

Tompkins County Industrial Development Agency

Administration provided by TCAD

City Harbor – Community Benefits Overview

2/5/20

Project Overview

The lively, urban waterfront of Ithaca's future is City Harbor. The project's plans include building a multi-family waterfront community that promotes public lake access through a pedestrian promenade, a full-service restaurant, residential rental units, updated boat slips and marina services next to the City of Ithaca's golf course, and convenient access to medical offices, all situated overlooking Cayuga Lake's Inlet and within walking distance of the Ithaca Farmer's Market. City Harbor embraces the City's draft waterfront plan vision to promote the Newman district as a residential/recreational district. The project team consists of local developers with combined experience in construction, residential and commercial management. Holt Architects and TG Miller are also engaged in this project.

The first phase, which is the subject of this application, encompasses 4.35 acres. Ninety-six housing units with a mix of one and two bedroom units are planned in two buildings. The project amenities include a restaurant that will be available to the public and commercial space that will include health and wellness amenities and light retail.

What is now a gravel surface will be transformed to include 60,000 square feet of green and planted areas. This will include 175 large trees with associated ornamental trees, shrubs, perennial grasses and flowers, and open lawn areas. Among this significant increase in green area, the project will create substantial publicly accessible open spaces. Featured among these is the Waterfront Promenade, which is immediately accessible from the Cayuga Waterfront Trail and invites pedestrians to enjoy approximately 1,700 linear feet of a wide path that connects to a number of open spaces and provides views and access to the water. The promenade connects several new publicly accessible open spaces:

- Paddle Park, where visitors can launch their kayak, canoe, or paddle board;
- Meadow Park, which is comparable in size to Tompkins Park in Fall Creek, where visitors can play games or relax outdoors;
- Terrace Park, which features smaller lawns at different levels and connects to a new public transit stop;
- The Point Promenade and Plaza, where visitors can enjoy views of the Inlet and Farmers Market, transient boats can visit for the day or night, and where the 3,700 sf outdoor dining plaza will feature the best waterfront views the area has to offer.

The applicant is requesting the proposed new enhanced energy incentive for larger multi-family projects. As such the developer will commit to meeting the 2024 requirements of the City of Ithaca Stretch code. The residential units will utilize air source heat pumps and the developer is finalizing plans to utilize the effluent discharge from the nearby waste water treatment facility to further reduce the carbon footprint of the building's heating and cooling systems. This is a very unique approach to significantly reduce the project's carbon footprint and energy use compared to conventional HVAC systems and it comes at much additional cost.

The proposed incentive is a deviation from the IDA's standard policies. The City of Ithaca requested the IDA extend the downtown density district to include the waterfront area to support new development that meets the goals of the new zoning and waterfront plan. The project would fall in that district. At the same time, the City of Ithaca requested the IDA require a set aside of affordable housing units. The IDA reviewed this recommendation and had some concerns, including the extremely high per unit amount of local subsidy, financial feasibility, as well as compliance and monitoring. Discussions were held with City staff and the Common Council's Planning and Economic Development Committee. It was agreed that the IDA would step back, form a committee, and recommend a policy that could further affordable housing development, all of which is underway. It was also

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agreed that the IDA would review projects on a case-by-case basis to determine feasibility. This project provides so many public amenities and access to the waterfront, all of which do not earn any revenue, that the financial feasibility is precarious at best. The new sea wall and associated site work on this site are adding to the costs. A significant amount of owner equity will need to be committed to the project up front, which tremendously reduces the return on investment for the local development team.

Finally, the applicant is requesting a ten-year incentive based on financial need. Several iterations of the construction budget and ten year operating proformas have been reviewed and this project fits well within the parameters for demonstrating financial need. The return on investment is less than 5% in each of the first five years and beyond. A full memo will be forthcoming.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs
 - 4 direct jobs with an average wage of \$64,000/yr
 - Indirect jobs created with 5,400 s.f. restaurant, 2,500 health and wellness facility, and a 660 s.f. retail space
 - 175 construction jobs
- Estimated value of tax exemption

Property Tax Exemption	\$4,732,138
Sales Tax Abatement	\$ 1,839,257
Mortgage Recording Tax	\$89,670
Total	\$6,661,065
- Estimate of private sector investment to be generated by the project – \$44,122,195 (not including land costs)
- Likelihood of completing project in a timely manner – If the incentive package is approved, it is likely that construction will start in the spring of 2020. Over two years of planning and feasibility work have gone into this project, including public information meetings. The project is on track for site plan and SEQR approval in early March. Financing approvals are in progress.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – \$2,3623,255 in projected new property taxes over ten years.
- Other benefits that will result from the project:

Waterfront Access – This is the first significant development on Ithaca’s waterfront and will create a new neighborhood and a host of public amenities accessible to all on the waterfront that includes a public promenade, pocket parks, transient boat slips, boat launch, and waterfront dining. The public amenities encourage access for all to the waterfront.

Housing – The City has a documented need for increased housing located on public transit routes and within walking distance to desirable amenities. The Tompkins County Housing Needs Assessment that was completed by Danter and Company in 2016, found that 54% of nonstudent residents and 33% of in-commuters seeking to relocate within Tompkins County would be looking for housing that is walking distance to shopping, employment, recreation, and schools. 44% of non-student residents and 40% of in-commuters seeking to relocate within Tompkins County said they would be looking for housing that has easy

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access to public transit. The waterfront area is ideal for additional housing and that would provide easy pedestrian, bike, and bus access to parks, the Farmer's Market, and downtown retail centers.

Multi-Modal Connections – The public amenities include a waterfront promenade and boat slips that allows for pedestrian, bike, water, and public transit connections and allows access, as recommended in the City's draft Waterfront Plan, to and from all portions of the waterfront. The connection to the Cayuga Waterfront Trail allows for easy walking or biking to Stewart Park, the Ithaca Farmers Market, and other points beyond. New TCAT transit stop is planned for the site.

Mixed Use – The mix of residential, commercial, retail and waterfront uses will allow the waterfront area to be occupied at all times of day throughout the year, resulting in a more vibrant space.

Green Building and Design – The developer is designing a system to use effluent from the nearby waste water treatment facility to further reduce carbon emissions. The applicant is planning to meet the 2024 requirements of the City's new green building code.

Waterfront Plan Goals – The project meets all six of the goals of the City of Ithaca's waterfront plan:

1. Additional growth and retention of people looking to live in the City
2. Additional housing will provide opportunities for people of all incomes, ages, and abilities to live in the city
3. Enhanced green spaces
4. Housing along the waterfront provides opportunities for people to live within walking distance of major employers and to public transit, which may reduce commuter traffic
5. An increased tax base will reduce the tax burden for all residents
6. The Waterfront will create an economically vibrant residential and commercial district