

Tompkins County Industrial Development Agency

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Carpenter Park Community Medical Center (PG MOB Carpenter Park, LLC) – Community Benefits Overview

October 14, 2020

Project Overview

A 64,000 square foot community medical office building to be constructed on 2.08 acres that will be the focal point in the redevelopment of a broader transformational mixed-use development on an 8.9-acre parcel in the City of Ithaca that will include two mixed used buildings with market rate apartments and commercial space, and a 42-unit affordable housing building, unified by neighborhood streets, pedestrian connections, transit connections, shared parking, and green space.

The medical facility will be a five story, 64,000 square foot building exclusively for Cayuga Medical Center. They will be the sole occupant and lease and operate the building. The building will be the first medical facility in the City of Ithaca built by a local healthcare provider - walkable to city residents and generating jobs for the area. Most importantly, CMC will offer many essential healthcare services at this location that will be Medicaid eligible including women's health, quick urgent care, imaging and specialty services. The programs and services will be targeted to the at-risk minority and low-income community in the City of Ithaca's West End Downtown District. This will allow lower income families to have much better access to health care and essential services.

The majority of the 8.9 acre site is vacant and the parcel has never seen a major development. There are significant development impediments associated with the site- specifically NYSEG easements and poor soils conditions that limit buildability and create increased development costs.

The applicant is requesting a 50-year fixed PILOT payment based on an aggregate property assessment, including the land, of \$4,200,000 for the benefit of CMC as the sole user and occupant of this medical office building. If CMC were to own the building outright, it would not be subject to property tax. The proposed PILOT will ensure a property tax payment, regardless of use or ownership, for 50 years.

The initial 10-year period will be structured based on the CIITAP Financial Need Enhanced Energy Large non-residential incentive and then 1% annual increases in years 11 to 50. In the event that the building is conveyed to the not-for-profit tenant, the property will still be required to remain on the tax rolls for the entire 50 year duration of the agreement. In addition, a sales tax exemption and mortgage recording exemption are requested, as well as a concession to the administrative fee to be ½ of a percent of project costs that will be paid for by CMC over the life of their lease.

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 – Cayuga Medical Center will create 62.5 full time equivalent positions.

- Estimated value of tax exemption

Property Tax (50 years)	\$2,739,078	Assuming a fully taxable site
Sales Tax	\$1,100,000	
Mortgage Recording Tax	\$70,000	

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Total \$3,909,078

- Estimate of private sector investment to be generated by the project - \$32,209,017
- Likelihood of completing project in a timely manner – Site plan approval has been secured. The development team has experience and a track record of successfully completing projects.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – The project will support an estimated \$6,717,778 in new property tax payments to the County, City and school district over 50 years on a parcel that has been vacant for decades.

- Other benefits that might result from the project:

Neighborhood Development – The project will transform a long vacant lot near the City of Ithaca’s waterfront into a new urban neighborhood that is in close proximity to amenities and services.

Healthcare Services – The project will provide important health services to one of the most economically distressed minority populations in the city of Ithaca, including expanded primary care access for Medicaid patients. Only 35% of primary care providers in Tompkins County are open to new Medicaid patients as compared to 79% nationally.

Bike-Pedestrian Link – The site promotes a walkable, bikeable neighborhood with increased sidewalk footprints and traffic calming measures along Route 13. There is also proximate access to the Cayuga Waterfront Trail.

Green Building and Design – The developer is seeking the enhanced energy incentive for non-residential buildings, aiming to meet the 2025 requirements of the City of Ithaca’s stretch code.