

December 20, 2024

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

To Whom It May Concern:

Asteri Parking LLC respectfully requests a 28-year PILOT agreement, with a de minimis payment of \$1 per year, for the ground floor space of 120 E Green Street, which is occupied by Seventh Art Corporation of Ithaca, d/b/a Cinemapolis (the "Movie Theater") (DBA Cinemapolis).

The PILOT would support the long-term financial sustainability of Cinemapolis, which in turn provides the following benefits to us and the City of Ithaca:

1. Assistance in maintaining a long-term tenant in a space that was specially designed as a movie theater. While the economy for cinemas has been unstable, Asteri received ownership of the land that was improved with a movie theater, which requires a very specific type of tenant. The closure of Cinemapolis may lead to the vacancy of this specialized unit, and reconfiguration may be cost-prohibitive.
2. Promoting the success of our overall investment in the City of Ithaca. Cinemapolis supports the success of our projects in downtown Ithaca. The Ithaca Downtown Conference Center, another Asteri tenant, works closely with Cinemapolis as a partner on many of their events. In addition, recreational amenities improve the quality of life for the residents of our affordable housing project. Finally, visitors to Cinemapolis frequent the parking garage above the movie theater. Each of these ancillary projects have been previously supported by this Industrial Development Agency and complement our shared broader vision of a robust and thriving downtown.

It is also important to note that, by buying out its leasehold, the Movie Theater would have qualified for a full tax exemption under applicable law if the City of Ithaca and IURA had not transferred title to Asteri Parking, LLC.

Formerly, the land underlying the movie theater was owned by IURA, subleased to a for-profit developer called Cayuga Green, LLC, and then subleased to Cinemapolis. The City of Ithaca and IURA conveyed the land to Asteri Parking, LLC, a subsidiary of Vecino Group, as part of our joint development of the parking garage in 2021.

As we understand it, in New York State, real property taxes are exempted when the land is owned by a charitable or governmental entity and used for a charitable or governmental purpose. Because Cinemapolis struggled financially for several years, it took several significant steps to reduce its fixed costs and increase its revenues. Earlier in 2024, Cinemapolis bought out its leasehold from Cayuga Green,

LLC, and now directly leases the movie theater from IURA, which significantly reduced its fixed costs. By removing the for-profit developer, Cinemapolis was making the Movie Theater eligible for real property tax exemption. However, by transferring the title to Asteri Parking, LLC, we removed that possibility.

We have agreed to amend our lease so that Asteri Parking, LLC assumes responsibility for the real property taxes assessed against Cinemapolis. For additional support, we turn to the IDA and request this PILOT as the long-term success of Cinemapolis supports the success of Asteri's projects and supports a thriving downtown Ithaca.

Sincerely,

Signed by:

Richard Manzardo

RICK MANZARDO