

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. **STATUS: Under review**
- TCAD to study the IDA’s competitive strengths and incentives. **STATUS: Ongoing**

March 6, 2009

- Create memo documenting Workforce Investment Board meetings with AES Cayuga on the subject of diversity training.
- Mr.Furman and TCAD Staff to explore launching an initiative that would attract businesses and entrepreneurs responding to green business market opportunities.

**Tompkins County IDA Meeting Minutes
March 6, 2009
Scott Heyman (Old Jail) Conference Room
Ithaca, NY**

Present: Martha Robertson, Dan Cogan, Jeff Furman, David Squires, Ed Marx,
Kathy Luz Herrera, Michael Sigler, Michael Koplinka-Loehr

Excused: Larry Baum

Staff Present: Michael Stamm, Ina Arthur (recording)

Guests Present: Tim Ashmore (Ithaca Journal), Russ Gaenzle (Harris Beach)

CALL TO ORDER Ms. Robertson called the meeting to order at 3:15 PM

ADDITIONS TO THE AGENDA

None.

PRIVILEGE OF THE FLOOR

None.

ADMINISTRATIVE DIRECTORS REPORT

Ms. Arthur gave an update to the Board regarding project response to the 2008 NYS IDA Audit. The majority of projects have submitted the requested employment verification and loan status forms. There are currently three projects that have yet to comply: Cayuga Green, JB Holdings, and William George Agency. JB Holdings has a new CFO that may be part of the delay. Also, William George Agency has usually been responsive. Language in the PILOT agreement for Cayuga Green will be reviewed to see if there is any recourse for not submitting requested information.

Mr. Stamm reported that deal flow is down but he recently met with a local biotech company that is thinking about a 30,000 sf expansion. This could be a hybrid deal with Empire Zone benefits as well.

The AES Cayuga/AES Eastern Energy deal closed. The company also agreed to cover future legal fees for the scheduled re-openers.

Ms. Luz Herrera asked about follow up with AES Cayuga and their lack of diversity in their work force. Mr. Stamm reported that Julia Mattick, Executive Director of the Workforce Investment Board, has met with the company several times to discuss diversity training. Part of the problem is that there is very little turn over of jobs.

Mr. Sigler commented that AES Cayuga is a global company. While there may not be a lot of diversity in the workforce here in Tompkins County, globally they are very diverse.

Ms. Luz Herrera asked that Ms. Mattick prepare a memo about her meetings with the company and what was discussed and planned.

BUSINESS

Ithaca College Resolution

A resolution was presented to the IDA Board that would approve the execution of supplemental indentures and related documents with respect to the various Ithaca College projects for the purpose of substituting the security for each series of bonds (2004, 2005 and 2007) in the form of letters of credit or other similar credit enhancement.

Mr. Gaenzle reviewed the resolution and stated that the letters of credit would come from a better-rated bank.

Michael Koplinka-Loehr moved to approve the resolution authorizing the execution and delivery of supplemental trust indentures and other related documents with respect to the project undertaken with Ithaca College in 2004, 2005 and 2007. Jeff Furman seconded the motion.

Roll call vote: (Robertson, Aye; Koplinka-Loehr, Aye; Cogan, Aye; Furman, Aye; Luz Herrera, Aye; Sigler, Aye; Baum, Absent). The motion passed.

Civic Facilities Legislation Update

Mr. Stamm reported that he has been to Albany to testify on a panel in support of reinstating Civic Facilities Legislation before 14 members of the State Assembly. Assemblyman Hoyt sponsored the hearings on Industrial Development Agencies in general. He was on the first panel. There were ten panels altogether. Testimony was given about projects that are being held up due to the fact that IDA's cannot issue tax-exempt bonds. Many smaller not-for-profits are being impacted as they cannot go the Dormitory Authority for tax-exempt bonds. Other larger projects are going to DASNY. Also the panel highlighted the fact that the Federal Stimulus package has incentives relating to bonds that are in place only for the next two years. New York State is the only State that has opted out of this provision. A variety of perspectives were presented to the Assembly from mayors, county administrators and union members.

Mr. Furman asked if the main issue is prevailing wage. Mr. Stamm stated that it is stated that they would like prevailing wages to be applied to all IDA projects.

Ms. Luz Herrera stated that she is concerned about local projects that do not use local trades workers. Labor is imported from other areas and the money does not stay here. She has supported projects in the past that have committed to using local labor.

Mr. Stamm stated that NYSEDC and others have been developing a proposal that would address the transparency issues.

Mr. Gaenzle commented that the other issue is that the Dormitory Authority cannot issue bonds to a lot of the smaller projects/bond deals. Also the Dormitory Authority is not subject to prevailing wage. Ms. Robertson stated that this point about the Dormitory Authority is critical.

Mr. Koplinka-Loehr asked what the proposal is hoping for. Mr. Stamm stated that they are hoping for permanent legislation and expansion of the size of dormitory deals that can be bonded. A fall back position is a five year extension of the civic facilities legislation.

Mr. Furman stated that he knows that recent local projects have agreed to provide a livable wage. Do we know the amount that has been lost due to not having civic facilities legislation?

Mr. Stamm stated that the big customers, Cornell University, Ithaca College, Cayuga Medical Center have been slowing down a bit due to the local economy. Also, larger deals take a while to set up, so they are starting to use the Dormitory Authority. Ithaca Community Childcare Center, which is too small to use the Dormitory Authority, is an opportunity that was lost.

Mr. Furman commented that he knows some of the leadership on “Jobs with Justice” and could set up a meeting. Ms. Robertson thinks that talking with Jobs with Justice would be a good thing. Mr. Stamm stated that it has been suggested that a labor representative be placed on local IDA Boards.

Cayuga Green Rent Inquiry Letter

Mr. Stamm commented that Mariette Geldenhuys, IDA Attorney, has drafted a letter asking for information on the rents at the Cayuga Green project. After reviewing the PILOT agreement it was discovered that we may not legally be able to request information until year five of the project.

Mr. Furman asked if the rents are supposed to be structured a certain way now? Perhaps the original inquiry letter and initial rents should be reviewed.

Green Sales Tax Abatement

Mr. Stamm reported that after reviewing State Tax Law, there are a number of grey areas on what automatically is abated for capital projects and energy efficiency updates. Therefore it would be good to aggressively market the IDA’s green sales tax abatement as being easier to use than State programs. TCAD staff will work on a marketing piece, updating the web site and a guest editorial on the subject.

IDA Board Officers

Michael Koplinka-Loehr moved to nominate Dan Cogan as Vice Chair of the IDA Board for 2009. Jeff Furman seconded the motion.

Michael Sigler moved to nominate Jeff Furman as Treasurer of the IDA Board for 2009. Kathy Luz Herrera seconded the motion.

Jeff Furman moved to nominate Michael Koplinka-Loehr as Secretary of the IDA Board for 2009. Kathy Luz Herrera seconded the motion.

A vote was taken on the whole slate. The motions passed unanimously.

IDA Board Committees

Mr. Furman has agreed to remain on the Audit Committee and also to remain as chair of the committee. Other members of the committee will be Mr. Baum and Mr. Cogan. Mr. Squires will be on the committee as the County Comptroller.

Ms. Luz Herrera, Mr. Sigler and Mr. Koplinka-Loehr agreed to serve on the Governance Committee. The committee will work out who will chair the committee at a later time.

TCAD Board Representative

Ms. Robertson reported that last year she was the TC Legislature representative on the TCAD Board and Dan Cogan was the IDA Board representative on the TCAD Board. This year she would like to appoint herself as the IDA Board representative to the TCAD Board. She will resign her position as the Legislature's representative to the TCAD Board.

Jeff Furman moved to appoint Martha Robertson as the IDA Board representative to the TCAD Board contingent on her resignation as the Legislatures' representative. Dan Cogan seconded the motion. The motion passed unanimously.

APPROVAL OF MINUTES

Michael Koplinka-Loehr moved to approve the draft board meeting minutes from January 16, 2009. Jeff Furman seconded the motion. The motion passed.

A motion was made to move to Executive Session to discuss an ongoing IDA Project.

A motion was made to come out of Executive Session.

Mr. Sigler asked if there is a gap in the financial programs available to local companies.

Mr. Stamm said there was. High tech start-ups still in the R&D and proof of concept phase need small amounts of early stage equity. Cornell and TCAD are discussing the best ways to fill this gap.

Mr. Furman wondered whether it was worthwhile considering increasing IDA incentives during these tough economic times.

Ms. Luz Herrera suggested that the IDA should review past polices and projects first before making any changes. It took a long time to revise the IDA polices last time.

Mr. Furman said he would support increased incentives that met local environmental and social policy goals.

Mr. Stamm said the IDA does have the ability to deviate from its standard abatement schedule if a project can prove it needs more and if the return on investment to the community is significant. With respect to additional incentives for projects that meet local environmental and social policy goals, that would require more discussion at the IDA and a revision to its policies.

Mr. Furman is interested in launching an initiative that would attract businesses and entrepreneurs responding to green business market opportunities. Ithaca is an ideal location for these types of businesses. Many communities in the country are doing this well and several national foundations are supporting these efforts.

Mr. Koplinka-Loehr suggested that Mr. Furman and Mr. Stamm move forward with the research on this idea.

Mr. Furman would like consensus from the IDA that this is an idea worth exploring. He envisions a marketing plan that offers unique incentives and technical assistance to attract these entrepreneurs to the Ithaca area. It was decided that Mr. Furman and TCAD would work together to explore the feasibility of this idea.

Meeting adjourned at 4:45 PM