be provided) listing all sales tax savings incurred to allow for the Agency to monitor and report to the State as required.
- D.) **Recapture of Benefits.** The Applicant understands and agrees that the benefits received from tax abatements/exemptions shall be subject to recapture in accordance with the Agency's tax exemption policy. The Agency reserves the right to include in the transaction documents the recapturing of the total value of real property/sales tax exemptions approved for a Project if any of the following conditions arise:
- a. The Project Facility as defined in the PILOT/Lease Agreement is sold or closed and the Applicant leaves or departs Herkimer County.
  - b. There is a significant change in the use of the Project Facility and/or business activities of the Applicant.
  - c. There is a significant reduction in the number of full/part-time jobs at the Project Facility in comparison to what was estimated in the Applicant's Project Application that are not reflective of the Applicant's normal business cycle or national economic conditions.
  - d. The Applicant fails to fully comply with all periodic and/or annual reporting requirements of the Agency, State or Federal government.
  - e. The Applicant failed to achieve any minimal new job creation figures specified by and within the time frames specified by the Agency
- E.) **Annual Employment Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site in addition to any additional project information as may be required. The Chief Executive Office shall submit to the Agency prior to February 1<sup>st</sup> of each year, a written certification setting forth:
- a. Number of full-time equivalent employees at the Project location as of the last date of the prior year
  - b. Number of construction jobs during the fiscal year as a result of the Project
- F.) **Absence of Conflicts of Interest.** The Applicant has received from the Agency a list (see page 10) of the members, officers and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:
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**VII. FINANCIAL INFORMATION (attach the following):**

1. Financial Statements for the last three fiscal years.
2. Proforma balance sheet as at start of operations at project site.
3. Projected profit and loss statements for first two years of operation at project site.
4. Projected "cash flow" statement, by quarters, for first year of operation at project site.

The Applicant and the individual executing this Application on behalf of the applicant acknowledge that the Agency will rely on the representations made herein when acting on this application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Applicant: Mohawk Hospital Equipment, Inc.

Date: 4-22-19

By: Thomas Spellman

Name: Thomas Spellman

Title: Chairman & CEO

Submit this application with a general application fee of \$250.00. If this application is for Market Rate Housing Benefits, please submit \$1,500.00 which includes a non-refundable application fee of \$500.00 and a commitment fee of \$1,000.00 that will be applied at closing; if the project does not close the \$1,000.00 is not refundable. Make check payable to: Herkimer County Industrial Development Agency, 420 E. German Street, Suite 101A, Herkimer, New York 13350, to the attention of John J. Piseck, Jr., Executive Director. The Agency will collect ½ (one-half) of its Project Fee at the time of the signing of an inducement agreement. The final half of the Agency fee will be payable at which time the HCIDA takes title to the Facility, or upon issuance of bonds. The applicant will also be responsible for all HCIDA legal fees related to this project. Should your company for any reason decide to withdraw this application for financial assistance after submission but prior to completion, you will be responsible for any legal fees involved to that point. In addition the Agency will assess a fee for services rendered and costs incurred.

**Agency fees will be assessed at up to 1% of the total project cost.**

The Agency will assess your company an annual administration fee in the form of rent under the Lease Agreement in the amount of \$500.00.

**Please call 315-866-3000 with any questions**

*"This institution is an equal opportunity provider, employer and lender"*



# HOLD HARMLESS AGREEMENT

Applicant hereby releases the Herkimer 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 expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other Assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

Mohawk Hospital Equipment, Inc  
 (Applicant)  
4-22-19  
 (Date)  
Thomas Spellman  
 (By)  
THOMAS SPELLMAN  
 (Name)  
CHAIRMAN & CEO  
 (Title)

STATE OF NEW YORK )  
 )ss.:  
 COUNTY OF ONEIDA )

On the 22<sup>nd</sup> day of April, in the year 2019, before me, the undersigned a Notary Public in and for said State, personally appeared Thomas Spellman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individuals, or the person or behalf of which the individuals acted, executed this instrument.

[Signature]  
 Notary Public

MURRAY J.S. KIRSSTEIN  
 Notary Public, State of New York  
 Reg. No. 02KI7281275  
 Qualified in Oneida County  
 Commission Expires June 30 2022