Tompkins County
Industrial Development Agency

Application for Incentives – City Density Policy

I. APPLICANT INFORMATION

Name of Company/Applicant: Ciminelli Development Company, Inc. as Agent for Cascade Plaza, LLC

Address 350 Essjay Road City Williamsville State New York Zip 14221

Primary Contact: David Chiazza

Phone (716) 631-8000 Fax (716) 631-8034

E-Mail dchiazza@ciminelli.com

Applicant Atty.: Hodgson, Russ, Andrews, Woods & Goodyear

Address One M & T Plaza City Buffalo State New York Zip 14203-2391

Primary Contact: Terry Gilbride, Esq.

Phone (716) 856-4000 Fax E-Mail

II. APPLICANT BUSINESS HISTORY AND EXPERIENCE

Year Company was Founded 1981.

Description of Other Real Estate Development Projects (size, locations, value)

A. Value: $24,066,000
Village Park Business Center
Address: 6390 – 6460 Main Street, Williamsville, New York 14221

The company acquired 40 acres of vacant land located on 6390 – 6460 Main Street, Williamsville, New York. At the time of the acquisition, the property was zoned community facility. The company endeavored to re-
zone the property and construct a total of 3 Class A office buildings consisting of approximately 240,000 square feet.

B. Value: $48,910,000
Centerpointe Corporate Park
Address: 150 – 600 Essjay Road, Williamsville, New York 14221

The company acquired 63 acres of vacant land. The company then had the property re-zoned and developed into a mixed-use park with 423,000 square feet of Class A multi-tenant office and upscale residential.

This development took approximately 10 years to complete.

C. Value: $6,754,000
Lafayette Court Building
465 Main Street, Buffalo, New York 14203

The company invested in capital improvements and provided professional management and leasing. As a result, the property has secured major tenants such as H.U.D. and Manufacturers and Traders Trust Bank and is currently experiencing occupancy levels above the downtown average.

The Lafayette Court building was purchased from the lender who foreclosed on the prior owner.

D. Value: $3,675,000
Cyclorama Building
369 Franklin Street, Buffalo, New York 14202

Vacant when purchased, the company while working with preservationists, made necessary structural improvements and repairs as well as installing a 2nd floor in order to make the project economically viable. At this time, the property is 100% leased and is considered a success story for the City of Buffalo and Ciminelli Development.

Property Management:

E. Key Center
Fountain Plaza, Buffalo, New York 14202
Management of twin towers in downtown Buffalo comprised of 423,263 sq. ft. Class A office complex.
Major Tenants: See the last page of Section One of the accompanying brochure.

III. DESCRIPTION OF PROPOSED PROJECT

Location: Downtown Ithaca on the northwest corner of North Tioga Street and East Seneca Street, adjacent to the Commons.

Proposed Building Height (size and description)

Cornell University and Ciminelli Development Company, Inc, along with local interests led by the Lambrou family, are proposing a landmark mixed-use project for Downtown Ithaca. The project will consist of approximately 100,000 square feet of class A office and ground floor retail space, and a 110 room Hilton “Urban” Garden Inn. The 9 story, 175,000 square foot building would be anchored by Cornell University under a long-term lease arrangement. The proposed location for the project is the northwest corner of Tioga and E. Seneca Streets in the heart of downtown Ithaca. The project is targeted for completion in July of 2004. When completed, it is estimated that this building will house approximately 535 employees and serve as a major pedestrian traffic generator for the benefit of downtown shops and restaurants, as well as to stimulate other economic development activity in the city.

Building Height Allowed by Zoning: 140 Feet

Proposed Uses and Tenants:

The Project is divided into two components: the office/retail component and the hotel.

Office Component: The anchor tenant for the office component is Cornell University who will be locating 300 administrative employees to downtown in the Project. Of the 300 Cornell employees, approximately 230 are existing and approximately 70 would be new jobs. Cornell’s objectives with this commitment are to (a) leverage significant investment in downtown and in particular, The Commons, and (b) stimulate a significant increase in pedestrian traffic downtown and its resultant favorable impact on downtown shops, restaurants and housing. The anticipated market for the balance of the office component of the proposed project will be professional clients seeking a Class A office environment. The office building stock in the City of Ithaca is comprised of older, functionally obsolete office buildings with very small floor plates. Nonetheless, the office market has an extremely low vacancy rate with virtually no inventory of blocks of space 2,500 sq. ft.
or larger. The proposed building would represent the only Class “A” building in the central business district capable of effectively housing these types of firms, in many cases on a single floor.

The retail space, which represents less than 10% of the office/retail component, is anticipated to be occupied by typical accessory office & hotel uses such as office support services (copies, supplies, travel agency) as well as tourist related boutique or specialty retail.

Hotel Component: The proposed hotel will be the first new hotel in downtown Ithaca in over twenty years. The downtown market is presently underserved for hotel rooms. The anticipated market for the hotel, as referenced in a market study completed by Commonwealth Company, would be commercial/collegiate transient, group meeting and tourism. The Finger Lakes region of NYC continues to experience growth and tourism. This hotel, located in downtown Ithaca, will bring those tourists to the downtown area thus providing economic growth to the downtown area. A recent study completed by Randall Tourist Marketing identified downtown Ithaca as the region’s #1 Tourist destination.

Since the announcement of this project, there has been great interest expressed, but the acquisition and development costs are prohibitive in yielding economically feasible rates for the office/retail and hotel space.

IV. PROJECT COST

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Acquisition</td>
<td>$2,075,000</td>
</tr>
<tr>
<td>Construction (Shell):</td>
<td>13,600,000</td>
</tr>
<tr>
<td>Hard Costs (Interior build-out &amp; F.P.&amp;E.)</td>
<td>6,484,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>3,439,000</td>
</tr>
<tr>
<td>Contingency Expense</td>
<td>343,900</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$25,941,900</strong></td>
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</table>
V. SOURCES OF FUNDS FOR PROJECT:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>$10,786,344</td>
<td>Taxable financing</td>
</tr>
<tr>
<td></td>
<td>8,000,000</td>
<td>Tax-exempt financing</td>
</tr>
<tr>
<td>City of Ithaca</td>
<td>600,000</td>
<td></td>
</tr>
<tr>
<td>Tompkins County</td>
<td>750,000</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>2,305,556</td>
<td></td>
</tr>
<tr>
<td>Empire State Dev. Corp.</td>
<td>3,500,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$25,941,900</strong></td>
<td></td>
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</tbody>
</table>

It is envisioned that the Cornell University’s space within the project will be “carved out” via condominium and owned by a 501C3 entity to be formed by the National Development Council in order to utilize tax-exempt financing. Cornell will enter into a long-term lease with that entity. The 501C3 will seek tax-exempt financing in the approximate amount of $8,000,000. The 501C3 at the same time will enter into a ground/air lease with Cascade Plaza, LLC. Cascade with seek conventional financing for the Hotel and the multi-tenant portion of the project.
## VI. VALUE OF INCENTIVES

<table>
<thead>
<tr>
<th>Property tax abatement</th>
<th>Existing Taxes</th>
<th>Projected Taxes after Expansion Year 1</th>
<th>Projected Taxes after Expansion Year 1 w/Abate.</th>
<th>Present Value Of Total Abatement</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>$ 4,737</td>
<td>$ 109,610</td>
<td>$ 11,330</td>
<td>$ 608,577</td>
</tr>
<tr>
<td>City/Town</td>
<td>$ 8,537</td>
<td>$ 197,538</td>
<td>$ 20,418</td>
<td>$ 1,096,776</td>
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<tr>
<td>School</td>
<td>$ 16,726</td>
<td>$ 387,046</td>
<td>$ 40,006</td>
<td>$ 2,148,969</td>
</tr>
</tbody>
</table>

$ 30,000 $ 694,194 $ 71,754 $ 3,854,322

Assumes Tax Rate increases by 2% per annum.

PV assumes an 11% discount rate
VII. SUMMARY OF ECONOMIC IMPACT

Current Employment at Facility:

Number of Employees \( \geq 227 \) (existing Cornell employees located outside the City of Ithaca).

Projected Employment at Facility (after three years): \( \leq 535 \) (see below)

Anticipated job creation or retention as a result of this project.

The project anticipates to employ 535 people overall in the downtown project consisting of approximately 475 employees within the office space, 18 employees within the retail space and approximately 42 new hotel employees. Of the office component, Cornell has identified 300 high paying administrative employees that will be new to downtown. Of these 300 jobs, approximately 230 would be existing employees being relocated to downtown and 70 would be new employees. An additional 175 office employees are projected for the speculative office space anticipated to be leased to firms engaged in financial services, legal and accounting. The projected average wage of all employees is $42,000 per year.

VIII. NATURE AND STATUS OF GOVERNMENT APPROVALS AND PERMITS:

The proposed project will require site plan review by the City of Ithaca that will be subject to SEQR. As a Type I action, a positive declaration is anticipated and an EIS will be prepared. The project has broad community support, politically and otherwise, and a non-problematic review is anticipated. This initial action will be filed for the project on or about August 1st with site plan approval anticipated by January 31, 2003.

IX. CERTIFICATION

See Attached

X. EMPLOYMENT PLAN

See Attached
## Employment Plan

**Company Name:** Ciminelli Development Company, Inc. as Agent for Cascade Plaza, LLC  
**Address:** 350 Essjay Road, Williamsville, NY 14221  
**County:** Erie  
**Contact Person:** David Chiazza, Vice President  
**Telephone No.:** (716) 631-8000

### Permanent Occupation in Company

<table>
<thead>
<tr>
<th>Permanent Occupation in Company</th>
<th>Current Permanent Full-Time Jobs By Occupation</th>
<th>Projection of New Permanent Full-Time Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Salary or Hourly Wage</td>
<td>Number of Employees</td>
</tr>
<tr>
<td>Professional/Management</td>
<td>$50,400</td>
<td>140</td>
</tr>
<tr>
<td>Clerical/Admin</td>
<td>$26,600</td>
<td>90</td>
</tr>
<tr>
<td>Sales/Cust. Service</td>
<td>$22,500</td>
<td>-</td>
</tr>
<tr>
<td>Services</td>
<td>$19,000</td>
<td>-</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td>441*</td>
</tr>
</tbody>
</table>

**Manufacturing:**
- Skilled
- Semi-Skilled
- Unskilled

**Other (Describe):**

### Total

<table>
<thead>
<tr>
<th></th>
<th>230**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total:</strong></td>
<td><strong>218</strong></td>
</tr>
</tbody>
</table>

* Assumes 22 person-years of employment for each $1 million of construction (including F, P & E).  
**Not including construction jobs.

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**Prepared by:** David Chiazza  
**Title:** Vice President  
**Signature:** [Signature]  
**Date:** 7-31-02
CERTIFICATION

David Chiazza
(Name of officer of company submitting application)

Vice President
(Title)

Ciminelli Development Company, Inc.
(Company name)

deposes that he is the

the corporation named in the attached application; that he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason this verification is made by the deponent and not by

Ciminelli Development Company, Inc. is because the said company is a corporation.
(Company name)

The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the “Applicant”), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the nonprofit Tompkins County Industrial Development Agency (hereinafter referred to as the “Agency”) acting in behalf of the attached application whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds or transfer of title are ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action, or withdraws, abandons, cancels or neglects the application or if the Agency or Applicant are unable to find buyers willing to purchase the total bond issue required or financing for the project, then upon presentation of invoice, the Applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue or transfer of title the Applicant shall pay to the Agency an administrative fee set by the Agency, not to exceed an amount equal to 1% of the total project cost. The cost incurred by the Agency and paid by the Applicant, including bond counsel, the Agency's general counsel’s fees and the Agency’s administrative fees, may be considered as a cost of the project and included as part of the resultant bond issue.

__________________________
(notary seal)

NOTARY
Sworn to before me this

26th day of August 2002

__________________________
MARY LOU SCARFF
Notary Public, State of New York
Qualified in Erie County
My Commission Expires April 1, 2003