

SMALL BUSINESS INCENTIVE PROGRAM APPLICATION

Eligible applicants will receive an eight percent (8%) sales tax and one percent (1%) mortgage recording tax exemption.

Each applicant seeking assistance must complete this application and provide additional documentation if required. A **non-refundable** application fee of \$150.00 must be included with this application. Make check payable to The Agency Broome County IDA/LDC.

Please answer all questions. Use "None" or "Not Applicable" where necessary.

APPLICANT

Name MIDWAY LANES, INC  
Address 213 N. JENSEN ROAD  
City/State/Zip VESTAL, NY 13850  
Tax ID No. 16-1068287  
Contact Name STEVE MILLER  
Title PRESIDENT  
Telephone 607-729-2373  
E-Mail SMILLER.864@AOL.COM

Owners of 20% or more of Applicant Company

Name	%	Corporate Title
<u>STEVEN MILLER</u>	<u>100</u>	<u>PRESIDENT</u>

Benefits Requested (Check all that apply)

- Sales Tax Exemption
- Mortgage Recording Tax Exemption

Description of project (check all that apply)

- New Construction
- Existing Facility
  - Acquisition
  - Expansion
  - Renovation/Modernization
- Acquisition of machinery/equipment
- Other (specify) \_\_\_\_\_

## GENERAL DESCRIPTION OF THE PROJECT

(Attached additional sheets as necessary)

REMOVE (2) LANES AND REPLACE AREA WITH A FAMILY ENTERTAINMENT CENTER TO INCLUDE LASERTAG, SPIN ZONE, LAZER FURY 360 AND VIDEO AND REDEMPTION GAMES AND COUNTER.

## PROJECT TIMELINE

AROUND APRIL 15<sup>TH</sup> 2017  
Start Date

HOPEFULLY OCTOBER 1<sup>ST</sup> 2017  
End Date

Contractor(s) \*please refer to required Local Labor Policy

AJG ASSOCIATES

### State Environmental Quality Review (SEQR) Act Compliance

The Agency, in granting assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act (SEQR). This is applicable to projects that require the state or local municipality to issue a discretionary permit, license or other type of Approval for that project.

Does the proposed project require discretionary permit, license or other type of approval by the state or local municipality?

YES – Include a copy of any SEQR or other documents related to this project including Environmental Assessment Form, Final Determination, Local Municipality Negative Declaration, etc.

NO

## LOCAL LABOR POLICY

It is the goal of the The Agency to maximize the use of local labor for each project that receives benefits from The Agency. This policy applies to general contractors, subcontractors, trade professionals, and their employees. The Agency's Local Labor Area consists of the following New York State counties: Broome, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Tioga and Tompkins.

## APPLICANT PROJECT COSTS

- A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the APPLICANT.

### Building Construction or Renovation

- a. MATERIALS a. \$ 165,000  
 b. LABOR b. \$ 92,000

### Site Work

- c. MATERIALS c. \$ 23,351  
 d. LABOR d. \$ 31,000  
 e. Non-Manufacturing Equipment e. \$ 347,164.9  
 f. Furniture and Fixtures f. \$ 16,000  
 g. LAND and/or BUILDING Purchase g. \$ \_\_\_\_\_  
 h. Soft Costs (Legal, Architect, Engineering) h. \$ \_\_\_\_\_  
 Other (specify) i. \_\_\_\_\_ i. \$ \_\_\_\_\_  
 j. \_\_\_\_\_ j. \$ \_\_\_\_\_  
 k. \_\_\_\_\_ k. \$ \_\_\_\_\_

### TOTAL PROJECT COSTS

\$ 1081,000

- B. Sources of Funds for Project Costs:

- a. Bank Financing a. \$ 1081,000  
 b. Public Sources b. \$ \_\_\_\_\_  
 Identify each state and federal grant/credit  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_

- c. Equity c. \$ \_\_\_\_\_

### TOTAL SOURCES

\$ 1081,000

- C. Has the applicant made any arrangements for the financing of this project?

Yes  No

If so, please specify bank, underwriter, etc.

TIOGA STATE BANK  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**VALUE OF INCENTIVES**

**A. Sales Tax Exemption Benefit**

Estimated value of goods that will be exempt from New York State and local sales tax (materials, non-manufacturing equipment, furniture and fixtures - **line a,c,e,f from Project Costs**)

\$ 552,000

Estimated value of New York State and local sales tax exemption (8% of value of eligible goods)

\$ 44,160

Estimated duration of sales tax exemption (The sales tax letter shall be valid for a period of six (6) months. An extension may be granted upon review.)

6 mos.

**B. Mortgage Recording Tax Exemption Benefit**

Estimated value of Mortgage Recording Tax Exemption (1% of value of mortgage)

\$ 6,900

**TOTAL SALES AND MORTGAGE RECORDING TAX EXEMPTION BENEFIT**

\$ 51,060

**PROJECTED EMPLOYMENT**

Will this investment result in the creation of new jobs? If so, how many?

12-18

**APPLICATION & ADMINISTRATIVE FEES**

**A. Application Fee:**

A non-refundable application fee of one hundred fifty dollars shall be charged to each applicant and accompany the completed application.

\$ 150.00

**B. Administrative Fee:**

A non-refundable fee of ½% of the total tax exemption benefit is due and payable prior to the issuance of a Sales Tax Letter or a Mortgage Tax Exemption Form

\$ 255

**TOTAL TAX EXEMPTION BENEFIT LESS FEES**

\$ 50,155

**This Application, including without limitation, information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.**

**APPLICANT COMPANY**

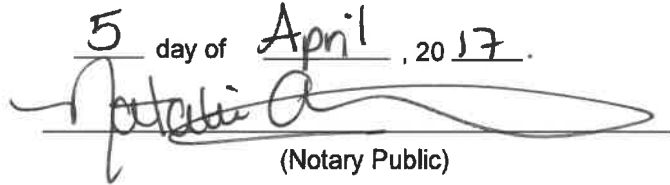
  
\_\_\_\_\_  
Signature                      , Title                      Date

Pres

4/5/17

**Sworn to before me this**

5 day of April, 2017.

  
\_\_\_\_\_  
(Notary Public)

NATALIE ABBADESSA  
Notary Public, State of New York  
Registration #01AB6221930  
Qualified In Broome County  
Commission Expires May 10, 2018

**Other Facts & Findings:**

- After construction, the activities available at Mid-Way Lanes and FUN ZONE, will include 36 Lanes of HPL Synthetic Lanes, Qubica/AMF Automatic Scoring, a 5,600 square foot FUN ZONE consisting of a state of the art laser tag arena, 10 spin zone bumper cars, and a two person Lazer Fury 360 space and a state of the art game room.
  - The laser tag system is being provided by Delta Strike and will allow for over 28 different game formats so that the customers never get bored and will want to come back. Delta Strike has also created a card that keeps track of points earned from playing so that returning customers could get better ranking amongst other players as well as allow for laser gun upgrades. This system will be the latest and newest for Delta Strike and would be the first one in New York State.
  - The Spin Zone Bumpers Cars will be provided by Amusement Products, and will consist of a 1,200 square foot arena that will have 10 cars.
  - The Lazer Fury 360 is a laser shooting vehicle that will also be provided by Amusement Products. The Fury is a gyroscopic ride that is equipped with a laser cannon to shoot targets located on other Fury's, the arena walls and even the arena ceiling.
  - The game room will have the newest redemption and video games offered today, which are being provided by PA Coin. PA Coin will provide all of the redemption and video games, all repairs, rotation, design of the room, and handle all collections. Midway Lanes will receive 60% of all redemption game revenues and 50% of video game revenues.
  - A "Card" system will be supplied by a company named Inter-Card. This card system will allow for customers to load cards with credits to use in the Laser Arena, Lazer Fury 360 and The Spin Zone. The system will track all purchases and ensure that no one may enter or play any attractions without first paying. It will also track all redemption and prizes given away to allow management to track all transactions and at the same time offer customers a unique way to play.
- Currently Mid-Way Lanes has 48 lanes, which will be reduced to 36 lanes due to the construction of the FUN ZONE area. Although the number of lanes is being reduced, the bowling center will still be able to accommodate 1,600 league bowlers that they currently have and still continue to offer open bowling, birthday parties, company parties, and any local or state bowling tournaments.

**Sources & Uses:**

Uses:			Sources	
Theme/Design Build	\$79,628		TSB Financing	\$681,000
Laser Tag	\$91,861	✓		
Spin Zone Cars	\$113,967	✓		
Lazer Fury 360	\$80,400	✓		
Construction	\$141,650			
Handicap Ramp and Floor	\$10,865			
Removal of Lanes	\$42,405			
Painting of interior	\$6,500			
Café Upgrades	\$29,000			
Advertising Kick-off	\$6,500			
Card System & POS	\$20,921			
Phase II Paving	\$20,000			
Working Capital	\$25,000			
Remodel of Party Room	\$12,303			
<b>Total</b>	<b>\$681,000</b>			<b>\$681,000</b>

**Borrower Background:**

Mid-Way Lanes, Inc. is a privately owned chain of bowling centers that delivers quality entertainment to its customers in the Binghamton, Elmira and Watertown markets.

Mid-Way Lanes, Inc. utilizes a variety of marketing methods that collectively make up the company's marketing strategy. The company's primary means of attracting new customers includes social media via Facebook and Twitter, website promotions and targeted e-mail and direct mail. It should be noted that website updates are completed by an in-house administrator, and all fliers and promotional materials are created in house by state of the art equipment.

**Industry Analysis:**

The industry is in the process of switching business models amid a period of long-term decline. Reduced disposable incomes during the recession further crippled bowling center operators and led many consumers to cut location-based entertainment like bowling out of their budgets. Revenue will only slightly grow during the next five years as more operators diversify and bring in a wider range of customers. Operators that emphasize the social aspects of taking a trip to bowling centers with friends and family will have the most success combating the draw of digital and in-home entertainment