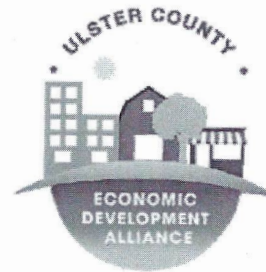




Michael P. Hein
County Executive

Ulster County Economic Development Alliance
P.O. Box 1800, 244 Fair Street
Kingston, NY 12402-1800
Tel: 845.340.3556



Ulster County Economic Development Alliance

Ellenville Million

Economic Development Fund Application

COVER SHEET

To: Ulster County Economic Development Alliance
244 Fair Street, P.O. Box 1800
Kingston, NY 12402-1800

Applicant: Yoga Vida LLC

Applicant's Street Address: 44 St. Marks Pl Apt 2

City: New York State: NY Zip: 10003

Applicant's Mailing Address (if different): _____

City: _____ State: _____ Zip: _____

Telephone: 717 4181991 Fax: _____ E-Mail: mike@yogavida.com

Federal Tax ID Number: 47-1245646

Name of person(s) authorized to speak on behalf of applicant with respect to the application:

Michael Patton

If applicant is represented by an attorney, please complete the following:

Firm name: _____

Name of attorney: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____ E-Mail: _____

Section I. Identity of Business

A. Indicate type of business organization of Company:

a. Corporation

If so incorporated, in what country? _____

Type of Corporation: _____

Authorized to do business in New York: _____

b. Partnership

If so, indicate type of partnership: _____

Number of general partners: _____

Number of limited partners: _____

c. Limited Liability Company

If so, formed in what state? _____

Date formed: _____

Authorized to do business in New York: _____

d. Sole proprietorship: _____

Delaware, 2014-July

Y-15.

B. Management of Company:

List all owners, officers, directors and partners (complete all columns for each person):

Name and Home Address	Office Held	Other Principal Businesses
<i>see attachment "Section 1 B" and "Cap Table"</i>		
_____	_____	_____
_____	_____	_____
_____	_____	_____

C. Company's Principal Bank(s) Account(s) (Please specify uses for each):

Chase Deposit Account -
Hope to work w/ Bank of Greene County.

D. Information regarding the history of the company:

see "Context" Attachment

E. Any current loans or outstanding debt? Yes ☐ No ☒

If yes, please explain:

Section II: Project Elements

A. Description of Project for which the funds are intended and the products/services to be produced:

Buy Property @ 895 Lundy Rd, Wawarsing, NY.
Operate 20 guest Bed + Breakfast.
Engaging local workers + professionals: Scott Nutter,
Mike Mariella, Paul Keller, Rian Bradley, Pat H. Brooks.

B. Location of Project:

Street Address: 895 Lundy Rd

SBL: 67.3-1-10.99

City: Wawarsing, NY 12489

Town: Wawarsing

Village: Ellenville

C. What is the business' principal industry classification code? (North American Industry Classification System - NAICS.) 721191 - Bed and Breakfast Inns.

If more than one NAICS code applies, please provide a breakdown of the project's primary business activities: _____

Business Unit Activities	NAICS Code	% of Project Revenues	Annualized Wages Total
B+B Inn	721191	100	351,000

- D. When is the deadline/date to make the location decision? March 15th
- E. When is the anticipated date that construction will begin? March 31st
- F. When is the anticipated construction completion date? June 15th
- G. When is the anticipated date that operations will commence? July 1st

Section III: Capital Investment Information

- A. Describe in detail, the capital investment in real and personal property (examples: construction or remodeling of facility; upgrading/replacing/purchasing of new equipment).

3M Purchase Price

- B. List the projected amounts (in thousands of dollars) and type of major capital investment to be made by the applicant in connection with this project (please use the following chart):

	Year <u>2018</u>	Year _____	Year _____
Land	\$ <u>3.0M</u>	\$	\$
New Construction	\$	\$	\$
Building Renovations	\$	\$	\$
Manufacturing Equipment	\$	\$	\$
R&D Equipment	\$	\$	\$
Other Equipment	\$	\$	\$
Total Capital Investment	\$ <u>3.0M</u>	\$	\$

- C. What is the estimated square footage of the new or expanded facility? 7800 ft main house
5000 ft guest house
- D. Will the business own or lease the property where the project will be located?
Own ☒ Lease ☐
- E. If the business will own the property, is or will the property be encumbered by a mortgage?
Yes ☒ No ☐

Section IV: Job and Wage Information

- A. Number of current employees: 32 FTE
- B. How many new FTE jobs will be created by this project within the first year? 5
- C. How many new FTE jobs will be created by this project within three years? 8-10
- D. What are initial average wages and benefits of the new FTE Jobs? Please fill out chart below:


	Job Title	Description	Avg Wage	Avg Benefit	FT/PT?	Hours/week	Employment Location
	Chief Farm + Food Officer		85k/yr		FT	40+	
	Director of Vidya Farms		75k/yr		FT	40+	
	Marketing + Photos		12k/yr		PT	10	
	Hourly Labor	Food + Cleaning	25k/yr x2		FT	40	
2019	chef	Senior chef	28k/yr		PT - seasonal	40	
2019	Farm/Greenhouse Mgr		45k/yr		FT	40	

E. Please provide information that supports job creation projections:

We've operated yoga retreats for 7
years and know what is required to
provide a quality experience for guests.

Section V: Certification and Signatures

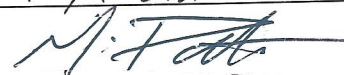
Person Completing the Application on Behalf of the Company:

Company Name: Yoga Vida LLC
Signature: 
Printed Name: Michael Patten
Title: President + CEO
Date: 1-24-18

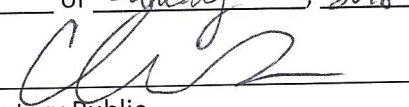
Authorized Officer of the Company:

I certify that the responses provided in this Application to the best of my knowledge are true, correct and complete.

I hereby swear, or affirm, under penalty of perjury and other potential criminal penalties that the statements made in this application are true.

Company Name: Yoga Vida LLC
Signature: 
Printed Name: Michael Patten
Title: President + CEO
Date: 1-24-18

Sworn to before me this

25 of January, 2018

Notary Public

CLARA SIERRA
NOTARY PUBLIC-STATE OF NEW YORK
No. 01SI6208623
Qualified in New York County
My Commission Expires 7-6-2021

Section 1 D

Context

Here's a quick 30,000 ft view of us and the project, and a link to our site if that's helpful ([Yoga Vida](#)).

YV Historical Funding & Expansion:

- We opened Yoga Vida Union Square (4,500 sq ft) in January 2010 with \$160k Line of Credit, secured by MP's dad. Our current Lease is in effect until November 2021 with a 10% escalator in 2019.
- We expanded with our second location in Noho (8,000 sq ft) in May 2011 with additional \$360k mortgage, also secured by MP's dad. Our current lease is in effect until May 2021.
- Paid off \$160k LOC in October 2013.
- Paid off \$360k Mortgage in May 2015.
- Paid MP's dad \$75k for the additional cash equity he put in during 2010/2011 construction.
- Raised \$250k of equity at a \$5m pre-money value in January 2015.
- Raised \$750k of equity at \$6m pre-money value in September 2016.
- In March 2017, YV used company cash on hand to repurchase \$500k of equity to recoup 6% of outstanding shares for all shareholders, leaving total equity raised approximately \$500k to date (prior to 10/31/17 round). No institutional money, and the company remains owned and operated by the partners and a few close friends and family (and now students).
- We opened two new studios in 2016:
 - #3 in Dumbo (6,500 sq ft) October 2016. Lease is in effect until 2031.
 - #4 in Tribeca (2,200 sq ft) launched in December 2016. Lease is in effect until 2026.
- We raised ~900k a/o Oct 31, 2017 at a \$6.5m pre-money value.

Key YV Info:

- 2017 EBITDA estimate of ~248k at existing 4 locations (excluding farm expenses and checks deposited 1/2/18).
- 2018 EBITDA projection of \$390k worst-case.
- We see between 650 and 900 students per day at our 4 studios combined currently.
- We have 25,000 active members/students in NYC.
- We have ~60k active contacts on our mailing list.
- With our existing robust community, we only need ~2% of our active demographic to fill the retreat center on an annual basis.
- We've established ourselves as the premier yoga and wellness company in NYC, as featured in the WSJ, New York Times, Vanity Fair, etc.
- There is no better executive team in our space than the one we've built - 2 Princeton grads, 1 Yale grad, and 1 West Point grad / Iraq War veteran.
- Yoga Vida has an 8 year track record of steady growth and profitability. This next phase will only bolster our existing business.



Michael P. Hein
County Executive

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Ellenville Million Economic Development Fund Rules & Application

This Economic Development Fund is part of Ulster County's Ellenville Million initiative, which is focused on revitalizing the Village of Ellenville and the Town of Wawarsing. It is administered by the Ulster County Economic Development Alliance (UCEDA). This fund is available to new businesses, out-of-area businesses looking to relocate as well as to local business owners seeking to expand. It provides cash incentives for job creation that is designed to offset the capital needs that businesses often encounter as part of their relocation or expansion efforts.

To qualify for the Ellenville Million Economic Development Fund, a business must meet the following Eligibility Criteria:

Eligibility Requirements:

This Economic Development Fund is available to companies in the following industry sectors:

- Accommodation & food services
- Administrative & support
- Agriculture
- Arts, entertainment & recreation
- Construction
- Educational
- Finance & insurance
- Healthcare & social assistance
- Information
- Management of companies & enterprises
- Manufacturing
- Professional, scientific & technical services
- Real estate, rental & leasing
- Retail trade
- Transportation & warehousing
- Utilities
- Other (with UCEDA approval)

"This institution is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov."

Other General Requirements:

Capital Investment:

A capital investment must be made that includes at least one of the following:

- a. Purchase of a building
- b. Building construction (may include architectural or engineering fees)
- c. Rehabilitation / Remodel
- d. Infrastructure updates
- e. Machinery or equipment
- f. Other (with UCEDA approval)

Job Creation:

In addition to a capital investment, at least 5 new FTE job positions that had not existed previously in Ulster County must be created. Minimum job creation must be achieved within three years, with 2 of the job positions created within the first year.

- FTE (Full Time Equivalent) equals 35 hours per week – It is calculated using the ratio of the total number of paid hours during a period (part time, full time, or seasonal) divided by the number of working hours in that period Mondays through Sundays. For example: if a business has three employees who work 25 hours, 35 hours and 10 hours in a pay period –70 hours are worked. As an FTE is based on 35 hours/week, the calculation would be 70 hours divided by 35 hours, or 2 FTE.
- All new positions will be maintained in the Ellenville/Wawarsing area of Ulster County for at least five years from the date the first person to fill each position begins employment.
- Businesses are required to provide annual employment reports to UCEDA for the duration of the agreement term. The reporting should include, but not limited to, the number of new FTE jobs created to date, titles, job descriptions, full/part time hours for each job, employment location and sustainability plan.

If the above requirements are not fulfilled, UCEDA may subject the business to recapture.

Applications for assistance must be submitted to UCEDA and include the following (as applicable):

- Business plan containing a market assessment;
- Supporting documentation on cost of capital improvements, funding institutions and use of funding;
- Capital improvements that include construction require either an engineering estimate or a minimum of two (2) quotes from a reputable contractor;
- Minimum of 3 years of income tax filings;

- Current payroll records;
- Business incorporation records including current officers and principals.

Once an application has been approved by the UCEDA Board, the business owner will receive an award letter from UCEDA.

Available Benefits:

- \$2,000 per FTE position created for jobs paying at least \$25,000 in cash wages.
- \$3,000 per FTE position created for jobs paying at least \$35,000 in cash wages.
- \$4,000 per FTE position created for jobs paying at least \$45,000 in cash wages.
- \$4,000 per FTE position created in the manufacturing category, paying at least \$25,000 in cash wages.

There is a cap on the amount of benefits that can be awarded to an applicant. The maximum amount that can be awarded is either \$50,000 or 20% of the capital investment to be made, whichever is lower.

Process:

- Interested business owners are encouraged to schedule a meeting with UCEDA staff to discuss the proposal prior to submitting an application.
- Interested business owners are required to complete the Ellenville Million Economic Development Fund Application and submit it and other required documents to UCEDA for review. All financial documents and other proprietary material should be noted as part of the application.
- Following review of the application and other required documents, the UCEDA Board will vote on whether or not to approve the application.
- Once funding is approved, UCEDA and the business owner will enter into a binding agreement to disperse funds and establish recapture requirements.
- No agreement will be executed until all permit approvals are in place and State Environmental Quality Review Act (SEQRA) requirements are met.
- Unless otherwise requested and agreed to, UCEDA will reimburse the company upon proof of the required capital investment. This reimbursement may be done in phases as needed.



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Ulster County Economic Development Alliance
Ellenville Million
Economic Development Fund Application

COVER SHEET

To: Ulster County Economic Development Alliance
244 Fair Street, P.O. Box 1800
Kingston, NY 12402-1800

Applicant: _____

Applicant's Street Address: _____

City: _____ State: _____ Zip: _____

Applicant's Mailing Address (if different): _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____ E-Mail: _____

Federal Tax ID Number: _____

Name of person(s) authorized to speak on behalf of applicant with respect to the application:

If applicant is represented by an attorney, please complete the following:

Firm name: _____

Name of attorney: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____ E-Mail: _____

Ulster County Economic Development Alliance
P.O. Box 1800, 244 Fair Street
Kingston, NY 12402-1800
Tel: 845.340.3556



To: Julie Lonstein, Chair
Suzanne Holt, President
Members of the Board of Directors

From: Tim Weidemann, Senior Economic Developer

Re: Yoga Vida, LLC Application to Ellenville Million Economic Development Fund

Date: January 30, 2018

Dear Ms. Lonstein, Ms. Holt and the members of the UCEDA Board of Directors:

On January 23rd, 2018 we received a draft application to the Economic Development Fund of the Ellenville Million initiative for a project being undertaken by Yoga Vida, LLC. After an initial review, the applicant provided a final application on January 25th, 2018, which is attached here for your review. Also attached is a copy of the application instructions, which describe the requirements of the program.

This memo briefly summarizes the application's compliance with the program requirements. It is my conclusion that this application meets the program requirements as set forth in the application materials. Should the UCEDA Board of Directors approve this application, we will develop a contract with the applicant for the Board's subsequent review and approval. As a reminder, no disbursement of funds would be made until the applicant is able to document that the project has been completed in a manner that complies with the original application and with the program requirements.

Compliance Review

Industry Sector – COMPLIANT

- Requirement: The fund is available to companies in the pre-defined list of industry sectors.
- The applicant proposes to operate a Bed and Breakfast, which falls within the pre-defined list (Accommodation & food services)

Capital Investment - COMPLIANT

- Requirement: A capital investment must be made that includes at least one of the following: purchase of a building, building construction, rehabilitation/remodeling, infrastructure update, machinery or equipment, other (with UCEDA approval)
- The applicant has applied based on their planned purchase of the property at 895 Lundy Road in the Town of Wawarsing, for an estimated price of \$3,000,000. The property and existing buildings will be used to operate a 20-guest Bed and Breakfast.

Job Creation - COMPLIANT

- Requirement: At least 5 new FTE job positions that had not existed previously in Ulster County must be created, with at least 2 created in the first year
- The applicant has provided the following employment projections:

- Year 1 = 4.81 FTEs (after adjusting 40 hour workweek to 35 hour FTE calculation)
- By year 3 = 4.81 FTEs + additional 4.455 FTEs = 9.265 FTEs

Business plan containing a market assessment – **COMPLIANT**

- The applicant must provide a business plan containing a market assessment.
- A cursory market assessment is included in the application. A full business plan was submitted with the application. The business plan contains privileged and confidential information, and will be made available to UCEDA Board members upon request.

Supporting documentation on cost of capital improvements, funding institutions, and use of funding – **COMPLIANT (only cost is purchase of property/building)**

- The applicant must provide supporting documentation on cost of capital improvements, funding institutions and use of funding.
- The qualifying capital investment is the purchase of the property. An appraisal was provided by the applicant and will be made available to UCEDA Board members upon request.

Capital improvements that include construction require either an engineering estimate or a minimum of two quotes from a reputable contractor – **COMPLIANT (only cost is purchase of property/building)**

- No construction is included as part of the application.

Minimum of 3 years of income tax filings - **COMPLIANT**

- Received 2014, 2015, and 2016 income tax filings for Yoga Vida, LLC and will be made available to UCEDA Board members upon request.

Current payroll records – **COMPLIANT**

- Received payroll reports for two pay periods (late December and early January) and will be made available to UCEDA Board members upon request.

Business incorporation records including current officers and principals – **COMPLIANT**

- Received list of investors/partners and management, which will be made available to UCEDA Board members upon request.

Benefit Calculation

Based on the available benefits as defined in the program guidelines, the following table provides a calculation of the award amount, given employment and wage projections provided by the applicant. The total award amount is \$21,040.

<i>Job</i>	<i>Annualized Wages</i>	<i>FTEs</i>	<i>>=\$25k</i>	<i>>=\$35k</i>	<i>>=\$45k</i>	<i>TOTAL</i>
Chief Farm & Food Officer	85,000	1.14			1.14	1.14
Director of Vida Farms	75,000	1.14			1.14	1.14
Marketing and Photography	41,300	0.29		0.29		0.29
Laborers	25,000	2.24	2.24			2.24
Chef	42,100	0.67		0.67		0.67
Farm/Greenhouse Manager	45,000	1.14			1.14	1.14
Farm Apprentices	21,000	2.65				0
Total FTEs			2.24	0.96	3.42	6.62
Benefit per FTE			\$2,000	\$3,000	\$4,000	
Total Benefit			\$4,480	\$2,880	\$13,680	\$21,040