



Office of the Executive Director

December 4, 2018

Heather McDaniel  
Administrative Director  
Tompkins County IDA  
401 E. State Street / Suite 402B  
Ithaca, N.Y. 14850

Re: Application to Extend/Renew the PILOT Agreement Between TCIDA and Longview

Dear Ms. McDaniel,

As a follow-up to the November 14, 2018 TCIDA meeting involving discussion of our PILOT extension application, I am providing a brief review of Longview's early history leading up to and including the relationship built between the TCIDA and Longview. My goal is to provide context for the circumstances that supported Longview's application for, and the granting of, a PILOT agreement more than eighteen (18) years ago.

Prior to the opening of Longview on South Hill in November of 1998, Ithacare (Ithacare Center Service Company, Inc. dba Longview) owned and operated a housing project at 115 South Quarry Street in the City of Ithaca between 1972 and 1998. The building Ithacare occupied is a Federal style building most of us recognize as having formerly served as the Ithaca Memorial Hospital and Ithaca College dormitory.

Following the closing of the College dormitory in 1970, a modest internal building renovation was performed on the Quarry St. building, resulting in the building being repurposed/reopened as a "residential" facility by Ithacare. Many of the earliest occupants that moved into Ithacare were former residents of the Tompkins County Home in Jacksonville that was in the process of closing. In a few short years, as Ithacare residents aged in place, Ithacare acquired a license to begin offering its residents "assisted living" services under authority of the NYS Department of Social Services. These services primarily included personal health related care; commonly referred to as "personal care". Prior to Ithacare offering the combination of housing and health related care, depending upon individual circumstances, these individuals were routinely admitted to local nursing homes as health-related facility (HRF) admissions.

In 1990, following an Ithacare Board retreat that focused on strategic planning, the board concluded that Ithacare needed to replace its aging and structurally deficient facility in order to offer older adults proper and contemporary housing options in order to attract adults to its residence. It was also clear Ithacare would need new facilities if it was to successfully compete

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with other local aging services providers that were under development and/or were being planned as start-ups.

Ithacare Center Service Company, Inc. (Ithacare) also known as (dba) Longview, an Ithacare Community has always been, and remains, a Federally (IRS) recognized NFP 501(c)(3) and a NYS registered Charity. Ithacare was exempt from paying real property taxes on its Quarry Street property. However, during the planning of the new facility on South Hill, the County's assessment department determined that the new facility would be subject to real property taxes.

Ithacare and the TCIDA engaged in discussions in 1995 reaching an agreement that ultimately resulted in the TCIDA issuing Series 1997 Civic Facility Revenue Bonds totaling \$11.35 million for the construction of Longview on South Hill. Included with the bond issue, was an agreement between TCIDA and Longview that in order to persuade Longview to continue offering housing services of a charitable nature for the benefit of low-income residents of Tompkins County, the parties would enter into a PILOT agreement so as to enable Longview to make payments in lieu of taxes for the benefit of the affected local tax jurisdictions. The payments in lieu of taxes Ithacare would make involved providing charitable housing and support to low-income older adult residents of Tompkins County. Furthermore, in support of this agreement, and to continue to operate Longview for the benefit of the impacted citizens of Tompkins County and to continue Longview's practice of providing charitable services, the TCIDA agreed to take title to the land, improvements and personal property constituting Longview and lease said land, improvements and personal property back to Longview.

Under the tax agreement with the TCIDA, Longview has accepted responsibility to pay special district taxes, including, without limitation, water, sewer, solid waste and fire protection fees. For 2017, these fees totaled \$74,405. Longview's Patio Homes, which opened in 2013 are fully taxable. For 2017, total Patio Homes tax payments were \$105,266.26.

Over 22 years ago when the tax-exempt bonding and PILOT agreements were forged and agreed to by the parties, there was no "term limit" proposed. It was well understood that the Longview project was not an "industrial" or "manufacturing" project that might typically include a multi-year, but limited, property tax business incentive. Rather, the Longview project was understood to be a human services initiative that was, and remains, a commitment between the IDA, Tompkins County, and Longview to provide for the housing and "assisted living" needs of some of the most vulnerable, aged and low-income members of the community. The property tax abatement was recognized as the community's investment in Ithacare to assist in providing housing and health related services to low-income and aged members of the community; that could only be offered by Ithacare. Ithacare is the only facility of its kind, a non-profit organization that provides services to the indigent. Ithacare is not a healthcare facility and, therefore, does not receive Medicaid or Medicare payments.

The TCIDA board required an annual reporting requirement that Longview would be required to make to confirm Longview was meeting the terms and conditions of the agreement. The agreement includes a look-back period of 10 years, at which time it would confirm Longview had, in fact, met its obligations of providing charitable services benefiting the citizens of Tompkins County to the tune of (at least) its property tax bill.

After the first, 10 year look back period, it was confirmed that Longview was meeting its commitments and the PILOT was extended for another 10 years. For nearly 20 years, Longview has met its obligations to provide charitable services. Our ability to do so depends on the offset in property taxes afforded by the PILOT agreement.

I again request your consideration in extending the PILOT further, perhaps for 30 years, as was provided to INHS for the 210 Hancock project with the continued annual reporting requirement and the ability to terminate the PILOT at any time should Longview not meet the agreed upon requirements.

Thank you for your consideration of this matter.

Sincerely,



Mark A. Macera  
Executive Director