November 28, 2017

Mr. Jim Dennis, Chairperson
Tompkins County Industrial Development Agency (TCIDA)
c/o Tompkins County Area Development (TCAD)
Attn: Michael Stamm, President
Suite 402-B
401 East State St./East M.L.K., Jr. St.
Ithaca, NY 14850

Dear Chairperson Dennis:

RE: City Approval Letter: CIITAP Application — 323 Taughannock Boulevard

This letter is being submitted to the Tompkins County Industrial Development Agency pursuant to the adopted City of Ithaca Community Investment Incentive Tax Abatement Program (CIITAP).

On November 1, 2017, the City received a CIITAP application from 323T, LLC, for a proposed 3-story 16-unit townhouse style apartment building located at 323 Taughannock Boulevard.

In accordance with the adopted CIITAP procedure, a Public Information Session for the project was held in the Common Council Chambers in City Hall, at 5:30 p.m. on November 20, 2017.

The City CIITAP Review Committee met on November 21, 2017 and determined the proposed project satisfies each of the four eligibility criteria:

1. Project Size — Project will increase assessed property value by at least $500,000.
   - The developer has obtained a letter from the Tompkins County Assessment Office, stating the project is expected to increase the property value by more than $500,000.

2. Project Density — Project will contain a minimum of three occupiable stories in height.
   - The project is planned to be three stories in height.

3. Project Location — Project is located within the City of Ithaca Density District.
   - The project is located at 323 Taughannock Boulevard, which is located within the City’s Density District.
4. Municipal Compliance – Properties owned by the project applicant must comply with all local laws, regulations and be current on taxes, assessments, fees and penalties due to the City.
   
   • All fees and taxes have been paid on any properties owned or partially owned by the applicant have been paid.

5. Local Construction Labor Compliance
   
   • Applicant has signed the City’s Local Labor Commitment Agreement certifying that they will make every attempt to hire locally whenever possible and also agrees to meet the minimum requirements as outlined in the City’s CIITAP application.

Please consider this letter as constituting the official City approval that the application from 323T, LLC satisfies all criteria to be eligible to be considered by the Tompkins County Industrial Development Agency for CIITAP incentives.

Please find enclosed the completed City CIITAP application and a summary of the questions and comments received at the Public Information Session. Please let me know if you have any questions regarding this application.

Sincerely,

Svante L. Myrick, City of Ithaca, Mayor

JoAnn Cornish, City of Ithaca, Director of Planning, Building, and Economic Development

Nels Bohn, Director of Community Development for the Ithaca Urban Renewal Agency

Encls:  CIITAP Application
        Public Information Session Summary

cc:  Common Council
     J. Cornish, N. Bohn, J. Kusznir, P. DeSarno, S. Thayer, Heather Filiberto

"An Equal Opportunity Employer with a commitment to workforce diversification."
VII. Tax Abatement Application

CIITAP Application for Tax Abatement

The City of Ithaca Community Investment Incentive Program provides incentives for investment in the City. The incentives include property tax reductions and/or abatements for a period of up to 7 years. Applicants and projects must meet the minimum eligibility requirements (see application, Part II) in order to apply for the program.

Part 1. – Applicant Information

Application Date: 11 / 01/ 2017

Company/Applicant Name: 323T, LLC
Primary Contact: Steve Flash
Address: 204 Klinewoods Rd. City: Ithaca State: NY Zip: 14850
Phone: 607-592-0672 Email: steve@hub204.com

Applicant Attorney: Sayles & Evans (Steve Agan)
Attorney Address: One W. Church St. City: Elmira State: NY Zip: 14901
Attorney Phone: 607-734-2271 Email: sagan@saylesevans.com

Applicant Accountant: Mengel Metzger Barr & Co., LLP (Judy McIntosh)
Accountant Address: 333 E. Water St. City: Elmira State: NY Zip: 14901
Accountant Phone: 607-734-4183 Email: jmcintosh@mmb-co.com

Applicant Engineer/Architect: Stream Collaborative (Noah Demarest)
Phone: 607-216-8802 Email: Noah@streamcolab.com
Will a separate company hold title to/own property in question that is separate from the operating company? If yes, please provide the name and contact information for that entity.

Company Name: ____________________________________________

Primary Contact: ____________________________________________

Address: __________________________ City: ______ State: ____ Zip: ______

Phone: __________________________ Email: ______________________

Describe the terms and conditions of the lease between the applicant and the owner of the property: ____________________________________________

Part 2. – Business History

Year Company was Founded: 2017

Type of Ownership (e.g., corporation, LLC, sole proprietor, etc.): LLC

Product or Service: Real estate development

Major Customers: None

Major Suppliers: None

Major Local Competitors: L Enterprises, Inc., C.S.P. Management, Travis Hyde

Properties
Part 3. – Project Description

Project Narrative: Demo an existing structure to construct a 16-unit apartment building.

The first floor units will consist of 8 studio type apartments which could also be used as commercial space. Second and third floors will be occupied by 8 townhome style two story units.

Project Location: 323 Taughannock Blvd., Ithaca, NY 14850

Property Size (acres) – both existing & proposed: 0.242 acres

Building Size (square feet) – both existing & proposed: Exist. 2,478 SF Prop. 20,174 SF

Proposed Project Start & Completion Dates: February 2018 - November 2018

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

List the names, nature of business of proposed tenants, and percentage of total square footage to be used for each tenant (additional sheets may be attached, if necessary): Unit 1 - Residential/Commercial 584 SF, Unit 2 Residential 1,541 SF, Unit 3 - Residential 1,661 SF, Unit 4 - Residential/Commercial 578 SF, Unit 5 - Residential 1,525 SF, Unit 6 - Residential/Commercial 579 SF, Unit 7 - Residential 2,010 SF, Unit 8 - Residential/Commercial 669 SF, Unit 9 - Residential 2,109 SF, Unit 10 - Residential/Commercial 669 SF, Unit 11 - Residential 2,083 SF, Unit 12 - Residential/Commercial 669 SF, Unit 13 - Residential 2,134 SF, Unit 14 - Residential/Commercial 669 SF, Unit 15 - Residential 2,019 SF, Unit 16 - Residential/Commercial 674 SF
Part 4. – Project Costs

Value of Land to Be Acquired (if any): $200,000

Value of Buildings to Be Acquired (if any): $5,000

Cost of New Construction: $4,325,000 % subject to local sales tax 65

Value of Improvements: 0 % subject to local sales tax 0

Value of Equipment to Be Acquired: 0 % subject to local sales tax 0

Other: 0 % subject to local sales tax 0

Total: $4,530,000

Part 5. – Criteria

Will the proposed project result in an increase to the tax roll value of new real property by at least $500,000? Yes

Does this project contain at least three occupiable stories? Yes

Proposed Height (in stories and feet): 3 stories 29'-0"

Does the project include a rehab of an existing structure? No

Is the project located in the City of Ithaca Density District? Yes

Does the project contain the redevelopment of a Brownfield site? No

Does the project applicant, or any of the partners owning at least 20% of the project equity, the project LLC, or the project corporation, currently own any properties located within the City of Ithaca that are delinquent on taxes, assessments, fees or penalties due to the City or that have one or more violations of local laws or regulations? No
Part 6. Local Labor Commitment

By signing this document the applicant certifies that they will make every attempt to hire locally whenever possible. For the purposes of this application, local is understood to be defined as anyone residing in Tompkins County, or any of the 6 contiguous counties of Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties.

In addition, the applicant commits to meet the minimum local labor requirements described below, and if granted CIITAP approval, will submit to the IDA the following information:

   a. Proof that the General Contractor has solicited bids from local subcontractors for all major trades required for the construction project, including electric, plumbing, carpentry, masonry, and HVAC.

   b. Monthly payroll reporting of all workers on site during construction with a summary of how many employees are “local.” The reporting should include the address, zip code, and total payroll amount per employee.

   [Signature]

   Applicant Signature

   Peter Dugo

   Applicant Printed Name
Part 7. Diversity Requirement-Commitment (required if applicant is a single-use end user)

By signing this document the applicant certifies that they intend to comply with the following requirements:

a. Applicant must commit to be an active user of the Diversity Consortium of Tompkins County. Active membership is defined as:
   i. Pay annual membership dues
   ii. Attend a minimum of four meetings of the Diversity Consortium per calendar year
   iii. Attend the bi-annual Diversity Roundtable
   iv. Participate in at least two of the Diversity Consortium’s workshops and events

b. Applicant must establish and implement management strategies for hiring, retention, and promotion. The goal is to hire, retain, and promote diverse workers for full-time, part-time, and internship positions at all levels of the organization, such that the number of women, people of color, and people with disabilities employed by the organization meets or exceeds the proportions of these groups within the City of Ithaca’s population

c. Applicant must identify and implement specific actions designed to reduce and address unconscious workplace biases, such as through annual staff training. The goal is to review and ensure that management and staff are aware of the existence and impacts unconscious bias has on workplace culture and service delivery, creating an inclusive environment for staff, customers, and clients.

d. Applicant must provide both the IDA and the Workforce Diversity Advisory Committee an annual report that identifies compliance with the diversity requirements and workforce demographics

__________________________________________
Applicant Signature

__________________________________________
Applicant Printed Name
VIII. Certification

_____________________________ deposes that he/she is the ____________________
(name of chief executive officer of company submitting application) (title)
of _______________ , the corporation named in the attached application; that he/she has
(company name) read the foregoing application and knows the contents thereof; that the same is true to
his/her knowledge. Deponent further says that the reason this verification is made by the
deponent and not by _______________ 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 non-profit Tompkins County Industrial Development Agency (hereinafter referred to
as the “Agency”) acting on 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.

(signature of chief officer of company submitting application)

NOTARY

Sworn to before me this 1st day of November, 2017

[Signature]

CURTIS R. COOLIDGE
Notary Public, State of New York
Chemung County No. 02CO6334087
Commission Expires December 07, 2019
**IX. Completion Status (to be completed by staff)**

<table>
<thead>
<tr>
<th><strong>Eligibility Criteria:</strong></th>
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<tbody>
<tr>
<td>Size:</td>
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<tr>
<td>Density:</td>
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<tr>
<td>Location:</td>
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<td>Local Labor:</td>
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<tr>
<td>Diversity:</td>
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<td>Additional Documentation Submitted:</td>
<td></td>
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<tr>
<td>Staff Review Date:</td>
<td></td>
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<tr>
<td>CITAP Review Committee Meeting:</td>
<td></td>
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<tr>
<td>Mayor’s Endorsement Date:</td>
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</tbody>
</table>
City of Ithaca  
Department of Planning and Development  
Attn: Jennifer Kusznir  
108 E Green St  
Ithaca NY 14850

Dear Jennifer,

Based upon the information that I have for the “323 Taughannock Boulevard” project located in the City of Ithaca that was delivered to me on October 30th, it is safe to say that this project will result in an increase in the assessed value of over $500,000.

If you require further information, do not hesitate to ask.

Sincerely,

Jay Franklin  
Director of Assessment

Cc: Steve Flash (steve@hub204.com)
This meeting was advertised in the Ithaca Journal on 11/8/17 and again on 11/18/17. It was also posted online on the Ithaca Journal website. Below is a copy of the media release that was distributed.

— MEDIA RELEASE —

City of Ithaca Community Investment Incentive Tax Abatement Program (CIITAP)

Public Information Session: 323 Taughannock Development Project

Day: November 20, 2017
Time: 5:30 PM
Place: Common Council Chambers, City Hall
       108 E. Green St., Ithaca

On November 20, 2017, the City of Ithaca will hold a Public Information Session for a proposed project on Inlet Island. The Public Information Session will begin at 5:30 PM, in the Common Council Chambers on the third floor of City Hall, 108 E. Green Street, Ithaca. In accordance with the City of Ithaca Community Investment Incentive Tax Abatement Program (CIITAP), the developer and project team will present information about the project and answer questions from the public.

The proposed project involves the construction of a 16-unit apartment building. The first floor will consist of 8 studio type apartments which could also be used as commercial space. The second and third floors will be occupied by 8 townhome style 2-story units.

For questions regarding this project, or to see the completed TMPUD application, please contact Jennifer Kusznir at jkusznir@cityofithaca.org, or 274-6550.

Department of Planning, Building, Zoning, & Economic Development
108 E. Green St., Third Floor, City of Ithaca (City Hall)
Ithaca, New York 14850
Office Hours: 8:30 a.m. - 4:30 p.m., M-F
**Attendance**

Staff:
JoAnn Cornish, Director of Planning and Development  
Jennifer Kusznir, Senior Planner

Project Team:
Steve Flash

Public:
Theresa Alt  
Brian Eden  
Amanda Kirchgessner

**Project Approvals to Date**
Cornish briefly summarized the project approval schedule:

May 23, 2017-Preliminary & Final Site Plan Approval was granted by the Planning Board. At the time of the approval the project was subject to a Temporary Mandatory Planned Unit Development (TMPUD) Zone because it is located in the Waterfront Study Area currently being looked at as part of Phase 2 of the city’s comprehensive Plan. The project was reviewed by the NYS Department of Environmental Conservation, NYS Canal Corporation, City of Ithaca Board of Public Works, City of Ithaca Common Council, and Tompkins County Department of Health, all agreeing to the Planning Board being Lead Agency for the environmental review for this project.

The Planning Board held the required Public Hearing on May 23, 2017, and there were several other public hearings held for this project as part of the originally proposed project and the TMPUD.

On May 23, 2017, the Planning Board issued a negative declaration of environmental significance for this project.

The project was also reviewed by the City’s Design Review Committee on May 16, 2017 and the City of Ithaca Conservation Advisory Council, Tompkins County Planning Department, and other interested parties were given the opportunity to comment on the proposed project.

**Overview of Community Investment Incentive Tax Abatement Program (CIITAP)**
Kusznir briefly summarized the City’s CIITAP process and the minimum size, density, location criteria, and municipal compliance. Minimum eligibility criteria are as follows:

- Minimum Size – Projects must be able to demonstrate that they will increase the assessed value of the property by at least $500,000
- Minimum Density – Projects must be at least three stories in height or be a major restoration of an existing structure.
• Municipal Compliance Requirement- Project applicant cannot own or partially own any properties in the City that have any outstanding fees, violations or unpaid taxes.

• Local Labor Requirement--Applicant must commit to hire locally whenever possible. The City defines local as anyone residing in Tompkins or any of the 6 contiguous counties. In addition, if granted abatement, the applicant will be required to have the general contractor show proof of having solicited bids from local sub-contractors in all of the major trades required for the construction project. Once the project begins they will also be required to submit monthly reports of all workers on site with a summary of how many reside locally.

• Location Requirement - Project must be located in the City of Ithaca Density District shown below or be a redevelopment of a Brownfield site that is registered as a DEC inactive hazardous waste site.

Overview of Tompkins County Industrial Development Agency (TCIDA)

Kusznir summarized the role of the IDA and the full application process. After a project receives City endorsement, the IDA has a preliminary meeting to review the application and schedules a public hearing. After the public hearing is held, the IDA has a subsequent meeting to review the comments received and consider the project for abatement. This project will likely be sent to the IDA in December.
**Project Presentation**

The project will demolish the old Tradewinds bar and replace it with a 16 unit townhouse style apartment building. There will be 8 studio apartments on the ground floor, which could also be used as commercial space. The upper floors will contain 8 2-story apartments. The project will be net zero construction and will have all energy star equipment. They also plan to contract with Renouvous to install solar panels off site. The building will be manufactured off site and then brought in. All units will be market rate apartments.

**Questions & Answers**

Applicable questions from attendees and developer responses are summarized below, but are not recorded verbatim.

<table>
<thead>
<tr>
<th>Public Comment:</th>
<th>Is it possible to make some of the units affordable?</th>
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<tbody>
<tr>
<td>Response:</td>
<td>Unfortunately, it is very difficult to get a return on the investment because the cost of construction is so high. Even at market rate this project is a risk.</td>
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<tr>
<td>Public Comment:</td>
<td>What are the expected rents?</td>
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<tr>
<td>Response:</td>
<td>Studios will rent for approximately $1400-$1500/month, Upper Story apartments will rent for approximately $3400-$3500/month</td>
</tr>
<tr>
<td>Public Comment:</td>
<td>Does that rent include utilities?</td>
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<tr>
<td>Response:</td>
<td>No, but the energy investments in this property should result in very low utility costs.</td>
</tr>
<tr>
<td>Public Comment:</td>
<td>A person would have to earn over $120,000 a year to afford one of these apartments. There may not be enough people in this County who earn this much.</td>
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<tr>
<td>Response:</td>
<td>Yes, the project is a risk. But, we are hoping that it will be the first of future investment in this area.</td>
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<tr>
<td>Public Comment:</td>
<td>We are happy to see the use of heat pumps in this project. It is important to be cognizant of the fact that this area has a great potential for flooding.</td>
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<tr>
<td>Response:</td>
<td>We are raising the buildings up to prevent damage from potential flooding.</td>
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<tr>
<td>Public Comment:</td>
<td>There is a great need for additional housing, the ground floor should be additional housing and not be used for commercial space.</td>
</tr>
<tr>
<td>Response:</td>
<td>The ground flood will likely be additional living spaces, but could also be used as live/work spaces for people on the upper floors.</td>
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<tr>
<td>Public Comment:</td>
<td>The County’s sales taxes are going down and I believe that is because they are giving away sizeable tax abatements. Could you make this project work without a tax abatement?</td>
</tr>
<tr>
<td>Response:</td>
<td>Not if we are going to include the additional energy investments to make this a net zero project.</td>
</tr>
<tr>
<td>Public Comment:</td>
<td>Part of the reason that the projects require subsidy is because of the expensive construction costs due to the conditions of the locations that we</td>
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are trying to put development. Should government be giving tax abatements to build in areas where geology is telling us not to build. Maybe this is not an appropriate place to build and we shouldn’t incentivize building in this area.

<table>
<thead>
<tr>
<th><strong>Response:</strong></th>
<th>Inlet Island is already impervious and this project will replace what is already impervious and may even reduce some of the impervious surfaces.</th>
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<tbody>
<tr>
<td><strong>Public Comment:</strong></td>
<td>If a project were to be built nearby that did offer 20% of the units as affordable units would that change your rents?</td>
</tr>
<tr>
<td><strong>Response:</strong></td>
<td>In order to offset the costs of affordable units you need a higher number of units. This project is too small to be able to offset the costs of building the affordable units.</td>
</tr>
<tr>
<td><strong>Public Comment:</strong></td>
<td>It’s important not just to provide affordable housing, but also mixed income workforce housing. We need to change the perception of affordable housing. If it is spread among mixed income housing, it is much less noticeable.</td>
</tr>
<tr>
<td><strong>Public Comment:</strong></td>
<td>The County homeless shelters are over capacity and 30% of the people in the shelters have jobs, but cannot afford to pay the rents. This project will only provide for the wealthy and will not address the housing needs of these people.</td>
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