

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

Incodema – Community Benefits Overview

2/10/21

Project Overview

Incodema was founded in Ithaca in 2001. The company supplies custom complex metal stampings, fabrication, cuttings and assemblies to customers within 5- 7 days. Most components are small enough to fit in the palm of your hand. The customer base is across the U.S. Incodema has outgrown its current facility in the City of Ithaca and considered several options for expansion within Tompkins County and neighboring counties.

The project is the purchase and renovation of an existing, long vacant 27,000 square foot building located at 1920 Slaterville Road in the Town of Dryden. Local developer, Lincoln Morse of Strategic Elements Development Company will purchase, renovate, and lease the building to Incodema. The work will be predominantly interior to the existing structure, including electrical and HVAC upgrades and configuration to suit the needs of Incodema. The building is well positioned for future expansion as Incodema continues to grow. Equipment purchases are also included in the project cost.

The purchase and interior renovations will not significantly increase the value of the building and as a result, I am recommending a schedule that will provide an established tax payment for 7 years that is based on the taxes associated with the current value of the building followed by a three year phase in of the estimated full tax payment (see detail on the last page of the application package). This structure is consistent with the IDA's incentive for Emmy's Organics when the company purchased an existing building in 2019. This structure deviates from the IDA's standard policy. The standard sales tax and mortgage recording tax incentive are contemplated as well.

The value of the proposed incentive package is under \$100,000 so there is no requirement to hold a public hearing. The applicant is requesting approval at the 2/10/21 meeting. The total project cost at \$2,127,000 and the projected incentive package is relatively small for an IDA project. As a result, I recommend the IDA waive the \$1,000 application fee and reduce the IDA fee from 1% of project costs to \$5,000.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – Retains 47 and creates 8 new jobs over three years. All jobs earn at least the AFCU living wage. An estimated 20 construction jobs will be created.
- Estimated value of tax exemption – 4% of total project costs

Property Tax	\$46,377
Sales Tax	\$32,000
Mortgage Tax	
TOTAL	78,377

- Estimate of private sector investment to be generated by the project – \$2,127,000 investment in a

long vacant building along with renovations and equipment.

- Likelihood of completing project in a timely manner – Municipal approvals are in place and applicant has outgrown the current facility. There is commitment on the part of the developer to complete renovations in a timely manner.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – This project puts back into productive use a long vacant industrial property that will generate new property taxes over the long term.
- Energy Saving Measures – The development team is installing air source heat pumps where possible, installing LED lighting and low wattage equipment. Water reclamation for the equipment will be implemented. The team is planning for a LEED certification after 1 year of occupancy in the building