

***Tompkins County***  
***Industrial Development Agency***  
**Industrial Application for Incentives**

**Applicant Information**

**Date: 10/01/2014**

Name of Company/Applicant: Ithaca Beer Company, Inc. / Dan Mitchell	
Owner:	
Address: 122 Ithaca Beer Dr.	
City/State/ZIP:	Ithaca, NY 14850
Primary Contact: Dan Mitchell	
Phone: 607 273 0766	Fax: 607 273 0815
Email: <a href="mailto:dan@ithacabeer.com">dan@ithacabeer.com</a>	

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:Nut Brown Reality	
Address:122 Ithaca Beer Dr.	
City/State/Zip::Ithaca NY, 14850	
Contact:Dan Mitchell	
Phone: 607 273 0766	Fax: 607 273 0815
Email: <a href="mailto:dan@ithacabeer.com">dan@ithacabeer.com</a>	
Owner: Dan Mitchell	
Describe the terms and conditions of the lease between the applicant and the owner of the property. Ithaca Beer will lease from Nut Brown.	

Applicant Attorney: Adam Klausner	
Address: 409 Taughannock Blvd	
City/State/ZIP: Ithaca, NY 14850	

Primary Contact: Adam Klausner	
Phone: 272 0800	Fax: 272 1199
Email: <a href="mailto:adam@klausnerlaw.com">adam@klausnerlaw.com</a>	

Applicant Accountant: Ciaschi, Dietershagen, Little, Mickelson & Company LLP CPA's	
Address: 401 E State Street	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Leslie Horner	
Phone: 607 272 4444	Fax: 607 273 8372
Email: <a href="mailto:Lesleyh@cldm.com">Lesleyh@cldm.com</a>	

Applicant Engineer/Architect (if known): Holt	
Address: 217 N Aurora St,	
City/State/ZIP: Ithaca, NY 14850	
Primary Contact: Cindy Kaufman	
Phone: (607) 273-7600	
Email: <a href="mailto:ck@holt.com">ck@holt.com</a>	

Applicant Contractor (if known): Finger lakes construction	
Address: 137 S Main St	
City/State/ZIP: Homer, NY	
Primary Contact: Paul Alteri	
Phone: 607-749-7779	Fax:
Email: <a href="mailto:palteri@fingerlakesconstruction.com">palteri@fingerlakesconstruction.com</a>	

**Business History**

Year Company was Founded: \_\_\_\_1995\_\_\_\_      Type of Ownership (**Corporation**) NYS C Corp  
NAICS Code:    333241

Product or Service: Manufacture Craft Beer and Soda
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**Major Customers:**

We sell to 37 wholesalers in 8 states. Manhattan Beer is our largest wholesaler.

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

**Major Suppliers:**

Owens-Illinois Bottles Virginia  
North Country Malt, Champlain, NY  
Hop Union, Yakima, WA

Who are your major competitors in Tompkins County? None. We are the only packaging brewery in Tompkins County \_\_\_\_\_

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

If Yes, please describe. \$25,000 loan from TCAD in 2004; 5 year term paid off on 2009. IDA incentive 2011.

Were the goals met? X Yes      No

If No, why were goals not met? \_\_\_\_\_

After expansion:

Annual Sales to customers in Tompkins County \$ 2,000,000 \_\_\_\_\_ Percent subject to sales tax 99%

Annual purchases of operating items subject to local sales tax \$ this number is TBD\_ Food, energy, Home Depot purchases, Paper goods, etc

**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	2.278	3.038 M	3.64 M	3.85 M	6.84 M		9.6 M	12 M	15 M
Profits	0	0	50,000	150,000	343,000		960,000k	1.2M	1.5 M

**Project Description**

Please give a brief narrative description of the project.

Ithaca Beer plans to increase production by 40% each over the next 5 years. To accomplish this goal we will construct a 23,800 sf addition that will house "Packaging". The addition of this space would allow Ithaca Beer to keep up with their current production needs. The expansion will include; a new bottling line, a new canning packaging line, shipping and receiving, office space, lab, barrel aging room, and larger cooler.

Location: \_\_\_ Town of Ithaca

Property size (acres) – both existing and proposed: \_\_\_ 10 acres +/-

Building size (square feet) – both existing 16,000sf and proposed: \_23,800 sf

Proposed project start and completion dates: \_\_ Start mid November and finish by May 2015.

What types of green building practices do you plan to use, if any? \_\_\_\_\_ Passive solar, roof water collection for gardens, high value insulation for walls and windows,

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? \_\_\_x\_\_\_ Yes \_\_\_ No

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

If Yes, number of visitors per year: 300 sales reps, collaboration brews, equipment training: We also have increased visitors to the taproom by 20% this year. Average duration of stay \_\_\_2\_\_\_ 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).

N/A

**Project Costs**

	<u>Amount</u>	<u>% subject to sales tax</u>
Value of land to be acquired (if any):	N/A	N/A
Value of building to be acquired (if any):	N/A	N/A
Cost of new construction:	<u>\$3,000,000</u>	<u>60%</u>
Value of improvements to existing building:	N/A	N/A
Value of equipment to be acquired:	<u>\$4,200,000</u>	<u>5%</u>
Other:	N/A	N/A
<b>TOTAL</b>	<b><u>\$7,200,000</u></b>	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 \$ 4,000,000

*(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	
\$1,500,000	value of increase in assessment
4%	annual increase in assessment and tax rate

**New Taxes Paid \$182,084**

**Taxes Abated \$177,802**

Year	County	Town	School		County	Town	School
1	1,208	341	3,007		10,876	3,066	27,067
2	2,873	810	7,150		9,695	2,733	24,127
3	4,669	1,316	11,619		8,402	2,368	20,909
4	6,604	1,862	16,434		6,990	1,970	17,395
5	8,686	2,448	21,616		5,451	1,537	13,566
6	10,924	3,079	27,186		3,779	1,065	9,404
7	13,327	3,757	33,167		1,963	553	4,886
	<b>48,290</b>	<b>13,613</b>	<b>120,181</b>		<b>47,155</b>	<b>13,293</b>	<b>117,355</b>

Value of sales tax abatement: \$160,800

Estimated length of sales tax abatement: 1 Year

Estimated value of abatement for facility construction including information on assumptions used in calculations: \$144,000; 60% of Construction costs at 8% sales tax

Estimated value of abatement for furniture, fixtures and equipment including information on assumptions used in calculations: \$16,800; estimated 5% of equipment purchases at 8% sales tax (manufacturing equipment is already tax exempt)

Mortgage Recording tax abatement: \$10,000

Other government incentives or support include summary of program, name of contact person and terms and conditions of program: Linked Deposit – State program that writes down the interest rate on the primary mortgage. Contact is Kara Taylor at M&T Bank at (607) 274-8983

**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.

Eligible on the first of the month following 60 day orientation period. We cover 75% of individual coverage. If an employee opts for family coverage they are responsible for paying anything over the 75% we pay for individual coverage.

We offer a Simple IRA that we match up to 2% (this year). Employees are eligible according to the rules of the Simple IRA (have to earn at least \$5,000 in 2 consecutive years) and the match must be up to 3% for 3 out of a 5 year period.

We offer product discounts – 50% off on off-premise beer up to 3 cases a month. 30% off most merchandise, 50% off food for employee and 1 guest, shift beer on the day worked when the taproom is open

Paid time off - During the second six months of employment full-time employees accrue 1.083 days per month which equals 6.5 days your first year of employment and 13 days your second through fifth year. Beginning the sixth year of service, you will receive one additional PTO day per year. We also offer 6 paid holidays.

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

We always try to promote from within. All new employees are trained to handle the basic tasks within their area, and then we task them with additional duties. As they learn new duties, it allows the company more flexibility, and results in increases to the worker’s pay.

What percentages of your current positions do women occupy? \_\_\_\_26%\_\_\_\_\_

What percentages of your current positions do minorities occupy? \_\_\_\_3%\_\_\_\_\_

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 \_\_x\_\_ No

The only pay under the Living Wage pay are training level positions and PT retail staff.

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

If yes, please describe.

**WHAT IS DIVERSITY AT ITHACA BEER:**

Diversity at Ithaca Beer is a group of employees working together from a diverse background. Diversity is based on race, religion, age, gender, family life, as well as an infinite number of criteria that makes us all different as people.

As a result of working with the workforce investment board, Ithaca Beer developed its diversity plan in 2011. We have increased minority employees from 0% to 3% of our workforce and women from 5% to 26%.

**RECRUITMENT:**

Non-exclusionary jobs postings will be advertised through multiple outlets that cater to demographically diverse applicant pool. These include the internet, newspaper, and word of mouth. We also feel that brand recognition and philanthropy in our region exposes our company to a wide range of potential applicants. All applicants will be considered regardless on race, religion, age, gender, life style, etc.

**RETENTION:**

An open line of communication is the first step in retaining our employees. Upon orientation employees will be taught the importance of open communication between employees and their manager, this will be encouraged through periodic group and individual meetings along with an annual review.

We will work with each employee individually to meet their career goals within the company, balancing work/life, and rewarding them for success. Examples of what Ithaca Beer does had done and will continue to do for employees includes; providing family medical insurance, training opportunities for employees, promotions within the company, and we allows for flexible hours and vacations as appropriate. These benefits allow for the retention of a diverse workplace.

**MEASURE OF SUCCESS:**

Ithaca beer is successful because our employees. We will measure our success by the longevity of our employees.

What percent of current workforce and management are in Tompkins County? 65%

In New York State? 100%

Out of New York State? 0%

Will you allow your building to used as a polling facility?  Yes  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:	50,000	10	1	1	1	
Clerical:			2	1	1	1
Sales/marketing:	47,700	7	2	2	2	3
Services:						
Construction:						
Manufacturing:						
High Skilled:	40,000	2				
Medium Skilled:	35,000	5		1	1	2
Basic Skilled:	23,000	9		1	1	2
Other (Describe):						
Taproom	25,500	6				
facilities	31,200	1	2	1	0	
grounds	22,800	2	1	1	0	
<b>Total:</b>	34,400	42	8	8	6	22

Estimated percentage of new hires who would be unemployed at time of hire   N/A  %

**Construction Labor**

Will you make a commitment that all construction labor will be paid a prevailing wage?    Yes  
  x   No

Will you certify that 75% of all construction costs will go to companies that have a State certified apprenticeship program?    Yes   x   No

**Environmental Review**

*Environmental Assessment Form – short or long*

Submitted to: Mike Smith

Agency name: Town of Ithaca

Agency address: 215 N. Tioga Street, Ithaca, NY 14850

Date of submission: 9/5/14 Status of submission: Waiting

*(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.

We will require permits from the State Liquor Authority, Trade and Tax Bureau, Health Board and Ag and Markets and town of Ithaca

**Other**

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

Ithaca Beer Company has been very supportive to the Ithaca Community through its donations. We work closely with the farming community and source most of our ingredients locally that are served in our Taproom. Our distribution area covers the better part of 8 states and the district of Columbia, with plans to add when production needs of our current market can be met. We have been great representatives for the Ithaca name in these areas, and have pulled many tourists back into Tompkins County due to their liking of our products. I am asking for support to continue to grow our business. This is a large risk on Ithaca Beer's part, but will provide increased stability for the company and more permanent jobs.

CERTIFICATION

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

of Ithaca Beer Company, 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

Ithaca Beer 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.

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

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Signature of chief officer of company submitting application

NOTARY

Sworn to before me this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_