TO: Heather McDaniel, TCAD; Members of the Tompkins IDA  
FROM: City Harbor Development Group  
DATE: 1/22/20  
SUBJECT: Financial Need Letter

Project Description
The lively, urban waterfront of Ithaca’s future is City Harbor, a multi-family waterfront community that promotes public lake access through a large pedestrian promenade, a full-service restaurant, residential rental units, updated boat slips and marina services, enhancements to Ithaca’s City golf clubhouse and convenient access to comprehensive medical offices, all situated overlooking Cayuga Lake’s waterways and within walking distance of the Ithaca Farmer’s market. The transformational, mixed use City Harbor project, planned for a roughly 4 acre parcel on the Cayuga Lake Navigation Channel/Inlet has formally applied to receive a tax abatement package from the Tompkins County IDA. The project seeks this financial incentive as without it, the City Harbor project cannot be built.

Project Financial Hurdles
The City Harbor project is planning to include and incorporate many public benefits into its construction, some that come at great cost to the developers. The promenade, for example, consists of nearly $2.3M in investment between the seawall, concrete and paving required. This cost outlay results in $0 in direct revenue to support it; instead the owners must fund it through creative financing and a great deal of personal capital. Other non-revenue generating expenses include building and maintaining 10 transient boat slips, creating multiple pocket parks, and generally improving the public’s access to the waterway.

In addition, building on the waterfront is a costly endeavor- the driving issue being the instability of the soil conditions. Complex geotechnical reports have shown an absolute need for a high tech, high capacity pile driven foundation system. This adds several dollars per square-foot in building cost further necessitating financial assistance. The nature of an undeveloped part of the city includes undersized/non-existent utilities and infrastructure. City Harbor’s project team will need to make large scale improvements to water, sewer, and electrical services as well as neighborhood roadways to the benefit of all property parcels in the area (most of which are City owned).

Finally, ambitious owner goals pertaining to green energy have hiked development costs. The most expensive of these endeavours is City Harbor’s state of the art effluent heating and cooling system. This system has doubled the engineering burden in the front end as well as delayed permitting and approval, costing valuable time.

Best,  
The City Harbor Team  
(Jodi and Jessica Edger, Lincoln Morse, Elizabeth Classen, Nick and Costa Lambrou)