

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

Salt Point Brewing Company – Community Benefits Overview **2/10/21**

Project Overview

Salt Point Brewing Company (SPB) is a small-batch farm brewery located in the Town of Lansing. SPB's goal is to bring the inspiration of New York State to the tap by using as many local ingredients as possible in their beers and their food offerings. Founded in 2017, SPB operated a 1,500 brewery and taproom next to the historic Rogues Harbor Inn, brewing small batches beers in a 2-barrel brewing system.

SPB purchased a 5.45-acre site just a half mile down the road in the Lansing Town Center and is planning at 5,600 square foot new building to expand operations. The location of the project is perfect for Salt Point Brewing Co., right in the heart of downtown Lansing, directly in front of the Milton Meadows Apartments and across the street from the town ball fields.

The new building consists of a 4,200 square foot footprint with some finished second and third floor space for storage and possible eventual build-out for a private meeting/party room. Half of the building will house the brewing operation and half of the building will be set up for a tasting room, restaurant, and associated customer seating. The building being constructed meets high standards for energy efficiency in both construction techniques and materials. Energy modeling was conducted by Taitem Engineering during the design phase. The new brewery will feature a larger, 7-barrel brewing system and the tasting room will have an expanded kitchen and menu featuring wood-fired sourdough pizza, seasonal salads and appetizers all featuring local farms and ingredients.

Business in 2020 was difficult and while Salt Point persisted and was able to keep sales up during the shutdown, the costs of operations were significantly higher due to increased food offerings and higher costs of goods and wages. Seasonal events that typically add much-needed profit to Salt Point's bottom line were canceled in 2020. SPB was not able to support as much of the project through savings as had originally been projected prior to COVID radically changing the business model. For this reason, the business owners are seeking financial assistance from the IDA to complete the construction project and open for the brewery and tap room.

The applicant is eligible under the Lansing Town Center Incentive Program – the first project under this policy. The applicant is requesting the standard, 7-year property tax incentive along with a sales tax incentive for the remainder of construction, equipment, and fit out of the facility. The proposed incentive package is under \$100,000. There is no requirement to hold a public hearing. The applicant is requesting approval at the 2/10/21 meeting. The total project cost is under \$1 million. Administrative staff requests the IDA waive the \$1,000 application fee and reduce the IDA fee from 1% of project costs to \$5,000.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – project retains 2.5 and creates 6 jobs over three years. An estimated 6 constructions jobs will be created during construction.
- Estimated value of tax exemption – 6% of total project costs

Property Tax	\$43,606
Sales Tax	\$16,144
TOTAL	\$59,750

- Estimate of private sector investment to be generated by the project – \$934,850 investment in a new building and related improvements in the Lansing Town Center.
- Likelihood of completing project in a timely manner – Project financing is secured, and construction is underway. Current and near future revenue projections have been negatively impacted by COVID and as a result, the applicant is requesting assistance to complete the project and to preserve cash as full operations as COVID restrictions are lifted.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – \$42,886 in new property taxes over the next seven years; increased sales tax receipts as a result of the expanded operations at this new facility in the Lansing Town Center.