

## IDA Industrial Application for Incentives Preamble

The following is a basic outline of the process for applying to the Tompkins County Industrial Development Agency (TCIDA) for economic incentives. The primary mission of TCIDA is to offer economic incentives to Tompkins County businesses in order to create and retain quality employment opportunities and to strengthen the local tax base. The IDA defines “industrial” to include computer software, agri-business, printing, publishing, and research and development. The IDA prefers to assist those businesses that have a market for products or services extending beyond Tompkins County. The IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County businesses.

Each applicant will be asked to complete the following application that will be presented to the IDA Board. We ask that each applicant work with the Administrative Director in developing its application. Once the application has been submitted, the IDA Board, at its next scheduled meeting, will consider whether to move forward to the Public Hearing phase where the public will have an opportunity to comment on the project. Public Hearings are held in the taxing jurisdiction where the project is located. 10 days notice must be given. After the Public Hearing is held, the IDA Board, at its next scheduled meeting, will consider if economic incentives will be granted. If a resolution is passed that grants economic incentives, the project will become an appointed agent of the IDA and thus be eligible for New York State sales and use tax exemption for one year (renewals may be granted upon request). The abatement applies to both the State and local portion of the sales. The affected taxing jurisdictions will be notified of the decision of the IDA.

At the appropriate time, the IDA will take title to or a lease hold interest in the project (the project closing) and thus will grant Property and Mortgage Recording tax incentives under a Payment-in-Lieu of Taxes (PILOT) agreement. The standard PILOT agreement is for seven (7) years and reduces the property taxes beginning at 90% in year one and ending at 13% in year seven. At the end of the PILOT agreement, title is returned to the project owners; from that point forward full taxes are paid on property and any buildings. The IDA and IDA counsel will need to be notified regarding bank financing and property closings. There will also be annual reporting requirements on finances, employment and other conditions of the PILOT agreement to comply with New York State law.

The applicant is responsible for paying the IDA Administrative Fee at the time of closing. This fee will be equal to 1% of the total value of expenses that are positively impacted by IDA incentives. This includes the value of construction of improvements to property that is impacted by property and sales tax abatement and the value of furniture, fixtures and equipment that are impacted by sales tax abatement. It will not include any purchases, such as manufacturing equipment, where the IDA does not deliver an incentive. The applicant is also responsible for paying the IDA for all legal costs it incurs including IDA Counsel and Bond Counsel fees. **Please see TCIDA policies and procedures document for more detail.**

The following application will ask for information on the company and proposed project including but not limited to: business history, estimated job creation, possible tenant information, employment information, projected costs, and the value of incentives sought.

An IDA incentive package allows the recipient to pay lower taxes than residents and other businesses in the community. This special treatment must be justified by community benefits that would not occur if the incentives were not granted. The questions in this application are designed to give you an opportunity to describe those benefits. Many questions concern the number and

quality of jobs, both temporary and permanent, that will be created by the project, but some address other possible benefits the community might derive. There is also space to include benefits that are not addressed by any of the questions.

Your individual answers are not considered “pass or fail” but are informative to the decision of the IDA Board. The Board must decide whether the totality of community benefits justifies special treatment with regard to taxes. If an applicant does agree to certain conditions or make specific promises regarding jobs or other community benefits, these conditions and promises will become part of the legal and binding documents tied to the economic incentives. Economic incentives will be terminated if these agreed upon conditions are not met. Also, if it is discovered that a business or jobs are moved from another New York State county into Tompkins County, economic incentives will be terminated and further penalty fees may be assessed.