

Tompkins County
Industrial Development Agency

Industrial Application for Incentives

Applicant Information

Date: September 21, 2010

| | |
|---|-------------------|
| Name of Company/Applicant: The Lansing Market, LLC | |
| Address: 521 Ridge Road | |
| City/State/ZIP: Lansing NY 14882 | |
| Primary Contact: Andrew Sciarabba | |
| Phone: 607-533-3635 | Fax: 607-533-4732 |
| Email: ajs@sciarabbawalker.com | |

| | |
|--|-------------------|
| Will a separate company hold title to/own the property in question that is separate from the operating company/applicant? If yes, please provide the name and contact information for that entity. | |
| Name: The Lansing Market Realty, LLC | |
| Address: 521 Ridge Road | |
| City/State/Zip: Lansing NY 14882 | |
| Contact: Andrew Sciarabba | |
| Phone: 607-533-3635 | Fax: 607-533-4732 |
| Email: ajs@sciarabbawalker.com | |
| Describe the terms and conditions of the lease between the applicant and the owner of the property. A 20 year lease, triple net with rent in year one at \$168,000; increase annually with the lesser of the increase in CPI or 3%; option to renew 4-5 year terms; all improvements by the landlord. | |

| | |
|-------------------------------------|-------------------|
| Applicant Attorney: Randy Marcus | |
| Address: 119 E. Seneca Street | |
| City/State/ZIP: Ithaca NY 14850 | |
| Primary Contact: Randy Marcus | |
| Phone: 607-273-6841 | Fax: 607-272-8806 |
| Email: rmarcus@bgdmolaw.com | |

| | |
|---|-------------------|
| Applicant Accountant: Andrew Sciarabba | |
| Address: 521 Ridge Road | |
| City/State/ZIP: Lansing NY 14882 | |
| Primary Contact: Andrew Sciarabba | |
| Phone: 607-533-3635 | Fax: 607-533-4732 |
| Email: ajs@sciarabbawalker.com | |

| | |
|--|-------------------|
| Applicant Engineer/ Architect (if known): George Breuhaus, Architect | |
| Address: South Hill Business Campus, 950 Danby Road | |
| City/State/ZIP: Ithaca NY 14850 | |
| Primary Contact: George Breuhaus | |
| Phone: 607-257-8348 | Fax: 607-257-8349 |
| Email: breuhausarchitect@yahoo.com | |

| | |
|--|------|
| Applicant Contractor (if known): Not known yet – will probably be local trades (all). | |
| Address: | |
| City/State/ZIP: | |
| Primary Contact: | |
| Phone: | Fax: |
| Email: | |

Business History

Year Company was Founded: ___September 2010_____

| |
|--|
| Product or Service: Full line neighborhood grocery store independently owned by mostly local (Lansing) residents. |
|--|

| |
|--|
| Major Customers: Serving individuals and families in the Lansing community and rural areas to the north. <i>The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.</i> |
|--|

| |
|--|
| Major Suppliers: Associated Wholesalers, Inc. (Major supplier of independent grocers) |
|--|

Local farms for seasonal fruits and vegetables; Regional dairy vendors

Who are your major competitors in Tompkins County? Tops, Wegmans, Aldis – all mostly national chains –
closest competitor is about 5 miles away. _____

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

If Yes, please describe. _____

Were the goals met? Yes No

If No, why were goals not met? _____

Business profit history. Please supply in spreadsheet format five (5) years of Past History and Three (3) years future projections.

| Years | Historical | | | | | | Projected | | |
|----------|------------|---|---|---|---|--|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | | 1 | 2 | 3 |
| Revenues | | | | | | | 4,600,000 | 4,900,000 | 5,200,000 |
| | | | | | | | | | |
| Profits | | | | | | | 40,000 | 64,000 | 96,000 |

Project Description

Please give a brief narrative description of the project.

See attached

Location: Northwest corner of N. Triphammer Road & Town Barn Road, Lansing NY _____

Property size (acres) – both existing and proposed: About 8 acres – 4 of which will be subdivided for this project.

Building size (square feet) – both existing and proposed: 14,000 s.f. building to be constructed _____

Proposed project start and completion dates: December 2010 – May 2011 _____

What types of green building practices do you plan to use, if any? New construction – well insulated and efficient refrigeration and lighting systems _____

Do you certify that the project will not result in the relocation of all or part of any business or jobs from within New York State to Tompkins County? Yes No

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

If Yes, number of visitors per year _____ Average duration of stay _____ days

Occupancy

List the name(s), nature of business of proposed tenant(s), and percentage of total square footage to be used for each tenant (Additional sheets may be attached if necessary).

The Lansing Market, LLC will be the tenant occupying the building owned by The Lansing Market Realty, LLC. Both entities are owned by local Lansing residents. The Lansing Market would receive the sales tax exemption on construction materials; Lansing Market Realty would receive the PILOT, partial mortgage recording tax abatement, and sales tax exemption on construction materials.

Project Costs

| | <u>Amount</u> |
|---|---------------|
| Value of land to be acquired (if any): | \$275,000 |
| Value of building to be acquired (if any): | _____ |
| Cost of new construction: | \$1,225,000 |
| Value of improvements to existing building: | _____ |
| Value of equipment to be acquired: | \$1,000,000 |
| Other: (inventory and working capital) | \$525,000 |
| TOTAL | \$3,025,000 |

For IDA to fill out

Estimated reimbursement of soft costs based on project cost: _____

Agency Fee: _____

Agency Counsel Fee: _____

Agency Bond Counsel Fee: _____

Financing

Amount of anticipated financing from a lending institution \$ 2,425,000

(Please note: the applicant must inform the TCIDA at the time of issuance of commitment letter if the financing will exceed the amount stated here.)

Value of Incentives – see attached spreadsheet

Property tax abatement

| | |
|-------------|--|
| Assumptions | |
| \$xxx,xxx | value of new assessment |
| 4% | annual increase in assessment and tax rate |

| Year | New Taxes paid | | | | Total | Taxes Abated | | | | Total |
|------|----------------|--------|-----------|---------|-------|--------------|--------|-----------|---------|-------|
| | County | School | City/Town | Village | | County | School | City/Town | Village | |
| 1 | | | | | | | | | | |
| 2 | | | | | | | | | | |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
| 6 | | | | | | | | | | |
| 7 | | | | | | | | | | |

Totals

Value of sales tax abatement: \$ _____ \$66,000 _____

Estimated length of sales tax abatement: _____ 1 Year _____

Estimated value of abatement for facility construction including information on assumptions used in calculations: _____ \$24,000 (60% of construction costs subject to 8% sales tax)

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: _____ \$80,000 (based on quotes from vendor) _____

Mortgage Recording tax abatement: \$ _____ \$6,063 _____

Other government incentives or support include summary of program, name of contact person and terms and conditions of program: _____

Need for Incentives

Are you asking for a schedule of incentives that deviates from the IDA’s Standard property tax abatement (as listed below)? ___ Yes _X_ No

| <u>Year</u> | <u>Abatement</u> |
|-------------|------------------|
| 1 | 90% |
| 2 | 77% |
| 3 | 64% |
| 4 | 51% |
| 5 | 39% |
| 6 | 26% |
| 7 | 13% |

If the applicant is requesting incentives that are greater than the IDA’s Standard Policies, please include a detailed description and justification for this request.

Employment Information (please note that during the course of the abatement you will be required to provide detailed employment information annually.)

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

Medical for full-time employees; Most of the part time employees will be teenagers and/or retirees that already have coverage elsewhere. There will also be a 401k with a small employer match.

Benefit packages will be comparable to other grocery stores.

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

Associated Wholesalers, a cooperative that provides support to independent grocery stores, will provide training. Part-time employees will have opportunities for training and advancement when positions become available.

What percentages of your current positions do women occupy? _____ not known at this time _____

What percentages of your current positions do minorities occupy? _____ not known at this time _____

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

_____ Yes No ; full time management staff will receive above the livable wage; part time employees will not – most of whom are projected to be teenagers.

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

If yes, please describe.

The general manager will meet with Workforce Investment Board staff to develop methods to ensure diversity in hiring.

Please provide your Employment Plan

| Permanent Occupations in Company | Current Permanent Full-Time Jobs by Occupation | | Projection of New Permanent Full-Time Jobs | | | |
|---|--|---------------------|--|--------------------------|--------------------------|--------------------|
| | Average Annual Salary Ranges/ Hourly Wage | Number of Employees | New Jogs Added in Year 1 | New Jobs Added in Year 2 | New Jobs Added in Year 3 | Total New Jobs |
| Professional: | | | | | | |
| | | | | | | |
| Clerical: | | | | | | |
| Sales: | | | | | | |
| Services: | | | | | | |
| Cashiers & Clerks All part-time | \$7.75 | | | | | 18-20 part time |
| Construction: | | | | | | |
| | | | | | | |
| Manufacturing: | | | | | | |
| High Skilled: | | | | | | |
| Medium Skilled: | | | | | | |
| Basic Skilled: | | | | | | |
| | | | | | | |
| Other (Describe): | | | | | | |
| Dept. Managers | \$15 - \$18/hr | | 5 | | | 5 |
| Manger & Assistant Manager | \$20 – 38/hr | | 2 | | | 2 |
| | | | | | | |
| Total: | | | 7 | | | 7 FT 18-20 PT |

Construction Labor

Will you use contractors who:

- | | |
|--|-------------------------------|
| Have a certified apprenticeship program? | Do not know. |
| Pay a prevailing wage? | Do not know. |
| Use local labor? | Yes <u> X </u> No <u> </u> |

Environmental Review

Environmental Assessment Form – short or long

Submitted to: ___Town of Lansing Planning Board as part of Site Plan Review_____

Agency name: ___Town of Lansing _____

Agency address: _29 Auburn Road, Lansing NY 14882_____

Date of submission: __August 27, 2010_____ Status of submission: _____

(please note: an environmental review must be completed before TCIDA can vote on proposed financial incentive. It is the applicant’s responsibility to provide a copy of the determination of environmental impact by another agency to TCIDA.)

Permits

Describe other permits required and status of approval process.

Town of Lansing Site Plan Approved – Planning Board
Department of Health for System Design
Storm water retention design
Town of Lansing Building Permits

Other

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

See attached *Need for IDA Incentives*

CERTIFICATION

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

of _____, the corporation named in the attached application; that
(Company Name)

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

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

_____ is because the said company is a corporation.
(Company Name)

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

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

Signature of chief officer of company submitting application

NOTARY

Sworn to before me this

_____ day of _____, 20_____

Lansing Market Need for IDA Incentives.

The proposed Lansing Market will be the only grocery store in the Town of Lansing. The community currently drives to the closest store, Top's, approximately 5 miles away. The market study prepared by Associated Wholesalers, Inc. indicates in the 4 quadrants of 3 to 5 miles from this site there is a population base of 6,527 with weekly grocery sales potential of \$245,000. They project that we could capture about 27% of this potential as the primary trade range along with about 77% of the secondary trade range for a total of approximately \$90,000 per week sales potential.

At these sales levels and the industry wide low profit margins for grocery store operations, it is critical that we obtain the real estate tax abatements for the initial years of this project. Additionally, with the high cost of development along with the significant investment needed in capital equipment, the sale tax and mortgage tax incentives will help with the financing of this project. Of the total project cost of approximately \$3,000,000, bank financing, with personal guarantees by the owners, will require significant debt service requirements for at least the first 7 years of this project, which results in negative cash flow in the first 3 to 5 years.

This project is important to the Lansing community in many respects; it results in providing basic services to the residents, fosters the concept of Town Center and nodal development, all part of the Town's comprehensive plan, provides 15-20 new fulltime equivalent jobs, helps to increase the tax base at a time when the AES operations is significantly reducing its taxable assessment, reduces the travel requirements for these basic services and can act as a encouragement for additional businesses to locate in the Lansing area such as Banks, Medical and other professionals.

Lansing Market Project Description

The Town of Lansing has been without a grocery store for about 20 years now. There are two small convenience stores, only one of which has gas pumps. Xtramart just completed a 3,600 sq. ft. convenience store that includes a drive through Dunkin Donuts and a small sandwich area. It increased the number of gas pumps and added 3 diesel lines for large trucks. Its items are typical convenience; snacks, beer and soda, candy etc. No grocery items.

The nearest grocery store is Top's at the corner of N. Triphammer Rd and Rte. 13 to the south. To the north and east there is a grocery store in Genoa, 15 miles away, and in Dryden about 18 miles away. Groton, NY does not have a full line grocery either, just a large convenience store. The Lansing Market will make goods and services not readily accessible to residents of the Lansing community.

The Lansing Market will be a 14,000 sq ft store with about 75 parking spaces. The store will be open 7 days a week from 8am to 9pm and will have a deli, bakery, meat/poultry, sea food department, fresh produce and general groceries. The site will use approximately 4+ acres in order to accommodate the parking, on site septic and storm water retention systems.

The main entrance will be from N. Triphammer Rd with major deliveries from the Town Barn Rd.

The initial proforma shows 7 full time employees, mostly department managers and approximately 20 part-time employees.

Construction is planned for December 2010 with completion and opening late spring 2011. It is anticipated that all the construction will be by local contractors and as much building materials will be purchased locally as possible.

This project is in the area designated as the Town Center for the Town of Lansing. The zone is B2, the highest commercial zoning. The Town has established a Lansing Recreational Pathways Committee and we would hope that we can be connected to the future trails and walkways. There are currently no sidewalks in the Town other than in the Village of Lansing.