

## NOTICE OF PUBLIC HEARING ON PROPOSED FINANCING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to §859-a of the New York General Municipal Law will be held by the Tompkins County Industrial Development Agency (the "IDA") on the 9<sup>th</sup> day of March, 2016, at 5:00 p.m. in the conference room at the Old Jail, 125 East Court Street, Ithaca, New York, in connection with the following matter:

Hotel Ithaca, LLC (the "Company"), a New York State Limited Liability Company, its successors or designees, has requested that the IDA provide financial assistance for the following project: to acquire real property located at 130 S. Aurora Street (tax parcel number 70.-4-4.4) and 120 S. Aurora Street (tax parcel number 70.-4-4.3) in the City of Ithaca, County of Tompkins, with a combined acreage of 0.193 acres, and a permanent easement for air rights over a portion of tax parcel number 70.-4-4.2 ("the Property") and to construct and equip a 159 room, 10 story full service hotel on the Property with meeting/function space, a restaurant, bar and lounge ("the Improvements"); the Property and Improvements are collectively referred to as "the Facility."

The IDA has already, by resolution dated March 20, 2013, approved financial assistance consisting generally of exemption from taxation expected to be claimed by the Company as a result of the IDA taking title to, possession or control (by lease, license or otherwise) of the Facility, or of the Company acting as an agent of the IDA, consisting of: (a) exemption from state and local sales and use tax with respect to the qualifying personal property portion of the Facility; (b) exemption from real estate transfer tax with respect to the transfer of the Facility or a portion thereof to the IDA; (c) exemption from mortgage recording tax with respect to any qualifying mortgage on the Facility, which exemption shall be offset, in part, by contractual payment in lieu of a portion of the mortgage recording tax; and (d) exemption from general real property taxation with respect to the Facility, which exemption shall be offset, in whole or in part, by contractual payments in lieu of taxes ("PILOT" payments) by the Company for the benefit of tax affected jurisdictions. The approved exemption from real property taxation does not deviate from the IDA's Enhanced Tax Exemption Policy for properties located in the area covered by the IDA's City of Ithaca Community Investment Incentive Tax Abatement Program (CIITAP) Policy. The Enhanced CIITAP Policy deviates from the IDA's Standard Tax Exemption schedule.

The maximum amount of sales tax exemption requested in the Company's application to the IDA dated February 6, 2013 was \$892,000. The maximum amount authorized by the First Addendum to Agent Agreement entered into between the Company and the IDA on May 1, 2014, and reported on the IDA Appointment of Project Operator or Agent for Sales Tax Purposes (Form ST-60) dated April 19, 2013 and subsequently filed with the State was erroneously shown as \$748,800. The Company has requested that the maximum sales tax exemption amount be increased to \$1,151,200 to reflect more current estimates of the percentage of Project costs subject to sales tax.

In accordance with §875(3) of the New York General Municipal Law, and if the Company's application is approved, any New York State and local sales and use tax exemption claimed by the Company and approved by the Agency in connection with the above-described project may be subject to recapture by the Agency under the terms and conditions set forth in §875(3) and as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Company.

Members of the public are invited to review the project application containing an analysis of the costs and benefits of the proposed project at the IDA's office (401 East State/MLK Jr. Street, Suite 402B, Ithaca, New York) during regular business hours.

The IDA will, at the above-stated time and place, hear all persons with views in favor of or opposed to the proposed financial assistance being contemplated by the IDA. In addition, at, or prior to, such hearing, interested parties may submit to the IDA written materials pertaining to such matters.

A report of the hearing will be made available to the Tompkins County Industrial Development Agency Board of Directors. Approval of the financing by the IDA through its Board of Directors is necessary.

Dated: February \_\_\_\_\_, 2016

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY