

**Tompkins County IDA Meeting Minutes
May 7, 2010
Scott Heyman (Old Jail) Conference Room
Ithaca, NY**

Present: Martha Robertson, Dan Cogan, Larry Baum, Jim Dennis, Will Burbank, Nathan Shinagawa, Jeff Furman

Excused:

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

Guests Present: Pat Johnson (Cornell University), Russ Gaenzle (Harris Beach), Julia Mattick (WIB),

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

ADDITIONS TO THE AGENDA

Discussion of PILOT increment financing (PIF)

PRIVILEGE OF THE FLOOR

BUSINESS

Cornell University Bond Refinance

Mr. Stamm introduced the resolution. In January of 2008 the IDA issued \$70 Million in tax exempt bonds for the Cornell University Combined Heat & Power Project. The University is coming to the IDA as it is restructuring variable bond rates to fixed bond rates. This does not require going to the PDEQ or County Legislature. Nor is holding a public hearing needed.

Jeff Furman moved, contingent on a few being negotiated, to approve the resolution authorizing the execution and delivery of certain amendments to indenture of trust, lease agreement, and execution and delivery of any related documents all with respect to the conversion to the fixed rate mode of the agency's \$70,000,000 civic facility revenue bonds (Cornell University Project), series 2008. Martha Robertson seconded the motion. The motion passed (vote: Yea (Robertson, Cogan, Burbank, Furman, Dennis, Shinagawa); Absent (Baum))

Discussion of PILOT Increment Financing (PIF)

Mr. Gaenzle explained that a PILOT (Payment In Lieu of Taxes) Increment Financing (PIF) is a way to finance projects. A PILOT is delivered to a project then the tax payments are used to finance

infrastructure or used to help with financing/debt service. This can be done only with the consent of the taxing authorities.

The PILOT agreement and how funds are utilized can be set up anyway that the IDA wants to but again with the taxing authorities consent. Also if one taxing authority opts out that is okay.

Mr. Stamm commented that this arrangement could be used to support a public policy initiative.

Mr. Baum asked why this would be set up and used? Usually to ease cash flow issues.

This information is being presented as there is a possible project in the future that may ask to have a PIF set up.

Ms. Robertson commented that she has discussed this with Joe Mareane, County Administrator, who is familiar with PIFs.

Mr. Burbank asked if the IDA would have to do anything or change any policy in order to allow a PIF? No.

Ms. Robertson asked if the IDA should create or have guidelines for this? Mr. Stamm stated that this would be hard not knowing the project parameters.

Mr. Furman stated that he would like to see any existing policies of PIFs from other IDAs.

Benefits Research Update

Ms. Mattick reported that she has been working with a local human resources professional, Paul Gardner of Transonic Systems, to design an online benefits survey that will go to IDA project businesses. They are currently developing a letter that will go out with the survey request. The goal is to have it out in the next few weeks.

Mr. Burbank asked what the purpose of the survey was? Mr. Stamm commented that when Transonic Systems came to the IDA for benefits, their entry level salaries seemed low, but when their benefit package was considered, the level of “payment” to employees seem much higher. Therefore the IDA wanted to find out what was being offered for a frame of reference when considering other projects. Mr. Furman stated that this also grew out of the living wage discussion.

Mr. Dennis asked about having a question on a company’s fringe rate (the percent to benefits against the salary). Ms. Mattick stated that not all companies calculate or use a fringe rate – it is more of a governmental term.

The survey will also look at non-mandated benefits such as long-term disability and long-term care insurances.

IDA Audit Update

Mr. Furman reported that the Audit committee met to review the draft audit with the auditor. The only reason we have not submitted the audit is do to an online glitch in the PARIS system. The management letter is clean. Nothing has been red flagged. The only issue is the continuing board independence issue due to PAAA legislation.

ADMINISTRATIVE DIRECTOR'S REPORT

Mr. Stamm reported that he recently presented to the NYSAC finance school information on PILOT agreements at Joe Mareane's request.

He also reported that the new LDC would have a project in the near future.

AES Cayuga has sent a letter requesting re-opening of the PILOT agreement. Ms. Robertson will be assembling the negotiating team. The school district will be hiring a consultant to represent their interests. Ms. Robertson commented that she is thinking of adding Pat Pryor to the team as well as Jay Franklin. She and Dooley Kiefer will remain on the team as well.

Mr. Cogan asked about the former P&C property in Fall Creek. The community has had some meetings and are considering a commercial kitchen project. Could a PILOT agreement be used in this instance. Yes.

Mr. Furman asked about the status of the Emerson Power Transmission project. Title has been transferred back to the company and the recapture policy will be triggered when they have completed moving out of state. Mr. Baum asked about possible reuse of the property. Two local developers have expressed interest in the property to possible mixed-use projects. This is contingent on the environmental issues being taken care of.

Mr. Furman set forth the idea of developing benefits for socially conscious companies in order to encourage them to locate in Tompkins County. He thinks that for a minimal dollar amount, a marketing package could be developed.

Mr. Dennis asked about the status of the NYS IDA tax. There was a stay issued. The state process is in limbo. The state is supposed to negotiate with the IDAs for a reasonable outcome.

APPROVAL OF MINUTES

Jim Dennis moved to approve the minutes from the April 2, 2010 meeting. Larry Baum seconded the motion. The motion passed unanimously.

Meeting adjourned at 4:55 PM