

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

Community Investment Incentive Tax Abatement Program Policy

Adopted June 9, 2021

The Community Investment Incentive Tax Abatement Program (CIITAP) was developed in partnership between the City of Ithaca and the Tompkins County Industrial Development Agency (TCIDA). The objective of the program is to encourage development in the City of Ithaca that would increase jobs, increase the tax base, promote density in the City core, encourage rehabilitation and redevelopment of underutilized sites, and create a vibrant downtown center. The program supports the following goals of the Tompkins County Comprehensive Plan:

- Strengthen and enhance the City of Ithaca’s downtown area as the urban center of the county.
- Increase the amount and density of housing and business space in the central business districts throughout the county.
- Promote greater density by encouraging development of existing ‘gaps’ left by abandoned buildings and vacant parcels.

Eligibility

Applicants must meet all of the following requirements:

Value – Project must increase the assessed value of the property by at least \$500,000. Applicant must provide a letter from the Tompkins County Department of Assessment that states that the project will result in an estimated increase in the assessed value of the property by at least \$500,000.

Density – Project must either:

- Contain a minimum of 3 occupiable stories in height; or
- Be a major restoration of an existing structure.

Location – Project must either be:

- Located in the City of Ithaca Density District; or
- A redevelopment of a Brownfield site that is registered as a DEC inactive hazardous waste disposal site. Use the keywords “Tompkins County” to search eligible properties in the DEC Environmental Site Remediation Database here:
<https://www.dec.ny.gov/cfm/xtapps/derexternal/index.cfm?pageid=3>

Municipal Compliance – Applicant must provide proof that all properties owned by the applicant in the City of Ithaca are in compliance with all applicable local laws and regulations, consent agreements, and orders of the Director of Code Enforcement, and current on all taxes, assessments, fees and penalties due to the City. Properties owned by an applicant in the City of Ithaca shall include any property for which an applicant or their partners has an ownership interest of 20% or more. Partners shall include any partners owning 20% or more of the project's Limited Liability Company (LLC), Corporation, or project equity.

Applicants must also comply with requirements as set forth in the Tompkins County Industrial Development Agency [Uniform Tax Exemption Policy](#) and any other policies in place at time of approval, including the

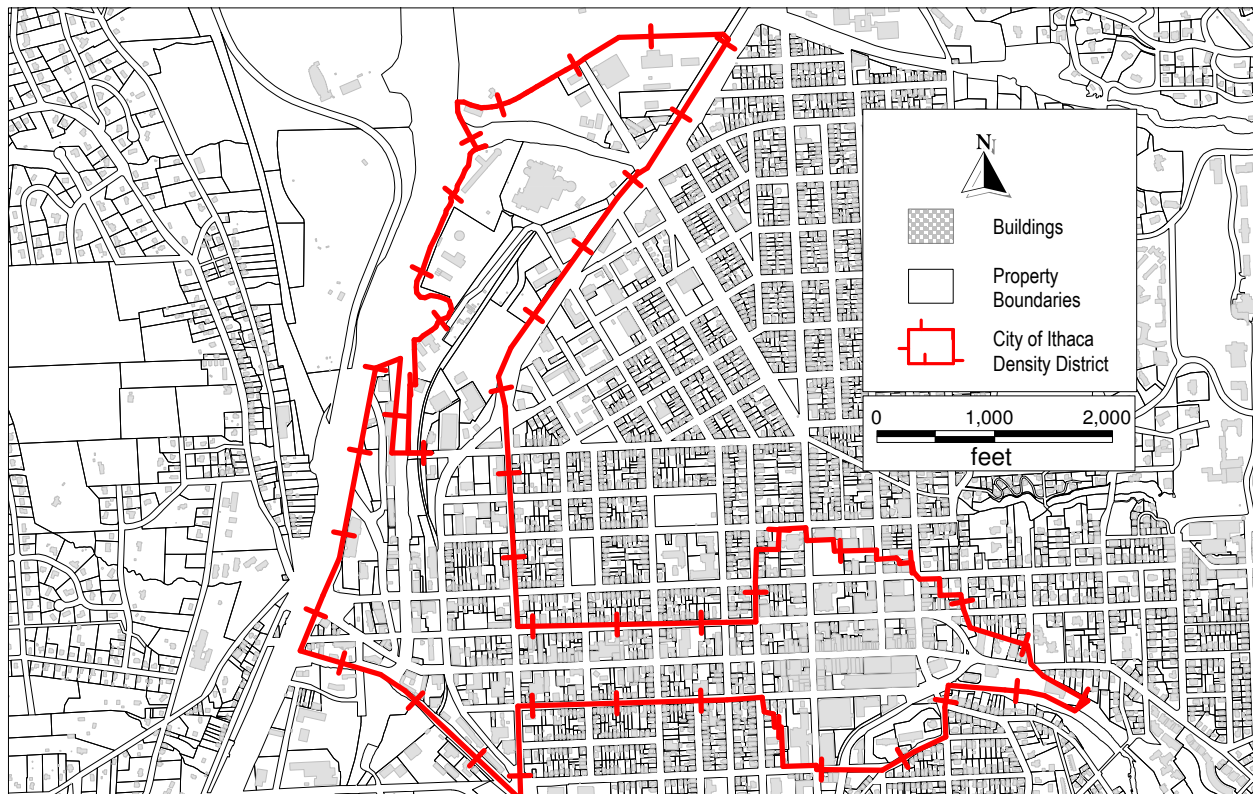
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[Construction Labor Policy](#), [Workforce Housing Policy](#), and [Diversity and Inclusion Policy](#). Eligible applicants may also qualify for an enhanced energy incentive as outlined in the [Enhanced Energy Incentive Policy](#).

City of Ithaca Density District Boundary

CITY OF ITHACA DENSITY DISTRICT



NY State Plane, Central GRS 80 Datum
Map Source: City of Ithaca Zoning 2017 Ordinance
Map Prepared by: GIS Planning, City of Ithaca, NY, 6 July 2018.

Incentive Package

The CIITAP program provides the following incentives:

Property Tax Abatement – Applicants will receive the standard seven (7) year property tax incentive as outlined in the Uniform Tax Incentive Policy. The abatement applies to the improvement and begins at 90% in year one and declines in equal increments over the seven-year term.

A CIITAP applicant can request an enhanced property tax abatement that begins at 100% in year one and decreases in equal increments over ten (10) years if the applicant can demonstrate financial need as

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determined by a TCIDA administrative staff review of the reasonableness of the construction budget and a five-year operating pro forma that demonstrates an annual cash on cash return on investment after debt service of less than 10% in each of the first ten years.

Standard, 7 Year Schedule	
Year	Abatement
1	90%
2	77%
3	64%
4	51%
5	39%
6	26%
7	13%

CIITAP Financial Need	
Year	Abatement
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%

The TCIDA retains the ability to offer more than the standard abatement package based on an analysis of the impact on the economy, the needs of the business, and input from the City of Ithaca. The TCIDA may negotiate additional abatements based on financial need.

Sales Tax Abatement – The applicant will be exempt from both the local and State portion of sales tax on construction materials, equipment, and furnishings associated with the project.

Mortgage Recording Tax Abatement – The applicant will be exempt from the State portion of the Mortgage Recording Tax (\$2.50 per \$1,000).