



February 21st, 2023

Project: Knickerbocker Bed Company Facility Capital Investment Project

Attention:

Heather McDaniel
Tompkins County Industrial Development Agency
119 E Seneca Street, Suite 200
Ithaca, NY 14850

Dear Heather,

Beginning in December of 2021 the owners of the Knickerbocker Bed Company began renovating the vacant facility at 17 Hall Woods Road, Ithaca, NY 14850. Today the facility is operating six days a week and is well exceeding its' projected job creation number from 35 to 87 by the end of 2022.

As the owner's business plan continues to grow, the scope of the renovation has expanded along with it. As we enter 2023 the owner and project team have developed a phasing approach to the project. Phase one consisted of the work associated with Knickerbocker's building number two and the tool room. Building number two is the production line consisting of ten new injection molding machines, which is currently operational. The tool room is outfitted with brand new machining equipment, where Knickerbocker designs and produces the molds utilized in building two. Phase two is in progress and consists of the addition of a production line which is being relocated from New Jersey to the Ithaca facility. This is a steel manufacturing line where raw steel will be fitted, punched, and finished utilizing a newly installed top tier powder coating system. The system boasts both high efficiency and environmentally friendly attributes. Phase three will outfit the facility's building number three, turning the current warehouse space into an organized processing system where bed frames will be assembled and inventoried. Phase three will also provide the finalized layout for a separate plastic product line. Beyond phase three, there is discussion as to how to outfit the three-story office section of the building to best suit the owner's requirements and to add renewable energy installations at the facility that could help offset energy draw and increase sustainability.

On December 23, 2021, Richard Polevoy, entered an agreement with the Tompkins County Industrial Development Agency. One resolution of that agreement consisted of a sales tax exemption for all New York State and local sales tax and use tax for purchases and rentals related to the Knickerbocker Bed Company Project. The maximum sales tax exemption limit was previously set at \$200,000.00 and an additional increase of \$150,000 was requested in December 2022. The new agreement totaling \$350,000 is dated to conclude on December 31st, 2023. On behalf of the owner, I am respectfully asking for an increase in exemption of \$250,000.00, bringing the overall maximum savings limit to \$600,000.00. This request is due to the expanded scope that the project has brought on to create the premier facility that it is becoming today.

Respectfully,

A blue ink handwritten signature of Russ Robinson, consisting of a stylized 'R' followed by a long horizontal stroke.

Russ Robinson
Project Executive