

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

121-125 Lake Street, LLC (The Breeze)- Community Benefits Overview **2/8/23**

Project Overview

Located on the historic Ithaca Gun factory site, the Breeze is positioned to bring new life to a storied property. The project will begin with the cleanup of a brownfield site that has been contaminated for years, putting the community and the environment at risk. After the clean-up, already approved by DEC, the developer will start the construction of a modern residential building overlooking Ithaca Falls and Cayuga Lake.

The 1.42 acre property will be transformed into an 104,575 square foot residential building with 77 units and approximately 4,000 sf of amenity space. Ground-level parking will provide 77 car spots, including EV charging stations. Amenities include a resident lounge, rooftop patio, pet spa, community kitchen, fitness center, bike storage, and flexible community space. A bridge and overlook constructed and paid for by Visum on City land will provide residents and community members access to view Ithaca Falls from above.

This project is very unique as it is a redevelopment of a Brownfield site that is registered as a DEC inactive hazardous waste disposal site. The clean-up piece of the development adds an additional \$3 million to a project that is already constrained by the high cost of borrowing and a 20% increase in residential construction costs in just one year (source: Bureau of Labor Statistics) The complexities of the site led to the former owner abandoning a site plan approved redevelopment of the site.

The project is eligible under the Community Investment Incentive Tax Abatement Program (CIITAP). The applicant meets the financial need for the 10-year CIITAP incentive schedule– a memo will be forthcoming. The project complies with the Workforce Housing Policy, contributing \$385,000 to the Community Housing Development Fund to support affordable housing development throughout the County.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – This is a community development project and as such, there would be no direct job creation. An estimated 100 temporary construction jobs would be created.
- Estimated value of tax exemption – 13.2% of total project costs

Property Tax	\$4,076,111
Sales Tax	\$960,346
Mortgage Tax	\$64,891
TOTAL	\$5,101,318

- Estimate of private sector investment to be generated by the project – \$38,634,655
- Likelihood of completing project in a timely manner – SEQR has been completed and final site plan

secured. Visum Development has a track record. The company was nominated the fastest-growing company in Upstate NY by Inc.5000 and the #24 fastest-growing private real estate company in the U.S. The company has a pipeline of 11 projects and 750 units under development.

- Extent to which project would generate additional sources of revenue for local taxing jurisdictions \$3,561,724 in projected new property taxes as a result of the project.
- Other benefits that might result from the project:

Environmental Clean-up/Revitalization – The project is a Brownfield that is registered as a DEC inactive hazardous waste disposal site. Clean-up of the blighted property will allow for redevelopment of this iconic site and revitalize the area.

Affordable Housing – The project developer will comply with the Workforce Housing Policy, contributing \$385,000 the Community Housing Development Fund.

Accessibility – New residential units will be added to the urbanized core creating opportunities for walking, biking, and using public transportation.

Public Access – A bridge and overlook constructed and paid for by Visum on City land will provide residents and community members access to view Ithaca Falls from above.

Green Building and Design – The Breeze is an all-electric building. Energy efficiency elements include low water usage plumbing fixtures, all LED lighting, enhanced building envelope, enhanced daylighting through larger windows, all electric and very efficient HVAC.

Direct Economic Impacts of Construction – \$4.4 million in direct payroll and \$10.5 million in local spending

121-125 Lake Street, LLC Cost Benefit Analysis

Assumptions
 \$ 2,324,000 Current Assessment
 \$ 20,234,798 Increase in Assessment
 2.00% Annual Tax Rate/Assessment Increase

County 5.654303
 City 11.980000
 Village 16.837842
 School 34.472145
Total 34.472145

10-Year Schedule

Year	Abatement Multipliers	Taxable Value
1	1.0000	20,234,798
2	0.9000	20,639,494
3	0.8000	21,052,284
4	0.7000	21,473,330
5	0.6000	21,902,796
6	0.5000	22,340,852
7	0.4000	22,787,669
8	0.3000	23,243,422
9	0.2000	23,708,291
10	0.1000	24,182,457

Year	Abatement	New Taxes Paid \$ 3,561,724					Existing Taxes Paid	Total Taxes Paid	Taxes Abated \$ 4,076,111					Total Taxes Abated
		County	City	Village	School	New Taxes Paid			County	City	Village	School		
1	100%	0	-	-	-	-	80,113	114,414	242,413	-	340,710	697,537		
2	90%	11,670	24,726	-	34,752	71,149	81,716	105,032	222,555	-	312,772	640,339		
3	80%	23,807	50,441	-	70,895	145,143	83,350	95,229	201,765	-	283,580	580,574		
4	70%	36,425	77,175	-	108,469	222,070	85,017	84,992	180,075	-	253,095	518,162		
5	60%	49,538	104,958	-	147,518	302,015	86,717	74,307	157,437	-	221,277	453,022		
6	50%	63,161	133,822	-	188,086	385,069	88,452	63,161	133,822	-	188,086	385,069		
7	40%	77,309	163,798	-	230,217	471,324	90,221	51,539	109,199	-	153,478	314,216		
8	30%	91,998	194,919	-	273,958	560,875	92,025	39,428	83,537	-	117,411	240,375		
9	20%	107,243	227,220	-	319,357	653,821	93,865	26,811	56,805	-	79,839	163,455		
10	10%	123,061	260,735	-	366,462	750,259	95,743	13,673	28,971	-	40,718	83,362		
Total		584,213	1,237,795	0	1,739,716	3,561,724	877,218	668,585	1,416,558	0	1,990,967	4,076,111		

Project Costs \$ 38,634,655
Hard Costs \$ 24,008,663

Sales Taxes Abatement
 category value
 construction 12,004,331
 ff&e -
Total 12,004,331

Mortgage Recording Tax Abatement
 Mortgage 25,944,295
Tax 64,861

Fees
 IDA (1% of Hard Costs) \$240,087
 IDA Attorney (approx 33% of IDA fee) \$120,043
 Housing Fee \$385,000
 IDA app \$1,000
Total \$746,130

Summary	
\$ 4,076,111	Total Property Tax Abatement
960,346	Sales Tax Abatement
64,861	Mortgage Recording Tax Abatement
\$ 5,101,318	Total IDA Incentives

Incentive as a percentage of project costs
 13.20%