

Tompkins County Industrial Development Agency

Administration provided by 

**TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING
• Thursday, July 12, 2018 •
3:30 PM
Legislative Chambers
Governor Daniel D. Tompkins Building
121 E. Court Street, Ithaca NY**

AGENDA

- 1. CALL TO ORDER**
- 2. PRIVILEGE OF THE FLOOR**
- 3. BUSINESS**

Old Business

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Organic Nature LLC (GreenStar Coop) Final Approval	
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CIITAP Diversity and Inclusion Policy and Toolkit – continued discussion

- 4. CHAIR'S REPORT**
- 5. STAFF REPORT**
- 6. APPROVAL OF MEETING MINUTES – June 14, 2018** 47
- 7. ADJOURNMENT**

Next Meeting: August 9, 2018

Tompkins County Industrial Development Agency

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Organic Nature (GreenStar Cooperative Market) – Community Benefits Overview *June 18, 2018 – REVISED July 5, 2018*

Project Overview

GreenStar will consolidate its existing West End operations which currently span two blocks under one roof at 770 Cascadilla Street (the former Cornell Press building). The applicant, Organic Nature, LLC, will purchase the property, demolish one existing warehouse, construct 148 parking spaces, renovate the existing 30,000 square foot building, and add another approximately 5,000 square feet of space. The new store will comprise approximately 16,500 square feet of retail floor, an increase from the current West End store size of 5,600 square feet. The remaining area will include café seating for 60, storage, receiving, and commissary kitchen and events spaces. The new, approximately 5,000 square foot mezzanine will house administrative offices.

The applicant, Organic Nature, is a partnership between three entities that together bring experience in construction, housing/commercial rental management and project development. The Organic Nature team will own the property and lease the facility to GreenStar with an option to purchase in year 10.

The constraints of the current store location prevent GreenStar from reaching its true capacity and threaten the solvency of the entire business if they are not able to increase floor space in the near future. Several independent market studies have indicated GreenStar's capacity could be much larger and GreenStar has searched for relocation opportunities for 15 years. GreenStar's current West End store generates 77% of GreenStar's annual revenue. Annual sales are large, however, after operating expenses, net income typically is less than one percent of sales (i.e. \$22 million in sales, generates only \$220,000 in revenue).

This project is located just outside/adjacent to the CIITAP boundary. The City of Ithaca has recommended that the project be considered under the CIITAP policy umbrella. The project qualifies as of right for the 7-year abatement schedule offered under CIITAP.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – 40 new jobs with starting salaries at \$13.50 per hour plus benefits.
- Estimated value of tax exemption

Sales Tax	\$476,396
Mortgage Recording Tax	\$21,648
Property Tax	\$127,183
Total	\$625,227

The total incentive package represents approximately 4.2% of project costs.

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The sales tax and mortgage recording tax incentives would be delivered to both entities (Organic Nature and GreenStar) based on their respective qualified project related purchases and financing projections. The property tax incentive would be delivered to Organic Nature as the owner of the property and would directly benefit GreenStar as their lease structure requires that GreenStar pay property taxes directly.

- Estimate of private sector investment to be generated by the project – \$14.7 million
- Likelihood of completing project in a timely manner – All project approvals have been received by the City of Ithaca. The development team has experience and capacity to deliver this project on time. GreenStar membership approved the relocation. The GreenStar lease at the existing location terminates in December of 2019, so they are motivated to keep this project on schedule to be completed by year-end 2019.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – The project estimates adding \$900,000 in assessment to the tax base. During the 7-year PILOT term, an estimated \$130,246 will be paid in new property taxes.

- Other benefits that might result from the project:

Community Revitalization – The City of Ithaca has targeted the waterfront zone for revitalization and new development. This project reuses a now vacant warehouse and starts to create a neighborhood hub for what is hoped to be a new, vibrant neighborhood.

GreenStar's operations contribute over \$6 million to the purchase of goods within 100 miles of the City of Ithaca. The cooperative employees over 200 residents at a starting wage of \$12.98 per hour, with a full benefits package for employees working over 20 hours per week. The average hourly wage at GreenStar exceeds \$15 per hour.

- Retail Determination:

New York State law only allows IDA's to deliver incentives to projects where facilities are primarily used in making retail sales to customers if certain thresholds are met, one of which is the project is located in a "highly distressed" area. The project meets the highly distressed requirement as it is in a State designated Empire Zone (Zone 97 – Tompkins County – Subzone A: City CBD Industrial/Retail). Retail projects that meet the distressed threshold must also preserve and/or create permanent, private sector jobs. GreenStar has demonstrated that the current facility does not allow for a financially stable return on investment and they have been looking for a new location for over 10 years. This new location is critical to keep the company in business, thus retaining 240 current positions.

The Chief Executive Officer of Tompkins County (which is the County Administrator) will need to submit a letter to the IDA confirming the retail finding by the IDA prior to incentives being delivered.

According to federal New Market Tax Credit (NMTC) data, census tract #08 (36109000800) was assigned a "severe distress" status and was targeted for NMTC investments. The parcel meets the following criteria for determining severe distress: high poverty rate (30% or more) and low median

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family income (below 60% of AMI). The NMTC data (2011-2015) list the following qualifying criteria: Percent of People in Poverty: 35.3%, Tract Income as % of AMI: 50.01%.

Census Tract #08 has also been designated as a Qualified Opportunity Zone by the Treasury Department (5/18/18) based on NYS recommendation, designed to assist distressed census tract neighborhoods.

**Tompkins County Industrial Development Agency /
Tompkins County Development Corporation**
Application for Incentives

Date: 6/18/2018-REVISED

I. APPLICANT INFORMATION (company receiving benefit)

Name of Company/Applicant: Organic Nature LLC

Owner: Organic Nature LLC

Address: 330 East 14th Street

City: Elmira Heights State: NY Zip: 14903

Primary Contact (First, Last): Jason C Crane

Phone: (607)733-9664 Email: jcrane@edgerinc.com Fax: (607)733-3951

If a separate company will hold title to/own the property, please provide the name and contact information for that entity:

Name of (Holding) Company: N/A

Owner: _____

Address: _____

City: _____ State: _____ Zip: _____

Primary Contact (First, Last): _____

Phone: () - Email: _____ Fax: () -

Describe the terms and conditions of the lease between the applicant and the owner of the property: 10 year lease with buyout in year 10

Select the type of incentives being requested (select all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Tax-Exempt Bonds | <input type="checkbox"/> Taxable Bonds |
| <input checked="" type="checkbox"/> Real Property Tax Exemption | |
| <input checked="" type="checkbox"/> Standard Tax Exemption (7-year) | |
| <input type="checkbox"/> Other (attach justification) | |
| <input type="checkbox"/> CIITAP: <input type="checkbox"/> 7-year | |
| <input type="checkbox"/> CIITAP: <input type="checkbox"/> 10-year (requires determination of financial need – see CIITAP for details) | |
| <input checked="" type="checkbox"/> Sales Tax Exemption | <input checked="" type="checkbox"/> Mortgage Recording Tax Exemption |

Applicant Attorney: Sayles & Evans

Address: 1 Church Street

City: Elmira State: NY Zip: 14901

Primary Contact (if different from above:): Steve Agan

Phone: (607)734-2271 Email: sagan@saylesevan.com Fax: (607)734-1754

Applicant Accountant: Mengel Metzger Barr & Company Llp.

Address: 333 East Water Street #2

City: Elmira State: NY Zip: 14901

Primary Contact (if different from above:): Matt Green

Phone: (607)734-4183 Email: mgreen@mmb-co.com Fax: () -

Applicant Engineer/Architect (if known): Stream Collaborative

Address: 108 W. State Street

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): Noah Demarest

Phone: (607)216-8802 Email: noah@streamcolab.com Fax: () -

Applicant Contractor (if known): Edger Enterprises of Elmira, Inc.

Address: 330 East 14th Street

City: Elmira Heights State: NY Zip: 14903

Primary Contact (if different from above:): Jodi Edger

Phone: (607)733-9664 Email: jodiedger@edgerinc.com Fax: (607)733-3951

II. BUSINESS HISTORY

Year company was founded: 2018 NAICS Code: na

Type of ownership (i.e. C-Corp, LLC): LLC

Describe in detail company background, products, customers, goods and services: Jodi Edger, Lincoln Morse and Nick Lambrou established this company to operate the lease with Greenstar. Jodi Edger owns Edger Enterprises of Elmira, Inc. , Lincoln Morse owns Morse Construction and Nick Lambrou owns Lambrou Real Estate. They have combined there expertise of vertical ownership to facilitate the Rehabilitative construction of the Cascadilla Street property into the new Greenstar Grocery Store. Greenstar Co-op will consolidate its existing West End operations which currently span two blocks under one roof at 770 Cascadilla street. As noted above the new store will result from a renovation of the existing warehouse making it suitable for a retail grocery store. The retail square footage serving GreenStar's business model will increase from 6,500 square feet to 16,500 square feet. Below is a brief description and background of Edger Enterprises of Elmira, Inc, Lambrou Real Estate and Lincoln Morse's

experience in in their respective industries and property development..

Edger Enterprises of Elmira, Inc. is a local contracting company located in Chemung County in Elmira Heights NY and has achieved great success in its business by utilizing and investing in local labor and businesses in Steuben, Chemung, Tompkins and surrounding Counties. The Edger's have been committed to their local community for over 40 years and have heavily invested in their local labor forces during this time. During its peak employment times Edger directly employs over 100 local employees who live in Tompkins, Steuben and Chemung Counties. Currently Edger has 66 full time local employees. Additionally, Edger Enterprises is committed to using local subcontractors to perform any of Edger's work that is subcontracted. Edger Enterprises is proud of the fact they have achieved great success with their investment and employment of local labor and contractors in our area and is committed to continue to use local labor forces to complete its work for the Greenstar project located in the City of Ithaca.

The company began as Edger Contracting in 1976 by Bob and Mary Edger as a small family-run business specializing in residential site work and concrete sidewalk projects. Fifteen years later, in 1994, Bob and Mary turned over Edger Contracting to their children, Jodi and Jessica Edger, and Edger Enterprises of Elmira Inc. was created. Today, Edger Enterprises is a full service General Contractor. Edger Enterprises is proud to offer reliable, quality services for all construction needs utilizing local labor. The Edger's are committed to investing in their labor forces and working towards the revitalization of the community and area in which they have lived and earned great success. One example of many related to this commitment is an award-winning historic building renovation and development project they recently completed in the City of Corning. This project resulted in the successful renovation of the building where Corning Incorporated started, the Historic Hawkes Building on Market Street in Corning NY, into commercial space and apartments. Edger is proud of the fact that it was their local labor forces that completed this award-winning project.

The Edger's continue to be committed to property development in our area. As a result they have created a new entity, City Harbor LLC and partnered with Lambrou Real Estate and Lincoln Morse to invest in and purchase Johnson's Boatyard to facilitate a transformational Waterfront development and new store for Greenstar in the City of Ithaca. They believe this vertical integration in ownership is optimal for this project and provides for a combination of various expertise's and resources in property development to provide for a cost effective successful project and development again utilizing their own labor forces to facilitate completing this work.

Lambrou real estate was established in Ithaca in the early 60's by Gus Lambrou, a greek immigrant. His first holdings consisted of a grocery store and apartments on Eddy St, before adding a travel agency and student rentals company to the mix. Slowly the business transitioned to primarily student rentals, growing the company's portfolio to over 400 beds. Nick Lambrou took over the family business and sought to create a mark on downtown early in his career. By leveraging the location of the former travel agency Nick was able to convince Cornell, Ciminelli, and Hilton Hotels to partner in building a large mixed use hotel/office in Ithaca's urban core, the Hilton Garden Inn. This project kicked off all of the subsequent growth we have seen over the past 15 years around the commons.

Lincoln Morse has over 30 years' experience in Construction Management and Development in Tompkins County. Morse Project Management was formed in 2006 to pursue development and construction opportunities specific to the Ithaca community. The following projects are representative of the role Morse has played locally.

- INHS Breckenridge Place
- INHS Executive Office Expansion
- College Town Terrace – Student Housing Icon on Ithaca's East Hill
- Finger Lakes School of Massage – Downtown Relocation Project

- Student Agencies Foundation - eHub
- Center for Jewish Living at Cornell - Facilities Consultant
- College Town Crossing
- City Harbor - Waterfront Development
- Green Star Cooperative Market - West End Expansion

In recent years, Morse has dedicated its efforts to revitalizing Ithaca's waterfront. That effort cultivated the relationship between Green Star Cooperative Market and Morse Project Management. The goal to expand and relocate Green Star is becoming a reality. Final site plan approval for the new store to be located at 770 Cascadilla St will take place mid-summer 2018. Construction will follow by early September. More projects along Ithaca's waterfront are being pursued by Morse and collaborative partners.

The Edger's, Lambrou's and Lincoln Morse are very excited about this opportunity to rehabilitate Cascadilla Street into the new Greenstar Store and again are committed to using their local labor force and experience in construction and property development to work with the City of Ithaca to facilitate a successful project for Greenstar and a transformational waterfront development for all. We would like to express our appreciation for the opportunity to be a part of the revitalization effort for the City and look forward to continue working towards the goal of completing this project and adding value to the City, its community and economy with the use of its local labor force.

Major Customers: Greenstar is a Cooperative retail grocery business with over 11,000 transactions each week. The majority of their customers are in Tompkins county and surrounding areas.

Major Suppliers: Major suppliers for Greenstar are Untited Foods Distribution and Four Seasons Produce Distribution

Has your business every received incentives tied to job creation? Yes No

If yes, please describe: _____

Were the goals met? Yes No

If no, why were the goals not met? _____

Annual sales to customers in Tompkins County: \$22,400,000

Percent of annual sales subject to local sales tax: 18%

Value of annual supplies, raw materials and vendor services are that purchased from firms in Tompkins County: \$652,500

III. PROJECT DESCRIPTION AND DETAILS

Project Location (all addresses and tax parcels): 750 Cascadilla Street and 770 Cascadilla Street, located in the City of Ithaca, Tompkins County, State of New York, and identified as Tax Parcel Nos. 43.-2-5.21 and 43.-2-5.22 respectively. 770 Cascadilla is to be renovated to house a grocery store. 750 Cascadilla is to be demolished to provide parking and other civil components for the grocery store.

Property Size (acres):	existing:	<u>2.803</u>	proposed:	<u>2.803</u>
		750 Cascadilla-		770 Cascadilla-
		37,422		35,219
		770 Cascadilla-		750 Cascadilla-
Building Size (square feet):	existing:	<u>30,000 existing,</u>	proposed:	<u>0</u>
Proposed Dates:	start:	<u>09/1/2018</u>	end:	<u>12/31/2019</u>

Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or equipment purchases, etc.). Identify specific uses occurring within the Project. Describe any and all tenants and end users: GreenStar Cooperative Market is a local homegrown cooperative grocer started in Ithaca, NY in 1971. The co-op currently has over 12,000 Member-Owners, the majority of which reside in Tompkins and adjacent counties. The co-op operates three storefronts at 215 Cayuga Street, 307 College Avenue and 701 West Buffalo Street as well as a warehouse, commissary kitchen, events venue and community classroom space out of property it owns at 700 & 702 West Buffalo Street. GreenStar leases its retail stores.

In 2017 GreenStar's operations contributed over \$6 million to the purchase of goods within 100 miles of the City of Ithaca. The cooperative employs over 200 residents of the community at a starting wage of \$12.98 per hour, offering benefits to those working at 20 or more hours per week. The average hourly wage at GreenStar exceeds \$15 per hour. GreenStar wages and benefits account for an additional \$5.7 million paid to its employees in 2017. GreenStar's operations in 2017 generated over \$22.4 million in revenue and is poised to grow and capture even more of the Ithaca market if it is able to build its capacity to do so.

The Cooperative's West End store has occupied the facility at 701 West Buffalo street since 1992. This location accounts for 77% of GreenStar's total annual revenue. The constraints of its current West End store location prevent GreenStar from reaching its true capacity and indeed threaten the solvency of the entire business if it were not able to size up its operations in the near future. While our sales are not insignificant, our operating expenses are also substantial, with our net income typically budgeted at less than one percent of sales.

Several independent market studies commissioned by GreenStar over the years have clearly indicated that the potential market for GreenStar co-op in Ithaca is much larger than the current West End store location can facilitate. GreenStar has actively sought to relocate its West End store for at least 15 years until the sites at 750/770 Cascadilla Street were presented as an option by Organic Waterfront. GreenStar's Membership recently approved the consolidation and relocation of its West End Campus to this new site on Cascadilla street adjacent to Route 13.

The scope of the project includes the razing of one existing warehouse at 750 Cascadilla to provide parking and access to the new GreenStar store providing at least 148 parking spaces indicated as critical by the most recently market study commissioned by GreenStar. The 30,000 square feet of existing warehouse at 770 Cascadilla street will be renovated to house the new GreenStar West End store. The new store will encompass approximately 16,500 SF of retail floor, an increase from the current West End store size of 5,600 SF. The remaining square feet will house storage, receiving, commissary kitchen and events spaces. The renovation of this warehouse will also include the addition of a mezzanine of approximately 5,200 square feet to house GreenStar's consolidated administrative offices and functions.

It is established that the consolidation and expansion of GreenStar's West End campus is necessary to the long-term survival and solvency of this community institution. Beyond this fact are the tremendous

benefits that this project will bring to our community in a myriad of ways.

Cooperatives have been shown to be greatly beneficial to their communities compared to their conventional business counterparts. By the time GreenStar opens its doors in 2019 its starting pay will likely be over \$13.50 per hour plus benefits compared to an industry which often relies on starting employees at the State Mandated minimum wage which would be \$11.10 at this time with no guaranteed benefits. GreenStar's business plan for this expansion estimates that approximately 40 full time equivalent positions will be created by this project specifically. Simply put this expansion will create a significant amount of high paying jobs for our residents. It is estimated that in 2020 GreenStar's wages and benefits alone will account for \$7 million paid to its employees.

GreenStar's contribution to the local economy is undeniable. With this expansion project GreenStar is estimated to spend \$9 million in 2020 alone on products grown or produced within 100 miles of Ithaca. The new store layout will be a hub of community activity as well as a gathering place. Our expanded café will go from seating 18 people at present to at least 60. A kid's activity program throughout the week will ensure that busy parents can have their children safely engaged in various fun activities on the premises while they shop in comfort in our spacious new store. Our relocated classrooms and event space will feature a new fully functional teaching kitchen as well as a community meeting space. These two spaces can be combined for large gatherings or divided to facilitate two community meetings simultaneously. The value of the classrooms and event space has become clear over the years in their present location and only increases with these features being located on the same site as the store.

The GreenStar West End campus will be at the center of Ithaca's Waterfront development, taking land which is largely underutilized and transforming it to a bustling community of commerce and residency. The planned developments surrounding GreenStar's new location will massively benefit from having GreenStar within easy walking distance of their homes.

GreenStar's planned expansion to 770 Cascadilla Street is a rare "win-win" development situation where developers, the business community and City of Ithaca can partner together to bring unprecedented positive impact to their community. The lease at our current 701 West Buffalo street location expires in 2019. The current location no longer serves our need to grow and is indeed now contributing to a consistent low growth/rising costs dynamic which we must overcome through a relocation of our West End Campus.

In addition, the grocery business is not known for its high margins especially for the cooperative grocery business. GreenStar Cooperative Markets only makes approximately half a cent of profit for every dollar of revenue it generates. So, while we posted revenue of \$22.4 million in 2017 we had to manage every aspect of our operations in the hope that we might make \$112k in profit to reinvest in our business. With these kinds of razor thin margins, it only takes one mistake or one piece of equipment to breakdown and our entire profit margin could be wiped out. This is true of 2017 when our \$22.4 million in sales did not meet our projected growth by a significant amount while our expenses continued to rise. This is symptomatic of an outdated facility that cannot meet our present need for capacity or sales growth potential. As a result, GreenStar will post an operating loss for 2017. This loss is why we need to relocate to a larger more appropriate venue for our store operations. Our business's extremely small operating margin is why tax abatements are critical to making our project a financial success as well as even feasible.

GreenStar is asking that the City consider a full abatement of sales tax related to this project as well as a property tax and mortgage tax abatement.

GreenStar has an excellent relationship with its developer Organic Nature LLC. All proceedings have been collaborative and "open book" meaning that both parties have willingly shared their financial details throughout the process in an effort to make this project come to fruition. As a result, GreenStar's lease of the new facility is directly related to the costs of the project. If Organic Nature is unable to obtain a sales tax abatement on the project this will increase the lease schedule for GreenStar. Likewise, if the property tax is not abated in the first 10 years this will also directly impact GreenStar's fragile bottom line. We estimate that these two items alone would add an additional \$12k in annual operating costs if not abated. While this may seem relatively small by most standards this represents 1/10 of our estimated annual net income, a number GreenStar cannot afford to sacrifice without threatening the stability of its financial

plan.

GreenStar also needs the sales tax abatement for its own costs related to this project. With equipment costs projected at over \$3 million a sales tax abatement would save GreenStar over \$200k in sales tax related to this expense line.

Our entire business plan and proforma are predicated on these abatements. Without them, this project will not be financially feasible. All told the abatements would lower the total cost of this project to GreenStar by approximately \$320,000. Leading indicators such as Net Income, Cash Flow, Days of Cash on Hand as well as our Debt Service Coverage Ratio come within the bare minimum of industry standards making us too vulnerable for our investors to be comfortable in supporting this project. Without abatements our Net Income goes from one year of loss of -\$854k to two years of loss totaling over -\$1.1 million. Our Cash Flow goes from a one-year negative trend of \$-24k to a loss of -\$186k in the first year. Our Days of Cash on Hand drops from its lowest point of 21 days to 18 days, dangerously close to the standard industry minimum of 16 days. And finally, our Debt Service Coverage Ratio goes from being out of compliance (below 2:1) for one year at .64:1 to being out of compliance for three years below the minimum. All of these factors would make it much less likely for GreenStar to obtain the necessary bank financing for our project. If we consider the fact that this project is necessary for the future of GreenStar co-op then it is reasonable to consider these abatements are also critical to the success of our cooperative business as a whole.

Lastly the current CIITAP boundary is immediately adjacent to the south end of the new GreenStar location at 770 Cascadilla street. Given the proximity to this boundary it seems appropriate that the City consider GreenStar for abatements subject to the CIITAP requirements. Even though the future GreenStar site is just slightly out of the current CIITAP boundary I believe we should be considered for CIITAP abatements due to our overwhelming alignment with the spirit of the CIITAP application process. GreenStar's contribution to the local economy is enormous with \$6 million annual paid to local farmers and vendors as well as an additional \$7 million paid in wages and benefits to over 200 employees. This GreenStar expansion will add an additional 40 full-time equivalent jobs to our local economy. GreenStar is a homegrown business as well as a cooperative which has over 12,000 individual stakeholders as Owners of the cooperative. The overwhelming majority of Owners are residents of the City of Ithaca. GreenStar's tireless community work on diversity and inclusion initiatives and affordable healthy food access is praised on a national level as leading the chart of change in our country. Our capacity to continue this good work would only increase with the expansion of our West End store.

Is there a likelihood that the Project would not be undertaken but for the financial assistance provided by the Agency? Yes No

If yes, describe the reasons why the Agency's financial assistance is necessary and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc.: Noted in above narrative

If no, provide a narrative indicating why the Project should be undertaken by the Agency:

If the Applicant is unable to obtain financial assistance for the Project what will be the impact on the County/City/Town/Village? Noted in above narrative

Describe what green building practices you plan to use: Design team is still working on the energy efficiency and design components. Updates will be available through the miniciple improvement process.

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 stays (days): _____

Occupancy

Select Project type for all end users at Project site (select all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Service*, ** |
| <input type="checkbox"/> Acquisition of existing facility | <input type="checkbox"/> Back office |
| <input type="checkbox"/> Housing | <input checked="" type="checkbox"/> Mixed use |
| <input type="checkbox"/> Multi-tenant | <input type="checkbox"/> Facility for aging |
| <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Civic facility (not for profit) |
| <input checked="" type="checkbox"/> Retail*, ** | <input type="checkbox"/> Other |

* For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.

** If Applicant checked "retail" or "service," complete the Retail Questionnaire contained in Section X.

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):

Business	Nature of Business	% of total square footage
1. Greenstar	Cooperative Grocery	100
2. _____	_____	_____
3. _____	_____	_____

IV. PROJECT COSTS AND FINANCING

Project Costs

		Amount (\$)
Land and/or Building Acquisition:	<u>2.803</u> acres <u>30000</u> square feet	<u>\$3,094,295</u>
New Building Construction:	_____ square feet	<u>\$</u>
Building Addition(s):	_____ square feet	<u>\$</u>

- 1
 - 2
 - 3
 - 4
 - 5
 - 6
 - 7
- Totals

If the applicant is requesting incentives that are greater than the Agency's Standard Tax Exemption (7 years), please provide a description of the incentive and a justification:

Sales and Use Tax Benefit:

Gross amount of costs for goods and services that are subject to State and local sales and use tax – said amount to benefit from the Agency's sales and use tax exemption benefit: \$ 5,954,959

Estimated State and local sales and use tax benefit (product of sales and use tax amount as indicated above multiplied by 8%) \$ 476,396

Note: The estimate provided above will be provided to the New York State Department of Taxation and Finance and represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to the application.

Mortgage Recording Tax Benefit:

Mortgage Amount (include construction/permanent/bridge financing/refinancing): \$ 8,659,518

Estimated mortgage recording tax exemption benefit (product of mortgage amount as indicated above multiplied by .0025%): \$ 21,648

Complete for bond applicants only: (Projected 25 year borrowing term)

	Without Bonds	With Bonds
First Year Debt Service	\$ _____	\$ _____
Total Debt Service	\$ _____	\$ _____

Percentage of Project costs financed from public sector:

A. Total Project Cost	<u>\$14,761,998</u>
B. Estimated Value of PILOT	<u>\$127,183</u>

C. Estimated Value of Sales Tax Incentive	\$476,396
D. Estimated Value of Mortgage Tax Incentive	\$21,648
E. Total Other Public Incentives (tax credits, grants, ESD incentives, etc.)	\$_____

Calculation of percentage of Project costs financed from public sector: 4.2%
 (Total B + C + D + E above / Total Project Cost)

VI. EMPLOYMENT INFORMATION

Note: Annual employment reporting will be required during the course of the abatement.

Describe the benefits you offer to your employees:

In 2018 base pay starts at \$12.98 / hr which is well above the average minimum wage grocery starting pay.

2018 GreenStar Employee Benefits Profile

Benefits/Data GreenStar Co-op

Annual Sales Approximately \$22,000,000

Employee discount 17.5% regular cost
 30% supplements discount

Vacation time accrual Year 1: .038 x hours worked

Each additional year increases: .0076 x hours worked

Maximum vacation accrual is 205 hours annually (after 9 yrs).

Sick/Personal time accrual .019 x hours worked.

Medical insurance coverage 20-24 hrs per week GS contribution = \$220 / month
 for individual employees 25-29 hrs per week GS Contribution = \$330 / month
 20-34 hrs per week GS contribution = \$440 / month
 35-40 hrs per week GS contribution = \$550 / month

Holiday pay Employees paid the equivalent of 7 of their "days" annually

Other Benefits Dental coverage

Life Insurance – Employer Provided

401 K

Bereavement

FMLA

FSA

Pay advance

Sick Pool
Coffee / Tea allowance
Life Insurance – Employee Owned
AFLAC
LegalShield

Describe the internal training and advancement opportunities you offer to your employees: GreenStar emphasizes development and training within to move up within the organization. Internal employees have preference when applying for jobs within the cooperative. We have a full training suite online for internal development through a cooperative program titled Co-op U. GreenStar also offers its own internal professional development trainings including Diversity and Inclusion, Culture of Respect, Safety and Security, Having Difficult Conversations.

Employment Plan

Occupation in Company	Current (Retained) Permanent Full Time Jobs		Projected New Permanent Full-Time Jobs			
	Average Annual Salary Ranges/ Hourly Wage	Number of Employees	Year 1	Year 2	Year 3	Total New Jobs
Professional	\$55 k	16	2			2
Clerical	16.71	10	6			6
Sales	15.71	129	28			28
Services	15.25	85	4			4
Construction						
Manufacturing						
High Skilled						
Medium Skilled						
Basic Skilled						
Other (describe)						
Total		240	40			40

What percentage of your current positions are occupied by women? 50 %

What percentage of your current positions are occupied by minorities? 18 %

Estimated percentage of new hires who would be unemployed at time of hire: n/a%

Estimate the number of residents of the labor market area in which the Project is located that will fill the projected new jobs to be created. (The Agency defines the labor market area as Tompkins County and the contiguous counties; Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties) 40

Are you willing to pay a livable wage, as defined by the Alternatives Federal Credit union (AFCU) of Ithaca, NY (http://www.alternatives.org/pdf/AFCU-2015-1055_FINAL2.pdf) to all employees for the duration of the abatements? Yes No

If no, estimate the percentage of the current workforce whose wages meet or exceed the livable wage, as defined by AFCU. %

Please describe your strategy for ensuring diversity in hiring: Hiring managers are required to attend hiring for Diversity and Inclusion in the workplace training on a regular basis. It is also a mandated practice of the management team to hire for diversity and inclusion candidates. Our HR team is ongoingly developing systems to support this initiative. We maintain relationships with community centers and individuals representing diverse communities as a "pipeline" for new applications and recommendations for positions within the cooperative.

VII. CONSTRUCTION LABOR

Note: Applicants will be required to comply with the Agency's Local Labor Utilization Policy.

Will you use contractors who:

- Have a certified apprenticeship program Yes _____ % No
- Pay a prevailing wage Yes _____ % No
- Use local labor Yes >50 % No

VIII. ENVIRONMENTAL REVIEW AND PERMITTING

Environmental Assessment Form - Short Form Long Form

Submitted to: City of Ithaca Planning Board

Agency Name: City of Ithaca

Agency Address: 108 E. Green Street

City: Ithaca State: NY Zip: 14850

Date of submission: 4-24-18 Status of submission: Negative DEC as of 5-23-18

The Applicant must comply with the State Environmental Quality Review Act (SEQRA) before the Agency can vote on proposed financial incentives. It is the applicant's responsibility to provide a copy of the-SEQRA determination by another entity.

Permits: Describe other permits required and status of approval process.

Permit	Status
1. <u>Demolition</u>	<u>In Progress</u>
2. <u>Building</u>	<u>In Progress</u>
3. <u>Electrical</u>	<u>In Progress</u>
4. <u>Plumbing</u>	<u>In Progress</u>

IX. OTHER

Do you have anything else you would like to tell the TCIDA regarding this project?
See narrative

X. RETAIL QUESTIONNAIRE (Fill out if end users are "retail" or "service" as identified in Section III)

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the project site to undertake either a retail sale transaction or to purchase services.

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? Yes No

If yes, please continue. If no, do not complete the remainder of the retail questionnaire and proceed to the next section of the application.

For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the Project? 57%
w/o
parkin
g lot %
26%
with
lot

If the answer is less than 33.33% do not complete the remainder of the retail determination and proceed to the next section of the application.

If the answer to Question A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the Project:

- 1. Will the Project be operated by a not-for-profit corporation? Yes No
- 2. Is the Project location or facility likely to attract a significant number of visitors from outside Tompkins County? Yes No
- 3. Will the Project make available goods or services which are not currently reasonably accessible to the residents of the municipality within which the proposed Project would be located? Yes No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes No

If yes, explain: The expansion of GreenStar cooperative Market will preserve present jobs and will add new jobs as a percentage of sales. The current estimate is that approximately 40 full time equivalent positions with the co-op.

XI. INTER-MUNICIPAL MOVE DETERMINATION

The Agency is required by State law to make a determination that, if completion of a Project benefiting from the Agency financial assistance results in the removal of an industrial or manufacturing plant of the Project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant located within the State, Agency financial assistance is required to prevent the Project occupant from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry.

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the State? Yes No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the State? Yes No

If yes to either question explain how notwithstanding the aforementioned closing or activity reduction the Agency's financial assistance is required to prevent the Project from relocating out of the State or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

GreenStar's lease for its West End location ends in 2019, with no current options for renewal. Additionally, its capacity to serve its membership and customer base has been capped due to retail space and parking limitations, as shown in its sales history and market studies. This expansion and relocation will provide a future for the cooperative grocery and its over 12,000 local owners by allowing it to increase sales and services to the local community while pursuing efficiencies by physically consolidating several of its spaces.

Does the Project involve relocation or consolidation of a Project occupant from another municipality:

Within New York State: Yes No

Within County/City/Town/Village: Yes No

If yes to either question above, please explain: _____

REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

Jessica Edger Hillman (name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Managing Member (title) of Organic Nature LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed Project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300) ("JTPA") in which the proposed Project is located.
- B. First Consideration for Employment. In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed Project.
- C. Employment Reports. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization, local construction labor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Project Agreement between the Agency and Applicant.
- D. Labor Utilization Reporting. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to comply with the Labor Utilization Policy, which requires providing documentation that construction bids were solicited from local firms and monthly construction labor reporting as outlined in the Policy.
- E. Hold Harmless Provision. The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (ii) the Agency's acquisition, construction and/or installation of the Project described therein and (iii) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

- F. Sales Tax. In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copies of all filings shall be provided to the Agency.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant.

- G. Fees. By executing and submitting this Application, the applicant covenants and agrees to pay the following fees:
- (i) An Administrative Fee in accordance with the Administrative Fee Policy effective as of the date of this application, to be paid at transaction closing (unless otherwise outlined in the Project Agreement or authorizing resolution). This fee will be equal to 1% of the total value of expenses that are positively impacted by the Agency incentives. The Agency may reduce the administrative fees from 1% to .50% of project costs if the total project cost is less than \$1 million. For total project costs greater than \$1 million but less than \$2 million, the fees may be reduced from 1% to .75% of project costs;
 - (ii) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed Project; with all such charges to be paid by the Applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;
 - (iii) The cost incurred by the Agency and paid by the Applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

If the Applicant fails to conclude or consummate necessary negotiations, or fails, 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 Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

- H. FOIL. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.
- I. Financial Review. The Applicant acknowledges that the Agency shall undertake an assessment of all material information included in connection with the Application for Financial Assistance as necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project, including, but not limited to qualification of the proposed project under the GML (including any retail analysis, as applicable), conducting a full application review, review of applicant financial history and project pro-formas, and consideration of all local development priorities.

**NEW YORK STATE FINANCIAL REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

Please be advised that the New York General Municipal Law imposes certain reporting requirements on IDAs and recipients of IDA financial assistance. Of particular importance to IDA applicants is Section 859 (copy attached). This section requires IDAs to transmit financial statements within 90 days following the end of an Agency's fiscal year ending December 31, prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development. These audited financial statements shall include supplemental schedules listing the following information:

1. All straight-lease ("sale-leaseback") transactions and whether or not they are obligations of the Agency.
2. All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.
3. All new bond issues shall be listed and for each new bond issue, the following information is required:
 - a. Name of the project financed with the bond proceeds.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which the bond was issued.
 - f. Bond interest rate at issuance and, if variable, the range of interest rates applicable.
 - g. Bond maturity date.
 - h. Federal tax status of the bond issue.
 - i. Estimate of the number of jobs created and retained for the project.
4. All new straight lease transactions shall be listed and for each new straight lease transaction, the following information is required:
 - a. Name of the project.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which each transaction was made.
 - f. Method of financial assistance utilized for each project, other than the tax exemptions claimed by the project.
 - g. Estimate of the number of jobs created and retained for the project.

Please sign below to indicate that you have read and understood the above.

Name: Jessica Edger Hillman

Title: Managing Member

Company: Organic Nature LLC

Date: 6/5/2018

- J. The Applicant represents and warrants that the information contained in this Application, to the best of the Applicant's knowledge, is true, accurate and complete.
- K. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, State and federal tax, worker protection and environmental laws, rules and regulations.
- L. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provisions of Section 859-a(5) and Section 862(1) of the New York General Municipal Law.
- M. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.
- N. The Applicant and the individual executing this application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Name: Jessica Edger Hillman
 Title: Managing Member
 Company: Organic Nature LLC
 Date: 6/5/2018

STATE OF NEW YORK)
) SS.:
 COUNTY OF TOMPKINS)

On the 18th day of June in the year 2018 before me, the undersigned, personally appeared Jessica Edger Hillman personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


 Notary Public

JASON C. CRANE
 Notary Public, State of New York
 Steuben County No. 01CR6323360
 Commission Expires April 20, 20 19

**INDUCEMENT RESOLUTION:
Organic Nature LLC
770 Cascadilla Street, City of Ithaca**

A regular meeting of the Tompkins County Industrial Development Agency was convened on July 12, 2018 at 3:30 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution authorizing the Tompkins County Industrial Development Agency to

(i) take a leasehold interest in real property to be acquired by Organic Nature LLC consisting of an approximately 1.33-acre parcel of land located at 770 Cascadilla Street in the City of Ithaca, Tompkins County, New York (currently designated as tax parcel number 43.-2-5.22), and improvements to be renovated and constructed thereon;

(ii) appoint Organic Nature LLC as its agent to demolish an existing warehouse on said parcel and to acquire, construct and equip thereon 148 parking spaces; the renovation of an existing 30,000-square-foot building to add approximately 5,000 square feet of space; and the construction and equipping of the resulting approximately 35,000-square-foot building for a 16,500-square-foot organic grocery store, café seating for 60, storage, receiving, commissary kitchen and events space, and administrative offices;

(iii) negotiate and execute a lease agreement, leaseback agreement and related payment-in-lieu-of-tax agreement;

(iv) provide financial assistance to Organic Nature LLC in the form of

(a) a sales tax exemption for purchases and rentals related to the acquisition, construction and equipping of the project,

(b) a partial real property tax abatement through the PILOT Agreement, and

**(c) a partial mortgage tax exemption for the financing related to the project;
and**

(v) execute related documents.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and § 895-b of the General Municipal Law of the State of New York, as amended (hereinafter collectively called the “Act”), TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter called the “Agency”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, Organic Nature LLC (hereinafter called the “Company”), for itself or on behalf of an entity to be formed, desires to acquire an approximately 1.33-acre parcel of land located at 770 Cascadilla Street in the City of Ithaca, Tompkins County, New York (currently designated as tax parcel number 43.-2-

5.22) (the “Land”); to demolish an existing warehouse thereon, and to acquire, construct and equip thereon 148 parking spaces; the renovation of an existing 30,000-square-foot building to add approximately 5,000 square feet of space; and the construction and equipping of the resulting approximately 35,000-square-foot building for a 16,500-square-foot organic grocery store, café seating for 60, storage, receiving, commissary kitchen and events space, and administrative offices (hereinafter called the “Project”); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing, and equipping the Project, (ii) negotiate and enter into a lease agreement (the “Lease”), leaseback agreement (the “Leaseback Agreement”) and payment-in-lieu-of-tax agreement (the “PILOT Agreement”) with the Company containing the abatement schedule set forth in Exhibit A, (iii) take a leasehold interest in the land and the improvements and personal property constituting the Project (once the Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) a partial mortgage tax exemption for the financing related to the Project; and

WHEREAS, pursuant to General Municipal Law Section 859-a, at 4:30 p.m. on July 9, 2018 at the Ithaca City Hall, located in the City of Ithaca at 108 East Green Street, Ithaca, New York, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the minutes of said Public Hearing is attached hereto as Exhibit B; and

WHEREAS, the City of Ithaca Planning and Development Board on June 26, 2018 issued a negative declaration (the “SEQR Proceedings”) under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, “SEQR”) with respect to the Project. A copy of the negative declaration is attached hereto as Exhibit C; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company’s application, the Agency hereby finds and determines that:

- a. By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and
- b. It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and
- c. The Agency has the authority to take the actions contemplated herein under the Act; and

- d. The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Tompkins County and otherwise furthering the purposes of the Agency as set forth in the Act; and
- e. The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the “State”) to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State, and the Agency hereby finds that, based on the Company’s application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and
- f. Although the Project is located just outside the boundary of the density district for the Agency’s Community Investment Incentive Tax Abatement Program, the Project would otherwise qualify for the program, and the City of Ithaca’s CIITAP Review Committee has recommended that the Project be granted incentives similar to those available for projects located within the boundary of the density district. A copy of the Review Committee’s letter is attached hereto as Exhibit D; and
- g. The Project meets the requirements of the Agency’s policies and procedures with regard to retail or commercial projects and of Article 18-A of the General Municipal Law with regard to retail projects in that it:
 - i. is located in a “highly distressed area” by virtue of being within an area designated as an Empire Zone (Tompkins County [97], sub zone A [City CBD and contiguous commercial/industrial area]) and
 - ii. will serve the public purposes of Article 18-A of the General Municipal Law by preserving or increasing the overall number of permanent, private sector jobs in the State.

Prior to providing the financial assistance contemplated in this Resolution, the Tompkins County Administrator, as chief executive officer of the municipality for whose benefit the Agency was created, must confirm the proposed action of the Agency.

- h. The Project involves a Type I action as defined in Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, “SEQR”).

Section 2. Based upon a review of the Company’s application and the SEQR Proceedings submitted to the Agency, the Agency hereby:

- a. Consents to and affirms the status of the City of Ithaca Planning and Development Board (the “Planning Board”) as Lead Agency within the meaning of, and for all purposes of complying with, SEQR;

- b. Determines that the proceedings undertaken by the Planning Board as Lead Agency under SEQR with respect to the acquisition, construction and equipping of the Facility satisfy the requirements of SEQR, and ratifies and confirms such proceedings by the Planning Board as Lead Agency;
- c. Determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the financial assistance contemplated by the Agency with respect to the Project and the participation by the Agency in undertaking the Project have been satisfied.

Section 3. Based upon the representations and warranties made by the Company in its application for financial assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$5,954,959.00**, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed **\$476,396.00**. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 4. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 5. Subject to the Company executing an Agency Project Agreement, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors and subcontractors of such agents and subagents and to such other parties as the Company

chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting on its own behalf; provided, however, that the Agent Agreement shall expire on **July 31, 2020** (unless extended for good cause by the Administrative Director of the Agency) if the Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 6. The Chairperson, Vice Chairperson, and/or the Administrative Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (a) the Lease Agreement whereby the Company conveys a leasehold interest in the Project to the Agency, (b) the related Leaseback Agreement leasing the Project back to the Company, and (c) the PILOT Agreement; provided (i) the rental payments under the Leaseback Agreement include payment of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 7. The Chair, Vice Chair and/or Administrative Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents, in a form acceptable to the Agency's counsel, reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount of **\$9,000,000.00** to finance demolition, building construction, materials, equipment, and other personal property and related transactional costs (hereinafter, with the Leaseback Agreement and PILOT Agreement, collectively called the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, Vice Chair and/or Administrative Director of the Agency shall approve, the execution thereof by the Chair, Vice Chair and/or Administrative Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 8. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 9. These resolutions shall take effect immediately.

The question of the adoption of the foregoing resolutions was duly put to a vote by roll call, which resulted as follows:

<u>Member names</u>	<u>Yea</u>	<u>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Richard T. John, Chairperson	[]	[]	[]	[]
Martha Robertson, Vice Chairperson	[]	[]	[]	[]
Jennifer Tavares, Secretary	[]	[]	[]	[]
John Guttridge	[]	[]	[]	[]
Michael Sigler	[]	[]	[]	[]
Leslyn McBean-Clairborne	[]	[]	[]	[]
Laura Lewis	[]	[]	[]	[]

The resolutions were thereupon duly adopted.

I, Jennifer Tavares, as Secretary of the Tompkins County Industrial Development Agency, hereby certify that the above is a true and correct copy of a duly authorized resolution of the Tompkins County Industrial Development Agency.

Dated: July _____, 2018

 Jennifer Tavares, Secretary of the Tompkins County
 Industrial Development Agency

EXHIBIT A

Payment-in-Lieu-of-Tax (“PILOT”) Agreement abatement schedule

As long as the Land and improvements thereon are leased to the Agency and, therefore, exempt from general real property taxation, the Company agrees to pay annually to such Taxing Jurisdictions, i.e., the City of Ithaca, the County of Tompkins, and the Ithaca City School District (or cause any mortgagee to release any escrow for payments hereunder annually to such Taxing Jurisdiction), as a payment in lieu of general real property taxes respecting such premises:

(i) an amount equal to 100% of the real property taxes which would be due for said premises but for record ownership by the Agency (but without reference to, or utilization of, Section 485-b of the Real Property Tax Law of the State of New York) based on a current assessment of such improvements, commencing the first tax status date following the date of execution of the PILOT Agreement; and

(ii) with respect to the portion of the assessed value of said premises attributable to the construction of the Project thereon, the following percentages of the general real property taxes which would be due in respect of the improvements to the premises (i.e., the assessed value of the improvements to the premises) but for its record ownership by the Agency (but without any reference to, or utilization of, Section 485-b of the Real Property Tax law of the State of New York), based on a then-current assessment of such improvements:

<u>YEAR OF EXEMPTION</u>	<u>TAXING JURISDICTIONS PAYMENT IN LIEU OF TAX FOR ASSESSED VALUE OF IMPROVEMENTS</u>
1	10%
2	23%
3	36%
4	49%
5	61%
6	74%
7	87%
8 and thereafter	100% (no abatement; full taxes paid)

(it being understood and agreed that from the date hereof until year 1 of exemption, the Company shall be obligated to pay or cause to be paid annually to the Taxing Jurisdictions normal real property taxes on the full assessed value of the total land portion and then-existing improvements on the conveyed premises).

NOTICE OF PUBLIC HEARING ON PROPOSED FINANCING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to §859-a of the New York General Municipal Law will be held by the Tompkins County Industrial Development Agency (the “IDA”) on the 9th day of July, 2018, at 4:30 p.m. in the Common Council Chambers at Ithaca City Hall, 108 East Green Street, Ithaca, New York, in connection with the following matter:

Organic Nature LLC (the “Company”), a New York State limited liability company, and its successors or designees, has requested that the IDA provide financial assistance for the following project: the acquisition of real property at 770 Cascadilla Street in the City of Ithaca, County of Tompkins, and State of New York (tax parcel number 43.-2-5.22) (“the Property”); the demolition of one existing warehouse thereon; the construction of 148 parking spaces; the renovation of an existing 30,000-square-foot building to add approximately 5,000 square feet of space; and the construction and equipping of the resulting approximately 35,000-square-foot building for a 16,500-square-foot organic grocery store, café seating for 60, storage, receiving, commissary kitchen and events spaces, and administrative offices (“the Improvements”); the Property and Improvements are collectively referred to as “the Facility.”

The financial assistance contemplated by the IDA will consist generally of exemption from taxation expected to be claimed by the Company as a result of the IDA taking title to, possession or control (by lease, license or otherwise) of the Facility, or the Company acting as an agent of the IDA, consisting of: (a) the Company’s exemption from state and local sales and use tax with respect to the qualifying personal property portion of the Facility; (b) the Company’s exemption from real estate transfer tax with respect to the transfer of the Facility or a portion thereof to the IDA; (c) the Company’s exemption from the local portion of mortgage recording tax with respect to any qualifying mortgage on the Facility, which exemption shall be offset, in part, by contractual payment in lieu of a portion of said mortgage recording tax; and (d) the Company’s exemption from general real property taxation with respect to the Facility, which exemption shall be offset, in whole or in part, by contractual payments in lieu of taxes (“PILOT” payments) by the Company for the benefit of tax-affected jurisdictions.

In accordance with §875(3) of the New York General Municipal Law, and if the application by the Company is approved, any New York State and local sales and use tax exemption claimed by the Company and approved by the Agency in connection with the above-described project may be subject to recapture by the Agency under the terms and conditions set forth in §875(3) and as will be set forth in the Agency Project Agreement to be entered into by and between the Agency and the Company.

The proposed exemption from state and local sales and use tax is expected to exceed \$100,000. The proposed PILOT Agreement does not deviate from the standard property tax abatement schedule of the IDA but does deviate from the City of Ithaca Community Investment Incentive Tax Abatement Program (CIITAP) Policy. The Property lies outside the required density district.

Members of the public are invited to review the project application containing an analysis of the costs and benefits of the proposed project at the IDA’s office (401 East State/MLK Jr. Street, Suite 402B, Ithaca, New York) during regular business hours.

The IDA will, at the above-stated time and place, hear all persons with views in favor of or opposed to either the location or nature of the Project, or the proposed financial assistance being contemplated by the IDA. In addition, at, or prior to, such hearing, interested parties may submit to the IDA written materials pertaining to such matters.

A report of the hearing will be made available to the Tompkins County Industrial Development Agency Board of Directors. Approval of the financing by the IDA through its Board of Directors is necessary.

Dated: June 21, 2018

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**APPROVED RESOLUTION
CEQR Negative Declaration**

**GreenStar Cooperative Market
750-770 Cascadilla St
Site Plan Review
City of Ithaca Planning & Development Board
May 22, 2018**

WHEREAS: an application has been submitted for review and approval by the City of Ithaca Planning and Development Board for a building remodel and site improvements for GreenStar Cooperative Market, and

WHEREAS: the applicant proposes to relocate GreenStar Cooperative Market from its current location at 701 West Buffalo Street to an existing 29,978 SF building on a 2.8 acre project site comprising two tax parcels at 750 & 770 Cascadilla Street. The site is currently occupied by two one-story concrete block structures, covering 37,615 SF and 29,978 SF. There is 17,543 SF of greenspace, and the remainder of the site is paved. The larger of the two buildings will be demolished to make way for a 150+/- car parking area, which will feature new landscaping and stormwater treatment systems. New greenspaces, entry and an outdoor café will be developed around the perimeter of the building. The building will be connected to Cascadilla Street by a new sidewalk along the east edge of the lot, and new sidewalks will be installed along the Cascadilla Street frontage to connect the site with the City sidewalk network. A timber structure along the street edge will incorporate signage and parking lot screening and create a defined street edge. The project in the waterfront Market District (MD), and

WHEREAS: this has been determined to be a Type I Action under the City of Ithaca Environmental Quality Review Ordinance (“CEQRO”) §176-4 B.(1)(d) and the State Environmental Quality Review Act (“SEQRA”) § 617.4 (b)(10) and requires environmental review.

WHEREAS: the Ithaca Industrial Development Agency (IDA), a potentially involved agency, has consented to the City of Ithaca Planning and Development Board being Lead Agency for this project, and

WHEREAS: the Planning Board, being the local agency which has primary responsibility for approving and funding or carrying out the action, did, on April 24, 2018 declare itself Lead Agency for the project, and

WHEREAS: this Board, acting as Lead Agency in Environmental Review, has on May 22, 2018 reviewed and accepted as adequate: a Full Environmental Assessment Form (FEAF), Part 1, submitted by the applicant, and Parts 2 and 3 prepared by Planning staff and amended by the Board; drawings titled “Existing Conditions (C101)”, “Erosion and Sediment Control Plan (C102)”, “Grading and Drainage Plan (C103)”, “Utility Plan (C104)”, “Details (C201)”, “Demo Plan (L100)”, “Layout Plan (L101)” showing the existing easements, “Perspective Views (L002)” and “Site Elevations (L201 & L202)”, all dated 3/23/18, “Proposed Easements (L003)” dated 5/1/18 and “Layout Plan (L101)”, “Planting Plan (L103)” “Site Structures (L502)” and “Site Details (L501)” dated 5/15/18 and prepared by Stream Collaborative and other application materials, and

WHEREAS: the City of Ithaca Parks, Recreation, and Natural Resources Commission; Tompkins County Department of Planning and Sustainability; and other interested parties have been given the opportunity to comment on the proposed project and any received comments have been considered, *now, therefore, be it*

RESOLVED: that the City of Ithaca Planning and Development Board determines the proposed project will result in no significant impact on the environment and that a Negative Declaration for purposes of Article 8 of the Environmental Conservation Law be filed in accordance with the provisions of Part 617 of the State Environmental Quality Review Act.

Moved by: Petrina
Seconded by: Johnston
In favor: Elliott, Glass, Johnston, Jones, Lewis, Petrina

Against: None
Abstain: None
Absent: None
Vacancies: One

AGENCY PROJECT AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 2018, by and between the **Tompkins County Industrial Development Agency**, a public benefit corporation of the State of New York, having its offices at 401 East State Street, Suite 402B, Ithaca, New York 14850 (the “Agency”) and **Organic Nature LLC**, a limited liability company duly formed and validly existing pursuant to the laws of the State of New York, with a business address of 330 East 14th Street, Elmira Heights, New York 14903 (the “Company”).

WITNESSETH:

WHEREAS, the Agency was created by Section 895 of the General Municipal Law of the State of New York pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (collectively, the “Act”) as a body corporate and politic and as a public benefit corporation of the State of New York, and is authorized and empowered to provide financial assistance to “Projects” (as defined in the Act), to acquire facilities or properties, and to lease same to the Company upon such terms and conditions as the Agency may deem advisable, for the purpose of promoting industry and developing trade by inducing manufacturing, industrial, warehousing, research, recreation and commercial enterprises to locate or remain in the State; and

WHEREAS, the Company desires to acquire an approximately 1.33-acre parcel of land located at 770 Cascadilla Street in the City of Ithaca, Tompkins County, New York (currently designated as tax parcel number 43.-2-5.22) (the “Land”); to demolish an existing warehouse thereon, and to acquire, construct and equip thereon 148 parking spaces; the renovation of an existing 30,000-square-foot building to add approximately 5,000 square feet of space; and the construction and equipping of the resulting approximately 35,000-square-foot building for a 16,500-square-foot organic grocery store, café seating for 60, storage, receiving, commissary kitchen and events space, and administrative offices (hereinafter called the “Project”); and

WHEREAS, the Agency has determined that the provision of financial assistance for the Project Facility by the Agency and the leasing thereof by the Agency to the Company will not result in the removal of an industrial or manufacturing plant, facility or other commercial activity of the Company from one area of the State to another area of the State nor result in the abandonment of one or more commercial or manufacturing plants or facilities of the Company located within the State; and the Agency has found that, based on the Company’s application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

WHEREAS, by Resolution dated July 12, 2018 (the “Resolution”), the Agency authorized the Company to act as its agent for the purposes of acquiring, constructing and equipping the Project as set forth above, subject to the Company entering into this Agency Project Agreement; and

WHEREAS, the Agency approved the following financial assistance to the Company, as set forth in the Resolution: a sales tax exemption not to exceed **\$476,396.00** on up to **\$5,954,959.00** of purchases and rentals related to the acquisition, construction and equipping of the project that would otherwise be subject to New York State and local sales and use tax; a **seven**-year schedule of partial real property tax abatements through the Payment-in-Lieu-of-Tax Agreement (“PILOT Agreement”); and a partial mortgage tax exemption

for up to **\$9,000,000.00** of financing related to the project; and

WHEREAS, the Agency purpose to be achieved by providing the financial assistance to the Company is as follows, as set forth in the Resolution: to induce the Company to develop the Project, thereby furthering the purposes of the Agency as set forth in the Act;

NOW, THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

1. Scope of Agency. The Company hereby agrees to limit its activities as agent for the Agency under the authority of the Resolution to acts reasonably related to the acquisition, construction and equipping of the Project. The right of the Company to act as agent of the Agency shall expire on **July 31, 2020**, unless extended as contemplated by the Resolution.
2. Representations and Covenants of the Agency. Based upon the statements, representations and undertakings of the Company regarding the Project Facility and subject to the conditions set forth herein, the Agency agrees as follows:
 - a. Upon satisfactory completion of the conditions precedent set forth herein and in the Resolution and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, the Agency will adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) the acquisition, construction and equipping of the Project Facility, and (ii) the subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.
 - b. The Agency will enter into an agreement to lease the Project Facility to the Company (the "Leaseback Agreement"). The Company shall be entitled to terminate the Leaseback Agreement pursuant to the terms as shall be prescribed in the Leaseback Agreement subject to conditions, if any, agreed upon by the Agency and the Company. The Leaseback Agreement shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company and, to the extent it may be applicable, the mortgage holder.
 - c. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.
3. Representations and Covenants of the Company. Based upon the statements, representations and undertakings of the Agency herein and in the Resolution and subject to the conditions set forth herein and in the Resolution, the Company agrees as follows:
 - a. The Company is a limited liability company duly formed and validly existing under the laws of the State of New York, has the authority to enter into this Agreement, and has duly authorized the execution and delivery of this Agreement.
 - b. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the provisions of this

Agreement will conflict with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is a party or by which it is bound, or will constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any such instrument or agreement.

- c. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company, to which the Company is a party, an in which an adverse result would in any way diminish or adversely impact on the Company's ability to fulfill its obligations under this Agreement.
- d. The Company hereby accepts the appointment made by the Agency in the Resolution to be the true and lawful agent of the Agency to (i) acquire, construct and equip the Project Facility and (ii) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent of the Agency, and in general to do all things which may be requisite or proper for completing the Project Facility, all with the same powers and the same validity as the Agency could do if acting on its own behalf. The Company agrees not to take title to any property as agent for the Agency until the Leaseback Agreement and PILOT Agreement have been executed and delivered.
- e. The Company covenants and agrees to pay all fees, costs, and expenses incurred by the Agency for (a) legal services, including but not limited to those provided by the Agency's general counsel and bond/transaction counsel; (b) other consultants retained by the Agency, if any, in connection with the Project; and (c) with respect to the Agency's enforcement of any event of default or failure to comply with the terms of this Agreement (including reasonable attorney's fees). The Company further covenants and agrees that the Company is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in undertaking the Project, notwithstanding the occurrence of any of (i) the Company's withdrawal, abandonment, cancellation, or failure to pursue the Project; (ii) the inability of the Agency or the Company to procure the services of one or more financial institutions to provide financing for the Project; or (iii) the Company's failure, for whatever reason, to undertake and/or successfully complete the Project.
- f. The Company agrees to execute with the Agency the PILOT Agreement in accordance with the request of the Company submitted to the Agency and agreed to by the Agency in the Resolution.
- g. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the acquisition, construction and equipping of the Project Facility (including any necessary contracts for the leasing of real property necessary or useful in said Project Facility), and, on the terms and conditions set forth in a certain lease agreement between the Company and the Agency, entered into concurrently herewith (the "Lease Agreement") and the Leaseback Agreement, it will lease the Project Facility to the Agency.
- h. Contemporaneously with the lease of the Project Facility to the Agency, the Company will enter into the Leaseback Agreement with the Agency containing, among other things, the terms and conditions described in section 2.b. above and such other financing agreements,

indentures, guaranties, and related agreements as shall be necessary or appropriate so that the Company will be obligated to pay to or for the account of the Agency sums sufficient to pay the principal and interest of the note and mortgage.

- i. The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove (or bond the same if acceptable to the Agency and its counsel), any mechanics' or other liens against the Project Facility for labor or materials furnished in connection with the acquisition, construction and equipping of the Project Facility. The Company shall forever defend, indemnify and hold the Agency, its members, officers, employees and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, harmless from and against any costs, losses, expenses, claims, damages and liabilities of whatever kind or nature arising, directly or indirectly, out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, construction and equipping of the Project Facility or arising out of any contract or other arrangement therefor (and including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company acting as agent for the Agency pursuant to this Agreement or otherwise. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any other person or entity to be indemnified, or actions of the persons to be indemnified that are outside of the scope of their duties on behalf of the Agency.
- j. The Company shall forever defend, indemnify and hold harmless the Agency, its members, officers, employees and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, from and against all claims, causes of action, liabilities and expenses howsoever arising for loss or damage to property or any injury to or death of any person (including, without limitation, death of or injury to any employee of the Company) that may occur subsequent to the date hereof by any cause whatsoever in relation to the Project Facility, including the failure to comply with the provisions of section 3.f. above, or arising, directly or indirectly, out of the ownership, construction, acquisition, operation, maintenance, repair or financing of the Project Facility, and including, without limitation, any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.
- k. The defense and indemnities provided for in this section 3 shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them together the Agency's "affiliates", or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.
- l. The Company agrees that, as agent for the Agency or otherwise, it will comply with all the requirements of all federal, state and local laws, rules and regulations of whatsoever kind and

howsoever denominated applicable to the Agency and/or the Company with respect to the Project Facility, the acquisition, construction and equipping thereof, and the operation and maintenance of the Project Facility. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions. The Company shall defend, indemnify and hold the Agency harmless from any liability or expenses resulting from any failure by the Company to comply with the provisions of this section 3.j.

- m. The Company covenants that the Project will comply in all respects with all environmental laws and regulations, and, except in compliance with environmental laws and regulations, (i) that no pollutants, contaminants, solid wastes, or toxic or hazardous substances will be stored, treated, generated, disposed of, or allowed to exist at the Project except in compliance with all material applicable laws, (ii) the Company will take all reasonable and prudent steps to prevent an unlawful release of hazardous substances at the Project or onto any other property, (iii) that no asbestos will be incorporated into or disposed of at the Project; (iv) that no underground storage tanks will be located at the Project, and (v) that no investigation, order, agreement, notice, demand or settlement with respect to any of the above is threatened, anticipated, or in existence. The Company, upon receiving any information or notice contrary to the representations contained in this section, shall immediately notify the Agency in writing with full details regarding the same. The Company hereby releases the Agency from liability with respect to, and agrees to defend, indemnify, and hold harmless the Agency, its executive director, directors, members, officers, employees, agents, representatives, successors and assigns from and against any and all claims, demands, damages, costs, orders, liabilities, penalties, and expenses (including reasonable attorney's fees) related in any way to any violation of the covenants or failure to be accurate of the representations contained in this section. In the event the Agency in its reasonable discretion deems it necessary to perform due diligence with respect to any of the above, or to have an environmental audit performed with respect to the Project, the Company agrees to pay the expenses of same to the Agency upon demand, and agrees that upon failure to do so, its obligation for such expenses shall be deemed to be additional rent.
- n. The Company agrees that, as agent for the Agency or otherwise, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute), it will comply with the requirements of Section 220 of the Labor Law of the State of New York, as amended.
- o. The Company agrees that, as agent for the Agency and for all other purposes, it shall annually file statements with the New York State Department of Taxation and Finance, on forms and in such manners as prescribed by the Commissioner of Taxation and Finance, as to the value of all sales and use exemptions claimed by the Company or its agents, including, but not limited to, operators of the Project Facility and consultants or subcontractors of the Company, under the authority granted pursuant to Section 874(8) of the General Municipal Law. The penalty for failure to file such statement shall include, without limitation, removal by the Agency of the Company's authority to act as an agent of the Agency.
- p. The Company agrees to cooperate with the Agency to (1) ensure compliance with section 858-b of the General Municipal Law and (2) prepare reports required to be prepared by the Agency

pursuant to section 859 of the General Municipal Law.

- q. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.
- r. If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the Project Facility, or are in any manner otherwise payable directly or indirectly in connection with the Project Facility, the Company shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.
- s. The Agency encourages the Company to use an open bidding process for construction contracts; to give opportunities for employment in the construction of the Project to persons residing in Tompkins County, New York; and to award contracts for work in connection with the Project to eligible business concerns which are located in, or owned in substantial part by persons residing in, Tompkins County, New York.
- t. The Company commits to the following investment amount: **\$14,761,998.00**
- u. The Company states that the current number of jobs it provides is **0 (Project tenant provides 240)** and projects that the Project will result in the creation of the following number of jobs: **40 (by Project tenant).**
- v. The Company makes the following commitment regarding the use of local labor: **comply with the Agency's Local Labor Utilization Policy.**
- w. The Company shall provide a certified statement and documentation annually, containing the following information, and such other information required by the Agency:
 - i. The number of full time equivalent ("FTE") jobs retained and/or created as a result of the financial assistance, by category, including FTE independent contractors or employees of independent contractors that work at the project location;
 - ii. That the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that were provided in the application are still accurate, and if it is not still accurate, a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and/or jobs created.
- x. In accordance with Section 875(3) of the New York General Municipal Law, the Company covenants and agrees that, if it receives New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") from the Agency, and it is determined that: (i) the Company is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company fails to comply with a material term or

condition to use property or services in the manner approved by the Agency in connection with the Project, then the Company will (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands in connection therewith. The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine New York State and local sales and use taxes due from the Company, together with any relevant penalties and interest due on such amounts.

- y. The Company further covenants and agrees that the purchase of goods and services relating to the Project and subject to New York State and local sales and use taxes are estimated in amount up to **\$5,954,959.00**, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed **\$476,396.00**.
- z. The Company will receive an abatement of a portion of the mortgage recording tax, in the amount of one-quarter of one percent of the total amount of the mortgage (for example, if the Company borrows \$45,000,000.00, the amount of the mortgage tax that will be abated is \$112,500.00). The Company will make a payment at closing in lieu of the remaining portion of the mortgage recording tax, in the amount of three-quarters of one percent of the total amount of the mortgage.

- 4. Payments in Lieu of Taxes (“PILOT” payments): The parties are contemplating that the Agency and the Company will enter into a payment-in-lieu-of-tax agreement (the “PILOT Agreement”). The Company will make PILOT payments as set forth in the PILOT Agreement. The estimated dates when PILOT payments are to be made and the estimated amounts to be paid to each affected taxing jurisdiction, or a formula by which the amounts will be calculated, are as follows: **see Exhibit A attached hereto.**
- 5. Suspension or discontinuance of financial assistance; return of all or part of financial assistance: The Company shall be subject to discontinuance of financial assistance and the return of all or part of the financial assistance provided by the Agency as set forth in the Agency Recapture Policy incorporated herein by reference.
- 6. Hold Harmless Provision. The Company hereby releases the Agency from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency and its executive director, directors, officers, members, employees, agents (except the Company), representatives, successors and assigns harmless from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Project or breach by the Company of this Agreement or (ii) liability arising from or expense incurred by the Agency’s financing, rehabilitating, renovation, equipping, owning and leasing of the Project, including without limitation the generality of the foregoing, all causes of action and reasonable attorney’s fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Agency, or any of its respective members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability, except that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the Agency or any

other person or entity to be indemnified.

7. Insurance Required. Effective as of the date hereof and until the Agency consents in writing to a termination, the Company shall maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:
- a. Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Project, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the Company or (ii) as an alternative to the above requirements (including the requirements of periodic appraisal), the Company may insure the Project under a blanket insurance policy or policies covering not only the Project but other properties as well.
 - b. Worker's Compensation insurance, disability benefits insurance, and each other form of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Project.
 - c. Insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from personal injury and death or damage to the property of others caused by any accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Company by any applicable worker's compensation law; and a blanket excess liability policy in the amount not less than \$3,000,000, protecting the Company against any loss or liability or damage for personal injury or property damage.
8. Additional Provisions Regarding Insurance.
- a. All insurance required by section 7.a. hereof shall name the Agency as a named insured and all other insurance required by section 7 shall name the Agency as an additional insured. All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the Company and authorized to write such insurance in the State of New York. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Company is engaged. All policies evidencing such insurance shall provide for (i) payment of the losses of the Company and the Agency as their respective interests may appear, and (ii) at least thirty (30) days' prior written notice of the cancellation thereof to the Company and the Agency.
 - b. All such policies of insurance, or a certificate or certificates of the insurers that such insurance is in force and effect, shall be deposited with the Agency prior to the commencement of the Project. Prior to expiration of any such policy, the Company shall furnish the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agreement.

9. Errors and Omissions; Compliance. In consideration for the assistance provided to the Company by the Agency, the Company agrees, if requested by Agency, to fully cooperate and execute and/or re-execute any document that should have been signed at or before the closing of the transaction described in this Agreement, or a corrected or modified version of any such documents, where the document was inadvertently not executed at or before the closing, or the version executed at or before the closing contained any typographical, clerical or mathematical error, or erroneously contained or omitted any provision that does not conform with the statutory authority and established policies of the Agency.
10. General Provisions.
- a. This Agreement shall take effect as of the date of execution hereof by the Agency and the Company and shall remain in effect until the Lease Agreement and Leaseback Agreement become effective. It is the intent of the Agency and the Company that this Agreement be superseded in its entirety by the Lease Agreement and Leaseback Agreement, except for the indemnities contained herein, which shall survive.
- b. It is understood and agreed by the Agency and the Company that the execution of the Leaseback Agreement and related documents are subject to (i) obtaining all necessary governmental approvals, (ii) approval of the Company, (iii) approval by the members of the Agency, (iv) determination of the environmental impact of the Project Facility by the Agency and compliance with the State Environmental Quality Review Act, (v) agreement between the Agency, the Company, and any mortgagee or other financial institution or agency involved with the financing of the construction of the building of the Project Facility of mutually acceptable terms and conditions for the Leaseback Agreement and other documentation required in this transaction, (vi) the condition that there is no change in New York State Law which prohibits or limits the Agency from fulfilling its obligations and commitment as herein set forth, and (vii) payment by the Company of the Agency's fee and expenses.
- c. If for any reason the Leaseback Agreement is not executed and delivered on or before **twenty-four (24)** months from the date hereof, the provisions of this Agreement (other than the provisions of sections 3.j., 3.n., 3.p., 3.q., and 3.r. above, which shall survive) shall, unless extended by agreement of the Agency and the Company, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:
- i. The Company shall pay the Agency for all expenses which were authorized by the Company and incurred by the Agency in connection with the acquisition, construction and equipping of the Project Facility;
- ii. The Company shall assume and be responsible for any contracts for construction or purchase of the equipment entered into by the Agency at the request of or as agent of the Company in connection with the Project Facility; and
- iii. The Company will pay the direct out-of-pocket expenses of members of the Agency and counsel for the Agency incurred in connection with the Project Facility and will pay the reasonable fees of counsel for the Agency for legal services relating to the

Project Facility and the proposed construction thereof.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but which together shall constitute a single instrument.
12. All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, as follows:

To the Agency: Tompkins County Industrial Development Agency
401 East State Street, Suite 402B
Ithaca, New York 14850

With a copy to: Mariette Geldenhuys, Attorney and Mediator
401 East State Street, Suite 306
Ithaca, New York 14850

To the Company: Organic Nature LLC
330 East 14th Street
Elmira Heights, New York 14903

With a copy to:

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this section.

13. This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein, and the parties hereby agree to submit to the personal jurisdiction of the federal or state courts located in Tompkins County, New York.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Tompkins County Industrial Development
Agency

Organic Nature LLC

By: _____
Name: Heather D. McDaniel
Title: Administrative Director

By: _____
Name:
Title:

CERTIFICATION

_____, the/a _____ of Organic Nature LLC, hereby certifies under penalty of perjury that the Company is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

Organic Nature LLC

Date: _____

By: _____

Name:

Title:

EXHIBIT A

**Payment-in-Lieu-of-Tax (“PILOT”) Agreement standard abatement schedule
(not subject to meeting environmental requirements)**

As long as the Land and improvements thereon are leased to the Agency and, therefore, exempt from general real property taxation, the Company agrees to pay annually to such Taxing Jurisdictions, i.e., the City of Ithaca, the County of Tompkins, and the Ithaca City School District (or cause any mortgagee to release any escrow for payments hereunder annually to such Taxing Jurisdiction), as a payment in lieu of general real property taxes respecting such premises:

(i) an amount equal to 100% of the real property taxes which would be due for said premises but for record ownership by the Agency (but without reference to, or utilization of, Section 485-b of the Real Property Tax Law of the State of New York), based on a current assessment of such improvements, commencing the first tax status date following the date of execution of the PILOT Agreement; and

(ii) with respect to the portion of the assessed value of said premises attributable to the construction of the Project thereon, the following percentages of the general real property taxes which would be due in respect of the improvements to the premises (i.e., the assessed value of the improvements to the premises) but for its record ownership by the Agency (but without any reference to, or utilization of, Section 485-b of the Real Property Tax law of the State of New York), based on a then-current assessment of such improvements:

<u>YEAR OF EXEMPTION</u>	<u>TAXING JURISDICTIONS PAYMENT IN LIEU OF TAX FOR ASSESSED VALUE OF IMPROVEMENTS</u>
1	10%
2	23%
3	36%
4	49%
5	61%
6	74%
7	87%
8 and thereafter	100% (no abatement; full taxes paid)

(it being understood and agreed that from the date hereof until year 1 of exemption, the Company shall be obligated to pay or cause to be paid annually to the Taxing Jurisdictions normal real property taxes on the full assessed value of the total land portion and then-existing improvements on the conveyed premises).

**Tompkins County Industrial Development Agency
Board of Directors Meeting DRAFT Minutes
June 14, 2018
3:30 PM
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Rich John, Martha Robertson, Jennifer Tavares, Leslyn McBean-Clairborne, Mike Sigler, John Guttridge, Laura Lewis

Absent:

Staff Present: Heather McDaniel, Ina Arthur, Mariette Geldenhuys

Guests: George Reed (Delaware River Solar), Brandon Kane (GreenStar Coop), Lincoln Morse (Morse Construction), Jason Crane (Edger Enterprises), Costa Lambrou (Lambrou Real Estate)

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 3:30 pm. He also welcomed John Guttridge as the newest board member.

PRIVILEGE OF THE FLOOR

None.

ADDITIONS TO THE AGENDA

323T LLC Amended Inducement Resolution.

Jennifer Tavares moved to add the 323T LLC Amended Inducement Resolution to the agenda. Laura Lewis seconded the motion. The motion was approved 7-0.

OLD BUSINESS

Delaware River Solar Dryden I and II Solar Final Approval

Martha Robertson moved to approve the Inducement Resolution giving final approval of the Delaware River Solar NY Dryden I project. Michael Sigler seconded the motion.

Laura Lewis moved to approve the Inducement Resolution giving final approval of the Delaware River Solar NY Dryden II project. Leslyn McBean-Clairborne seconded the motion.

Heather McDaniel stated that the public hearing was been held for both of these projects. All who spoke at the hearing were in favor of the projects. They have met all the requirements to move forward and what we are looking for today is approval of the inducement resolutions.

A vote was taken on the first motion. The motion for DRS NY Dryden I was approved 7-0.

A vote was taken on the second motion. The motion for DRS NY Dryden II was approved 7-0.

Heather McDaniel commented that the Agency Project Agreements are also included in the packets, outlining the incentives and what the applicant agreed to from the application as well as the reporting requirements.

323T, LLC Amended Inducement Resolution

Heather McDaniel commented that the financing for the 323T, LLC project has come in higher than expected and thus the Inducement Resolution needs to be amended to accommodate the higher mortgage amount. The mortgage recording tax abatement will increase by \$2,000.

Martha Robertson moved to approve the amended 323T, LLC inducement resolution. Jennifer Tavares seconded the motion.

Jennifer Tavares asked if the increase would impact the sales tax abatement. Would the increase be for anything in construction costs?

Heather McDaniel commented that the developer is meeting with his construction general contractor to determine this. It is not unusual for sales tax abatements to increase from time to time as it is hard to determine full construction costs very far out in advance.

A big part of the increase has to do with the cost of using community solar. This amounts to about \$300,000 of the increase in cost.

The motion was approved 7-0.

NEW BUSINESS

Organic Nature, LLC Application

Heather McDaniel introduced the Organic Nature (GreenStar Coop) application. This is an application that comes from the City of Ithaca under the CIITAP Policy. The project lies just outside the CIITAP boundary. The City has requested it be considered under the existing policy as it meets all the other requirements.

Organic Nature, LLC will develop and own the property and will lease the space to GreenStar with an option to purchase in year ten. The project incentives will be shared by both entities; GreenStar will be responsible for the property tax payments, so will benefit directly from the phasing in of new taxes. Both entities will benefit from the sales tax abatement during construction/renovation.

The City held a public information session. The CIITAP committee met to see if they meet the requirements of the policy. They meet all but the location requirement. The IDA has the ability to deviate from its standard policy. The IDA will notify the taxing jurisdictions that it deviates from the standard policy. The recommendation is for the base 7 year PILOT level. The amount of public money going into the project costs is very low – 4.2% of project costs.

The project development team was introduced: Brandon Kane – GreenStar general manager; Lincoln Morse – Morse Construction; Jason Crane – Finance manager at Edger Enterprises; and Costa Lambrou – Lambrou Real Estate.

Brandon Kane, general manager of GreenStar, gave an overview of the proposed project.

Brandon Kane spoke to how the current location of the GreenStar building is cramped and has inadequate infrastructure (parking). There is a need to expand in order to accommodate growth. This project is a consolidation and expansion of their operations on West Buffalo Street. The space, warehouse, administration and grocery store will be accommodated in the new location.

In the current location, the capacity has stalled and if no action is taken, the company will go bankrupt in five to seven years. They feel they qualify as they are a local buyer and contribute to sales within 100 miles. They hope to grow employment by 40 and they will be building in an area that needs a grocery store. They will be building with energy efficient methods etc.

Brandon Kane also spoke to the need for incentives to assist with cash flow, particularly in the first couple of years. It is critical to help them secure bank financing.

Jason Crane and Lincoln Morse spoke to the transparency in working with GreenStar.

Heather McDaniel requested that the board accept the application as complete and move the project to a public hearing.

Laura Lewis commented on how the City of Ithaca is considering expanding the CIITAP boundary and it would include this parcel. She also asked about the number of bike racks that would be located at the new location.

There would be 18 under shelter with an additional 26 in the parking lot area. There would also be a bike maintenance area located there.

Jennifer Tavares disclosed that she is a member of GreenStar Coop. She asked about part-time and full-time positions – what is the current breakdown in the employment numbers in the application.

Brandon Kane stated that part time is defined as 7-34 hours/week and full time is defined as 35 hours +/-week. The break down is 40% part-time and 60% full-time. The 240 current employees on the application also include substitute-workers. So really the PT and FT workers are 198.

Jennifer Tavares referenced application page 15 – where they are asked for the amount of customers from outside the county. The box is checked yes and should be verified by a third party study. Heather McDaniel commented that this box should be checked no. This will be corrected on the application (page 15, question 2).

John Guttridge disclosed he also was a member of the coop. He asked about walkability and connection to the waterfront trail. Lincoln Morse commented that they are working on that with the City but the real estate is controlled by the railroad.

Martha Robertson asked about the census tract and retail information. How big is the census tract? There are 8 census tracts in the City of Ithaca.

Martha Robertson asked that the spelling of Costa Lambrou's name be corrected on the application. Also, please fix the number on bottom of page 50 of the packet – there is a missing zero.

Mike Sigler asked about energy efficiency – the project will fall under the City's new green building policy. What energy efficiency efforts will you be making on this project?

There will be solar panels on the building. The building envelope will be improved with insulation (foam insulation). We will be using high efficiency residential windows for their thermal efficiency. Air source heat pumps will be applied to the administrative part of the building. All the equipment will be new and will be energy star rated.

GreenStar also owns a solar farm in Danby NY (provides 11% of energy used in store) and they are looking to purchase community solar.

Mike Sigler commented on the County's new policy forbidding new natural gas infrastructure.

Martha Robertson moved to accept the application as amended and to send the project to a public hearing. Laura Lewis seconded the motion. The motion was approved 7-0.

Of note: Martha Robertson, Jennifer Tavares, Laura Lewis, John Guttridge and Michael Sigler are members of GreenStar Coop.

Authority Budget Office Report on Operations

Rich John spoke to the meeting between the Board and the Authority Budget Office regarding the recent review of TCIDA operations. The meeting was to review the draft audit and to make sure all was understood. The ABO will be making edits to the final audit based on that meeting. There will be some procedures that will be changed and some that have already been made.

CIITAP Diversity and Inclusion Policy and Toolkit Discussion

Heather McDaniel gave an update on the CIITAP Diversity and Inclusion Policy – this was adopted in the fall of 2016 by the City and would like the IDA to also adopt the policy. A toolkit was developed that would give guidance on how to comply with this policy.

The policy would require single entity projects to join the City's Diversity Consortium, attend a number of workshops on diversity and report annually on its efforts. This report would be shared with the IDA Board. This would not be subject to the IDA's recapture policy.

Sue Kittel of the City's Diversity Advisory Committee joined the meeting. She stated that the idea behind the toolkit is to help employers get started in their efforts.

Michael Sigler asked if the census data this is based on includes students? Yes, it does.

Martha Robertson asked why the City just does not enforce this policy themselves during their CIITAP application process. Heather McDaniel commented that the legal documents go through the IDA as the IDA enforces the project agreement.

Jennifer Tavares asked why this policy is requiring the project to join the Diversity Consortium (DCTC) and attend 4 trainings that the DCTC holds. In essence, mandating how the project or company goes about working on diversity.

Leslyn McBean-Clairborne commented that she understands the concerns about a mandate, but this is a good place to start.

Sue Kittell indicated the trainings is a requirement of membership in DCTC. It wasn't meant to suggest those are the only options, just to outline the requirements of joining DCTC.

Jennifer Tavares stated she could endorse the policy if there was a list of options for trainings.

Michael Sigler stated that there is no metric on which to judge diversity compliance. The idea is to get them to do the training.

Rich John asked how the board would like to proceed. Laura Lewis suggested that the board review the information received and then revisit the policy at the July Board meeting.

Martha Robertson asked that the DCTC come to the July Board meeting to discuss how projects would do the training and what the cost would be.

(Leslyn McBean-Clairborne was excused from the meeting).

CHAIR'S REPORT

Rich John reported that proposals for attorney services for the IDA have been received and that the Governance Committee will be reviewing them. The Administrative Director will make the final decision for attorney services with input from the Governance Committee.

STAFF REPORT

Heather McDaniel reported on the ABO report on IDA operations. She stated that ABO staff were in the office for about six weeks. It was a good process that the ABO feels that the IDA is open and transparent. However, there is always room for improvement. She stated that the ABO does not have any authority to sanction the IDA, just to make public their report findings. Staff will be proactive in reporting the findings to the press

Some things to work on in the future: making sure the minutes reflect actions taken and enough detail to understand actions taken. Also, when going into executive session, identify the reason for doing so.

Heather McDaniel reported that the City's Planning Committee has recommended increasing the CIITAP boundary area and adding an affordable housing component to the policy. The

recommendation for affordable housing is 20% of planned units with a 30-year PILOT. When the Common Council approves the policy, it will be forwarded to the IDA for consideration.

Heather McDaniel also reported regarding the Arrowhead project. The IDA board had directed that a letter be sent to the project regarding deadlines and requirements to cure a default. The letter was sent and the developer has responded. The project is complying with the requirements and moving forward with building the housing project. There are timelines in place to that require the developer to begin construction this summer and complete the project within two years, which were also required by the Town's Planning Board in its latest round of amendments and approvals for the project. The letter will be shared with the board with the reminder that if it goes beyond the board of directors, that attorney confidentiality will be broken.

APPROVAL OF MEETING MINUTES

Martha Robertson moved to approve the draft minutes from the May 10, 2018 Board meeting. Jennifer Tavares seconded the motion.

Edits were offered on the minutes.

A vote was taken. The minutes were approved with the suggested edits. 6-0.

The meeting was adjourned at 4:52 pm.