

Tompkins County
Industrial Development Agency
Industrial Application for Incentives

Applicant Information

Date: 11/2/14

Name of Company/Applicant: Carey Building Associates, LLC by Frost Travis	
Owner: Carey Building Associates, LLC	
Address: 323 North Tioga Street	
City/State/ZIP: Ithaca, New York 14850	
Primary Contact: Frost Travis	
Phone: (607) 273-1654	Fax: (607) 273-5382
Email: ftravis@travishyde.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:	
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: Elena Flash, Miller Mayer, LLP	
Address: 202 East State Street	
City/State/ZIP: Ithaca, New York 14850	
Primary Contact: Elena Flash	
Phone: (607) 273-4200	Fax: (607) 272-6694
Email: esf@millermayer.com	

Applicant Accountant: Sciarabba Walker & co. LLP	
Address: 410 East Upland Road	
City/State/ZIP: Ithaca, New York 14850	
Primary Contact: Jeff Gorsky	
Phone: (607) 272-5550	Fax: (607) 273-6357
Email: jjg@sciarabbawalker.com	

Applicant Engineer/Architect (if known): John Snyder Architects, PLLC	
Address: 411 West Seneca Street	
City/State/ZIP: Ithaca, New York 14850	
Primary Contact: John Snyder	
Phone: (607) 273-3565	Fax: None
Email: john@js.architects.com	
Applicant Contractor (if known): Le Chase Construction	
Address: 1280 Dryden Road	
City/State/ZIP: Ithaca, New York 14850	
Primary Contact: Tom La Mere	
Phone: (607) 257-3082	Fax: (315) 423-0054
Email: Tom.LaMere@leCHASE.com	

Business History

Year Company was Founded: 2010 Type of Ownership (LLC,)
 NAICS Code: _____

Product or Service: Leased Residential & Commercial Space
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Major Customers: Old Goat Gear Exchange; Homespun Boutique; REV Downtown Ithaca Business Incubator <i>The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.</i>
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Major Suppliers:

Travis Hyde Properties, NYSEG

Who are your major competitors in Tompkins County? Other Residential & Commercial Landlords

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 \$ n/a Percent subject to sales tax %

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

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

Years	Historical					Projected (Stabilized)		
	2011	2012	2013	2014 (YTD)	2015 Construction	2016	2017	2018
Revenues	\$100,977	\$98,675	\$103,752	\$52,042		\$546,768	\$561,326	\$576,755
Profits	\$17,127	\$5,514	\$5,244	(\$26,466)		\$101,928	\$77,609	\$89,636

Project Description

Please give a brief narrative description of the project.

This project will create a five-story, mixed-use addition to an existing two-story building. The new second floor tenant REV, the downtown business incubator, is a partnership among Cornell University, Ithaca College and Tompkins Cortland Community College to create one of three incubators that is part of the Southern Tier Hot Spot Innovation Zone, which in turn is part of the StartupNY initiative to create jobs throughout New York State. When the additional stories are completed, REV will occupy the third floor, and the upper floors will be 20 residential apartments. Also, please see attached Planning Board Submission for preliminary and final site plan approval, which was granted August 2014.

Location: 314-320 East State Street, Ithaca

Property size (acres) – both existing and proposed: .12 acres

Building size (square feet) – both existing and proposed: Existing 13,500 SF (including basement)
Proposed additional 17,000 SF

Proposed project start and completion dates: December 2014 to August 2015

What types of green building practices do you plan to use, if any? Separate and recycle refuse; Use steel and other material with recycled content; use low or no-VOC paint and other finishes

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).

Floor	Use	SF	% Total
Basement	Common and Mechanical	4,500	15%
First	Retail (1. Old Goat Gear Exchange, 2. Homespun Boutique, 3. Available)	4,500	15%
Second	REV (Office)	4,500	15%
Third	REV (Office)	4,200	14%
Fourth	8 Residential Apartment Units	4,500	15%
Fifth	8 Residential Apartment Units	4,500	15%
Sixth	2 Residential Apartment Units	1,900	6%
Seventh	2 Residential Apartment Units	1,900	6%
Total		30,500	100%

Project Costs

	<u>Amount</u>	<u>% subject to sales tax</u>
Value of land to be acquired (if any):	<u>\$0 (existing)</u>	N/A
Value of building to be acquired (if any):	<u>\$0 (existing)</u>	N/A
Cost of new construction:	<u>\$4,085,000</u>	80%
Value of improvements to existing building:	<u></u>	<u>%</u>
Value of equipment/FF&E to be acquired:	<u>\$94,000</u>	100%
Other:	<u>\$1,578,000</u>	0%
TOTAL:	<u>\$5,757,000</u>	N/A

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 \$5,000,000
 (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

Assumptions
 \$2,405,569 Value of increase in assessment
 4% Annual increase in assessment and tax rate

Year	Abatement	New Taxes Paid \$530,777			Taxes Abated \$569,796		
		County	City/Town	School	County	City/Town	School
1	100%	0	-	-	16,600	31,561	43,506
2	90%	1,726	3,282	4,525	15,538	29,541	40,722
3	80%	3,591	6,827	9,411	14,364	27,309	37,645
4	70%	5,602	10,651	14,682	13,071	24,851	34,257
5	60%	7,768	14,769	20,359	11,652	22,153	30,538
6	50%	10,098	19,199	26,466	10,098	19,199	26,466
7	40%	12,603	23,961	33,030	8,402	15,974	22,020
8	30%	15,291	29,073	40,076	6,553	12,460	17,175
9	20%	18,175	34,555	47,633	4,544	8,639	11,908
10	10%	21,265	40,429	55,731	2,363	4,492	6,192

Total 96,120 182,746 251,912 103,186 196,180 270,430

Value of sales tax abatement: \$268,960

Estimated length of sales tax abatement (years): 1

Estimated value of abatement for facility construction including information on assumptions used in calculations: 80% of \$4,085,000 x 8% = \$261,440

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: 100% of 94,000 x 8% = \$7,520

Mortgage Recording tax abatement: \$12,500

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

Empire State Development Corp. \$1,000,000 Startup NY Facilities Grant for the creation of Incubator Hot Spots in the Southern Tier. \$550,000 flows to developer, and \$450,000 flows to Incubator tenant for their own FF&E. Robin Alpaugh (607) 721-8605

Need for Incentives

Are you asking for a schedule of incentives that deviates from the IDA’s City of Ithaca Community Investment Incentive Tax Abatement Program (CIITAP) (as listed below)?

Yes No

<u>Standard</u>		<u>Enhanced</u>	
<u>Year</u>	<u>Abatement</u>	<u>Year</u>	<u>Abatement</u>
1	90%	1	100%
2	77%	2	90%
3	64%	3	80%
4	51%	4	70%
5	39%	5	60%
6	26%	6	50%
7	13%	7	40%
		8	30%
		9	20%
		10	10%

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

This project is seeking a 10 year abatement for property taxes in order to meet threshold financing requirements for the construction and permanent lender. In order to keep rents at the middle of the market instead of at a higher price point, it is necessary to control construction and financing costs. Abating sales taxes during construction and property taxes during building operations allows the building to operate at a debt service coverage ratio that will induce the construction and permanent loan at the outset. If no abatement were sought, rents would need to be 20% higher than projected. Raising rents 20% higher than initially projected is an achievable, but not a desirable outcome for the project given the dearth of reasonably priced housing in Ithaca.

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.

The affiliated management company, Travis Hyde Properties provides:

1. Full Family health insurance coverage with a \$1,000 deductible, no limit on family size. Employer also provides assistance with deductible on a reimbursable basis such that employer reimburses 82% of out of pocket deductible, up to \$820 annually.
2. 401K Retirement Funding with up to 4% employer match.
3. Flexible working hours.
4. Three weeks paid time off per year.
5. Maintenance Staff are reimbursed for mileage at IRS rates
6. Maintenance Staff receive \$50/day premium for being on call after hours

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

The affiliated management company, Travis Hyde Properties provides opportunities for professional advancement in the field of real estate property management. All property managers who wish to earn the Certified Property Manager designation from the Institute of Real Estate Management will have their tuition covered 100% on a reimbursable basis course by course if coursework is satisfactorily completed.

Maintenance and Facilities staff are offered opportunities to pursue continuing education on a case-by-case basis, provided the professional training is related to building and facilities maintenance.

What percentages of your current positions do women occupy? 38%

What percentages of your current positions do minorities occupy? 4%

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 √ No

What percent of current workforce and management are in:

Tompkins County?	<u>54%</u>
In New York State?	<u>100%</u>
Out of New York State?	<u>0%</u>

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

If yes, please describe.

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

Please provide your Employment Plan -- Travis Hyde Properties

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:	\$70,000	12				
Clerical:	\$32,000	2				
Sales:						
Services:						
Construction:						
Manufacturing:						
High Skilled:						
Medium Skilled:						
Basic Skilled:						
Other (Describe):						
Maintenance	\$15/hour	7				
Custodial	\$12/hour	3				
Total:		24	0	0	0	0

* Commercial tenants and REV will have employees on site.

Estimated percentage of new hires who would be unemployed at time of hire _____ 0%

Construction Labor

Will you use contractors who:

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

Environmental Review

Environmental Assessment Form – short or long

Submitted to: Jennifer Kuszniir

Agency name: City of Ithaca Planning and Development Board

Agency address: 108 East Green Street

Date of submission: July 2014

Status of submission: Neg Dec. July 22, 2014

(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.

Height Variance was granted in August 2014 by the Board of Zoning Approvals.
Construction Permit granted in February, updated in August. Pending additional permit update approval submitted in October.

Other

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

Membership in the Business Incubator has increased from four at the opening to currently nine over the course of five weeks full operations. There are many promising ideas for profitable companies already in Ithaca, and REV will play a key role in bringing the best business ideas to fruition. The expansion of REV that the overbuild will enable will only strengthen the entrepreneurial ecosystem in Ithaca, which will in turn strengthen and diversify the employment base and opportunities in Ithaca.

The housing component of this project will bring much-needed housing to the middle of the rental market. The housing will not be possible without the abatement.

CERTIFICATION

Frost Travis _____ deposes that she/he is the Manager/Managing Member _____
(Name of chief executive officer of company submitting application) (Title)

of Carey Building Associates, LLC _____, 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

Carey Building Associates, LLC _____ is because the said company is a limited liability company.
(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



Signature of chief officer of company submitting application

NOTARY

Sworn to before me this

4 day of Nov, 2014



RACHEL E. GRAHAM
Notary Public, State of New York
No. 04GR6152775
Qualified in Tompkins County
Commission Expiration Date 09/25/2018