


# *Tompkins County Industrial Development Agency*

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Administration provided by  **TCAD**

**TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING  
• Thursday, September 13, 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**

CITIAP Affordable Housing Policy – continued discussion

**New Business**

Emmy's Organics – Application

**4. CHAIR'S REPORT**

**5. STAFF REPORT**

**6. APPROVAL OF MEETING MINUTES – August 9, 2018**

**7. ADJOURNMENT**

**New Day of the Week & New Start Time  
Next Meeting: October 10, 2018 @ 2:30 PM**

# Tompkins County Industrial Development Agency

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ADMINISTRATION PROVIDED BY 

## **Emmy's Organics – Community Benefits Overview** *September 13, 2018*

### **Project Overview**

Emmy's Organics, founded in 2009 in Ithaca, manufactures and distributes certified organic, gluten, free, vegan snack food including coconut based cookies. Products can be found at major retailers throughout the United States and Canada including Starbucks, Whole Foods Markets, CVS, Rite Aid, Wegmans, and Sprouts. The company plans to relocate from a rented building in the City of Ithaca that no longer suits their growing business to a new building on City owned land at the end of Cherry Street. Emmy's will purchase the land and build a 14,000 square foot building that includes 4,000 square feet of office space, 4,500 square feet of production and 5,500 square feet of warehouse space. The project will enable Emmy's to remain in the City of Ithaca and grow their business to meet growing demand.

Samantha Abrams and Ian Gaffney, the business owners, are working with Taitem Engineering and the County's new Business Energy Navigator to assess renewable energy and energy saving measures. It has already been determined that the project is too small to qualify for the NYSERDA New Construction program or other third party certification program. As a result, the project will not be able to comply with the enhanced energy incentive program.

### **Cost-Benefit Analysis**

- Extent to which project would create and/or retain private sector jobs – The project will retain 28 jobs and create 19 new jobs over five years.
- Estimated value of tax exemption

Property Tax Incentive:	\$141,314
Sales Tax Incentive:	\$97,600
<u>Mortgage Recording Tax:</u>	<u>\$4,298</u>
TOTAL:	\$243,212
- Estimate of private sector investment to be generated by the project – \$2,292,000
- Likelihood of completing project in a timely manner – The City of Ithaca is very supportive of the project, working on a quick timeline to approve the sale of the land to Emmy's and extending the road so that Emmy's can begin construction this fall and complete the facility in the first quarter of 2019. The company is motivated to move quickly to meet demand from new contracts they cannot meet in the current facility.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions - \$36,000 per year in new property taxes at full taxation. This will be the first manufacturing project in the Cherry Street Industrial Park in several decades, keeping a growing food manufacturer in the City of Ithaca. The City of Ithaca, after extending the road, will be able to create two additional one-acre lots that could support other manufacturing development on Cherry Street.

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

Date: 9/4/18

**I. APPLICANT INFORMATION (company receiving benefit)**

Name of Company/Applicant: Emmy's Organics, Inc.

Owner: Ian Gaffney and Samantha Abrams

Address: 629 W Buffalo St.

City: Ithaca State: NY Zip: 14850

Primary Contact (First, Last): Ian Gaffney

Phone: (607)280-7922 Email: ian@emmysorganics.com Fax: (866)824-3702

**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: TBD

Owner: Ian Gaffney, Samantha Abrams, William Kelly

Address: 627 W Buffalo St. Apt #2

City: Ithaca State: NY Zip: 14850

Primary Contact (First, Last): William Kelly

Phone: (760)707-6922 Email: bill@emmysorganics.com Fax: ( ) -

Describe the terms and conditions of the lease between the applicant and the owner of the property:  
They will be the same principals between the two entities. With a new separate LLC being set up to take Title to the property. There will then be a lease between the two entities.

**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:** Guttman and Reiter

Address: 411 North Tioga St

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): Charles Guttman

Phone: (607)272-2102 Email: deb@guttmanandreiter.com Fax: ( ) -

**Applicant Accountant:** Lustgarten Financial Services

Address: 106 E Court St

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): Art Lustgarten

Phone: (607)256-1947 Email: art.lustgarten@raymondjames.com Fax: ( ) -

**Applicant Engineer/Architect (if known):** Noah Demarest at STREAM Collaborative

Address: 108 W State St. 2<sup>nd</sup> floor

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):** Rowlee Construction

Address: 81 Pierce Drive

City: Fulton State: NY Zip: 13069

Primary Contact (if different from above:): Taber Rowlee

Phone: (315)598-5511 Email: taber@rowleeconstruction.net Fax: (315)598-5507

**II. BUSINESS HISTORY**

Year company was founded: 2009 NAICS Code: 311811

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

Describe in detail company background, products, customers, goods and services: Emmy's Organics was founded in 2009 by Ian Gaffney and Samantha Abrams in a home kitchen in Ithaca, NY. The company manufactures and distributes packaged organic snack food including coconut based cookies. Emmy's began selling it's items at the Ithaca Farmers Market and a handful of local stores and has grown it's distribution to include the following customers: Starbucks, Whole Foods Market, CVS, Rite Aid, Wegmans, Sprouts, and more. All of emmy's products are certified organic, gluten-free and vegan.

Major Customers: Starbucks, Whole Foods Market, CVS, Rite Aid, Sprouts, Wegmans.

Major Suppliers: Multiple Organics, BCI, Temkin International, Tradin Organics

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: \$60,000

Percent of annual sales subject to local sales tax: 0%

Value of annual supplies, raw materials and vendor services are that purchased from firms in Tompkins County: \$100,000

### III. PROJECT DESCRIPTION AND DETAILS

Project Location (all addresses and tax parcels): 100.-2-1.2

Property Size (acres): existing: 4.6 proposed: 2.6

Building Size (square feet): existing: 0 proposed: 14,650

Proposed Dates: start: October 2018 end: Spring 2019

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:

The project to develop property at the end of Cherry Street in order to build a new facility for Emmy's Organics. The 14,000 sf of Phase 1 includes a 4,000 sf office, entrance, and employee area; a 4,500 sf production area; and a 5,500 sf warehouse. Phase 2, projected to begin in about 5 years, will increase the production and warehouse space by 14,000-20,000 sf. The site will include tractor trailer access and employee parking for vehicles and bikes. All development will be as of right.

This proposal is consistent with the Comprehensive Plan's goals to grow the local economy. As a certified B-Corp, Emmy's Organics is committed to the environment and to the community, creating a nationally-distributed certified organic product with the help of fair-wage laborers.

This production facility will enable Emmy's continued growth and provide more fair-wage jobs within the City of Ithaca. The sole tenant will be Emmy's Organics, Inc. - a cookie/snack manufacturing company. Equipment purchases will be ovens, pallet wrapper, baking sheet pans and racks, dishwasher, packaging machines, etc..

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.:

If no, provide a narrative indicating why the Project should be undertaken by the Agency: This project is a financial leap for Emmy’s to own its own facility. We want to stay in the City of Ithaca and this project will cost more than building in outlying areas. The assistance of the IDA will help us to make the project financially feasible and phase in new property taxes over time, preserving cash for company growth.

If the Applicant is unable to obtain financial assistance for the Project what will be the impact on the County/City/Town/Village? A long vacant parcel in the Cherry Street industrial park will remain off the tax rolls.

Describe what green building practices you plan to use: TBD- we are working with Taitem engineering to help us develop the best green practices for our new facility. Practices that can balance the costs with the benefits.

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: 12

Average duration of stays (days): 4

**Occupancy**

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

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Industrial            | <input type="checkbox"/> Service*, **                    |
| <input type="checkbox"/> Acquisition of existing facility | <input type="checkbox"/> Back office                     |
| <input type="checkbox"/> Housing                          | <input 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 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.  
TCIDA/TCDC Application

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):

<b>Business</b>	<b>Nature of Business</b>	<b>% of total square footage</b>
1. <u>Emmy's Organics</u>	<u>Food Manufacturing</u>	<u>100</u>
2. _____	_____	_____
3. _____	_____	_____

**IV. PROJECT COSTS AND FINANCING**

**Project Costs**

	Amount (\$)
Land and/or Building Acquisition: <u>2.6</u> acres _____ square feet	<u>\$242,000</u>
New Building Construction: <u>14650</u> square feet	<u>\$1,700,000</u>
Building Addition(s): _____ square feet	<u>\$0</u>
Infrastructure Work:	<u>\$0</u>
Reconstruction/Renovation: _____ square feet	<u>\$0</u>
Manufacturing Equipment:	<u>\$200,000</u>
Non-Manufacturing Equipment (furniture, fixtures, etc.):	<u>\$0</u>
Soft Costs (professional services, etc.):	<u>\$150,000</u>
Other (Specify): _____	<u>\$0</u>
<b>TOTAL:</b>	<b><u>\$2,292,000</u></b>

Have any of the above costs been paid or incurred as of the date of this application?  Yes  No

If yes, describe particulars: Site planner & permits

**Sources of Funds for Project Costs**

Bank Financing	<u>\$ 1,719,000</u>
Equity	<u>\$458,400</u>
Tax Exempt Bond Issuance (if applicable)	<u>\$</u>
Taxable Bond Issuance (if applicable)	<u>\$</u>
Public Sources (Include sum total of all state and federal grants and tax credits)	<u>\$</u>

Identify each State and federal grant/credit:

_____	<u>\$</u>
_____	<u>\$</u>
_____	<u>\$</u>

Total sources of funds for Project costs: \$2,292,000

Project refinancing of existing debt only (estimated): \$ \_\_\_\_\_  
 Amount of anticipated financing from a lending institution: \$ \$1,719,000

*Note: The applicant must inform the TCIDA/TCDC at the time of issuance of commitment letter if the financing will exceed the amount stated here.*

**V. VALUE OF INCENTIVES**

**Property Tax Exemption:** *(Agency staff will fill out property tax exemption information based on information submitted by the applicant). – SEE ATTACHED*

**Assumptions:** \$\_\_\_\_\_ Value of increase in assessment  
 4% Annual increase in assessment and tax rate

**New taxes paid:** \$ \_\_\_\_\_ **Taxes Abated:** \$ \_\_\_\_\_

Year	County	School	City/Town	Village	Total	County	School	City/Town	Village	Total
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: \$ 1,220,000

Estimated State and local sales and use tax benefit (product of sales and use tax amount as indicated above multiplied by 8%) \$ 97,600

*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): \$ 1,719,000

Estimated mortgage recording tax exemption benefit  
(product of mortgage amount as indicated above multiplied by .0025%): \$ 4,298

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

	<b>Without Bonds</b>	<b>With Bonds</b>
First Year Debt Service	\$ _____	\$ _____
Total Debt Service	\$ _____	\$ _____

**Percentage of Project costs financed from public sector:**

A. Total Project Cost	<u>\$2,292,000</u>
B. Estimated Value of PILOT	<u>\$215,142</u>
C. Estimated Value of Sales Tax Incentive	<u>\$97,600</u>
D. Estimated Value of Mortgage Tax Incentive	<u>\$4,298</u>
E. Total Other Public Incentives (tax credits, grants, ESD incentives, etc.)	\$ _____

Calculation of percentage of Project costs financed from public sector: 13.8%  
(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: PTO (Vacation, Holiday and sick days), monthly staff lunches, Wellness gift 2x year each staff member is given \$300, gift cards for annual employment anniversaries, quarterly profit share, 401K & annual bonuses

Describe the internal training and advancement opportunities you offer to your employees: We strive to promote from within & have training available to the staff to take to learn. Management staff take classes in communication, the role of a supervisor & FMLA laws.

**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	45.00	5	2	0	0	2
Clerical	20.00	1	1	0	0	1
Sales						
Services						
Construction						
Manufacturing						
High Skilled						
Medium Skilled	14.00	18	1	1	0	2
Basic Skilled	13.00	2	0	1	0	1
Other (describe)						
Warehouse	15.00	2	0	1	0	1
<b>Total</b>		28	4	3	0	7

What percentage of your current positions are occupied by women? 29% %

What percentage of your current positions are occupied by minorities? 70 %

Estimated percentage of new hires who would be unemployed at time of hire: 75%

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) 100%

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](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:

Emmy's hires without prejudice to race, sex, age or creed. We believe in a diverse workforce & have always hired with that in mind.

### 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 | <input type="checkbox"/> Yes            | _____ % | <input checked="" type="checkbox"/> No |
| Pay a prevailing wage                   | <input type="checkbox"/> Yes            | _____ % | <input checked="" type="checkbox"/> No |
| Use local labor                         | <input checked="" type="checkbox"/> Yes | 90 %    | <input type="checkbox"/> No            |

### VIII. ENVIRONMENTAL REVIEW AND PERMITTING

*Environmental Assessment Form* -  Short Form  Long Form

Submitted to: City of Ithaca

Agency Name: Planning Board

Agency Address: 108 E. Green Street

City: Ithaca State: NY Zip: 14850

Date of submission: July 2018 Status of submission: Est. 9/25/18

*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.

<i>Permit</i>	<i>Status</i>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

## IX. OTHER

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

Just that as a homegrown company experiencing tremendous growth, we appreciate any help that can be provided to complete the building of our new facility, which will allow us to sustain our growth & add more local employees to the workforce.

## 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? \_\_\_\_\_ %

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

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

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: \_\_\_\_\_

**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:

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

Bill Kelly(name of CEO or other authorized representative of Applicant) confirms and says that he/she is the CEO (title) of Emmy's Organics (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.

- 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: Signature page on file

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

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

On the \_ day of \_\_\_\_\_in the year 20\_\_, before me, the undersigned, personally appeared \_\_\_\_\_, 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



**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: Bill Kelly

Title: CEO

Company: Emmy's Organics

Date: 8-31-18

**Emmy's - Base Incentive Cost Benefit Analysis**

**Assumptions**

**\$ 1,000,000** New Assessment  
 4.00% Annual Tax Rate/Assessment Increase

	Tax
	<u>Rates</u>
County	6.58776
Town	12.14
Village	0.0000
School	<u>17.4866</u>
Total	36.21436

**7-Year Schedule**

Year	Abatement Multipliers		Taxable Value
	1	0.9000	
2	0.7714	0.2286	1,040,000
3	0.6428	0.3572	1,081,600
4	0.5142	0.4858	1,124,864
5	0.3856	0.6144	1,169,859
6	0.2570	0.7430	1,216,653
7	0.1284	0.8716	1,265,319

Year	Abatement	New Taxes Paid \$ 144,718					Taxes Abated \$ 141,314				
		County	Town	Village	School	Total	County	Town	Village	School	Total
1	90%	659	1,214	-	1,749	3,621	5,929	10,926	-	15,738	32,593
2	77%	1,566	2,886	-	4,157	8,610	5,285	9,739	-	14,029	29,053
3	64%	2,545	4,690	-	6,756	13,991	4,580	8,440	-	12,158	25,178
4	51%	3,600	6,634	-	9,556	19,790	3,810	7,022	-	10,114	20,947
5	39%	4,735	8,726	-	12,569	26,029	2,972	5,476	-	7,888	16,336
6	26%	5,955	10,974	-	15,807	32,737	2,060	3,796	-	5,468	11,323
7	13%	7,265	13,389	-	19,285	39,939	1,070	1,972	-	2,841	5,884
	Totals	26,326	48,513	0	69,879	144,718	25,706	47,372	0	68,235	141,314

**Emmy's - Energy Incentive Cost Benefit Analysis**

**Assumptions**

**\$ 1,000,000** New Assessment  
 4.00% Annual Tax Rate/Assessment Increase

	Tax
	Rates
County	6.58776
Town	12.14
Village	0.0000
School	17.4866
Total	36.21436

**7-Year Schedule**

Year	Abatement Multipliers		Taxable Value
	1	1.0000	0.0000
2	1.0000	0.0000	1,040,000
3	1.0000	0.0000	1,081,600
4	0.9000	0.1000	1,124,864
5	0.7000	0.3000	1,169,859
6	0.5000	0.5000	1,216,653
7	0.3000	0.7000	1,265,319

Year	Abatement	New Taxes Paid \$ 70,889					Total	Taxes Abated \$ 215,142				
		County	Town	Village	School			County	Town	Village	School	Total
1	100%	0	-	-	-	0	6,588	12,140	-	17,487	36,214	
2	100%	0	-	-	-	0	6,851	12,626	-	18,186	37,663	
3	100%	0	-	-	-	0	7,125	13,131	-	18,914	39,169	
4	90%	741	1,366	-	1,967	4,074	6,669	12,290	-	17,703	36,663	
5	70%	2,312	4,261	-	6,137	12,710	5,395	9,941	-	14,320	29,656	
6	50%	4,008	7,385	-	10,638	22,030	4,008	7,385	-	10,638	22,030	
7	30%	5,835	10,753	-	15,488	32,076	2,501	4,608	-	6,638	13,747	
Totals		12,895	23,764	0	34,230	70,889	39,137	72,121	0	103,884	215,142	

**Tompkins County Industrial Development Agency  
Board of Directors Meeting DRAFT Minutes  
August 9, 2018  
3:30 PM  
Tompkins County Legislative Offices  
121 E. Court Street, Ithaca, NY**

**Present:** Rich John, Jennifer Tavares, Mike Sigler, John Guttridge, Laura Lewis

**Absent:** Martha Robertson, Leslyn McBean-Clairborne

**Staff Present:** Heather McDaniel, Ina Arthur

**Guests:** Sue Kittel, Schelley Michell-Nunn (City of Ithaca Diversity Consortium), Nels Bohn (Ithaca Urban Renewal Agency), Joe Bowes, Melody Susco (INHS), Seph Murtaugh (City of Ithaca), Deborah Dawson

**CALL TO ORDER**

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 3:35 pm.

**PRIVILEGE OF THE FLOOR**

Robert Brown – TC Workers Center – Mr. Brown spoke to encourage adoption of the CIITAP Diversity and Inclusion Policy and Toolkit.

**ADDITIONS TO THE AGENDA**

None.

**OLD BUSINESS**

CIITAP Diversity and Inclusion Policy and Toolkit – continued discussion

Heather McDaniel began the discussion by recommending that the Board adopt the Diversity and Inclusion Policy for CIITAP projects with a few modifications. The chair recommended the policy be adopted for projects countywide.

The towns and villages will be notified of this and allowed a 30-day comment period.

After discussion, additional modifications were agreed to as follows:

- the fee to join the Diversity Consortium be capped at \$500
- the reporting form have an additional column for projects to report any diversity proportions based on their businesses sector where applicable.
- Reporting forms to be modified to remove references to CIITAP

**John Guttridge moved to add the claw back provision to the proposed Diversity and Inclusion Policy for not meeting the stated requirements of the policy. Laura Lewis seconded the motion. The motion failed 1-4.**

**John Guttridge moved to send the proposed amended Diversity and Inclusion Policy to the County's towns and villages for comment before a final vote. Laura Lewis seconded the motion. The motion was approved 5-0.**

#### CIITAP Affordable Housing Policy – continued discussion

Joe Bowes and Melody Susco of INHS joined the meeting to give a brief overview of how one of their project's rent levels are set and how they income qualify applicants and then re-qualify them annually.

Joe Bowes – talked about rents and incomes and how rents are established based on area median incomes. They start with the regulatory agency, usually NYS allocating agency for low-income housing credits. Funding comes through the State of NY and conventional loans. NYS uses HUD guidelines and adjusts them for bedroom size. One bedroom median income is different than 2-bed room. Then we are required to use 30% of the area median income – cannot pay more than 30% of income for rent. So there are 4 or 5 categories. 40%, 50%, 60%, 80% of AMI. Strong markets like Ithaca might have someone at 100% AMI still not being able to pay rents in the area. Each project has a set number of units set aside for these different levels and they stay at that level for the life of the projects (50 years).

Melody Susco explained income verification and annual requalification. Any income source and percentages of assets are considered. Some income sources are earned income, Social Security, Disability, Annuity, etc. This information is verified via third party. The HUD handbook is used for formulas for determining total income.

Annual increases in rents are based on the project budget. This needs authorization from the regulatory body. Rents generally increase 2% to 3% annually.

Software helps with all this verification. Staff is trained to make sure they do this correctly.

It became apparent that the formula to be used in the policy from the City differs from what INHS uses and that is based on HUD information. Nels Bohn of the IURA stated that the City was looking for a good benchmark, something that could be measured and they used different information from another source that is also measurable. It would make sense to use what has been in use.

Heather McDaniel reviewed two abatement scenarios of the proposed CIITAP affordable housing policy and how it might work. It comes out that the cost per affordable unit in terms of tax exemptions is very high in return for a small number of affordable units. Heather will continue providing background information related to the housing policy at the next IDA meeting and will make a recommendation to pause, establish a committee of IDA and City constituents to get this right. She proposed continuing to work with applicants with housing projects on a case by case basis to assess incentive levels needed to provide affordable units.

## **NEW BUSINESS**

### 2017 Annual Project/Job Report

Heather McDaniel presented the annual project report, commenting that over all these numbers look good and the incentive given to job created ratio is excellent in comparison to other IDAs in the State. Projects that have not met their job creation goals will be met with to review why they have not yet met their projections. A full write up will be provided for review by the IDA and discussion whether to take action on recapture.

## **CHAIR'S REPORT**

None.

## **STAFF REPORT**

Heather McDaniel reported that the executive committee reviewed the proposals for attorney services that were received. Harris Beach PLLC with Russ Gaenzle has been chosen as the TCIDA's new attorney. Mariette Geldenhuys has been informed and she will be handling any projects that need to be finalized. We wish to thank her for her long years of service.

Harris Beach will be reviewing all policies of the IDA for compliance with PAAA legislation. The Governance Committee will take up the discussion should any policies need to be updated or amended.

The need to find a new meeting day and time for the TCIDA/TCDC Board meetings was discussed. A doodle poll will be sent out to finalize this.

The 2Q 2018 Financial Report was presented with no questions.

The Arrowhead housing project is on track for their building permits. This was confirmed by Deborah Dawson.

## **APPROVAL OF MEETING MINUTES**

**Mike Sigler moved to approve the draft minutes from the July 12, 2018 Board meeting. John Guttridge seconded the motion.**

**A vote was taken. The minutes were approved. 5-0.**

The meeting was adjourned at 5:05 pm.