

Tompkins County
Industrial Development Agency

Industrial Application for Incentives

Applicant Information

Date: 10/1/2014

Name of Company/Applicant: 130 Clinton, LLC, a company to be formed/Jason H. Fane	
Owner: Jason H. Fane (property to be conveyed to 130 Clinton, LLC or actual name approved by Dept of State)	
Address: 118 Prospect St., Suite 200	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Nathan M. Lyman	
Phone: 607-273-9462 ext 8800	Fax: 607-273-5862
Email: Nathan@ithacarenting.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: Not anticipated at this time, Owner will be Operator	
Address:	
City/State/Zip:	
Contact:	
Phone:	Fax:
Email:	
Owner:	
Describe the terms and conditions of the lease between the applicant and the owner of the property.	

Applicant Attorney: Nathan M. Lyman	
Address: 118 Prospect St., Suite 200	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Nathan M. Lyman	
Phone: 607-273-9462 ext 8800	Fax: 607-273-5862
Email: Nathan@ithacarenting.com	

Applicant Accountant: Gordon Shank	
Address: 1406 Salt Springs Rd.	
City/State/ZIP: Chittenango, NY 13037	
Primary Contact: Gordon Shank	
Phone: 315-569-5125	Fax:
Email: gordonshank@earthlink.net	

Applicant Engineer/Architect (if known): Jagat P. Sharma	
Address: 312 E. Seneca St.	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Jagat P. Sharma	
Phone: 607-272-9361	Fax:
Email: sharma@clarityconnect.com	
Applicant Contractor (if known): McPherson Builders, Inc.	
Address: 129 W. Falls St.	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Jerry Stevenson	
Phone: 607-273-2373 x 11	Fax: 607-273-4908
Email: jerry.stevenson@mcpersonbuilders.com	

Business History

Year Company was Founded: New Entity*, LLC Type of Ownership (Corporation, LLC, Sole Proprietor)
 NAICS Code: 5311

* Jason Fane has owned and developed housing in Ithaca for over 40 years

Product or Service: Residential and Commercial real estate management. This project is limited to residential.

Major Customers: Apartment renters, retail shop owners and professionals needing office space. Only renters in this project.
<i>The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.</i>

Major Suppliers:

N/A, but does business with local businesses of most form that provide services needed to run rentals.

Who are your major competitors in Tompkins County? Most other local real estate management companies including Travis Hyde and CSP Management.

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 \$ _____ Percent subject to sales tax _____ %

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

*not specifically applicable because we are not engaged in retail sales. No sales tax is charged to rental units. Sales tax from additional supplies after completion of construction will be limited, but present _____

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 *									
Profits									

* n/a Estimate gross revenues in year 1 approximately \$507,000. Unable to accurately project estimated profits at this time, due to too many unknowns such as tax abatement, cost to complete, financing terms, etc.

Project Description

Please give a brief narrative description of the project.

36 Unit residential housing development at 130 Clinton St., Ithaca NY. At present there is a large demand for residential apartments in the City of Ithaca. This is on an in fill sight that will contribute to the dense and vibrant downtown corridor in Ithaca.

Location: 130 Clinton St. Ithaca NY 14850

Property size (acres) – both existing and proposed: Tax lot is 1.74 acres, project site is .592 acres

Building size (square feet) – both existing and proposed: Presently vacant land, 17,330 new construction

Proposed project start and completion dates: 2015, hopefully 2015 but most likely completed 2016

What types of green building practices do you plan to use, if any? _____

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? Yes No

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

If Yes, number of visitors per year _____ Average duration of stay (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).

residential tenants, names not presently known. Each tenant will rent some or all of a residential unit, depending on configuration. 12 studio units – 400 sq ft, 12 1BR, 425 – 500 sq ft, 12 2BR apartments 565 – 605 sq ft

Project Costs

	<u>Amount</u>	<u>% subject to sales tax</u>
Value of land to be acquired (if any):	<u>N/A</u>	<u>N/A</u>
Value of building to be acquired (if any):	<u>N/A</u>	<u>N/A</u>
Cost of new construction:	<u>\$4,400,000</u>	<u>50%</u>
Value of improvements to existing building:	<u>N/A</u>	<u>%</u>
Value of equipment to be acquired:	<u>200,000 (est)</u>	<u>100%</u>
Other:	<u></u>	<u>%</u>
TOTAL:	<u>\$4,600,000</u>	<u>N/A</u>

For IDA to fill out

Estimated reimbursement of soft costs based on project cost: _____

Agency Fee: _____

Agency Counsel Fee: _____

Agency Bond Counsel Fee: _____

Financing

Amount of anticipated financing from a lending institution \$3,520,000 (est)

(Please note: the applicant must inform the TCIDA at the time of issuance of commitment letter if the financing will exceed the amount stated here.)

Value of Incentives

Property tax abatement *see attached spreadsheet

Assumptions

\$ Value of increase in assessment

4% Annual increase in assessment and tax rate

New Taxes Paid						Taxes Abated				
	\$					\$				
Year	County	School	City/Town	Village	Total	County	School	City/Town	Village	Total
1										
2										
3										
4										
5										
6										
7										
Totals										

Value of sales tax abatement: \$192,000

Estimated length of sales tax abatement (years): 2 years

Estimated value of abatement for facility construction including information on assumptions used in calculations: *see attached spreadsheet.

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: \$16,000, based on maximum projected cost of \$200,000

Mortgage Recording tax abatement: \$8,800*

*based on assumption of \$3,520,000 * .0025

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

Need for Incentives

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

 Yes x 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.

Employment Information (please note that during the course of the abatement you will be required to provide detailed employment information annually.) ½ - 1 additional employee

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

Jason Fane has a variety employees that fill various roles in different companies. The role of the employee determines the level of compensation. A number of employees are part-time when there are short time frame/ high work load needs, such as when students vacate housing, and repairs have to be done before new tenants come in. He does maintain full time staff for maintenance and cleaning, rental agents and office support staff. Health insurance contribution, educational assistance for job related education/training and vacation time are benefits offered.

We use local contractors for jobs that are beyond the training and/or capability of maintenance staff.

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

Part time employees who show strong motivation and commitment to work are commonly hired as full time staff when job openings are available. We have many employees who have been working for Mr. Fane for lengthy periods of time, often decades, so that full time openings are limited.

As the hierarchy is a relatively flat structure, there is limited opportunity for promotion to a different job title, particularly because of our loyal employees not generally leaving for a different job. Educational training is available and paid for by the company on a showing of it relationship to the work done by the employee.

What percentages of your current positions do women occupy? 43%

What percentages of your current positions do minorities occupy? 34%

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?	<u>64%</u>
In New York State?	<u>99%</u>
Out of New York State?	<u>1%</u>

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

If yes, please describe.

Will you allow your building to be used as a polling facility? _____ Yes x No

Please provide your Employment Plan * n/a Applicant LLC expect to have ½ - 1 new employee

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:						
Clerical:						
Sales:						
Services:						
Construction:						
Manufacturing:						
High Skilled:						
Medium Skilled:						
Basic Skilled:						
Other (Describe):						
Total:						

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

Construction Labor

Will you use contractors who:

Have a certified apprenticeship program _____ Yes x No
 Pay a prevailing wage * _____ Yes _____ No
 Use Local Labor x Yes _____ No

*General Contractor pays a wage that meets or exceeds Alternatives FCU living wage guidelines.

Environmental Review

Environmental Assessment Form – short or long

Submitted to: City of Ithaca

Agency name: Planning Board

Agency address: 108 Green Street, Ithaca, NY 14850

Date of submission:

August 2013

Status of submission:

Negative Declaration

(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.

CEQRA is complete and site plan approval was received, August 2013.

Other

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

The original cost projections when planning was started in 2011 was estimated at \$2.5 Million. After CEQRA and site plan completed, cost was re-calculated, and rose to \$3.2Million. Bids were let and came in at approximately \$4.2 Million, not including soft costs or acquisition costs.

CERTIFICATION

Jason H. Fane deposes that she/he is the the owner and promoter of the LLC
(Name of chief executive officer of company submitting application) (Title)

of 130 Clinton, an LLC to be formed, 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

n/a 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

Jason H. Fane

NOTARY

Sworn to before me this

_____ day of October, 2014_____
