

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

Cliff Street Retreat – Community Benefits Overview

9/14/22

Project Overview

The Cliff Street Retreat is an adaptive reuse of an existing manufacturing facility at 407 Cliff Street in the City of Ithaca. The project will convert a 25,297 square foot industrial building into a 43,085 square foot multi-use building that will include ten apartments, six hotel lofts, and four hotel cottages in a new building. There will be a café and bar/lounge that reflects the quiet elements of the West Hill neighborhood, boutique retail spaces that will promote an entrepreneurial startup community, and a mix of professional office spaces. The project developer will partner with Discover Ithaca to manage and lease the hospitality programs with its lifestyle hotel rooms and associated amenities. The vision is to create a pedestrian friendly community that emphasizes health and wellness, public inclusion and overall value to the City, its residents, and visitors.

The project site is located outside the density district boundaries where projects are eligible for the Community Investment Incentive Tax Abatement Program (CIITAP). However, the IDA's Uniform Tax Exemption Policy allows for retail/commercial projects to be considered for incentives if the project is endorsed by the host community. The City of Ithaca provided an endorsement for this project. The Common Council and the Planning & Development Board went through a lengthy review process to consider a Planned Unit Development. This process included a detailed examination of the projects, its relationship to the City comprehensive plan, and community benefits to be derived from the project.

The applicant has requested the 10-year financial need incentive along with the standard sales tax and property tax incentives. This is a deviation from the standard incentive policy as it is outside of the CIITAP boundary which has been detailed in the previous paragraph. The construction budget and pro formas have been reviewed and adequately demonstrate the financial need requirements; a memo will be forthcoming.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – Discover Ithaca, the hospitality operator, will retain three and create five new jobs. Payroll over the first three years of operation is projected at \$2,449,913. An estimated 47 to 50 temporary construction jobs will support the project.

- Estimated value of tax exemption – 11.16% of total project costs

Property Tax	\$759,951
Sales Tax	\$301,600
Mortgage Tax	\$19,361
TOTAL	\$1,080,912

- Estimate of private sector investment to be generated by the project – \$9,680,264

- Likelihood of completing project in a timely manner – The individuals that have partnered to develop this project specialize in acquisition and redevelopment of older service and manufacturing facilities. They have a track record of redevelopment and adaptive reuse. Recent projects include the redevelopment of a vacant building in Dryden for Incodema, and the adaptive re-use of the former Cornell Press building for GreenStar.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – The property will contribute an estimated \$664,048 in new property taxes over the next 10 years.
- Other benefits that might result from the project:

Affordable Housing – The project will contribute \$50,000 to the Tompkins County Community Housing Development Fund to support affordable housing development.

Accessibility – The project is walkable to downtown and transit connections and will add a pedestrian connection between Cass Park/Children’s Garden/Black Diamond Trail and the West Hill Community.

Adaptive Reuse/ Neighborhood Vitality – The project reusing an existing non-conforming industrial facility, weaving this building back into the fabric of the residential neighborhood with low density housing, neighborhood scale retail, restaurant and community meeting space.

Tourism/Visitor Experience – The project adds a unique experience that will attract visitors to experience Ithaca and the region. They are estimating anywhere from 50 to 200 visitors per year with an average length of stay between seven and 10 days.

Green Building and Design:

- 85% of construction debris recycled or re-used
- Air source heat pumps for all HVAC systems
- Upgraded and insulated building envelope
- All glazing to meet or exceed new green building code
- All interior and exterior lighting will be LED