



**APPLICATION FOR TAX EXEMPTION – LEASE TRANSACTIONS**

Date: April 24, 2012

Company Name: Vitaluna, LLC

Address: 122 State Street, Binghamton, New York 13901

Contact Person: Mark Huebner Telephone: (607) 772-2408

List the name and address of the individual or company to appear on the lease

Name: Vitaluna, LLC

Address: 122 State Street

Binghamton, New York 13901

**BUSINESS INFORMATION**

Date Established January 19, 2010

Principal Business Activity Real Estate

Number of Present Employees 0 Full-time 0 Part-time 0

Type of Organization: Corporation  Public  Private  Partnership   
Sole Proprietorship

Name of Affiliates and/or Subsidiaries None

\_\_\_\_\_  
\_\_\_\_\_

COMPANY OFFICERS		
Name	Office	% Ownership
Mark J. Huebner	Member	100

Total amount of tax exempt industrial revenue bonds presently outstanding in the name of the individual(s), company, and any parent, affiliate or subsidiary

\$0.00

Legal Counsel
Name: Alfred Paniccia
Address: Centre Plaza, Suite 400 53 Chenango Street
Binghamton, New York 13901
Phone: (607) 724.2385

Accountant
Name: Daniel S. Farrell
Address: 36 Oakdale Road
Johnson City, New York 13760
Phone: (607) 785-2233

### PROJECT DATA

1. Attach complete narrative description of project including location, proposed product lines and market projections, square feet by usage, type construction, machinery for products, machinery for building, office, parking HVAC, and any items for which bond proceeds will be expended. **See Attached**
2. Attach a photo of the site or existing facility to be improved. **See Attached**
3. Attach copies of preliminary plans or sketches of proposed construction of floor plan of existing facility.
4. Attach environmental assessment form. **See Attached**
5. Are utilities on site or must they be brought in? If so, which ones?

The utilities are on site

6. Who presently is legal owner of building or site? Vitaluna, LLC
7. Is there an existing or proposed lease for all or a portion of the project?  
Yes  No  If so, attach copy. **See Attached**
8. Is there a purchase option in force or other legal or common control in the project which is described under the bond proposal? If so, detail on attached sheet.
9. If Applicant will not occupy 100% of the building in a real estate related transaction, provide a list of all tenants. **See Attached**
10. Is owner or tenant(s) responsible for payment of real property taxes?  
Owner

#### **EMPLOYMENT AND TAX INFORMATION**

All applicants must answer the following as they pertain to the County in which the project is located. For start up companies or new real estate projects, please provide estimates for #9. If a question is not applicable, answer N/A. **Provide total employment of each tenant in building for multi-tenant properties.**

**IF ALL QUESTIONS ARE NOT ANSWERED, THE APPLICATION CAN NOT BE CONSIDERED.**

1. Project location (county) Broome
2. Current employment in county 61
3. Projected 1st year new employment in county 78
4. Projected 3rd year total employment in county 103
5. Current payroll in county \$4,270,000.00
6. Projected 1st year new payroll in county \$5,460,000.00
7. Projected 3rd year total payroll in county \$7,210,000.00

8. Current annual real property tax payments made within county (include total of taxes paid to County, Town/ Village/City, School District and any Special District Charges or PILOT Payments) \$120,348.14
9. Additional estimated tax payments (for start-ups/new real estate projects only) \$0.00

**PROJECT COSTS**

1. Give an accurate estimate of cost or value of all items whose title will be transferred to the Broome County IDA.

	<b>Amount</b>
Land & building (current value or cost if new construction)	\$3.25MM
Proposed Additions	\$
Renovations	\$1.7MM
Engineering Fees	\$36M
Legal & Financial Charges	\$15M
Other (specify)	\$
<b>TOTAL PROJECT COST (OR VALUE)</b>	<b>\$5MM</b>
Project related costs subject to sales tax	\$700M
Total amount of mortgage(s) currently outstanding on property	\$3MM
Amount of new mortgage(s) required for project	\$1.3MM

2. List Financing Sources

Tioga State Bank 191 Conklin Avenue Binghamton NY

3. Is there a commitment for financing? Yes

If so, give name, address and copy of commitment, if available.

Name: Tioga State Bank
Address: 191 Conklin Avenue Binghamton, NY 13901
Phone: (607) 772-2408

## CERTIFICATION

Mark J. Huebner

(name of chief executive officer of company submitting application) deposes and says that he is the Member of, the corporation named in the (company name) attached application; that he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason for this verification is made by the deponent and not by Vitaluna, LLC (company name) is that the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigation which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of, and from the books and papers of, said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Broome County Industrial Development Agency (hereinafter referred to as the "Agency") in processing the application, in negotiating with the applicant and others, in preparing necessary financing documents, and in taking any other action necessary or appropriate toward the issuance of the lease requested in this application. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the Agency or applicant are unable consummate this transaction and execute the lease, then upon presentation of invoice, applicant shall pay to the Agency, its agents, or assignees all actual costs incurred by the Agency with respect to the application, up to that date and time, including fees of general counsel for the Agency.

An origination fee of \$1,000.00 shall, at the time of the execution of this certification, be payable to Broome County Industrial Development Agency. This origination fee is nonrefundable, regardless of whether the lease hereunder fails to close for reasons beyond either your control or the control of the Broome County Industrial Development Agency.

If the lease transaction hereunder closes, then upon the happening of that event, the \$1,000.00 so paid shall be credited to the agency fee hereinafter referred to.

Upon execution of the lease applied for herein, the applicant agrees to pay the Agency a fee in such amount as shall be set by the Agency, not to exceed an amount equal to 1% of the aggregate cost of the project or value of the assets outlines on page 4 of this application.

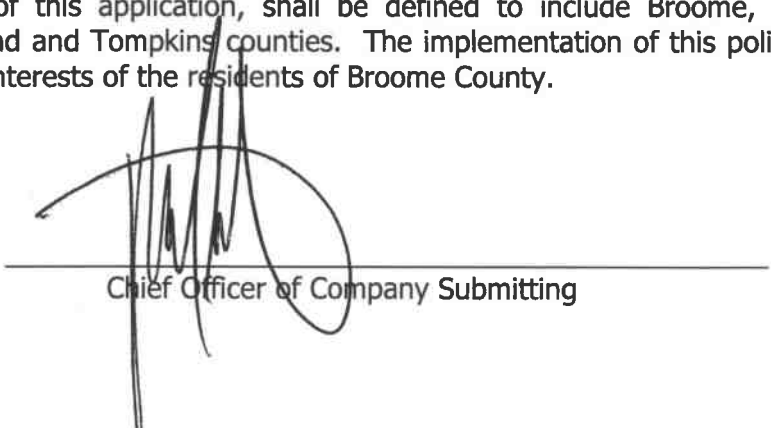
The applicant acknowledges that the project must at all times be in compliance with all Federal, State and Local statues, ordinances, rules and regulations including, but not limited to, Immigration and Naturalization Laws, Civil Rights Laws, Occupational Health and Safety Administration(OSHA), NYS Labor Law, Workers Compensation Law, Unemployment Insurance Law, and Disability Benefits Insurance Law.

### CERTIFICATION

The applicant will be required to certify to the Agency quarterly, in such manner as the Agency shall in its discretion require, that the project is full compliance with such statutes, ordinances, rules and regulations. An applicant failing to provide proper and accurate certification as required by the Agency shall be subject to termination of benefits received from, by or through the Agency and may, in the Agency's discretion, be required to reimburse the Agency and/or any effected taxing jurisdictions for benefits received including, but not limited to sales and use tax exemptions, mortgage tax exemptions and real property tax abatements.

The Agency believes that public benefits accruing from the Agency's programs and policies should be used to advance the overall employment and economic opportunities within the Broome County and surrounding areas. This policy is best advanced when companies which benefit from the Agency's programs and policies employ New York State residents in general, and Broome County residents in particular, during the construction phase of any Agency sponsored project.

To the extent practicable, the Agency strongly encourages applicants to employ local labor, contractors and suppliers in the development of projects that benefit from the Agency's assistance and to afford local contractors an opportunity to participate in such projects. The term "local," for purposes of this application, shall be defined to include Broome, Tioga, Chenango, Delaware, Cortland and Tompkins counties. The implementation of this policy will best advance the economic interests of the residents of Broome County.



Chief Officer of Company Submitting

Notary

Sworn to before me this 24<sup>th</sup> day of April, 20 13.



(Seal)

CECILIA M. STEIN  
No. 01ST6200864  
Notary Public, State of New York  
Qualified in Broome County  
My Commission Expires 2/02/2013



2 Court Street is a four-story CBD office building developed in 1970 with a gross building area (GBA) of 60,000 sqft and a gross leasable area of 55,651 sqft. The property was constructed on a single corner 1.11± acre development site. The structure also includes a 107± car integral parking garage located below the office building. The property has been undergoing extensive improvements and renovations encompassing the redevelopment of the first and second floors and improvements to the mechanical and building systems.

The 2 Court Street facility is located in the heart of downtown Binghamton and in close proximity to multiple shops, banks, eateries and art galleries. The new Court Street Bridge, multi-million dollar river walk and Chenango river are visible through floor-to-ceiling windows that span the entire length of the eastern and western walls of the facility.

In early 2006, a foreclosure proceeding was commenced against 2 Court Street. Kaufman Properties & Associates, LLC purchased the note for \$900,000.00 in June 2006, and subsequently hired ReRent Property Management to manage the day-to-day operations of the facility. At the time of the note's purchase, the building was approximately 35% leased, with M&T Bank occupying the first floor branch and a portion the second floor, and Johnson, Lauder & Savidge LLP occupying a portion of the third floor. The second and fourth floors were vacant. M&T Bank vacated the facility shortly after the foreclosure was completed.

Aggressive marketing was used to attract new tenants to the building. As a result of ReRent's marketing efforts, leases were signed with four new tenants, all of whom would occupy the fourth floor. Oryx Insurance Brokerage, Pope & Schrader LLP, Stewart Title Insurance and Paychex of New York, LLC moved into the fourth floor in late 2008 and early 2009. Extensive improvements to the mechanical systems, HVAC, building control, common areas, chiller and cooling towers were completed in conjunction with the renovations for these tenants. Asbestos abatement was also completed on the fourth floor in preparation for occupancy. KOM Automation and DiVirgilio Benefit Resources filled two small offices on the fourth floor, which resulted in full occupancy of the fourth floor.

In November 2007, ReRent was presented with an RFP from Leo Jones of Pyramid Brokerage for the General Services Administration. Asbestos abatement on the third floor along with improvements to the mechanical, HVAC and building controls were commenced to prepare for the GSA's occupancy. Thermal plastic coverings were installed on the fourth floor veranda concrete decks. Redevelopment of the third floor was completed in September 2010.

Recent capital improvements include the following:

- Installation of two new boilers to replace the original units
- Installation of a screw chiller to replace the original centrifugal chiller
- Installation of a central Building Control System (BCS) to control all primary mechanical systems with interface for internet access
- Refurbishment of all primary pumps and installation of new inverter duty motors with variable frequency drives connecting to BCS
- Refurbishment of all Air Handler Units (AHUs) to accommodate high performance filters; installation of new inverter duty drive motors with variable frequency drives and new sensors and controllers integrating control into the BCS
- Installation of a new fully addressable smoke and fire detection system with digital enunciators
- Replacement of the interiors of both elevator cars
- Installation of thermal plastic coverings over the veranda concrete decks
- Replacement of common area lighting fixtures with high efficiency units including the parking garages

As part of a restructuring of ownership to continue with the ongoing redevelopment, Mark Huebner, principal of ReRent Property Management formed Vitaluna, LLC as the sole member to take ownership of the facility. In February 2010, Vitaluna, LLC purchased 2 Court Street from Star Properties of Binghamton, LLC. Vitaluna has worked diligently to continue improving the facility. A lease between Vitaluna and Merrill Lynch has been signed for 8,600 square feet on the first floor of the facility. The expected occupancy date is June 2012. Demolition, asbestos abatement and tenant improvements are required to be completed prior to occupancy. Along with the tenant improvements to the first floor, improvements to the exterior of the facility will begin in the spring 2012 based on a landscaping plan developed by Haas Landscape Architects. The plan includes converting the exterior ground level common area to a park-like environment with a green theme, sustainable ground cover, park benches and wide walk paths.

Scheduled capital improvements include the following:

- Redevelopment of 8,600 square feet on the first floor for Merrill Lynch
- Completion of renovations to the exterior walkways and entrances
- Enhancements to ADA accessibility
- Completion of installation of thermal plastic coverings over the veranda concrete decks on the second and third floors
- Completion of replacement of all common area lighting fixtures with high efficiency units

2 Court Street is the premier building in downtown Binghamton. Current development plans will only add to the beauty of the building and the downtown area as a whole.