

Tompkins County IDA Meeting Minutes

ACTION ITEMS

March 7, 2008

- TCAD staff to request “certified payroll” from TC3 IV Dormitory project. **STATUS: Request made to TC3**

April 4, 2008

- Larry Baum and Michael Stamm will review the current recapture policy. **STATUS: subcommittee formed and will meet in future.**

January 16, 2009

- IDA Attorney to draft a letter to Cayuga Green developer asking for a report on current vacancy rates and rents being charged for the apartments in the project.
- TCAD to study the IDA’s competitive strengths and incentives.

**Tompkins County IDA Meeting Minutes
January 16, 2009
Scott Heyman (Old Jail) Conference Room
Ithaca, NY**

Present: Martha Robertson, Larry Baum, Dan Cogan, Jeff Furman, David Squires,
Ed Marx

Excused: Kathy Luz Herrera, Michael Hattery, Michael Koplinka-Loehr

Staff Present: Michael Stamm (recording), Mariette Geldenhuys (attorney)

Guests Present:

CALL TO ORDER Ms. Robertson called the meeting to order at 3:07 PM

ADDITIONS TO THE AGENDA

None.

PRIVILEGE OF THE FLOOR

None.

BUSINESS

Cayuga Green Update

A concern has been raised regarding the rents being charged at the Cayuga Green Apartments which is part of the Cayuga Green IDA project. A letter was sent to the developer, Ken Schon, asking for an update/explanation of the rental structure and reminding him of the PILOT agreement that limits the amount that can be charged for rents. Mr. Schon's response letter and the actual PILOT agreement were distributed to the board.

It was noted that rents are not commonly put up on public web sites for apartments.

Board members indicated dissatisfaction with the response, and discussed what "average net rent" meant in the PILOT agreement. Mr. Furman stated that he never heard Mr. Schon's argument about what "net rent" is. The question is how do we challenge his interpretation?

Mr. Stamm stated that Mr. Schon does not have to provide any information until year four of the project. Ms. Geldenhuys stated that the ROI reports start in year five. But the obligation does include occupancy rates from the beginning.

Mr. Stamm commented that he has had some interaction with Mr. Schon and that he is hard to get information from. The next communication to him should be more formal, perhaps coming from the IDA attorney.

Ms. Geldenhuys will write a letter to verify the rents.

Mr. Marx stated that the purpose of having this in the agreement was to have median income family households rentals accessible to the middle class.

Ms. Geldenhuys stated that net equals the amount tenants pay. Mr. Furman stated that the board should look at his application/agreement and see where the numbers in the agreement come from. Apartments not rented/vacancy rate should not be included. We should also include in our letter to Mr. Schon a time frame for responding.

Mr. Marx asked that we specifically request what is rented and at what rate and what is available and for what rate.

Mr. Cogan that a national retail store will be renting out the first floor. The City should be kept abreast of the issue.

Mr. Stamm stated that we need a formal letter with a strong tone.

Bylaws – Final Outcome

Ms. Robertson reported that the Bylaws revisions were presented at the December PDEQ meeting. The IDA's recommendations were approved by PDEQ. The full legislature did not approve the recommended revisions.

Mr. Furman stated that the auditors should be informed of what happened. Perhaps the auditors could send a letter/communication to the legislature.

Board – Appointment of 2009 Directors

On February 3rd the Legislature will choose who they want to populate the IDA Board.

Energy Efficiency Incentives Application

Ms. Robertson reviewed the revised "Mission, Policies and Procedure" document which now includes language regarding energy efficiency related sales tax abatement.

Jeff Furman moved to approve the changes to the "Mission, Policies and Procedure" document which now includes language regarding energy efficiency related sales tax abatement. Larry Baum seconded the motion. The motion passed unanimously.

Ms. Robertson reviewed the changes to the preamble and the actual application.

Jeff Furman moved to approve the IDA application for energy efficiency related sales tax abatement. Dan Cogan seconded the motion. The motion passed unanimously.

Ms. Robertson said she would discuss with TCAD staff how to publicize this new opportunity to the community.

AES Cayuga Status Update

Ms. Geldenhuys reported that the documents for the AES Cayuga project are being prepared. There is one piece left to settle with the company's attorney. She is working on documents including the PILOT mortgage for the Lansing school board, town of Lansing and the County.

The AES bond holders are reviewing the transaction. This should make the March 1st tax deadline.

ADMINISTRATIVE DIRECTORS REPORT

Mr. Stamm gave an update on various companies and the current economic situation.

BorgWarner Morse TEC has had 1700 employees at its peak. There could be 500-600 layoffs in the next months. Julia Mattick and the Workforce Investment Board (WIB) are working with the company to help displaced employees. The company, the teamsters union and the WIB held an event to help laid off employees.

Mr. Stamm met with Cal Organ about a month ago. Mr. Organ thought that this was a cyclical situation. Mr. Stamm is not sure Mr. Organ would say that today. There have been several hundred laid off from BorgWarner since then. The situation is related to the domestic car industry. BorgWarner manufactures transmission parts for the US and Canadian markets.

Ithaca College will be presenting a resolution at the next meeting regarding bond refinancing.

Transonics is waiting for the State to approve the Dutch Mill Road sewer expansion. No State dollars are involved. We just need an okay from the State Comptroller.

Other local high-tech companies are doing well.

There is no change with the Civic Facilities Legislation.

The Governor has backed off his negative comments regarding the Empire Zones Program.

TCAD is spending a lot of time working with companies that are in "trouble." There are a number of local people who volunteer their help to these companies in terms of giving technical assistance.

Ithaca Beer needs more space. This could be a good IDA project.

Mr. Furman stated that the IDA should become more aggressive in "marketing" its tax incentives. Perhaps we could strategically target environmental businesses. Mr. Stamm stated that it would be worth it to take a strategic look and consider our competitive strengths. What sectors could we compete for? What factors could we develop?

Mr. Stamm stated that TCAD has done a similar study with Cornell University. TCAD can do a study for the IDA and report back to them.

2008 Audit Update

Staff has sent out requests to all current IDA projects for information needed to complete the 2008 Audit.

APPROVAL OF MINUTES

Dan Cogan moved to approve the draft board meeting minutes from December 5, 2008. Larry Baum seconded the motion. The motion passed.

Meeting adjourned at 4:30 PM