

**NOTICE OF PUBLIC HEARING ON PROPOSED
AMENDMENT OF PAYMENT-IN-LIEU-OF-TAX (“PILOT”) AGREEMENTS**

NOTICE IS HEREBY GIVEN that a public hearing, pursuant to § 859-a of the New York State General Municipal Law, will be held by the Tompkins County Industrial Development Agency (the "IDA") on the 30th day of June, 2014 at 2:00 pm local time, at Ithaca City Hall, 2nd Floor Conference Room, 108 E. Green Street, Ithaca, New York, in connection with the following matter:

CAYUGA GREEN, LLC, (the "Company"), with offices at 660 Lincoln Avenue, Suite 303 Cincinnati, Ohio 45206, holds title to or a leasehold interest in the following parcels of land and the improvements thereon (collectively referred to herein as “the Project”):

- (1) Property located at 235 South Cayuga Street in the City of Ithaca, County of Tompkins, New York, City of Ithaca tax parcel number 81.-2-1/1, consisting of commercial space on the ground floor of the Cayuga Garage.
- (2) Property located at 120 East Green Street in the City of Ithaca, County of Tompkins, New York, City of Ithaca tax parcel number 70.14-5.2/1, consisting of a movie theater located on the ground floor of the Green Street Parking Garage; and
- (3) Property located at 131-133 and 135 East Green Street in the City of Ithaca, County of Tompkins, New York, City of Ithaca tax parcel number 70.-8-10.2, consisting of approximately 68 apartments and approximately 17,500 square feet of retail, restaurant and office space.

The Tompkins County Industrial Development Agency (“the Agency”) by Inducement Resolution adopted on December 19, 2005 and Amended Inducement Resolution adopted on September 8, 2006 approved financial assistance to the Project, consisting of (1) a sales and use tax exemption for purchases and rentals related to the construction and equipping of the Project, (2) a partial real property tax abatement through Payment in Lieu of Tax (“PILOT”) Agreements, and (3) a mortgage tax exemption for the financing related to the Project.

The PILOT Agreements provide for a ten-year tax abatement schedule, which started with a 90% tax abatement of 2010 City and County tax and 2009-10 School tax, and decreases 10% per year over a ten-year period. The PILOT Agreements also provide for adjustment of the property tax abatement schedule each year after five years in operation, starting in Tax Year 5 of the abatement schedule, based on the Company’s return on investment for the Project for the preceding year. The PILOT Agreements provide that the Company will receive a greater property tax abatement if the return on investment was below 8.5%, or a smaller property tax abatement if the return on investment was above 12.5%.

The PILOT Agreements also require that rent for the residential units be kept within a prescribed range, with allowances for changes in the CPI and the underlying tax assessment.

The Agency is considering amendment of the PILOT Agreements, to eliminate the adjustment of the abatement percentage based on the Company’s return on investment for the Project, and the prescribed range for rent, for reasons which include the following:

- (1) The Company’s return on investment would result in a 68.3% tax abatement for the 2014-5 (school) and 2015 (city, town and county) property tax, rather than the 50% abatement per the schedule in the PILOT Agreements. The Agency is concerned that such an increase would have immediate negative

impacts on the taxing jurisdictions, which have already established tax rates based on an anticipated higher tax payment amount from the Company for the properties covered by the PILOT Agreements.

(2) The rental rates are within the allowable rent ranges prescribed by the PILOT agreement based on the Agency and the Company's calculations. Additionally, the apartment rental market has changed significantly since the Project was first proposed and new units have been added to the market at all income levels. A review of current rental rates shows that Cayuga Green rates are on the lower end of the middle range of available downtown apartments.

Members of the public are invited to review the PILOT Agreements, the Company's original application, the Agency's Inducement Resolutions approving the Project and the Agency's resolution referring this matter for a public hearing at the offices of Tompkins County Area Development, 401 East State Street, Suite 402B, Ithaca, New York, during regular business hours.

The Agency will, at the above-stated time and place, hear all persons with views in favor of or opposed to the amendment of the PILOT Agreements. In addition, at, or prior to, such hearing, interested parties may submit to the Agency written materials pertaining to such matters.

A report of the hearing will be made available to the Tompkins County Industrial Development Agency Board of Directors. Approval of the amendment of the PILOT Agreements by the Agency through its Board of Directors is necessary.

Dated: June 17, 2014

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY