

Tompkins County Industrial Development Agency

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Asteri Ithaca, LLC– Community Benefits Overview

August 3, 2020

Project Overview

Asteri Ithaca is a proposed 12-story mixed-use development. Asteri will be home to 217 affordable housing units, an estimated 350-parking space garage and a 54,921 square foot conference center area, to be located at 120 E Green Street in the City of Ithaca. The housing units will be distributed with 85 studios, 114 one bedroom, 10 two bedroom and 8 three bedroom units. The project is partnering with Tompkins Community Action to include 40 units dedicated for supportive housing targeted to populations at risk of homelessness. Supportive services for these residents will be included as part of overall property management, with offices and staff onsite. Building amenities and communal spaces will be designed to support those living in the downtown core of Ithaca, providing outdoor space, fitness facilities, on-site laundry, indoor bike storage and community rooms.

Four additional parking levels will be built on the portion of the Green Street Garage, which is home to Cinemapolis. The existing parking levels will be refreshed, with upgrades including LED lighting. The four newly constructed levels will consist of 243 new parking spaces, bringing total parking count to an estimated 350 cars. The residential/conference center new-build tower will be a 12-story steel construction building. The first through third floors will be home to the 54,921 square foot conference center space, which includes a small coffee shop type lease space. While a Vecino entity will own both the Parking Garage and Conference Center, Vecino will not profit through the operations of the garage or conference center. The conference center will be leased by a to be determined entity and the garage will be leased to the City of Ithaca.

The Asteri project is requesting a 30-year PILOT, sales tax exemption, and exemption of the State share of the mortgage recording tax. The applicant has request an administrative fee of ½% as is typically granted by the IDA to not-for-profit projects. The PILOT for the residential portion of the project will be a fixed amount in each of the 30 years based on 20% of the projected net operating income. The PILOT for the parking garage and conference center will be fixed at zero for the 30-year term.

The requested incentive deviates from the IDA’s standard policy.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – The conference center pledges to create 20 FTE positions over three years. Jobs associated with the affordable housing portion of the project include 3 FTEs from Tompkins Community Action providing on-site supportive housing services, and 4 on-site property management FTEs. There will be an estimated 160 construction jobs created during the construction period.

- Estimated value of tax exemption

Affordable Housing	\$4,364,490
Garage	\$4,959,504
Conference Center	\$5,668,004
TOTAL	\$14,991,998

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Asteri Benefit Memo
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- Estimate of private sector investment to be generated by the project – Total project costs are \$108,793,929 of which \$79,443,788 will be privately financed (this includes a \$31,409,877 loan from the Housing Finance Agency). Low income housing tax credit equity investment equals \$21,819,122 and developer equity is \$2,531,019.
- Likelihood of completing project in a timely manner – SEQR has been completed. Site plan approval is expected in September and tax credit approval in the fall. Construction will begin in the first quarter of 2021 with an anticipated completion date by the end of 2023. The developer has significant experience delivering affordable housing projects.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – The conference center is projected to generate \$11.4 million in local and state sales tax receipts over 20 years. An anticipated 63,000 annual visitors to the conference center will increase hotel room nights, parking receipts, and indirect spending at retail and restaurants totaling \$322 million and \$101 million in direct and indirect wages over 20 years.
- Other benefits that might result from the project:

Infill Development/Neighborhood Revitalization – The 12-story mixed use project replaces a City owned parking structure with 243 net new parking spaces (350 total), a 54,921 square foot conference center, and 217 units of affordable housing in the downtown core.

Affordable Housing – The project establishes 217 units of housing affordable to households earning 30%-80% of area median income. Forty units will be set aside for at risk populations.

Parking – The project refurbishes existing and adds new parking to meet anticipated current and future parking demand identified by national parking consultant, Stantec.

Accessibility – The project is conveniently located in the center of the City of Ithaca, providing easy walking access to jobs, services and amenities as well as multi-modal transit connections.

Hospitality Sector Growth & Stabilization – An estimated increase of 63,000 annual visitors to the conference provides an increase in mid-week visitors that will increase overnight stays in area hotels and support the 2,600 countywide hospitality industry jobs.

Retail and Restaurant Sector – Downtown Ithaca's small retail and restaurant businesses rely on visitor and tourism traffic for at least half of their annual sales. A conference center will boost downtown foot traffic and materially benefit these local, small businesses.