

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

Date: 05/04/2021

I. APPLICANT INFORMATION (company receiving benefit)

Name of Company/Applicant: McKinley Ithaca, LLC

Owner: McKinley Development Companies, LLC

Address: 2970 Clairmont Road NE, Suite 310

City: Atlanta State: GA Zip: 30329

Primary Contact (First, Last): Jeff Githens

Phone: (404)964-3677 Email: jgithens@peakmadere.com Fax: () -

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: Blue Vista Student Housing Acquisitions, LLC

Owner: Blue Vista Capital Management, LLC

Address: 353 N Clark Street #730

City: Chicago State: IL Zip: 60654

Primary Contact (First, Last): Ron Koretz

Phone: (312)324-6082 Email: rkoretz@bluevistallc.com Fax: () -

Describe the terms and conditions of the lease between the applicant and the owner of the property:
Applicant is serving as developer of the Project operating under a development agreement with the Owner.

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

- | | |
|--|--|
| <input type="checkbox"/> Tax-Exempt Bonds | <input type="checkbox"/> Taxable Bonds |
| <input checked="" type="checkbox"/> Real Property Tax Exemption | |
| <input type="checkbox"/> Standard Tax Exemption (7-year) | |
| <input checked="" type="checkbox"/> Other (attach justification) – enhanced energy | |
| <input type="checkbox"/> CIITAP: <input type="checkbox"/> 7-year | |
| <input checked="" type="checkbox"/> CIITAP: <input type="checkbox"/> 10-year (requires determination of financial need – see CIITAP for details) | |
| <input checked="" type="checkbox"/> Sales Tax Exemption | <input checked="" type="checkbox"/> Mortgage Recording Tax Exemption |

Applicant Attorney: Costello, Cooney & Fearon, PLLC

Address: 211 W. Jefferson Street

City: Syracuse State: NY Zip: 13202

Primary Contact (if different from above:): Robert Smith

Phone: (315)422-1152 Email: rjs@ccf-law.com Fax: () -

Applicant Accountant: McKinley Development Companies, LLC (d/b/a PeakMade Real Estate)

Address: 2970 Clairmont Road NE, Suite 310

City: Atlanta State: GA Zip: 30329

Primary Contact (if different from above:): Aimee Gray

Phone: (404)920-5347 Email: agray@peakmadere.com Fax: () -

Applicant Engineer (if known): CHA

Address: 300 South Street, Suite 600

City: Syracuse State: NY Zip: 13202

Primary Contact (if different from above:): James Trasher, P.E.

Phone: (315)257-7220 Email: jtrasher@chacompanies.com Fax: () -

Applicant Architect (if known): Cooper Carry

Address: 191 Peachtree Street NE, Suite 2400

City: Atlanta State: GA Zip: 30303

Primary Contact (if different from above:): Tim Fish

Phone: (404)216-5760 Email: timfish@coppercarry.com Fax: () -

Applicant Contractor (if known): Purcell Construction Corporation

Address: 566 Coffeen Street

City: Watertown State: NY Zip: 13601

Primary Contact (if different from above:): Jeff Walseman

Phone: (315)778-9931 Email: jwalseman@purcellconstruction.com Fax: () -

II. BUSINESS HISTORY

Year company was founded: 2011 NAICS Code: 721310

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

Describe in detail company background, products, customers, goods and services:

McKinley Development Companies, LLC is a national, full-service real estate firm with a dedicated equity fund that develops best-in-class apartment communities. The development team has developed more than 30 individual properties and has experience in all apartment product types including garden style, townhome/cottage, mid-rise, high-rise, historic redevelopment, and mixed use. The property management team manages over 75 apartment communities nationally.

Current Tax Parcel 69-6-3 (to be subdivided)

Major Customers: Blue Vista Capital Management, LLC (investment management partner), 40,000 residents nationally, numerous retail tenants

Major Suppliers: Shaw Flooring, Sherwin Williams, Ferguson Supply, HD Supply, Kone Elevators, Moen

Has your business every received incentives that required job creation? Yes No

If yes, please describe: Development of an apartment building in Syracuse, NY that opened in 2018 that received sales tax & property tax abatements under the New York State 485a Program

Were the goals met? Yes No

If no, why were the goals not met? _____

Annual sales to customers in Tompkins County: \$N/A

Percent of annual sales subject to local sales tax: N/A%

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

III. PROJECT DESCRIPTION AND DETAILS

Project Location (all addresses and tax parcels): 401 State Street East, Ithaca, NY (69.-6-3 to be subdivided)

Property Size (acres): existing: 2.641 proposed: 2.641

Building Size (square feet): existing: 0 proposed: 301,900

Proposed Dates: start: 7/21/2021 end: 8/1/2023

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:

The Project seeks to redevelop the existing surface parking lot of Gateway Center and provide 353 residential apartments and a parking structure with 267 parking stalls. The building will be composed of 7 levels of a light gauge metal structure surrounding 3 levels of concrete podium clad in masonry brick and cementitious panels. Over 7,500 SF of amenity space will be provided as well as outdoor courtyards and seating areas. The Project will also extend the Six Mile Creek trail from its current terminus to the eastern edge of the property and onto City owned property creating a tremendous public benefit.

While parking is not required within CBD-60 zoning, the Project replaces the existing Gateway Center surface parking (152 spaces) that are being displaced with this Project. The Project also provides 115 parking spaces for residents of the Project. 122 spaces of the total 267 spaces will be available to the public after business hours providing another meaningful public benefit given the current constraints in parking supply in downtown Ithaca.

The Project is consistent with the Comprehensive Plan and the Downtown Design Guidelines for the Tuning Fork Character Area. The Project will help to relieve downtown Ithaca's housing shortage and provide a well-conceived pedestrian-oriented apartment community in the heart of downtown to serve a variety of residents from the local community and universities.

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.:

With tax abatement from the Enhanced energy CIITAP program, the Project will be able to provide competitive rents to a wide range of residents – below the current high end of the market. Without the financial assistance, the Project would simply not be financeable based on the current costs of development. Thus, it is necessary for the Project to receive financial assistance to be viable.

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?

If the Project does not receive financial assistance, the property will likely remain in its current state as a surface parking lot which is not the highest and best use given its proximity to Six Mile Creek and downtown Ithaca. Leaving the property in its current state would then impair the City of Ithaca and Tompkins County from benefiting from additional tax revenue.

Describe what green building practices you plan to use:

Below is a summary of strategies implemented into the design to comply with the Tompkins County Energy Recommendations. The project is also being designed to achieve 12 points under the 'Easy Path' of the Ithaca Green Building Policy guidelines.

- 1) All water fixtures within this project that are selected will be Water Sense rated. All appliances selected for each unit will be ENERGY STAR rated to minimize energy consumption in the building.
- 2) The HVAC systems for public space and for residential units will be electric air-source heat pumps. Please see below for detailed description.
 - a. The project is complying with 'Efficient Electrification' including the use of electric stove and ventless heat pump clothes dryers - 'no fossil fuel in the building'
- 3) The project intends to source electricity from off-site renewable providers through the New York Sun Program. An on-site solar panel system was evaluated, but there was not enough roof area to comply with the Ithaca Green Building Policy guideline requirements. However, the project includes areas on the roof for potential future solar panels.
- 4) Building Envelope design incorporates continuous rigid insulation with thermally broken window systems throughout for an airtight assembly. The window to wall ratio is targeted to be less than 30%. Vestibules are planned at the major entry points.
- 5) All light fixtures used will be LED fixtures and Occupancy sensors will be provided where possible to ensure a controlled lighting. All spaces will be checked for light levels to avoid over-lighting.
- 6) The HVAC systems for public space and for residential units will be Variable Refrigerant Flow (VRF) system with one outdoor condensing heat pump unit serving multiple indoor air handlers. These systems will have rated efficiencies at least 15% higher than required by the NYS Energy Conservation Construction Code.
 - a. 100% dedicated outside air units will provide neutral air to each space. These systems will be separate from heating and cooling systems.
 - b. Each dwelling unit will have a dedicated HVAC system. HVAC systems in common area will be provided per thermal zoning on a space-by-space basis.
 - c. Air leakage test will be performed for heating and cooling ductwork serving dwelling units.
 - d. All heating and cooling distribution systems will be in heated spaces
- 7) Currently the project is following the prescriptive compliance measures with COMcheck. The whole-building energy modeling is under consideration - if needed to achieve the 12 points under the Ithaca Green Building Policy guidelines.

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):

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Service*, ** |
| <input type="checkbox"/> Acquisition of existing facility | <input type="checkbox"/> Back office |
| <input checked="" type="checkbox"/> Housing | <input type="checkbox"/> Mixed use |

- Multi-tenant
- Commercial
- Retail*, **

- 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. Apartments		49.1%
2. Amenities		13.6%
3. Parking		37.3%

IV. PROJECT COSTS AND FINANCING

Project Costs

	Amount (\$)
Land and/or Building Acquisition: <u>2.641</u> acres <u>0</u> square feet	\$12,115,000
New Building Construction: <u>301,900</u> square feet	\$82,000,000
Building Addition(s): _____ square feet	\$
Infrastructure Work:	\$
Reconstruction/Renovation: _____ square feet	\$
Manufacturing Equipment:	\$
Non-Manufacturing Equipment (furniture, fixtures, etc.):	\$
Soft Costs (professional services, etc.):	\$15,834,894
Other (Specify): <u>Fees and Interest</u>	\$7,681,214
TOTAL:	\$117,631,108

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

If yes, describe particulars: Deposits on the land and design fees

Sources of Funds for Project Costs

Bank Financing	\$72,931,287
Equity	\$44,699,821
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) _____
\$ _____

Identify each State and federal grant/credit:

_____	\$ _____
_____	\$ _____
_____	\$ _____

Total sources of funds for Project costs: \$117,631,108

Project refinancing of existing debt only (estimated): \$ _____

Amount of anticipated financing from a lending institution: \$ 72,931,287

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: REFER TO ATTACHMENT Value of increase in assessment

REFER TO ATTACHMENT Annual increase in assessment/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:

The applicant is requesting the CIITAP enhanced 10-year incentives based on financial need. The Project intends to comply with the enhanced energy requirements to qualify for these enhanced incentives. The high cost of land, materials (some of which are at an all-time high), construction, and the proposed public benefit improvements for this Project necessitate the enhanced incentives.

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: \$ 33,526,500

Estimated State and local sales and use tax benefit (product of sales and use tax amount as indicated above multiplied by 8%) \$ 2,682,120

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): \$ 72,931,287

Estimated mortgage recording tax exemption benefit (product of mortgage amount as indicated above multiplied by .0025%): \$ 182,328

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	<u>\$117,631,108</u>
B. Estimated Value of PILOT	<u>\$15,743,028</u>
C. Estimated Value of Sales Tax Incentive	<u>\$2,682,120</u>
D. Estimated Value of Mortgage Tax Incentive	<u>\$182,328</u>
E. Total Other Public Incentives (tax credits, grants, ESD incentives, etc.)	<u>\$0</u>

Calculation of percentage of Project costs financed from public sector: 15.82%
(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:

Medical, Dental, Vision, 401(k), Life Insurance, Short and Long Term Disability, PTO, Parental Leave, Employee Assistance Program

Describe the internal training and advancement opportunities you offer to your employees:
 30 & 60 Day core training for new employees, Arrive program for our part-time employees to transition to full-time careers, Manager fast track program, learning and development system with on-demand resources, new leader development program and leadership training course conducted by our Executive Coach.
 65% of our management positions are filled with internal candidates.

Employment Plan

Occupation in Company	Current (Retained) Permanent FTE* Jobs		Projected New Permanent FTE* Jobs			
	Average Annual Salary Ranges/ Hourly Wage	Number of Employees	Year 1	Year 2	Year 3	Total New Jobs
Professional	\$41,906.88	0	10	0	0	10
Clerical						
Sales						
Services						
Construction						
Manufacturing						
High Skilled						
Medium Skilled						
Basic Skilled						
Other (describe)						
Total		0	10	0	0	10

- Full Time Equivalent (FTE) employee is equal to 40 hours a week worked. Two or more Part-time employees whose total weekly hours add up to 40 hours are counted as one FTE.

What percentage of your current positions are occupied by women? 52 %

What percentage of your current positions are occupied by minorities? 39 %

Estimated percentage of new hires who would be unemployed at time of hire: 5%

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)* 100%

Are you willing to pay a livable wage, as defined by the Alternatives Federal Credit union (AFCU) of Ithaca, NY to all employees for the duration of the abatements? Yes No
 If no, estimate the percentage of the current workforce whose wages meet or exceed the livable wage, as defined by AFCU. _____%

Please describe your strategy for ensuring diversity in hiring:
 Our Company Diversity & Inclusion vision & mission include a strategy to ensure diversity in hiring.

In communicating with potential candidates, we emphasize that diversity in hiring is important to us. When we work with recruiters we request diversity in candidates.

We put this emphasis in our recruiting materials and internal and external social media posts. We encourage diversity by educating our hiring managers on the importance of diversity through our on-demand learning portal, our speakers, and regular communication through our internal social site, emails, and our intranet on diversity and inclusion topics.

Our biggest source of candidates is through internal referrals, and we highly encourage diversity through this process, as well as through our promotion process.

We regularly discuss diversity with hiring managers and we regularly audit our hiring practices.

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	<input checked="" type="checkbox"/> Yes	<u>Est. 20</u> %	<input type="checkbox"/> No
Pay a prevailing wage	<input type="checkbox"/> Yes	<u>0</u> %	<input checked="" type="checkbox"/> No
Use local labor	<input checked="" type="checkbox"/> Yes	Est. 35 %	<input type="checkbox"/> No

Estimate the number of construction jobs 100

VIII. ENVIRONMENTAL REVIEW AND PERMITTING

Environmental Assessment Form - Short Form Long Form

Submitted to: Lisa Nicholas

Agency Name: Division of Planning and Economic Development, City of Ithaca

Agency Address: 108 E. Green Street, 3rd Floor

City: Ithaca State: NY Zip: 14850

Date of submission: 09/17/2020 Status of submission: Under Review

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. Building Permit	Not Filed
2. Demolition Permit	Not Filed
3. Zoning Variance Approval	Under Review by Ithaca BZA
4. Preliminary Site Plan Approval	Under Review by Ithaca Planning Board

IX. OTHER

Do you have anything else you would like to tell the TCIDA regarding this project?
 The Project has been a multi-year collaborative effort between the developer and the City of Ithaca to provide much needed housing in downtown. The City has long envisioned that the Gateway Center surface parking lot would be developed into a Project of significant scale as proposed. Recent studies by the Danter Company have identified a significant housing supply/demand imbalance in Ithaca. The Project intends to address this imbalance to provide much needed housing for a wide range of residents in a diverse residential program.

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? _____ %

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

REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

Jeff Githens (name of CEO or other authorized representative of Applicant)

confirms and says that he/she is the President (title) of McKinley Development Companies, 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. Local 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 Local 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. Diversity and Inclusion. The Applicant understands and agrees that, if the proposed Project receives Financial Assistance from the Agency, the Applicant agrees to comply with the Diversity and Inclusion Policy, which requires owner-occupied facilities and facilities with on-site employees to join the Tompkins County Diversity Consortium and provide annual reports on the make up of the workforce and efforts to increase diversity and inclusion as outlined in the Policy.
- F. 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.

- G. 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.

- H. Fees. By executing and submitting this Application, the applicant covenants and agrees to pay the following fees:
- (i) An application fee of \$1,000 due at time of application submission. A reduced application fee may be negotiated for projects with a total cost under \$5 million.
 - (ii) 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 project costs;
 - (iii) 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; Agency transaction counsel fees shall be an amount equal to one-third (1/3) of the Agency's Administrative Fee set forth in (ii) above with a minimum fee of \$20,000 plus out of pocket expenditures unless otherwise agreed to in writing for smaller projects.
 - (iv) 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.

- I. 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.

**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.

Signature: _____

Print Name: Jeff Githens

Title: President

Company: McKinley Ithaca, LLC

Date: _____

Assumptions

\$ 1,595,463 Current Assessment
 \$ 62,209,537 Increase in Assessment
 2.00% Annual Tax Rate/Assessment Increase

10-Year ENERGY Schedule
 based on stretch code 2024

current land value of 3.89 acre site is \$2,350,000
 to be subdivided 2.641 acres is 67.89%
 apportioned land value is \$1,595,463

Tax Rates:
 County 6.215523
 City 11.850000
 Village 0.000000
 School 16.587991
 Total 34.653514

does not include BID tax of 2.37 to be paid based on actual assessment

Year	Abatement Multipliers	Taxable Value
1	1.0000	62,209,537
2	1.0000	63,453,728
3	0.9000	64,722,802
4	0.8000	66,017,258
5	0.7000	67,337,604
6	0.6000	68,684,356
7	0.6000	70,058,043
8	0.5000	71,459,204
9	0.4000	72,888,388
10	0.3000	74,346,155

Year	Abatement	County	City	Village	School	New Taxes Paid	Existing Taxes Paid	Total Taxes Paid	County	City	Village	School	Total Taxes Abated
1	100%	0	-	-	-	-	55,288	55,288	386,665	737,183	-	1,031,931	1,515,779
2	100%	0	-	-	-	-	56,394	56,394	394,398	751,927	-	1,052,570	1,198,895
3	90%	40,229	76,697	-	107,362	224,287	57,522	281,809	362,057	690,269	-	966,259	2,018,585
4	80%	82,066	156,461	-	219,019	457,546	58,672	516,218	328,265	625,844	-	876,075	1,830,184
5	70%	125,562	239,385	-	335,099	700,045	59,846	759,891	292,977	558,565	-	781,897	1,633,439
6	60%	170,764	325,564	-	455,734	952,062	61,043	1,013,105	256,146	488,346	-	683,601	1,428,093
7	60%	174,179	332,075	-	464,849	971,103	62,264	1,033,367	261,268	498,113	-	697,273	1,456,654
8	50%	222,078	423,396	-	592,682	1,238,156	63,509	1,301,665	222,078	423,396	-	592,682	1,238,156
9	40%	271,824	518,236	-	725,443	1,515,503	64,779	1,580,282	181,216	345,491	-	483,629	1,010,336
10	30%	323,470	616,701	-	863,277	1,803,449	66,075	1,869,524	138,630	264,301	-	369,976	772,907
Total		1,410,171	2,688,515	0	3,763,465	7,862,152	605,393	8,467,544	2,823,701	5,383,433	0	7,535,894	15,743,028

Project Costs \$116,915,999

Sales Taxes Abatement

Category	Value	Taxes	Mortgage	Tax
construction	33,526,500	2,682,120		
ff&e	-	0		
Total		2,682,120		181,127

Mortgage Recording Tax Abatement

Fees	IDA	IDA Attorney	(1% of Const. Costs)	(approx 1/3 of IDA fee)	IDA app
			\$820,000	\$273,333	\$1,000
Total					\$1,094,333

Summary

\$ 15,743,028	Total Property Tax Abatement
2,682,120	Sales Tax Abatement
181,127	Mortgage Recording Tax Abatement
\$ 18,606,275	Total IDA Incentives
15.91%	Percent of project costs financed by IDA