IURA Request for Information/Clarifications – Vecino

Quantified Public Benefits

Your submitted application form quantified the Net Present Value (NPV) of community benefits provided by your proposal at $20,500,000. Please identify the benefits and provide your calculation for this NPV. Please specify any projected cost savings your proposal offers to the City for construction/renovation of public parking.

The Vecino Group Net Present Value estimates include projections for affordable units, parking and conference center space. To be clear, these figures were estimates completed by our in-house team, they are only estimates.

It was estimated that each affordable unit would bring $50,000 NPV to the community. Multiply that $50,000 by 210 units and you have a total NPV of $10,500,000 for just the affordable housing portion of the project.

The parking and conference center space carry a stated NPV of $5 million each though the Vecino Group estimates the actual NPV to be higher. With the overall cost for the garage and conference center space at $26 million, it seems rational to estimate a NPV of $10 million, especially when you consider that the City would not need to enter into any loans to bring this to fruition.

City Out-of-Pocket Expenses

Please confirm the projected annual City lease payment on the proposed 365 parking spaces to be constructed or rehabilitated in the Western and Center sections. My calculation is: 365 spaces @ $1,900/space = $693,500/year.

Assuming only the western and center sections of the garage are completed, the $693,500 per year is correct.

If we were to refurbish the eastern section as well, adding 149 spaces for a total of 514 spaces, the per space expense to the city would be reduced to $1,800 per space, or $925,200 annually. We feel our initial parking estimates are conservative, if the parking count does increase in the provided space, the total parking lease payment would stay relatively unchanged, while the lease per space could see decreases.

As the eastern section has significantly less repairs than the western section, greater feasibility is achieved. A couple important things to consider when reviewing the numbers—

a) The payment would be fixed over 30 years, allowing the city to benefit from parking rental rate increases.

b) Vecino Group would fund an annual allocation to help pay for the city to maintain control and operations of the parking garage, while contributing towards the necessary upkeep.
Project Site
Please clarify the western boundary of the site you seek to acquire. If the project site to be acquired extends significantly beyond the current parking structure, please clarify the proposed uses and management of the westernmost portion of the site nearest City Hall.

The western boundary of the site we seek to acquire includes the existing building footprint including the spiral parking ramp. Asteri Ithaca will require modifications to the landscape, trees, and hardscape up to the existing curb.

These modifications are not expected to reduce fire department access, parking, utility easements, or pick-up and delivery services.

The modifications would provide pedestrian access via the southwest corner of the building. Changes would improve street visibility to the public and commercial uses contained within the building.

Thoughtful design (via stakeholders participation) and execution of these changes would tie the public pedestrian streetscape around the west end of the building with Green Street north to the Dairy Alley and south to the Six Mile Creek. The Vecino Group is also eager to work with the city to find ways to create meaningful visual and pedestrian connections between Asteri and City Hall.

Parking Demand

Please estimate the parking demand created by your project for residential use and non-residential use. Please include an estimate of daytime and night time peak parking demands.

In previous conversations with INHS, estimated resident parking demand was projected from 10% to 30%. Working off a 20% estimate would result in projections of 42 spaces for evening and weekend parking. Assuming 50% of those residents will commute to work by means other than driving, we will assume 21 residential spaces during the day.

Many resident variables remain unknown, including how many residents will work nights or weekends, how many units will include multiple drivers, etc. The parking charges associated with the residential units will be borne by the tenants. There are no parking spaces included with the rent. This point was conveyed to HFA as well.

The non-residential parking space usage will be determined by the eventual end use of the development. If the end use is a conference center, the city commission report notates the number of net new parking spaces needed is expected to be relatively few.

The Cinemapolis parking count should not be impacted by this development.

Ownership Structure - Central Section Parking

It appears that Vecino proposes to acquire the Western and Central sections of the garage with the City retaining the Eastern section, which has identified structural deficiencies. If the City elects to re-
invest in the Eastern section, all deck parking will rely on the existing common garage entrance/exit located in the Central Section. Furthermore, the Center section contains the cinema lease premises that generates approximately $38,000/year in City revenues. Moreover, the City is currently procuring a new parking access revenue control system to be installed at the entrance/exit gate.

Is Vecino open to the City retaining ownership of the existing two-level Center section so that the City protects its asset investment and retains an access route to parking in the Eastern section (and Cinemapolis)? Alternatively, Vecino could grant an access easement to the city and provide an option to the City to re-acquire the entire Center section of the garage at the end of the 30-year lease. Discuss which options for City retention of parking access are compatible with your project.

Our proposal does assume acquiring the existing Center and West sections of the garages. Vecino’s preference for the existing two-level Center section is to retain ownership and grant the City of Ithaca an easement for access with an option to purchase at the end of the lease period. Having said this, we are willing to work with the City of Ithaca to find the scenario that works best for all parties.

Parking Rehabilitation

Your proposal specifies that 131 parking spaces will be rehabilitated and 234 spaces constructed. I believe the 131 spaces refer to the existing parking spaces in the Center section. What is the general scope of work for rehabilitation on these decks constructed circa 2007, and the total estimated construction cost for rehabilitation?

The 131 spaces do refer to the center section. It should be noted, this 131 is a conservative figure, as 153 spaces currently occupy this section.

The center section itself appears to be in sound shape structurally, with the main scope of rehabilitation limited to maintenance and repair work to prevent more extensive repairs in the future.

The most apparent change will be an update of the current lighting system to LED lights to help with safety and energy efficiency. Maintenance and/or safety items include concrete patching/repair and resealing of surfaces, replacement of waterproofing systems and sealants around perimeter and at joints, and a possibly resurfacing of the stairs to ensure safety. While these appear to be minor items now, they are necessary upkeep to guard against costly items in future years. The expenses for these items is estimated at $1.2 million.

Parking Construction Cost

As structured with the City leasing new & refurbished parking spaces on a long-term basis, it is likely that the parking garage component will be considered a Public Works Project pursuant to NYS Dept. of Labor law thereby requiring NYS prevailing wages to be paid on this component of the project. Are NYS prevailing wages factored into your parking construction/rehabilitation budget? If not, please inform me how the proposed lease rate ($1,900/space) would need to be modified to reflect NYS prevailing wages on the parking component.

Discussions have occurred with our local partner Welliver Construction on the impact prevailing wages may have on this project. As Welliver Construction typically engages union labor, and considering the skill set of contractors engaged in this project, the impact of prevailing wages vs. union wages is
minimal. If the parking structure or conference center space must be considered a Public Works Project, the impact should be minimal and have no impact upon the proposed lease rates.

Financing Plan

Please submit a separate permanent uses and sources financing plan for the $25.8 non-residential program and the $69.5 housing program. For the housing budget, please itemize the following categories:

- HFA bond
- 4% Federal LIHTC
- 4% State LIHTC
- NYS HFA Mortgage
- Deferred Developer Fee

(All numbers rounded)
Non-Residential Permanent Financing
NMTC Equity $5,000,000
URI Funding $5,000,000
Conventional Financing $15,800,000
Total Development Cost $25,800,000

Residential Permanent Financing
4% Federal LIHTC Equity $25,930,000
OPWDD Funding $2,640,000
HFA Subsidy $31,500,000
NYS HFA Mortgage $7,630,000
Deferred Developer Fee $1,700,000
Total Development Cost $69,400,000

Residential Construction Financing
4% Federal Tax Credit Equity $2,590,000
Deferred Developer Fee $6,660,000
Deferred Reserves $480,000
HFA Subsidy $23,580,000
HFA 4% Tax Exempt Bonds $36,090,000
Total Development Cost $69,400,000

The HFA Subsidy consists of funding incorporated within a 5-year, $2.5 billion budget. This HFA Subsidy could consist of New Construction Capital Program (NCP), Middle Income Housing Program (MIHP) or Supportive Housing Opportunity Plan (SHOP). State LIHC has not been incorporated into these figures, as HFA has directed us to show the funding gap. They will draw from various funding programs to fill the funding gap as they see fit.

Final funding could also include State LIHTC. Upon initial review of project, HFA looked at the net subsidy number needed. They did not advise us how they would split this number up between their sources. For instance, although our recently closed 158-unit Saratoga Springs project had units in this 50% to 80% AMI mix, State LIHC was not used, rather HFA used NCP, MIHP and SHOP funds.
Incentives – Property Tax PILOT

The pro forma does not itemize property taxes. At the presentation you indicated a long-term PILOT will be required. What is your assumed annual PILOT payment to taxing jurisdictions? What is the minimum term of the PILOT? A common calculation for affordable housing in Upstate NY is to set the PILOT at 10% of shelter rent (residential income minus utilities). Would such a formula be feasible for the Vecino project? If not, what PILOT formula do you propose?

As an HFA financed project, a minimum 30-year PILOT will be required. The PILOT incorporated into the initial underwriting assumes $105,000 in year 1, escalating at 2% annually for the 30-year term. Assuming the PILOT were set at 10% of shelter rent, this would correlate to a PILOT in year 1 at over $218,000.

The subsidy amount HFA is providing is substantial. An increased PILOT would correlate to an additional $1.2 million in HFA subsidy. While we believe this would be accepted, Vecino would be more comfortable stating at the appropriate time we would negotiate with the state on the maximum PILOT allowable.

On a per unit basis, our most recent PILOT’s are Saratoga Springs at $538, Elmira at $300 and Utica at $438. These three examples increased at fixed rates for their 30-year terms. Saratoga Springs had slightly higher rent levels, while Utica and Elmira were substantially lower rental terms. As long as 30-year terms have been stated, HFA has been accommodating.

Incentives – New Market Tax Credits (NMTC)

The financing program includes $5 million of NMTC equity. Please provide more information regarding the feasibility of attracting NMTC equity to this project.

It appears that $5 million NMTC equity investment will require an allocation of $20-$25 million of NMTCs. Are NMTCs earmarked for specific elements of the project? If so, which components? If the housing is funded by other sources, it is not clear to me that parking and a conference center are attractive to CDEs for a NMTC allocation. It seems that NMTCs have increasingly focused on funding anchor institutions, job creation and projects that provide goods and services in underserved areas (e.g., grocery in a food desert) over conference centers and parking facilities. Please provide supporting information indicating why it is likely NMTC can be secured for this project and your strategy to secure such credits.

In your presentation you mentioned you had communications with a CDE with an existing allocation of NMTCs. Can you please provide the name of the CDE and the amount of credits they were allocated. It would be very helpful if the CDE could provide written indication of strong interest in this specific Vecino project for a NMTC allocation and the amount of their NMTC allocation they would consider to be allocated to the project.

The New Market Tax Credit piece would consist of 2 CDEs to reach a $5 million equity level. We have spoken with one CDE, Corporation for Supportive Housing (CSH), which received a $50 million allocation
this past year. We have worked with CSH on several transactions and they have expressed a willingness to work with us on this project as well.

At this stage of the year, CDE’s have allocated all their awards for the year. The next funding round should be announced in November of this year. While we missed this last funding round, the timing will allow us to begin marketing efforts and increase awareness of the Asteri Ithaca development.

The funding is earmarked for the parking and convention center space solely. Regulations prohibit the combination of NMTC and LIHC credits.

The Vecino Group has prior experience utilizing NMTC. Additionally, we attended Novogradac’s NMTC Conference in 2017 and 2018, as a means of further solidifying relationships and networking with interested parties. Based on our knowledge of the NMTC market, we are confident that the size, positive community benefit, financial stability, and region of Asteri Ithaca will make it an attractive prospect to multiple CDE’s.

To help ensure our success in the NMTC arena, we are erring on the side of caution and will engage a NMTC consultant. The consultant will serve three main purposes— to help package and prepare marketing materials that best position Asteri, to meet with CDE’s to fill out the intake forms which will eventually lead to the allocation, and to provide general guidance and feedback.

Having helped close over $7 billion in NMTC transactions, Baker Tilly is one of the leading consultants in this discipline. Baker Tilly has done an initial review of Asteri Ithaca, they agree with our view that funding for this project is likely. A letter provided by Baker Tilly is included in this packet expressing their desire to work with Vecino Group on this project.

CDE’s are drawn to community changing developments and like to provide the project advancing funds. By providing the gap funding that is needed for a project to move forward, a CDE is able to meet its goal and provide undeniable positive impact.

Cinemapolis

The proposal indicates that lease payments due from Cinemapolis will be waived during the 24-month construction period to mitigate potential adverse impacts on Cinemapolis operations. As presently structured, waiving the City/IURA rent will only impact approximately 30% of Cinemapolis’s rent obligation.

The cinema lease space was leased from the City to the IURA in a “cold dark shell” condition. The IURA in turn subleased the space to Cayuga Green LLC who improved the lease space and rented it to Seventh Art of Ithaca, Inc. for a cinema use. The IURA/Cayuga Green LLC lease term is 15 years and provides for two 10-year renewals. The lease commencement date is April 27, 2009, so the leases may continue for 35 years until 2044.

Please note that the Cinema lease will survive any property conveyance. The City/IURA currently collects lease payments of $38,383/year ($3.52/SF) from a master lessee on the 10,883 SF cinema lease space. Cinemapolis pays rent of approximately $12/SF to Cayuga Green LLC. Given the above
information, please inform me what level of rent reduction to Seventh Art Corp. that Vecino proposes during construction.

We were not clear on this response within the RFP.

Assuming we were to acquire the center section, the $38,383 would be waived to help compensate for any lost income. The $12 psf due Cayuga Green would not be impacted. If the center section, lower 2 floors are not purchased, a credit to Cinemapolis could be investigated. We are set to meet with Brett Bossard later this week. We will speak with him regarding potential mitigation as well.

Constructability – Center Section

The Vecino project appears to propose vertical expansion of the center section of the parking facility as follows:
level 4 – parking
Level 5 – parking
Level 6 – housing
Level 7 – housing

While the garage was constructed to accommodate 4 additional levels of parking, housing development has different load requirements than parking. Please share your due diligence regarding the economic feasibility to construct housing on levels 6 and 7 of the existing Center section of the parking facility.

In consideration of loading requirements to the existing structure in order to accommodate levels 6 and 7 as housing units versus parking, we factored the live and dead loads the new structure would impose on the existing foundations as well as the structure types required to accomplish the program.

The original plans included in the RFP indicate the garage was designed for 50psf live load for passenger car parking plus additional capacity for snow load. The current 2015 IBC calls for a design of 40psf for vehicle parking, which can accommodate the new 4th and 5th level parking. Residential live loads are 40psf for private residential areas and 100psf for public areas, including corridors. The averaged total of both private and public areas for one level of apartments would be just above 40psf live load, with the snow load transferring upward to a new roof. The original design loads of 50psf will accommodate the structural requirements for the live loads.

In our experience, the existing structure would have had to been designed to support a precast concrete structure with a dead load of around 84psf for each level of new parking up to the 7th level. Our residential spaces on the 6th and 7th levels will be constructed of light gauge metal or wood framing, which imposes much less dead load than precast concrete parking structures. The total DL+LL of new apartment levels will be much less than the original design DL+LL for parking.

Re-adaptive and re-use projects like this inherently have unforeseen issues. We have incorporated a higher cost psf, as well as accounted for lost parking spaces to incorporate any bracing measures should they become necessary.

Our team took that into account and budgeted this project at a level that allows response to loading issues and various other concerns. We arrived at a projected cost of over $250 psf for the non-parking space, plus sufficient parking costs.
We are confident that Asteri Ithaca is the proposal with the most realistic and feasible budget. It is unlikely that any ten story or greater housing construction could be executed for $185 psf, a fact that is especially true given the urban site.

Our budgets provide a necessary cushion, allowing responsiveness for any issues and concerns that might arise. They also consider the market as it may be in two years.

The Vecino Group presents Asteri Ithaca as a project we know we can build, with an income mix we know we can keep. This is true in 2018. This will be true in 2020 and beyond. Asteri Ithaca is a project that will remain financially feasible throughout the life of the project.
**IURA Request for Information and Clarifications—Vecino**

*Thank you for the opportunity to respond to specific questions. Please find our answers below.*

**Q. How long will the housing units stay affordable?**

As an HFA financed project, Asteri Ithaca units will remain rent restricted for a minimum of 30 years. These rent restricted units will have a maximum annual rental increase of 2%. At the end of the 30-year period, we intend to reapply for 4% tax credits to update the units, thus ensuring affordability for another 30 years.

**Q. What financial incentives will be required from City of Ithaca?**

HFA requires city participation before granting financing of deals. The proposed financial incentives required from the City of Ithaca include—

- **30-Year PILOT Tax Abatement.** As an HFA financed project, the state will require a 30-year PILOT to solidify their underwriting. Our current estimates show annual tax payments of $105,000, increasing at 2% annually for the 30-year term. There is no set formula to determine this tax amount. The amount is based on what the project can support to maintain a 1.15 Debt Coverage Ratio, as well as what the city will accept to help secure this affordable housing.

- **City Commitment on Leasing and Operating Parking Spaces.** Parking lease payments in the center and west garage sections would be $1,900 annually. If the eastern refurbishment is included, these payments drop below $1,800 annually. Current projections show parking stall income will be just over $1,900 per stall by the time this project is completed.

- **City Commitment on Leasing and Operating Conference Center Space.** The conference center is currently shown at 33,000 sf. The proposed lease rate for a fully built out conference center is $20 psf. These rates assume a construction budget of over $250 per square foot for the non-parking portion, as well as a sufficient parking garage budget. If the project is built for less than the projected construction cost, the savings will be correlated to lowered lease payments. The lease payments will be made to ensure a 1.15 Debt Coverage Ratio will be met.

It is important to note that parking and conference center lease rates are fixed for 30 years, as is the $190,000 payment. Assuming a city entity can pass along annual rental and expense increases of 2%, the returns by year 30 will be approaching $1 million annually.

Additionally, the Vecino Group will fund $190,000 annually to pay for non-residential expenses.

**Q. Please summarize the Upstate Revitalization Initiative and New Market Tax Credit Equity.**
Current underwriting assumes a total of $10 million in equity will flow to the non-residential portion of the development through the Upstate Revitalization Initiative and New Market Tax Credit Equity.

The Empire State Development (ESD) oversees the URI program. Vecino Group has successfully applied for funding through ESD. Ithaca is classified in the Southern Tier region—an area that was recently awarded URI funding—and Asteri meets all of the URI objectives. The funding prioritizes projects that support low to moderate income individuals and community revitalization.

New Market Tax Credit funding is incorporated into Asteri Ithaca as well. NMTCs are a complex tax credit, but the Vecino Group has experience successfully utilizing this funding source. We recently closed a transaction sourcing NMTC equity through Enterprise and Dakota.

Corporation for Supportive Housing (CSH) is another active participant in the NMTC arena. They were allocated $50 million NMTC in 2018 and now are able to award NMTC to selected projects. CSH has provided a letter expressing interest in partnering on Asteri Ithaca.

Additional funding will be sought to help reduce the lease rates. If the total funding secured is more or less than the $10 million underwritten, it will impact the parking and convention center terms. It is estimated every $1 million change in funding will have a $75,000 impact on annual lease rates.

Q. How will the construction impact Cinemopolis?

Our commitment during the process of bringing life to Asteri is first and foremost the safety of all involved with the project. This applies to those working directly on the construction team as well as people who will be interfacing with the process from outside or under the new facility.

We are also committed to having the least amount of disruption to downtown as possible. The construction will be staged so access to the Cinemopolis, Center and East Parking, and Green Street remains throughout the process. There will be periods of restricted access, but our approach does not shut down these areas.

To accomplish this, Asteri will be constructed in 3 phases:

**Phase 1: West Garage Demolition**
Schedule: May 25, 2020 through August 2020
We propose to mobilize to the project site immediately following Cornell’s May 2020 commencement weekend. This will allow the time needed after award to fully program, design and procure our construction team to begin the project. Starting after commencement, construction will take advantage of the less-busy summer months to have the West garage out of service and lessen the overall impact to downtown.
Phase 2: Center Section Structure through 8th level (7th Floor Roof)
Schedule: August 2020 through December 2020
The garage structure for Levels 4 and 5 will be made of precast concrete. This material will be cast offsite and brought to the jobsite in sections. The precast operation will be staged off of the old West garage site and pieces set in place during non-peak traffic hours. While the precast is being set, access to the Cinemopolis, Center and East garage will be restricted. We anticipate working with the Marriott to inform guests of the restricted access and have designated and trained personnel that can retrieve guest’s vehicles if necessary during hoisting operations.
The structure for the 6th, 7th and Roof structures over the Center section will be comprised of light-gauge metal framing, which will be less of a hazard to the areas below. We anticipate servicing this structure and work from the West site with little impact to the spaces below and adjacent.

Phase 3: New Building
Schedule: January 2021 through Summer 2022
Once the structure work is complete on the Center section, we will back up to the West site and place foundations and utilities for the new building. The structure will be brought up to match the Center section, where work will then begin on enclosing the building in Spring of 2021.
New parking spaces will open in the expanded Center section prior to total project completion – as soon as we can safely allow access to the structure.
We anticipate Levels 1 through 3 in the new building being ready for new tenants in the Spring of 2022 prior to the upper-level residences opening in the Summer.

Throughout the phasing and staging of this process, our top goal is to work safely and protect the public from any exposures to risk during construction.

Our team has performed work on vertical expansions of facilities and are accustomed to working on small sites in urban areas. Working in harmony with the rhythm of the city while keeping neighbors safe and functioning as we create Asteri is achievable. The Vecino Group has the skillset, knowledge and plan to deliver.

Q. Will you utilize local labor?

Utilization and involvement of local labor forces is not a stated goal for Asteri – it is a must.

Vecino could not accomplish what we have done without being good partners and neighbors with everyone in the cities in which we work. That means providing opportunities to trades people and laborers in the area.

Projects of this scale require use of many resources and specialists to create the facility. The expertise of local, regional and some national participants who specialize in similar work across the country are all essential.
Specialists, managers, engineers and designers are a very small part of what it will take to create Asteri. “Boots on the ground” will come from the hard working local labor force. Every effort will be made to employ those in the local and regional area. Companies who want to work on Asteri will be given an opportunity to participate. Crafting bid packages that are rightsized to allow local contractors a fair chance at taking a portion of the work, partnering with a local General Contractor and working with the Tompkins-Cortland Building & Construction Trades Council are just some of the ways we will make a concerted effort to involve as much local labor as possible.

Q. How will community involvement factor into your development?

Anyone with a vested interest will be part of the Asteri Ithaca team. Citizens of Ithaca, downtown business owners, community organizations, Universities, and City leaders; all who will utilize the completed development will be involved in shaping the development.

The Vecino Group will organize opportunities to meet with stakeholder groups. Their input will be invaluable in our design and programing process. Additionally, we hope the shared involvement will provide the community with a sense of ownership in the project.
September 5, 2018

Attn: Nels Bohn
Ithaca Urban Renewal Agency
108 E Grand St.
Third Floor, Ithaca City Hall
Ithaca, NY 14850

Mr. Bohn,

We are writing on behalf of Vecino Group and the Green Street Garage proposal which was submitted. We have helped close over $7 billion in New Market Tax Credit (NMTC) Transactions and work closely with Community Development Entities (CDEs) in selecting projects as well as developers in securing NMTC allocations from these CDEs. Prior to working with developers, we assess the likelihood of funding for their project.

The Asteri Ithaca project meets many of the qualities we look for in a project. While a stand-alone parking garage or conference center may not be too appealing, the fact that these are combined with over 200 affordable housing units and part of a broad based community plan this is expected to act as a catalyst for the community, paints a different and much more attractive picture. When you add in the possible donation of land from the City of Ithaca and the possibility of permanent supportive housing, this is a project we would welcome representing.

While we cannot guarantee a NMTC allocation to provide $5 million in equity, to us this is a compelling project which stands a very good chance at an allocation of this level.

Warmest regards,

Sincerely,

Baker Tilly Virchow Krause, LLP
August 20, 2018

Ithaca Urban Renewal Agency
108 E Grand St.
Third Floor, Ithaca City Hall
Ithaca, NY 14850
Attn: Nels Bohn

Re: Vecino Group - Asteri Ithaca Proposal

Dear Mr. Bohn:

I am writing to express my strong support of Vecino Group’s proposal to acquire and develop the Asteri Ithaca site that will create approximately 209 affordable housing units with 16 units set aside for individuals with developmental disabilities. Vecino Group is familiar with the intricacies of supportive housing in integrated settings and has been highly effective in executing these complex development projects. Vecino Group has developed outstanding, sustainable and affordable housing throughout New York in Cohoes, Elmira, Utica and Saratoga Springs. In each of these projects, Vecino strategically partners with local service providers strengthening their connection to the community and the quality of all of their supportive and affordable housing projects.

I understand that in addition to the housing units, the Asteri Ithaca proposal will enhance and activate the downtown area with a new 33,000 square foot conference center, 365 additional parking spaces, outdoor green space and walkways. In addition to enhancing downtown and providing housing and services to some of Ithaca’s most vulnerable residents, the proposal also responds thoughtfully to the need for creating a strong economic base by creating affordable units geared toward recent graduates, young professionals, creatives and service employees. Specifically, this development will provide upscale market rate quality housing at affordable income levels to retain and attract these members of the community. Based on Vecino Group’s excellent track record of integrating special needs housing with high quality affordable housing, I expect the proposed development to be a formidable asset to the community.

CSH has provided technical assistance, predevelopment and acquisition financing for Vecino Group’s Utica and Saratoga Springs projects and very much looks forward to furthering our partnership and shared missions. We hope that you will also consider partnering with Vecino Group as you further your revitalization efforts. Based on our partnership and their strong track record, we are confident that they will be able to deliver on the community’s vision for Ithaca.

Please feel free to contact me with any further questions. Thank you for your time and consideration.

Sincerely,

Maygen Moore
Senior Community Investment Officer

61 Broadway, Suite 2300  |  New York, NY 10006  |  212-986-2966  |  csh.org
August 20, 2018

City of Ithaca
108 E. Green Street
Ithaca, NY 14850

Dear City Officials,

The Vecino Group has submitted a proposal to complete a development in Ithaca. I’m writing to offer the perspective of a neighboring community that has seen positive benefits from working with the Vecino Group.

Hudson Arthaus—an affordable housing development here in Troy—was the Vecino Group’s first New York development. Their positive reputation in other states made us initially comfortable. With time, though, it was firsthand experience that proved to us the advantages of working with them.

Hudson Arthaus renovated a historic building in downtown Troy that had been blighted for over a decade. Rehabilitating it would have been valuable in and of itself. The intended use, though, brought additional levels of benefit to our community. We gained critical affordable housing. Through the Vecino Group’s work, another need in the Troy community was met as well. Hudson Arthaus was specifically developed to help retain artists. Though our universities have strong art programs, we found graduates frequently moved away after graduation, drawn to cities with either stronger cultural scenes or more affordable rents.

By creating affordable housing with onsite artist studios, shared materials, and gallery spaces, the Vecino Group gave Troy a means of fostering a stronger art community.

We found their company capable in all the ways you expect from reputable development companies. More importantly, though, we found they approached their work with a commitment to meeting the unique needs of our community. Their willingness to form partnerships in the community, collaborate, and develop something specific to Troy was noteworthy.

We didn’t hesitate to support their second Troy development, 444 River Lofts. Regardless of what you decide is right for your community, please know that the Vecino Group comes highly recommended from the City of Troy.

Sincerely,

[Signature]

Patrick Madden
Mayor, City of Troy
To Whom It May Concern:

Recently, Vecino Group began a project in the City of Elmira. This 20 million project named Libertad is going to transform a vacant blighted property formerly known as Jones' Court into an affordable living complex for residents of our City. The total restoration and renovation of this blighted property is going to greatly improve the entire neighborhood where the building is located. Our City is very fortunate to have Vecino Group in our City to breathe life back into this housing complex. Before this project began, our Community Development Director and I made a trip to Troy, New York to look at a housing development Vecino Group completed there several years ago. The building we saw in Troy, named Hudson Arthaus, was impressive. This impression left no doubt in our minds that Vecino group was the right developer for our project. The Libertad project in our City is scheduled to be completed on time this upcoming spring, and the entire community cannot wait to see this building fully restored and full of life again.

The City of Ithaca will benefit immensely from the new project Vecino Group is proposing for Ithaca. The project, Asteri Ithaca will create more affordable housing than any other proposal. The cost of living in Tompkins County is one of the highest in the state, second only to cities in the NYC metro area. Asteri Ithaca would create 209 units of affordable housing. Without affordable housing, Ithaca will lose valuable residents who will be priced out. The vitality of the area depends on income diversity. Affordable housing at Asteri will serve people who make 50-80% of the area median income. That translates to 29,500-$47,200 for a one-person household or $42,100 to $67,360 for a four-person family. The people who fit in these income levels are key members of the community. Recent graduates, young professionals, creative types, and service employees. A thriving Ithaca is dependent on retaining them in the city.

Asteri Ithaca will deliver high quality design. This proposal calls for a greater financial investment and higher per unit cost than the other options, which translates to high quality development. There will be no visual difference or quality variance from traditional upscale market rate development. This project creates outdoor green space and walkway, enhancing downtown area and creates 33,000 square foot conference center and an additional 365 parking spaces.
I strongly believe that the Vecino Group’s mission and experience fits well with the ethos of Ithaca. I definitely encourage the City of Ithaca to embrace this project as Asteri Ithaca will be a great asset to the area.

Sincerely,

[Signature]

Daniel J. Mandell Jr.
Mayor
August 10, 2018

Dear Ithaca City Staff,

I’m writing in regards to the proposed Green Street Garage Redevelopment. A company we have worked with, the Vecino Group, is responsible for one of the four proposals you are considering. I’m reaching out to provide some New York perspective.

The Vecino Group has been described as “Missouri based.” That’s true. But what is also true is their recent but extensive New York presence. The development are working on together—Mosaic Village—is located in Cohoes. Projects in Utica, Saratoga Springs, Elmira and Troy share not just New York locations but the commonality of each addressing a different community need. With staff in Troy and business throughout the State, the Vecino Group has quickly built a reputation as the kind of company that cities and partners seek.

In our personal experience, the Vecino Group has been persistent to get this project to the finish line. They had to navigate environmental issues, as well as historic issues with the Erie Canal Wall serving as border to the site. Mosaic Village will combine affordable housing with supportive housing, as well as mixed use commercial spaces.

You likely face a difficult decision. We’ve been there. Just wanted to take a moment to let you know that we have been glad to have supported the Vecino Group in our own community.

With thanks,

Michael Jacobson
Director of Economic & Community Development
August 17, 2018

To Whom It May Concern,

I am writing this letter in full support of the Vecino Group, a company that stands behind its mission of developing properties with the community and social well being of its residents at its core. For over three years, The Vecino Group has been a strong community partner with Collar Works and the city of Troy, NY.

Located in an historic collar factory in North Central, Collar Works is a non-profit contemporary art organization dedicated to supporting emerging and underrepresented artists, working in any media, exhibiting challenging and culturally relevant artworks. Striving to expand the current art vernacular in New York’s capital region, Collar Works provides a venue for community dialogue focused on serious, provocative and spirited artworks. Through conversation, exploration and experimentation, it is our goal to break down barriers around contemporary art, creating opportunities for artists of all ages to create new works and engage with diverse audiences across all socio-economic levels.

The Vecino Group’s commitment to our community and our organization helps us move our collective mission forward- to uplift a diverse community of individuals, respond to local needs, and create a platform where contemporary art can open doors, fuel social action and be a catalyst for change. Together we are transforming the post industrial neighborhood of North Central, and are united to keep the arts at the core of its community revitalization.

What we appreciate most about the Vecino Group is who they are as individuals - caring, dedicated, trustworthy, and continually striving to improve community connections. In the world of real-estate development, they are a breath of fresh air!

Sincerely yours,

Elizabeth Dubben | Executive Director, Collar Works
8/15/18

Nels Bohn
Ithaca Urban Renewal Agency
108 E Grand St.
Third Floor, Ithaca City Hall
Ithaca, NY 14850

Re: Letter of Support for Vecino Group’s Green Street Garage Redevelopment: Proposal

Dear Mr. Bohn,

On behalf of CAPTAIN Community Human Services Inc., I would like to lend our support to the Vecino Group and their proposed redevelopment project for the Green Street Garage in your wonderful city of Ithaca. CAPTAIN has had the pleasure of working with the Vecino Group on an affordable housing project of our own in Saratoga Springs and we couldn’t be happier with the results of our work with them. We have been working closely with Rick Manzardo and his team for the past two and a half years and they have helped our agency, and the City of Saratoga Springs, realize a vision of creating affordable, work-force housing for our community, as well as meet the need of a vulnerable population CAPTAIN serves; homeless youth.

CAPTAIN is a non-profit, community-based, grass-roots agency that strives to address the unmet needs of those less fortunate in our area and address the serious social issues all communities face; hunger, homelessness, financial crisis, and family dysfunction. Our mission is to identify those needs, provide impactful interventions, and ultimately lift people up and build brighter futures.

The Vecino Group approached CAPTAIN almost three years ago with an idea of creating affordable housing and permanent supportive housing for homeless youth, ages 18-24, who are leaving or aging out of foster care into homelessness. Through their vision and our shared efforts, we have just completed groundbreaking on an amazing 158 unit apartment complex that will provide affordable housing and most importantly to us, 10 units for our Supportive Housing for Homeless Youth (SHHY) program.

After reviewing the Vecino Group’s Asteri Ithaca project proposal, CAPTAIN and myself think that is would be an amazing addition to your City and the residents who need affordable housing. Saratoga Springs and Ithaca have many similarities; both are vibrant Cities that are economic engines for their respective Counties, centers of culture, and hubs of activity that attract people of all walks of life. For Saratoga Springs, one of the issues that arose from all of this vitality and success was the lack of affordable housing for those individuals and families who work within the City with the service industry, medical field and hospital, and at the many businesses that contribute to the City’s success. The Intrada Saratoga Springs project answers that need for housing and helps provide a home for those individuals and families that are close to a great school system and a high quality of life.

Every step of the way through the Intrada Saratoga Springs project, the Vecino Group and its team were there to support our agency, help us secure funding for the supportive housing and services to our project with homeless youth, and address any issues that came up. They have been a wonderful partner and I can’t speak highly enough of what they have brought to our partnership, our community, our City, and the youth we serve.
I believe strongly they would bring the same level of expertise, experience, and responsiveness to the needs of your City that they have done with us and the City of Saratoga Springs.

If you have any questions, please feel free to reach out to me directly by phone or email and I would be happy to discuss our experience working with the Vecino Group. Thank you for time and consideration of their proposal for the Green Street Garage Redevelopment proposal.

Sincerely,

Andy Gilpin
Associate Executive Director
CAPTAIN Community Human Services, Inc.
5 Municipal Plaza
Clifton Park, NY 12065
(518) 371-1185
andy@captaincares.org
August 13, 2018

Ithaca Urban Renewal Agency
108 E. Grand St.
Third Floor, Ithaca City Hall
Ithaca, NY 14850
Att: Nels Bolin

RE: Green Street Garage Mixed Use Redevelopment Project of Ithaca, NY

Urban Renewal Agency Economic Development Committee:

This letter is to confirm the Economic Opportunity Program’s (EOP) support for the above referenced project. As of recently, we are working with the Vecino Group on the Libertad-Elmira project. They are rehabilitating a physical building while we were able to capture, through the Empire Supportive Housing Initiative, a grant for supportive services for 20 Homeless Veterans in the project. Affordable housing is so important and needed throughout the state of New York and other areas; projects such as this are key to improving the affordable housing shortage.

EOP is in support of their efforts to rehabilitate the new project, Asteri-Ithaca, into a mixed use building with nice amenities and apartments. The developers’ experience with supportive service partnerships and multifamily housing qualifies them for the undertaking. Our relationship with the Vecino Group on the Libertad project here in Elmira has been nothing but the most positive and professional partnership. They are very community committed and have a focus on building a better world, one community and one development at a time.

This exciting project will bring a higher quality of life to Downtown Ithaca’s urban living. We are especially supportive when a nice project is being born from a once negatively viewed building. Our experience of having a building in such terrible condition over an extended number of years can be negative to a community, and now, watching the progress of the Libertad-Elmira project is starting to lift the neighborhood and the future that it holds for many.

So, in addition to wanting to see this downtown site redeveloped, we are supporting it through our actions as a reference to the great work and professional organization they are to work with.

Sincerely,

Andrea J. Oguhwumi
CEO/Executive Director