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 CIITAP is to encourage development in the City that would increase jobs, increase the tax base, promote density in the city core, encourage rehabilitation and redevelopment of underutilized sites, and 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, location, and municipal compliance requirements:

1.) **Project Size Requirement** — In order to meet the minimum project size requirement to be eligible for tax abatements under CIITAP, 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 CIITAP, 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 CIITAP, 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 ([www.dec.ny.gov/cfmx/extapps/derexternal/index.cfm?pageid=3](http://www.dec.ny.gov/cfmx/extapps/derexternal/index.cfm?pageid=3))

4.) **Municipal Compliance** – Each property in the City of Ithaca owned by the Applicant must be in full compliance with all applicable local laws and regulations, consent agreements, and orders of the Director of Code Enforcement, and current on all taxes, assessments, fees and penalties due to the City. Properties owned by the Applicant in the City of Ithaca shall include any property for which an Applicant, or their partners has an ownership interest of 20% or more. Partners shall include any partners owning 20% or more of the project LLC, Corporation, or project equity.

5.) **Local Construction Labor** - Applicants are encouraged to hire locally whenever possible. For the purposes of this application, local is defined as anyone residing in Tompkins County, or any of the 6 contiguous counties of Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties. In order to be eligible for a tax abatement an applicant must commit to the City, in writing, that they will meet the minimum local labor requirements described below, and will submit to the IDA the following information:

   a. Proof that the General Contractor has solicited bids from local subcontractors for all major trades required for the construction project, including electric, plumbing, carpentry, masonry, and HVAC.

   b. Monthly payroll reporting of all workers on site during construction with a summary of how many employees are “local.” The reporting should include the address, zip code, and total payroll amount per employee.

6.) **Housing Requirement** - Any applicant that contains 10 or more residential rental dwelling units must meet the following requirements:

   a. Must have a minimum of 20% of their housing units be affordable to households earning up to 75% of the Area Median Income (AMI), calculated using the average AMI of the 3 most recent years.
b. The percentage of affordable units of various sizes should be the same percentage of units of each size for the entire project.

c. Developer must agree that affordable units will only be rented to households earning no more than 80% of AMI for at least a 30-year period.

d. Affordable Housing Development shall be mixed with, and not clustered together or segregated in any way from, market-rate units.

e. For projects that contain a phasing plan, the phasing plan shall provide for the development of Affordable Housing Units concurrently with the market-rate units. No phasing plan shall provide that the Affordable Housing Units are the last units built in an Affordable Housing Development.

f. The exterior appearance of Affordable Housing Units in an Affordable Housing Development shall be made similar to market-rate units by the provision of building materials and finishes substantially the same in type and quality.

g. The floor area of a typical Affordable Housing Unit in an Affordable Housing Development must be no less than 80% of the floor area of a typical market-rate unit of the same type. The bedroom mix for Affordable Housing Units must be comparable to the bedroom mix of market-rate units within the Affordable Housing Development.

7.) **Diversity Requirement-Applicants**-Any applicant that is a single-use end users such as a hotel or a corporate headquarters, must comply with the following diversity requirements:

   a. Applicant must commit to be an active user of the Diversity Consortium of Tompkins County. Active membership is defined as:

      i. Pay annual membership dues

      ii. Attend a minimum of four meetings of the Diversity Consortium per calendar year

      iii. Attend the bi-annual Diversity Roundtable

      iv. Participate in at least two of the Diversity Consortium’s workshops and events

   b. Applicant must establish and implement management strategies for hiring, retention, and promotion. The goal is to hire, retain, and promote diverse workers for full-time, part-time, and internship positions at all levels of the organization, such that the number of women, people of color, and people with disabilities employed by the organization meets or exceeds the proportions of these groups within the City of Ithaca’s population

   c. Applicant must identify and implement specific actions designed to reduce and address unconscious workplace biases, such as through annual staff training. The goal is to review and ensure that management and staff are aware of the existence and impacts unconscious bias has on workplace
culture and service delivery, creating an inclusive environment for staff, customers, and clients.

d. Applicant must provide both the IDA and the Workforce Diversity Advisory Committee an annual report that identifies compliance with the diversity requirements and workforce demographics

CIITAP Diversity Toolkit

The CIITAP diversity toolkit is designed to help you comply with the CIITAP requirements for the inclusion of women, people of color, individuals with disabilities, and members of other diverse groups in your workforce. This toolkit can be found at the following address:
http://www.cityofithaca.org/DocumentCenter/View/6842

Preliminary eligibility is determined by the City of Ithaca CIITAP Committee, which consists of the Mayor, the Director of Planning and Development and the Director of Community Development for the Ithaca Urban Renewal Agency. Preliminary eligibility will be based on the applicant’s commitment to the above-stated criteria. Once preliminary eligibility has been determined, the Mayor will provide a letter of endorsement to the Tompkins County Industrial Development Agency (IDA). The final eligibility will be determined by the IDA.(See Section IV for the complete application process.)
III. Density District Boundary

IV. 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 an 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).
V. Application Process

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

If the project appears 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 Division.

2. CIITAP Application — A developer must submit a completed CIITAP application to the City of Ithaca Planning Division. 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 Economic Development, and the Director of Community Development for the IURA, will consider project approval, based on the stated criteria of density, size, location, and municipal compliance. If the 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 clawback 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’s Mission, Policies, and Procedures for additional information.

VI. Application Fees

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

1. City Administrative Fees – The applicant will be responsible for paying the City a flat fee of $750 (seven hundred and fifty dollars) in order to cover the cost of processing the CIITAP application and the public meeting notifications. This fee is due to the City at the time that the application is submitted.

2. IDA 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 (e.g., 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 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 a 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-Taxes (PILOT) agreement. 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.

3. 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.

4. Applicant Attorney Fees — The applicant is responsible for its own attorney fees associated with closing IDA incentives.
VII. 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 II) 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 (e.g., corporation, LLC, sole proprietor, etc.):________________

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: ____________________________________________________________

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? _________

Does the project applicant, or any of the partners owning at least 20% of the project equity, the project LLC, or the project corporation, currently own any properties located within the City of Ithaca that are delinquent on taxes, assessments, fees or penalties due to the City or that have one or more violations of local laws or regulations? ________________________________
Part 6. Local Labor Commitment

By signing this document the applicant certifies that they will make every attempt to hire locally whenever possible. For the purposes of this application, local is understood to be defined as anyone residing in Tompkins County, or any of the 6 contiguous counties of Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties.

In addition, the applicant commits to meet the minimum local labor requirements described below, and if granted CIITAP approval, will submit to the IDA the following information:

a. Proof that the General Contractor has solicited bids from local subcontractors for all major trades required for the construction project, including electric, plumbing, carpentry, masonry, and HVAC.

b. Monthly payroll reporting of all workers on site during construction with a summary of how many employees are “local.” The reporting should include the address, zip code, and total payroll amount per employee.

________________________________________________________________________

Applicant Signature

________________________________________________________________________

Applicant Printed Name
Part 7. Housing Requirement -Commitment (required if applicant is proposing a project that will contain 10 or more rental residential dwelling units)

By signing this document the applicant certifies that they intend to comply with the following requirements:

a. The project must have a minimum of 20% of their housing units be affordable to households earning up to 75% of the Area Median Income (AMI), calculated using the average AMI of the 3 most recent years.

b. The percentage of affordable units of various sizes should be the same percentage of units of each size for the entire project.

c. Applicant must agree that affordable units will only be rented to households earning no more than 80% of AMI for at least a 30-year period.

d. Affordable Housing Development shall be mixed with, and not clustered together or segregated in any way from, market-rate units.

e. For projects that contain a phasing plan, the phasing plan shall provide for the development of Affordable Housing Units concurrently with the market-rate units. No phasing plan shall provide that the Affordable Housing Units are the last units built in an Affordable Housing Development.

f. The exterior appearance of Affordable Housing Units in an Affordable Housing Development shall be made similar to market-rate units by the provision of building materials and finishes substantially the same in type and quality.

g. The floor area of a typical Affordable Housing Unit in an Affordable Housing Development must be no less than 80% of the floor area of a typical market-rate unit of the same type. The bedroom mix for Affordable Housing Units must be comparable to the bedroom mix of market-rate units within the Affordable Housing Development.

________________________________________________________________

Applicant Signature

Applicant Printed Name
Part 8. Diversity Requirement-Commitment (required if applicant is a single-use end user)

By signing this document the applicant certifies that they intend to comply with the following requirements:

h. Applicant must commit to be an active user of the Diversity Consortium of Tompkins County. Active membership is defined as:
   i. Pay annual membership dues
   ii. Attend a minimum of four meetings of the Diversity Consortium per calendar year
   iii. Attend the bi-annual Diversity Roundtable
   iv. Participate in at least two of the Diversity Consortium’s workshops and events

i. Applicant must establish and implement management strategies for hiring, retention, and promotion. The goal is to hire, retain, and promote diverse workers for full-time, part-time, and internship positions at all levels of the organization, such that the number of women, people of color, and people with disabilities employed by the organization meets or exceeds the proportions of these groups within the City of Ithaca’s population

j. Applicant must identify and implement specific actions designed to reduce and address unconscious workplace biases, such as through annual staff training. The goal is to review and ensure that management and staff are aware of the existence and impacts unconscious bias has on workplace culture and service delivery, creating an inclusive environment for staff, customers, and clients.

k. Applicant must provide both the IDA and the Workforce Diversity Advisory Committee an annual report that identifies compliance with the diversity requirements and workforce demographics

______________________________________________________________
Applicant Signature

______________________________________________________________
Applicant Printed Name
VIII. Certification

___________________________________________________
(deponent)

(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/her 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 non-profit Tompkins County Industrial Development Agency (hereinafter referred
to as the “Agency”) acting on 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____
____________________________________
### IX. Completion Status (to be completed by staff)

**ELIGIBILITY CRITERIA:**

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