

Tompkins County Industrial Development Agency

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Ithaca Downtown Associates / Hilton Canopy – Community Benefits Overview 5/14/15

Project Overview

Ithaca Downtown Associates is proposing to build a 7-story Hilton Canopy hotel with 123 guestrooms in the heart of downtown Ithaca where the Strand Theater once stood.

Canopy, a new boutique lifestyle hotel brand from Hilton, is centered on a neighborhood-driven theme of locality, culture, and comfort. Canopy Ithaca is one of only 11 canopy hotels currently being planned throughout the U.S. and abroad in locations including Denver, Miami, Portland, Washington DC and London, England, among others. Ithaca is by far the smallest city in this group, and one of the first to receive its approvals.

The Canopy brand goal is to reflect the individual neighborhood character and setting by physically engaging with the public realm at the street and ground level, and by its use of local and regional products and art. There will be three outdoor spaces, two on the ground level, and one as a 2nd floor roof terrace, as a gesture to create transparency and connection between the hotel’s indoor and outdoor spaces.

The project was submitted under the Community Investment Incentive Tax Abatement Program (CIITAP). The applicant is requesting the enhanced, 10-year abatement schedule.

The project has received site plan approval and all environmental approvals.

Following is a summary of the costs and benefits as a result of this project:

Financial Cost/Benefit (Ten Years)

	Costs (value of abatement)		Benefits	
Property Taxes	City	\$1,201,840	City	\$1,119,541
	County	\$639,964	County	\$596,140
	School	\$1,686,278	School	\$1,570,805
		\$3,528,081		\$3,286,486
Sales Tax	Local	\$490,464	Local	-
	State	\$490,464	State	-
		\$980,928		-
Mortgage Recording Tax	Local	-	Local	\$135,000
	State	\$45,000	State	-
		\$45,000		\$135,000

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Financial Benefits (five years)

New Wages Paid – Direct Jobs	\$4,685,286
New Wages Paid – Indirect Jobs ¹	\$2,225,510
State & Local Sales Tax Revenue - Direct	\$2,115,070
Indirect Spending (food & beverage, shopping & entertainment) ²	\$7,000,000
State & Local Sales Tax Revenue – from indirect spending	\$560,000
Room Tax Revenue	\$1,212,794

Other Benefits

Infill Development – This project will be constructed on a surface parking lot where The Strand Theatre once stood in downtown Ithaca.

Downtown Density – The project will contribute to a more vibrant downtown by increasing visitor nights downtown.

Job Creation – The project will create 47 direct jobs over three years. The applicant has pledged to the Ithaca Urban Renewal Agency that at least 16 positions will earn at least a “living wage” as defined by AFCU and each employee in the housekeeping department shall also be paid at least 120% of the State minimum wage. Lighthouse Hotels (the management company) offers training and opportunities for advancement. The project will create 14 indirect jobs³.

Energy Efficiency – Participation in the Hilton Worldwide sustainability measurement program known as “lightstay” which includes continuous operations improvement projects in energy monitoring and reduction; water usage reduction and waste management and diversion. In addition, the applicant will implement lighting & electrical engineering initiatives the reduce energy usage along with high efficiency HVAC systems and controls (see addendum to application for more details).

¹ IMPLAN: 2009 labor income multiplier.

² Profile of Visitors to Tompkins County: 2010; Chmura Economic and Analytics.

³ IMPLAN: 2009 employment multiplier.