

Tompkins County IDA Meeting Minutes

ACTION ITEMS

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

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

June 5, 2009

- The blank density application should be placed on the next IDA meeting agenda for discussion. **STATUS: Still needs to be reviewed**

November 6, 2009

- Staff to develop a policy draft on benefits standards.
- Staff to develop a policy draft on Empire Zone and non-property tax benefits.
- Staff to develop a policy draft on administrative fees for refinances.

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

Present: Martha Robertson, Dan Cogan, Larry Baum, David Squires, Michael Koplinka-Loehr

Excused: Kathy Luz Herrera, Jeff Furman, Michael Sigler

Staff Present: Michael Stamm, Ina Arthur (recording), Mariette Geldenhuys

Guests Present: Ken Schon (Cayuga Green LLC), Phyllisa DeSarno (City of Ithaca), Jessica Yu, Pete Meyers (TC Workers Center)

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

ADDITIONS TO THE AGENDA

53 Brown Road Project License Agreement

The 53 Brown Road Project would like to allow Cornell University to put in a pedestrian pathway on one of the borders of its property. The IDA Board needs to approve this as it has been assigned rights, title and interest in the ground lease of this project.

Michael Koplinka-Loehr moved to approve the 53 Brown Road Project License Agreement. Dan Cogan seconded the motion. The motion passed unanimously.

PRIVILEGE OF THE FLOOR

Pete Meyers of the Tompkins County Workers Center spoke concerning the Hotel Ithaca project, asking that the project offer a living wage to all workers. He also spoke concerning the Cayuga Green project and affordable rents.

BUSINESS

Cayuga Green Project update

Ms. Robertson thanked Mr. Schon for coming to the meeting.

Ken Schon, Cayuga Green LLC, reported that he and Mr. Stamm and Ms. Robertson toured the apartments about a month and a half ago. He is here today to give an update to the Board. The size of

the project is the same. The tax abatements that the project is receiving are not only going to the developer. The abatements help to attract 50,000 sf of retail. Currently they have Urban Outfitters, Palmers Pharmacy, Merrill Lynch and Cinemopolis. About half of the abatement value goes to the apartments and the other half to the retail space. There are 68 mid-priced apartments and there is a waiting list “because it's a good value.” The apartments are clean, modern, high quality. They used LEED principles in building the project. Also they recycled 98% of construction waste with this project. They used union workers for the concrete work, drywall, roofers, and masonry. Also Upstate Millwork was used for the cabinetry.

The commercial space has been hard to fill. About half of the space is paying rent and they hope to have the rest rented soon.

Mr. Cogan asked if they have a sense of the percent of the total construction costs that went to union shops? About 75-90%.

The second phase of apartments, next to the garage, may start soon depending on financing.

Ms. Robertson stated that the Board is interested in the rents for the apartments when the look back is conducted in three years. The hope is that these rents will be as affordable as possible.

Hotel Ithaca Project update

Ms. Robertson reported that a subcommittee of the Board has met twice to look at forming an abatement offer to the project developer that will encourage him to offer a livable wage to all workers. When this has been agreed upon the project will go to public hearing.

Mr. Stamm reported that he has talked with the developer and getting financing has been difficult. They are hoping to pull an agreement together before the December IDA Board meeting.

PAAA – Draft 2010 Budget

Mr. Stamm presented the draft 2010 budget. He stated that normally the final budget is approved in December. However the PAAA legislation asks that budgets be submitted in November. The IDA fund balance is being used up. TCAD is working with the County to create a Local Development Corporation to generate more administrative fees from tax-exempt bonds to support economic development.

Dan Cogan moved to accept the 2010 Draft Budget. Michael Koplinka-Loehr seconded the motion. The motion passed unanimously.

PAAA – PARIS Certifier

Dan Cogan nominated David Squires as an additional certifier for the online Annual Report. Michael Koplinka-Loehr seconded the nomination. David Squires accepted the nomination. The nomination passed unanimously.

Policy – Establishing an Employee Benefits Standard

The IDA Board would like to consider capturing additional information on its applications regarding benefits offered to employees from applicants. The question was raised: what information do we ask for? Who will analyze the information? What standards would the IDA set?

Mr. Stamm suggested asking the Workforce Investment Board for assistance.

Mr. Cogan asked what would the IDA do with this information? Mr. Stamm stated that the Board is hoping to influence applicant employers in a similar way as they do with a living wage.

Mr. Baum stated that knowing benefits offered does influence a vote. Mr. Cogan commented that the board should discuss whether the living wage should be a requirement. Evaluating benefits sounds like a lot of work to quantify something that might not be used for anything, since the IDA is not a competitive process. Ms. Robertson stated that it is worth having the WIB look at this.

Mr. Stamm stated that he would work with the WIB to develop information on the process.

Policy – Non-Property Tax Requests and the Empire Zone

Mr. Koplinka-Loehr said there is a different threshold for him if a project already has Empire Zone status.

Mr. Cogan stated that density projects should qualify for benefits if they meet the minimum CIIP benefit level. There is a benefit for having predictability; if it's in the Zone it should get IDA abatements, for density projects and for “non-density” projects.

Mr. Baum said that density projects are more complex than typical industrial projects. The key is can you make it simpler to keep projects in the density area.

Ms. Robertson stated that without property tax abatements there is no school tax involvement.

Mr. Cogan pointed out that industrial projects compete with other projects for skilled workers. Competition can also create synergy. It is hard to judge whether competition is a good or bad thing.

Mr. Stamm said that predictability is key for developers. The Empire Zone program is complicated but predictable.

Ms. Robertson asked that staff draft a policy statement to consider in a future discussion when more board members are present.

Policy – Administrative Fees

Mr. Stamm stated that when the IDA issues tax-exempt bonds the existing fee policy is followed in regards to administrative fees. Refinancing of bonds/deals also generates fees. However, restructuring bonds or existing deals does not generate a fee.

Mr. Stamm suggested charging a fee of 1% of the savings on debt service generated through a refinancing. This would be a reasonable amount; if there is no savings, then there would not be a fee charged. Mr. Stamm will write up a summary for presentation at a future board meeting.

ADMINISTRATIVE DIRECTOR'S REPORT

Mr. Stamm stated that Transonic Systems is waiting for the sewer project to be completed. He also updated on the status of the IDA project. The project is waiting on the SEQR determination before going through PDEQ and the County Legislature approval for the private activity bonds.

Mr. Stamm reported that Alfred Weber, President of Borg Warner Morse TEC, will be leaving the company as of January. Borg Warner has called back 100 of the laid-off workers and may be calling another round back soon.

Mr. Stamm reported that the Rollway portion of the Emerson Power Transmission Company will be relocating. Also there are two developers interested in the facility space after the company moves. He is getting the recapture process in motion.

Mr. Stamm also reported that AES Cayuga has requested renegotiation of its PILOT agreement.

APPROVAL OF MINUTES

Michael Koplinka-Loehr moved to accept the October 2, 2009 minutes. Larry Baum seconded the motion. The motion passed unanimously.

Meeting adjourned at 5:00 PM