

Tompkins County Industrial Development Agency

ADMINISTRATION PROVIDED BY 

327 W. Seneca Street / Visum Development Group – Community Benefits Overview *October 11, 2019*

Project Overview

Visum Development Group, an Ithaca based firm that has built and operates over 400 rental housing units in Upstate NY, is proposing a \$1.7 million, 3-story, 12-unit apartment building in the City of Ithaca's Downtown Density District. The developer received a \$200,000 grant from the Tompkins County Affordable Housing Fund to provide 100% of the units to residents earning below 80% of area median income. As a result of the County's investment, the developer will be required to maintain affordability for 49 years and is entering into an agreement with INHS to income qualify prospective tenants. The applicant has also met with the County's Business Energy Advisor to identify opportunities to reduce energy usage in the new building. The applicant is proposing to use 100% local construction labor on the project.

The CIITAP application was approved and endorsed by the City. The applicant is seeking the 10-year enhanced abatement based on financial need I have reviewed the applicant's pro formas and background material and have determined that the project is eligible for the 10-year abatement.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – There will be no direct jobs created as a result of this project.
- Estimated value of tax exemption

\$209,732	Estimated Property Tax Incentive (10 years)
\$48,119	Sales Tax Incentive
<u>\$3,112</u>	Mortgage Recording Tax Abatement
\$260,963	Total Tax Exemption
- Estimate of private sector investment to be generated by the project – \$1,778,422
- Likelihood of completing project in a timely manner – All approvals have been received and demolition of the existing structure has been completed.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions –The assessed value is projected to increase from \$175,000 to \$1,200,000 and it is anticipated that \$250,362 will be paid in new property taxes during the ten year term of the IDA incentive as a result of the project.
- Other benefits that might result from the project:

Infill Development/Neighborhood Revitalization – The proposed 12-unit rental housing project is an infill development project, replacing a dilapidated home on the Seneca Street corridor. The project contributes to the revitalization of that block.

Tompkins County Industrial Development Agency

Affordable Housing – the project will develop 12 units of housing that are available to those earning 80% or less of area median income. The developer has entered into an agreement with the County to operate the affordable units for 49 years.

Accessibility – The project is located in the City of Ithaca’s Downtown core, which encourages walkability and bicycling to nearby employment centers and services.