

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

The Ithacan (215 E. State St. / Green St. Redevelopment Partners) – Community Benefits Overview November 11, 2020

Project Overview

The Ithacan is a proposed new residential rental property in the City of Ithaca on a site bounded by East Green Street, the Marriott Hotel, and The Rothchild Building. Currently, the site is an existing parking deck that has reached the end of its useful life and needs to be replaced.

This project will demolish and rebuild the three (3) levels of parking in the eastern section of the deck. The parking garage will be constructed and leased back to the City of Ithaca for public parking for the downtown/Commons Area. The annual payment from the City will cover the construction costs and finance charges for the construction of the project. Vehicular connections will remain between the existing center section on levels 2 & 3. The upper two (2) levels of parking will provide 118 spaces for continued public use. There will be garage access on East Green Street that serves 32 new street level of parking for the proposed residential component of the project. The Green Street façade will remain active with a residential lobby access to the proposed building and pedestrian connection through the building to the Commons.

Ten (10) levels of residential units, each about 16,300 sf, will rise above the parking levels. A roof top overlook above the top level of residential will offer views of the lake to the north. In total, the project will be fourteen (14) stories above grade including the roof top terrace. Total Gross area is approximately 254,000 sf.

The project will feature 200 apartment units, including studio, 1- & 2-bedroom configurations. Based upon City and IURA requirements, ten percent of the project units will be leased at 80% AMI. Portions of the existing two-story Rothschild Building will be renovated to house amenity spaces and an interior, conditioned pedestrian connection from the new building lobby at Green Street to the Commons, which will serve as the building's front door. Additionally, the Commons Façade will be updated to reflect the improvements being made to the proposed residential tower.

The applicant is requesting a sales tax abatement, a partial mortgage recording tax incentive, and two separate PILOT structures. The first will be a \$0 payment for the parking structure that will be leased to the City of Ithaca (118 of the proposed 150 spaces). The PILOT will be coterminous with the 30-year term of the lease to the City of Ithaca. The second PILOT will be for the remainder of the project and will be structured based on the CIITAP Financial Need / Enhanced Energy Large Multi-Family Project.

The applicant is prepared to provide 10% of the required 20% of the housing units required by the IDA's Workforce Housing Policy on site. It is further anticipated that a portion of the market rate units will be reduced in price and reserved for participants in Ithaca College's new two-year Physicians Assistant program that will be housed in the adjacent Rothchild Building. The applicant is further requesting the IDA payment in lieu of providing the other 10% of the affordable units (\$500,000) on site be waived. The project is not financially feasible without this consideration.

The proposed incentive deviates from the IDA's standard policy by waiving one half of the required payment to the Community Housing Development Fund.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – Six jobs are projected to be created by a third party, management company.
- Estimated value of tax exemption – %18.4 of project costs; 12.4% without the garage PILOT

Property Tax - Garage	\$1,672,068
Property Tax - Residential	\$5,042,989
Sales Tax	\$2,800,000
Mortgage Recording Tax	\$123,250
Total	\$9,638,307

- Estimate of private sector investment to be generated by the project – \$64,300,000
- Likelihood of completing project in a timely manner – the company’s managing members have a history of developing and building mixed-use developments in city centers. Site plan approval and a needed variance have been secured.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – \$2,518,496 in projected new property taxes over ten years.

- Other benefits that might result from the project:

Infill Development/Neighborhood Revitalization – This is an infill project in the City of Ithaca’s downtown core. The project will rebuild 1/3 of the Green Street garage parking deck for the benefit of downtown.

Affordable Housing – 10% of the units will serve residents earning 80% or less of area median income. The IURA will assist with income qualification.

Accessibility – The project is in the downtown core providing a walkable commute to downtown jobs and amenities as well as access to TCAT and other bus service.

Green Building and Design – The applicant will meet the 2025 requirements of the Ithaca Green Building Code.