

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

McKinley Ithaca, LLC (401 E. State St.) – Community Benefits Overview **5/12/21**

Project Overview

The Project seeks to redevelop the existing surface parking lot of Gateway Center located at 401 E. State Street and provide 7 levels that includes 353 residential apartments and a parking structure with 267 parking stalls. Over 7,500 SF of amenity space will be provided as well as outdoor courtyards and seating areas. The Project will also extend the Six Mile Creek trail from its current terminus to the eastern edge of the property and onto City owned property creating a tremendous public benefit.

While parking is not required within CBD-60 zoning, the Project replaces the existing Gateway Center surface parking (152 spaces) that are being displaced with this Project. The Project also provides 115 parking spaces for residents of the Project. 122 spaces of the total 267 spaces will be available to the public after business hours providing another meaningful public benefit given the current constraints in parking supply in downtown Ithaca.

The Project is consistent with the Comprehensive Plan and the Downtown Design Guidelines for the Tuning Fork Character Area. The Project will help to relieve downtown Ithaca's housing shortage and provide a well-conceived pedestrian-oriented apartment community in the heart of downtown to serve a variety of residents from the local community and universities.

The applicant is requesting the CIITAP Financial Need / Enhanced Energy Large Multi-Family Project Incentive. The project is being designed to achieve the 12 points required under the 'Easy Path' compliance path of the 2025 requirements for the City of Ithaca's Green Building Policy. The green building practices are outlined on page 5 of the project application. The applicant will comply with the Workforce Housing Policy and remit payment of \$1,765,000 to the Community Housing Development Fund at Closing.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – 10 jobs during the first year of operation with an average annual salary of \$41,906.88
- Estimated value of tax exemption – 15.82% of total project costs

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| Property Tax | \$15,743,029 |
| Sales Tax | \$2,682,120 |
| Mortgage Tax | \$182,328 |
| TOTAL | \$18,607,477 |

- Estimate of private sector investment to be generated by the project – \$117,631,108
- Likelihood of completing project in a timely manner – McKinley Development Companies, LLC is a national, full-service real estate firm with a dedicated equity fund that develops best-in-class

apartment communities. The development team has developed more than 30 individual properties and has experience in high-rise and mixed-use development.

- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – A projected \$7,862,152 in new property taxes over 10 years.
- Other benefits that might result from the project:

Infill Development – This is an infill development project in the heart of downtown, replacing a surface parking lot and one-story building with 353 units of housing, 267 parking spaces, over 7,500 square feet of amenity space including outdoor courtyards and seating areas, and an extension of the Six Mile Creek trail.

Affordable Housing – The project will contribute \$1,765,000 to the Tompkins County Community Housing Development Fund to support affordable housing development in the county.

Accessibility – The project is walkable to downtown and transit connections.

Green Building and Design – The project will meet the 2025 requirements of the City of Ithaca’s green building code as outlined in the application (page 5).