

Tompkins County
Industrial Development Agency

Industrial Application for Incentives

Applicant Information

Date: 9-8-14

Name of Company/Applicant: BinOptics Corporation	
Owner: Institutional Investors and Individuals	
Address: 9 Brown Road	
City/State/ZIP: Ithaca, New York 14850	
Primary Contact: William Fritz	
Phone: (607) 257-3200	Fax: 607-257-9753
Email: william.fritz@binoptics.com	

Will a separate company hold title to/own the property in question that is separate from the operating company/applicant? If yes, please provide the name and contact information for that entity.	
Name: Ithaca B&T Associates, LLC and Twenty Thornwood/Ithaca B&T, LLC	
Address: PO Box 4860, 15 Thornwood Drive	
City/State/Zip: Ithaca, NY 14850	
Contact: Philip Proujansky	
Phone: 607-257-5050	Fax: 607-257-9981
Email: philp@inteprop.com	
Owner:	

Describe the terms and conditions of the lease between the applicant and the owner of the property. Totally net to landlord, lease to entirety of each building (9 Brown Road and 20 Thornwood Drive) with 11.5 years of remaining lease term. Tenant needs to make significant leasehold improvement investment now, to expand capacity

Applicant Attorney: Bond Schoeneck & King	
Address: One Lincoln Center	
City/State/ZIP: Syracuse, NY, 13202	
Primary Contact: Courtney Wellar	
Phone: 315.218.8365	Fax: 315.218.8965
Email: WellarC@bsk.com	

Applicant Accountant: Sciarabba Walker & Co., LLP	
Address: 410 East Upland Road	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Jeff Gorsky	
Phone: 607-272-5550 ext 139	Fax: 607-273-6357
Email: JGorsky@swellp.com	

Applicant Engineer/Architect (if known): Architectura, P.C.	
Address: Carnegie Place, 247 N. Goodman Street	
City/State/ZIP: Rochester, NY 14607	
Primary Contact: Scott Powell, AIA	
Phone: 585-442-8550	Fax:
Email: spowell@architecturapc.com	
Applicant Contractor (if known):	
Address:	
City/State/ZIP:	
Primary Contact:	
Phone:	Fax:
Email:	

Business History

Year Company was Founded: 2000 Type of Ownership (Corporation, LLC, Sole Proprietor)
 NAICS Code: 334413

Product or Service: **BinOptics Corporation** manufactures monolithically integrated optoelectronic components based on indium phosphide and other semiconductor materials. BinOptics' current products include edge-emitting and surface-emitting Fabry Perot lasers, DFB lasers, and lasers with integrated monitoring photodiodes that provide transceiver and transponder manufacturers with unprecedented price-performance advantages. Additionally, BinOptics can provide custom integrated microphotonic solutions for optical systems and subsystems. These solutions deliver exceptional value through substantial cost, footprint, and power reductions by replacing several discrete components with one integrated, single chip, solution.

Major Customers: Primarily transceiver and transponder manufacturers in the Access/Point to Point, Mobile Backhaul, and Data Center market segments.

The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.

Major Suppliers: Top 10 vendors primarily international companies including Elite Advanced Laser Corp., Arima Laser Corporation, IQE Europe Ltd., Emcore (US).

Who are your major competitors in Tompkins County? None _____

Has your business ever received incentives tied to job creation from local governments in New York State?
_____ Yes X No

If Yes, please describe. _____

Were the goals met? _____ Yes _____ No

If No, why were goals not met? _____

After expansion:

Annual Sales to customers in Tompkins County \$ -0- Percent subject to sales tax _____ %

Annual purchases of operating items subject to local sales tax \$ -0-%

Business profit history. Please supply in spreadsheet format five (5) years of Past History and Three (3) years future projections.

Years	Historical						Projected		
	1	2	3	4	5		1	2	3
Revenues			PROPRIETARY AND						
Profits			CONFIDENTIAL						

Project Description

Please give a brief narrative description of the project.

Thirty percent space expansion at Nine Brown Road with significant leasehold improvement for clean room.
Significant leasehold improvement at 20 Thornwood absorbing forty percent more space for test and assembly

Location: 20 Thornwood Drive and 9 Brown Road

Property size (acres) – both existing and proposed: Four acres

Building size (square feet) – both existing and proposed: 20,600 sf existing (20 Thornwood) and 8,000 existing expansion to 10,500 sf (9 Brown)

Proposed project start and completion dates: Start: 9/22/14 and Completion: 12/31/14

What types of green building practices do you plan to use, if any? N/A

Do you certify that the project will not result in the relocation of all or part of any business or jobs from within New York State to Tompkins County? X Yes No

Will this project result in a regular increase in overnight visitors to your facility (e.g. for training programs)?
X Yes No

If Yes, number of visitors per year 75 Average duration of stay (days) 2 days

Occupancy

List the name(s), nature of business of proposed tenant(s), and percentage of total square footage to be used for each tenant (Additional sheets may be attached if necessary).

See Above

Value of sales tax abatement: \$191,200

Estimated length of sales tax abatement (years): 1 year

Estimated value of abatement for facility construction/renovation including information on assumptions used in calculations: 70% of \$1,700,000 estimated costs = \$1,190,000 x 8% sales tax = \$95,200

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: 20% of \$6,000,000 estimated equipment = \$1,200,000 x 8% sales tax = \$96,000

Mortgage Recording tax abatement: \$6,250

Other government incentives or support include summary of program, name of contact person and terms and conditions of program: _____

Need for Incentives

Are you asking for a schedule of incentives that deviates from the IDA's Standard property tax abatement (as listed below)?

 X Yes _____ No

<u>Year</u>	<u>Abatement</u>
1	90%
2	77%
3	64%
4	51%
5	39%
6	26%
7	13%

If the applicant is requesting incentives that are greater than the IDA's Standard Policies, please include a detailed description and justification for this request.

Please add a justification for the requested deviation.

To maintain competitiveness with several alternative locations in other states for future company growth and job retention

Employment Information (please note that during the course of the abatement you will be required to provide detailed employment information annually.)

Please provide a description of the benefits that you offer to your employees.

BinOptics offers competitive salaries, a generous benefits package and the opportunity to participate in the Company's stock option program.

Health requires nominal employee payroll deduction amounts, \$100 per month for family and \$50 for single coverage and provides comprehensive coverage. The combination of an Excellus medical plan with a company-funded health reimbursement account (HRA), results in reasonable out-of-pocket costs for employees. The dental insurance plan, also through Excellus, also provides comprehensive coverage with the Company covering 85 percent of the premiums.

Group term life insurance coverage is available for employees at nominal cost through payroll deduction.

To encourage participation in saving for retirement, our 401k plan has a generous match and immediate vesting of the Company match contributions.

Please provide a description of internal training and advancement opportunities offered to your employees.

During the past 3 years, BinOptics' employment has gone from approximately 50 employees to its current level of 143. Since January 2014, we have promoted 6 workers originally hired for production, to administrative or technical positions.

At the beginning of 2014, we established promotional tracks for almost all employees. There are clear levels with defined skills established for all of our technical employees. Production employees also have a career track with multiple promotion opportunities, which encourages training and development.

BinOptics is in the process of implementing training coordinated by Tompkins-Cortland Community College. Courses in metrics and production math will be delivered to new production workers; a course in Six Sigma process improvement will be offered to our engineering staff; and overall management training will be offered to our supervisory staff.

Our overall continued employment growth will continue to provide advancement opportunities.

What percentages of your current positions do women occupy? 21%

What percentages of your current positions do minorities occupy? 22%

Are you willing to pay a livable wage as defined by the Alternatives Federal Credit Union (AFCU) of Ithaca, NY (<http://www.alternatives.org/2013livingwagechart.html>) to all employees for the duration of the abatements?

 Yes X No

What percent of current workforce and management are in:

Tompkins County? 87%

In New York State? 87%

Out of New York State? 13%

Do you have a strategy for ensuring diversity in hiring? X Yes No

If yes, please describe.

BinOptics continues to recruit from multiple sources to meet its staffing needs. Our net headcount has increased by 35 employees during 2014.

We currently post all positions on our web site. In addition, we utilize local Temporary Service firms. Recently, production and engineering positions have been listed on the public website, Indeed. Our engineering positions are also typically listed on Optics Society web sites.

We actively recruit through local and regional colleges and colleges with majors in optics and lasers.

We have worked with the NYS Dept. of Labor in listing positions and in providing on-the-job training in the past, and will continue to try to attract women, minority, veteran, and disabled candidates.

Will you allow your building to used as a polling facility? Yes X No

Please provide your Employment Plan

Permanent Occupations in Company	Current Permanent Full-Time Jobs by Occupation		Projection of New Permanent Full-Time Jobs			
	Average Annual Salary Ranges/ Hourly Wage	Number of Employees	New Jobs Added in Year 1	New Jobs Added in Year 2	New Jobs Added in Year 3	Total New Jobs
Professional:	\$39,500-\$142,000	61	12	8	8	28
Clerical:	\$40,000-\$48,000	4	3	2	2	7
Sales:	\$40,000-\$150,000	16	3	3	3	9
Services:						
Construction:						
Manufacturing:						
High Skilled:						
Medium Skilled:	\$14.50-\$21.00	21	5	5	5	15
Basic Skilled:	\$12.00-\$14.50	41	12	10	10	32
Other (Describe):						
Total:		143	35	28	28	91

Estimated percentage of new hires who would be unemployed at time of hire 85%

Construction Labor

Will you use contractors who:

Have a certified apprenticeship program Yes X No
 Pay a prevailing wage Yes X No
 Use Local Labor Yes X No

Environmental Review

Environmental Assessment Form – short or long

Submitted to: Village of Lansing

Agency name: _____

Agency address: _____

Date of submission:

Status of submission:

(please note: an environmental review must be completed before TCIDA can vote on proposed financial incentive. It is the applicant's responsibility to provide a copy of the determination of environmental impact by another agency to TCIDA.)

Permits

Describe other permits required and status of approval process.

Permits soon to be issued

Other

Do you have any thing else you would like to tell TCIDA regarding this project

CERTIFICATION

William Fritz deposes that she/he is the Chief Operating Officer
(Name of chief executive officer of company submitting application) (Title)

of BinOptics Corporation, the corporation named in the attached application; that
(Company Name)

he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason this verification is made by the deponent and not by

BinOptics Corporation is because the said company is a corporation.
(Company Name)

The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "Applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the nonprofit Tompkins County Industrial Development Agency (hereinafter referred to as the "Agency") acting in behalf of the attached application whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds or transfer of title are ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act 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 Agency or Applicant are unable to find buyers willing to purchase the total bond issue required or financing for the project, then upon presentation of invoice, the Applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue or transfer of title the Applicant shall pay to the Agency an administrative fee set by the Agency, not to exceed an amount equal to 1% of the total project cost. The cost incurred by the Agency and paid by the Applicant, including bond counsel, the Agency's general counsel's fees and the Agency's administrative fees, may be considered as a cost of the project and included as part of the resultant bond issue.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in 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.

SIGNATURE PAGE FOLLOWS ON SEPARATE PAGE

CERTIFICATION
SIGNATURE PAGE

Signed/notarized copy on file at TCAD
Signature of chief officer of company submitting application

NOTARY

Sworn to before me this

_____ day of _____, 20_____

REAL ESTATE TAX FORECAST
For 9 Brown Road and
20 Thornwood Drive
"As Is" And With "Assessment Held"

	"As Is" Real Estate Taxes (@ 4% Increase/Year)	"Assesment Held" Real Estate Taxes (@ 2% Increase/Year)
2015	\$102,000	\$102,000
2016	106,080	104,040
2017	110,320	106,120
2018	114,740	108,240
2019	119,330	110,410
2020	124,100	112,620
2021	129,060	114,870
2022	134,230	117,170
2023	139,590	119,510
2024	145,180	121,900
2025	150,980	124,340
2026	157,020	126,820
2027	163,310	129,360
2028	169,840	131,950
2029	176,630	134,590
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TOTAL	\$2,042,410	\$1,763,940