**Cinemapolis – Community Benefits Overview**

***1/8/24***

**Project Overview**

Asteri Parking, LLC is requesting a 28-year PILOT agreement, with a de minimis payment of $1 per year,

for the ground floor space of 120 E Green Street, which is occupied by Seventh Art Corporation of Ithaca, d/b/a Cinemapolis.

The PILOT would support the long-term financial sustainability of Cinemapolis, which in turn provides the

following benefits to them and the City of Ithaca. These include assistance in maintaining a long-term tenant in a space that was specially designed as a movie theater. While the economy for cinemas has been unstable, Asteri received ownership of the land that was improved with a movie theater, which requires a very specific type of tenant. Cinemapolis helps support the success of projects in downtown Ithaca. The Ithaca Downtown Conference Center, another Asteri tenant, works closely with Cinemapolis as a partner on many of their events. In addition, recreational amenities improve the quality of life for the residents of the affordable housing project. Finally, visitors to Cinemapolis frequent the parking garage above the movie theater. Each of these ancillary projects have been previously supported by this Industrial Development Agency.

 It is also important to note that, by buying out its leasehold, the Movie Theater would have qualified for a

full tax exemption under applicable law if the City of Ithaca and IURA had not transferred title to Asteri

Parking, LLC.

Formerly, the land underlying the movie theater was owned by IURA, subleased to a for-profit developer

called Cayuga Green, LLC, and then subleased to Cinemapolis. The City of Ithaca and IURA conveyed

the land to Asteri Parking, LLC, a subsidiary of Vecino Group, as part of the joint development of the

parking garage in 2021.

In New York State, real property taxes are exempted when the land is owned by a charitable or governmental entity and used for a charitable or governmental purpose. Because of the financial situation Cinemapolis faced for several years, they took several significant steps to reduce its fixed

costs and increase its revenues. Earlier in 2024, Cinemapolis bought out its leasehold from Cayuga Green,

LLC, and now directly leases the movie theater from IURA, which significantly reduced its fixed costs.

By removing the for-profit developer, Cinemapolis was making the Movie Theater eligible for real

property tax exemption. However, by transferring the title to Asteri Parking, LLC, that possibility was removed.

The applicant has agreed to amend their lease so that Asteri Parking, LLC assumes responsibility for the real property taxes assessed against Cinemapolis. The applicant is requesting a PILOT payment of $1 per year for 28 years, which is co-terminus with the lease. In year 29, the tenant will have the ability for the first time to purchase the building.

**Cost-Benefit Analysis**

* Extent to which project would create and/or retain private sector jobs – The project will retain five full time and 8 part time positions.
* Estimated value of tax exemption – $910,169 in property tax savings over 28 years
* Estimate of private sector investment to be generated by the project – n/a – there is no construction related to this project
* Likelihood of completing project in a timely manner – n/a
* Extent to which project would generate additional sources of revenue for local taxing jurisdictions – the tenant sales generate an estimated $20,000 in local sales tax each year.

**Projected Property Tax Savings**

|  |  |  |
| --- | --- | --- |
| $ 700,000  | Current Assessment |  |
| 2.00% | Annual Tax Rate/Assessment Increase |
|  |  |  |  |
|  Tax Rates |  |  |  |
| County | 5.317458  |  |  |
| City | 11.980000  |  |  |
| School | 17.795626  |  |  |
| Total | 35.093084 |  |  |

|  |  |  |
| --- | --- | --- |
|  | **Taxes Abated** |  |
| **Year**  | **County** | **City** | **School**  | **Total** |
| **1** | **3,722** | 8,386 | 12,457 | 24,565 |
| **2** |  |  |  |  25,056  |
| **3** |  |  |  |  25,558  |
| **4** |  |  |  |  26,069  |
| **5** |  |  |  |  26,590  |
| **6** |  |  |  |  27,122  |
| **7** |  |  |  |  27,664  |
| **8** |  |  |  |  28,218  |
| **9** |  |  |  |  28,782  |
| **10** |  |  |  |  29,358  |
| **11** |  |  |  |  29,945  |
| **12** |  |  |  |  30,544  |
| **13** |  |  |  |  31,155  |
| **14** |  |  |  |  31,778  |
| **15** |  |  |  |  32,413  |
| **16** |  |  |  |  33,061  |
| **17** |  |  |  |  33,723  |
| **18** |  |  |  |  34,397  |
| **19** |  |  |  |  35,085  |
| **20** |  |  |  |  35,787  |
| **21** |  |  |  |  36,503  |
| **22** |  |  |  |  37,233  |
| **23** |  |  |  |  37,977  |
| **24** |  |  |  |  38,737  |
| **25** |  |  |  |  39,512  |
| **26** |  |  |  |  40,302  |
| **27** |  |  |  |  41,108  |
| **28** |  |  |  |  41,930  |
|  |  |  | **TOTAL** | 910,169 |