

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 and information received and reviewed by Administrative Director.**

April 4, 2008

- Larry Baum and Michael Stamm will review the current recapture policy. **STATUS: subcommittee formed. Review on hold pending changes in NYS IDA law.**

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. **STATUS: Request made.**
- Mr. Furman and TCAD Staff to explore launching an initiative that would attract businesses and entrepreneurs responding to green business market opportunities. **STATUS: Parties have met and are moving forward on endeavor.**

April 3, 2009

- Letter to be drafted from Board Chairperson to the City of Ithaca regarding Cayuga Green project and the non-compliance with requests for information for annual state audit. **STATUS: Done.**
- Mr. Robertson will let the County Legislature and County Attorney know of the non-compliance with the PAAA board independence requirement reference in the audit. **STATUS: Done.**

May meeting cancelled

June 5, 2009

- Ms. Geldenhuys was asked to review the Cayuga Green PILOT agreement to determine when the start date was/is.
- Regarding the Cayuga Green project, Ms. Geldenhuys and Mr. Stamm will use existing information to determine if the project is in breach of contract with regards to the initial rents charged being too high. If they determine that the initial rent levels were too high, Ms. Geldenhuys will draft a letter for the next IDA Board meeting notifying the developer (Mr. Schon) of the breach and requesting additional information. Ms. Geldenhuys will look at the PILOT and let the IDA know what the

consequences are for breach of contract (i.e. can the abatement be reduced?) She will also clarify real estate definitions for new rents and average rents.

- The blank density application should be placed on the next IDA meeting agenda for discussion.

**Tompkins County IDA Meeting Minutes
June 5, 2009
Scott Heyman (Old Jail) Conference Room
Ithaca, NY**

Present: Martha Robertson, Dan Cogan, Jeff Furman, Kathy Luz Herrera, Michael Sigler, Larry Baum, David Squires

Excused: Michael Koplinka-Loehr

Staff Present: Heather Filiberto, Ina Arthur (recording), Mariette Geldenhuys

Guests Present: John Mayer (Attorney Transonic Systems), Adam Clousner (ZAR Associates)

CALL TO ORDER Ms. Robertson called the meeting to order at 3:30 PM

ADDITIONS TO THE AGENDA

None.

PRIVILEGE OF THE FLOOR

None.

BUSINESS

Transonic Systems Resolution

Ms. Filiberto outlined that the company, Transonic Systems, will be expanding soon on an adjacent lot in the Warren Road Technology Park on Dutch Mill Road. The deed covenants originally reserved the lot in question for parkland. The company is looking for support to change the deed covenants. Most of the other tenants have agreed to this change. The IDA has a lease hold interest in three of the lots.

John Mayer, Attorney for Transonic Systems, addressed the board. He handed out maps of the technology park. The 30,000 sf expansion could possibly create as many as 100 jobs over three years. The plan is to double the size of the company. They keep all their manufacturing in house to maintain quality. Transonic Systems manufactures blood flow measurement equipment. They are the world leader in this technology. Most of their sales are overseas.

Mr. Furman asked if the company is up to date with all their reporting requirements. Ms. Arthur stated that they are up to date.

Mr. Furman would like to see a non-binding estimate of the jobs that could be created by an expansion. Ms. Robertson asked that this be added to the letter from the company.

Ms. Luz Herrera stated that she likes the proposal. She asked is the parkland would be replaced somewhere. Mr. Mayer stated that currently there is nowhere else to go. However, there is an existing pond next to the current building on lot 10. Also there is a possibility of having lot 7 remain a green space depending on architectural drawings. The current pond is not going to change. Ms. Luz Herrera asked for a description of the current pond and a statement that it would not change to be put into the ask letter from the company.

Jeff Furman moved to approve the resolution authorizing the Tompkins County Industrial Development Agency to consent to development and use by Transonic Systems, Inc. of lot 9 in the Warren Road Business Park; and execute related documents. Larry Baum seconded the motion. A roll call vote was called. The motion passed (Robertson, Yea; Koplinka-Loehr, Absent; Cogan, Yea; Sigler, Yea; Baum, Yea; Luz Herrera, Yea; Furman, Yea)

Zar Associates, LLC Resolution

Zar Associates, LLC is refinancing their existing debt for a better rate and terms. They will also use some of the money to make repairs to the roof of the building that houses Ithaca Materials Research & Test Labs.

Jeff Furman moved to approve the resolution authorizing the Tompkins County Industrial Development Agency to executive all necessary documents in connection with a new mortgage to be obtained by ZAR Associates, LLC to pay off existing mortgages and loans and finance closing costs and repairs. Michael Sigler seconded the motion. A roll call vote was called. The motion passed (Robertson, Yea; Koplinka-Loehr, Absent; Cogan, Yea; Sigler, Yea; Baum, Yea; Luz Herrera, Yea; Furman, Yea)

Ithaca College Finance Restructure Resolution

Ms. Geldenhuys reviewed the Ithaca College resolution before the board. It is similar to the resolution approved for Ithaca College a few months ago. Ithaca College is restructuring their bond debt due to a credit rating that is going down. The credit rate fall is due to the banks not Ithaca College. They can restructure at a fixed rate that will save a lot of money for the College.

Dan Cogan moved to approve the execution of supplemental indentures and related documents with respect to the various Ithaca College projects for the purpose of changing interest rate modes for one or more series of bonds, substituting the credit enhancement for one or more series of bonds in the form of letters of credit or other similar credit enhancement. Larry Baum seconded the motion. A roll call vote was called. The motion passed (Robertson, Yea; Koplinka-Loehr, Absent; Cogan, Yea; Sigler, Yea; Baum, Yea; Luz Herrera, Yea; Furman, Yea)

Letter of Support for the Warren Road Sewer Project

Ms. Filiberto described the Warren Road Sewer Project. TCAD has been working with the businesses in the area and local municipalities for two years to bring sewer to this area of Lansing. One business cannot move forward with an expansion without the sewer. This work will also be done in conjunction with road work. Fiber optic cable will also be laid during the process.

Ms. Luz Herrera commented that she thinks this is a good project.

Dan Cogan moved to approve the writing of a support letter from the TCIDA Board for the Warren Road Sewer Project. Jeff Furman seconded the motion. The motion passed.

Cayuga Green Rents

Ms. Robertson reviewed the Board's efforts in opening a dialogue with the developer of the Cayuga Green Apartments regarding the rental rates that have been set. The PILOT agreement with the project sets specific ranges for rents. It appears that these have been exceeded. The developer did respond to an initial letter asking for information but the response was vague and did not answer the questions.

Ms. Luz Herrera commented that this experience underlines the fact that there is a greater need for asking for details on future projects.

Mr. Baum stated that a starting date for when the agreement went into effect is needed along with the CPI. The developer's letters speaks to the need to pulling out the expenses from the gross rents.

Ms. Geldenhuys stated that net rents equal the rents that tenants pay with out the utilities. It is possible that the developer is using a different definition for net rent.

It was stated that the ROI calculations would not happened until year 5 of the project. The ROI calculation is also a separate issue. Part of the PILOT agreement was to keep the rents at a certain rate.

Ms. Geldenhuys was asked to review the PILOT agreement to determine when the start date was/is.

Ms. Geldenhuys and Mr. Stamm will use existing information to determine if the project is in breach of contract with regards to the initial rents charged being too high. If they determine that the initial rent levels were too high, Ms. Geldenhuys will draft a letter for the next IDA Board meeting notifying the developer (Mr. Schon) of the breach and requesting additional information. Ms. Geldenhuys will look at the PILOT and let the IDA know what the consequences are for breach of contract (i.e. can the abatement be reduced?) She will also clarify real estate definitions for new rents and average rents.

Ms. Luz Herrera suggested the IDA identify parameters that include consistent definitions, reporting, and consequences for non-compliance and have them in place before the next housing project is presented to the IDA.

ADMINISTRATIVE DIRECTOR'S REPORT

Ms. Filiberto reported that re-openers might have been triggered on the AES PILOT as a result of a reduction in power generated and a reduction in revenues.

Ms. Filiberto reported that Finger Lakes Aquaculture closed its doors in Groton. It may have moved to another location in New York State. Ms. Geldenhuys will look into the process for getting the property back on the tax roles.

Ms. Filiberto led a discussion about the coordinating the process for a downtown density application from Hotel Ithaca with the City's Common Council. It was agreed that the City should review and act on

the CIIP first, then the applicant can formally submit the IDA application. The IDA will apply its own judgment to the density application criteria. It was agreed that the applicant could submit a copy of the density checklist to the IDA prior to City approval to receive preliminary feedback.

Ms. Filiberto will ask the City to notify staff of its meetings, so IDA members that wish to attend may observe discussion.

The blank density application should be placed on the next IDA meeting agenda for discussion.

APPROVAL OF MINUTES

Kathy Luz Herrera moved to approve the draft board meeting minutes from April 3, 2009. Larry Baum seconded the motion. The motion passed.

Meeting adjourned at 5:10 PM