

Tompkins County
Industrial Development Agency
Industrial Application for Incentives

Applicant Information

Date: 11/12/13

Name of Company/Applicant: Harold's Square, LLC	
Owner: Harold's Square, LLC	
Address: 225 Colonial Drive	
City/State/ZIP: Horseheads, NY 14845	
Primary Contact: David Lubin	
Phone: 607-739-3826	Fax: 607-739-5995
Email: lubin2@aol.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: Peter Littman, Esq.	
Address: 308 N. Tioga Street	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Peter Littman, Esq.	
Phone: 607-277-7527	Fax: 607-275-9141
Email: plittman@centralnylaw.com	

Applicant Accountant: Rick J. Bucci, CPA	
Address: 491 Whitney Road	
City/State/ZIP: Penfield, NY 14526	
Primary Contact: Rick J. Bucci, CPA	
Phone: 585-230-5239	Fax: 585-381-1782
Email: buccicpa@rochester.rr.com	

Applicant Engineer/Architect (if known): Craig Jensen, CJS Architects	
Address: 54 S. Union Street	
City/State/ZIP: Rochester, NY 14607	
Primary Contact: Craig Jensen	
Phone: 585-244-3780	Fax: 585- 244-1294
Email: cjensen@cjsarchitects.com	
Applicant Contractor (if known): Taylor Builders	
Address: 2570 Baird Road	
City/State/ZIP: Penfield, NY 14526	
Primary Contact: Karl Schuler	
Phone: 585-248-6000	Fax: 585-248-5630
Email: karl@buildtaylor.com	

Business History

Year Company was Founded: 2013 Type of Ownership: LLC
 NAICS Code: 531390

Product or Service: <i>Development and ownership of commercial real estate.</i>

Major Customers: <i>Not applicable.</i>
<i>The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.</i>

Major Suppliers: <i>Not applicable.</i>

Who are your major competitors in Tompkins County? Travis Hyde Properties, Ithaca Renting Company

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: *Not applicable.*

Annual Sales to customers in Tompkins County \$ _____ 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		
	1	2	3	4	5		1	2	3
Revenues	N/A	N/A	N/A	N/A	N/A		3,092,432	3,297,048	3,354,432
Pre-Tax Profits	N/A	N/A	N/A	N/A	N/A		528,946	631,904	591,538

Project Description

Please give a brief narrative description of the project.

Harold's Square involves the demolition of three underutilized buildings on the Ithaca Commons parcels now occupied by the former Race Office Supply, Alphabet Soup and Night & Day, and the subsequent construction of a new four story retail and office building. The facade of this new building has a contemporary feel designed in such a way as to complement the historic fabric of the Commons and has been received favorably by the City of Ithaca Planning and Development Board.

The project also includes a tower that is set back from the Commons and rises an additional seven stories. Floors five through ten feature 46 market-rate rental apartments. The penthouse floor of the tower will feature a large conference room with access to outdoor terraces, a small food plating area, an exercise room, rest rooms and some of the building's mechanical systems.

The development also includes the historic renovation of the Sage Block, a three story brick building that most recently housed Benchwarmers on its ground floor. It is expected that a restaurant will again occupy that floor

with two floors of offices above it.

The Sage Block will be connected to the newly constructed building at its rear providing it with elevator access for the first time.

The complete development contains a total of 162,750 square feet consisting of the following (including common areas): 20,430 SF basement; 20,670 SF retail; 56,855 SF office; 59,735 SF residential; and 5,000 GSF in the penthouse.

Location: 123-27, 133, 135 and 137-39 The Commons (East State Street), City of Ithaca

Property size (acres) – both existing and proposed: .514/.514

Building size (square feet) – both existing and proposed: 44,700/162,750

Proposed project start and completion dates: 1/2014 start, 7/2015 completion

What types of green building practices do you plan to use, if any? The project is being developed in accordance with the U.S. Green Building Council's LEED guidelines, emphasizing energy efficiency, natural light, healthy work and living spaces, and the potential for the incorporation of natural green rooftop elements on the four-story portion of the project.

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).

Unknown at this time as to floors 1-4. The ground floor space of the project will be occupied by retail tenants and restaurants with floors two through four in the new building and floors two through three in the Sage Block occupied by professional/medical offices. Floors five through ten will be occupied by the building's residential tenants.

The gross square footages for each floor and element of the project are:

PROJECT DATA	
NEW BUILDING AREA	
Basement Floor	17,655GSF
First Floor (Retail)	17,835GSF
Second Floor (Office)	17,620GSF
Third Floor (Office)	17,155GSF
Fourth Floor (Office)	<u>16,410GSF</u>
SUBTOTAL OFFICE	<u>51,185GSF</u>
Fifth Floor (Residential)	10,155GSF
Sixth Floor (Residential)	10,155GSF
Seventh Floor (Residential)	10,155GSF
Eighth Floor (Residential)	10,155GSF
Ninth Floor (Residential)	10,155GSF
Tenth Floor (Residential)	<u>8,960GSF</u>
SUBTOTAL RESIDENTIAL	<u>59,735GSF</u>
Penthouse Level	<u>5,000GSF</u>
TOTAL AREA	<u>151,410GSF</u>
SAGE BUILDING AREA	
Basement Floor	2,835GSF
First Floor (Retail)	2,835GSF
Second Floor (Office)	2,835GSF
Third Floor (Office)	<u>2,835GSF</u>
TOTAL AREA	<u>11,340GSF</u>
TOTAL GSF	<u>162,750GSF</u>

Project Costs

	<u>Amount</u>	<u>% subject to sales tax</u>
Value of land to be acquired (if any):	<u>\$1,542,000</u>	N/A
Value of building to be acquired (if any):	<u>\$153,000</u>	N/A
Cost of new construction:	<u>\$27,200,000</u>	<u>50%</u>
Value of improvements to existing building:	<u>\$1,000,000</u>	<u>50%</u>
Value of equipment to be acquired:	<u>\$3,000,000</u>	<u>100%</u>
Other:	<u>\$5,105,000</u>	<u>0%</u>
TOTAL:	<u>\$38,000,000</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 \$28,500,000

(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 –
\$15,300,000 Value of increase in assessment
4% Annual increase in assessment and tax rate

Year	Abatement	New Taxes Paid \$2,266,256			Taxes Abated \$2,212,960		
		County	City	School	County	City	School
1	90%	\$10,405	\$20,012	\$26,294	\$93,647	\$180,112	\$236,642
2	77%	\$24,738	\$47,578	\$62,511	\$83,477	\$160,551	\$210,941
3	64%	\$40,201	\$77,317	\$101,584	\$72,343	\$139,137	\$182,806
4	51%	\$56,861	\$109,360	\$143,683	\$60,185	\$115,753	\$152,083
5	39%	\$74,789	\$143,841	\$188,988	\$46,938	\$90,275	\$118,609
6	26%	\$94,061	\$180,907	\$237,686	\$32,535	\$62,575	\$82,214
7	13%	\$114,755	\$220,707	\$289,979	\$16,905	\$32,514	\$42,718
Totals		\$415,809	\$799,723	\$1,050,725	\$406,030	\$780,915	\$1,026,014

Value of sales tax abatement: \$1,368,000

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

Estimated value of abatement for facility construction including information on assumptions used in calculations: 50% of estimated \$14,100,000 construction and renovation costs x 8% sales tax = \$1,128,000.

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: 100% of estimated \$3,000,000 ff&e x 8% sales tax = \$240,000

Mortgage Recording tax abatement: \$73,250

Other government incentives or support include summary of program, name of contact person and terms and conditions of program: None.

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 X No

Standard		Enhanced	
Year	Abatement	Year	Abatement
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.

Not applicable.

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.

Not applicable. The company has no employees and will retain third party property management services.

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

Not applicable. The company has no employees and will retain third party property management services.

What percentages of your current positions do women occupy? N/A

What percentages of your current positions do minorities occupy? N/A

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? **Not applicable. The company has no employees and will retain third party property management services.**

Yes No

What percent of current workforce and management are in:

Not applicable. The company has no employees and will retain third party property management services.

Tompkins County? %
 In New York State? %
 Out of New York State? %

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

If yes, please describe.

Not applicable. The company has no employees and will retain third party property management services.

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

Please provide your Employment Plan

Not applicable. The company has no employees and will retain third party property management services.

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
Total:						

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

Construction Labor

All construction labor will be subject to competitive bidding with a preference for local labor when available.

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: JoAnn Cornish

Agency name: City of Ithaca Planning and Development Department

Agency address: 108 E. Green Street, Ithaca, NY 14850

Date of submission: 1/15/13

Status of submission: Deemed adequate 6/26/13

(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.

Harold's Square was granted preliminary and final site plan approval by the City of Ithaca Planning and Development Board on August 27, 2013. In addition, the project received a rear yard setback variance from the City of Ithaca Board of Zoning Appeals on August 5, 2013.

Remaining open is approvals from the City of Ithaca Board of Public Works for encroachments on the sidewalk and the planned third floor connection between Harold's Square and the Green Street Parking Garage. Demolition and Building Permits will also be required prior to the start of work.

Other

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

Harold's Square has been designed to conform to and support the Downtown Ithaca Alliance's Downtown 2020 Strategic Plan. The project blends enhancing the street level character of downtown along the Commons while also addressing the 2020 Plan's call for increased density further back on the site. This is a classic mixed-use project, providing retail, office, and housing uses in the heart of the city where they will provide the most benefit and spill-over effect. The project is designed with the pedestrian in mind—both from a storefront aesthetic view as well as by creating a new enclosed and covered mid-block pedestrian corridor connecting the Commons with the Green parking garage and with the Green Street/Library area.

Harold's Square delivers 46 units of new housing to the central Common area, literally in the middle of the region's major transit hub. These residents will be frequent shoppers, diners, and participants in downtown entertainment venues. The project also provides up to 56,855 GSF of new class A office space. Ithaca has suffered from a lack of office space over the years and the addition of this space in the center of the City helps to encourage more investment and employment in the heart of the City, where the services and infrastructure are already in place. Harold's Square will also provide up to 20,675 GSF of retail space strategically located in on the central Commons pedestrian mall. This will be the first new shopping/dining space added to the Commons in recent memory, and will act to improve the quality as well as the quantity of downtown retail.

CERTIFICATION

David Lubin _____ deposits that he is the Managing Member _____
(Name of chief executive officer of company submitting application) (Title)

of Harold's Square, 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

Harold's Square, LLC _____ 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

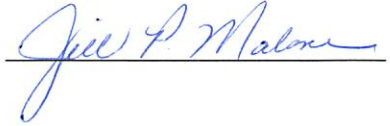


David Lubin, Managing Member

NOTARY

Sworn to before me this

17th day of November, 20 13



JILL P. MALONE
Notary Public, State of New York
Chemung County No. 01MA4605088
Commission Expires April 30, 2015