



# Cortland County

## Industrial Development Agency

**Special Meeting of the Members of the Cortland County Industrial Development Agency**

**July 28, 2025 – Noon**

**40-42 Main Street, Suite A, 2<sup>nd</sup> Floor Cortland New York, 13405**

**Roll Call-** Chairman McMahon called the meeting to order at 12:00 pm

Mike McMahon	Chairman	Present
Stephen Compagni	Vice Chairman	Absent
Clint Brooks	Secretary	Present
Deborah Hayden	Treasurer	Present
Dr. Kathleen Burke	Member	Present
William McGovern	Member	Present
Donald Richards	Member	Present
Melanie Vilardi	Executive Director	Present
Andrea Skeels	Corporate Finance Officer	Present
Ashley Riehlman	Community Relations Specialist	Present
Jim Gosier	Byrne Dairy Representative	Present

**Approval of Minutes-** July 14, 2025 – Chairman McMahon made a motion to accept the minutes, Mr. Richards seconded. All in favor. None Opposed.

### **New Business**

1. Consideration of Final Inducement – Byrne Dairy – Chairman McMahon made a motion to approve Resolution 2025-07-28-01. Mr. Brooks seconded. All present voting in favor.
2. Approving Resolution – Byrne Dairy – Chairman McMahon made a motion to approve resolution 2025-07-28-02. Mr. Richards seconded. All present voting in favor. None opposed.

### **Old Business**

1. 40 Main St, Cortland Update – Property was appraised at \$400,000. Attorney General will have to approve sale of property if purchase price is under the appraised value. Chairman McMahon motioned a purchase offer of \$350,000. Mr. Richards seconded.

**Adjourn** – Meeting adjourned at 12:14pm



**Cortland County**  
Industrial Development Agency

# Minutes



# Cortland County

## Industrial Development Agency

### Minutes

Regular Meeting of the Members of the Cortland County Industrial Development Agency

July 14, 2025 – Noon

40-42 Main Street, Suite A, 2<sup>nd</sup> Floor Cortland New York, 13405

**Roll Call-** Chairman McMahon called the meeting to order at 12:33pm

Mike McMahon	Chairman	Present
Stephen Compagni	Vice Chairman	Absent
Clint Brooks	Secretary	Present
Deborah Hayden	Treasurer	Present
Dr. Kathleen Burke	Member	Absent
William McGovern	Member	Present
Donald Richards	Member	Present
Melanie Vilardi	Executive Director	Present
Andrea Skeels	Corporate Finance Officer	Present
Ashley Riehlman	Community Relations Specialist	Present
John Sidd	Agency Council	Present
Jim Gosier	Byrne Dairy Representative	Present
Dan Wood	Byrne Dairy Representative	Present
Marie Weiss	Carpenters Union	Present



# Cortland County

## Industrial Development Agency

**Approval of Minutes** – June 16, 2025 – Chairman McMahon made a motion to approve the minutes as presented. Mr. Richards seconded the motion. All voting in favor. None opposed.

### **New Business**

- SEQR Determination/Recommendations – Byrne Dairy – See Attached Resolution #025-07-14-01
  - Motion made by Chairman McMahon, seconded by Mr. Richards
- Consideration of Preliminary Inducement – Byrne Dairy – See Attached Resolution # 2025-07-14-02
  - Presentation by Byrne Dairy - Jim Gosier & Dan Wood
  - Motion made by Chairman McMahon, seconded by Mr. Brooks, all in favor, none opposed.
- Public Hearing for Byrne Dairy PILOT agreement on Thursday, July 24 at 10am
- Special meeting scheduled for July 28, 2025, at 12pm

### **Old Business**

1. 40 Main St, Cortland Update – Downtown Partnership received the grant monies, Agreed to move ahead with the sale of the building. Appraisal will be scheduled.

### **Monthly Reports**

1. Finance Report – Mrs. Skeels reports business as usual.
2. Director's Report – see attached

**Adjourn** – Meeting adjourned at 1:04pm



**Cortland County**  
Industrial Development Agency

## Public Hearing Minutes



**Minutes of the Public Hearing for Byrne Dairy Phase II proposed project and related financial assistance – July 24, 2025, held at 10 AM at Cortlandville Town Hall 3577 Terrace Rd, Cortland, NY 13045**

The Public Hearing was called to order at 10AM

<b>William McGovern</b>	<b>Cortland County Legislator/IDA</b>
<b>Don Richards</b>	<b>Cortland County IDA</b>
<b>Greg Leach</b>	<b>Cortlandville Supervisor</b>
<b>James Gosier</b>	<b>Byrne Dairy Representative</b>
<b>Melanie Vilardi</b>	<b>Cortland County IDA/BDC</b>
<b>Ashley Riehlman</b>	<b>Cortland County IDA/BDC</b>

Mrs. Vilardi read the notice of Public Hearing as published in the Cortland Standard on July 15, 2025.

Mrs. Vilardi asked if there were any additional comments on the proposed project, hearing closed at 10:06 AM.



**Cortland County**  
Industrial Development Agency

## New Business



**Cortland County**  
Industrial Development Agency

# Final Inducement Resolution



A special meeting of Cortland County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 40 Main Street, Suite A, in the City of Cortland, Cortland County, New York on July 28, 2025 at 12:00 o'clock p.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael McMahon	Chairman
Stephen Compagni	Vice Chairman
Clinton Brooks	Secretary
Deborah Hayden	Treasurer
Kathleen Burke	Member
Donald Richards	Member
William McGovern	Member

ABSENT:

FOLLOWING PERSONS WERE ALSO PRESENT:

Melanie Vilardi	Executive Director
Andrea Skeels	Director of Finance and Project Development
Ashley Riehlman	Community Relations Specialist
John P. Sidd, Esq.	Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. \_\_\_\_\_

**RESOLUTION      FINALIZING      THE      PRELIMINARY  
INDUCEMENT      RESOLUTION      FOR      A      CERTAIN  
COMMERCIAL PROJECT FOR C'VILLE, LLC**

WHEREAS, Cortland County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities,

among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application (the "Application") presented to the Agency by C'Ville, LLC (the "Company"), as well as a cost benefit analysis, the members of the Agency, on July 14, 2025, adopted a resolution (the "Preliminary Inducement Resolution") whereby the Agency preliminarily agreed, subject to numerous conditions, to consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a  $\pm$  22.5 acre parcel of land (the "Land") located at 3114 - 3168 Byrne Hollow Crossing and Osbeck Lane in the Town of Cortlandville, Cortland County, New York, (2) construction on the Land of an expansion to the existing 70,000 square foot dairy processing plant on adjacent property, the expansion to be completed in two (2) stages, the first (Phase 2A) being a 26,000 square foot manufacturing facility to house processing and blend/batch equipment for the existing dairy processing operation, and the second stage (Phase 2B) being 74,560 square feet of additional space for new processing, filling, packaging and warehousing operations (the "Facility"), and (3) the acquisition and installation therein and thereon of fixtures and equipment comprising the Facility (the "Equipment"), all of the foregoing to constitute a dairy manufacturing facility to be operated by the Company or affiliated entities (the Land, Facility and Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the Preliminary Inducement Resolution the Executive Director of the Agency (A) caused notice of a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project (the "Public Hearing") to be published on July 14, 2025 in the Cortland Standard, a newspaper of general circulation available to residents of the County of Cortland, (B) caused notice of the Public Hearing to be mailed on July 14, 2025, together with notice, if any, that the Agency intends to deviate from its uniform tax exemption policy and which included the Agency's Preliminary Inducement Resolution, by certified mail return receipt requested to the chief executive officer of the county and of each city, town, village and school district, as well as the school district clerk, in which the Project is to be located (C) conducted the Public Hearing on July 24, 2025 at 10:00 o'clock a.m. local time in the Town Court room at The Raymond G. Thorpe Municipal Building, 3577 Terrace Road, Cortland, New York 13045, located in the Town of Cortlandville,

Cortland County, New York, (D) prepared a report of the Public Hearing which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on July 14, 2025 (the "SEQR Resolution"), the Agency has determined that a coordinated SEQRA review of the Project was undertaken by the Town of Cortlandville Planning Board (the "Planning Board") acting as lead agency and, on or about June 24, 2025, the Planning Board determined that the Project would not cause a significant adverse environmental impact and no determination of significance will be issued by the Agency and no further SEQRA review of the Project is required by the Agency; and

WHEREAS, having complied with the requirements of Section 859-a of the Act and the requirements of SEQRA with respect to the Project, the Agency now desires to make its final determination whether to proceed with the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby determines that the Agency has now fully complied with the requirements of Section 859-a of the Act and the requirements of SEQRA that relate to the Project.

Section 2. Having reviewed the Report, and having considered fully all comments contained therein, the Agency hereby further determines to proceed with the Project and the granting of the Financial Assistance described in the notice of the Public Hearing.

Section 3. Pursuant to Section 875(3) of the Act, the Agency shall recover, recapture, receive, or otherwise obtain from the Company that portion of the Financial Assistance which constitutes state sales and use tax exemptions taken or purported to be taken by the Company to which the Company is not entitled or which are in excess of the amount authorized by the Agency or which are for property or services not authorized by the Agency as part of the Project or were taken by the Company when the Company failed to comply with a material term or condition to use property or services in the manner required by the Agency. The Company shall cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such state sales and use tax exemptions and shall promptly pay over any such amounts to the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Commissioner of Taxation and Finance to assess and determine state sales and use taxes due from the Company under Article 28 of the Tax Law of the State of New York, together with any relevant penalties and interest due on such amounts.

Section 4. The Chairman, Vice Chairman and Executive Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael McMahon	VOTING	_____
Stephen Compagni	VOTING	_____
Clinton Brooks	VOTING	_____
Deborah Hayden	VOTING	_____
Kathleen Burke	VOTING	_____
Donald Richards	VOTING	_____
William McGovern	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK     )  
COUNTY OF CORTLAND ) ss.:

I, the undersigned Secretary of Cortland County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on July 28, 2025 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 28<sup>th</sup> day of July, 2025.

\_\_\_\_\_  
Clinton Brooks, Secretary



**Cortland County**  
Industrial Development Agency

## Approving Resolution

A special meeting of Cortland County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 40 Main Street, Suite A, in the City of Cortland, Cortland County, New York on July 28, 2025 at 12:00 o'clock p.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael McMahon	Chairman
Stephen Compagni	Vice Chairman
Clinton Brooks	Secretary
Deborah Hayden	Treasurer
Kathleen Burke	Member
Donald Richards	Member
William McGovern	Member

ABSENT:

FOLLOWING PERSONS WERE ALSO PRESENT:

Melanie Vilardi	Executive Director
Andrea Skeels	Director of Finance and Project Development
Ashley Riehlman	Community Relations Specialist
John P. Sidd, Esq.	Agency Counsel

The following resolution was offered by \_\_\_\_\_, seconded by \_\_\_\_\_, to wit:

Resolution No. \_\_\_\_\_

**RESOLUTION AUTHORIZING THE EXECUTION OF  
DOCUMENTS IN CONNECTION WITH A STRAIGHT-LEASE  
TRANSACTION FOR A COMMERCIAL PROJECT FOR  
C'VILLE, LLC**

WHEREAS, Cortland County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the

"Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application (the "Application") presented to the Agency by C'Ville, LLC (the "Company"), as well as a cost benefit analysis, the members of the Agency, on July 14, 2025, adopted a resolution (the "Preliminary Inducement Resolution") whereby the Agency preliminarily agreed, subject to numerous conditions, to consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a  $\pm$  22.5 acre parcel of land (the "Land") located at 3114 - 3168 Byrne Hollow Crossing and Osbeck Lane in the Town of Cortlandville, Cortland County, New York, (2) construction on the Land of an expansion to the existing 70,000 square foot dairy processing plant on adjacent property, the expansion to be completed in two (2) stages, the first (Phase 2A) being a 26,000 square foot manufacturing facility to house processing and blend/batch equipment for the existing dairy processing operation, and the second stage (Phase 2B) being 74,560 square feet of additional space for new processing, filling, packaging and warehousing operations (the "Facility"), and (3) the acquisition and installation therein and thereon of fixtures and equipment comprising the Facility (the "Equipment"), all of the foregoing to constitute a dairy manufacturing facility to be operated by the Company or affiliated entities (the Land, Facility and Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the Preliminary Inducement Resolution the Executive Director of the Agency (A) caused notice of a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project (the "Public Hearing") to be published on July 14, 2025 in the Cortland Standard, a newspaper of general circulation available to residents of the County of Cortland, (B) caused notice of the Public Hearing to be mailed on July 14, 2025, together with notice, if any, that the Agency intends to deviate from its uniform tax exemption policy and which included the Agency's Preliminary Inducement Resolution, by certified mail return receipt requested to the chief executive officer of the county and of each city, town, village and school district, as well as the school district clerk, in which the Project is to be located (C) conducted the Public Hearing on July 24, 2025 at 10:00 o'clock a.m. local time in the Town Court room at The Raymond G. Thorpe Municipal Building, 3577 Terrace Road, Cortland, New York 13045, located in the Town of Cortlandville, Cortland County, New York, (D) prepared a report of the Public Hearing which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on July 14, 2025 (the "SEQR Resolution"), the Agency has determined that a coordinated SEQRA review of the Project was undertaken by the Town of Cortlandville Planning Board (the "Planning Board") acting as lead agency and, on or about June 24, 2025, the Planning Board determined that the Project would not cause a significant adverse environmental impact and no determination of significance will be issued by the Agency and no further SEQRA review of the Project is required by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on July 28, 2025 (the "Final Inducement Resolution"), the Agency determined, following a review of the Report, to finalize the preliminary determination made by the Agency in the Preliminary Inducement Resolution to proceed with the Project and the granting of the Financial Assistance described in the notice of the Public Hearing; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the "Agency Documents"): (A) a certain lease to Agency (and a memorandum thereof) (the "Underlying Lease") by and between the Company, as landlord, and the Agency, as tenant pursuant to which the Company will lease to the Agency the Project Facility; (B) a Uniform Project and Lease Agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (C) a payment in lieu of tax agreement (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; and (D) various certificates relating to the Project (the "Closing Documents");

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Project constitutes a "project," as such term is defined in the Act;  
and

(C) The acquisition of the Project Facility and the lease of the Project Facility to the Company will promote and maintain the job opportunities, general prosperity



and economic welfare of the citizens of Cortland County, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) accept the Underlying Lease; (B) proceed with the Project; (C) acquire the Project Facility; (D) lease the Project Facility to the Company pursuant to the Lease Agreement; (E) enter into the Payment in Lieu of Tax Agreement; and (F) grant the Financial Assistance with respect to the Project.

Section 3. The Agency is hereby authorized to acquire a leasehold interest in the Project Facility pursuant to the Underlying Lease and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The Agency is hereby authorized to acquire the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby ratified, confirmed and approved.

Section 5. The form and substance of the Agency Documents as approved by the Chairman, Vice Chairman or Executive Director are hereby approved.

Section 6. (A) The Chairman, Vice Chairman and Executive Director of the Agency are each hereby separately authorized, on behalf of the Agency, to execute and deliver the Agency Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, with such changes, variations, omissions and insertions thereto as the Chairman or Vice Chairman or Executive Director shall approve, the execution thereof by the Chairman or Vice Chairman or Executive Director to constitute conclusive evidence of such approval.

(B) The Chairman, Vice Chairman or Executive of the Agency is each hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 7. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 8. Pursuant to Section 875(3) of the Act, the Agency shall recover, recapture, receive, or otherwise obtain from the Company that portion of the Financial Assistance which constitutes state sales and use tax exemptions taken or purported to be taken by the Company to which the Company is not entitled or which are in excess of the amount authorized by the Agency or which are for property or services not authorized by the Agency as part of the Project or were taken by the Company when the Company failed to comply with a material term or condition to use property or services in the manner required by the Agency. The Company shall cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such state sales and use tax exemptions and shall promptly pay over any such amounts to the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Commissioner of Taxation and Finance to assess and determine state sales and use taxes due from the Company under Article 28 of the Tax Law of the State of New York, together with any relevant penalties and interest due on such amounts.

Section 9. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael McMahon	VOTING	_____
Stephen Compagni	VOTING	_____
Clinton Brooks	VOTING	_____
Deborah Hayden	VOTING	_____
Kathleen Burke	VOTING	_____
Donald Richards	VOTING	_____
William McGovern	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK     )  
COUNTY OF CORTLAND ) ss.:

I, the undersigned Secretary of Cortland County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on July 28, 2025 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open

Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 28<sup>th</sup> day of July, 2025.

---

Clinton Brooks, Secretary



**Cortland County**  
Industrial Development Agency

## Old Business

**RESTRICTED APPRAISAL REPORT**

**APPRAISAL OF**



**Cortland Mixed Use Property  
40-42 Main Street  
Cortland, NY**

Prepared for

**Cortland County IDA  
40 Main St.  
Cortland, NY 13045**

Prepared by

**Landmark Appraisal Co, LLC  
5 Riverside Drive Unit 711  
Binghamton, NY 13905**

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**EFFECTIVE DATE OF APPRAISAL**

July 17, 2025

Landmark Appraisal Co, LLC  
5 Riverside Drive Unit 711  
Binghamton, NY 13905

Telephone: 607-227-2384  
Fax:  
Email: [landmarkappraisalco@gmail.com](mailto:landmarkappraisalco@gmail.com)

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Date of Inspection: July 17, 2025  
Effective Date of Appraisal: July 17, 2025  
Date of Report: July 22, 2025

Cortland County IDA  
40 Main St.  
Cortland, NY 13045

Attention: Melanie Vilardi

Dear Ms. Vilardi,,

Pursuant to your request, we have made an appraisal of the market value of the property located at:

**40-42 Main Street  
Cortland, NY,  
Cortland County**

As per mutual agreement with Cortland County IDA (client) and Landmark Appraisal Co, LLC (appraiser), the format used is defined as a Restricted Appraisal Report appraisal. It complies with the requirements set forth under Standard 2-2(b), Rule 1 of the Uniform Standards of Professional Practice, but is subject to the Assumptions and Limiting Conditions listed in this report. This appraisal report details the information used to arrive at a conclusion of value. It can be understood by a knowledgeable reader without additional information in the work file of the appraiser.

The Fee Simple Stabilized Market Value on July 17, 2025 of the 3,045 square feet of land and improvements situate thereon was estimated at:

**Four Hundred Thousand Dollars  
\$400,000**

Respectfully Submitted,  
Landmark Appraisal Co, LLC



NYS General Certified  
Appraiser #4641804 Exp 2/2/27

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**Certification Statement**

I, C. Clay Burruss certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this appraisal report and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements specified under **Assumptions and Limiting Conditions**.

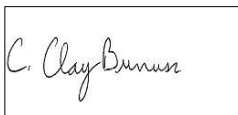
I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification.

As of the date of this report, I C. Clay Burruss am a General Certified Appraiser in the state of (Certificate Number 46000041804), which certificate expires on 2/2/2027.

Except as noted below, I/we have performed no services regarding the subject property within the last three years prior to accepting this assignment.

Respectfully Submitted,  
Landmark Appraisal Co, LLC



C. Clay Burruss  
NYS Certified General Appraiser



**Summary of Conclusions**

Property Name	Cortland Mixed Use Property
Address	40-42 Main Street, Cortland, NY
Parcel Number	86.58-03-08.000
Deed Reference	DBV 2011, pg.2207
Property Type	Mixed Use Property
Property Rights Appraised	Fee Simple
Purpose of Appraisal	Market Value
Date of Inspection	July 17, 2025
Market Value - Fee Simple	\$400,000
Market Value by the Income Approach	\$430,000
Market Value by the Comparison Approach	\$375,000
Market Value by the Cost Approach	Not Developed
Estimated Exposure Time	6 to 12 months
Estimated Marketing Time	6 to 12 months
Contingencies	See Addenda
Highest and Best Use - As Vacant	Mixed Use Property
Highest and Best Use - As Improved	Mixed Use Property
Land Area	3,045 square feet
Zoning	CB Central Business
Flood Area	Zone X
Property Type	Mixed Use Property
Gross Building Area (GBA)	7,281 square feet

### Scope of This Appraisal

In preparing this appraisal we have:

- Made a complete physical inspection of the property on July 17, 2025.
- Researched public records for assessment and historical sales information pertaining to the subject property.
- Analyzed income and expense information provided by the owner, if applicable.
- Researched the demographics and other data effecting the area and neighborhood. Among our sources of information that we referenced were; properties that we have previously appraised in the area, relevant publications, periodicals, U.S. Census data, and other reference material.
- Researched pertinent neighborhood data, comparable listings, comparable rentals, and comparable sales.
- Gathered comparable improved sales, comparable listings, comparable rentals, comparables expenses, etc. from similar neighborhoods and/or previous appraisals that we have made on similar properties.
- Analyzed the current real estate market and trends for the subject's property type, particularly in the subject's market area.
- In preparing our written report we have:
  - Identified the property by tax identification number and deed references.
  - Considered the purpose and intended use of the appraisal.
  - Prepared a brief history of the property.
  - Stated the current definition of market value and exposure time.
  - Determined the property rights being appraised as the Fee Simple interest in the property.
  - Discussed and analyzed to the extent appropriate, the demographic data in the area surrounding the subject; including population characteristics, employment data, income characteristics, school district, and other amenities.
  - Described the neighborhood surrounding the subject, including highway access and the location and uses of notable properties.
  - Discussed and analyzed the physical attributes of the subject site.
  - Discussed and analyzed the physical attributes of the subject building(s).
  - Analyzed the Highest and Best Use of the site.
  - Analyzed and discussed the reasoning for choosing the most applicable approach or approaches in determining the value for the subject property.
  - Considered all three approaches to value and determined which approach or approaches were applicable, given the nature of the assignment and the characteristics of the subject property.
  - Thoroughly discussed and documented our value conclusions by the applicable approach and/or approaches.

- Analyzed and discussed the Reconciliation of the applicable approaches and final conclusions of values.
- Stated the Assumptions and Limiting Conditions upon which this report was based.

### **Identification of the Appraised Property**

The property being appraised is a Mixed Use Property. It is located at 40-42 Main Street in the City of Cortland, Cortland County, NY. It is identified on the county records as tax identification number(s) 86.58-03-08.000.

### **Purpose of the Appraisal**

The purpose of this appraisal is to estimate the "as is" market value of the property interest(s) specified in this report as of the effective date of this appraisal. The "as is" value is defined as the market value of the property as it actually exists on the date of the appraisal, with no contingencies. The appraised value assumes that if the property were sold, it would be sold in its existing condition, subject only to the Assumptions and Limiting Conditions listed in this report.

### **Intended Use of the Appraisal**

The appraiser has been engaged by the Cortland County IDA, the client for this appraisal and also the intended user. The appraiser(s) have been informed that the appraisal will be used for the sole purpose of assisting the client in determining value for possible acquisition purposes.

## COMPETENCY PROVISION

The guidelines of the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation as mandated under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) requires that:

Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently.

One or more of the signatories to this report have prepared the appraisals that are similar in location and type to the subject property.

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## Definition of Value

A current definition of Market Value as cited in USPAP Advisory Opinion 22 (AO-22) is:<sup>1</sup>

*The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as if a specified date and the passing of title from seller to buyer under conditions whereby:*

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in what they consider their own best interests.
- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

According to USPAP Advisory Opinion 22, this definition

*is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.*

Exposure Time assumes that:<sup>2</sup>

- The subject property would sell at the appraised value(s) as of the effective date(s) of the appraisal.
- 
- The subject property was on the market for a reasonable time prior to the date of value and that the terms of sale are typical of other properties of its type that have sold as confirmed by exposure times of comparable sales.

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<sup>1</sup> **2024-2025 USPAP PUBLISHED BY THE APPRAISAL FOUNDATION / DEFINITIONS, P. U-5**

**VALUE:** the monetary relationship between properties and those who buy, sell, or use those properties.

**Comment:** Value expresses an economic concept. As such, it is never a fact but always an opinion of the worth of a property at a given time in accordance with a specific definition of value. In appraisal practice, value must always be qualified for example, market value, liquidation value, investment value.

<sup>2</sup> **ibid., P. U-3**

**EXPOSURE TIME:** estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of sale at market value on the effective date of the appraisal.

## Property Rights Appraised

The property rights being appraised consist of the Fee Simple Estate of the subject property. A Fee Simple Estate is defined as:

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*<sup>3</sup>

The value of the Fee Simple Estate is, therefore, impacted by its current zoning, tax status, condemnation proceedings, public easements, and environmental legislation. The Fee Simple Estate encompasses all rights of ownership not limited by government, including the right of occupancy (use), the right to lease and receive rents, the right of conveyances to another, etc. This interest is analogous to the total "bundle of rights", each of which may be severed and conveyed by the Fee Simple owner. The Fee Simple Estate may be severed into various partial or fractional interests, including the leased fee and leasehold interests. The Fee Simple Estate is the sum of the leased fee and all leasehold interests.

## Personal Property is Excluded from this Appraisal

Any movable equipment, furnishings, and fixtures necessary to the operation of this property were not included in the value of the real estate. If necessary to the operation of the real estate as a hotel, personal care residence, etc., and a value is required by the client, the personal property has been allocated separately.

Personal property is defined as follows:

*Personal property is, generally, movable items - that is, those not permanently affixed to and part of the real estate. Thus personal property is not endowed with the rights of real property ownership. Examples of personal property are furniture and furnishings that are not built into the structure, such as refrigerators and freestanding shelves.*<sup>4</sup>

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<sup>3</sup> *The Appraisal of Real Estate, 13th. Edition* (Appraisal Institute, Chicago, Il., 2008), p. 114

<sup>4</sup> *ibid.*, p. 7

### **Brief History of the Property**

According to Cortland County records, the subject property, tax identification number(s) 86.58-03-08.000, is owned by the Cortland Downtown Partnership. No transfers of the property appeared on the public record in the last three years.

To the best of our knowledge, on the date of this appraisal, the subject property was not listed for sale, nor were there any other types of options or agreements that would affect the market value.

## **Description of the Neighborhood**

A neighborhood is defined as:

*A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.<sup>5</sup>*

*Neighborhood boundaries may be well defined by natural or man-made barriers or they may be less well defined and measured by a change in land use, change in the character of the inhabitants or any other distinctive trait that separates uses or groups of inhabitants. The following paragraphs list the predominant characteristics of the neighborhood.*

### **Location**

The subject property is located on 40-42 Main Street in Cortland, NY.

### **Neighborhood Stability**

Neighborhoods generally experience a four-stage life cycle that includes growth, stability, decline, and revitalization. The subject neighborhood would be described as being in a period of stability.

### **Detrimental Features**

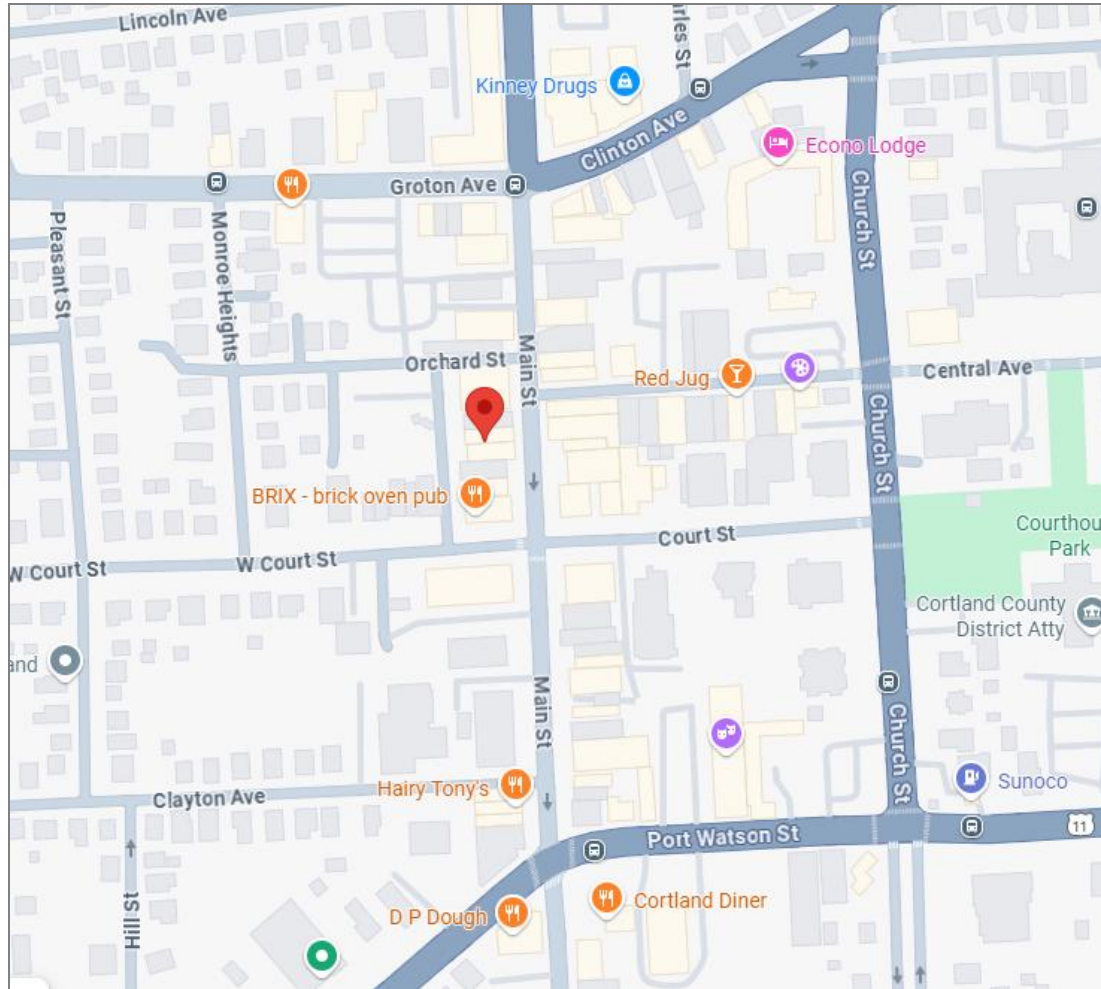
No major detrimental features were noted that would adversely affect the value of the subject property in the foreseeable future.

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<sup>5</sup> *The Appraisal of Real Estate, 13th. Edition* (Appraisal Institute, Chicago, Il., 2008), p. 55



## Neighborhood Map



## County or Regional Data

### Geographic Data

Cortland County is located at the eastern edge of the Finger Lakes Region of central New York State. It is located in the geographical center of New York State. The County has a total area of  $\pm$  503 square miles in size and has a varied topography. It is located about 135 miles west of the city of Albany, 45 miles north of Binghamton, 32 miles south of Syracuse and 175 miles west of New York City.



### Transportation

The County is served by four state roads. Route 13 runs southwest to the Ithaca-Elmira-Corning area and northeast to the Utica-Rome area. Route 81 runs north to Syracuse and south to the Binghamton area. These roads provide links to the major routes across the state, the Thruway and Route 20 to the north and the Southern Tier Expressway (Route 17) to the south.

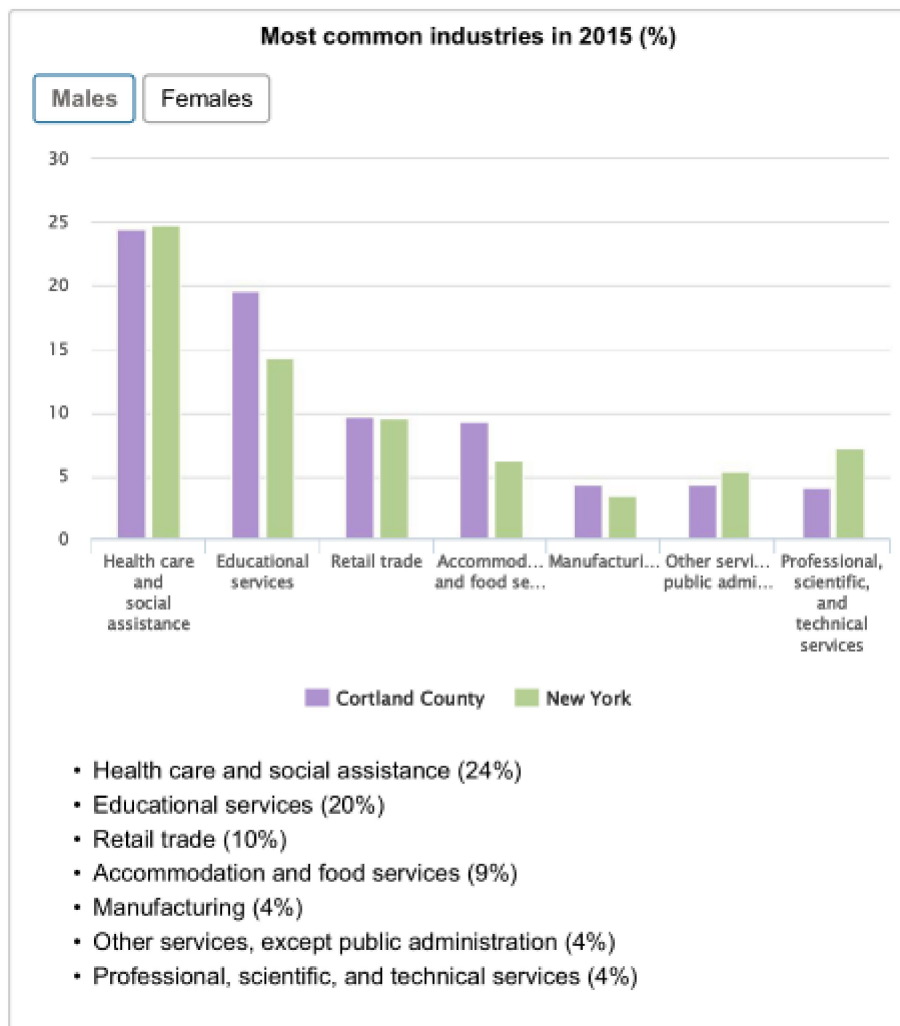
The Cortland County Airport offers private and charter flights. The New York Susquehanna and Western Railway Corporation is the railroad that runs through the county offering freight service only. National bus service is provided by Greyhound.

## Demographics

The City of Cortland is the county seat and the main business and population center of the county. The county population in 2020 was 46,809, a 5% decline from 2010 when the population was 49,336. The 2010 population was an increase of 1.50% from the 2000 census of 48,599. The 2020 census recorded a population of 18,498 for the City of Cortland, a 4% decline from the 2010 population. The 2010 census recorded a population of approximately 19,204, a 2.50% increase from 18,740 in 2000.

## Economy

Health services and education are the primary employers, with agriculture also being an important sector of the local economy.



## Major Employers...

Many national and international companies have recognized Cortland County's many assets and are thriving in the county. Some of those companies include:

<b>Employer</b>	<b>Number of Employees</b>
SUNY Cortland	1,000 +
Cortland Regional Medical Center	700 +
Pall Trinity Micro / Pall Trinity	650 +
Cortland County Government	650 +
Marietta Corporation	600 +
Cortland School District	600 +
Intertek Testing Services	300 +
J. M. Murray Center	200 +
Crown Center for Nursing and Rehabilitation	200 +
Cortland Asphalt / Suit Kote	250 + (250 seasonal)
City of Cortland Government	200 +

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### **Educational**

With 59 majors and 44 minors available through the School of Arts and Sciences, the School of Education and the School of Professional Studies, SUNY Cortland offers an array of programs leading to bachelor of arts, bachelor of science and bachelor of science in education degrees. All students have access to the resources of both schools, regardless of their majors. Cortland State University enrollment for the 2011 school year includes approximately 6,310 undergraduate and 1,048 graduate students.

### **Recreational & Cultural**

Cortland County has numerous parks, walks and scenic attractions. Sporting, recreational and cultural facilities and activities are provided by SUNY at Cortland as well as through numerous active community organizations.

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### **Description of the Site**

The major objective of site analysis is to gather all of the facts pertinent to an evaluation and commentary of it Highest and Best Use. Other objectives include use as the basis for an analysis of comparable sales and allocation of value in the Cost Approach. The examination of these facts is an important step in assessing the appropriateness of the subject site for its intended use. Further, its location and physical attributes are significant factors in determining its likelihood of economic feasibility for this use.

The following description was prepared after a physical inspection of the site on July 17, 2025, and reference to County assessment records. We have assumed that the dimensions obtained from these sources and relied upon in this report are essentially correct. No current survey was provided.

#### **Summary**

County Identification Number	86.58-03-08.000
Frontage	30 Front Feet
Size	3,045 square feet - 100.00% useable
Zoning	CB Central Business
Flood Hazard Area	Zone X
Topography	Level
Parking Spaces	Public Parking
Easements	None noted from a physical inspection
Utilities	Gas, Electric, Water, Sewer

Assessed Value	\$395,000
Millage Rate	47.64
Property Taxes	\$18,818

**1704Address**

**40-42 Main Street**

**Cortland , NY**

**Page**

### **Description of the Improvements**



Subject improvement is a 3-story brick building built on a laid stone foundation. It was built in 1867 as the Surrogates Office. Frame is a combination of wood, steel I-beams, and masonry. It contains 2,757 square feet of retail space on the street level, 2,757 square feet of office space on the second floor, and 1,767 square feet apartment unit on the third level. Ceiling height on each floor is 12 feet. The basement level is mostly unfinished, and used for storage and mechanicals. There is a small rooftop patio. At the rear, western end, of the property is an elevator tower with an elevator that serves all three floors.

Interior finishes include carpet, stone tile, ceramic tile, vinyl tile, and hard wood. Ceiling tiles are a combination of painted sheet rock and drop tile ceilings. Walls are a combination of ceramic tile in the bathrooms, painted sheet rock, and exposed brick. Stairwell is constructed of iron. The first floor retail space has a glass facade. It also has a glass walled office and conference room. There are also two cubicles and one restroom on the first floor. The second floor is office space with four private offices, a conference room, a kitchen, and three restrooms (one full bathroom with shower and two half bathrooms).

The third floor apartment unit has an open floor plan with two bedrooms: a master bedroom and a smaller room with small room on the loft level. Kitchen features a granite counter top. The living room has a gas fired fireplace. The bathroom has a washer and dryer. Interior finishes include hard wood and ceramic tile floors, painted sheet rock ceilings and walls. Walls and ceiling of the loft space has exposed brick..

At the time of inspection, the property was in average to good condition, with no deferred maintenance items noted.



## Photographs



**View: 2nd Floor Office**

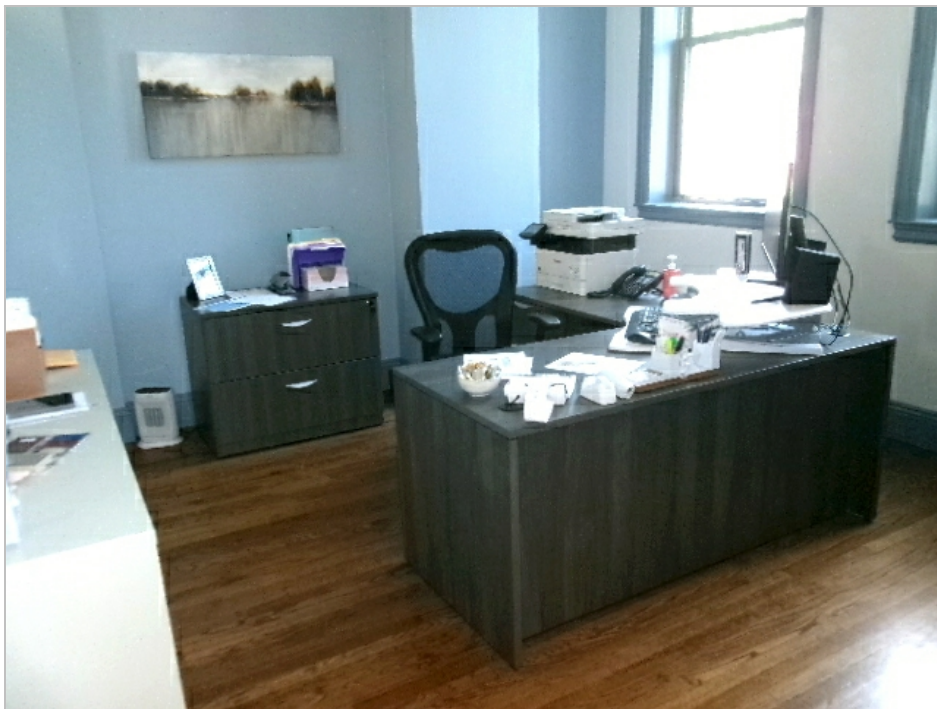


**View: 2nd Floor  
Conference Room**

## Photographs



**View: 2nd Floor  
Kitchenette**



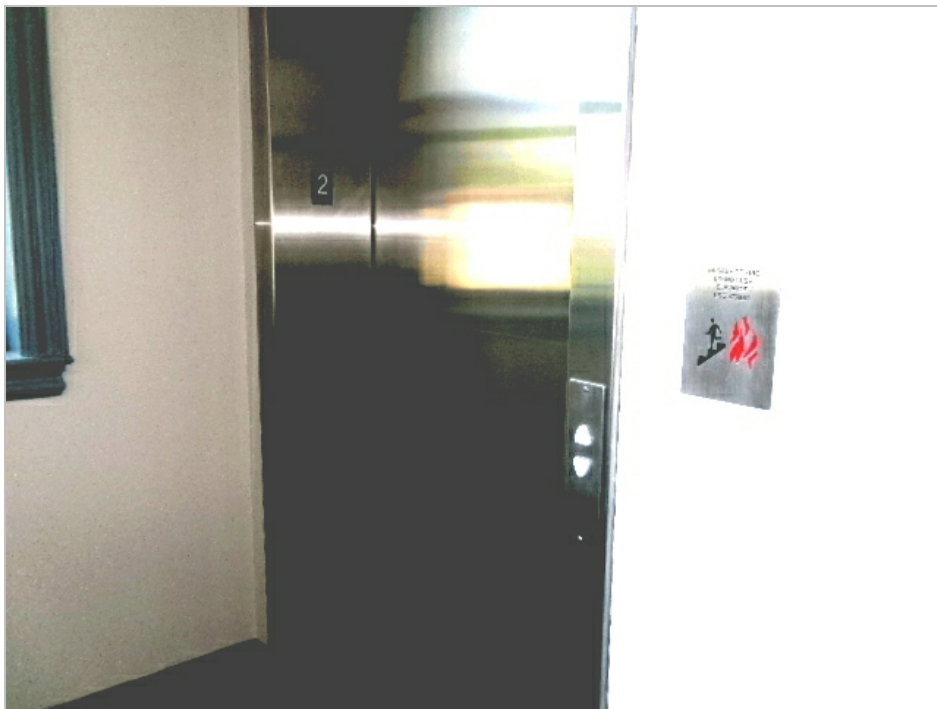
**View: 2nd Floor Office**



## Photographs



**View: 2nd Floor Copy Room**



**View: Elevator**

## Photographs



**View: First Floor  
Reception Area**



**View: 1st Floor  
Conference Room**

## Photographs



**View: 1st Floor Office**



**View: Street Scene-  
Main Street**

## **VALUATION ANALYSIS**



## **Highest and Best Use**

Highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.

### **AS VACANT**

Highest and best use of the land or site as though vacant pertains to the use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements. The highest and best use must be physically possible, legally permissible, and financially feasible. These criteria are usually considered sequentially; a use may be financially feasible but this is irrelevant if it is physically impossible or legally prohibited. Only when there is a reasonable probability that one of the prior unacceptable conditions can be changed is it appropriate to proceed with the analysis. If, for example, current zoning does not permit highest and best use but there is a possibility that the zoning can be changed, the proposed use can be considered on that basis.

In testing the above criteria for highest and best use the physically possible criteria is addressed first. The only possible legal restrictions that apply to the subject property are private and the public restriction of zoning. No known private restrictions affect property title. After reviewing the Cortland requirements in the CB Central Business Zoning District it was determined that the property considered as if vacant could be developed without a variance. In considering the financial feasibility of the highest and best use the surrounding uses in the immediate neighborhood must be considered along with their supply and demand relationship as well as the potential income for each use. A brief survey of existing properties and their uses in the neighborhood along with an analysis of cost of construction and rental rates was made. As a result of this analysis, it was determined that the highest and best use of the subject property considered as vacant is for it to be developed for commercial use under the current zoning regulations.

**AS IMPROVED**

Highest and best use of the property as improved is the use that should be made of the property as it exists as of the date of valuation. Considering the configuration and condition of the existing subject improvements, their conformance to the current zoning and the surrounding improvements and the structure of the entire neighborhood, it is my opinion that the current use of the subject property constitutes the highest and best use of the subject property.

## Method of Procedure

Having determined that the Highest and Best Use of the subject property is at its present use, we proceeded with our analysis.

**The Valuation Process** - The valuation process is a systematic approach that identifies the appraisal problem, analyzes a property's characteristics, and generally engages three common valuation methods to form an opinion of market value.

The steps in the valuation process include: <sup>6</sup>

- Identification of the problem
- Scope of work determination
- Data Collection and Property Description
- Data Analysis
- Site Value Opinion
- Application of the Approaches to Value
- Reconciliation of Value indicators and final Opinion of Value
- Report of Defined Value

There are three generally accepted approaches to value in the appraisal of real property. These are summarized as follows.

The **Cost Approach** consists of estimating the cost new of the building improvements, deducting depreciation from all sources, and adding the value of the land and lot improvements. It is often the most difficult approach to apply to existing buildings because of the problem encountered in accurately estimating depreciation.

The **Sales Comparison Approach** consists of analyzing the sale of comparable properties within the immediate area and/or in similar locations by a comparison of their respective similarities and differences. A judgment is then made as to the value of the subject property, based upon the adjusted values.

The **Income Approach** consists of estimating the potential annual gross income using actual or market derived rentals. Deducted from this amount, to arrive at a projected net income, are projected vacancy, annual expenses, and an estimated reserve for replacement. The resulting net income is capitalized into value.

We will use the Sales Comparison and Income Approaches. Due to the age of the improvement(s) and the difficulty in arriving at a depreciation factor we will not use the Cost Approach.

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<sup>6</sup> The Appraisal of Real Estate 13th Edition, Pages 129 and 131 Appraisal Institute

## **SALES COMPARISON APPROACH**

The **Sales Comparison Approach** consists of comparing the subject property with sales of similar properties that have sold. It is based upon the principle of substitution and implies that a prudent investor will not pay more for an existing property than he will to buy an identical substitute property.

### **Direct Comparison Method**

In the direct comparison method, comparable sales are chosen that are most similar to the property being appraised in location, physical characteristics and amenities. Adjustments are then made for observed differences in items such as financing and market conditions (time). Physical characteristics such as lot size and value; building size and age; and condition are then compared. A judgment is then made as to the market value indicated by the adjusted sales prices.

We made a diligent search for comparable sales of similar buildings. As expected, transfers of properties similar to the subject were infrequent in the immediate area. Therefore, it was necessary to broaden our search to other similar locations. The sales finally chosen were determined to be the most comparable considering location, time of sale, size, and age of the buildings.



## **Sales Comparable 1 Datasheet**

### **Property Identification**

Property Type	Mixed Use Property
Property Name	Cortland Mixed Use Property
Street Address	89 Main Street
City, State, Zip Code	Cortland, NY
School District	Cortland
County	Cortland
Tax Map No.	86.58-04-10.000



MillageRate	47.64
Current RE Taxes	\$18,818

### **Property Summary**

Gross Building Area	7,980 s.f.
Price per Gross s.f.	\$43.86

### **Land Data**

Land Area - s.f.	2,824
Area - acres	0.065
Useable %	100.00%

### **Sale Data**

Deed Bk Vol.,Page	2024, 8
Grantor	89 Main LLC
Grantee	Keator Bloc II LLC
Sale Price	\$350,000
Sale Date	12/29/2023
Property Rights	Fee Simple
Conveyed	
Conditions of Sale	Arms Length
Financing Terms	Market Terms
Adjusted Price	\$350,000
Data Source	Assesor

## **Sales Comparable 2 Datasheet**

### **Property Identification**

Property Type	Mixed Use Property
Property Name	Cortland Mixed Use Property
Street Address	38 Main Street
City, State, Zip Code	Cortland, NY
School District	Cortland
County	Cortland
Tax Map No.	86.58-03-07.000



MillageRate	47.64
Current RE Taxes	\$18,818

### **Land Data**

Land Area - s.f.	2,446
Area - acres	0.056
Useable %	100.00%

### **Sale Data**

Deed Bk Vol.,Page	2022, 1482
Grantor	38 Main Cortland LLC
Grantee	Zeus II Cortland Inc
Sale Price	\$315,000
Sale Date	3/11/2022
Property Rights	Fee Simple
Conveyed	
Conditions of Sale	Arms Length
Financing Terms	Market Terms
Adjusted Price	\$315,000
Data Source	Assesor

### **Property Summary**

Gross Building Area	7,610 s.f.
Price per Gross s.f.	\$41.39

### **Sales Comparable 3 Datasheet**

#### **Property Identification**

Property Type	Mixed Use Property
Property Name	Cortland Mixed Use Property
Street Address	11 Clinton Ave
City, State, Zip Code	Cortland, NY
School District	Cortland
County	Cortland
Tax Map No.	86.58-03-08.000



MillageRate	47.64
Current RE Taxes	\$18,818

#### **Land Data**

Land Area - s.f.	3,868
Area - acres	0.089
Useable %	100.00%

#### **Sale Data**

Deed Bk Vol.,Page	2021, 2082
Grantor	Wydel
Grantee	OHBO Group LLC
Sale Price	\$300,000
Sale Date	4/8/2021
Property Rights	Fee Simple
Conveyed	
Conditions of Sale	Arms Length
Financing Terms	Market Terms
Adjusted Price	\$145,000
Data Source	Assesor

#### **Property Summary**

Gross Building Area	6,041 s.f.
Price per Gross s.f.	\$49.66

## Sales Comparison Grid

**Comparable 1**



**Comparable 2**



**Comparable 3**



Property Name	Cortland Mixed Use Property	Cortland Mixed Use Property	Cortland Mixed Use Property
Street Address	89 Main Street	38 Main Street	11 Clinton Ave
City, State, Zip Code	Cortland, NY	Cortland, NY	Cortland, NY
Tax Map No.	86.58-04-10.000	86.58-03-07.000	86.58-03-08.000
Grantor	89 Main LLC	38 Main Cortland LLC	Wydell
Grantee	Keator Bloc II LLC	Zeus II Cortland Inc	OHBO Group LLC
Sale Price	\$350,000	\$315,000	\$300,000
Sale Date	12/29/2023	3/11/2022	4/8/2021
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple
Financing Terms	Market Terms	Market Terms	Market Terms
Conditions of Sale	Arms Length	Arms Length	Arms Length
Comp.Bldg.Gross s.f.	7,980	7,610	6,041
<b>Comp.Sale Price/Gross s.f.</b>	<b>\$43.86</b>	<b>\$41.39</b>	<b>\$49.66</b>
<b>ADJUSTMENTS</b>			
Time/Mkt Cond.Multiplier based on 3.00% annl.chg.	1.047	1.101	1.128
<b>Time Adj.Price/Gross s.f.</b>	<b>\$45.91</b>	<b>\$45.56</b>	<b>\$56.04</b>
<b>Quality</b>	10.00%	5.00%	0.00%
<b>Total Line Adjustments</b>	<b>10.00%</b>	<b>5.00%</b>	<b>0.00%</b>
<b>Adj. Price/Gross s.f.</b>	<b>\$50.50</b>	<b>\$47.84</b>	<b>\$56.04</b>
Subject Bldg. Gross s.f.	7,281	7,281	7,281
<b>Indicated Total Value</b>	<b>\$367,690</b>	<b>\$348,323</b>	<b>\$408,027</b>
<b>Value Per Gross s.f.</b>	<b>\$50.50</b>	<b>\$47.84</b>	<b>\$56.04</b>
<b>Total Gross Adjustments</b>	10.00%	5.00%	0.00%
<b>Total Net Adjustments</b>	15.14%	15.58%	12.85%
Percentages are provided as a guide and include a Time Adj. if applied. Individual percentages may not add up due to rounding and compounding.			
<b>Mean Value</b>			
Value Per Gross S.F.	\$51.46		
<b>Indicated Value</b>	<b>\$374,680</b>		

## **Analysis of the Adjustments**

The following is a discussion of the adjustments that have been considered and applied, where appropriate, to the price indications of the comparable sales.

### Unit of Comparison

The price per unit method is chosen and used in comparing the market sales with the subject.

### Elements of Comparison

According to ***The Appraisal of Real Estate***, there are ten basic elements of comparison that should always be considered in the analysis of the sales comparison approach. These are identified as:

- Real property right conveyed
- Financing terms
- Conditions of the sale
- Expenditures immediately after sale
- Market Conditions
- Location
- Physical characteristics
- Economic characteristics
- Use
- Non-realty components of value

The adjustments for the comparable sales are presented on the Sales Comparison Grid that follows later in this section. Adjustments were based, when possible, on market extracted data, paired sales analysis, and data from previous appraisal assignments.

### Real Property Rights Conveyed

A transaction price is predicated upon the real property interest conveyed in the transaction. The subject is analyzed in fee simple estate. The subject and all the comparable sales are fee simple sales with no adjustments required.

### Financing

The transaction price of one property may differ from that of an identical property due to different financing or favorable financing arrangements.

Except as noted in the Sales Comparison Grid, no financing data was available and the comparables were presumed to have sold on an all cash basis to the seller or financing that did not influence the sales price. No adjustments are required.

#### Conditions of Sale

When the conditions of sale are atypical, the result may be a sales price that is higher or lower than a normal market transaction.

Except as noted in the Sales Comparison Grid, According to the market participants interviewed or other sources, all of the sales were arm's length transactions and considered to be typical market acquisitions. None of the sources indicated that the sales were distressed and we have presumed that the buyers and sellers were acting in their own best interests. No adjustments were required.

There were no indications of special conditions that impacted any of the transactions.

#### Immediate Expenditures

This category typically includes expenditures for immediate capital outlays for items such as deferred maintenance.

Except as noted in the Sales Comparison Grid, we are not aware of any immediate expenditures for the comparable sales.

#### Market Conditions

Changes in market conditions may be necessary to reflect the market trends since the sales transaction dates. Ideally, a sale and re-sale of a property unaffected by other changes is considered a good indicator of appreciating or depreciating conditions.

Except as noted in the Sales Comparison Grid and discussed elsewhere in this report, we have concluded that no specific market trend can be discerned and no adjustment for Market Conditions is warranted at this time.

#### Location

This adjustment accounts for differences in factors that affect the physical location of the sales compared to the subject. Such factors that affect location may include nearby drawing powers, arterial streets, interstate interchange locations, demographics, etc.

### Physical Characteristics

All comparables selected had similar physical characteristics and construction features.

Adjustments were made, where appropriate, for differences in physical characteristics and construction features of the subject and each comparable.

### Age/Condition

Adjustments were made, where appropriate, for differences in the age and condition of the subject and each comparable.

### Zoning/Uses

Zoning is one of the primary factors in determining the highest and best use of a property. Zoning is typically given significant consideration in choice of comparable properties. Adjustments are warranted when the difference in utility is supported from the market data.

Except as noted in the Sales Comparison Grid, all of the comparable sales have the same or competitive zoning and no measurable differences were concluded.

### Non-Realty Items (FF&E)

Non-realty components of value may include fixtures, furniture, equipment, etc. that are included in the sale but do not constitute real estate. These components should be analyzed separately from the realty.

None of the sales are known to have included FF&E or other non-realty items and no adjustments were necessary.

### **Adjustment Commentary**

Adjustments were based, where possible, on paired sales analysis from within and outside the data set. In those instances where sufficient data was not available, best judgment was used to make reasonable and appropriate adjustments as warranted, although the magnitude of those adjustments may not necessarily be reflected in the market. Every effort was made to base the adjustments on quantified empirical or reasonably inferred market data.

### **Final Value by the Sales Comparison Approach**

After analyzing the available comparable sales and selecting those considered most comparable, appropriate adjustments were made to the sale price of each. The value of the subject, as indicated by these sales was determined to be \$375,000, rounded.

**\$375,000**

**Three Hundred Seventy Five Thousand Dollars**



## **INCOME APPROACH**

The value developed by the Income Approach is based on the present worth of the expected future income flows. Its premise is that a prudent investor will pay no more for the property than he would for another investment of similar risk and cash flow characteristics. In the valuation of the subject, we have used the income capitalization method. This method uses an overall capitalization rate which has been extracted from similar risk investments and financing.

### **Steps of the Income Approach**

The steps of the Income Approach using direct capitalization are summarized as follows:

Estimate the Potential Gross Income (P.G.I.) of the property.

Add any additional income from sources other than rent.

Subtract the typical annual amount of income that will not be collected because of vacancies and collection problems.

The result is the Effective Gross Income (E.G.I.).

Subtract from the E.G.I., operating expenses, fixed expenses and reserves for the replacement of short-lived items.

The result is the Net Operating Income (N.O.I.).

Develop a direct capitalization rate by dividing the known N.O.I.'s of properties that have sold that are comparable to the subject property by the selling price of the comparable Sale. Reconcile them into one rate appropriate for the subject property.

Divide the N.O.I. of the property being appraised by the appropriate capitalization rate which gives an indicated value of the property via the Income Approach.

### **Potential Gross Income**

Although the appraiser was furnished with a rent roll for the subject it was evident that the rent for the first floor was considerably below market, which required an analysis of a market rent for that space. We will use the actual rents for the second and third floors in the analysis.

## Rent Comparison Grid

**Comparable 1**



**Comparable 2**



**Comparable 3**



Property Name	Cortland Office	Cortland Office	Cortland Office
Street Address	8 Main St	165 Main St	1 N Main St
City, State, Zip Code	Cortland, NY	Cortland, NY	Cortland, NY
Occupancy Type	Retail	Office	Office
Typical Rental Area	1,200	1,100	700
Lease Term	Net	Gross	Gross
Paid by Tenant	Net	Net	.
Tenant	Listing	Listing	Listing
Lease Date	7/1/2025	7/1/2025	7/1/2025
<b>Lease Base Rate</b>	<b>\$12.00</b>	<b>\$14.18</b>	<b>\$17.14</b>
<b>ADJUSTMENTS</b>			
<b>Size</b>	0.00%	0.00%	-10.00%
<b>Access/Visibility</b>	0.00%	10.00%	0.00%
<b>Quality</b>	15.00%	0.00%	0.00%
<b>Utilities</b>	0.00%	-10.00%	-10.00%
<b>Adj. Lease Base Rate</b>	<b>\$13.80</b>	<b>\$14.18</b>	<b>\$13.71</b>
<b>Total Gross Adjustments</b>	15.00%	20.00%	20.00%
<b>Total Net Adjustments</b>	15.00%	0.00%	-20.00%

Percentages are provided as a guide and include a Time Adj. if applied. Individual percentages may not add up due to rounding and compounding.

### **Mean Value**

**Indicated Rental** **\$13.90, Say \$14.00**

### Vacancy and Collection Loss

The typical vacancy/collection loss for the subjects' market is 5%, which is used in the analysis.

### Estimated Gross Income

After the vacancy and collection losses are subtracted from the Potential Gross Income we have the Estimated Gross Income(EGI).

### Expenses

All rents are gross with the tenant not responsible for any expenses. The costs borne by the landlord are all taxes, utilities, insurance, management, major repairs, exterior maintenance, and reserves for replacement. Typical reserve requirements are illustrated in the following table:

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2025*									
SURVEYED RESERVE REQUIREMENTS									
Property Type	Per SF			Per Unit			% of EGI		
	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				\$170	\$500	\$464			
Golf				\$1,300	\$8,000	\$3,689	2.0%	4.5%	3.2%
Health Care/Senior Housing				\$285	\$775	\$433			
Industrial	\$0.30	\$1.00	\$0.65						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				\$40	\$325	\$180	2.0%	5.5%	4.2%
Office	\$0.40	\$1.00	\$0.72						
Restaurants							2.0%	5.5%	3.2%
Retail	\$0.40	\$1.25	\$0.82						
Self-Storage	\$0.35	\$0.90	\$0.75	\$40	\$225	\$141			
Special Purpose	\$0.35	\$1.25	\$0.85						
*1st Quarter 2025 Data					Copyright 2025 RealtyRates.com™				

Some expenses are projections while others are actual. The expense ratio for the property appears to be in line with the market as reflected through the review of many operating statements over the years.

After deducting the expenses from the income stream generated by the property as of this writing the Net Operating Income is revealed.

### **Mortgage/Equity Technique**

The appraiser has considered the mortgage/equity technique to arrive at an estimate of value by the Income Approach, since it permits a consideration of all of the factors that comprise an appropriate discount rate (i.e., annual return on equity investment, equity build-up from mortgage amortization, and a recognition of possible appreciation or decline in value). The overall capitalization rate is simply the ratio of net annual income (before recapture and debt service) to value. It is that fraction of the total investment which must be collected each year, on the average, to service the debt (principal and interest), yield the required dividends (cash flow and equity build-up), and compensate for appreciation or depreciation.

The equity dividend rate is a rate required to satisfy an equity investment in the property. We were unable to derive equity dividend rates from the comparable sales, for the reasons cited above. However, typical equity dividend returns, or “cash on cash” rates for multiple family dwellings, shopping centers, and commercial properties range between 5% and 15%, depending on the quantity, quality, and durability of the income stream.

### **Capitalization Rate Derivation**

The equity dividend rate can be calculated using the build-up method. We must consider that real estate, as a commodity, must compete in the marketplace along with other interest-earning investments, including bonds, CDs, money market accounts, stocks and a myriad of other investments. The very nature of real estate indicates that it does not have the liquidity of cash and therefore entails risk. The build-up process is calculated by adding the components of an interest rate to a “safe” rate, which is the rate obtainable on a comparable term Treasury bill or on other relatively safe investments. Allocations are then made for risk, non-liquidity, and other factors, including management of money or entrepreneurial profit return. The equity return rate used in the analysis is calculated after comparing alternative investments.

In discussions with local lenders and mortgage brokers, we were led to believe that an investor and/or on-the-premises owner with a good credit rating should be able

to secure a mortgage with a 20 to 25 year payout at 2.00% to 3.00% over the 5-year Treasury note (as of the date of valuation) in an amount equal to 70% to 75% of the appraised value of the property. Likewise, real estate investors in the area are typically desirous of securing a 5% to 15% equity yield on their equity investments on properties purchased with mortgage leverage.

For this analysis, the appraisers contemplated a 75% mortgage position at a 8.00% interest rate with a 20-year amortization period with a contemplated equity dividend rate (cash-on-cash return) of 10%. (Although the actual mortgage interest rate may be lower we cannot predict future rate increases, so the rate utilized takes into consideration these possible fluctuations). The return to the mortgage position is calculated by multiplying the percent of the mortgage position by the mortgage constant for the mortgage rate and amortization period. The return to the equity is calculated by multiplying the percent to the equity position by the yield rate.

## Capitalization Rate Calculations

MORTGAGE EQUITY BAND OF INVESTMENT ANALYSIS									
Input Variables									
Mortgage Ratio (M)					75%	L/V			
Interest Rate(IR)					7.50%				
Typical Market Points					2.00				
Term (Amortization)					20	Years (Monthly)			
Annual Constant (Rm)					9.67%				
Equity Yield Rate (Re)					10.00%				
Projection Period (h)					10	Years			
Projected Appreciation (a)					10%				
Mortgage Paid Off (P)					32.13%				
Sinking Fund Factor (SFF)*					6.27%				
Basic Rate (r)					8.24%				
Overall Rate (Ro)					7.60%				
Implied Debt Coverage Ratio					1.05				
* Sinking Fund Factor @ Equity Yield Rate, Annually for Projection Period Weighted Rate									
Annual Constant									
Present Value					-1				
Number of Payments					240				
Monthly Interest					0.0063				
Monthly Payment					\$0.008056				
Monthly Payment	X	12	=	Annual Constant					
\$0.008056	X	12	=	0.0966712					9.67%
Mortgage Paid Off at end of Holding Period									
0.09667118	+	-7.50%	=	0.0216712					
					0.321330087				
0.14244212	+	-7.50%	=	0.0674421					32.13%
Sinking Fund Factor									
Equity Yield Rate	/((	Equity Yield Rate	+ 1 )		-1 )				
10.00%	/((	10.00%	+ 1 )	10	-1 )				
10.00%	/	1.59374	=		0.062745395				6.27%
STEP 1									
Mortgage Ratio	X			Annual Constant					
75.00%	X			9.67%					7.25%
Equity Ratio	X			Re					
25.00%	X			10.00%					2.50%
									Weighted Rate=
									9.75%
STEP 2 LESS: Mortgage Paid Off (Equity Build Up)									
Mortgage Ratio	X			(P)	X		SFF		
75.00%	X			32.13%	X		6.27%		-1.51%
									Basic Rate =
									8.24%
STEP 3 Less: Appreciation									
Projected Appreciation (A)	X			SFF					
10.00%	X			6.27%					-0.63%
									Overall Rate =
									7.61%
									Rounded To:
									0.076
Debt Coverage Ratio Method									
Debt Coverage	X			Annual Constant	X		Loan/Value	=	Cap. Rate
1.2	X			9.67%	X		75.00%	=	8.70%
1.25	X			9.67%	X		75.00%	=	9.06%

## Survey of Capitalization Rates & Investor Yields

The following table illustrates average capitalization rates for various types of commercial properties on a national basis. The rates in the table are derived using simple Band of Investment ratios, as well as Debt Coverage Ratios, and do not account for equity build-up.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2025*																								
CURRENT & HISTORICAL CAP RATE INDICES																								
Method-Weighted* Property Category Indices																							Weighted* Composite Indices	
Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MHR/V Park		Office		Retail		Restaurant		Self Storage		Special Purpose		BP		
Year	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP	Rate	BP		Rate
2025	8.58	3	11.92	3	9.53	9	9.48	5	10.43	-3	10.10	10	9.60	19	9.73	0	12.41	4	9.87	2	12.61	15	9.97	6
1st Qtr	8.58	2	11.92	10	9.53	0	9.48	0	10.43	1	10.10	6	9.60	2	9.73	2	12.41	15	9.87	2	12.61	11	9.97	3
2024	8.55	7	11.89	-4	9.43	23	9.43	1	10.46	2	10.00	16	9.41	10	9.73	13	12.37	4	9.85	-17	12.46	27	9.92	7
4th Qtr	8.56	27	11.82	28	9.53	28	9.48	26	10.42	20	10.04	26	9.59	25	9.71	18	12.26	30	9.86	23	12.50	30	9.94	25
3rd Qtr	8.30	-38	11.54	-57	9.24	-32	9.22	-26	10.22	-40	9.79	-27	9.34	-3	9.52	-33	11.96	-62	9.62	-32	12.20	-33	9.70	-31
2nd Qtr	8.68	15	12.11	15	9.56	22	9.48	10	10.63	12	10.06	9	9.37	13	9.85	10	12.59	11	9.94	9	12.53	11	10.01	12
1st Qtr	8.54	-9	11.96	-8	9.34	-4	9.38	-10	10.50	-9	9.97	-4	9.23	-8	9.75	-1	12.48	-1	9.85	-18	12.42	4	9.89	-7
2023	8.49	50	11.93	37	9.20	56	9.42	47	10.45	55	9.84	57	9.31	43	9.60	58	12.33	82	10.03	44	12.19	58	9.84	52
2022	7.99	16	11.56	17	8.64	26	8.95	36	9.90	22	9.27	35	8.88	39	9.02	17	11.50	39	9.59	35	11.61	40	9.32	28
2021	7.83	-59	11.39	-64	8.38	-64	8.80	-59	9.68	-84	8.92	-65	8.49	-55	8.85	-53	11.11	-46	9.24	-62	11.21	-44	9.04	-60
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
2019	7.32	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.84		10.56		12.44		10.01	
Mean	8.78	3.36	10.55	2.88	9.47	9.32	9.56	4.77	10.16	-3.19	10.50	9.87	9.87	19.31	10.05	-0.10	11.53	4.50	10.22	1.73	12.53	15.05	9.99	5.95
* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey																								
* Further weighted by property category																								
*1st Quarter 2025 Data																								
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### Stabilized Market Income Schedule

Income Item	Gross Units	Income Per Year	Income Per Unit	Unit of Measure
First Floor Office	2,757	38,598	14.00	SF
Second Floor Office	2,757	28,204	10.23	SF
3rd Floor Apartment	1	15,600	15,600.00	Apt
Total Units	5,515			
Total Income		\$82,402		
Vacancy/Credit Loss		<u>-4,120</u>		
Effective Gross Income		\$78,282		

### Stabilized Market Income Statement

	Amount	% of Gross
<b>Gross Income</b>		
Total Income	\$82,402	100.00%
Vacancy / Credit Loss	<u>-4,120</u>	<u>-5.00%</u>
Effective Gross Income	\$78,282	95.00%
<b>Fixed</b>		
Real Estate Taxes	18,818	22.84%
Insurance	2,348	2.85%
<b>Operating</b>		
Utilities	7,644	9.28%
Maintenance/Repair	2,348	2.85%
Management	3,914	4.75%
<b>Reserve</b>		
Reserve for replacement	<u>2,348</u>	<u>2.85%</u>
Total Expenses	\$37,421	45.41%
NET INCOME	\$40,861	49.59%



**Indicated Value by the Income Approach**

A capitalization rate of 9.50% was developed using the projections above. Applying this rate to the subject property's Stabilized Net Income of \$40,861 indicates a value by the Advanced Mortgage Equity Technique of \$430,110 ( $\$40,861 / 9.50\%$ ). This value has been rounded to \$430,000.

**Four Hundred Thirty Thousand Dollars**

**\$430,000**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

### **General Assumptions**

- We have no present or contemplated interest in the property appraised.
- The property is being appraised free and clear of any and all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- No responsibility is assumed for matters involving legal or title considerations. Title to the property was assumed to be good and marketable unless otherwise stated.
- Some information identified in this report is being furnished to us by others and is believed to be reliable. This is especially pertinent to financial projections and other assumptions furnished by the developer(s), owner(s) or their agents. Some of these projections and assumptions inevitably will not materialize or unanticipated events may occur subsequent to the date of the appraisal. Therefore, the actual results may differ from the projections and these variations could materially affect value.
- The dimensions and sizes of both the land and buildings as reported herein are assumed to be correct. All engineering data were assumed to be correct. Plot plans and exhibits have been included only to assist the reader in visualizing the property.
- It was assumed that the utilization of the land and/or improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
- Since the appraiser is not an architect, engineer or surveyor, he does not warrant this report against mathematical errors or miscalculations of building or site areas. Should such an error occur, we reserve the right to modify the value to reflect any substantial difference.
- Financing is one of the prime considerations in the purchase of real estate and while the subject property may be financed with special terms, the estimation of "Market Value" requires that current market terms be used, and our value assumes market financing.
- We have taken into consideration the building and use restrictions, zoning, and other regulations applicable to the property.
- Furnishings and equipment or business operations, except as specifically indicated and typically considered as part of the real estate, are excluded from this appraisal.
- If the Cost Approach has been used, Reproduction and/or Replacement costs have been estimated utilizing accepted building cost services. However, it must be noted

that even actual contractor's cost estimates are subject to wide variation and we assume no responsibility for their accuracy.

- If the Income Approach to value has been used, our Discounted Cash Flow Analysis and/or other mathematical techniques represent a conscientious effort to analyze the performance of the property over a reasonable projection period. However, these are models based upon specific forecasts that may or may not occur.

The income and expense projections were based upon our interpretation of the leases (if any), data provided by the owner and/or his representatives, and information obtained by third parties. Where we found possible conflicting paragraphs in the lease documents that could affect income, we requested additional data from the owner. We relied upon this additional data to resolve any apparent lease conflicts and have assumed that the data provided accurately reflect the actual income and expenses reported by the owner. Any significant variations could result in a significantly different value and the appraiser reserves the right to adjust the appraised value accordingly.

- It was assumed that there are no hidden or unapparent conditions of the property, sub-soil or structures that would render it more or less desirable. No responsibility is assumed for such conditions or for engineering that may be required to discover them.
- It was assumed that the property is in full compliance with all-applicable federal, state and local environmental regulations and laws unless a non-compliance is stated, defined and considered in the appraisal report.
- We are not aware of any restrictions such as moratoriums on commercial development, ground leases, master plans, historic district controls, deed covenants, environmental regulations, building costs, fire regulations, title restrictions or private agreements that would prevent the building's legal use. However, should such restrictions become evident, we reserve the right to consider their effect on the appraised value.
- It was assumed that all licenses, certificates of occupancy, consents or other legislative or administrative authority required by any local, state or national government or private utility or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- Typical property utility border easements were noted during the site inspection. No study of deed restrictions has been conducted by the appraiser. A title search would be required to provide positive assurance of the existence or absence of deed restrictions. For the purpose of this appraisal, it is assumed that there are no deed restrictions or liens that would adversely affect the subject site.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. It is invalidated if used separately or in conjunction with any other appraisal.

- This appraisal has been prepared as closely as possible to comply with the guidelines set forth by the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation as mandated under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). We have also made every attempt to adhere to the specific instructions of the engagement letter issued by the lender and included in the addenda of this report.
- Except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as may be selected by the party for whom this appraisal report was prepared; however, portions of this appraisal report shall not be given to third parties without prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report.

### **Specific Assumptions**

- This Restricted Appraisal Report Appraisal Report is intended to comply with the requirements set forth under Standard 2 2(b) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report Appraisal Report. As such, it does not present detailed discussions of the data, reasoning, and analysis used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.
- Unless otherwise stated in this report, the existence of hazardous material, that may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

- The required occupancy permits that are necessary for compliance with all local, state and federal regulations are assumed to be in place and valid.
- The appraised value assumes that the boundaries, as described on the public record, are accurate, unless otherwise noted in this report.
- The appraised value assumes that the improvements described in this report are the only improvements that exist on the described land and the no adverse easements or encroachments negatively affect the value of the property.

### **Extraordinary Assumptions<sup>7</sup>**

None Noted

### **Hypothetical Conditions<sup>8</sup>**

None Noted

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<sup>7</sup> 2024-2025 USPAP PUBLISHED BY THE APPRAISAL FOUNDATION / DEFINITIONS, P. U-3

**EXTRAORDINARY ASSUMPTION:** an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends; or about integrity of data used in an analysis.

<sup>8</sup> ibid., P. U-3

**HYPOTHETICAL CONDITION:** a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

## **Reconciliation and Final Value Estimate**

Reconciliation is the final step in the valuation process. It correlates the values obtained from all of the approaches. Each approach used is rated as to its relative significance and dependability. The greatest consideration is placed upon that approach that is most relevant to the property being appraised. The criteria used for choosing the most applicable approach are the "appropriateness, accuracy, and quantity of evidence"<sup>9</sup> available for each approach. From this analysis, a final value is chosen that reflects the appraiser's best judgment of the Market Value.

The **Income Approach** indicated a value of \$430,000.

The **Sales Comparison Approach** indicated a value of \$375,000.

The **Cost Approach** was Not Developed.

The range of values indicated by the Sales Comparison and Income approaches is between \$375,000 and \$430,000. Both approaches were considered. It is our opinion that the value of the Fee Simple interest in the subject property as of **July 17, 2025** subject to the limiting conditions contained herein, is:

**\$400,000**

**Four Hundred Thousand Dollars**

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<sup>9</sup> *The Appraisal of Real Estate, 13th. Edition* (Appraisal Institute, Chicago, Il., 2008), p. 562

## **ADDENDA**

## Engagement Letter



July 1, 2025

CCBDC  
40 Main St.  
Suite A  
Cortland, NY 13045

RE: Appraisal of 40 – 42 Main Street, Cortland, NY

Pursuant to our e-mail conversations we are happy to submit a proposal for the appraisal of the above property.

The purpose of this appraisal is to estimate the market value of the property for marketing purposes. The appraisal will be a Restricted Report conforming to the Uniform Standards of Professional Appraisal Practice. The legal property rights appraised would be the fee simple interest.

The agreed completion date of the appraisal is by July 28, 2025.

We will furnish you with an electronic copy in pdf form. Our fee for this appraisal will be \$1,750.00 total.

We will proceed with the preparation of the appraisal upon receipt of a signed copy of this letter. If you have any questions about anything contained in this letter please give us a call.

Phone: 607-227-2384  
[landmarkappraisalco@gmail.com](mailto:landmarkappraisalco@gmail.com)  
[landmarkappraisal.us](http://landmarkappraisal.us)

5 Riverside Drive  
Unit 711  
Binghamton, NY 13905



## Engagement Letter (cont)

Sincerely,

*C. Clay Bunson*

Operating Manager  
Landmark Appraisal Co., LLC

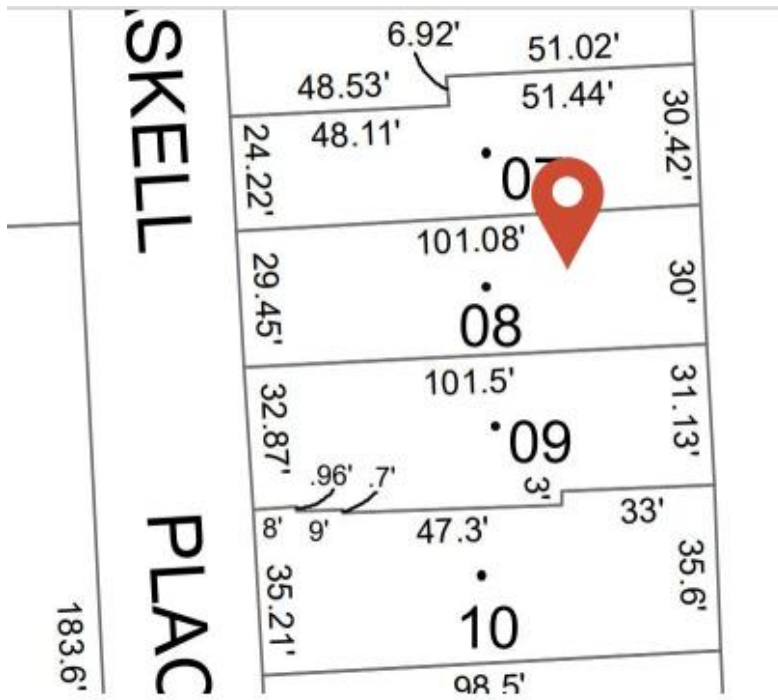
Engagement Letter Accepted:

*Melanie Vilardi*

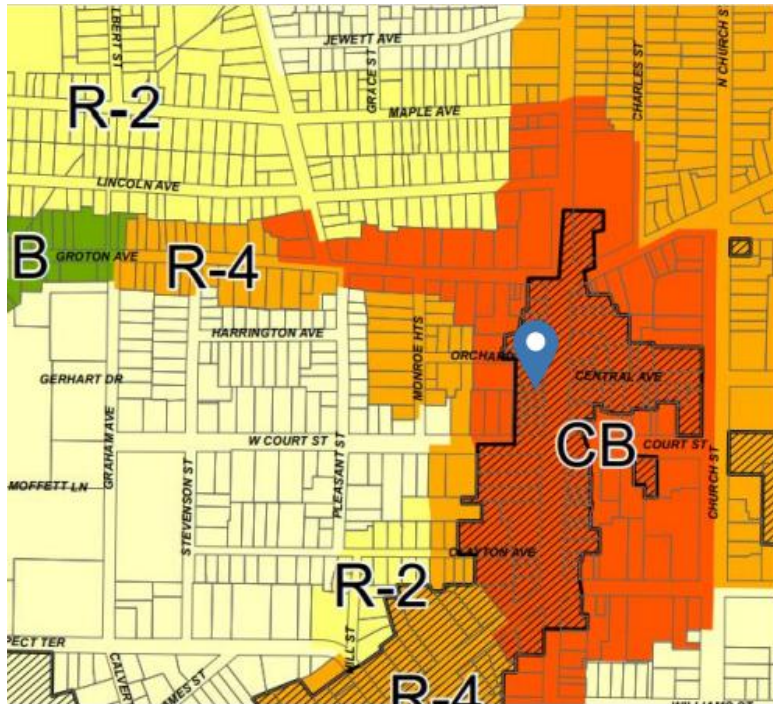
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Melanie Vilardi – Executive Director

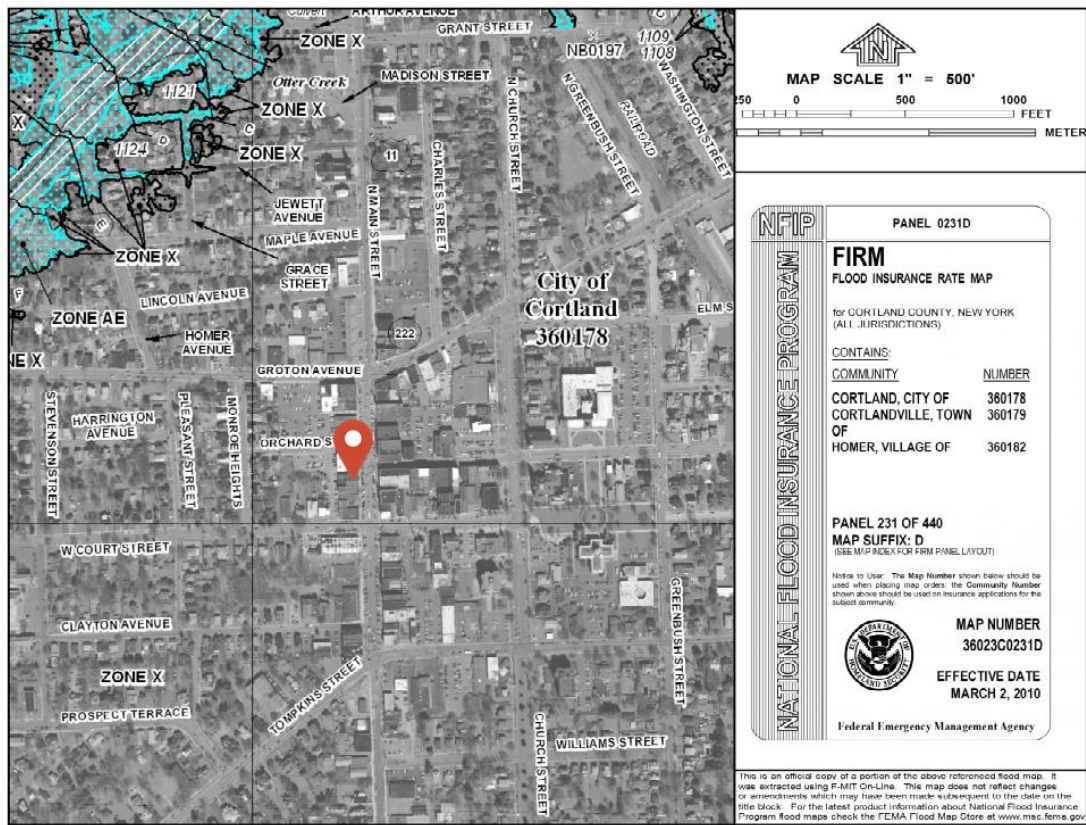
Tax Map



## Zoning Map



Flood Map



## **Appraiser Qualifications**

C. CLAY BURRUSS  
NYS General Certified Real Estate Appraiser  
#46000041804      Exp. 02/02/27

### **EDUCATION**

Broome Community College, Business Administration

### **APPRAISAL COURSES**

Appraisal Principles R-1 1998  
Standards of Professional Practice, 1998  
Appraisal Procedures R-2 1998  
Narrative Report Writing 2000  
Appraisal Procedures R-3 2001  
Income Property Valuation R-4 2001  
Income Property Valuation G-1 2001  
Income Property Valuation G-2 2001  
Income Property Valuation G-3 2001  
AQ-1 Fair Housing & Environmental Issues 2002  
Hotel/Motel Valuation-Appraisal Institute 2004  
Internet Search Strategies-Appraisal Institute 2004  
Feasibility, Market Value, Option Value- Appraisal Institute 2004  
USPAP Update Appraisal Institute 2005  
Zoning, Subdivision and Land Development Law Seminar ? Lorman Education Services  
Investment Properties - Professional Career Center 2006  
GIS Applications for Real Estate Appraisal Appraisal Institute 2006  
Appraising from Blueprints & Specifications Appraisal Institute 2006  
Analyzing Operating Expenses Appraisal Institute 2006  
USPAP Update 2007 McKissock Continuing Education  
What Commercial Clients Would Like Appraisers to Know Appraisal Institute 2008  
USPAP Update 2009 Manfred RE School  
Business Practices and Ethics Appraisal Institute 2009  
Case Studies in the Valuation of Upstate NY Real Estate 2009, 2010, 2012  
Supervising Appraisal Trainees Appraisal Institute 2011  
USPAP Update 2011, 2013, 2015 Career Web School  
Property Value as Affected by Property Taxes Appraisal Institute 2011  
Regression Analysis McKissock Learning Center 2013  
Vineyard & Winery Valuation ASFMRA May 2013  
Understanding Residential Construction McKissock Education 2015  
Income Capitalization Overview Career WebSchool 2015  
Analyzing Tenant Credit Risk & Commercial Lease Analysis Appraisal Institute 2015  
USPAP Update 2017 McKissock Education  
Commercial Land Valuation 2017 McKissock Education  
Case Studies in the Valuation of Upstate NY Real Estate Appraisal Institute 2017  
Appraisal of Owner-Occupied Commercial Properties McKissock 2017  
USPAP Update 2019 McKissock Education  
America's Architecture for Appraisers Calypso Continuing Education 2019  
Appraisal of Land Subject to Ground Leases McKissock 2019  
Valuation of Photovoltaic Systems Appraisal Institute 2019  
USPAP Update Calypso Education 2021  
Appraisal of Industrial and Flex Buildings McKissock 2021  
Avoiding Mortgage Fraud for Appraisers McKissock 2021  
7- Hour Environmental Impacts on Value - Calypso Education 2023

7-Hour Construction Details: Concept to Completion 2023  
7-Hour USPAP Update - Calypso Education 2023  
Hybrid/Bifurcated Appraisals - McKissock Education 2023  
Fair Housing Update 2023 McKissock Education  
Non-Lending Appraisal Assignments OREP CE School 2023

#### EMPLOYMENT

May 2006 - Present	Owner, Landmark Appraisal Company, LLC
1998 - May 2006	Staff Appraiser, David Long Appraisal Company, Ithaca, NY
1979-1998	Vice-President, Allied Van Lines of Ithaca, Ithaca, NY
1974-1977	Linde Home Health Care, Vestal, NY

#### EXPERIENCE

Preparation of appraisals for lending institutions, corporations, attorneys and individuals.  
Negotiated commercial leases as a lessor and lessee and engaged in commercial property purchases and sales since 1985.

#### PROPERTY TYPES APPRAISED

Apartment Buildings	Residential Properties	Vacant Land
Medical Office Buildings	Golf Courses	Warehouses
Mobile Home Parks	Retail Stores	Manufacturing/Industrial
Shopping Plazas	Vineyards/Wineries	Office Buildings
Indoor Recreational Facilities	Auto Dealerships	Funeral Homes
Outdoor Recreational Facilities	Apartment Complexes	
Self-Storage Facilities		

CLIENTS: I have prepared commercial appraisals for the following clients:


Tompkins Trust Company  
CFCU Community Credit Union  
Chemung Canal Trust Company  
Alternatives Federal Credit Union  
M&T Bank  
Community Bank  
First National Bank of Groton  
First Niagara Bank  
Corning Credit Union  
Cornell University Real Estate  
Ithaca College  
Elmira Savings & Loan  
Elmira Savings Bank  
Generations Bank  
Lyons National Bank  
State of New York  
City of Ithaca  
Town of Ithaca  
Territory Mortgage  
Citizen's Financial Group Inc.

Community Bank  
USNY Bank  
Bank of the Finger Lakes  
Wayne Bank  
Various attorneys, institutions, organizations, and private individuals

#### COMPETENCY

I have been appraising various types of Real Estate since 1998, including residential, commercial, vacant land and special use properties. I own and lease commercial properties to clients ranging from small local businesses to a major Ivy-League University. During the past twenty-five years I have completed over 3,000 appraisal reports of various types of properties using both form and narrative formats. I am currently a NYS General Certified Real Estate Appraiser.

## License

UNIQUE ID NUMBER 45000041804	<i>State of New York</i> <i>Department of State</i> <b>DIVISION OF LICENSING SERVICES</b>	FOR OFFICE USE ONLY Control No. <b>1556858</b>
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R.E. APPRAISERS.		EFFECTIVE DATE MO.   DAY   YR. 02   03   25
BURRUSS CLARENCE C C/O LANDMARK APPRAISAL CO LL 5 RIVERSIDE DR #711 BINGHAMTON, NY 13905 		EXPIRATION DATE MO.   DAY   YR. 02   02   27
HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R.E. GENERAL APPRAISER		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. WALTER T. MOSLEY SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		