The City of Ithaca is committed to creating a work environment and community that values and supports diversity and inclusion and to developing laws, policies and procedures that are mindful and inclusive of our diverse community.

The Community Investment Incentive Tax Abatement Program (CIITAP) is a property tax abatement program that allows property owners to apply for abatement for a portion of their property taxes for a period of up to 7 years.

I. Objective

In conjunction with the goals of the Tompkins County Comprehensive Plan, the objective of CIITAP is to encourage development in the City that would increase jobs, increase the tax base, promote density in the city core, encourage rehabilitation and redevelopment of underutilized sites, and help create a vibrant downtown center. Specifically, the goals as stated in the Tompkins County Comprehensive Plan, are as follows:

- Strengthen and enhance the City of Ithaca’s downtown area as the urban center of the county.
- Increase the amount and density of housing and business space in the central business districts throughout the county.
- Promote greater density by encouraging development of existing ‘gaps’ left by abandoned buildings and vacant parcels.

II. Eligibility Criteria

Project sponsors applying for tax abatement(s) under the City of Ithaca Community Investment Incentive Program must meet the following size, density, location, and municipal compliance requirements:

1.) **Project Size Requirement** — In order to meet the minimum project size requirement to be eligible for tax abatements under CIITAP, a project must provide a letter from the Tompkins County Assessment Office that states that the project will result in an estimated increase in the assessed value of the property by at least $500,000.

2.) **Project Density Requirement** — In order to meet the minimum density requirement to be eligible for tax abatement under CIITAP, a project must either:

- Contain a minimum of 3 occupiable stories in height.

  or

- Must be a major restoration of an existing structure.
3.) **Project Location Requirement** — In order to meet the location requirement to be eligible for tax abatement under CITAP, a project must either:

- Be located in the City of Ithaca Density District

  or

- Be a redevelopment of a Brownfield site that is registered as a DEC inactive hazardous waste site ([www.dec.ny.gov/cfmx/extapps/derexternal/index.cfm?pageid=3](http://www.dec.ny.gov/cfmx/extapps/derexternal/index.cfm?pageid=3))

4.) **Municipal Compliance** — Each property in the City of Ithaca owned by the Applicant must be in full compliance with all applicable local laws and regulations, consent agreements, and orders of the Director of Code Enforcement, and current on all taxes, assessments, fees and penalties due to the City. Properties owned by the Applicant in the City of Ithaca shall include any property for which an Applicant, or their partners has an ownership interest of 20% or more. Partners shall include any partners owning 20% or more of the project LLC, Corporation, or project equity.

Eligibility is determined by the Mayor of the City of Ithaca, based on the above-stated criteria. Once eligibility has been determined, the Mayor will provide a letter of endorsement to the Tompkins County Industrial Development Agency (IDA). (See Section IV for the complete application process.)

**III. Density District Boundary**
IV. Incentive Package

Property Tax Abatement — The standard CIITAP property tax abatement will begin at 90% in year one and decrease in equal increments over seven (7) years. Applicants may request an enhanced property tax abatement that begins at 100% in year one and decreases in equal increments over ten (10) years, if the applicant can demonstrate financial need, as determined by a review by IDA administrative staff of the project pro forma, and demonstration of an annual return on investment less than 20% in the first five years. The abatement will only impact taxes on improvements to the property and not taxes on the existing value.

The IDA retains the ability to offer more than the standard abatement package, based on an analysis of the impact on the economy, the needs of the business, and input from the City of Ithaca. The IDA may negotiate additional abatements based on financial need.

- Sales Tax Abatement — The applicant will be exempt from both the local and State portion of sales tax on construction materials, equipment, and furnishings associated with the project.

- Mortgage Recording Tax — The applicant will be exempt from the State portion of the Mortgage Recording Tax ($2.50 per $1,000).

V. Application Process

Tompkins County Area Development, Inc. (TCAD) provides administrative and marketing services to the IDA. Potential applicants should contact the City Planning Division to schedule a meeting with Planning staff and TCAD staff, to determine project eligibility.

If the project appears eligible, TCAD will assist with completing the application for assistance. It is strongly advised that potential applicants schedule the initial eligibility determination meeting as early in the process as possible, in order to determine if the dollar value of the proposed incentives exceeds the associated fees.

Based on the nature of the project and the incentives requested, the following will occur:

1. Eligibility Determination Meeting — A developer seeking a tax abatement under this program must first have a joint meeting with staff from TCAD and the City Planning Division.

2. CIITAP Application — A developer must submit a completed CIITAP application to the City of Ithaca Planning Division. The application will be reviewed for completeness and will be submitted to the Mayor for consideration.

3. Public Information Session — The City will schedule a Public Information Session, at which the developer will be responsible for presenting information about the project and answering questions from the public. The City will advertise the public information session with a press release to the local media.
The developer is responsible for posting the property at least 5 days prior to the Public Information Session, with the date, time, and location of the meeting.

4. City Approval — A City CIITAP Review Committee, consisting of the Mayor, the Director of Planning and Economic Development, and the Director of Community Development for the IURA, will consider project approval, based on the stated criteria of density, size, location, and municipal compliance. If the criteria are satisfied, the CIITAP Review Committee will forward the completed application, along with a letter of approval to the IDA.

5. IDA Application — A developer will submit a standard IDA application to the IDA for consideration, in addition to the CIITAP application and Mayor’s approval letter. The IDA will make an independent determination of the project.

6. Public Hearing — Following an initial review, the IDA will, if favorably disposed toward a project, schedule a public hearing on the proposed incentive package. Standard IDA policies apply with regards to public hearing notification and other requirements.

7. IDA Determination — Following a public hearing, the IDA will make a conditioned determination on the project. No final decision may be reached by the IDA until SEQR requirements have been met by the developer.

8. Notification and Reporting — The IDA will notify the City of Ithaca and appropriate taxing jurisdictions once a project is approved. The IDA may diminish or rescind incentives should the project materially change. IDA agreements generally have clawback requirements.

9. Applications under this policy may not be accepted after December 31, 2017, unless the IDA and City of Ithaca vote to extend the policy beyond that date.

Refer to the Tompkins County Industrial Development Agency’s Mission, Policies, and Procedures for additional information.

VI. Application Fees

The applicant is responsible for payment of the following fees associated with the CIITAP process:

1. City Administrative Fees — The applicant will be responsible for paying the City a flat fee of $750 (seven hundred and fifty dollars) in order to cover the cost of processing the CIITAP application and the public meeting notifications. This fee is due to the City at the time that the application is submitted.

2. IDA Administrative Fees — The applicant is responsible for paying the IDA Administrative Fee at the time of closing. This fee will be equal to 1% of the total value of expenses that are positively impacted by IDA incentives. This includes the value of construction of improvements to property that is impacted by property and sales tax abatement, and the value of furniture, fixtures, and equipment that are impacted by sales tax abatement. It will not include any purchases, such as manufacturing equipment, where the IDA does not deliver an incentive. Soft costs (e.g., legal, consulting, financial, architectural, and engineering fees) will be
included in the amount considered as total value of expenses. In an attempt to make its incentive program cost-effective for smaller projects, the IDA will reimburse the applicant 100% of the Administrative Fee, IDA Counsel Fee, and IDA Bond Counsel Fee associated with the IDA involvement in the project, if the total project cost is less than $1 million. For a total project cost greater than $1 million, but less than $2 million, the reimbursement of fees will be reimbursed on a sliding scale that declines from 100% to 0% gradually, based on project size. There will be no reimbursement of fees for projects with costs over $2 million. The reimbursement will take the form of additional property tax abatement credited to the business in the initial years of the Payment-in-Lieu-of-Taxes (PILOT) agreement. The IDA retains the right to determine the credit the applicant will receive. For projects where there is no property tax abatement, there will not be any form of fee reimbursement.

3. IDA Counsel Fees — The applicant is also responsible for paying the IDA for all legal costs it incurs, including IDA Counsel and Bond Counsel fees.

4. Applicant Attorney Fees — The applicant is responsible for its own attorney fees associated with closing IDA incentives.
The City of Ithaca Community Investment Incentive Program provides incentives for investment in the City. The incentives include property tax reductions and/or abatements for a period of up to 7 years. Applicants and projects must meet the minimum eligibility requirements (see application, Part II) in order to apply for the program.

Part 1. – Applicant Information

Application Date: 12 / 16 / 2014

Company/Applicant Name: Ithaca Downtown Associates, LLC

Primary Contact: Neil Patel

Address: 337 Elmira Road City: Ithaca State: NY Zip: 14850

Phone: 607.351.2268 Email: neil@baywoodhotels.com

Applicant Attorney: Barney, Grossman, Dubow, Marcus, Orkin & Tesi, LLP / Randall B. Marcus

Attorney Address: 220 E. Buffalo St. City: Ithaca State: NY Zip: 14850

Attorney Phone: 607.273.6841 Email: rmarcus@bgdmolaw.com

Applicant Accountant: Philip Mann

Accountant Address: 6400 Sheridon Dr. City: Williamsville State: NY Zip: 14221

Accountant Phone: 716.580.1553 Email: pmann@bonadio.com

Applicant Engineer/Architect: T.G. Miller, P.C. - Andrew Sciarabba/

Group One Partners, Inc. - Mary Faria

Address: 203 North Aurora Street / City: Ithaca

21 West Third Street / City: Boston

Phone: 607.273.6322 / ajs@tgmillerpc.com

Phone: 617.268.7000 ext. 110 Email: mary@grouponeinc.com
Will a separate company hold title to/own property in question that is separate from the operating company? If yes, please provide the name and contact information for that entity.  

no

Company Name: ________________________________

Primary Contact: ________________________________

Address: __________________ City: __________ State: _______ Zip: _______

Phone: ______________ Email: ______________________

Describe the terms and conditions of the lease between the applicant and the owner of the property: ________________________________________________________________

Part 2. -- Business History

Year Company was Founded: 2013

Type of Ownership (e.g., corporation, LLC, sole proprietor, etc.): LLC

Product or Service: hotel

Major Customers: Corporate travelers, Leisure travelers, Group, & Local

Major Suppliers: Sysco, Maines, Ithaca Glass, Casella Waste, Sysco - Guest Supply

Major Local Competitors: HGI, Homewood Suites, Courtyard
Part 3. - Project Description

Project Narrative: The proposal will redevelop a parking lot in the heart of downtown Ithaca where the former Strand Theater once stood, and reinvigorate the public realm in this core area of downtown. The project is a 7-story boutique hotel, 80'-0" tall (92'-0" top of penthouse), 74,475 gsf with 123 guestrooms. The ground floor will include a café and bar, a retreat area, public restrooms, a garden patio, and approximately 2,000 sf of retail space. The second floor will accommodate a fitness room, board room, meeting room, roof terrace, and guest rooms. Floors 3-7 are dedicated to guestroom program. Exterior façade materials on the ground floor will be brick veneer, precast concrete, aluminum storefront, folding glass walls and a metal and backlit glass vehicular drop-off canopy. Other typical floors will use brick veneer, composite metal panel, fiber cement lap siding and punched aluminum "warehouse" style windows.

Project Location: 320-4 E. MLK, Jr. / E State Street, Ithaca, NY 14850

Property Size (acres) – both existing & proposed: 0.521 acres (both)

Building Size (square feet) – both existing & proposed: Existing- none; Proposed- 74,475 gsf

Proposed Project Start & Completion Dates: Spring 2015-Spring 2016

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

List the names, nature of business of proposed tenants, and percentage of total square footage to be used for each tenant (additional sheets may be attached, if necessary):

Ground Floor: 12,400 gsf
Uses include: Reception/Lobby, Cafe/Bar, Public Toilets, Hotel back of house area, 2,000 sf retail space (tenant unknown)

Second Floor: 10,365 gsf
Uses are: 13 guestrooms, Meeting Room(s), Board Room, and Fitness Room

Typical Floors 3-6: 10,365 gsf x 4 = 41,460 gsf
Uses are: 22 guestrooms per floor

Floor 7: 10,250 gsf
Uses are: 22 guestrooms per floor

Total GSF: 74,475 gsf / 123 guestrooms

Building height:
7 stories / 80'-0" (based on 17'-0" ground floor, 10'-4" floors 2-6 and 11'-4" floor 7)
Height to mechanical penthouse/screen – 92'-0" (assuming screen is 12'-0" high)
Part 4. – Project Costs

Value of Land to Be Acquired (if any): $2,400,000.00

Value of Buildings to Be Acquired (if any): none

Cost of New Construction: $11,500,000.00 % subject to local sales tax 50%

Value of Improvements: % subject to local sales tax

Value of Equipment to Be Acquired: $1,000,000.00 % subject to local sales tax 20%

Other: $5,250,000.00 % subject to local sales tax 20%

Total: $20,150,000.00

Part 5. – Criteria

Will the proposed project result in an increase to the tax roll value of new real property by at least $500,000? yes

Does this project contain at least three occupiable stories? yes

Proposed Height (in stories and feet): 7-stories; 80'-0" tall (92'-0" to top of penthouse

Does the project include a rehab of an existing structure? no

Is the project located in the City of Ithaca Density District? yes

Does the project contain the redevelopment of a Brownfield site? no

Does the project applicant, or any of the partners owning at least 20% of the project equity, the project LLC, or the project corporation, currently own any properties located within the City of Ithaca that are delinquent on taxes, assessments, fees or penalties due to the City or that have one or more violations of local laws or regulations? no
VIII. Certification

Neil Patel deposes that he/she is the Managing Member of Associates, LLC, the corporation named in the attached application; that he/she has read the foregoing application and knows the contents thereof; that the same is true to his/her knowledge. Deponent further says that the reason this verification is made by the deponent and not by Associates, LLC is because the said company is a corporation.

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 non-profit Tompkins County Industrial Development Agency (hereinafter referred to as the “Agency”) acting on 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

22nd day of December, 2014

(Patricia Williams)

PATRICIA WILLIAMS
Notary Public, State of New York
No. 01W16291985
Qualified in Monroe County
Commission Expires 10/21/2017

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