

Tompkins County
Industrial Development Agency

Industrial Application for Incentives

Applicant Information

Date: 7 - 12 - 2011

Name of Company/Applicant: Ithaca Beer Company, Inc. / Dan Mitchell	
Owner:	
Address: 606 Elmira Road	
City/State/ZIP:	Ithaca, NY 14850
Primary Contact: Dan Mitchell	
Phone: 607 273 0766	Fax: 607 273 0815
Email: dan@ithacabeer.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: Adam Klausner	
Address: 409 Taughannock Blvd	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Adam Klausner	
Phone: 272 0800	Fax: 272 1199
Email: adam@klausnerlaw.com	

Applicant Accountant: Ciaschi, Dietershagen, Little, Mickelson & Company LLP CPA's	
Address: 401 E State Street	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Leslie Horner	
Phone: 607 272 4444	Fax: 607 273 8372
Email: Leslieh@cldm.com	

Applicant Engineer/Architect (if known): Ernie Bayles	
Address: 209 Utica Street	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Ernie Bayles	
Phone: 607 275 3722	Fax:
Email: ebarch1@verizon.net	
Applicant Contractor (if known): Scott Smith	
Address: 326 Bull Hill Rd	
City/State/ZIP: Newfield, NY 14867	
Primary Contact: Ernie Bayles	
Phone: 607 564 1901	Fax:
Email:	

Business History

Year Company was Founded: ____ 1995 ____ Type of Ownership (**Corporation**)
 NAICS Code: __ 312120 __

Product or Service: Manufacture Craft Beer and Soda
--

Major Customers: We sell to 30 wholesalers in 7 states. Manhattan Beer is our largest wholesaler.
<i>The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.</i>

Major Suppliers:

Anchor Glass, Elmira, NY
North Country Malt, Champlain, NY
Hop Union, Yakima, WA

Who are your major competitors in Tompkins County? None. We are the only packaging brewery in Tompkins County

Has your business ever received incentives tied to job creation from local governments in New York State?
X Yes No

If Yes, please describe. \$25,000 loan from TCAD in 2004; 5 year term paid off on 2009.

Were the goals met? X 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		
	1	2	3	4	5		1	2	3
Revenues	1.238 M	1.423 M	1.776 M	2.278 M	3.038 M		3.6 M	4.32 M	5.2M
Profits	0	0	0	0	0		50,000	150,000	200,000

Project Description

Please give a brief narrative description of the project.

We are building a 15,000 square foot warehouse that will hold our new production facility (11,500 sq. ft), offices (1500 sq ft) , welcome center and pub (2000 sq ft). The setting will be on an 80 acre farm, of which Ithaca Beer is buying 10 acres. In this new setting, we hope to be able to provide a proper welcome center for the tourists that visit our facility from great distances. We will not only have a wood fire pizza pub, but a Beer Garden for them to see the beauty of the valley. The production facility will allow Ithaca Beer to continue growing for years to come.

Location: Town of Ithaca

Property size (acres) – both existing and proposed: 10 acres +/-

Building size (square feet) – both existing and proposed: 15,000

Proposed project start and completion dates: Start mid August and finish by June 2012.

What types of green building practices do you plan to use, if any? We have designed in many windows to allow for natural light and air.

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? x Yes No

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

If Yes, number of visitors per year 5,000 Average duration of stay N/A 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).

N/A

Project Costs

	<u>Amount</u>	<u>% subject to sales tax</u>
Value of land to be acquired (if any):	<u>\$200,000</u>	N/A
Value of building to be acquired (if any):	N/A	N/A
Cost of new construction:	<u>\$2,000,000</u>	<u>60%</u>
Value of improvements to existing building:	N/A	N/A
Value of equipment to be acquired:	<u>\$1,000,000</u>	<u>5%</u>
Other:	N/A	N/A
TOTAL	<u>\$3,200,000</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 \$ 2,400,000

(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

\$1,500,000 value of increase in assessment

4% annual increase in assessment and tax rate

Year	New Taxes Paid			Taxes Abated		
	County	Town	School	County	Town	School
			\$148,775			\$145,276
1	\$972	\$252	\$2,499	\$8,749	\$2,268	\$22,490
2	\$2,311	\$599	\$5,941	\$7,799	\$2,022	\$20,047
3	\$3,756	\$974	\$9,654	\$6,759	\$1,752	\$17,373
4	\$5,312	\$1,377	\$13,655	\$5,623	\$1,458	\$14,453
5	\$6,987	\$1,811	\$17,961	\$4,385	\$1,137	\$11,272
6	\$8,788	\$2,278	\$22,589	\$3,040	\$788	\$7,813
7	\$10,721	\$2,779	\$27,559	\$1,579	\$409	\$4,060
	\$38,847	\$10,070	\$99,857	\$37,934	\$9,833	\$97,509

Value of sales tax abatement: \$52,000

Estimated length of sales tax abatement: 1 Year

Estimated value of abatement for facility construction including information on assumptions used in calculations: \$48,000; 60% of Construction costs at 8% sales tax

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: \$4,000; estimated \$50,000 FFE related to non-manufacturing equipment purchases at 8% sales tax

Mortgage Recording tax abatement: \$6,000

Other government incentives or support include summary of program, name of contact person and terms and conditions of program: Linked Deposit – State program that writes down the interest rate on the primary mortgage. Contact is Kara Taylor at M&T Bank at (607) 274-8983

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.)

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

We have been offering Health Insurance to our employees since Year 2 of Ithaca Beer. We currently have a Simple Retirement Plan active, as well as standard vacation time. We also try to be very flexible with Child Care, allowing for a shift in schedule when applicable, and time off when necessary.

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

We always try to promote from within. All new employees are trained to handle the basic tasks within their area, and then we task them with additional duties. As they learn new duties, it allows the company more flexibility, and results in increases to the worker's pay.

What percentages of your current positions do women occupy? 5%

What percentages of your current positions do minorities occupy? 0%

Are you willing to pay a livable wage as defined by the Alternatives Federal Credit Union (AFCU) of Ithaca, NY (see attached) to all employees for the duration of the abatements?

 Yes x No

The only pay under the Living Wage pay are training level positions and PT retail staff.

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

If yes, please describe.

What percent of current workforce and management are in Tompkins County? 93%

In New York State? 100%

Out of New York State? 0%

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

Please provide your Employment Plan

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:	35,000	1				
Clerical:	36,000	2	1			1
Sales:	40,000	3	1	1	1	3
Services:						
Construction:						
Manufacturing:						
High Skilled:	75,000	1				
Medium Skilled:	38,000	2		1	1	2
Basic Skilled:	23,000	5		1	1	2
Other (Describe):						
Total:		14	2	3	3	8

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

Construction Labor

Will you make a commitment that all construction labor will be paid a prevailing wage? ____ Yes
x ____ No

Will you certify that 75% of all construction costs will go to companies that have a State certified apprenticeship program? ____ Yes x ____ No

Environmental Review

Environmental Assessment Form – short or long

Submitted to: Mike Smith

Agency name: Town of Ithaca

Agency address: 215 N. Tioga Street, Ithaca, NY 14850

Date of submission: 5/20/11 Status of submission: Negative Declaration Issued 6/22/11

(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.

We will require permits from the State Liquor Authority, Trade and Tax Bureau, Health Board and Ag and Markets.

Other

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

Ithaca Beer Company has been very supportive to the Ithaca Community through its donations. We have also been instrumental in facilitating the current rehabilitation movement of Stewart Park through our work with Brewfest. We work closely with the farming community in using local products such as locally grown hops, blueberries and honey. We hope to continue this work with a Farm to Table like pub.

Our distribution area covers the better part of 7 states, with plans to add 5 next year. We have been great representatives for the Ithaca name in these areas, and have pulled many tourists back into Tompkins County due to their liking of our products.

I am asking for support to get this project off the ground successfully, and hope that what we have already given to Ithaca is enough to gain this financial support. This is a large risk on Ithaca Beer’s part, but one that I feel strongly we can support, and believe that it will give back to the community in much larger returns.

CERTIFICATION

 Dan Mitchell deposes that she/he is the President (Name of chief executive officer of company submitting application) (Title)

of Ithaca Beer Company, Inc., 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

 Ithaca Beer Company, Inc. 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.

Signature of chief officer of company submitting application

NOTARY

Sworn to before me this

_____ day of _____, 20_____
