

Tompkins County
Industrial Development Agency
Industrial Application for Incentives

Applicant Information

Date: 8/27/13

Name of Company/Applicant: Dairy One Cooperative, Inc. (Formerly known as Northeast Dairy Herd Improvement Association)	
Owner:	
Address: 730 Warren Road	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: James Zimmerman	
Phone: 607-257-1272	Fax: 607-257-6808
Email: jamiez@dairylea.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:	
Address:	
City/State/Zip:	
Contact:	
Phone:	Fax:
Email:	
Owner:	

Describe the terms and conditions of the lease between the applicant and the owner of the property. Chestnut Labs will be a tenant of the facility and will also be seeking sales tax abatement for new equipment they purchase for the facility.

Applicant Attorney: Nixon Peabody	
Address: 1300 Clinton Square	
City/State/ZIP: Rochester, NY 14604	
Primary Contact: Scott Cristman	
Phone: 585-263-1377	Fax: 585-263-1600
Email: scristman@nixonpeabody.com	

Applicant Accountant: Internal	
Address:	
City/State/ZIP:	
Primary Contact:	
Phone:	Fax:
Email:	

Applicant Engineer/ <u>Architect</u> (if known): Dalpos – Architects & Integrators	
Address: 101 N Clinton St, Suite 300	
City/State/ZIP: Syracuse, NY 13202	
Primary Contact: James Knittel	
Phone: 315-422-0201, ext 282	Fax 315-422-0776
Email: jknittel@dalpos.com	
Applicant Contractor (if known): CBD Construction, LLC	
Address: Onondaga Tower, 125 East Jefferson Street, Suite 400	
City/State/ZIP: Syracuse, NY 13202	
Primary Contact: Courtney Wilson	
Phone: 315-481-1900, ext 303	Fax:315-295-1901
Email: cwilson@cbdcos.com	

Business History

Year Company was Founded: 1949 Type of Ownership (Corporation, LLC, Sole Proprietor)
 NAICS Code: 115210

Product or Service: Management information services and analytical/laboratory services for farmers & agriculture.

Major Customers: Thousands of individual farmers, consultants, Dairylea Cooperative, Dairy Farmers of America,

The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.

Major Suppliers: Foss, Valley Ag Software, Fisher Scientific, Insight

Who are your major competitors in Tompkins County? None

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? _____

After expansion:

Annual Sales to customers in Tompkins County \$ 400,000 Percent subject to sales tax 0%

Annual purchases of operating items subject to local sales tax \$.5%

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 (Thousands)	\$19,608	\$18,870	\$19,072	\$19,583	\$20,012	\$20,618	\$21,226	\$21,651
Profits (Thousands)	\$458	\$80	\$325	\$315	\$230	\$559	\$766	\$820

Project Description

Please give a brief narrative description of the project.

Constructing a new facility with approximately 17,000 sf. Half will be used by Dairy One as an expansion area of our current milk lab activities. Half will be used by Chestnut Labs of Springfield Missouri. This is Chestnut's first satellite facility and they are locating in the Northeast due to customer demand, potential new business, business synergies with Dairy One, and proximity to Cornell University. Chestnut will lease space from Dairy One. The facility will be named the "Northeast Dairy and Food Testing Center" and will have resources to meet the testing needs of all parts of the food chain from farm to store shelf.

The project also includes remodeling of Dairy One's current facility following the construction of the new building.

Location: 730 Warren Road, Ithaca, New York

Property size (acres) – both existing and proposed: 9.75 total

Building size (square feet) – both existing and proposed: 30,000 current, 17,000 proposed

Proposed project start and completion dates: Start – fall 2013, completion – Spring 2014

What types of green building practices do you plan to use, if any? Undetermined

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 10 Average duration of stay (days) 1

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).

Chestnut Labs
Food testing, research, consulting, and education.
50% of new building space – approximately 8,500 sf

Project Costs

	<u>Amount</u>	<u>% subject to sales tax</u>
Value of land to be acquired (if any):	_____	N/A
Value of building to be acquired (if any):	_____	N/A
Cost of new construction:	<u>2,895,000</u>	<u>60%</u>
Value of improvements to existing building:	<u>570,000</u>	<u>60%</u>
Value of equipment to be acquired:	<u>650,000</u>	<u>100%</u>
Other:	_____	<u>%</u>
TOTAL:	<u>4,115,000</u>	N/A

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 \$2,000,000

(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

Property tax abatement

Assumptions
 \$1,000,000 Value of increase in assessment
 4% Annual increase in assessment and tax rate

Year	Abatement	<u>New Taxes Paid \$119,216</u>				<u>Taxes Abated \$116,412</u>			
		County	Town	Village	School	County	Town	Village	School
1	90%	680	139	95	2,069	6,121	1,253	855	18,621
2	77%	1,617	331	226	4,919	5,456	1,117	762	16,599
3	64%	2,627	538	367	7,994	4,728	968	660	14,385
4	51%	3,716	761	519	11,306	3,933	805	549	11,967
5	39%	4,888	1,001	683	14,871	3,068	628	429	9,333
6	26%	6,148	1,258	859	18,703	2,126	435	297	6,469
7	13%	7,500	1,535	1,048	22,818	1,105	226	154	3,361
Totals		27,176	5,563	3,796	82,680	26,537	5,432	3,707	80,736

Value of sales tax abatement: \$215,120

Estimated length of sales tax abatement (years): 2 years

Estimated value of abatement for facility construction including information on assumptions used in calculations: 60% of estimated \$3,465,000 construction and renovation costs x 8% sales tax = \$166,320.

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: 100% of estimated \$610,000 ff&e x 8% sales tax = \$48,800

Mortgage Recording tax abatement: \$5,000

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 & Dental Insurance, Flexible spending accounts, Health savings accounts, Life insurance, 401(k) plan, short & long term disability insurance, tuition assistance.

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

New employee training appropriate for each position
Workplace safety training
Ongoing job training appropriate for each position

What percentages of your current positions do women occupy? 45%

What percentages of your current positions do minorities occupy? 2%

Are you willing to pay a livable wage as defined by the Alternatives Federal Credit Union (AFCU) of Ithaca, NY (<http://www.alternatives.org/2013livingwagechart.html>) to all employees for the duration of the abatements?

 Yes X No

What percent of current workforce and management are in:

Tompkins County?	<u>35%</u>
In New York State?	<u>66%</u>
Out of New York State?	<u>34%</u>

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

If yes, please describe.

Dairy One is in the initial phase of developing a strategy to insure diversity in hiring with the assistance of Tompkins Workforce New York.

Will you allow your building to used as a polling facility? _____ Yes X No

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 Jobs Added in Year 1	New Jobs Added in Year 2	New Jobs Added in Year 3	Total New Jobs
Professional:	48,000 – 102,000	26	1			1
Clerical:						
Sales:						
Services:	20,500 – 65,000	27				
Construction:						
Manufacturing:						
High Skilled:						
Medium Skilled:						
Basic Skilled:						
Other (Describe):						
Lab technicians	20,950 – 50,400	42	10	2	2	14
Field technicians	25,000 – 60,000	160				
Total:		255	11	2	2	15

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

Construction Labor

Will you use contractors who:

Have a certified apprenticeship program	<u> </u>	Yes	<u> X </u>	No
Pay a prevailing wage	<u> </u>	Yes	<u> X </u>	No
Use Local Labor	<u> </u>	Yes	<u> X </u>	No

Environmental Review

Environmental Assessment Form – short or long

Submitted to: Pending submission to Village of Lansing

Agency name: _____

Agency address: _____

Date of submission:

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.

Site plan review with the Village of Lansing during fall 2013

Other

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

CERTIFICATION

James R. Zimmerman deposes that she/he is the General Manager
(Name of chief executive officer of company submitting application) (Title)

of Dairy One Cooperative, Inc, 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

Dairy One Cooperative, Inc is because the said company is a corporation.
(Company Name)

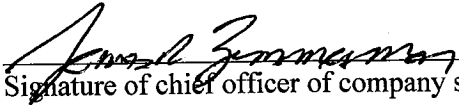
The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of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

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.

SIGNATURE PAGE FOLLOWS ON SEPARATE PAGE

CERTIFICATION
SIGNATURE PAGE

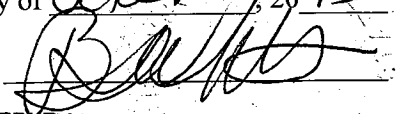


Signature of chief officer of company submitting application

NOTARY

Sworn to before me this

07 day of October, 2013



BEVERLEY WHITTIER
Notary Public, State of New York
No. 01WH6032760
Qualified in Tompkins County
Commission Expires November 8, 2013