



City of Ithaca

Community Investment Incentive Tax Abatement Program (CIITAP)

The City of Ithaca is committed to creating a work environment and community that values and supports diversity and inclusion and to developing laws, policies and procedures that are mindful and inclusive of our diverse community.

The Community Investment Incentive Tax Abatement Program (CIITAP) is a property tax abatement program that allows property owners to apply for abatement for a portion of their property taxes for a period of up to 7 years.

I. Objective

In conjunction with the goals of the Tompkins County Comprehensive Plan, the objective of the CIITAP is to encourage development in the City that would increase jobs, increase the tax base, promote density in the City core, to encourage rehabilitation and redevelopment of underutilized sites and to help create a vibrant downtown center. Specifically the goals, as stated in the Tompkins County Comprehensive Plan, are as follows:

- Strengthen and enhance the City of Ithaca's downtown area as the urban center of the county.
- Increase the amount and density of housing and business space in the central business districts throughout the county.
- Promote greater density by encouraging development of existing "gaps" left by abandoned buildings and vacant parcels.

II. Eligibility Criteria

Project sponsors applying for tax abatement(s) under the City of Ithaca Community Investment Incentive Program must meet the following size, density, and location requirements:

- 1.) **Project Size Requirement** - In order to meet the minimum project size requirement to be eligible for tax abatements under the CIITAP program, a project must provide a letter from the Tompkins County Assessment Office that states that the project will result in an estimated increase in the assessed value of the property by at least \$500,000.

- 2.) **Project Density Requirement** - In order to meet the minimum density requirement to be eligible for tax abatement under the CIITAP program, a project must either:
 - Contain a minimum of 3 occupiable stories in height.

or

 - Must be a major restoration of an existing structure.

3.) **Project Location Requirement** - In order to meet the location requirement to be eligible for tax abatement under the CIITAP program, a project must either:

- Be located in the City of Ithaca Density District

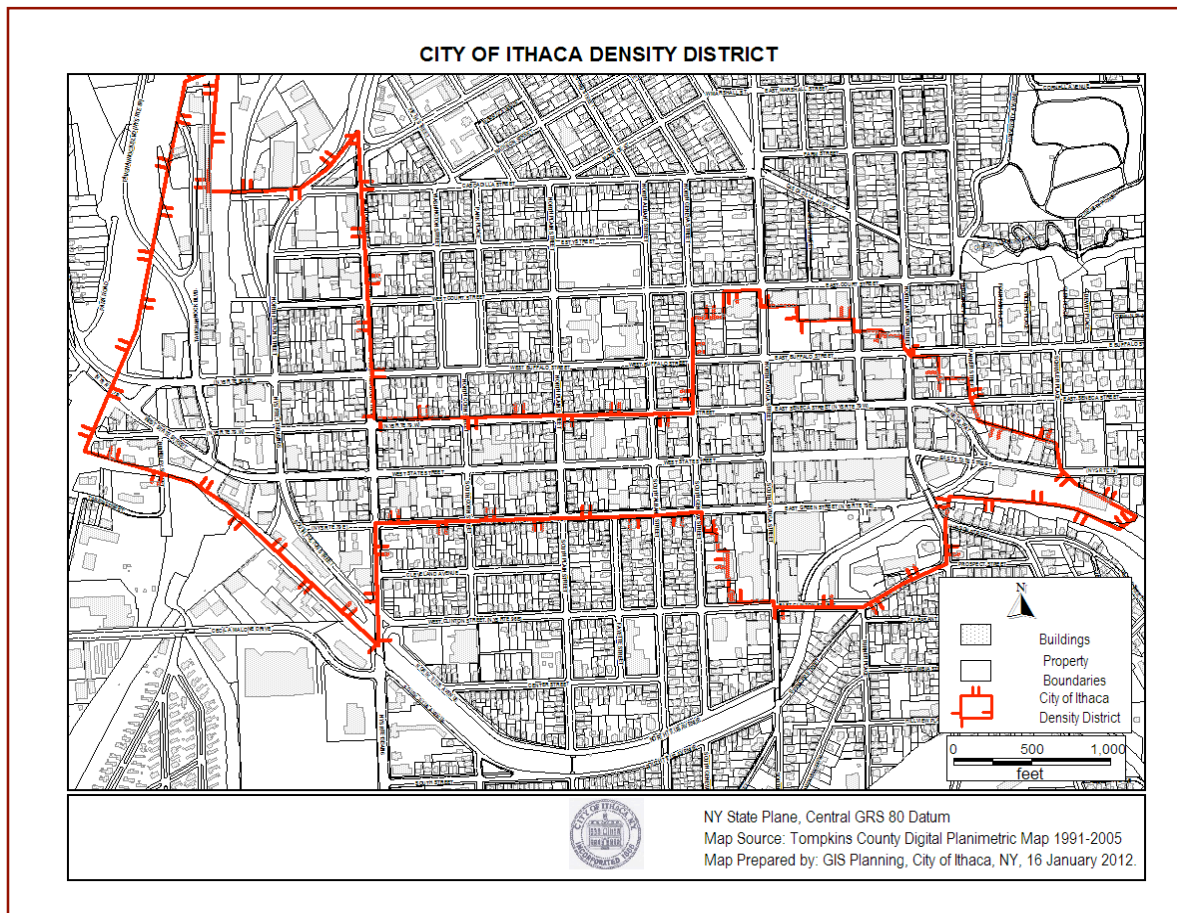
or

- Be a redevelopment of a Brownfield site that is registered as a DEC inactive hazardous waste site.

<http://www.dec.ny.gov/cfm/EXTAPPS/DEREXTERNAL/index.cfm?pageid=3>

Eligibility is determined by the Mayor of the City of Ithaca, based on the above-stated criteria. Once eligibility has been determined, the Mayor will provide a letter of endorsement to the Tompkins County Industrial Development Agency (IDA). (See Section IV for complete application process.)

II. Density District Boundary



III. Incentive Package

Property Tax Abatement – The standard CIITAP property tax abatement will begin at 90% in year one and decrease in equal increments over seven (7) years. Applicants may

request a enhanced property tax abatement that begins at 100% in year one and decreases in equal increments over ten (10) years if the applicant can demonstrate financial need as determined by a review by IDA administrative staff of the project pro forma and demonstration of an annual return on investment less than 20% in the first five years. The abatement will only impact taxes on improvements to the property and not taxes on the existing value.

The IDA retains the ability to offer more than the standard abatement package based on an analysis of the impact on the economy, the needs of the business, and input from the City of Ithaca. The IDA may negotiate additional abatements based on financial need.

- Sales Tax Abatement – The applicant will be exempt from both the local and State portion of sales tax on construction materials, equipment, and furnishings associated with the project.
- Mortgage Recording Tax – The applicant will be exempt from the State portion of the Mortgage Recording Tax (\$2.50 per \$1,000)

IV. Application Process

Tompkins County Area Development, Inc. (TCAD) provides administrative and marketing services to the IDA. Potential applicants should contact the City Planning Department to schedule a meeting with Planning Staff and TCAD staff to determine project eligibility.

If the project appears to be eligible, TCAD will assist with completing the application for assistance. It is strongly advised that potential applicants schedule the initial eligibility determination meeting as early in the process as possible in order to determine if the dollar value of the proposed incentives exceeds the associated fees.

Based on the nature of the project and the incentives requested, the following will occur:

1. Eligibility Determination Meeting - A developer seeking a tax abatement under this program must first have a joint meeting with staff from TCAD and the City Planning Department.
2. CIITAP Application - A developer must submit a completed CIITAP application to the City of Ithaca Planning Department. The application will be reviewed for completeness and will be submitted to the Mayor for consideration.
3. Public Information Session – The City will schedule a public information session, at which the developer will be responsible for presenting information about the project and answering questions from the public. The City will advertise the public information session with a press release to the local media. The developer is responsible for posting the property at least 5 days prior to the public information session, with the date, time and location of the meeting.
4. City Approval– A City CIITAP Review Committee, consisting of the Mayor, the Director of Planning and Development, and the Director of the community development for the IURA, will consider project

approval, based on the stated criteria density, size, and location. If criteria are satisfied, the CIITAP review committee will forward the completed application, along with a letter of approval to the IDA.

5. IDA Application –A developer will submit a standard IDA application to the IDA for consideration in addition to the CIITAP application and Mayor’s approval letter. The IDA will make an independent determination of the project.
6. Public Hearing – Following an initial review, the IDA will, if favorably disposed toward a project, schedule a public hearing on the proposed incentive package. Standard IDA policies apply with regards to public hearing notification and other requirements.
7. IDA Determination – Following a public hearing, the IDA will make a conditioned determination on the project. No final decision may be reached by the IDA until SEQR requirements have been met by the developer.
8. Notification and Reporting – The IDA will notify the City of Ithaca and appropriate taxing jurisdictions once a project is approved. The IDA may diminish or rescind incentives should the project materially change. IDA agreements generally have claw back requirements.
9. Applications under this policy may not be accepted after December 31, 2017 unless the IDA and City of Ithaca vote to extend the policy beyond that date.

Refer to the Tompkins County Industrial Development Agency Mission, Policies and Procedures for additional information.

V. Application Fees

The applicant is responsible for payment of the following fees associated with the CIITAP process.

1. Administrative Fees -The applicant is responsible for paying the IDA Administrative Fee at the time of closing. This fee will be equal to 1% of the total value of expenses that are positively impacted by IDA incentives. This includes the value of construction of improvements to property that is impacted by property and sales tax abatement and the value of furniture, fixtures and equipment that are impacted by sales tax abatement. It will not include any purchases, such as manufacturing equipment, where the IDA does not deliver an incentive. Soft Costs (legal, consulting, financial, architectural and engineering fees) will be included in the amount considered as total value of expenses. In an attempt to make its incentive program cost effective for smaller projects, the IDA will reimburse the applicant for 100% of the Administrative Fee, IDA Counsel Fee, and IDA Bond Counsel Fee associated with the IDA involvement in the project if the total project cost is less than \$1 Million. For total project cost greater than \$1 Million but less than \$2 Million, the reimbursement of fees will be reimbursed on a sliding scale that declines

from 100% to 0% gradually based on project size. There will be no reimbursement of fees for projects with costs over \$2 Million. The reimbursement will take the form of additional property tax abatement credited to the business in the initial years of the Payment In Lieu of Tax agreement (PILOT). The IDA retains the right to determine the credit the applicant will receive. For projects where there is no property tax abatement, there will not be any form of fee reimbursement.

2. IDA Counsel Fees – The applicant is also responsible for paying the IDA for all legal costs it incurs including IDA Counsel and Bond Counsel fees.
3. Applicant Attorney Fees – The applicant is responsible for its own attorney fees associated with closing IDA incentives.

III. Tax Abatement Application

CIITAP Application for Tax Abatement

The City of Ithaca Community Investment Incentive Program provides incentives for investment in the City. The incentives include property tax reductions and/or abatements for a period of up to 7 years. Applicants and projects must meet the minimum eligibility requirements (see application Part 5) in order to apply for the program

Part 1. –Applicant Information

Application Date: ___ / ___ / ___

Company/Applicant Name: _____

Primary Contact: _____

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone: _____ **Email:** _____

Applicant Attorney: _____

Attorney Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Attorney Phone: _____ **Email:** _____

Applicant Accountant: _____

Accountant Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Accountant Phone: _____ **Email:** _____

Applicant Engineer/Architect: _____

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone: _____ **Email:** _____

Will a separate company hold title to/own property in question that is separate from the operating company? If yes, please provide the name and contact information for that entity.

Company Name: _____

Primary Contact: _____

Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone: _____ **Email:** _____

Describe the terms and conditions of the lease between the applicant and the owner of the property: _____

Part 2. –Business History

Year Company was Founded: _____

Type of Ownership (Corporation, LLC, Sole Proprietor): _____

Product or Service: _____

Major Customers: _____

Major Suppliers: _____

Major Local Competitors: _____

Part 3. –Project Description

Project Narrative: _____

Project Location: _____

Property Size (acres) - both existing & proposed: _____

Building Size (square feet) - both existing & proposed: _____

Proposed Project Start & Completion Dates: _____

Do you certify that this project will not result in the relocation of all or part of any business or jobs from another county within New York State to Tompkins County?

_____ Yes _____ No

List the names, nature of business of proposed tenants, and percentage of total square footage to be used for each tenant (additional sheets may be attached, if necessary): _____

Part 4. –Project Costs

Value of land to be acquired (if any): _____

Value of buildings to be acquired (if any): _____

Cost of New Construction: _____ **% subject to local sales tax** _____

Value of Improvements: _____ **% subject to local sales tax** _____

Value of Equipment to be Acquired: _____ **% subject to local sales tax** _____

Other: _____ **% subject to local sales tax** _____

Total: _____

Part 5. – Criteria

Will the proposed project result in an increase to the tax roll value of new real property by at least \$500,000? _____

Does this project contain at least three occupiable stories? _____

Proposed Height (in stories and feet): _____

Does the project include a rehab of an existing structure? _____

Is the project located in the City of Ithaca Density District? _____

Does the project contain the redevelopment of a Brownfield site? _____

IV. Certification

_____ deposits that he/she is the _____
(Name of chief executive officer of company submitting application) *(Title)*

Of _____, the corporation named in the attached application; That he/she has
(Company Name)
read the foregoing application and knows the contents thereof; that the same is true to his knowledge. Deponent further says that the reason this verification is made by the deponent and not by _____ is because the said company is a corporation.
(Company Name)

The grounds of deponent’s belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the “Applicant”), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the nonprofit Tompkins County Industrial Development Agency (hereinafter referred to as the “Agency”) acting in behalf of the attached application whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds or transfer of title are ever carried to successful conclusion. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action, or withdraws, abandons, cancels, or neglects the application or if the Agency or Applicant are unable to find buyers willing to purchase the total bond issue required or financing for the project, then upon presentation of invoice, the Applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue or transfer of title the Applicant shall pay to the Agency an administrative fee set by the Agency, not to exceed an amount equal to 1% of the total project cost. The cost incurred by the Agency and paid by the Applicant, including bond counsel, the Agency’s general counsel’s fees and the Agency’s

administrative fees, may be considered as a cost of the project and included as part of the resultant bond issue.

(Signature of chief officer of company submitting application)

NOTARY

Sworn to before me this

_____ day of _____, 20_____

V. Completion Status (To be Completed by Staff)

Eligibility Criteria:

Size _____

Density _____

Location _____

Additional Documentation Submitted: _____

Staff Review Date _____

Mayor's Endorsement date _____