

**Cortland County IDA
Application for benefits**

Review Date **July 2009**

Name of Applicant: **Dave Yaman, Cortland Commerce Center**

Nature of Business Retail **X Commercial/Service** **X Manufacturing**
 Other **Mixed use**

Description of Project: **Acquisition of property; Renovations to suit tenants for long term lease; secures major employer (PASS/PALL Trinity)**

Location of Project: **839 Route 13, Town of Cortlandville**

Total number of FTE employees as of the date of application: **196**

Projected number of new FTE positions to be created within the **5** years of project:
25 will retain 190 for agreement

Average starting wage: **\$40,000**

Date to begin new jobs : **2010**

Projected fixed asset investment to be made: **6,463,000**

Exceeds \$500,000 **X Yes** No

Qualifying Checklist

Referenced in Development Policy:

Yes	No	(Check one for each category)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The number of jobs to be created, with priority given to businesses Creating five full-time permanent jobs that pay starting hourly wages at 135% of the current NYS minimum wage or higher (7.25/9/72)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	The timeline for the projected investment and job creation is within the first two years of application (jobs will be created in 5 years)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The applicant will increase the skill base of the local workforce through training, opportunities for professional development and career track advancement

- ☒ ☐ Goods and services will be procured regionally, thereby increasing regional buyer-supply chains and producing a greater multiplier effect
 - ☒ ☐ The level and type of investment is \$500,000 or greater
 - ☒ ☐ The business enhances strategic goals identified in the BDC development Plan and enhance the overall regional economic climate
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Additional comments or notes:

See Project Rationale and Status Summary Sheet included in board packets

Project Summary Sheet – _1101-09-
02_____

Project Name: D Yaman Properties LLC or
assigned

Type:

Code:

Closing Date:

Termination Date:

Total Project Amount	\$6,463,000
Estimated new tax revenue if no IDA exemptions over term of the PILOT agreement (based on base year tax rates and assessments- 3,750,000)	\$1,428,380
Estimated payments in lieu of taxes over term of PILOT agreement (based on base year tax rates and assessments) 2008/2009 rates	\$930,000
Estimated difference (based on base year tax rates and assessments)	\$498,380
Year Payments begin	School=Fall 2010; County/Town= Jan 2011
FTE before PILOT	196
Original estimate of jobs to be created	25
Original estimate of jobs to be retained	196
Agreed upon minimum FTE Jobs as part of PILOT Agreement	190 Proposed

Project rationale and status:

D Yaman Properties LLC has entered into an option agreement to purchase the former Smith Corona manufacturing facility located at 839 Route 13 in the Town of Cortlandville. The purchase is contingent upon the applicant receiving a PILOT.

A PILOT would allow D Yaman Properties LLC to enter into affordable lease agreements with the current tenants as well as make a variety of necessary upgrades to the building. The renewed leases will enable the county to retain one of its largest employers, Pall Trinity Micro (725+jobs). Currently PTM and PASS (a subsidiary of PTM) have 153 employees at this location and the remaining jobs at their other facility located on Rt 281 and McLean Rd in Cortland.

Currently there are 19 companies occupying 93% of leasable space at the facility. Of the 19, three occupy a total of 70%: Pall Trinity Micro, PASS (a subsidiary of PTM) and the JM Murray Center.

In the Fall of 2008, PTM approached Dave Yaman to find alternative space outside of Cortland County. Throughout the process of identifying a new site for the company, Dave Yaman began discussing potential renovations to the current facility along with a 10 year lease. The parties are now in the process of drafting a lease agreement based on their discussions and the approval of a PILOT.

The upgrades to the facility include outside façade improvements creating 3 distinct entranceways each with a corporate image, high end interior office renovations for the PTM division, the addition of 7,000 s/f on the back of the facility for use by PTM for the manufacturing and shipping of the large scale filter units that are currently manufactured at their Rt 281 facility as well as a variety of structural and mechanical upgrades.

D Yaman Properties is requesting a PILOT which would include an annual fixed real property tax amount of \$93,000, a sales tax exemption on the renovations to the facility estimated value \$97,000, and a mortgage tax exemption estimated value \$36,220. The estimated savings to the applicant total \$631,600 over a 10 year period. Please note that the proposed property tax amount is an increase of \$9,202 per year from the amount currently collected for this property during 2009 (based on the current assessment \$ 2,200,000, \$83,798 due for the 2009 tax year).

Please note that there are additional lands available surrounding the facility that can be developed. The company has indicated that any new construction during the PILOT period will be treated as new development and taxed at the going rate at that time. New development will not be requested to be part of this PILOT agreement. This allows for the opportunity of additional tax base to be generated at this site over the 10 year period.

Several of the current tenants, including PTM and PASS have indicated they would create a total of 35 jobs in a 5 year period. Please note the 5 year projected period deviates from the standard PILOT project period of 2 years.

D Yaman Properties have agreed to maintain a minimum of 196 jobs at this location during the duration of the 10 year PILOT. Should the employment number dip below 80% of the minimum (152 jobs or less) during the 10 year period, an additional tax will be incurred based on the current assessment and rate for that given period that the default occurred.

The lack of approval for this PILOT may result in the immediate loss of the PTM and PASS jobs currently on site, 153; the loss of new jobs to be created by the employer, 22; as well as running the risk that PTM would begin shifting from their other facility out of the county, a 725+ loss. ✓

Approval of the PILOT will secure a 10 year lease with PTM and PASS, thereby retaining 725+ high skilled, high paying jobs as well as the creation of a minimum of 25 new jobs.

I recommend that the board approve the request for the PILOT as submitted.

Question IV - Employment Impact

	Present Employment	Jobs Created	Total Employment Proposed - 5 years
CNY Office Supply 839 NY Route 13, Cortland, NY	3	2	5 Professional and Skilled
Innovative MFG 839 NY Route 13, Cortland, NY	6	4	10 Skilled & Semi-skilled
J.I.T. Tool & Dye 839 NY Route 13, Cortland, NY	To be determined		Skilled
JM Murray CTR 823 NY Route 13, Cortland, NY	To be determined		Unskilled and Semi-skilled
Pall Trinity Micro 3648 NY Route 281, Cortland, NY	19	6	25 Semi-skilled
PASS 839 NY Route 13, Cortland, NY	134	46 See Note Below	180 * Prof. and Managerial
Precision Eforming 839 NY Route 13, Cortland, NY	10	2	12 led and Semi-skilled
The Greenwood Corp 839 NY Route 13, Cortland, NY	22	5	27 Professional & Managerial
Bangles, Bags & Bling 839 NY Route 13, Cortland, NY	2		2 Managerial

*Includes 30 employees from PTM North Building in Cortland, providing potential for expansion of employment at the PTM North Building