



## TCIDA TAX INCENTIVE APPLICATION

### **Memo: The Citizen - TCIDA Tax Incentive Application**

**Location:** 602 West Buffalo Street Ithaca, New York

**Date:** May 19th, 2023

**Contact:** Julia Bucher

Senior Development Manager

607.269.7300 ext. 06

[julia@visumdevelopment.com]

Dear Heather:

With great pleasure, the Visum team submits this TCIDA tax incentive application for The Citizen at 602 West Buffalo Street on Ithaca's West End. We plan on demolishing the existing building to construct a primarily **residential mixed-use development**, comprising **five stories** with **80 units** on 4 floors, **two commercial spaces** and **26 ground-level covered parking spaces**. The Planning board issued a Negative Declaration (S/CEQRA) on January 31, 2023 and the project received Final Site Plan Approval on February 28, 2023.

The development is located in one of New York State's Qualified Opportunity Zones (QOZ), which consists of designated distressed communities where NYS wants to encourage economic development, job creation, increased access to goods and services, and improved quality of life for residents in these communities. The project was designed to bring a diverse mix of housing units to Ithaca's West End.

We request that TCIDA considers this project for a **10-year real property tax exemption**.

Assistance is necessary for the project due to unparalleled pressures on the local housing market and the wider industry, which is experiencing a significant surge in costs in a challenging financial market. The prices of goods used in residential construction have risen year over year, according to the latest Producer Price Index (PPI) report from the Bureau of Labor Statistics (BLS). The report also shows these prices have increased significantly since the start of the global pandemic. Rising hard costs, coupled with increasing soft costs of development entitlement and charges imposed by local authorities, make it unlikely for the project to attract private investor capital and bank financing without the CIITAP abatement. The project is expected to achieve a cash-on-cash return of less than 10%.

The Citizen, which intends to be a new community landmark and an homage to all of Ithaca's citizens, was designed to meet the Ithaca Energy Code Supplement's 2023 requirements contributing significantly to Ithaca's commitment to reducing greenhouse gas emissions. This project is an all-electric building and meets the twelve required points from the Compliance Path/Easy Path by providing heat pumps for space heating, electric stoves, and ventless heat pump clothes dryers. Additionally, the project meets the development density and walkability criteria and has a sub-1.0 parking ratio to encourage walking, bicycling, bus use, and other light or shared modes.

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Located within walking and biking distance to downtown and many of Ithaca's beloved destinations, The Citizen will provide much-needed housing to the Ithaca area, creating more living options for current and future Ithaca residents and two spaces for new businesses in Tompkins County. We look forward to working with you to ensure that we can make this dream a reality with TCIDA's support.

Sincerely,

A handwritten signature in black ink that reads "Julia Bucher". The signature is written in a cursive, flowing style.

**Julia Bucher**

Senior Development Manager, Visum Development Group