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# APPLICATION FOR FINANCIAL ASSISTANCE

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**Oneida County Local Development Corporation**  
584 Phoenix Drive  
Rome, New York 13441-1405  
(315) 338-0393 telephone  
(315) 338-5694 fax

Shawna M. Papale, Executive Director

*A non-refundable application fee of \$500.00 must be submitted at the time of application along with a \$1,000 commitment fee; the \$1,000 commitment fee will be applied to closing fees.*

*Please submit the original and two (2) copies of the **signed and notarized** application, and **signed** SEQR form with the above fees. Cost benefit will be completed based on information from this application.*

*Please also deliver an electronic copy of all.*

***All applications must be submitted at least 10 days prior to meeting.***

MVHS Integrated Health Campus

January 28, 2018

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Project Name Number (to be provided by the Corporation)

Date of Submission

**Note to Applicant:**

The information requested by this application is necessary to determine the eligibility of your project for OCLDC benefits. Please answer **all** questions, inserting "none" or "not applicable" where appropriate. If you are providing an estimate, please indicate by inserting "est" after the figure. Attach additional sheets if more space is needed for a response than is provided.

Return the original signed and notarized application and two copies with a check in the amount of \$1500.00 made payable to: **Oneida County Local Development Corporation (OCLDC)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. \$1000 will be applied at closing against the IDA legal fees. In addition, an electronic version of the application (signed), and SEQR form (signed), to [spapale@mvedge.org](mailto:spapale@mvedge.org).

Upon the submission of this application to OCLDC, this applicant becomes a public document. Be advised that any action brought before the OCLDC is public information. All agendas for OCLDC are issued prior to full Corporation meetings and posted in public domain. If there is information that the applicant feels is proprietary please identify as such and that information will be treated confidentially to the extent permitted by law.

A project through OCLDC involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project. You will receive an engagement letter from the OCLDC legal counsel. You will be asked to sign the engagement letter acknowledging you will be responsible for all legal fees of OCLDC legal counsel and that you understand the process. Should you not close and legal services have been rendered by the OCLDC legal counsel, your company will be responsible for those costs.

If your project requires a public hearing, a representative of the applicant is required to be present. A date will be coordinated by the OCLDC legal counsel.

If you have questions how to calculate your company's OCLDC application fee please consult with the Memorandum to Companies Sale – Leaseback Transactions or please contact the OCLDC Executive Director.

**Part I: Applicant Information**

**Note:** In responding to the following questions, please keep in mind that the Applicant will be party to all of the documents and is the individual or if entity will be formed which will receive the actual assistance from OCLDC.

**Applicant**

1(a) Applicant's Legal Name: Mohawk Valley Health System

1(b) Principal Address: 2209 Genesee Street

Utica, NY 13501

1(c) Telephone/Facsimile Numbers: 315-801-4978 (phone)

315-801-8598 (fax)

1(d) Email Address: bscholef@mvhealthsystem.org

1(e) Federal Identification Number: 22-3124162

1(f) Contact Person: Bob Scholefield, Executive VP/COO

1(g) Is the Applicant a

Corporation:  
If yes, Public  Private   
If public, on which exchange is it listed?

- Subchapter S
- Sole Proprietorship
- General Partnership
- Limited Partnership
- Limited Liability Corporation/Partnership
- Single-Member LLC (name and EIN below):

Name: \_\_\_\_\_

EIN: \_\_\_\_\_  
 DISC

Other(specify) Voluntary Non-Profit Hospital Corporation\*

1(h) State of Organization (if applicable) New York

\* MVHS is the active parent and co-operator of St. Elizabeth Medical Center and Faxton-St. Luke's Healthcare St. Luke's Division. As referenced in its certificate of need application for construction of the new hospital, MVHS will apply for a certificate of need from the Department of Health pursuant to Article 28 of the Public Health Law pursuant to which it also will be the sole operator of a new integrated hospital campus.

**Applicant's Stockholders, Directors and Officers (or Partners)**

2(a) Provide the following information with respect to parties with 15% or more in equity holdings:

<u>Name</u>	<u>Address</u>	<u>Percentage of Ownership</u>
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2(b) Is the Applicant, or any of the individuals listed in 2(a) above, related directly or indirectly to any other entity by more than 50% common ownership? If so, indicate name of such entity and the relationship.

2(c) Is the Applicant affiliated with any other entity, directly or indirectly, other than as listed in the response to 2(a) above? If yes, please indicate name and relationship of such other entity and the address thereof:

*Mohawk Valley Health System is the Sole Corporate Member of Faxton-St. Luke's Healthcare, St. Elizabeth Medical Center, St. Luke's Home Residential Health Care Facility, Senior Network Health, LLC, Visiting Nurse Association of Utica and Oneida County, Inc, and Mohawk Valley Home Care, LLC. Together, the system is governed by one Board of Directors. See Exhibit A.*

### Applicant's Counsel and Accountant

#### 3(a). Applicant's Attorney

Name/Title:	<u>Traci A. Boris</u>	<u>Kathleen M. Bennett</u>
Firm:	<u>VP, Legal and Compliance MVHS</u>	<u>Bond, Schoeneck &amp; King, PLLC</u>
Address:	<u>MVHS</u>	<u>One Lincoln Center</u>
	<u>PO Box 479, Utica, NY 13503</u>	<u>Syracuse, NY 13202</u>
Telephone/Fax:	<u>315-624-5164</u>	<u>315-218-8631</u>
Email:	<u>tboris@mvhealthsystem.org</u>	<u>kbennett@bsk.com</u>

#### 3(b) Applicant's Accountant

Name/Title:	<u>Louis Aiello</u>
Firm:	<u>MVHS</u>
Address:	<u>1656 Champlin Ave</u>
	<u>Utica, NY 13502</u>
Telephone/Fax:	<u>315-624-6143 (p) / 315-624-6956 (f)</u>
Email:	<u>LAIELLO1@mvhealthsystem.org</u>

### Business Description

4(a) Describe the nature of your business and principal products and/or services. Attach additional sheets if necessary.

*In 2014, Faxon St. Luke's Healthcare and St. Elizabeth Medical Center affiliated as Mohawk Valley Health System ("MVHS"). MVHS provides medical/healthcare services for residents of the Mohawk Valley, which includes the geographic area of Oneida, Herkimer, and Madison Counties. MVHS's mission is to provide excellence in healthcare for its communities. MVHS is an integrated healthcare delivery system with a combined operating budget of \$566 million. MVHS is the active parent and co-operator of St. Elizabeth Medical Center ("SEMC") and Faxon St. Luke's Healthcare Division ("FSLH"). The MVHS Medical Group has 19 primary care locations, a Children's Health Center, a Women's Health Center, general, orthopedic and neurological surgeons, a Breast Care Center and Urgent Care to serve the community's health care needs. See Exhibit B.*

## Part II: Project Information

### 5(a) Explain your project in detail. This description should include explanation of all activities which will occur due to this project. Attach additional sheets if necessary.

*The MVHS Integrated Health Campus will encompass approximately 25-acres and will include the following elements: Hospital Building; Central Utility Plant; Parking facilities (including one parking garage); Potential future Medical Office Building (by private developer); Campus grounds; Helistop. (site layout and elevations attached as Ex. C and Fact Sheet attached as Ex D.)*

**HOSPITAL BUILDING.** *The proposed + -670,000 square foot (sf) hospital building will be constructed on parcels located west of Broadway and will extend through Cornelia Street onto parcels located east of State Street. The hospital building consists of a 2-story podium and a 7-story bed tower. The main entrance to the hospital will be located south of Lafayette Street, proximal to Cornelia Street. In addition to the main entrance, Emergency Department (ED) walk-in and ED ambulance entrances will be located on the western portion of the hospital. Vehicular and pedestrian entries will be marked by canopy systems that provide adequate coverage for public drop off, ED walk-in and loading activities. Ambulance traffic will be provided with a sally port adjoined to the podium. A service entrance will be located on the eastern portion of the hospital building, which will be accessible via Columbia Street. Most services currently provided at the FSLH and SEMC will be transitioned to the Integrated Health Campus including + -373 inpatient beds.*

**CENTRAL UTILITY PLANT.** *A three-story Central Utility Plant (CUP) will service the hospital. The CUP will adjoin the eastern portion of the podium of the hospital building. The CUP will house three centrifugal chillers, a heat recovery chiller and four steam and eight hot water heating condensing boilers, each which will be fueled by both natural gas and No. 2 Fuel oil. A 50,000-gallon underground storage tank (UST) used to store the No. 2 fuel oil will be installed south of the CUP in the service yard. A 30,000-gallon aboveground storage tank (AST) used to store emergency water for fire protection will also be located in the service yard.*

**PARKING FACILITIES.** *Parking facilities will consist of a three-story parking garage and multiple parking lots. The parking garage will provide approximately 1500 parking spaces and the parking lots will allow for an additional + -1300 parking spaces. These parking facilities will be available for use by patients, visitors, staff, and volunteers, as well as the community for non-hospital related events.*

**POTENTIAL FUTURE MEDICAL OFFICE BUILDING.** *A future medical office building is proposed. It is anticipated that the medical office building would be owned and operated by a private developer. The proposed location of the medical office building is south of Columbia Street and east of Cornelia Street.*

**CAMPUS GROUNDS.** *The campus will be designed as an urban park with enhanced lighting, trees, pedestrian walkways and seating areas. A pedestrian walkway will replace a portion of Lafayette Street. This walkway will extend from the main entrance to the west, terminating just adjacent to the North-South Arterial Highway. An additional segment of the walkway will provide access to the ED entrance. Outdoor areas will include gardens and other design considerations to create a healing environment. It should also be noted that modifications to existing utility infrastructure will be necessary to accommodate the proposed MVHS Integrated Health Campus.*

## Reasons for Project

### 6(a) Please explain in detail why you want to undertake this project.

*Substantial effort has been focused on consolidating existing resources, eliminating redundancies, expanding the depth and breadth of services, improving access and elevating the quality of healthcare services in the region. MVHS has been successful in its efforts thus far, but has been constrained by the age and physical limitations of the existing facilities. Through New York Public Health Law Section 2825-b, New York State created the "Oneida County Health Care Transformation Program" that set aside up to \$300 million in capital grant funding for the sole purpose of consolidating multiple licensed healthcare facilities into an integrated system of care, within the largest population center in Oneida County (i.e., Utica). Through a response to a Request for Applications (RFA #1505060325) from the New York State Department of Health (NYSDOH) and Dormitory Authority of the State of New York (DASNY), MVHS was awarded \$300 million in grant funding for the creation of a new hospital campus that will result in the transformation of healthcare services in the region. The new MVHS integrated health campus and state-of-art hospital will combine services and replace SEMC and FSLH, will reduce the number of beds in the community, and consolidate patient services to one campus all to deliver higher quality, more effective care with better community outcomes and at a lower cost.*

*The integrated campus serves the public need by (1) creating a facility with the newest technology, services and advancements in patient safety and quality so that our community can receive the most up-to-date healthcare services that rivals those found in large cities; (2) serving the growing demand for healthcare due to the rapidly increasing and aging population in this region; and (3) improving accessibility to and availability of services by attracting specialists and providing services that otherwise would not be available to the community. In addition, the opportunity to gain greater operational efficiencies through the elimination of duplicative and redundant functions will help to reduce the rate of increase in healthcare spending and to achieve improved financial stability. It will benefit Medicaid enrollees and uninsured individuals in the City and serve the largest and most diverse population in Oneida County. The Project will also help support the ongoing efforts to revitalize downtown Utica by bringing more than 3,500 MVHS employees and medical staff to the new campus, which will spur additional economic development. Downtown housing, commercial, food, retail, education and entertainment venues are positioned to greatly benefit from the influx of employees and visitors. The project will also create future healthcare and development opportunities to anticipate needs in education, research and applied sciences. See Exhibits E, F, & G.*

### 6(b) Why are you requesting the involvement of the Corporation in your project?

*MVHS is seeking tax-exempt financing, and related mortgage recording tax exemption, to reduce the cost of its capital investment. The savings attributable to tax-exempt financing and mortgage tax exemption would make those funds available to other aspects of the project. For example, additional amounts could be used to provide relocation benefits to property owners or to address any environmental issues related to property acquisition.*

6(c) Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Assistance provided by OCLDC?

Yes or  No

If the Project could be undertaken without Assistance provided by OCLDC, then provide a statement in the space provided below indicating why the Project should be undertaken by OCLDC:

*Through New York Public Health Law Section 2825-b, New York State created the "Oneida County Health Care Transformation Program" that set aside up to \$300 million in capital grant funding for the sole purpose of consolidating multiple licensed healthcare facilities into an integrated system of care, within the largest population center in Oneida County (i.e., Utica). Through a response to a Request for Applications from the NYSDOH and DASNY, MVHS was awarded \$300 million in grant funding for the project. However, MVHS and the public would benefit from financial assistance in the form of tax-exempt financing and a related mortgage tax exemption because it would make those funds available to other aspects of the project. For example, additional amounts could be used to provide relocation benefits to property owners or to address any environmental issues related to property acquisition.*

How will the Applicant's plans be affected or scaled back if Corporation approval is not granted?

*MVHS has commenced negotiations with many of the property owners located within the project footprint. Many of these entities have expressed an interest in relocating their business to other facilities within the City of Utica. However, many of these entities have indicated that the cost of relocation is a significant concern and have requested funding to assist with such efforts. Corporation approval could result in additional funds being allocated toward property acquisition, including relocation and environmental.*

6(d) Is the proposed project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

Yes  No If yes, please explain briefly.

*MVHS is a voluntary non-profit hospital corporation formed for the specific purpose of providing health and hospital services to the people of Oneida County and the Mohawk Valley. It is not licensed to provide its services outside of the Mohawk Valley or outside of New York State.*

6(e) Will financing by the Corporation result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area of New York State?

Yes  No Please see explanation below.

If yes, is the proposed project reasonably necessary to preserve the competitive position of the Applicant in its respective industry?  Yes  No

*The project is necessary to strengthen MVHS operations in an increasingly competitive healthcare environment. The project will result in significant annual savings and will improve ability to attract new physicians.  
See Exhibit G.*

If yes, please provide a statement and evidence supporting the same. Include the name of all taxing jurisdictions in which the abandoned facility or plant lies, and whether Applicant has had any discussions with said taxing jurisdictions regarding the abandonment. Please provide as much detail as possible.

*With the exception of certain ancillary facilities, MVHS's objective is to facilitate redevelopment of the existing FSLH and SEMC campuses consistent with the Town of New Hartford's and the City of Utica's long term development plans and capable of making an economically positive contribution to each community. In support of this objective, MVHS will be conducting an evaluation of the properties and potential redevelopment opportunities concurrent with planning for the proposed hospital. In addition to the disposition and redevelopment of the primary facilities, existing ancillary facilities will also be reused. At FSLH, most of the inpatient and outpatient services performed at the existing site will be transitioned to the MVHS Integrated Hospital Campus; however, it is anticipated that +/- 24 physical medical and rehabilitation beds will remain and some outpatient services may be performed at this site. The SEMC site will be converted into an outpatient extension clinic. Services provided at the clinic will include sleep center services, cardiac and thoracic surgery-related offices, primary care services and a laboratory patient service center. See Exhibits F and H.*

6(f) Has the Applicant or any related entity previously secured financial assistance in Oneida County (whether through the Corporation, the Empire State Development Corporation, or any other entity)  [ ] Yes  [ ] No

If yes, please explain (indicate date of benefit, location of facility and outstanding balance).

*See listing of bonds issued by Oneida County IDA to all of our related entities in Exhibit I. Outstanding represents current as of 12/31/17. In addition it should be noted that the applicant has received various grants through NYS (mainly NYDOH) for both hospitals as well as MVHS, including the "Oneida County Health Care Transformation Program" that set aside up to \$300 million in capital grant funding for the sole purpose of consolidating multiple licensed healthcare facilities into an integrated system of care, within the largest population center in Oneida County (i.e., Utica).*

6(g) Has the Applicant or any related entity secured financial assistance anywhere within the United States within the last 90 days or does the Applicant or any related entity anticipate receiving financial assistance within the next 90 days?  Yes  No

If yes, please explain.

*Through New York Public Health Law Section 2825-b, New York State created the "Oneida County Health Care Transformation Program" that set aside up to \$300 million in capital grant funding for the sole purpose of consolidating multiple licensed healthcare facilities into an integrated system of care, within the largest population center in Oneida County (i.e., Utica). Through a response to a Request for Applications (RFA #1505060325) from the New York State Department of Health (NYSDOH) and Dormitory Authority of the State of New York (DASNY), MVHS was awarded \$300 million in grant funding for the creation of a new hospital campus that will result in the transformation of healthcare services in the region. See Exhibit H.*

6(h) Check all categories best describing the **type of project for all end users at project site (you may check more than one; if checking more than one indicate percentage of square footage the use represents):**

- |                                     |   |  |
|-------------------------------------|---|--|
| <input type="checkbox"/>            | Manufacturing   | Percentage of sq. footage of each use (if more than one category):       |
| <input type="checkbox"/>            | Industrial Assembly or Service  |  |
| <input type="checkbox"/>            | Back office operations  |  |
| <input checked="" type="checkbox"/> | Research and Development  | <i>2,502 square feet will be leased to Masonic Medical Research Lab.</i> |
| <input type="checkbox"/>            | Technology/Cybersecurity  |  |
| <input type="checkbox"/>            | Warehousing   |  |
| <input type="checkbox"/>            | Commercial or Recreational  |  |
| <input checked="" type="checkbox"/> | Retail  | <i>MVHS provides hospital services.</i>                                  |
| <input type="checkbox"/>            | Residential housing (specify) _____   |  |
| <input type="checkbox"/>            | Pollution Control (specify) _____   |  |
| <input type="checkbox"/>            | Environmental (e.g., Brownfield) (specify) _____  |  |
| <input type="checkbox"/>            | Civic Facility _____  |  |
| <input checked="" type="checkbox"/> | Other (specify) <u>Hospital/Medical and associated parking and medical office building.</u> |  |



6(i) Check all categories best describing the **scope of the project**:

- Acquisition of land
- Acquisition of existing building
- Renovations to existing building
- Construction of addition to existing building
- Demolition of existing building or \_\_\_\_\_ part of building
- Construction of a new building
- Acquisition of machinery and/or equipment
- Installation of machinery and/or equipment
- Other (specify) \_\_\_\_\_

6(j) Please indicate the financial assistance you are requesting of the Corporation, and provide the estimated value of said assistance. Attach a sheet labeled Annual PILOT that shows the annual utilization of the Real Property Tax Abatement by year and by taxing jurisdiction.

Assistance	Estimated Value
<input type="checkbox"/> Real Property Tax Abatement	\$ _____
<input checked="" type="checkbox"/> Mortgage Tax Exemption (.75%)	\$ <u>Estimated \$1,312,500*</u>
Amount of mortgage:	\$ <u>Estimated \$175,000,000*</u>
<input type="checkbox"/> Sales and Use Tax Exemption ** (8.75%)	\$ _____
Value of goods/services to be exempted from sales tax:	\$ _____
<input checked="" type="checkbox"/> Issuance by the Corporation of Tax Exempt Bonds	\$ <u>Estimated \$175,000,000</u> but unknown at this time

Is the financial assistance requested by the Applicant consistent with the OCLDC's Uniform Tax Exemption Policy? Yes  No

If no, please provide a written statement describing the financial assistance being requested and detailing the reasons the OCLDC should consider deviating from its Policy.

*\*MVHS may qualify for the statutory mortgage tax exemption provided to voluntary nonprofit hospital corporations. Moreover, whether a mortgage will be necessary has not yet been determined.*

**\*\* Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents will include a covenant by the Applicant that the estimate, above, represents the maximum amount of sales and use tax benefit currently authorized by the Corporation with respect to this Application. The Corporation may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered. It is the responsibility of the applicant to inform the LDC within 10 days if the project amount changes.**

**Part III: Facility Information**

**Facility (Physical Information) If multiple locations please provide information on all.**

7(a) Street Address of Facility:

*Area of Downtown Utica generally bounded by Oriskany Blvd. on the North Broadway on the East, State St. on the West and Columbia Street on the South.*

7(b) City, Town and/or Village (list ALL incorporated municipalities):

Utica

7(c) School District:

Utica

7(d) Tax Map Number(s): *See spreadsheet attached as Exhibit J.*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Attach copies of the most recent real property tax bills. Include copies for all taxing jurisdictions for the site/ facility that LDC assistance is being sought.**

7(e) For what purpose was the facility site most recently used (i.e., light manufacturing, heavy manufacturing, assembly, etc.)?

*Light manufacturing, retail, residential, non-profit*

7(f) Zoning Classification of location of the project:

Central Business District

7(g) Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings, square footage, number of floors, type of construction,) and attach plot plans, photos or renderings, if available. If there are infrastructure improvements (water, sewer, gas, electrical, etc.) please provide details along with who will carry out those improvements and who will fund them. **Please be as specific as possible.**

*The MVHS Integrated Health Campus will encompass approximately 25-acres and will include the following elements: Hospital Building; Central Utility Plant; Parking facilities (including one parking garage); Potential future Medical Office Building (by private developer); Campus grounds; Helistop. (Site layout and elevations attached as Ex. C and Fact Sheet as Ex. D.)*

**HOSPITAL BUILDING.** *The proposed ~670,000 square foot (sf) hospital building will be constructed on parcels located west of Broadway and will extend through Cornelia Street onto parcels located east of State Street. The hospital building consists of a 2-story podium and a 7-story bed tower.*

**CENTRAL UTILITY PLANT.** *A three-story Central Utility Plant (CUP) will service the hospital. The CUP will adjoin the eastern portion of the podium of the hospital building. The CUP will house three centrifugal chillers, a heat recovery chiller and four steam and eight hot water heating condensing boilers, each which will be fueled by both natural gas and No. 2 Fuel oil. A 50,000-gallon underground storage tank (UST) used to store the No. 2 fuel oil will be installed south of the CUP in the service yard. A 30,000-gallon aboveground storage tank (AST) used to store emergency water for fire protection will also be located in the service yard.*

**PARKING FACILITIES.** *Parking facilities will consist of a three-story parking garage and multiple parking lots to be constructed pursuant to a memorandum of understanding between MVHS, the City of Utica and the County of Oneida. The parking garage will provide approximately 1500 parking spaces and the parking lots will allow for an additional ~1300 parking spaces. These parking facilities will be available for use by patients, visitors, staff, and volunteers, as well as the community for non-hospital related events.*

**POTENTIAL FUTURE MEDICAL OFFICE BUILDING.** *A future medical office building is proposed. It is anticipated that the medical office building would be owned and operated by a private developer. The proposed location of the medical office building is south of Columbia Street and east of Cornelia Street.*

**CAMPUS GROUNDS.** *The campus will be designed as an urban park with enhanced lighting, trees, pedestrian walkways and seating areas. A pedestrian walkway will replace a portion of Lafayette Street. This walkway will extend from the main entrance to the west, terminating just adjacent to the North-South Arterial Highway. An additional segment of the walkway will provide access to the ED entrance. Outdoor areas will include gardens and other design considerations to create a healing environment. It should also be noted that modifications to existing utility infrastructure will be necessary to accommodate the proposed MVHS Integrated Health Campus.*

**Utility Improvements** *MVHS will pay for improvements to sanitary sewers, storm sewers, water mains and electrical infrastructure to serve the project site (see Exs. D and F for details).*

7(h) Has construction or renovation commenced?  Yes  No

**If yes**, please describe the work in detail that has been undertaken to date, including the date of commencement.

**If no**, indicate the estimated dates of commencement and completion:

Construction commencement: 2019

Construction completion: 2022

If a more detailed schedule exists please attach.

7(i) Will the construction or operation of the facility or any activity which will occur at the site require any local ordinance or variance to be obtained or require a permit or prior approval of any state or federal Corporation or body (other than normal occupancy and/or construction permits)?

Yes  No

**If yes**, please describe.

*Approvals will be required from a number of local and state agencies as identified in Exhibit K.*

Has the Project received site plan approval from the planning department?

Yes  No  N/A

If Yes, please provide the Corporation with a copy of the planning department approval along with the related State Environmental Quality Review (SEQR) determination. If no, please provide the status of approval:

*This is the initial application and will require referral to all involved agencies for lead agency designation. See EAF attached as Exhibit K.*

7(j) Will the project have a significant effect on the environment?  Yes  No

**Important: please attach and sign Part 1 of the long Environmental Assessment Form to this Application.**

7(k) What is the useful life of the facility? 60+ years

7(l) Is the site in a former Empire Zone?  Yes  No

If yes, which Empire Zone: City of Utica Empire Zone (See Exhibit L).

Is project located in a Federal HUB Zone or distressed area:  Yes  No

Provide detail.

*The project is located in a historically underutilized business zone. In addition the City of Utica has a poverty rate of 30.1% and a significant refugee population. The area also is designated as a potential environmental justice area by NYSDEC. See Exhibits M and N.*

**Part IV: Retail Project Questionnaire**

To ensure compliance with Section 862 of the New York General Municipal Law, the Corporation requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

- A. Will any portion of the project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

Yes or  No. If the answer is yes, please continue. If no, proceed to next section.

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 100\*%. **If the answer is less than 33% do not complete the remainder of the retail determination and proceed to next section.**

\*A very small portion will be leased to **Masonic Medical Research**.

**If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:**

1. Will the project be operated by a not-for-profit corporation  Yes or  No.

2. Is the Project location or facility likely to attract a significant number of visitors from outside Oneida County?

Yes or  No

*The primary service area (PSA) for this project is comprised of Oneida County. Oneida County is located in Central New York and had a population of 231,190 in 2016. The two (2) largest cities in Oneida County are Utica (with a 2015 population of 61,628 (most recent data available)) and Rome (with a 2015 population of about 32,916 (most recent data available)). MVHS' s patients generally come from 45 towns and villages covering 1,257 square miles surrounding the facilities. Approximately two-thirds (67%) of the County's population resides in urban/suburban areas, while the remaining one-third (33%) resides in rural areas*

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

Yes or  No

If yes, please provide a third party market analysis that demonstrates that a majority of the project's customers are expected to come from outside of Oneida County and the project will not directly compete with existing businesses located in Oneida County.

*This project will promote access to services to all patients in need of such services by making a number of its services more efficient and generally consolidated at a single site. Second, this project will help to improve public health outcomes for residents of the region through proper access to needed services. The project also assists with physician and medical professional recruitment and will provide opportunities for new medical services, medical education, and medical R&D in downtown Utica. See attached Exhibits E and G.*

**All applicants answer the following questions.**

4. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes or  No.

If yes, explain *Project will preserve approximately 3,500 jobs and assist with recruitment of new physicians and medical professionals to the area. Project will also increase jobs in the area by providing opportunities for new medical services, medical education, and medical R&D in downtown Utica, as well as providing enhanced opportunities for retail, hotel, and other commercial development opportunities. See Exhibit J.*

5. Is the project located in a Highly Distressed Area?  Yes or  No

**Part V: Facility (Legal Information)**

8(a) With respect to the **present owner** of the facility, please give the following information and provide a brief statement regarding the status of the acquisition.:

(Note: the present owner is not necessarily the user of the facility, but that party which holds legal title to the facility.)

Legal Name: Please see spreadsheet attached as Exhibit J.

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Balance of Mortgage: Unknown

Holder of Mortgage: Unknown

If the Applicant is not the present owner of the facility, please attach any written agreements and contracts concerning the acquisition of the real property and/or equipment. Applicant is working to obtain option agreement to acquire the properties, but at present, there are no agreements in place.

8(b) Is there a legal relationship, directly or indirectly, by virtue of common control or through related persons, between the Applicant and the present owner of the facility?

Yes  No. If yes, please explain.

8(c) Will a related real estate holding company, partnership or other entity, be involved in the ownership structure of the transaction?

Yes  No. If yes, please explain.

8(d) Will the title owner of the facility/property also be the user of the facility?

Yes\*  No. If no, please explain.

*\*MVHS will own the land and the hospital building. MVHS will acquire the land for the parking garage and the physician's office building, which are both essential for the success of the project. It is likely that MVHS will retain ownership of the land and ground lease a portion of the site to the City/County for the parking garage and another portion of the site to a currently undetermined private developer for the physician's office building.*

8(e) Is the Applicant currently a tenant in the facility?  Yes  No

8(f) Are you planning to use the entire proposed facility?  
 Yes  No

If no, please give the following information with respect to tenant(s) which will remain in the facility after the completion of the project, including the square footage the Applicant will occupy:

<u>Name of Tenant</u>	<u>Floors Occupied</u>	<u>Square Feet Occupied</u>	<u>Nature of Business</u>
<i>Masonic Medical Research Lab</i>	<i>Partial</i>	<i>2,502 square feet</i>	<i>Medical Research</i>

8(g) Are any of the tenants related to the owner of the facility?  
 Yes  No  
If yes, please explain.

8(h) Will there be any other users utilizing the facility?  
 Yes  No

If yes, please explain. Provide detail of the contractual arrangement including any financial exchange for the use of the site or property.

*MVHS will enter into an agreement with a private developer for the development and operation of a physicians' office building. MVHS has also entered into a memorandum of agreement with the City and County for funding, construction and operation of a public parking garage.*

#### **Part VI: Equipment**

9(a) List the principal items or categories of equipment to be acquired as part of the project. If you are requesting sales tax exemption it is important to be as detailed as possible. (If a complete list is not available at time of application, as soon as one is available but prior to final authorizing resolution, please submit a detailed inventory of said equipment to be covered.) Attach a sheet if needed.

*Construction materials, state of the art medical equipment.*

9(b) Please provide a brief description of any equipment which has already been purchased or ordered, attach all invoices and purchase orders, list amounts paid and dates of expected delivery. Attach a sheet if needed.

None.

9(c) What is the useful life of the equipment? \_\_\_\_\_ N/A years

**Part VII: Employment Information**

10(a) Estimate how many construction jobs will be created or retained as a result of this project.

**Construction Jobs:**

*There will be approximately 1,070 construction jobs generated over the three year construction period. See attached Exhibits E and P.*

10(b) Job Information related to project \*\*\*

Estimate below how many jobs will be created and retained as a result of this project, if OCLDC assistance is granted --sum each category

<b>Number of Jobs BEFORE Project</b>	<b>Location 1 SEMC</b>	<b>Location 2 St Lukes</b>	<b>Location 3 Other</b>	<b>Location 4 New Hospital</b>	<b>Location 5</b>	<b>Total</b>
Address in NYS	2209 Genesee Utica NY	1656 Champlin Utica, NY	Faxton & other offsite campuses	Downtown		
Full-Time Company	1,281	1,412	1,151	—		3,844
Full-Time Independent Contractors						
Full-Time Leased	4	7	—	—		11
<b>Total Full-Time BEFORE</b>	1,285	1,419	1,151			3,855
Part-Time Company						
Part-Time Independent Contractors						
Part-Time Leased						
<b>Total Part-Time BEFORE</b>						

\*Continued on next page

- sum each category

<b>Number of Jobs AFTER Project (within 3 years of project completion)</b>	<b>Location 1 SEMC</b>	<b>Location 2 St Lukes</b>	<b>Location 3 Other</b>	<b>Location 4 New Hospita</b>	<b>Location 5</b>	<b>Total</b>
Full-time Company			1,151	2,520		3,671
Full-Time Independent Contractors						
Full-Time Leased						
<b>Total Full-Time AFTER</b>			1,151	2,520		3,671*
Part-Time Independent Company						
Part-Time Independent Contractors						
Part-Time Leased						
<b>Total Part-Time AFTER</b>						

*\*The reduction results from operating efficiencies gained by no longer having two separate facilities. MVHS anticipates the addition of physicians and support staff, but has not calculated those numbers at this time. In the absence of the project, staff reductions will be necessary to address the financial hardship of operating two campuses. See Exhibit G.*

<b>Estimate the number of residents from the Labor Market Area** in which the Project is located that will fill the jobs created within three years of project completion</b>	<b>Location 1</b>	<b>Location 2</b>	<b>Location 3</b>	<b>Location 4</b>	<b>Location 5</b>	<b>Total</b>
Full-Time						
Part-Time						
<b>Total AFTER</b>						

\*Continued on next page



- sum each category

SALARY AND BENEFITS	Retained Jobs		Created Jobs	
	Average Annual Salary	Average Fringe Benefits (as a percentage of wages)	Average Annual Salary	Average Fringe Benefits (as a percentage of wages)
Management	\$ 83,000	% 24	\$	%
Administrative	\$ 31,000	% 24	\$	%
Production	\$ 59,000	% 24	\$	%
Independent Contractor	\$	%	\$	%
Other	\$ 145,000	% 0	\$	%
Overall Weighted Average	\$ 55,000	% 24	\$	%

\*\* Labor Market Area includes Oneida, Lewis, Herkimer, and Madison Counties

\*\*\* By statute, Corporation staff must project the number of Full-Time Jobs that would be retained and created if the request for Financial Assistance is granted. A Full-Time Job works 35 hours or more per week. Corporation staff converts Part-Time Jobs into Full-Time Equivalents (FTE) by dividing the number of Part-Time Jobs by two (2). Corporation staff will project such jobs over the THREE (3)-year time period FOLLOWING Project Completion.

10(c) Please list NIC codes for the jobs affiliated with this project:

62 - Health Care and Social Assistance

**Part VIII: Estimated Project Cost and Financing**

11(a) List the costs necessary for the construction, acquisition or renovation of the facility.

Acquisition of Land (if vacant)	<u>\$13,700,000 total for land and buildings</u>	
Acquisition of Existing Building(s)	_____	
Renovation Costs of Existing Building(s)	_____	
New Construction of Buildings	<u>\$376,053,935</u>	
Machinery and Equipment (other than furniture costs)	<u>\$46,000,000</u>	
Fixtures	_____	
Installation Costs	_____	
Fees & Permits (other than your own broker and legal fees)	_____	
Legal Fees (IDA legal fees, Applicant legal fees)	_____	\$7,657,500
Architectural/Engineering Interest on	_____	
Financing Charges	<u>\$14,000,000</u>	
Other (specify) Scoping and Design	<u>\$22,588,565</u>	
Subtotal	<u>\$480,000,000</u>	
<b>Corporation Fee<sup>1</sup></b>	_____	
<b>Total Project Cost</b>	_____	

<sup>1</sup>See Attached Fee Schedule (Page 25) for Corporation Fee amount to be placed on this line

11(b) **Sources of Funds for Project Costs:**

Bank Financing: \$ \_\_\_\_\_

Equity (excluding equity that is attributed to grants/tax credits) \$ 150,000,000

Tax Exempt Bond Issuance (if applicable) \$ 30,000,000

Taxable Bond Issuance (if applicable) \$ \_\_\_\_\_

Public Sources (Include sum total of all state and federal grants and tax credits) \$ 300,000,000

Identify each state and federal grant/credit:

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

Total Sources of Funds for Project Costs: \$ 480,000,000

**Real Estate Taxes**

12(a) For each tax parcel which comprises the facility, please provide the following information, using figures from the most recent tax year. *See spreadsheet attached as Exhibit J.*

Tax Map #	Current Assessed Value (Land)	Current Assessed Value (Building)	Real Estate Taxes

12(b) Address of Receiver of Town and/or Village Taxes:

City of Utica Comptroller

1 Kennedy Plaza

Utica, NY

12(c) Address of Receiver of School Taxes:

City of Utica Comptroller

1 Kennedy Plaza

Utica, NY

12(d) Will the completion of the proposed project result in the increase of the assessment of any of the parcels named above?  Yes  No

If yes, please indicate which tax account numbers will be affected.

*Unknown at this time. Tax parcels will be combined and then parcel may be subdivided or suffixed for the parking garage and the physicians office building.*

### Financial Information

13(a) Has the Applicant contacted any bank, financial/lending institution or private investor with respect to the financing of the proposed project?

Yes  No

If yes, please provide details.

*Various financing alternatives are under consideration.*

13(b) Has the Applicant received a commitment letter for said financing?

Yes  No

If yes, please submit a copy of said commitment letter along with this Application.

13(c) Please complete the Cost/Benefit Analysis form and attach to this Application. As you begin completing the form and have questions, please call the OCLDC office.

## REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the Oneida County Local Development Corporation (the "Corporation") and its Board of Directors.

Approval of the Application can be granted solely by this Corporation's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Corporation and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Corporation as follows:

- 1. Annual Sales Tax Filings.** 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 sales tax exemptions as part of the Financial Assistance from the Corporation, 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.
- 2. Annual Employment, Tax Exemption & Bond Status Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Corporation, the Applicant agrees to file, or cause to be filed, with the Corporation, on an annual basis, reports regarding the number of people employed at the project site as well as tax exemption benefits received with the action of the Corporation. For Applicants not responding to the Corporation's request for reports by the stated due date, a \$500 late fee will be charged to the Applicant for each 30-day period the report is late beyond the due date, up until the time the report is submitted. Failure to provide such reports as provided in the transaction documents will be an Event of Default under the Lease (or Leaseback) Agreement between the Corporation and Applicant. In addition, a Notice of Failure to provide the Corporation with an Annual Employment, Tax Exemption & Bond Status Report may be reported to Corporation board members, said report being an agenda item subject to the Open Meetings Law.
- 3. Absence of Conflict of Interest.** The Applicant has consulted the Corporation website of the list of the Corporation members, officers and employees of the Corporation. No member, officer, or employee of the Corporation has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein after described (if none, state "none"):
- 4. Hold Harmless.** Applicant hereby releases the Corporation and its members, officers, servants, agents and employees from, agrees that the Corporation shall not be liable for and agrees to indemnify, defend and hold the Corporation harmless from and against any and all liability arising from or expense incurred by (A) the Corporation'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 Corporation, (B) the Corporation's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Corporation 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. 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 Corporation 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 Corporation, its agents or assigns, all costs incurred by the Corporation in the processing of the Application, including attorneys' fees, if any.

5. The Applicant acknowledges that the Corporation has disclosed that the actions and activities of the Corporation are subject to the Public Authorities Accountability Act signed into law January 13, 2006 as Chapter 766 of the 2005 Laws of the State of New York.
6. The Applicant acknowledges that the Corporation is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
7. The Applicant acknowledges that it has been provided with a copy of the Corporation's recapture policy (the "Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Recapture Policy is applicable to the Project that is the subject of this Application, and that the Corporation will implement the Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Corporation financial assistance and/or recapture of Corporation financial assistance so provided and/or previously granted.
8. 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 Corporation. (1) No funds of the Corporation 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 Corporation 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.

9. 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.
10. 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 Corporation's involvement the Project.
11. 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.
12. The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Corporation 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.

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

Robert C. Schindelholz

, being first duly sworn, deposes and says:

1. That I am the COO (Corporate Office) of Monroe Valley Health System (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the 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.

Robert C. Schindelholz

(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury  
this 29<sup>th</sup> day of January, 2018.

Karen A. Burton

(Notary Public)

KARENA. BURTON  
NOTARY PUBLIC - STATE OF NEW YORK  
NO. # 018U6251852  
Qualified in Oneida County  
My Commission Expires November 21, 2019

If the application has been completed by or in part by other than the person signing this application for the applicant please indicate who and in what capacity:

By: Bond, Schoeneck & King, PLLC

Name: Kathleen M. Bennett

Title: Member/Attorney

Date: January 26, 2018

Return the original signed and notarized application and two copies with a check in the amount of \$1500.00 made payable to: **Oneida County Local Development Corporation (OCLDC)**, 584 Phoenix Drive, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director. \$1000 will be applied at closing against the LDC closing fee. In addition, please send an electronic version of the application (signed), and SEQR form (signed), to [spapale@mvedge.org](mailto:spapale@mvedge.org).

## Corporation Fee Schedule

Commitment Fee: \$1,000 – due following the initial inducement but prior to scheduling of the public hearing; this amount is non-refundable if the applicant fails to close on the project before the OCLDC. Upon closing with the OCIDA this amount is applied to the closing fees.

Bond Fees: ½ of 1% of total bond amount

OCIDA Corporation Fee: PILOT, Mortgage Recording Exemption, Sales Tax Exemption:

- Up to a \$1.0 Million project - \$5,000
- Above \$1.0 Million project up to \$10.0 Million project – ½ of 1% of total project cost.
- Above \$10.0 Million project – ½ of 1% of total project cost up to \$10.0 Million plus incremental increase of ¼ of 1% of total project above \$10.0 Million.

Transaction Counsel/Corporation Counsel fee:

Set by Bond/Transaction Counsel based upon the nature and complexity of the transaction. This applies to bond and non-bond transactions (leasebacks, sale-leasebacks, etc).

Transaction Counsel/Corporation Counsel fees for bond transactions typically will not exceed 2% of the bond amount or project costs. Transaction Counsel/Corporation Counsel fees for a sale- leaseback/lease-leaseback transaction are typically \$8,500 to \$10,000 if no commercial financing is involved or \$10,000 to \$12,000 if commercial financing is involved. You will receive an engagement letter with a quote based upon the scope of your project.

Annual Fee:

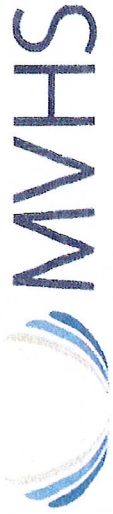
For the term in which the property remains in the OCLDC's name, an annual lease payment is due in the amount of \$500. The first payment is due at closing and subsequent payments are due each January 1. For annual fees not paid and delinquent, a late charge of \$50 per month will be levied until such time the fee plus late charges are paid.

Other fees:

If Applicant requests the OCLDC enter into subsequent transactions following closing (i.e., a facility refinance), the OCLDC will charge a closing fee equal to 1/8 of one percent of the total reissuance, redemption, new or revised mortgage, refinancing, spreading agreement or other transaction with a minimum payment due of \$500. Applicant will also be responsible to pay any legal fees the OCLDC incurs in connection with said transaction.

Revised 12/2017





# Mohawk Valley Health System

## Governance Structure

