

December 28, 2021

Heather McDaniel
President
Ithaca Area Economic Development
401 East State Street, Suite 402B
Ithaca, NY 14850

Re: State Street Apartments – Sales, Use and Mortgage Recording Tax Benefit Update

Dear Ms. McDaniel:

As discussed, the Ithaca Planning Board granted final site plan approval for the State Street Apartments on September 14, 2021. The approved project now contains the following program:

- 321 Apartment Units (versus 353 units previously in the original IDA application)
- 239 Total Parking Spaces (versus 267 parking spaces in the original IDA application). 134 of these spaces are dedicated to the Project's residents. Approximately 35 of these spaces are dedicated to residents of Gateway Commons and Gateway Center. Approximately 70 of these spaces are dedicated to the Gateway Commons office tenants and will be available to the public after business hours.
- 6 Building Levels (versus 7 building levels in the original IDA application)
- Total Building Size – 356,681 SF including parking (versus 301,900 SF in the original IDA application which excluded the parking area) with the following allocations by use:
 - Apartments – 69.4%
 - Amenities – 5.6%
 - Parking - 25%

The total project budget has been revised as follows:

- Land acquisition - \$12,115,000 (same as in the original IDA application)
- New building construction - \$98,000,000 (versus \$82,000,000 in the original IDA application)
- Soft costs - \$16,142,155 (versus \$15,834,894 in the original IDA application)
- Fees and interests - \$8,307,300 (versus \$7,681,214 in the original IDA application)
- Total costs - \$134,801,491 (versus \$117,631,108 in the original IDA application)

The sources of funds for Project costs are:

- Bank financing – \$87,620,969 (versus \$72,931,287 in the original IDA application)
- Equity - \$47,180,522 (versus \$44,699,821 in the original IDA application)



Given the increase in Project costs, we seek to increase our estimated sales and use tax benefit and mortgage recording tax benefit as follows:

- Gross amount of costs for goods and services that are subject to State and local sales and use tax - \$45,746,760 (versus \$33,526,500 in the original IDA application)
- Estimated State and local sales and use tax benefit - \$3,659,741 (versus \$2,682,120 in the original IDA application)
- Mortgage amount - \$87,620,969 (versus \$72,931,287 in the original IDA application)
- Estimated mortgage recording tax exemption benefit - \$219,052 (versus \$182,328 in the original IDA application)

The current status of permits and approvals are:

- Building Permit – Not filed
- Foundation Permit – Application filed on 10/15/21
- Demo Permit – Permit received on 11/5/21
- Zoning Variance Approval – No longer required
- Final Site Plan Approval – September 14, 2021

Please let me know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Githens".

Jeff Githens
President