# *Tompkins County Industrial Development Agency / Tompkins County Development Corporation*

**Application for Incentives**

Date: 6/18/2018-REVISED 7/12/18 revised

## I. APPLICANT INFORMATION (company receiving benefit)

Name of Company/Applicant: Organic Nature LLC

Owner: Organic Nature LLC

Address: 330 East 14th Street

City: Elmira Heights State: NY Zip: 14903

Primary Contact (First, Last): Jason C Crane

Phone: (607)733-9664 Email: jcrane@edgerinc.com Fax: (607)733-3951

**If a separate company will hold title to/own the property, please provide the name and contact information for that entity:**

Name of (Holding) Company: N/A

Owner: _____

Address: _____

City: _____ State: _____ Zip: _____

Primary Contact (First, Last): _____

Phone: ( ) - _____ Email: _____ Fax: ( ) - _____

Describe the terms and conditions of the lease between the applicant and the owner of the property: 10 year lease with buyout in year 10

**Select the type of incentives being requested (select all that apply):**

- ☐ Tax-Exempt Bonds
- ☐ Taxable Bonds
- ☒ Real Property Tax Exemption
  - ☒ Standard Tax Exemption (7-year)
  - ☐ Other (attach justification)
  - ☐ CIITAP: ☐ 7-year
  - ☐ CIITAP: ☐10-year (requires determination of financial need – see CIITAP for details)
- ☒ Sales Tax Exemption
- ☒ Mortgage Recording Tax Exemption

**Applicant Attorney:** Sayles & Evans

Address: 1 Church Street

City: Elmira State: NY Zip: 14901

Primary Contact (if different from above:): Steve Agan

Phone: (607)734-2271 Email: sagan@saylesevan.com Fax: (607)734-1754

**Applicant Accountant:** Mengel Metzger Barr & Company Llp.

Address: 333 East Water STreet #2

City: Elmira State: NY Zip: 14901

Primary Contact (if different from above:): Matt Green

Phone: (607)734-4183 Email: mgreen@mmb-co.com Fax: ( ) -

**Applicant Engineer/Architect (if known):** Stream Collaborative

Address: 108 W. State Street

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): Noah Demarest

Phone: (607)216-8802 Email: noah@streamcolab.com Fax: ( ) -

**Applicant Contractor (if known):** Edger Enterprises of Elmira, Inc.

Address: 330 East 14th Street

City: Elmira Heights State: NY Zip: 14903

Primary Contact (if different from above:): Jodi Edger

Phone: (607)733-9664 Email: jodiedger@edgerinc.com Fax: (607)733-3951

## II. BUSINESS HISTORY

Year company was founded: 2018 NAICS Code: na

Type of ownership (i.e. C-Corp, LLC): LLC

Describe in detail company background, products, customers, goods and services: Jodi Edger, Lincoln Morse and Nick Lambrou established this company to operate the lease with Greenstar. Jodi Edger owns Edger Enterprises of Elmira, Inc., Lincoln Morse owns Morse Construction and Nick Lambrou owns Lambrou Real Estate. They have combined there expertise of vertical ownership to facilitate the Rehabilatative construction of the Cascadilla Street property into the new Greenstar Grocery Store. Greenstar Co-op will consolidate its existing West End operations which currently span two blocks under one roof at 770 Cascadilla street. As noted above the new store will result from a renovation of the existing warehouse making it suitable for a retail grocery store. The retail square footage serving GreenStar's business model will increase from 6,500 square feet to 16,500 square feet. Below is a brief description and background of Edger Enterprises of Elmira, Inc, Lambrou Real Estate and Lincoln Morse's

experience in in their respective industries and property development..

Edger Enterprises of Elmira, Inc. is a local contracting company located in Chemung County in Elmira Heights NY and has achieved great success in its business by utilizing and investing in local labor and businesses in Steuben, Chemung, Tompkins and surrounding Counties. The Edger's have been committed to their local community for over 40 years and have heavily invested in their local labor forces during this time. During its peak employment times Edger directly employs over 100 local employees who live in Tompkins, Steuben and Chemung Counties. Currently Edger has 66 full time local employees. Additionally, Edger Enterprises is committed to using local subcontractors to perform any of Edger's work that is subcontracted. Edger Enterprises is proud of the fact they have achieved great success with their investment and employment of local labor and contractors in our area and is committed to continue to use local labor forces to complete its work for the Greenstar project located in the City of Ithaca.

The company began as Edger Contracting in 1976 by Bob and Mary Edger as a small family-run business specializing in residential site work and concrete sidewalk projects. Fifteen years later, in 1994, Bob and Mary turned over Edger Contracting to their children, Jodi and Jessica Edger, and Edger Enterprises of Elmira Inc. was created. Today, Edger Enterprises is a full service General Contractor. Edger Enterprises is proud to offer reliable, quality services for all construction needs utilizing local labor. The Edger's are committed to investing in their labor forces and working towards the revitalization of the community and area in which they have lived and earned great success. One example of many related to this commitment is an award-winning historic building renovation and development project they recently completed in the City of Corning. This project resulted in the successful renovation of the building where Corning Incorporated started, the Historic Hawkes Building on Market Street in Corning NY, into commercial space and apartments. Edger is proud of the fact that it was their local labor forces that completed this award-winning project.

The Edger's continue to be committed to property development in our area. As a result they have created a new entity, City Harbor LLC and partnered with Lambrou Real Estate and Lincoln Morse to invest in and purchase Johnson's Boatyard to facilitate a transformational Waterfront development and new store for Greenstar in the City of Ithaca. They believe this vertical integration in ownership is optimal for this project and provides for a combination of various expertise's and resources in property development to provide for a cost effective successful project and development again utilizing their own labor forces to facilitate completing this work.

Lambrou real estate was established in Ithaca in the early 60's by Gus Lambrou, a greek immigrant. His first holdings consisted of a grocery store and apartments on Eddy St, before adding a travel agency and student rentals company to the mix. Slowly the business transitioned to primarily student rentals, growing the company's portfolio to over 400 beds. Nick Lambrou took over the family business and sought to create a mark on downtown early in his career. By leveraging the location of the former travel agency Nick was able to convince Cornell, Ciminelli, and Hilton Hotels to partner in building a large mixed use hotel/office in Ithaca's urban core, the Hilton Garden Inn. This project kicked off all of the subsequent growth we have seen over the past 15 years around the commons.

Lincoln Morse has over 30 years' experience in Construction Management and Development in Tompkins County. Morse Project Management was formed in 2006 to pursue development and construction opportunities specific to the Ithaca community. The following projects are

representative of the role Morse has played locally.

- INHS Breckenridge Place
- INHS Executive Office Expansion
- College Town Terrace – Student Housing Icon on Ithaca's East Hill
- Finger Lakes School of Massage – Downtown Relocation Project

- Student Agencies Foundation – eHub
- Center for Jewish Living at Cornell – Facilities Consultant
- College Town Crossing
- City Harbor – Waterfront Development
- Green Star Cooperative Market – West End Expansion

In recent years, Morse has dedicated its efforts to revitalizing Ithaca's waterfront. That effort cultivated the relationship between Green Star Cooperative Market and Morse Project Management. The goal to expand and relocate Green Star is becoming a reality. Final site plan approval for the new store to be located at 770 Cascadilla St will take place mid-summer 2018. Construction will follow by early September. More projects along Ithaca's waterfront are being pursued by Morse and collaborative partners.

The Edger's, Lambrou's and Lincoln Morse are very excited about this opportunity to rehabilitate Cascadilla Street into the new Greenstar Store and again are committed to using their local labor force and experience in construction and property development to work with the City of Ithaca to facilitate a successful project for Greenstar and a transformational waterfront development for all. We would like to express our appreciation for the opportunity to be a part of the revitalization effort for the City and look forward to continue working towards the goal of completing this project and adding value to the City, its community and economy with the use of its local labor force.

Major Customers: Greenstar is a Cooperative retail grocery business with over 11,000 transactions each week. The majority of their customers are in Tompkins county and surrounding areas.

Major Suppliers: Major suppliers for Greenstar are Untited Foods Distribution and Four Seasons Produce Distribution

Has your business every received incentives tied to job creation? ☐ Yes ☒ No

If yes, please describe: _____

Were the goals met? ☐ Yes ☐ No

If no, why were the goals not met? _____

Annual sales to customers in Tompkins County: $22,400,000

Percent of annual sales subject to local sales tax: 18%

Value of annual supplies, raw materials and vendor services are that purchased from firms in Tompkins County: $652,500

## III. PROJECT DESCRIPTION AND DETAILS

Project Location (all addresses and tax parcels): 750 Cascadilla Street and 770 Cascadilla Street, located in the City of Ithaca, Tompkins County, State of New York, and identified as Tax Parcel Nos. 43.-2-5.21 and 43.-2-5.22 respectively. 770 Cascadilla is to be renovated to house a grocery store. 750 Cascadilla is to be demolished to provide parking and other civil components for the grocery store. .

| | | | | |
|---|---|---|---|---|
| Property Size (acres): | existing: | 2.803 | proposed: | 2.803 |
| Building Size (square feet): | existing: | 750 Cascadilla- 37,422<br>770 Cascadilla- 30,000 existing, | proposed: | 770 Cascadilla- 35219<br>750 Cascadilla- 0 |

Proposed Dates: start: 09/1/2018 end: 12/31/2019

Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or equipment purchases, etc.). Identify specific uses occurring within the Project. Describe any and all tenants and end users: GreenStar Cooperative Market is a local homegrown cooperative grocer started in Ithaca, NY in 1971. The co-op currently has over 12,000 Member-Owners, the majority of which reside in Tompkins and adjacent counties. The co-op operates three storefronts at 215 Cayuga Street, 307 College Avenue and 701 West Buffalo Street as well as a warehouse, commissary kitchen, events venue and community classroom space out of property it owns at 700 & 702 West Buffalo Street. GreenStar leases its retail stores.

In 2017 GreenStar's operations contributed over $6 million to the purchase of goods within 100 miles of the City of Ithaca. The cooperative employs over 200 residents of the community at a starting wage of $12.98 per hour, offering benefits to those working at 20 or more hours per week. The average hourly wage at GreenStar exceeds $15 per hour. GreenStar wages and benefits account for an additional $5.7 million paid to its employees in 2017. GreenStar's operations in 2017 generated over $22.4 million in revenue and is poised to grow and capture even more of the Ithaca market if it is able to build its capacity to do so.

The Cooperative's West End store has occupied the facility at 701 West Buffalo street since 1992. This location accounts for 77% of GreenStar's total annual revenue. The constraints of its current West End store location prevent GreenStar from reaching its true capacity and indeed threaten the solvency of the entire business if it were not able to size up its operations in the near future. While our sales are not insignificant, our operating expenses are also substantial, with our net income typically budgeted at less than one percent of sales.

Several independent market studies commissioned by GreenStar over the years have clearly indicated that the potential market for GreenStar co-op in Ithaca is much larger than the current West End store location can facilitate. GreenStar has actively sought to relocate its West End store for at least 15 years until the sites at 750/770 Cascadilla Street were presented as an option by Organic Waterfront. GreenStar's Membership recently approved the consolidation and relocation of its West End Campus to this new site on Cascadilla street adjacent to Route 13.

The scope of the project includes the razing of one existing warehouse at 750 Cascadilla to provide parking and access to the new GreenStar store providing at least 148 parking spaces indicated as critical by the most recently market study commissioned by GreenStar. The 30,000 square feet of existing warehouse at 770 Cascadilla street will be renovated to house the new GreenStar West End store. The new store will encompass approximately 16,500 SF of retail floor, an increase from the current West End store size of 5,600 SF. The remaining square feet will house storage, receiving, commissary kitchen and events spaces. The renovation of this warehouse will also include the addition of a mezzanine of approximately 5,200 square feet to house GreenStar's consolidated administrative offices and functions.

It is established that the consolidation and expansion of GreenStar's West End campus is necessary to the long-term survival and solvency of this community institution. Beyond this fact are the tremendous

benefits that this project will bring to our community in a myriad of ways.

Cooperatives have been shown to be greatly beneficial to their communities compared to their conventional business counterparts. By the time GreenStar opens its doors in 2019 its starting pay will likely be over $13.50 per hour plus benefits compared to an industry which often relies on starting employees at the State Mandated minimum wage which would be $11.10 at this time with no guaranteed benefits. GreenStar's business plan for this expansion estimates that approximately 40 full time equivalent positions will be created by this project specifically. Simply put this expansion will create a significant amount of high paying jobs for our residents. It is estimated that in 2020 GreenStar's wages and benefits alone with account for $7 million paid to its employees.

GreenStar's contribution to the local economy is undeniable. With this expansion project GreenStar is estimated to spend $9 million in 2020 alone on products grown or produced within 100 miles of Ithaca. The new store layout with be a hub of community activity as well as a gathering place. Our expanded café will go from seating 18 people at present to at least 60. A kid's activity program throughout the week will ensure that busy parents can have their children safely engaged in various fun activities on the premises while they shop in comfort in our spacious new store. Our relocated classrooms and event space will feature a new fully functional teaching kitchen as well as a community meeting space. These two spaces can be combined for large gatherings or divided to facilitate two community meetings simultaneously. The value of the classrooms and event space has become clear over the years in their present location and only increases with these features being located on the same site as the store.

The GreenStar West End campus will be at the center of Ithaca's Waterfront development, taking land which is largely underutilized and transforming it to a bustling community of commerce and residency. The planned developments surrounding GreenStar's new location will massively benefit from having GreenStar within easy walking distance of their homes.

GreenStar's planned expansion to 770 Cascadilla Street is a rare "win-win" development situation where developers, the business community and City of Ithaca can partner together to bring unprecedented positive impact to their community. The lease at our current 701 West Buffalo street location expires in 2019. The current location no longer serves our need to grow and is indeed now contributing to a consistent low growth/rising costs dynamic which we must overcome through a relocation of our West End Campus.

In addition, the grocery business is not known for its high margins especially for the cooperative grocery business. GreenStar Cooperative Markets only makes approximately half a cent of profit for every dollar of revenue it generates. So, while we posted revenue of $22.4 million in 2017 we had to manage every aspect of our operations in the hope that we might make $112k in profit to reinvest in our business. With these kinds of razor thin margins, it only takes one mistake or one piece of equipment to breakdown and our entire profit margin could be wiped out. This is true of 2017 when our $22.4 million in sales did not meet our projected growth by a significant amount while our expenses continued to rise. This is symptomatic of on outdated facility that cannot meet our present need for capacity or sales growth potential. As a result, GreenStar will post an operating loss for 2017. This loss is why we need to relocate to a larger more appropriate venue for our store operations. Our business's extremely small operating margin is why tax abatements are critical to making our project a financial success as well as even feasible.

GreenStar is asking that the City consider a full abatement of sales tax related to this project as well as a property tax and mortgage tax abatement.

GreenStar has an excellent relationship with its developer Organic Nature LLC. All proceedings have been collaborative and "open book" meaning that both parties have willingly shared their financial details throughout the process in an effort to make this project come to fruition. As a result, GreenStar's lease of the new facility is directly related to the costs of the project. If Organic Nature is unable to obtain a sales tax abatement on the project this will increase the lease schedule for GreenStar. Likewise, if the property tax is not abated in the first 10 years this will also directly impact GreenStar's fragile bottom line. We estimate that these two items alone would add an additional $12k in annual operating costs if not abated. While this may seem relatively small by most standards this represents 1/10 of our estimated annual net income, a number GreenStar cannot afford to sacrifice without threatening the stability of its financial

plan.

GreenStar also needs the sales tax abatement for its own costs related to this project. With equipment costs projected at over $3 million a sales tax abatement would save GreenStar over $200k in sales tax related to this expense line.

Our entire business plan and proforma are predicated on these abatements. Without them, this project will not be financially feasible. All told the abatements would lower the total cost of this project to GreenStar by approximately $320,000. Leading indicators such as Net Income, Cash Flow, Days of Cash on Hand as well as our Debt Service Coverage Ratio come within the bare minimum of industry standards making us too vulnerable for our investors to be comfortable in supporting this project. Without abatements our Net Income goes from one year of loss of -$854k to two years of loss totaling over -$1.1 million. Our Cash Flow goes from a one-year negative trend of $-24k to a loss of -$186k in the first year. Our Days of Cash on Hand drops from its lowest point of 21 days to 18 days, dangerously close to the standard industry minimum of 16 days. And finally, our Debt Service Coverage Ratio goes from being out of compliance (below 2:1) for one year at .64:1 to being out of compliance for three years below the minimum. All of these factors would make it much less likely for GreenStar to obtain the necessary bank financing for our project. If we consider the fact that this project is necessary for the future of GreenStar co-op then it is reasonable to consider these abatements are also critical to the success of our cooperative business as a whole.

Lastly the current CIITAP boundary is immediately adjacent to the south end of the new GreenStar location at 770 Cascadilla street. Given the proximity to this boundary it seems appropriate that the City consider GreenStar for abatements subject to the CIITAP requirements. Even though the future GreenStar site is just slightly out of the current CIITAP boundary I believe we should be considered for CIITAP abatements due to our overwhelming alignment with the spirit of the CIITAP application process. GreenStar's contribution to the local economy is enormous with $6 million annual paid to local farmers and vendors as well as an additional $7 million paid in wages and benefits to over 200 employees. This GreenStar expansion will add an additional 40 full-time equivalent jobs to our local economy. GreenStar is a homegrown business as well as a cooperative which has over 12,000 individual stakeholders as Owners of the cooperative. The overwhelming majority of Owners are residents of the City of Ithaca. GreenStar's tireless community work on diversity and inclusion initiatives and affordable healthy food access is praised on a national level as leading the chart of change in our country. Our capacity to continue this good work would only increase with the expansion of our West End store.

Is there a likelihood that the Project would not be undertaken but for the financial assistance provided by the Agency? ☒ Yes ☐ No

If yes, describe the reasons why the Agency's financial assistance is necessary and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc.: Noted in above narrative

If no, provide a narrative indicating why the Project should be undertaken by the Agency:

If the Applicant is unable to obtain financial assistance for the Project what will be the impact on the County/City/Town/Village? Noted in above narrative

Describe what green building practices you plan to use: Design team is still working on the energy efficiency and design components. Updates will be available through the miniciple improvement process.

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 stays (days): _____

**Occupancy**

Select Project type for all end users at Project site (select all that apply):

- ☐ *Industrial*
- ☐ *Acquisition of existing facility*
- ☐ *Housing*
- ☐ *Multi-tenant*
- ☒ *Commercial*
- ☒ *Retail*, ***
- ☐ *Service*, ***
- ☐ *Back office*
- ☒ *Mixed use*
- ☐ *Facility for aging*
- ☐ *Civic facility (not for profit)*
- ☐ *Other*

** For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.*

*** If Applicant checked "retail" or "service," complete the Retail Questionnaire contained in Section* ***X.***

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):

| | ***Business*** | ***Nature of Business*** | ***% of total square footage*** |
|---|---|---|---|
| 1. | Greenstar | Cooperative Grocery | 100 |
| 2. | | | |
| 3. | | | |

## IV. PROJECT COSTS AND FINANCING

**Project Costs**

| | | | | | Amount ($) |
|---|---|---|---|---|---|
| Land and/or Building Acquisition: | 2.803 | acres | 30000 | square feet | $3,094,295 |
| New Building Construction: | | square feet | | | $ |
| Building Addition(s): | | square feet | | | $ |

| | | |
|---|---|---|
| Infrastructure Work: | | $330,912 |
| Reconstruction/Renovation: | 30000 square feet | $4,910,941 |
| Manufacturing Equipment: | | $ |
| Non-Manufacturing Equipment (furniture, fixtures, etc.): | | $2,677,482 |
| Soft Costs (professional services, etc.): | | $3,748,368 |
| Other (Specify): Break down of costs attached | | $ |
| TOTAL: | | $14,761,998 |

Have any of the above costs been paid or incurred as of the date of this application? ☒ Yes ☐ No

If yes, describe particulars: Engineering and consulting

**Sources of Funds for Project Costs**

| | | |
|---|---|---|
| Bank Financing | | $8,659,518 |
| Equity | | $4,585,461 |
| Tax Exempt Bond Issuance (if applicable) | | $ |
| Taxable Bond Issuance (if applicable) | | $ |
| Public Sources (Include sum total of all state and federal grants and tax credits) | | $1,517,019 |
| Identify each State and federal grant/credit: | | |
| Other not pubhlic External Financing | $1,517,019 | |
| _____ | $ | |
| _____ | $ | |
| Total sources of funds for Project costs: | | $14,761,998 |

Project refinancing of existing debt only (estimated): $

Amount of anticipated financing from a lending institution: $ 8,659,518

*Note: The applicant must inform the TCIDA/TCDC at the time of issuance of commitment letter if the financing will exceed the amount stated here.*

## V. VALUE OF INCENTIVES

**Property Tax Exemption:** *(Agency staff will fill out property tax exemption information based on information submitted by the applicant).*

**Assumptions:** $SEE ATTACHED EXHIBIT Value of increase in assessment

4% Annual increase in assessment and tax rate

**New taxes paid:** $ _____ **Taxes Abated:** $ _____

| Year | County | School | City/Town | Village | Total | County | School | City/Town | Village | Total |
|---|---|---|---|---|---|---|---|---|---|---|

1
2
3
4
5
6
7
Totals

If the applicant is requesting incentives that are greater than the Agency's Standard Tax Exemption (7 years), please provide a description of the incentive and a justification:

**Sales and Use Tax Benefit:**

Gross amount of costs for goods and services that are subject to State and local sales and use tax – said amount to benefit from the Agency's sales and use tax exemption benefit: $ 5,954,959

Estimated State and local sales and use tax benefit (product of sales and use tax amount as indicated above multiplied by 8%) $ 476,396

*Note: The estimate provided above will be provided to the New York State Department of Taxation and Finance and represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to the application.*

**Mortgage Recording Tax Benefit:**

Mortgage Amount (include construction/permanent/bridge financing/refinancing): $ 8,659,518

Estimated mortgage recording tax exemption benefit
(product of mortgage amount as indicated above multiplied by .0025%): $ 21,648

**Complete for bond applicants only:** *(Projected 25 year borrowing term)*

| | Without Bonds | With Bonds |
|---|---|---|
| First Year Debt Service | $_____ | $_____ |
| Total Debt Service | $_____ | $_____ |

**Percentage of Project costs financed from public sector:**

A. Total Project Cost $14,761,998

B. Estimated Value of PILOT $127,183

C. Estimated Value of Sales Tax Incentive $476,396

D. Estimated Value of Mortgage Tax Incentive $21,648

E. Total Other Public Incentives $_____
(tax credits, grants, ESD incentives, etc.)

Calculation of percentage of Project costs financed from public sector: 4.2%
(Total B + C + D + E above / Total Project Cost)

## VI. EMPLOYMENT INFORMATION

*Note: Annual employment reporting will be required during the course of the abatement.*

Describe the benefits you offer to your employees:

In 2018 base pay starts at $12.98 / hr which is well above the average minimum wage grocery starting pay.

2018 GreenStar Employee Benefits Profile

Benefits/Data GreenStar Co-op

Annual Sales Approximately $22,000,000

Employee discount 17.5% regular cost
30% supplements discount

Vacation time accrual Year 1: .038 x hours worked
Each additional year increases: .0076 x hours worked
Maximum vacation accrual is 205 hours annually (after 9 yrs).

Sick/Personal time accrual .019 x hours worked.

Medical insurance coverage for individual employees
20-24 hrs per week GS contribution = $220 / month
25-29 hrs per week GS Contribution = $330 / month
20-34 hrs per week GS contribution = $440 / month
35-40 hrs per week GS contribution = $550 / month

Holiday pay Employees paid the equivalent of 7 of their "days" annually

Other Benefits Dental coverage
Life Insurance – Employer Provided
401 K
Bereavement
FMLA
FSA
Pay advance

Sick Pool
Coffee / Tea allowance
Life Insurance – Employee Owned
AFLAC
LegalShield

Describe the internal training and advancement opportunities you offer to your employees: GreenStar emphasizes development and training within to move up within the organzation. Internal employees have preference when applying for jobs within the cooperative. We have a full training suite online for internal development through a cooperative program titled Co-op U. GreenStar also offers its own internal professional development trainings including Diversity and Inclusion, Culture of Respect, Safety and Security, Having Difficult Conversations.

**Employment Plan**

| Occupation in Company | Current (Retained) Permanent Full Time Jobs | | Projected New Permanent Full-Time Jobs | | | |
|---|---|---|---|---|---|---|
| | Average Annual Salary Ranges/ Hourly Wage | Number of Employees | Year 1 | Year 2 | Year 3 | Total New Jobs |
| **Professional** | $55 k | 16 | 2 | | | 2 |
| | | | | | | |
| **Clerical** | 16.71 | 10 | 6 | | | 6 |
| **Sales** | 15.71 | 129 | 28 | | | 28 |
| **Services** | 15.25 | 85 | 4 | | | 4 |
| | | | | | | |
| **Construction** | | | | | | |
| | | | | | | |
| **Manufacturing** | | | | | | |
| **High Skilled** | | | | | | |
| **Medium Skilled** | | | | | | |
| **Basic Skilled** | | | | | | |
| | | | | | | |
| **Other (describe)** | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| **Total** | | 240 | 40 | | | 40 |

What percentage of your current positions are occupied by women? 50 %

What percentage of your current positions are occupied by minorities? 18 %

Estimated percentage of new hires who would be unemployed at time of hire: n/a%

Estimate the number of residents of the labor market area in which the Project is located that will fill the projected new jobs to be created. *(The Agency defines the labor market area as Tompkins County and the contiguous counties; Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties)* 40

Are you willing to pay a livable wage, as defined by the Alternatives Federal Credit union (AFCU) of Ithaca, NY (http://www.alternatives.org/pdf/AFCU-2015-1055_FINAL2.pdf) to all employees for the duration of the abatements? Yes ☒ No 7/12/18 revised

If no, estimate the percentage of the current workforce whose wages meet or exceed the livable wage, as defined by AFCU. 82 %

Please describe your strategy for ensuring diversity in hiring: Hiring managers are required to attend hiring for Diversity and Inclusion in the workplace training on a regular basis. It is also a mandated practice of the management team to hire for diversity and inclusion candidates. Our HR team is ongoingly developing systems to support this initiative. We maintain relationships with community centers and individuals representing diverse communities as a"pipeline" for new applications and recommendations for positions within the cooperative.

## VII. CONSTRUCTION LABOR

*Note: Applicants will be required to comply with the Agency's Local Labor Utilization Policy.*

**Will you use contractors who:**

| | | | | |
|---|---|---|---|---|
| Have a certified apprenticeship program | ☐ Yes | _____ | % | ☐ No |
| Pay a prevailing wage | ☐ Yes | _____ | % | ☐ No |
| Use local labor | ☒ Yes | >50 | % | ☐ No |

## VIII. ENVIRONMENTAL REVIEW AND PERMITTING

*Environmental Assessment Form* – ☐ *Short Form* ☒ *Long Form*

Submitted to: City of Ithaca Planning Board

Agency Name: City of Ithaca

Agency Address: 108 E. Green Street

City: Ithaca State: NY Zip: 14850

Date of submission: 4-24-18 Status of submission: Negative DEC as of 5-23-18

*The Applicant must comply with the State Environmental Quality Review Act (SEQRA) before the Agency can vote on proposed financial incentives. It is the applicant's responsibility to provide a copy of the-SEQRA determination by another entity.*

**Permits**: Describe other permits required and status of approval process.

| | ***Permit*** | ***Status*** |
|---|---|---|
| 1. | Demolition | In Progress |
| 2. | Building | In Progress |
| 3. | Electrical | In Progress |
| 4. | Plumbing | In Progress |

## IX. OTHER

Do you have anything else you would like to tell the TCIDA regarding this project?
See narrative

## X. RETAIL QUESTIONNAIRE (Fill out if end users are "retail" or "service" as identified in Section III)

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the project site to undertake either a retail sale transaction or to purchase services.

A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? ☒ Yes ☐ No

If yes, please continue. If no, do not complete the remainder of the retail questionnaire and proceed to the next section of the application.

*For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.*

B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the Project? 57% w/o parking lot 26% with lot %

If the answer is less than 33.33% do not complete the remainder of the retail determination and proceed to the next section of the application.

If the answer to Question A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the Project:

1. Will the Project be operated by a not-for-profit corporation? ☐ Yes ☒ No

2. Is the Project location or facility likely to attract a significant number of visitors from outside Tompkins County? ☐ Yes ☒ No

   If yes, please provide a third party market analysis or other documentation supporting your response.

3. Will the Project make available goods or services which are not currently reasonably accessible to the residents of the municipality within which the proposed Project would be located? ☐ Yes ☒ No

   If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? ☒ Yes ☐ No

If yes, explain: The expansion of GreenStar cooperative Market will preserve present jobs and will add new jobs as a percentage of sales. The current estimate is that approximately 40 full time equivalent positions with the co-op.

## XI. INTER-MUNICIPAL MOVE DETERMINATION

The Agency is required by State law to make a determination that, if completion of a Project benefiting from the Agency financial assistance results in the removal of an industrial or manufacturing plant of the Project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant located within the State, Agency financial assistance is required to prevent the Project occupant from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry.

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the State? ☐ Yes ☒ No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the State? ☐ Yes ☒ No

If yes to either question explain how notwithstanding the aforementioned closing or activity reduction the Agency's financial assistance is required to prevent the Project from relocating out of the State or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

GreenStar's lease for its West End location ends in 2019, with no current options for renewal. Additionally, its capacity to serve its membership and customer base has been capped due to retail space and parking limitations, as shown in its sales history and market studies. This expansion and relocation will provide a future for the cooperative grocery and its over 12,000 local owners by allowing it to increase sales and services to the local community while pursuing efficiencies by physically consolidating several of its spaces.

Does the Project involve relocation or consolidation of a Project occupant from another municipality:

Within New York State: ☐ Yes ☒ No

Within County/City/Town/Village: ☐ Yes ☒ No

If yes to either question above, please explain: _____

## REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

Jessica Edger Hillman(name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Managing Member (title) of Organic Nature LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed Project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300) ("JTPA") in which the proposed Project is located.

B. First Consideration for Employment. In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed Project.

C. Employment Reports. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization, local construction labor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Project Agreement between the Agency and Applicant.

D. Labor Utilization Reporting. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to comply with the Labor Utilization Policy, which requires providing documentation that construction bids were solicited from local firms and monthly construction labor reporting as outlined in the Policy.

E. Hold Harmless Provision. The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (ii) the Agency's acquisition, construction and/or installation of the Project described therein and (iii) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

F. Sales Tax. In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copies of all filings shall be provided to the Agency.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant.

G. Fees. By executing and submitting this Application, the applicant covenants and agrees to pay the following fees:

(i) An Administrative Fee in accordance with the Administrative Fee Policy effective as of the date of this application, to be paid at transaction closing (unless otherwise outlined in the Project Agreement or authorizing resolution). This fee will be equal to 1% of the total value of expenses that are positively impacted by the Agency incentives. The Agency may reduce the administrative fees from 1% to .50% of project costs if the total project cost is less than $1 million. For total project costs greater than $1 million but less than $2 million, the fees may be reduced from 1% to .75% of project costs;

(ii) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed Project; with all such charges to be paid by the Applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;

(iii) The cost incurred by the Agency and paid by the Applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

If the Applicant fails to conclude or consummate necessary negotiations, or fails, 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 Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

H. FOIL. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.

I. Financial Review. The Applicant acknowledges that the Agency shall undertake an assessment of all material information included in connection with the Application for Financial Assistance as necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project, including, but not limited to qualification of the proposed project under the GML (including any retail analysis, as applicable), conducting a full application review, review of applicant financial history and project pro-formas, and consideration of all local development priorities.

## NEW YORK STATE FINANCIAL REPORTING REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES

Please be advised that the New York General Municipal Law imposes certain reporting requirements on IDAs and recipients of IDA financial assistance. Of particular importance to IDA applicants is Section 859 (copy attached). This section requires IDAs to transmit financial statements within 90 days following the end of an Agency's fiscal year ending December 31, prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development. These audited financial statements shall include supplemental schedules listing the following information:

1. All straight-lease ("sale-leaseback") transactions and whether or not they are obligations of the Agency.
2. All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.
3. All new bond issues shall be listed and for each new bond issue, the following information is required:
   a. Name of the project financed with the bond proceeds.
   b. Whether the project occupant is a not-for-profit corporation.
   c. Name and address of each owner of the project.
   d. The estimated amount of tax exemptions authorized for each project.
   e. Purpose for which the bond was issued.
   f. Bond interest rate at issuance and, if variable, the range of interest rates applicable.
   g. Bond maturity date.
   h. Federal tax status of the bond issue.
   i. Estimate of the number of jobs created and retained for the project.
4. All new straight lease transactions shall be listed and for each new straight lease transaction, the following information is required:
   a. Name of the project.
   b. Whether the project occupant is a not-for-profit corporation.
   c. Name and address of each owner of the project.
   d. The estimated amount of tax exemptions authorized for each project.
   e. Purpose for which each transaction was made.
   f. Method of financial assistance utilized for each project, other than the tax exemptions claimed by the project.
   g. Estimate of the number of jobs created and retained for the project.

Please sign below to indicate that you have read and understood the above.

Name: Jessica Edger Hillman

Title: Managing Member

Company: Organic Nature LLC

Date: 6/5/2018

J. The Applicant represents and warrants that the information contained in this Application, to the best of the Applicant's knowledge, is true, accurate and complete.

K. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, State and federal tax, worker protection and environmental laws, rules and regulations.

L. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provisions of Section 859-a(5) and Section 862(1) of the New York General Municipal Law.

M. The Applicant confirms and acknowledges that the submission of any knowingly false of knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.

N. The Applicant and the individual executing this application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Name: Jessica Edger Hillman

Title: Managing Member

Company: Organic Nature LLC

Date: 6/5/2018

STATE OF NEW YORK )
) SS.:
COUNTY OF TOMPKINS )

On the 18th day of June in the year 2018 before me, the undersigned, personally appeared Jessica Edger Hillman personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Jason C Crane
Notary Public

JASON C. CRANE
Notary Public, State of New York
Steuben County No. 01CR6323360
Commission Expires April 20, 2019

| Total Project Cost | Organic Nature LLC | Greenstar | Total |
|---|---|---|---|
| Land Value | $ 820,000.00 | | $ 820,000.00 |
| Buildings Value | $ 2,274,294.50 | | $ 2,274,294.50 |
| Greenstar Improvements | | $ 330,912.00 | $ 330,912.00 |
| Construction Cost | $ 4,910,941.00 | | $ 4,910,941.00 |
| Equipment-Greenstar | | $ 2,677,482.00 | $ 2,677,482.00 |
| Soft Costs Greenstar | | $ 984,821.00 | $ 984,821.00 |
| Inventory-Greenstar | | $ 528,200.00 | $ 528,200.00 |
| Working Capital-Greenstar | | $ 554,221.00 | $ 554,221.00 |
| Contingency/Other Greenstar | | $ 752,908.00 | $ 752,908.00 |
| Soft Costs | $ 928,218.42 | | $ 928,218.42 |
| **Total** | **$ 8,933,453.92** | **$ 5,828,544.00** | **$ 14,761,997.92** |

[redacted] **Cost Benefit Analysis**

Assumptions

[redacted] New Assessment

4.00% Annual Tax Rate/Assessment Increase

| | Tax Rates |
|---|---|
| County | 6.58776 |
| Town | 12.14 |
| Village | 0.0000 |
| School | 17.4866 |
| Total | 36.21436 |

**7-Year Schedule**

| Year | Abatement Multipliers | | Taxable Value |
|---|---|---|---|
| 1 | 0.9000 | 0.1000 | 900,000 |
| 2 | 0.7714 | 0.2286 | 936,000 |
| 3 | 0.6426 | 0.3572 | 973,440 |
| 4 | 0.5142 | 0.4858 | 1,012,378 |
| 5 | 0.3856 | 0.6144 | 1,052,873 |
| 6 | 0.2570 | 0.7430 | 1,094,988 |
| 7 | 0.1284 | 0.8716 | 1,138,787 |

| | | New Taxes Paid $ 130,246 | | | | | Taxes Abated $ 127,183 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | Abatement | County | Town | Village | School | Total | County | Town | Village | School | Total |
| 1 | 90% | 593 | 1,093 | - | 1,574 | 3,259 | 5,336 | 9,835 | - | 14,164 | 29,334 |
| 2 | 77% | 1,410 | 2,598 | - | 3,742 | 7,749 | 4,757 | 8,765 | - | 12,626 | 26,148 |
| 3 | 64% | 2,291 | 4,221 | - | 6,080 | 12,592 | 4,122 | 7,596 | - | 10,942 | 22,660 |
| 4 | 51% | 3,240 | 5,971 | - | 8,600 | 17,811 | 3,429 | 6,320 | - | 9,103 | 18,852 |
| 5 | 39% | 4,262 | 7,853 | - | 11,312 | 23,427 | 2,675 | 4,929 | - | 7,099 | 14,703 |
| 6 | 26% | 5,360 | 9,877 | - | 14,227 | 29,463 | 1,854 | 3,416 | - | 4,921 | 10,191 |
| 7 | 13% | 6,539 | 12,050 | - | 17,357 | 35,945 | 963 | 1,775 | - | 2,557 | 5,295 |
| | Totals | 23,693 | 43,662 | 0 | 62,891 | 130,246 | 23,136 | 42,635 | 0 | 61,412 | 127,183 |

**Sales Taxes Abatement**

| category | value | taxes |
|---|---|---|
| construction | [redacted] | 0 |
| ff&e | [redacted] | 0 |
| **Total** | | **0** |

**Mortage Recording Tax Abatement**

Mortgage [redacted]

**Tax** -

**Summary**

| | |
|---|---|
| $ 127,183 | Total Property Tax Abatement |
| 0 | Sales Tax Abatement |
| - | Mortageg Recording Tax Abatement |
| $ 127,183 | Total IDA Incentives |

IDA fees = 1% of project costs plus legal fees