

May 1, 2023

Heather McDaniel
President
Ithaca Area Economic Development
119 E. Seneca Street, Suite 200
Ithaca, NY 14850

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

Dear Ms. McDaniel:

As discussed, the Ithaca Planning Board and Board of Zoning Appeals granted an amended site plan approval and a variance to add an additional level to the west wing of the State Street Apartments on October 25, 2022, and December 6, 2022, respectively. The approved project now contains the following program:

- 372 Apartment Units (versus 353 units in the original IDA application and 321 units in the amended application)
- 238 Total Parking Spaces (versus 267 parking spaces in the original IDA application and 239 spaces in the amended application)
- 6 and 7 Building Levels (versus 7 building levels in the original IDA application and 6 in the amended application)
- Total Building Size – 391,499 SF including parking (versus 301,900 SF in the original IDA application excluding parking and 356,681 SF in the amended application including parking)

The total project budget has been revised as follows:

- Land acquisition - \$12,115,000 (same as in the original and amended IDA application)
- New building construction - \$117,000,000 (versus \$82,000,000 in the original IDA application and \$98,000,000 in the amended application)
- Soft costs - \$21,690,522 (versus \$15,834,894 in the original IDA application and \$16,142,155 in the amended application)
- Fees and interests - \$14,737,267 (versus \$7,681,214 in the original IDA application and \$8,307,300 in the amended application)
- Total costs - \$166,367,389 (versus \$117,631,108 in the original IDA application and \$134,801,491 in the amended application)

The sources of funds for Project costs are:

- Bank financing – \$99,820,434 (versus \$72,931,287 in the original IDA application and \$87,620,969 in the amended application)
- Equity - \$66,546,956 (versus \$44,699,821 in the original IDA application and \$47,180,522 in the amended 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 - \$55,549,637 (versus \$33,526,500 in the original IDA application and \$45,746,760 in the amended application)
- Estimated State and local sales and use tax benefit - \$4,443,971 (versus \$2,682,120 in the original IDA application and \$3,659,741 in the amended application)
- Mortgage amount - \$99,820,434 (versus \$72,931,287 in the original IDA application and \$87,620,969 in the amended application)
- Estimated mortgage recording tax exemption benefit - \$249,551 (versus \$182,328 in the original IDA application and \$219,052 in the amended application)

We also seek to modify our property tax benefits to include the additional units that were added to the project per the amended site plan approval and approved variance and to extend the benefit expiration date with the following adjustments:

- Construction completion date of April 2026 (versus March 2025 as contemplated in the current agreement)
- Benefit expiration date of tax year 2036/37 (versus tax year 2035/36 in the current agreement)
- Estimated assessed value of \$82,000,000
- Estimated annual property tax of \$2,861,800 (excluding BID tax)

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
- Amended Site Plan Approval – October 25, 2022
- Zoning Variance Approval – December 6, 2022

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

Sincerely,



Jeff Githens
President