

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

**TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING
Wednesday, September 11, 2024 • 2:00 – 4:00 PM**

**Legislative Chambers
Governor Daniel D. Tompkins Building
121 E. Court Street, Ithaca NY**

THIS MEETING WILL BE LIVESTREAMED
Link to live stream channel: <https://tinyurl.com/weo3tkk>

AGENDA

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PREPARED FOR:

Tompkins County Industrial Development Agency
119 East Seneca Street, Suite 200
Ithaca, NY 14850

Reasonableness Assessment for Financial Assistance - DRAFT

SHIFT CHAINWORKS OWNER 1, LLC – SOUTHWORKS PROJECT

AUGUST 2024

PREPARED BY:



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EXECUTIVE SUMMARY

Project Description

The Tompkins County Industrial Development Agency (Agency) received an application from Shift Chainworks Owner 1, LLC (Applicant) for financial assistance to construct a major mixed-use development known as the SouthWorks Project (Project) in the City and Town of Ithaca. The project will feature 915 housing units, 450,000 square feet of commercial use, and 250,000 square feet of industrial and manufacturing use.

The Project represents a nearly \$588 million investment and is anticipated by the Applicant to generate 1,115 full-time permanent jobs upon full build-out. To support this project, the Applicant requests financial assistance through a Payment In Lieu of Taxes (PILOT) agreement. The analysis compares two different PILOT schedules. The Requested PILOT phases the improvement value over the period of 20 years, starting at 90% in year one and going to 20% in year 20. The Standard PILOT phases the improvement value in over a period of 10 years, starting at 100% abatement in year 1 with 0% abatement in years 11-20. The provided PILOT scenarios are estimates to be used for analysis; the actual timing and value of the PILOT will be determined based on the phases of development.

Purpose of this Analysis

An objective, third-party review of a project's assumptions and estimated operating and financial performance helps Industrial Development Agencies perform a complete evaluation of a proposed Project. Camoin Associates was engaged to analyze the Project and deliver an analysis and opinion to answer three questions:

- ◆ Are the operating assumptions, such as rent, vacancy, and expenses, within norms for the region?
- ◆ Is the assistance necessary for the Project to be financially feasible and, therefore, undertaken by the Applicant?
- ◆ If assistance is awarded, will the Applicant's rate of return on investment be similar to market expectations for similar projects in the region and, therefore, reasonable?

Findings: This analysis concludes that the answer to each of these questions is as follows:

- **Most of the assumptions are in line with local and regional benchmarks; however, for purposes of the analysis, the vacancy rate was adjusted from between 1-5% to 2% for the residential component ~~and residential rent is~~, and residential rent was increased by 4% each year from 2%.**
- **The Project is cash flow positive without a PILOT and when considering the two PILOT scenarios.**
- **The rate of return to the Applicant is enough to meet market expectations under ~~both PILOT scenarios~~ all three scenarios, however it is best under the Requested PILOT.**

1. OPERATING ASSUMPTIONS

The Applicant’s operating assumptions are compared to CoStar estimates for rent in 2023 in Tompkins County. The provided rent per square foot for office and commercial space is very close to the average for the county. The provided rent per square foot for residential and manufacturing uses is slightly higher than the average for the area. However, closer inspection indicates that these rates are reasonable for the following reasons:

- Residential: The average rent for Tompkins County figure is across the entire county and does not account for the much higher rent per square foot generated for residential uses within the downtown area, where the Project will be. Therefore, the higher residential rent asked for in the Project aligns with market expectations.
- Manufacturing: The manufacturing space average rent is looking at more traditional manufacturing space throughout the county. The Project will more closely resemble flex/R&D space with higher office build-outs and smaller unit sizes with higher per square foot costs.

Residential and Commercial Rent Comparison

Type of Use	Square Feet	Rent per Square Foot (1)	Rent per Year	Average for Tompkins County (2)	Benchmarks
Residential	939,590	\$3.53	\$39,757,050	\$2.12	Rent is 1.66 times the average rent
Office	130,528	\$20.00	\$2,610,550	\$23.20	Rent is .86 times the average rent
Commercial	34,765	\$23.00	\$799,595	\$23.87	Rent is .96 times the average rent
Manufacturing	205,530	\$10.00	\$2,055,300	\$6.50	Rent is 1.54 times the average rent

(1) Source: Applicant

(2) Source: CoStar, 2023 data

2. PILOT ANALYSIS

The following table compares the property tax payments made under three scenarios

1. No PILOT: The Project occurs, there is no PILOT, and full taxes are paid.
2. Requested PILOT: The Project occurs and is awarded the requested 20-year PILOT schedule.
3. Standard PILOT: The Project occurs and is awarded the standard 10-year PILOT schedule and pays full taxes starting in year 11.

Property Tax Comparison

Year	No PILOT	Requested PILOT	Standard PILOT
1	\$ 4,520,360	\$ 545,441	\$ 103,783
2	\$ 4,610,767	\$ 556,350	\$ 556,350
3	\$ 4,702,982	\$ 567,477	\$ 1,026,977
4	\$ 4,797,042	\$ 578,826	\$ 1,516,207
5	\$ 4,892,983	\$ 590,403	\$ 2,024,596
6	\$ 4,990,842	\$ 1,089,837	\$ 2,552,714
7	\$ 5,090,659	\$ 1,111,633	\$ 3,101,146
8	\$ 5,192,472	\$ 1,133,866	\$ 3,670,495
9	\$ 5,296,322	\$ 1,674,016	\$ 4,261,377
10	\$ 5,402,248	\$ 1,707,496	\$ 4,874,426
11	\$ 5,510,293	\$ 2,280,024	\$ 5,510,293
12	\$ 5,620,499	\$ 2,325,624	\$ 5,620,499
13	\$ 5,732,909	\$ 2,932,266	\$ 5,732,909
14	\$ 5,847,567	\$ 2,990,911	\$ 5,847,567
15	\$ 5,964,518	\$ 3,633,487	\$ 5,964,518
16	\$ 6,083,809	\$ 3,706,157	\$ 6,083,809
17	\$ 6,205,485	\$ 4,386,581	\$ 6,205,485
18	\$ 6,329,595	\$ 4,474,313	\$ 6,329,595
19	\$ 6,456,187	\$ 5,194,595	\$ 6,456,187
20	\$ 6,585,310	\$ 5,298,487	\$ 6,585,310
Total	\$ 109,832,848	\$ 46,777,788	\$ 84,024,244
Average Annual	\$ 5,491,642	\$ 2,338,889	\$ 4,201,212

Source: IDA, Camoin Associates

The following table calculates two things:

- (1) *How much of the taxes are being abated:* the difference between what the property would generate if the Project occurred and paid full taxes and what will be paid under the PILOT scenario.
- (2) *How much new revenue will the municipalities receive over the current revenue generated:* the difference between what the property would generate if the Project did not occur and what will be paid under the PILOT scenario.

Requested PILOT

- With the requested PILOT, 57% of the Applicant’s taxes will be abated, resulting in over \$63 million in foregone tax revenue to municipalities.
- With the requested PILOT, the municipalities will receive \$44.2 million more in taxes than they currently receive without the Project.

Standard PILOT

- With the standard PILOT, 23% of the Applicant’s taxes will be abated, resulting in over \$25.8 million in foregone tax revenue to municipalities.
- With the standard PILOT, the municipalities will receive \$81.5 million more in taxes than they currently receive without the Project.

Real Property Tax Comparison

	Requested PILOT	Standard PILOT
<i><u>Comparison of Taxes on Full Value of Project and with PILOT</u></i>		
Taxes without PILOT	\$109,832,848	\$ 109,832,848
Less: PILOT/Tax Payments	<u>(\$46,777,788)</u>	<u>(\$84,024,244)</u>
Foregone Revenue (Benefits to Project)	\$63,055,060	\$25,808,604
Abatement Percent	57%	23%
<i><u>Net New Taxes Compared with No Project</u></i>		
PILOT	\$46,777,788	\$84,024,244
Less: Estimated Taxes without Project	<u>(\$2,521,661)</u>	<u>(\$2,521,661)</u>
Estimated New Tax Revenue (Benefits to Municipalities)	\$44,256,127	\$81,502,583

The following tables provide more details regarding the benefits of PILOT to the Applicant and municipalities.

Requested PILOT and Tax Comparison (20 year PILOT)							
Year	<i>Benefits to Municipalities</i>			<i>Benefit to Project</i>			
	Total Taxes Paid	Less: Current Tax Revenues	Net New Tax Revenues	Taxes Owed after Project Completion	Less: Total Taxes Paid	Estimated Savings to Project	Share of Estimated Taxes Owed
1	\$545,441	\$103,783	\$441,658	\$4,520,360	\$545,441	\$3,974,919	12%
2	556,350	105,859	450,491	\$4,610,767	556,350	4,054,417	12%
3	567,477	107,976	459,501	\$4,702,982	567,477	4,135,505	12%
4	578,826	110,136	468,691	\$4,797,042	578,826	4,218,215	12%
5	590,403	112,338	478,064	\$4,892,983	590,403	4,302,580	12%
6	1,089,837	114,585	975,251	\$4,990,842	1,089,837	3,901,006	22%
7	1,111,633	116,877	994,756	\$5,090,659	1,111,633	3,979,026	22%
8	1,133,866	119,214	1,014,652	\$5,192,472	1,133,866	4,058,606	22%
9	1,674,016	121,599	1,552,417	\$5,296,322	1,674,016	3,622,306	32%
10	1,707,496	124,031	1,583,465	\$5,402,248	1,707,496	3,694,752	32%
11	2,280,024	126,511	2,153,513	\$5,510,293	2,280,024	3,230,269	41%
12	2,325,624	129,041	2,196,583	\$5,620,499	2,325,624	3,294,874	41%
13	2,932,266	131,622	2,800,643	\$5,732,909	2,932,266	2,800,643	51%
14	2,990,911	134,255	2,856,656	\$5,847,567	2,990,911	2,856,656	51%
15	3,633,487	136,940	3,496,547	\$5,964,518	3,633,487	2,331,031	61%
16	3,706,157	139,679	3,566,478	\$6,083,809	3,706,157	2,377,652	61%
17	4,386,581	142,472	4,244,109	\$6,205,485	4,386,581	1,818,904	71%
18	4,474,313	145,322	4,328,991	\$6,329,595	4,474,313	1,855,282	71%
19	5,194,595	148,228	5,046,367	\$6,456,187	5,194,595	1,261,592	80%
20	5,298,487	151,193	5,147,294	\$6,585,310	5,298,487	1,286,824	80%
Totals	\$46,777,788	\$2,521,661	\$44,256,127	\$109,832,848	\$46,777,788	\$63,055,060	43%

Source: Applicant, Tompkins County IDA, Camoin Associates

Standard PILOT and Tax Comparison (20 year PILOT)

Year	<i>Benefits to Municipalities</i>			<i>Benefit to Project</i>			
	Total Taxes Paid	Less: Current Tax Revenues	Net New Tax Revenues	Taxes Owed after Project Completion	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1	\$103,783	\$103,783	\$0	\$4,520,360	\$103,783	\$4,416,576	2%
2	556,350	105,859	450,491	\$4,610,767	556,350	4,054,417	12%
3	1,026,977	107,976	919,001	\$4,702,982	1,026,977	3,676,005	22%
4	1,516,207	110,136	1,406,072	\$4,797,042	1,516,207	3,280,834	32%
5	2,024,596	112,338	1,912,258	\$4,892,983	2,024,596	2,868,387	41%
6	2,552,714	114,585	2,438,129	\$4,990,842	2,552,714	2,438,129	51%
7	3,101,146	116,877	2,984,269	\$5,090,659	3,101,146	1,989,513	61%
8	3,670,495	119,214	3,551,281	\$5,192,472	3,670,495	1,521,977	71%
9	4,261,377	121,599	4,139,778	\$5,296,322	4,261,377	1,034,945	80%
10	4,874,426	124,031	4,750,396	\$5,402,248	4,874,426	527,822	90%
11	5,510,293	126,511	5,383,782	\$5,510,293	5,510,293	0	100%
12	5,620,499	129,041	5,491,457	\$5,620,499	5,620,499	0	100%
13	5,732,909	131,622	5,601,287	\$5,732,909	5,732,909	0	100%
14	5,847,567	134,255	5,713,312	\$5,847,567	5,847,567	0	100%
15	5,964,518	136,940	5,827,579	\$5,964,518	5,964,518	0	100%
16	6,083,809	139,679	5,944,130	\$6,083,809	6,083,809	0	100%
17	6,205,485	142,472	6,063,013	\$6,205,485	6,205,485	0	100%
18	6,329,595	145,322	6,184,273	\$6,329,595	6,329,595	0	100%
19	6,456,187	148,228	6,307,958	\$6,456,187	6,456,187	0	100%
20	6,585,310	151,193	6,434,118	\$6,585,310	6,585,310	0	100%
Totals	\$84,024,244	\$2,521,661	\$81,502,583	\$ 109,832,848	\$84,024,244	\$25,808,604	77%

Source: Applicant, Tompkins County IDA, Camoin Associates

3. OPERATING PERFORMANCE

The operating performance of the Project is measured using Year 7 of the Applicant's Pro Forma under both PILOT scenarios (five years after the start of normal debt service payments in Year 3). The Applicant assumes that gross revenue and expenses will escalate at 2% per year, respectively. However, for the analysis, a 4% annual increase in residential rent and a 2% increase in non-residential rent were used to mirror current conditions.

Applicant assumes there will be between a 1% and 5% vacancy for the residential space is stabilized and approximately 8% vacancy for non-residential space. For purposes of the analysis, a 2% vacancy rate was used for the residential uses. Actual vacancy rates in downtown Ithaca are less than 3.7%, but even with the lower vacancy rate (and higher EGI), a PILOT is still required to achieve industry expectations around The applicant assumes there will be between a 1% and 5% vacancy for the stabilized residential space and approximately 8% vacancy for non-residential space. For purposes of the analysis, a 2% vacancy rate was used for residential uses. Actual vacancy rates in downtown Ithaca are less than 3.7%, but even with the lower vacancy rate (and higher EGI), a PILOT is still required to achieve industry expectations around the rate of return.

Operating expenses are slightly lower than the benchmarks, but within range. Debt service absorbs 47.47% of income. Real property taxes absorb 2% of project income with the requested PILOT. Real property taxes absorb 65% of project income with the standard PILOT. Both PILOTs deliver net operating income as a percentage of gross income that is within range of the industry benchmarks.

Operations Snapshot, Year 7								
	Requested PILOT				Standard PILOT			
	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation
<u>Calculation of Net Operating Income Residential</u>								
Gross Operating Income	\$50,305,351	89%	n/a	n/a	\$50,305,351	89%	n/a	n/a
Vacancy Rate and Concessions	2.0%	n/a	3.7%	Within range	2.0%	n/a	3.7%	Within range
<u>Calculation of Net Operating Income, Non-Residential</u>								
Gross Operating Income	\$6,154,979	11%	n/a	n/a	\$6,154,979	11%	n/a	n/a
Vacancy Rate	8%	n/a	9.30%	Within range	8%	n/a	9.30%	Within range
Effective Gross Income (EGI), All Uses (3)	\$54,954,455	97%	96%	Within range	\$54,954,455	97%	96%	Within range
Less: Operating Expenses and Reserve	(\$20,282,557)	36%	50%	Within range	(\$20,282,557)	36%	50%	Within range
<u>Less: Real Property Taxes (with PILOT)</u>	<u>(\$1,111,633)</u>	<u>2%</u>	<u>n/a</u>	<u>n/a</u>	<u>(\$3,101,146)</u>	<u>5%</u>	<u>n/a</u>	<u>n/a</u>
Net Operating Income	\$33,560,265	67%	48%	Within range	\$31,570,752	63%	48%	Within range
Less: Debt Service	<u>(\$26,756,316)</u>	47%	n/a	n/a	<u>(\$26,756,316)</u>	47%	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	\$6,803,950	12%	n/a	n/a	\$4,814,437	9%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates Q1 2024 for Northeast Region

(3) Net of vacancy and concessions

Operations Snapshot, Year 7

	Requested PILOT				Standard PILOT			
	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation	Project Performance (1)	Share of Gross Operating Income	Benchmark Performance (2)	Evaluation
<u>Calculation of Net Operating Income Residential</u>								
Gross Operating Income	\$44,772,896	88%	n/a	n/a	\$44,772,896	88%	n/a	n/a
Vacancy Rate and Concessions	1.0%	n/a	3.7%	Within range	1.0%	n/a	3.7%	Within range
<u>Calculation of Net Operating Income, Non-Residential</u>								
Gross Operating Income	\$6,154,979	12%	n/a	n/a	\$6,154,979	12%	n/a	n/a
Vacancy Rate	8%	n/a	9.30%	Within range	8%	n/a	9.30%	Within range
Effective Gross Income (EGI), All Uses (3)	\$48,189,462	95%	96%	Within range	\$48,189,462	95%	96%	Within range
Less: Operating Expenses and Reserve	(\$20,282,557)	40%	50%	Within range	(\$20,282,557)	40%	50%	Within range
<u>Less: Real Property Taxes (with PILOT)</u>	<u>(\$1,111,633)</u>	<u>2%</u>	<u>n/a</u>	<u>n/a</u>	<u>(\$3,101,146)</u>	<u>6%</u>	<u>n/a</u>	<u>n/a</u>
Net Operating Income	\$26,795,272	60%	48%	Within range	\$24,805,759	55%	48%	Within range
Less: Debt Service	<u>(\$26,756,316)</u>	53%	n/a	n/a	<u>(\$26,756,316)</u>	53%	n/a	n/a
Cashflow after Operating Costs, Taxes, Debt	\$38,956	0%	n/a	n/a	(\$1,950,557)	-4%	n/a	n/a

(1) Source: Applicant

(2) Source: RealtyRates Q1 2024 for Northeast Region

(3) Net of vacancy and concessions

4. FINANCING PLAN

- ◆ The Sources and Uses of Funds show the total project costs and capital structure of debt and equity.
- ◆ The Terms of the Senior (Long Term) Debt are within range of benchmarks.

Sources and Uses of Funds		
<u>Sources of Funds</u>	<u>Amount (1)</u>	<u>Share</u>
Bank Financing	\$352,761,553	60%
Low-Income Housing Tax Credits (LIHTC)	\$10,000,000	2%
Other	\$43,200,000	7%
<u>Equity and Working Capital</u>	<u>\$181,974,368</u>	<u>31%</u>
Total Sources	\$587,935,921	100%
<u>Uses of Funds</u>		
Total Acquisition and Transaction Costs	\$46,431,575	8%
Total Construction Costs	\$499,172,960	85%
<u>Financing Costs</u>	<u>\$42,331,386</u>	<u>7%</u>
Total Uses	\$587,935,921	100%

Source: Applicant

Terms of the Senior (Long Term) Debt			
	<u>Terms (1)</u>	<u>Benchmark (2)</u>	<u>Evaluation</u>
Amount Borrowed	\$352,761,553	n/a	n/a
Loan to Total Project Cost	60%	55% to 90%	Within Range
Annual Interest Rate	6.50%	4.81% to 9.11%	Within Range
Maturity in Years	30	15 to 40	Within Range

(1) Source: Applicant

(2) Source: RealtyRates Q1 2024

5. RATE OF RETURN

An estimated return on investment is calculated using the Applicant’s operating pro forma and capital structure. This analysis measures whether the financial assistance is necessary and reasonable. Financial performance without a PILOT, with the requested PILOT, and with the standard PILOT is estimated over 20 years. Three metrics are used to evaluate outcomes:

- ◆ **The Equity Dividend Rate** is net cash flow for each year, divided by the initial equity investment. Equity Dividend Rates are benchmarked using current market information from RealtyRates.com for similar projects in the region. Equity Dividend Rates close to the benchmarks indicate a Project outcome in line with the current market, which means the Applicant is earning a reasonable return. Equity Dividend Rates are based on an initial equity investment of \$181,974,368. The Project achieves the industry benchmarks under each of the scenarios and achieves the best results under the Requested Scenario.
- ◆ **Cash Flow** shows net cash flow to the Applicant over time. There are currently no benchmarks for cash flow available. Cumulative Cash Flow and average cash flow are positive under each of the scenarios.
- ◆ **Debt Service Coverage** estimates how well the Project’s net income, after taxes, supports debt repayment. The Project’s Debt Service Coverage exceeds the benchmark by year 3 under the Requested PILOT.

Since the actual PILOT phasing will be based on the development phases, it is especially important to provide stability early and for an extended period of time through a PILOT. This will ensure that the development remains feasible and can be fully completed as proposed.

Comparison of Return on Investment

	<u>No PILOT</u>	<u>20 Year Requested PILOT</u>	<u>20 Year Standard PILOT</u>	<u>Bench marks (2)</u>
<u>Equity Dividend Rates</u>				
Average	5.68%	7.29%	6.14%	4.73% to 15.09%
Minimum	-2.15%	0.07%	-0.18%	
Maximum	15.57%	16.19%	15.49%	
Year Benchmarks Met	11	9	11	
<u>Cash Flow</u>				
Average	\$10,342,707	\$13,271,246	\$11,177,462	n/a
Minimum	(\$3,903,504)	\$124,025	(\$335,476)	
Maximum	\$28,331,682	\$29,467,312	\$28,180,489	
Cumulative	\$186,168,724	\$238,882,430	\$201,194,316	
Year Investment Recouped	20	18	20	
<u>Debt Service Coverage</u>				
Average	1.44	1.55	1.47	1.00 to 1.86
Minimum	0.90	1.05	1.03	
Maximum	2.12	2.16	2.11	
Years Benchmarks Met	5	3	3	

(1) See Attachment 1

(2) Source: RealtyRates for Q1 2024 for Northeast Region for Housing and Flex Industrial

(3) Assessment starts in Year 3 of pro forma completed by the Applicant.

ATTACHMENT 1: PRO FORMAS

SouthWorks											
Annual Cashflows (Pro Forma) - NO PILOT											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 17	Year 18	Year 19	Year 20
Operating Cash Flow											
<u>Residential Income</u>											
Gross Operating Income	\$ 39,757,050	\$ 41,347,332	\$ 43,001,225	\$ 44,721,274	\$ 46,510,125	\$ 48,370,530	\$ 50,305,351	\$ 74,464,209	\$ 77,442,777	\$ 80,540,488	\$ 83,762,108
Less: Vacancy Allowance (enter as a negative)	\$ (795,141)	\$ (826,947)	\$ (860,025)	\$ (894,425)	\$ (930,203)	\$ (967,411)	\$ (1,006,107)	\$ (1,489,284)	\$ (1,548,856)	\$ (1,610,810)	\$ (1,675,242)
Net Rental Income, Residential	\$ 38,961,909	\$ 40,520,385	\$ 42,141,201	\$ 43,826,849	\$ 45,579,923	\$ 47,403,120	\$ 49,299,244	\$ 72,974,925	\$ 75,893,922	\$ 78,929,679	\$ 82,086,866
<u>Commercial/Industrial Income</u>											
Gross Operating Income	\$ 5,465,445	\$ 5,574,754	\$ 5,686,249	\$ 5,799,974	\$ 5,915,973	\$ 6,034,293	\$ 6,154,979	\$ 7,502,885	\$ 7,652,942	\$ 7,806,001	\$ 7,962,121
Less: Vacancy Allowance (enter as a negative)	\$ (990,324)	\$ (1,010,130)	\$ (461,708)	\$ (470,942)	\$ (480,361)	\$ (489,968)	\$ (499,768)	\$ (600,231)	\$ (612,235)	\$ (624,480)	\$ (636,970)
Net Rental Income, Commercial/Industrial	\$ 4,475,121	\$ 4,564,623	\$ 5,224,541	\$ 5,329,032	\$ 5,435,612	\$ 5,544,324	\$ 5,655,211	\$ 6,902,654	\$ 7,040,707	\$ 7,181,521	\$ 7,325,152
Effective Gross Income (EGI)	\$ 43,437,030	\$ 45,085,009	\$ 47,365,742	\$ 49,155,880	\$ 51,015,535	\$ 52,947,444	\$ 54,954,455	\$ 79,877,579	\$ 82,934,629	\$ 86,111,200	\$ 89,412,018
<u>Operating Expenses (enter positive numbers)</u>											
OpEx - Office	\$ 931,161	\$ 949,784	\$ 968,780	\$ 988,156	\$ 1,007,919	\$ 1,028,077	\$ 1,048,639	\$ 1,278,285	\$ 1,303,850	\$ 1,329,927	\$ 1,356,526
OpEx - Commercial	\$ 61,841	\$ 63,078	\$ 64,339	\$ 65,626	\$ 66,939	\$ 68,277	\$ 69,643	\$ 84,894	\$ 86,592	\$ 88,324	\$ 90,091
OpEx - Manufacturing	\$ 795,522	\$ 811,432	\$ 827,661	\$ 844,214	\$ 861,099	\$ 878,321	\$ 895,887	\$ 1,092,081	\$ 1,113,923	\$ 1,136,201	\$ 1,158,925
OpEx - Residential	\$ 12,037,076	\$ 12,277,818	\$ 12,523,374	\$ 12,773,841	\$ 13,029,318	\$ 13,289,905	\$ 13,555,703	\$ 16,524,326	\$ 16,854,812	\$ 17,191,909	\$ 17,535,747
OpEx - Townhomes	\$ 4,184,730	\$ 4,268,425	\$ 4,353,793	\$ 4,440,869	\$ 4,529,686	\$ 4,620,280	\$ 4,712,686	\$ 5,744,738	\$ 5,859,632	\$ 5,976,825	\$ 6,096,361
OpEx - Parking	\$ 258,375	\$ 263,543	\$ 268,813	\$ 274,190	\$ 279,673	\$ 285,267	\$ 290,972	\$ 354,694	\$ 361,787	\$ 369,023	\$ 376,404
Operating Expenses	\$ 18,268,705	\$ 18,370,537	\$ 18,737,947	\$ 19,112,706	\$ 19,494,960	\$ 19,884,860	\$ 20,282,557	\$ 24,724,324	\$ 25,218,810	\$ 25,723,186	\$ 26,237,650
Pre-Tax Operating Income (Revenue less Operat	\$ 25,168,325	\$ 26,714,472	\$ 28,627,794	\$ 30,043,174	\$ 31,520,575	\$ 33,062,585	\$ 34,671,899	\$ 55,153,255	\$ 57,715,819	\$ 60,388,014	\$ 63,174,368
Real Property Taxes (assuming no PILOT)	\$ 4,416,576	\$ 4,504,908	\$ 4,595,006	\$ 4,686,906	\$ 4,780,644	\$ 4,876,257	\$ 4,973,782	\$ 6,063,013	\$ 6,184,273	\$ 6,307,958	\$ 6,434,118
Net Operating Income (NOI) after Taxes	\$ 20,751,749	\$ 22,209,564	\$ 24,032,788	\$ 25,356,268	\$ 26,739,930	\$ 28,186,327	\$ 29,698,116	\$ 49,090,242	\$ 51,531,546	\$ 54,080,055	\$ 56,740,250
<u>Loan or Mortgage (Debt Service)</u>											
Permanent Loan Amortization	\$ -	\$ -	\$ 3,942,906	\$ 4,206,969	\$ 4,488,718	\$ 4,789,336	\$ 5,110,086				\$ -
Permanent Loan Interest Payment	\$ -	\$ -	\$ 22,813,410	\$ 22,549,346	\$ 22,267,598	\$ 21,966,980	\$ 21,646,229				\$ -
Debt Service	\$ -	\$ -	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316
Replacement Reserve	\$ 1,134,157	\$ 1,156,840	\$ 1,179,977	\$ 1,203,576	\$ 1,227,648	\$ 1,252,201	\$ 1,277,245	\$ 1,556,955	\$ 1,588,094	\$ 1,619,855	\$ 1,652,253
Cash Flow After Financing and Reserve	\$ 19,617,592	\$ 21,052,724	\$ (3,903,504)	\$ (2,603,624)	\$ (1,244,033)	\$ 177,811	\$ 1,664,556	\$ 20,776,972	\$ 23,187,137	\$ 25,703,884	\$ 28,331,682
Debt Service Coverage Ratio (DSCR)			0.90	0.95	1.00	1.05	1.11	1.83	1.93	2.02	2.12
Equity Dividend Ratio	10.78%	11.57%	-2.15%	-1.43%	-0.68%	0.10%	0.91%	11.42%	12.74%	14.13%	15.57%

DRAFT - Reasonableness Assessment for Shift Chainworks Owner 1, LLC – Tompkins County Industrial Development Agency

SouthWorks											
Annual Cashflows (Pro Forma) - REQUESTED PILOT											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 17	Year 18	Year 19	Year 20
Operating Cash Flow											
<u>Residential Income</u>											
Gross Operating Income	\$ 39,757,050	\$ 41,347,332	\$ 43,001,225	\$ 44,721,274	\$ 46,510,125	\$ 48,370,530	\$ 50,305,351	\$ 74,464,209	\$ 77,442,777	\$ 80,540,488	\$ 83,762,108
Less: Vacancy Allowance (enter as a negative)	\$ (795,141)	\$ (826,947)	\$ (860,025)	\$ (894,425)	\$ (930,203)	\$ (967,411)	\$ (1,006,107)	\$ (1,489,284)	\$ (1,548,856)	\$ (1,610,810)	\$ (1,675,242)
Net Rental Income, Residential	\$ 38,961,909	\$ 40,520,385	\$ 42,141,201	\$ 43,826,849	\$ 45,579,923	\$ 47,403,120	\$ 49,299,244	\$ 72,974,925	\$ 75,893,922	\$ 78,929,679	\$ 82,086,866
<u>Commercial/Industrial Income</u>											
Gross Operating Income	\$ 5,465,445	\$ 5,574,754	\$ 5,686,249	\$ 5,799,974	\$ 5,915,973	\$ 6,034,293	\$ 6,154,979	\$ 7,502,885	\$ 7,652,942	\$ 7,806,001	\$ 7,962,121
Less: Vacancy Allowance (enter as a negative)	\$ (990,324)	\$ (1,010,130)	\$ (461,708)	\$ (470,942)	\$ (480,361)	\$ (489,968)	\$ (499,768)	\$ (600,231)	\$ (612,235)	\$ (624,480)	\$ (636,970)
Net Rental Income, Commercial/Industrial	\$ 4,475,121	\$ 4,564,623	\$ 5,224,541	\$ 5,329,032	\$ 5,435,612	\$ 5,544,324	\$ 5,655,211	\$ 6,902,654	\$ 7,040,707	\$ 7,181,521	\$ 7,325,152
Effective Gross Income (EGI)	\$ 43,437,030	\$ 45,085,009	\$ 47,365,742	\$ 49,155,880	\$ 51,015,535	\$ 52,947,444	\$ 54,954,455	\$ 79,877,579	\$ 82,934,629	\$ 86,111,200	\$ 89,412,018
<u>Operating Expenses (enter positive numbers)</u>											
OpEx - Office	\$ 931,161	\$ 949,784	\$ 968,780	\$ 988,156	\$ 1,007,919	\$ 1,028,077	\$ 1,048,639	\$ 1,278,285	\$ 1,303,850	\$ 1,329,927	\$ 1,356,526
OpEx - Commercial	\$ 61,841	\$ 63,078	\$ 64,339	\$ 65,626	\$ 66,939	\$ 68,277	\$ 69,643	\$ 84,894	\$ 86,592	\$ 88,324	\$ 90,091
OpEx - Manufacturing	\$ 795,522	\$ 811,432	\$ 827,661	\$ 844,214	\$ 861,099	\$ 878,321	\$ 895,887	\$ 1,092,081	\$ 1,113,923	\$ 1,136,201	\$ 1,158,925
OpEx - Residential	\$ 12,037,076	\$ 12,277,818	\$ 12,523,374	\$ 12,773,841	\$ 13,029,318	\$ 13,289,905	\$ 13,555,703	\$ 16,524,326	\$ 16,854,812	\$ 17,191,909	\$ 17,535,747
OpEx - Townhomes	\$ 4,184,730	\$ 4,268,425	\$ 4,353,793	\$ 4,440,869	\$ 4,529,686	\$ 4,620,280	\$ 4,712,686	\$ 5,744,738	\$ 5,859,632	\$ 5,976,825	\$ 6,096,361
OpEx - Parking	\$ 258,375	\$ 263,543	\$ 268,813	\$ 274,190	\$ 279,673	\$ 285,267	\$ 290,972	\$ 354,694	\$ 361,787	\$ 369,023	\$ 376,404
Operating Expenses	\$ 18,010,330	\$ 18,370,537	\$ 18,737,947	\$ 19,112,706	\$ 19,494,960	\$ 19,884,860	\$ 20,282,557	\$ 24,724,324	\$ 25,218,810	\$ 25,723,186	\$ 26,237,650
Pre-Tax Operating Income (Revenue less Oper:	\$ 25,426,700	\$ 26,714,472	\$ 28,627,794	\$ 30,043,174	\$ 31,520,575	\$ 33,062,585	\$ 34,671,899	\$ 55,153,255	\$ 57,715,819	\$ 60,388,014	\$ 63,174,368
Real Property Taxes (Requested PILOT)	\$ 545,441	\$ 556,350	\$ 567,477	\$ 578,826	\$ 590,403	\$ 1,089,837	\$ 1,111,633	\$ 4,386,581	\$ 4,474,313	\$ 5,194,595	\$ 5,298,487
Net Operating Income (NOI) after Taxes	\$ 24,881,259	\$ 26,158,122	\$ 28,060,318	\$ 29,464,348	\$ 30,930,172	\$ 31,972,748	\$ 33,560,265	\$ 50,766,674	\$ 53,241,506	\$ 55,193,419	\$ 57,875,881
<u>Loan or Mortgage (Debt Service)</u>											
Permanent Loan Amortization	\$ -	\$ -	\$ 3,942,906	\$ 4,206,969	\$ 4,488,718	\$ 4,789,336	\$ 5,110,086				\$ -
Permanent Loan Interest Payment	\$ -	\$ -	\$ 22,813,410	\$ 22,549,346	\$ 22,267,598	\$ 21,966,980	\$ 21,646,229				\$ -
Debt Service	\$ -	\$ -	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316
Replacement Reserve	\$ 1,134,157	\$ 1,156,840	\$ 1,179,977	\$ 1,203,576	\$ 1,227,648	\$ 1,252,201	\$ 1,277,245	\$ 1,556,955	\$ 1,588,094	\$ 1,619,855	\$ 1,652,253
Cash Flow After Financing and Reserve	\$ 23,747,102	\$ 25,001,282	\$ 124,025	\$ 1,504,456	\$ 2,946,208	\$ 3,964,231	\$ 5,526,705	\$ 22,453,404	\$ 24,897,097	\$ 26,817,248	\$ 29,467,312
Debt Service Coverage Ratio (DSCR)			1.05	1.10	1.16	1.19	1.25	1.90	1.99	2.06	2.16
Equity Dividend Ratio	13.05%	13.74%	0.07%	0.83%	1.62%	2.18%	3.04%	12.34%	13.68%	14.74%	16.19%

DRAFT - Reasonableness Assessment for Shift Chainworks Owner 1, LLC – Tompkins County Industrial Development Agency

SouthWorks											
Annual Cashflows (Pro Forma) - STANDARD PILOT											
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 17	Year 18	Year 19	Year 20
Operating Cash Flow											
<u>Residential Income</u>											
Gross Operating Income	\$ 39,757,050	\$ 41,347,332	\$ 43,001,225	\$ 44,721,274	\$ 46,510,125	\$ 48,370,530	\$ 50,305,351	\$ 74,464,209	\$ 77,442,777	\$ 80,540,488	\$ 83,762,108
Less: Vacancy Allowance (enter as a negative)	\$ (795,141)	\$ (826,947)	\$ (860,025)	\$ (894,425)	\$ (930,203)	\$ (967,411)	\$ (1,006,107)	\$ (1,489,284)	\$ (1,548,856)	\$ (1,610,810)	\$ (1,675,242)
Net Rental Income, Residential	\$ 38,961,909	\$ 40,520,385	\$ 42,141,201	\$ 43,826,849	\$ 45,579,923	\$ 47,403,120	\$ 49,299,244	\$ 72,974,925	\$ 75,893,922	\$ 78,929,679	\$ 82,086,866
<u>Commercial/Industrial Income</u>											
Gross Operating Income	\$ 5,465,445	\$ 5,574,754	\$ 5,686,249	\$ 5,799,974	\$ 5,915,973	\$ 6,034,293	\$ 6,154,979	\$ 7,502,885	\$ 7,652,942	\$ 7,806,001	\$ 7,962,121
Less: Vacancy Allowance (enter as a negative)	\$ (990,324)	\$ (1,010,130)	\$ (461,708)	\$ (470,942)	\$ (480,361)	\$ (489,968)	\$ (499,768)	\$ (600,231)	\$ (612,235)	\$ (624,480)	\$ (636,970)
Net Rental Income, Commercial/Industr	\$ 4,475,121	\$ 4,564,623	\$ 5,224,541	\$ 5,329,032	\$ 5,435,612	\$ 5,544,324	\$ 5,655,211	\$ 6,902,654	\$ 7,040,707	\$ 7,181,521	\$ 7,325,152
Effective Gross Income (EGI)	\$ 43,437,030	\$ 45,085,009	\$ 47,365,742	\$ 49,155,880	\$ 51,015,535	\$ 52,947,444	\$ 54,954,455	\$ 79,877,579	\$ 82,934,629	\$ 86,111,200	\$ 89,412,018
<u>Operating Expenses (enter positive numbers)</u>											
OpEx - Office	\$ 931,161	\$ 949,784	\$ 968,780	\$ 988,156	\$ 1,007,919	\$ 1,028,077	\$ 1,048,639	\$ 1,278,285	\$ 1,303,850	\$ 1,329,927	\$ 1,356,526
OpEx - Commercial	\$ 61,841	\$ 63,078	\$ 64,339	\$ 65,626	\$ 66,939	\$ 68,277	\$ 69,643	\$ 84,894	\$ 86,592	\$ 88,324	\$ 90,091
OpEx - Manufacturing	\$ 795,522	\$ 811,432	\$ 827,661	\$ 844,214	\$ 861,099	\$ 878,321	\$ 895,887	\$ 1,092,081	\$ 1,113,923	\$ 1,136,201	\$ 1,158,925
OpEx - Residential	\$ 12,037,076	\$ 12,277,818	\$ 12,523,374	\$ 12,773,841	\$ 13,029,318	\$ 13,289,905	\$ 13,555,703	\$ 16,524,326	\$ 16,854,812	\$ 17,191,909	\$ 17,535,747
OpEx - Townhomes	\$ 4,184,730	\$ 4,268,425	\$ 4,353,793	\$ 4,440,869	\$ 4,529,686	\$ 4,620,280	\$ 4,712,686	\$ 5,744,738	\$ 5,859,632	\$ 5,976,825	\$ 6,096,361
OpEx - Parking	\$ 258,375	\$ 263,543	\$ 268,813	\$ 274,190	\$ 279,673	\$ 285,267	\$ 290,972	\$ 354,694	\$ 361,787	\$ 369,023	\$ 376,404
Operating Expenses	\$ 18,010,330	\$ 18,370,537	\$ 18,737,947	\$ 19,112,706	\$ 19,494,960	\$ 19,884,860	\$ 20,282,557	\$ 24,724,324	\$ 25,218,810	\$ 25,723,186	\$ 26,237,650
Pre-Tax Operating Income (Revenue less expenses)	\$ 25,426,700	\$ 26,714,472	\$ 28,627,794	\$ 30,043,174	\$ 31,520,575	\$ 33,062,585	\$ 34,671,899	\$ 55,153,255	\$ 57,715,819	\$ 60,388,014	\$ 63,174,368
Real Property Taxes (Standard PILOT)	\$ 103,783	\$ 556,350	\$ 1,026,977	\$ 1,516,207	\$ 2,024,596	\$ 2,552,714	\$ 3,101,146	\$ 6,205,485	\$ 6,329,595	\$ 6,456,187	\$ 6,585,310
Net Operating Income (NOI) after Taxes	\$ 25,322,917	\$ 26,158,122	\$ 27,600,817	\$ 28,526,967	\$ 29,495,979	\$ 30,509,871	\$ 31,570,752	\$ 48,947,770	\$ 51,386,224	\$ 53,931,827	\$ 56,589,057
<u>Loan or Mortgage (Debt Service)</u>											
Permanent Loan Amortization	\$ -	\$ -	\$ 3,942,906	\$ 4,206,969	\$ 4,488,718	\$ 4,789,336	\$ 5,110,086				\$ -
Permanent Loan Interest Payment	\$ -	\$ -	\$ 22,813,410	\$ 22,549,346	\$ 22,267,598	\$ 21,966,980	\$ 21,646,229				\$ -
Debt Service	\$ -	\$ -	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316	\$ 26,756,316
Replacement Reserve	\$ 1,134,157	\$ 1,156,840	\$ 1,179,977	\$ 1,203,576	\$ 1,227,648	\$ 1,252,201	\$ 1,277,245	\$ 1,556,955	\$ 1,588,094	\$ 1,619,855	\$ 1,652,253
Cash Flow After Financing and Reserve	\$ 24,188,760	\$ 25,001,282	\$ (335,476)	\$ 567,075	\$ 1,512,015	\$ 2,501,354	\$ 3,537,192	\$ 20,634,500	\$ 23,041,815	\$ 25,555,656	\$ 28,180,489
Debt Service Coverage Ratio (DSCR)			1.03	1.07	1.10	1.14	1.18	1.83	1.92	2.02	2.11
Equity Dividend Ratio	13.29%	13.74%	-0.18%	0.31%	0.83%	1.37%	1.94%	11.34%	12.66%	14.04%	15.49%

APPENDIX A: SCOPE OF SERVICES

To assist with its evaluation of the Applicant’s request for financial assistance, Camoin Associates was commissioned by the Tompkins County Industrial Development Agency to conduct the above analyses. The analysis is comprised of four tasks:

- ◆ *Test Assumptions* by comparing rents, operating costs, and vacancy rates to real estate benchmarks for similar projects and noting any significant differences. Operating performance and net income are also evaluated.
- ◆ *Review the Financing Plan* and perform an objective third-party evaluation of the estimated return on investment (ROI) to the Applicant with and without a PILOT agreement. We also analyze whether the capital structure and terms of the long-term debt are within market benchmarks for obtaining bank financing.
- ◆ *Evaluate the effects of one or more PILOTs* recommended by the Agency and determine whether the PILOT would result in a return within what would normally be anticipated in the current market for a similar project.
- ◆ *Provide an objective, third-party opinion* about the need for and reasonableness of the financial assistance.

Sources Consulted

- ◆ Application for Financial Assistance dated May 3, 2024.
- ◆ Project financing and annual cashflow workbook submitted by the Applicant in June 2024, with submitted revisions in July 2024.
- ◆ Updated assessed value provided in June 2024.
- ◆ [Tompkins County 2022 Housing Snapshot](#)
- ◆ Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- ◆ CoStar
- ◆ RealtyRates.com



CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. More at www.costar.com.



RealtyRates.com™ is a comprehensive resource of real estate investment and development news, trends, analytics, and market research that support real estate professionals involved with more than 50 income producing and sell-out property types throughout the U.S. RealtyRates.com™ is the publisher of the award-winning Investor, Developer and Market Surveys, providing data essential to the appraisal, evaluation, disposition and marketing of investment and development real estate nationwide.

APPENDIX B: DEFINITIONS

Equity Dividend Rate: This is calculated as the rate of return on the equity component of a project. It is calculated as follows: (Source: RealtyRates.com)

Equity Dividend / Equity Investment = Equity Dividend Rate, where Equity Dividend = Net Operating Income – Debt Service.

Debt Service Coverage Ratio (DSCR): The ratio of annual debt repayment, including principal and interest, to total Net Operating Income (NOI). (Source: RealtyRates.com)

Net Operating Income (NOI): Income net of all operating costs, including vacancy and collection loss, but not including debt service. Appraisers also typically expense reserves for repairs and replacements. However, because reserves are not usually reported along with other transaction data, RealtyRates.com tracks lender requirements but does not include them in calculations. (Source: RealtyRates.com)

ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 32 states and garnered attention from national media outlets, including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](#) and [LinkedIn](#).

THE PROJECT TEAM

Rachel Selsky

Vice President, Project Principal

PREPARED FOR:

Tompkins County Industrial Development Agency
119 East Seneca Street, Suite 200
Ithaca, NY 14850

ECONOMIC AND FISCAL IMPACT ANALYSIS - DRAFT

SHIFT CHAINWORKS OWNER 1, LLC -
SOUTHWORKS PROJECT

JULY-AUGUST 2024

PREPARED BY:



PO Box 3547
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com

ABOUT THE STUDY

The Tompkins County Industrial Development Agency retained Camoin Associates to measure the potential economic and fiscal impacts of a project proposed by Shift Chainworks Owner 1, LLC (Applicant), that includes the redevelopment of a 95-acre site with residential, industrial, retail, commercial, and R&D space (SouthWorks or Project).

This analysis aims to provide a complete assessment of the Project's total economic, employment, and tax impacts on Tompkins County that result from the construction phase and on-site operations.

The primary tool used in this analysis is the input-output model developed by Lightcast. Primary data used in this study was obtained from the developer's application for financial assistance to the Tompkins County Industrial Development Agency and included the following data points: construction spending, housing units, new jobs, and PILOT schedule information.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly called the "multiplier effect."

STUDY INFORMATION

Data Source:
Shift Chainworks Owner 1, LLC
Application for Assistance and the
Tompkins County Industrial
Development Agency

Geography:
Tompkins County

Study Period:
2023

Modeling Tool:
Lightcast

DIRECT IMPACTS

Initial round of impacts generated as a result of spending by new households and of new employment generated as a result of annual operation.

INDIRECT IMPACTS

Direct impacts have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services by industry sectors in the supply chain.

INDUCED IMPACTS

Impacts that result from the spending by employees and employees of suppliers. Earnings of these employees enter the economy as paychecks are spent on food, clothing, and other goods and services.



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EXECUTIVE SUMMARY

The Tompkins County Industrial Development Agency (the Agency) received an application for financial assistance from Shift Chainworks Owner 1, LLC (the Applicant) for the proposed redevelopment of a 95-acre site to include residential units, commercial, industrial, retail, and research and development space (the Project) at 620 S. Aurora Street, 810 Danby Road, and Stone Quarry Road, Ithaca, NY (the Site). The Project proposed by the Applicant entails the construction of 915 residential units (including 20% that are made available to households at or below 80% Area Median Income), 130,528 square feet of office space, 34,765 square feet of commercial space, and 205,530 square feet of manufacturing space. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on Tompkins County (the County).

Given the nature of the development and the fact that the specifics of the residential development are not yet finalized, Camoin Associates assumes that 40% of the market rate units and 95% of the affordable units would be considered “net new” to the county (i.e., allowing residents to exist in the county that would otherwise locate elsewhere). Therefore, the Project is estimated to result in 443 net new households. All of the non-residential on-site employment is considered net new to Tompkins County.

The following is a summary of our findings from this study, with details in the following sections.

Table 1

Summary of Benefits to County	
Total Jobs	2,045
Direct Jobs	1,171
Total Earnings	\$ 137,167,290
Direct Earnings	\$ 78,725,856
Annual Sales Tax Revenue to County	\$ 1,111,396
Average Annual PILOT Payment	\$ 2,338,889
Total PILOT Payment	\$ 46,777,788
Average Annual Benefit (Cost) of Project with PILOT compared to No Project	\$ 2,212,806
Average Annual Benefit (Cost) of Project with PILOT compared to Project Without PILOT	\$ (3,152,753)



Construction Impact

- ◆ The construction associated with the Project would result in approximately 879 new direct construction jobs, generating \$126.8 million in direct new earnings on-site and an additional \$12 million in indirect and induced earnings. Figure 1 to the right displays more detail on the economic impact of construction.
- ◆ Sales tax associated with the construction phase of the Project are estimated to contribute approximately \$426,689 to the County.

Annual Impact

- ◆ The Project would support 2,045 net new jobs in the county, with \$137 million in associated earnings. Figure 2 summarizes the Project's annual economic impact.
- ◆ Sales associated with the on-site operations and household spending are estimated to generate \$1.1 million in sales tax revenue for the county annually.
- ◆ The Applicant has requested a proposed PILOT agreement with the Agency, including a 20-year PILOT agreement. Under this proposed PILOT agreement, the Applicant would pay approximately \$46.8 million over the 20-year PILOT term or an average of approximately \$2.3 million annually.
- ◆ Through negotiations with the Agency, the Applicant could access a sales tax exemption valued at up to \$20,074,500 and a mortgage tax exemption valued at up to \$1,764,000. However, assuming that the Project would not occur absent IDA benefits, this is not actually a "cost" to the county since no future revenue stream would exist without these exemptions.
- ◆ The schedule of payments to be made by the Applicant under the draft 20-year PILOT agreement would be approximately \$44.3 million more than the property tax payments generated by the Site if the Project were not to occur. In other words, the PILOT benefits the affected taxing jurisdictions, averaging \$2.2 million annually.

Figure 1

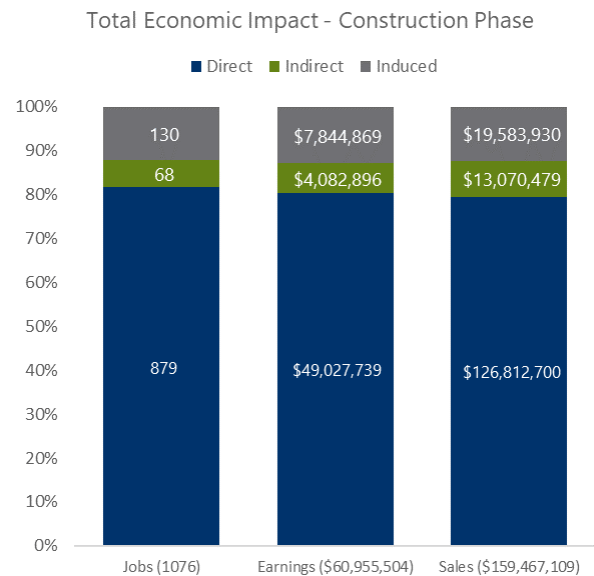
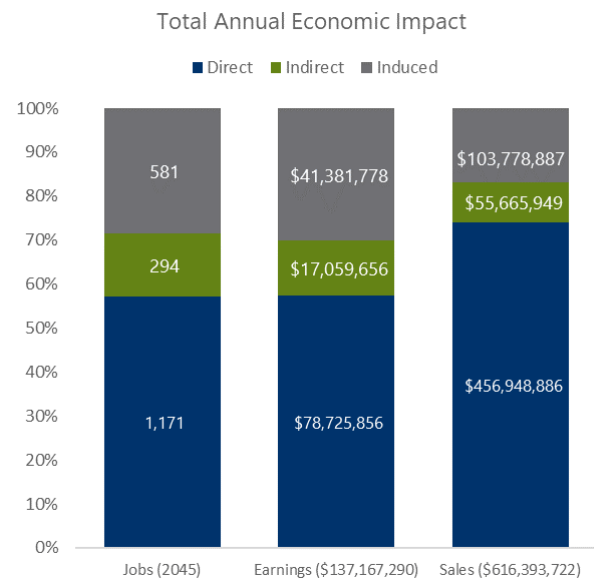


Figure 2



INTRODUCTION

The Tompkins County Industrial Development Agency (the “Agency”) received an application for financial assistance from Shift Chainworks Owner 1, LLC (the “Applicant”) for the proposed redevelopment of a 95-acre site to include residential units, commercial, industrial, retail, and research and development space (the “Project”) at 620 S. Aurora Street, 810 Danby Road, and Stone Quarry Road, Ithaca, NY (the “Site”). The Project proposed by the Applicant entails the construction of 915 residential units (including 20% affordable units), 130,528 square feet of office space, 34,765 square feet of commercial space, and 205,530 square feet of manufacturing space. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on Tompkins County (the “County”).

MODELING PROCESS

An economic impact analysis of Project construction and operations upon full build-out was conducted to quantify the impact of the Project on the local economy. The economic impact includes not only the “direct” economic impacts, such as on-site jobs but also the secondary economic impacts generated throughout the economy through economic “ripple” effects. The three specific types of impacts considered in the analysis include:

- **Direct:** The most immediate impacts include construction spending, on-site jobs, and resident spending on goods and services.
- **Indirect:** These effects occur when businesses within the geography that supply goods and services re-spend a portion of that revenue. In other words, for every dollar spent at a local supplier, a portion will again be spent on goods and services at other regional businesses. This is considered an indirect effect.
- **Induced:** Another “ripple” effect occurs when workers at both the Project and indirectly impacted businesses spend a portion of their wages at businesses within the geographies on goods and services. This portion of the spending by new businesses that are paid to workers and re-spent in the economy is the induced impact.

The sum of the direct, indirect, and induced impacts equals the total economic impact. The Lightcast Input-Output model calculates the total economic impact, including the three different types of impacts.

Modeling Software

Lightcast designed the input-output model used in this analysis. The Lightcast model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the region and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs have as these new dollars circulate throughout the economy. This is captured in the indirect and induced impacts and is commonly referred to as the “multiplier effect.” See Appendix A for more information on economic impact analysis.

What does “Net New” Mean?

When looking at the economic impacts of an industry, it is important to look only at the economic changes that would not happen in the project’s absence. These effects are the “net new” effect: purchases made only as a result of the project in question.

Definition of a “Job”

A “job” is equal to one person employed for some amount of time (part-time, full-time, or temporary) during the study period.



ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated during the construction and operation phases of the Project were provided by the Applicant and were used as the inputs for the economic impact model. Camoin Associates used the input-output model designed by ~~Lightcast~~Lightcast to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the county and uses the direct inputs to estimate spillover effects that net new spending or jobs have as these new dollars circulate through the Tompkins County economy. This is captured in the indirect and induced impacts and is commonly called the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would impact the county's economy through temporary construction-related spending, new permanent jobs on-site, and spending by new residents within the county.

Key Assumptions:

1. New residential units will average 95% occupancy, or 869 units.¹
2. ~~Based on a review of supply and demand, housing trends, the 2022 Housing Snapshot, and other data sources, it is assumed that housing trends in the region, 40% of the market-rate market rate residents in market-rate units and 95% of affordable units affordable units are residents in affordable units are considered~~ net new to Tompkins County. ~~In other words, without the development, they the occupants of these units would not reside in the County would not be able to find adequate housing in the county. By "net new," we refer to the fact that these units will serve occupants who, without this new development, would be unable to find suitable housing in Tompkins County. While these new residents may or may not be relocating from outside the county, the broader regional demand for housing is so robust that they are rapidly occupied as existing units become vacant. This turnover leads to residents moving into Tompkins County from the surrounding area. This does not mean that the occupants will necessarily be from outside of Tompkins County, but that the demand for housing in the larger region is so strong that as units become vacant, there is demand for them from outside of Tompkins County and eventually will be filled by a new household.~~
 - ~~Affordable:~~ The demand for affordable housing in Tompkins County and the surrounding region is extremely high. Whenever affordable units become available, they are filled almost immediately due to the scarcity of such options. According to the Tompkins County 2022 Housing Snapshot, the county faces particularly high rent prices, with over 50% of renters classified as housing cost-burdened—meaning they spend a significant portion of their income on rent. A detailed review of the current inventory of affordable housing within a 45-minute drive reveals a severe shortage relative to the number of households needing housing at this price point. As a result, when affordable units in Tompkins County become available, they are quickly occupied, often by new households from outside the county, after a few cycles of turnover. The demand for affordable housing is so strong within the region that as soon as units open up, they are quickly filled. The Tompkins County 2022 Housing Snapshot reports that rent

¹ Note: The vacancy rate in this analysis is assumed to be 5%, which is different from the Reasonableness Assessment, which uses an assumed 1% vacancy as provided by the Applicant. Five percent is a more conservative estimate for the purposes of this analysis.



~~prices are especially high in Tompkins County and that more than half of renters are housing cost burdened. While residents in Tompkins County face significant housing challenges, a review of the existing units at the affordable price point within a 45 minute drive time indicate there is not enough affordable housing for the households at the associated income levels. Therefore, as units become available, they will be filled quickly and, eventually, after enough turnover, by someone from outside of the county.~~

- ~~•~~
- ~~• **Market Rate:** The supply of market-rate housing in the region is comparatively higher than that of affordable housing, leading to less intense demand for these units. The supply of market rate units is greater within the region, and therefore the demand is less as other options with a similar price point are available. Therefore 358 of the 869 units will be net new to the county, or 41%. This is based on our analysis of existing units in the region and the price point of the new units. See Attachment B for more information on this methodology.~~

~~2. Therefore, 358 of the 869 units will be net new to the county, or 41%. This is based on our analysis of existing units in the region and the price point of the new units. See Attachment B for more information on this methodology.~~

3. Since 41% of households are net new, 41% of the housing-related jobs on-site are also considered net new.
4. New households will spend approximately 70% of their annual discretionary income in Tompkins County.
5. 100% of the estimated on-site jobs (non-housing related) are considered to be net new to Tompkins County. Without development, these jobs would not exist within Tompkins County.

IMPACTS OF NEW CONSTRUCTION

The Applicant anticipates that private sector investment in the construction of the Project would cost over \$362 million.² It is assumed that 35%³ of the construction spending would be sourced from within the county, representing \$126.8 million in net new spending in the county associated with the Project's construction phase.

Table 2
Construction Phase Spending - County

Total Construction Cost	\$ 362,322,000
Percent Sourced from County	35%
Net New Construction Spending	\$ 126,812,700

Source: Applicant, Camoin Associates

Based on \$126.8 million worth of net new direct spending on the Project's construction phase, nearly \$160 million in total one-time construction-related spending would support 1,076 jobs throughout the county during this construction period and nearly \$61 million in earnings. ~~Table 3Table 3Table 3~~ outlines the economic impacts of construction.

² Includes total cost of construction as provided by the Applicant.

³ Information provided by the Applicant was reviewed and compared to industry research to estimate the percent of construction-related spending that would be sourced from Tompkins County.



Table 3

County Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	879 \$	49,027,739 \$	126,812,700
Indirect	68 \$	4,082,896 \$	13,070,479
Induced	130 \$	7,844,869 \$	19,583,930
Total	1,076 \$	60,955,504 \$	159,467,109

Source: Lightcast, Camoin Associates

IMPACTS OF NEW HOUSEHOLDS

NEW HOUSEHOLDS

As noted in the Key Assumptions section above, 95% of the new units are expected to be occupied. Of the occupied units, we assume 40% of the market rate units and 95% of the affordable units will be filled by individuals who previously lived outside Tompkins County (see Attachment B for more information). Table 4 estimates the number of net new households the Project will bring to Tompkins County.

Table 4

Net New Households

	Total Households	Occupied	Percent Net New	Net New Households
Market Rate Housing Units	732	695	40%	278
Affordable 80% AMI	183	174	95%	165
Total	915	869	51%	443

Source: Lightcast, Camoin Associates

SPENDING BY NEW HOUSEHOLDS

New residents will make purchases in the region, thereby adding dollars to the Tompkins County economy. The Tompkins County Area Median Income (AMI) is \$74,034. It is assumed that households in the market rate units will earn approximately 150% of the AMI and households in the affordable units will earn 80%. Applying those household earning numbers to the Bureau of Labor Statistics' household income ranges, the market rate households are expected to earn between \$100,000 and \$149,999 per year and the affordable unit households are expected to



earn between \$50,000 and \$69,000.⁴ Table 5 shows the total new spending in Tompkins County by net new residents by typical consumer spending category. The total net new spending in the County was calculated by multiplying the amount spent in the region under each category by the number of net new households.

Table 5

⁴ Bureau of Labor Statistics 2023 Consumer Expenditure Survey



Market Rate Spending Basket

Housing Units (\$100,000 to \$149,999 Annual Household Income)

Category	Annual per Unit Spending Basket	Amount Spent in County (70%)	Total Net New County Spending (278 net new units)
Food	\$ 12,381	\$ 8,667	\$ 2,410,729
Household furnishings and equipment	\$ 3,006	\$ 2,104	\$ 585,304
Apparel and services	\$ 2,423	\$ 1,696	\$ 471,787
Transportation	\$ 13,860	\$ 9,702	\$ 2,698,708
Health care	\$ 2,244	\$ 1,571	\$ 436,934
Entertainment	\$ 3,781	\$ 2,647	\$ 736,206
Personal care products and services	\$ 1,002	\$ 701	\$ 195,101
Education	\$ 1,974	\$ 1,382	\$ 384,361
Miscellaneous	\$ 1,324	\$ 927	\$ 257,799
Total Spending	\$ 41,995	\$ 29,397	\$ 8,176,930

Affordable Spending Basket

Affordable Units (80% AMI) (\$50,000 to \$69,999 Annual Household Income)

Category	Annual per Unit Spending Basket	Amount Spent in County (70%)	Total Net New County Spending (165 net new units)
Food	\$ 7,554	\$ 5,288	\$ 873,320
Household furnishings and equipment	\$ 2,232	\$ 1,562	\$ 258,042
Apparel and services	\$ 1,502	\$ 1,051	\$ 173,647
Transportation	\$ 8,854	\$ 6,198	\$ 1,023,613
Health care	\$ 1,407	\$ 985	\$ 162,664
Entertainment	\$ 2,470	\$ 1,729	\$ 285,557
Personal care products and services	\$ 727	\$ 509	\$ 84,049
Education	\$ 698	\$ 489	\$ 80,696
Miscellaneous	\$ 726	\$ 508	\$ 83,933
Total Spending	\$ 26,170	\$ 18,319	\$ 3,025,520
Total New New Spending in County			\$ 11,202,451

Source: 2022 Consumer Expenditure Survey, Bureau of Labor Statistics

IMPACT ANALYSIS



Table 5 calculates the annual spending totals for different spending basket categories. These totals were used as the direct input into Lightcast’s input-output model to determine the indirect, induced, and total impact of net new household spending on the county’s economy. Total new spending was distributed among the associated industry sectors for each spending category. Table 6 outlines the results of this analysis.

Table 6

County Economic Impact - Household Spending

	Jobs	Earnings	Sales
Direct	78 \$	3,512,288 \$	11,202,451
Indirect	13 \$	693,637 \$	1,860,374
Induced	15 \$	1,035,046 \$	2,596,522
Total	106 \$	5,240,971 \$	15,659,346

Source: Lightcast, Camoin Associates



IMPACTS OF ON-SITE OPERATIONS

NEW JOBS

The Applicant assumes there will be 1,115 new jobs created at the Project upon full build-out. Since 41% of the new, occupied residential units will be filled with individuals new to Tompkins County, 51% of the jobs associated with maintaining the new residential areas will also be new (see Key Assumption 2).

A review of the current vacancy rates within the immediate area and Tompkins County reveal low vacancy levels for the use types expected at the Project.

Table 7

SouthWorks Commercial Property Mix - Town of Ithaca & Tompkins County

Property Type(1)	Project Square Feet (1)	2024 YTD Ithaca NY				2024 YTD Tompkins County NY			
		SF (2)	Vacant SF (2)	Vacancy Rate (2)	Asking Rate PSF/Year (2)	SF (3)	Vacant SF (3)	Vacancy Rate (3)	Asking Rate PSF/Year (3)
Office	117,010	2,424,700	109,599	4.5%	\$ 22.58	2,533,995	114,199	4.5%	\$ 22.58
Office (Art Studio)	46,100	57,616	1,713	3.0%	\$ 25.19	57,616	1,713	3.0%	\$ 25.19
Commercial (Retail)	35,790	5,380,995	137,925	2.6%	\$ 19.57	6,046,027	149,165	2.5%	\$ 19.57
Commercial (Restaurant)	7,650	124,971	-	0.0%	\$ 25.48	171,493	4,550	2.7%	\$ 12.27
Manufacturing (Flex)	252,510	725,282	-	0.0%	\$ 15.00	758,173	-	0.0%	\$ 15.00

Data Sources: (1) Shift Capital (2022). (2) CoStar Data For Ithaca & Ithaca College NY. (3) CoStar Data For Tompkins County, NY

Therefore, if the Project were not to be built, the companies would need to look elsewhere to establish their own company. It is assumed that 100% of the non-housing related, on-site jobs are classified as net new because, without the Project, these jobs would not exist. Table 7 displays the number of new, on-site jobs associated with the Project.



Table 887

On-Site Jobs

	Jobs	Net New Percent	Net New Jobs
Office	365	100%	365
Commercial Retail	80	100%	80
Commercial Restaurant	30	100%	30
Manufacturing	530	100%	530
Artist Studio	65	100%	65
Residential	45	51%	23
Total	1,115	98%	1,093

Source: Applicant, Camoin Associates

On-Site Jobs

	Jobs	Net New Percent	Net New Jobs
Office	365	100%	365
Commercial Retail	80	100%	80
Commercial Restaurant	30	100%	30
Manufacturing	530	100%	530
Artist Studio	65	100%	65
Residential	45	51%	23
Total	1,115	98%	1,093

Source: Applicant, Camoin Associates

IMPACT ANALYSIS

The net new jobs are calculated in Table 10. The net new job numbers were used as the direct input in Lightcast’s input-output model to estimate the indirect and induced effects of the new jobs on Tompkins County. Table 9Table 9Table 8 details the estimated annual impact that the new on-site activity will have on the county regarding employment, earnings, and sales.

Table 998

County Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	1,093	\$ 75,213,569	\$ 445,746,435
Indirect	281	\$ 16,366,018	\$ 53,805,575
Induced	565	\$ 40,346,733	\$ 101,182,366
Total	1,939	\$ 131,926,320	\$ 600,734,376

Source: Applicant, Lightcast, Camoin Associates



TOTAL ECONOMIC IMPACT

The total economic impact of new household spending and on-site operations is displayed in [Table 10](#)~~Table 10~~[Table 9](#).

Table ~~10~~[9](#)

County Total Annual Economic Impact

	Jobs	Earnings	Sales
Direct	1,171	\$ 78,725,856	\$ 456,948,886
Indirect	294	\$ 17,059,656	\$ 55,665,949
Induced	581	\$ 41,381,778	\$ 103,778,887
Total	2,045	\$ 137,167,290	\$ 616,393,722

Source: Lightcast, Camoin Associates



FISCAL IMPACT ANALYSIS

In addition to the economic impact the Project will have on the local economy (outlined above), there would also be a fiscal impact. The following section of the analysis outlines the impact on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

PAYMENT IN LIEU OF TAXES (PILOT)

~~Table 11~~~~Table 11~~~~Table 10~~ calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Column A shows what the Property is currently generating, Column B shows the Requested PILOT schedule, and Column C shows what the property would generate if the Project is built but does not receive assistance (Column C is purely hypothetical since the Applicant has stated they will not do the Project without assistance).

Over \$2.2 million more in PILOT tax revenue will be received annually over property taxes received without the Project. The total benefit for the municipalities would be over \$44 million over 20 years. The Applicant will pay \$3 million less per year under the PILOT than full taxes on the final development.

Table ~~11~~~~11~~~~10~~

Tax Policy Comparison

Year	A	B	C	Benefit (Cost)	
	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT	of Project to Municipalities (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)
1	\$ 103,783	\$ 545,441	\$ 4,520,360	\$ 441,658	\$ 3,974,919
2	\$ 105,859	\$ 556,350	\$ 4,610,767	\$ 450,491	\$ 4,054,417
3	\$ 107,976	\$ 567,477	\$ 4,702,982	\$ 459,501	\$ 4,135,505
4	\$ 110,136	\$ 578,826	\$ 4,797,042	\$ 468,691	\$ 4,218,215
5	\$ 112,338	\$ 590,403	\$ 4,892,983	\$ 478,064	\$ 4,302,580
6	\$ 114,585	\$ 1,089,837	\$ 4,990,842	\$ 975,251	\$ 3,901,006
7	\$ 116,877	\$ 1,111,633	\$ 5,090,659	\$ 994,756	\$ 3,979,026
8	\$ 119,214	\$ 1,133,866	\$ 5,192,472	\$ 1,014,652	\$ 4,058,606
9	\$ 121,599	\$ 1,674,016	\$ 5,296,322	\$ 1,552,417	\$ 3,622,306
10	\$ 124,031	\$ 1,707,496	\$ 5,402,248	\$ 1,583,465	\$ 3,694,752
11	\$ 126,511	\$ 2,280,024	\$ 5,510,293	\$ 2,153,513	\$ 3,230,269
12	\$ 129,041	\$ 2,325,624	\$ 5,620,499	\$ 2,196,583	\$ 3,294,874
13	\$ 131,622	\$ 2,932,266	\$ 5,732,909	\$ 2,800,643	\$ 2,800,643
14	\$ 134,255	\$ 2,990,911	\$ 5,847,567	\$ 2,856,656	\$ 2,856,656
15	\$ 136,940	\$ 3,633,487	\$ 5,964,518	\$ 3,496,547	\$ 2,331,031
16	\$ 139,679	\$ 3,706,157	\$ 6,083,809	\$ 3,566,478	\$ 2,377,652
17	\$ 142,472	\$ 4,386,581	\$ 6,205,485	\$ 4,244,109	\$ 1,818,904
18	\$ 145,322	\$ 4,474,313	\$ 6,329,595	\$ 4,328,991	\$ 1,855,282
19	\$ 148,228	\$ 5,194,595	\$ 6,456,187	\$ 5,046,367	\$ 1,261,592
20	\$ 151,193	\$ 5,298,487	\$ 6,585,310	\$ 5,147,294	\$ 1,286,824
Total	\$ 2,521,661	\$ 46,777,788	\$ 109,832,848	\$ 44,256,127	\$ 63,055,060
Average	\$ 126,083	\$ 2,338,889	\$ 5,491,642	\$ 2,212,806	\$ 3,152,753
Present Value*	\$ 1,362,607	\$ 20,514,595	\$ 59,349,403	\$ 19,151,987	\$ 38,834,809

Source: Tompkins County IDA, Camoin Associates

Note*: Present Value calculation assumes a 6.25% discount rate



OTHER EXEMPTIONS

The PILOT program would offer the Applicant property tax benefits. Still, working with the Agency offers other benefits, including a sales tax exemption on construction materials, furniture, fixtures, and equipment and a mortgage recording tax exemption.

Table ~~121211~~

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	20,074,500.00
Mortgage Tax Exemption	\$	1,763,808.00

Source: Applicant, Camoin Associates

The additional incentive offered by the Agency will benefit the Applicant. Still, it will not negatively affect the county because, without the Project, the County would not, by definition, be receiving any associated sales tax or mortgage tax revenue.

SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction phase earnings described by the construction work's total economic impact (described in the above section) would lead to additional sales tax revenue for the County. It is assumed that 70%⁵ 25% of the construction phase earnings would be spent within Tompkins County, and 25% of those purchases would be taxable.

Table ~~131312~~

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	60,955,504
Amount Spent in County (70%)	\$	42,668,852
Amount Taxable (25%)	\$	10,667,213
Tompkins County Sales Tax Revenue (4%)	\$	426,689

Source: Tompkins County IDA, Camoin Associates

The construction phase's employment would result in the County receiving approximately \$268,437 in new sales tax revenue from its economic impacts.

SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

In addition to sales tax generated by the construction phase, the County would also receive sales tax revenue from the purchases made by the new households. ~~Table 14Table 14Table 133~~ displays the new sales tax revenue Tompkins County would receive annually based on in-county spending by new households.

⁵ A retail leakage analysis of Tompkins County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third party proprietary retail spending data, 70% is a reasonable assumption for the amount of in-county spending. (Source: Esri Business Analyst Online Retail Market Profile)



Table ~~1414~~13

Annual Sales Tax Revenue, Household Spending	
Total New Spending	\$ 15,659,346
Amount Taxable (30%)	\$ 4,697,804
Tompkins County Sales Tax Revenue (4%)	\$ 187,912

Source: Tompkins County IDA, Camoin Associates

Note that the household spending figure has already been adjusted to account for 70% of total spending occurring within the county (see table entitled "Tenant Spending Baskets"). Also note that we have used a higher value for "Amount Taxable" than the previous tables (30% rather than 25%) since certain non-taxable items (related to housing expenses) have been removed from the total spending line, increasing the remaining portion taxable.

SALES TAX REVENUE – EMPLOYEE EARNINGS

The new earnings generated by on-site jobs resulting from building occupations at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the county. It is assumed that 70% of the earnings would be spent within Tompkins County and 25% of those purchases would be taxable. ~~Table 15~~~~Table 15~~~~Table 144~~ displays the County's annual tax revenue.

Table ~~1515~~14

Annual Sales Tax Revenue, On-Site Operations	
Total New Earnings	\$ 131,926,320
Amount Spent in County (70%)	\$ 92,348,424
Amount Taxable (25%)	\$ 23,087,106
Tompkins County Sales Tax Revenue (4%)	\$ 923,484

Source: Tompkins County IDA, Camoin Associates

TOTAL ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the County will receive is summarized in ~~Table 16~~~~Table 16~~15.

Table ~~1616~~15

Total Annual Sales Tax Revenue	
Household Spending	\$ 187,912
On-Site Operations	\$ 923,484
New County Tax Revenue	\$ 1,111,396

Source: Tompkins County IDA, Camoin Associates



ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anycounty, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e., sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e., Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e., how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.



ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

“Net new” households that move into a geography because of the availability of desired housing contribute to that geography’s economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing. Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by a proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Therefore, Each project may have a different expectation for net new households, depending on price point, age restriction, and location. The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify where households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a “renter-shed” for a new project. Households within the drive time but outside the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an “implied number renting” for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a “net gap,” indicating excess demand for the project, or a “net surplus.” To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.



~~ATTACHMENT C: VACANCY~~

SouthWorks Commercial Property Mix - Town of Ithaca												
Property Type(1)	Project		2024 YTD				2014				2014 - 2024 Change	
	Square Feet (1)	CoStar Property Type (2)	SF (2)	Vacant SF (2)	Vacancy Rate (2)	Asking Rate PSF/Year (2)	SF (2)	Vacant SF (2)	Vacancy Rate (2)	Asking Rate (2)	SF Growth % (2)	Asking Rate Growth % (2)
Office	117,010	Office	2,424,700	109,599	4.5%	\$ 22.58	2,205,704	206,734	9.4%	\$ 12.44	9.9%	81.5%
Office (Art Studio)	46,100	Office: Loft/Creative Space	57,616	1,713	3.0%	\$ 25.19	46,616	-	0.0%	-	23.6%	N/A
Commercial (Retail)	35,790	Retail	5,380,995	137,925	2.6%	\$ 19.57	5,316,174	122,514	2.3%	\$ 10.42	1.2%	87.8%
Commercial (Restaurant)	7,650	Retail: Restaurant	124,971	-	0.0%	\$ 25.48	117,152	8,816	7.5%	\$ 21.90	6.7%	16.3%
Manufacturing	252,510	Flex	725,282	-	0.0%	\$ 15.00	725,282	70,755	9.8%	-	0.0%	N/A

Data Sources:
 (1) Shift Capital (2022)
 (2) CoStar Data For Ithaca & Ithaca College NY







Leading action to
grow your economy

To: Heather McDaniel
Russell E. Gaenzle
Stephen Maier

From: Brad Schwartz
SouthWorks

Re: Proposed PILOT Terms

Date: August 13, 2024, [revised August 29, 2024](#)

This Memorandum outlines proposed terms regarding the PILOT for the SouthWorks Project. These terms are intended to address the IDA's feedback during the July 29² Special Meeting, [and August 14 Regular Meeting](#). The [final](#) agreed upon [and approved](#) terms would be memorialized in [the](#) Project Agreements [entered](#) between the Applicant and IDA, ~~which remain subject to review and approval by all parties.~~

Each "Sub-Area" shall constitute one or more buildings, or an area within the Chainway.

1. **10-year Sitewide Base PILOT, with 5-year Extension**

- Applicant will submit a request for a 5-Year Base PILOT Extension, which request shall be made [at least](#) 6 months prior to the expiration of the initial 10-Year period
- The extension request shall be reviewed and considered for approval by the IDA, ~~(with a Public Hearing [if required by law](#)),~~ provided the following requirements are met:
 - 488 market-rate housing units have received a Final Certificate of Occupancy, are in construction, or have received [a](#) Building Permit
 - 122 affordable units have received a Final Certificate of Occupancy, are in construction, or have received [a](#) Building Permit
 - 400,000sf of commercial/office/manufacturing/industrial space has received a Final Certificate of Occupancy, is in construction, or has received [a](#) Building Permit

2. 20-year PILOT for each Sub-Area

a. Years 1-5

- For each Sub-Area that is either completed or has received a building permit and is under construction in the first five years after [IDA approval of the Base PILOT](#), a new 20-year PILOT will be put in place administratively for that Sub-Area without additional IDA approval
- The Base PILOT will also be amended to remove the proportionate ‘pre- project’ value of the associated land and building for that Sub-Area

b. Year 5 Update & Extension for Years 5-10

- Applicant will submit a request for a 5-Year Extension for this same administrative process to continue for another 5 years, which request shall be made [at least](#) 6 months prior to the expiration of the initial 5-year period
- The extension request shall be reviewed and considered for approval by the IDA, (with a Public Hearing [if required by law](#)), provided the following requirements are met:
 - 244 market-rate housing units have received [a](#) Final Certificate of Occupancy, are in construction, or have received [a](#) Building Permit
 - 61 affordable units have received a Final Certificate of Occupancy, are in construction, or have received [a](#) Building Permit
 - 200,000 sf of commercial/office/manufacturing/industrial space has received a Final Certificate of Occupancy, is in construction, or has received [a](#) Building Permit
 - Reasonableness Assessment performed by independent 3rd Party, if requested by the IDA. [The IDA’s selection of the independent consultant shall be made following consultation with the Applicant. The Applicant shall fund an escrow account to cover the IDA’s costs of the consultant.](#)

c. Year 10 Update & Extension for Years 10-15

- Same as for Year 5 Update and extension request, except that the milestones shall be the same as the milestones for the Base PILOT extension request (i.e., [488422](#) market-rate housing units, 122 affordable units, and [400,000sf466,666sf](#) of commercial/office/manufacturing/industrial space)

3. Exceptions and Reporting

- Notwithstanding anything to the contrary, the failure to meet one or more requirements or deadlines shall not result in a denial of any extension request, provided that the IDA finds in its reasonable discretion that the Applicant is working diligently, in good faith and using commercially reasonable efforts towards constructing the Project in an orderly and timely fashion, commensurate with market demand and subject to economic conditions affecting the Project, and that the Applicant’s failure to satisfy such requirement(s) or deadline(s) is not due to any unreasonable delay by the Applicant. The Applicant shall submit adequate information demonstrating that it is meeting such diligence obligations, and such other information as may be reasonably requested by the IDA. Upon such a showing, the IDA shall consider approving the extension request.
- In the event the Applicant anticipates not meeting one or more of the requirements on a date that is earlier than when the extension request is due, the Applicant shall submit a letter update to the IDA notifying the IDA of same, and the Applicant shall appear at an IDA meeting to discuss Project status upon IDA’s request.
- For all extension requests (regarding both the Sitewide Base PILOT and the 20-year PILOT’s administrative process for Sub-Areas), the IDA may approve or deny the extension request in accordance with these terms, or may modify the then-current PILOT, including, without limitation, an increase or decrease in financial assistance based upon a material change in need and/or market conditions.
- The Applicant may submit a request at any time for an increase in financial assistance based upon need and market conditions.
- The Applicant shall submit an annual written report to the IDA, in such detail and at such other times as may be reasonably requested by the IDA, as to the actual progress of the Applicant’s construction of the Project (*this is in addition to standard annual reporting requirements*).

4. Other IDA Policy Compliance and Requested Deviations

**** taken directly from the IDA Administrative Director’s July 15, 2024 Memorandum**

i. Diversity and Inclusion Policy

Only single occupant projects (buildings developed specifically for one tenant or an owner-occupied facility) are subject to the Diversity and Inclusion Policy. This project is not a single occupant project.

ii. Enhanced Energy Incentive Policy

The policy does provide additional incentive for projects that exceed the requirements of the City of Ithaca’s Green Building Code (the Stretch Code). In 2026, this policy will become obsolete when the Code will require net zero compliance. The applicant will comply with City Code. In consideration of the economic and community benefits which include energy

and sustainability as well as mixed income housing, adaptive reuse, environmental remediation, workforce development, business growth and retention, and public amenities, the applicant has requested an incentive that exceeds that contained in the Enhanced Energy Policy.

3. **iii. Local Labor Utilization Policy**

The applicant intends to comply with the Local Labor Utilization Policy.

4. **iv. Workforce Housing Policy**

The applicant intends to substantially comply with the IDA’s Workforce Housing Policy by developing 915 housing units. 183 units, or 20% of the units (as required by the policy), will be affordable housing units.

- a. Some portions of the property may be subdivided and sold to a private developer that will build and sell market rate single family homes – ***The applicant requests these units count towards total units in the Project – these units will not be part of the PILOT.***
- b. Some portions of the property may be subdivided and sold to an affordable housing ~~developer~~agency that will build and sell affordable single-family homes – ***The applicant requests these units count towards total units and affordable units in the Project – these units will not be part of the PILOT.***
- c. ~~Some A~~portions of the property may be subdivided and sold to either a for profit or a not-for profit affordable housing ~~agency~~developer that will develop and manage affordable rental housing units .
 - ***The applicant requests that a sale to a for profit affordable housing ~~agency~~developer be considered, which is not contemplated in the policy.***
 - ***The applicant requests a determination for these units to count towards the 20% affordable unit requirement per the Workforce Housing Policy as follows:***

(... ..Excerpted from the Workforce Housing Policy):

“In the event that a proposed project consists of more than one parcel of real property owned by different corporate entities, the Tompkins County IDA will consider and determine whether to treat the development as a single project for purposes of calculating the 20% affordable total unit requirement. The following criteria are required:

- (1) The improvements to be made to the real properties will be constructed simultaneously or in sequence. Specifically, the affordable project will open for operation either before the market rate component or within three years after the opening of the market rate component; and
- (2) The land for the affordable housing portion of the project is being conveyed by the principal investor to a not-for profit affordable housing organization who will perform the development; and

The following criteria will be considered in making a determination:

- (1) The real properties involved are contiguous;
- (2) The real properties are, or were, considered for municipal site plan approval or SEQR determination as a single project;

- (3) The improvements to be made to the real properties are the product of a coordinated design with common design elements;
- (4) The purpose of maintaining separate corporate ownership of the real property is related to regulatory eligibility or financing requirements for affordable housing.”

5. **v. Uniform Evaluation Policy**

This policy establishes criteria to be used for the evaluation and selection for all projects for which the IDA may provide financial assistance. The criteria are established and required by state law. The IDA should use this policy to assess the project for approval. The policy is attached to this document.

5. Fees & Project Modifications

**** also taken directly from the IDA Administrative Director’s July 15, 2024 Memorandum**

- A flat fee of \$35,060 (1% of current assessed value), plus attorney’s fees at cost, will be assessed upon the Base PILOT approval and issuance of sales tax documents. Subsequent PILOTs will be assessed a fee based on costs of that improvement per the fee policy outlined in the TCIDA Uniform Tax Exemption Policy (an administrative of 1% of hard construction costs; and an additional 1/3 of the administrative cost in attorney fees).
- Any modifications to the project description in the TCIDA application for financial assistance that exceed a 10% threshold change in use, and any modifications that require additional SEQR/CEQRO review would need to be presented to the TCIDA for approval.

6. Recommendation to Future IDA Boards

- The IDA finds that the tax incentives approved by this Board properly balance the IDA’s typical considerations in deciding applications for financial assistance, and the Applicant’s interest in having a reasonable degree of certainty and predictability for this multi-year construction Project having multiple Sub-Areas. This is a challenging and ambitious Project that this IDA Board would like to see come to fruition for the benefit of our community, the surrounding region, and future generations of Ithaca residents.
- Accordingly, it is this IDA Board’s intent and recommendation to future IDA Boards that they continue to facilitate and ensure the successful completion of the Project, including, but not limited to, by approving the requisite PILOT extension requests pursuant to these terms, and modifying the approvals granted by this IDA Board as may be appropriate as set forth above.

Tompkins County Industrial Development Agency
Board of Directors Meeting Draft Minutes
August 14, 2024 2:00 – 4:00 PM
TC Legislative Chambers
121 E. Court Street
Ithaca NY 14850

Present: Rich John, Todd Bruer, Jeff Gorsky, Jerry Deitz, Ducson Nguyen, Anne Koreman, Deborah Dawson (remote)

Admin: Heather McDaniel, Kellea Bauda (IAED), Russ Gaenzle (Harris Beach, remote), Stephen Maier (Harris Beach, remote)

Guests: Robert Lewis, Sarah Barden (Shift Capital); David Lubin (L Enterprises, remote); Nnenna Lynch (Xylem, remote); Melissa Suchodolski (USC Builds), Brad Schwartz (Zarin & Steinmetz, remote)

CALL TO ORDER

Rich John called meeting to order at 2:05 pm.

Jerry Deitz was introduced. He has been appointed by the Tompkins County Legislature to fill out the term of John Guttridge who resigned effective July 31, 2024.

Board member Deborah Dawson is attending the August 13, 2024 meeting via videoconference due an extraordinary circumstance as outlined in section 4e of the Organization’s Public Meeting Videoconference Policy. This determination was made by IDA Chair Rich John. Deborah Dawson is attending at a location that is not open to the public and thus will not count towards quorum but will be able to vote on any motions on the floor.

PRIVILEGE OF THE FLOOR

Theresa Alt – 206 Eddy Street, Ithaca

You shouldn’t give tax breaks to everything in the Southworks project. Refurbished buildings, where locally existing profitable young companies move into grow, will be collecting rents very quickly and won’t need a long abatement. Probably won’t need any abatement at all. Also, market-rate housing should not be eligible for abatements. The fraction of affordable housing should get an abatement, but it is not a big enough fraction, given that Dave Lubin promised affordable housing at Southworks as a substitute for the 37 units he did not allow at Asteri; 20% plus 37 should be affordable. And if Vecino had been allowed to build those units, they would already be housing people, even after having to wait for the Conference Center, and we would not be talking about several years in the future, after businesses.

By the way, the Southworks project proposes quite a bit of office space. But Ithaca already has too much office space, and vacant offices are being converted into more useful apartments. Offices should only be those directly linked to manufacturing on the site. If these spaces are in existing buildings, maybe they could be directly converted into housing. Think of the fashionable industrial loft apartments in New York City.

Peter Wissoker – Ithaca, NY

Good afternoon. Permit me to follow up on some loose ends from the July 29 meeting and other discussions of the SouthWorks project.

First, I want to second Theresa Alt's concern regarding the extra affordable units Mr. Lubin promised would be built on the site, replacing those that were lost when the Asteri project downsized. He is coming to the agency with a very big ask and any deal you reach with him should make him fulfill his promise.

Second, please rethink the idea of giving the extended abatement to every building proposed for SouthWorks. Some, I would argue, should receive no abatement—market rate housing, for instance. Obviously, non-profit spaces or spaces that truly involve risk might be considered for such abatements, but the proposed abatements in most cases are likely too long. My guess is that any investor or lender would understand why no abatements would be provided for market-rate housing (for instance) in a real estate market such as ours.

Is there a way to avoid cherry picking on the part of the developers who want to take advantage of the length of the project? One could easily imagine a developer or investor who starts their part of the development by building the market-rate housing and a few buildings for which they have tenants, and then stops, with a lot of their promised development left unbuilt. Could there be some kind of provision to guard against that?

Turning for a moment to the Camoin Associates impact analysis, it seems to me that we deserve something better, something that is able to incorporate the way the project takes place over time, and something that estimates the real costs to our communities of having a project like this here, what is sometimes called implementation costs. I recognize that a more detailed, sophisticated analysis would be an additional, probably unbudgeted expense and that it might slow the process. Given the magnitude of the project, in terms of cost and time, it seems worth the extra expense of both to get it right.

Just throwing this out there, but am I the only one who wonders if this could eventually turn into a kind of Collegetown for Ithaca College, with the market-rate housing being bought by parents and rented to students and the retail facilities mostly catering to that demographic as well? I don't know that this would be a bad thing. It's just a possibility.

Finally, I'll say what I always say when folks come looking for an abatement:

- Once each element is completed, all jobs associated with it should pay a living wage. The agency should require that all workers who are attached to the project through the developers, the LLC, or the services they hire to do work such as janitorial services, security, etc., should be guaranteed a living wage.
- Prevailing wage/apprenticeship should be attended to: The agency should require that the developers use contractors who pay a prevailing wage as well as contractors who have an apprenticeship program. The developers should work with their contractors to meet these conditions.
- TCIDA/taxing entities should profit from the project's sale: If the applicant resells any portion of the project, the state, city, county, and schools should be repaid for any taxes they have foregone plus interest.
- Finally, please ensure that the contractor purchases supplies locally: Where the contractor for this project is based remains unknown. Please build in language that forces the developers to try to secure materials for the project using local suppliers within the county first, as we do with labor. By materials, I mean both hard costs and soft costs. And this means local firms (not national firms like Home Depot) should be given a chance to speak with their suppliers and the opportunity to bid on supplying the job. It is likely necessary to see what kind of price-matching scheme would make this possible without making the cost of the building ending up prohibitively high, but the effort should be made. Maybe this will be the project that finally convinces someone to open a construction materials distributor locally.

ADDITIONS TO THE AGENDA – None

BUSINESS

SouthWorks – Discussion

The discussion focused on the proposed PILOT terms memo from Zarin & Steinmetz, LLC that was developed along with the IDA attorneys at Harris Beach, PLLC. The memorandum outlines proposed terms regarding the PILOT and other IDA-related matters for the SouthWorks Project. These terms are intended to address the IDA’s feedback during the July 22 Special Meeting. The agreed upon terms would be memorialized in Project Agreements between the Applicant and IDA, which remain subject to review and approval by all parties.

Nnenna Lynch highlighted the two days of open house at Southworks. She also pointed out that they are moving forward with conviction on affordable housing and recently hosted the commissioner of Housing and Community Renewal (HCR).

As to the memo, it is meant to be responsive to the comments and concerns from the July 29th meeting.

Brad Schwartz reviewed the memo and outlined the proposed updated PILOT terms.

- A 10-year sitewide base PILOT with a 5-year extension option. The extension request will be reviewed based on benchmark outlined in the memo.

The benchmarks are intended to guide the extension process. Southworks may fall short or exceed depending on external factors. It was also noted that a public hearing should be part of the process.

The lead time for requesting extensions was discussed. At least 6 months out, earlier if possible. There should also be the possibility of modifying the agreements based on the extension request.

It was noted that affordable housing credits are not a guarantee.

Protections for contractors and sub-contractors was discussed.

Currently funding for various parts of the project are being sought. There will be multiple financing sources for the different pieces of the whole project. The project is not being built on “spec.” Financing is sought when there is clear direction as to tenants. There is also significant financing from the developer partners.

Rich John noted that the third “party” to this agreement is a future IDA Board. He would like to include a statement of intent that we would like to see this project come to completion. He also noted that the developer does not need to wait for 6 months out to request an extension.

The developer will be submitting annual progress reports and those for the IDA Audit.

- 20-year PILOT for each sub-area with updates and extension/continuation of the PILOT to be reviewed every 5 years.
- Exceptions and Reporting and other IDA policy compliance are outlined in the memo.

The request to deviate from the workforce housing policy in terms of potentially selling a portion of property to a for profit affordable housing agency be considered was discussed.

Next steps:

- Attorney's will revise memo based on today's comments/discussion
- Receive more public comments
- Receive updated analysis from Camoin
- Looking to agreeing on updated memo and taking a straw vote on the overall project
- Contemplate sending to a public hearing at September meeting with final vote at October meeting

CHAIRS REPORT

Rich John thanked Southworks for the open house.

STAFF REPORT

Heather McDaniel reported that the TCDC closed on the forgivable loan to Block 14 for pre-development and the first \$30,000 has been distributed. Future disbursements will be made based on reporting requirements.

The Hive property has been sold to another developer. This project never received incentives so any future requests to the IDA would have submit a new application.

Staff attended the Fall IDA Academy that was presented by the NYSEDC. Heather was on a panel and discussed community development and workforce housing efforts by the TCIDA.

The shared kitchen project is moving forward. They signed a lease at the former GreenStar (700 W. Buffalo St.).

Heather McDaniel reviewed the 2Q 2024 TCIDA financial report. It was noted that the audit fees have increased.

Labor waivers that were granted administratively to The Breeze were presented. It was requested that future waiver reports include the location of the contractor that received the final bid. Additional discussion as to why local contractors are not submitting bids was held.

A request was made for the attorney to report on the prompt payment act at the next meeting.

MINUTES

Ducson Nguyen made a motion to approve the minutes from the July 10, 2024 and July 29, 2024 board meetings. Jeff Gorsky seconded the motion. The motion was approved (7-0).

EXECUTIVE SESSION

Anne Koreman made a motion to take the meeting into executive session to discuss a personal matter. Todd Bruer seconded the motion. The motion was approved (7-0).

Meeting went into executive session at 3:36 pm

Action/Follow Up Items

- Report on other IDA Housing incentive information
- Recommended PILOT request modification - Southworks
- Southworks Consultant Reports: reasonability analysis and economic impact studies final drafts
- Prompt Pay memo from Counsel