

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Approved Minutes  
March 12, 2015  
TC Legislative Offices  
121 E. Court Street, Ithaca, NY**

**Present:** Jim Dennis, Grace Chiang, Nathan Shinagawa, Will Burbank, Martha Robertson, Jennifer Tavares

**Staff Present:** Michael Stamm, Heather Filiberto, Ina Arthur (recording)

**Guests Present:** Jay Franklin (TC Assessment), Irene Weiser (Town of Caroline), Stacey Black, Michael Talarski (IBEW 241), Marcus Williamee (LOCAL 267 Plumbers and Steamfitters), Brian Noteboom (Carpenters 277), Tom Halstead

**CALL TO ORDER** The meeting was called to order at 4:05 PM

**ADDITIONS TO THE AGENDA**

Ms. Filiberto asked to have an item added to the agenda regarding the redevelopment of the Emerson Power Building. She referred the Board to their resolution to hold money from the Emerson Power Recapture for redevelopment of that site/building. David Lubin of Unchained Properties is the developer and had submitted a letter requesting the money to help pay for development studies on the property. Earlier this year, NYS issued a recommendation against IDAs making grant or loans of their funds. Based on discussions with the IDA attorney, the IDA can directly hire and pay for services. She would like to request that instead of granting the money to Mr. Lubin for reimbursement, that the IDA contract directly with a service provider regarding necessary studies for development of the property.

**Martha Robertson moved to approve adding the above item to the agenda. Will Burbank seconded the motion. The motion passed.**

**PRIVILEGE OF THE FLOOR**

Marcus Williamee – Mr. Williamee spoke regarding the Local Labor Policy Discussion - see attached statement

Stacey Black – Mr. Black spoke regarding the Local Labor Policy Discussion – see attached statement

Brian Noteboom (Carpenters 277) – Mr. Noteboom thanked the IDA for the draft local labor policy. He has some concerns. In paragraph three, the policy asks for 80% local workers. Broome County IDA's local labor policy calls for 90%. Tompkins County can do better than 80%. Under the waiver section, number 5 which refers to an increase in costs – how was 10% derived? He would like to see this eliminated.

Irene Weiser – Town of Caroline – Ms. Weiser spoke regarding the Cayuga Operating Plant – see attached statement

Tom Halsted – 1551 Conway Road, Richland NY – Mr. Halsted is a labor union representative for machine operators. He would like to have included in the local labor policy language about apprenticeship programs as are included in other NYS IDA labor policies. These programs help get more workers. Also the hourly rate and fringe rate paid to apprentices keeps them from relying on State assistance programs.

Michael Talarski (IBEW Local 241) – Mr. Talarski spoke regarding the local labor policy – see attached statement

## **BUSINESS**

### 330 Main St. Holding, LLC (Incodema3D) – Sales Tax Exemption Increase Request

**Martha Robertson moved to approve the Inducement Resolution for 330 Main St Holdings, LLC to increase the sales tax exemption amount to \$45,600. Nathan Shinagawa seconded the motion.**

Ms. Filiberto explained that additional renovations to the building are needed and these will increase the cost of construction and thus the sales tax exemption amount by \$20,000. There will be two other businesses occupying the building, Incodema and another company owned by Incodema that does work related to Incodema3D.

Ms. Robertson asked if the parent company, Incodema, would still be occupying the building they own in the City of Ithaca. Yes.

**A vote was called on the motion. The motion passed 6 yes, 1 absent.**

### South Hill Business Campus Combined Heat & Power Energy Project – Sales Tax Exemption Increase Request

**Jennifer Tavares moved to approve the amended inducement resolution for the South Hill Business Campus combined heat and power energy project to increase the sales tax exemption amount to \$94,640. Will Burbank seconded the motion.**

Ms. Filiberto explained that the company has determined that adding a second 150-kilowatt turbine engine to the project will allow additional power efficiency opportunities. This will increase the project cost to \$533,000 and the amount of sales and use tax exemption benefits to \$94,640. The system runs on waste steam and heat to generate electricity for the building.

**A vote was called on the motion. The motion passed 6 yes, 1 absent.**

### Cayuga Operating Company (AES) PILOT Amendment Resolution to Send to Public Hearing

**Jim Dennis moved to approve the resolution authorizing the TCIDA to schedule a public hearing and provide notice to taxing authorities regarding proposed amendments to the PILOT agreement between the TICDA and AES Eastern Energy, L. P. (Cayuga Operating Plant) Grace Chiang seconded the motion.**

Jay Franklin, County Assessor, gave an overview of the PILOT for the Cayuga Power Plant (formerly AES Eastern Energy). The original 2009 PILOT agreement set the assessment for the property and thus took it out of possible litigation. This is the third revision of the PILOT agreement. It is not a typical PILOT as taxes are paid on the full value of the property and this is based on net operating income (NOI). This PILOT has the base value set at \$60 Million. This is based on current conditions as of July 1, 2014. The RSS agreement with NYSEG is considered as income to the power plant. Capital improvements are included as well.

NYSEG owns the transformers and the land they are on. This PILOT takes into consideration any NOI above \$14,000,000. This amount above the \$14M is called a “pop up” amount and it then additional tax is paid to the taxing jurisdictions.

Without the RSS payments from NYSEG the value of the plant would decrease. This PILOT is good for two years.

Mr. Stamm commented that the negotiating team that worked this deal out was made up of representatives of all the taxing jurisdictions that are impacted by the power plant’s taxes. There is an expectation that the PILOT will be renegotiated after two years.

Mr. Dennis reiterated that the vote today is to send the amended PILOT to a public hearing.

**A vote was called on the motion. The motion passed 6 yes, 1 absent.**

#### Support to Redevelopment of Emerson Power Transmission Building

**Jim Dennis moved to approve using funds set aside for the support of redevelopment of the Emerson Power Transmission site directly to contract with and pay for services and or studies related to that redevelopment. Martha Robertson seconded the motion.**

Mr. Burbank commented that this seems unusual. What would the IDA be contracting for?

Ms. Filiberto stated that these would be for professional services related to studies needed to develop the site. Per the IDA’s procurement policy, if the amounts are less than \$20,000 then there is no need to go through the “request for proposal” process. The developer would be responsible for any insurance needs.

Ms. Chiang asked for more detail on the services that would be contracted for.

Ms. Filiberto mentioned legal scoping documents and other studies related to the SEQR process. Staff will be getting a list of services from the developer.

Mr. Dennis asked that more documentation be presented at a future meeting.

**A vote was taken on the motion. The motion passed.**

## Local Labor Polity Discussion

Mr. Dennis commented that based on the privilege of the floor statements, there are two items in question from the draft local labor policy:

1. the percentage of local workers needed and,
2. the cost of construction differential that be deemed “significant” and that would allow a waiver.

Ms. Filiberto commented that the Monroe County IDA is one of the IDAs that have been using local labor policy the most. This draft policy is based on their policy. In most policies around the state the cost differential is not defined. Those policies use “significant” but do not set an amount or percentage. Ms. Filiberto commented that she reviewed local IDA projects and their construction costs. In most cases, an increase of 10% would negate any incentive benefits. Her discussions with local developers revealed that the policy restrictions would increase the cost of labor.

Mr. Burbank ask if there really is a lack of local training facilities?

Ms. Chiang stated her experience with projects has shown that larger projects cannot be handled by local general contract companies thus requiring a project to find a GC from Syracuse, Rochester or beyond.

Mr. Shinagawa suggested keeping the use of local labor but not requiring a local general contractor for the policy.

Ms. Robertson commented that possibly Tompkins County does not have a big enough community for the local general contractor requirement but she does like the specific percentage for cost differential. She suggested that instead of using the percentage to deny incentives, what about a “carrot” approach – giving additional incentives for increased percentage of local labor.

Mr. Shinagawa commented that he feels the incentives are the “carrot.”

Ms. Tavares commented on the use of specific counties to define a local labor area – perhaps there should be a mileage requirement instead – a distance boundary vs. a county boundary. She also commented that the 80% of local labor seems fine since there are not a lot of general contractor companies that can handle larger projects. She also stated that the waiver need should be demonstrated.

How would compliance be checked?

Ms. Filiberto stated that Monroe County IDA has hired an accounting firm to review compliance quarterly. It is usually the general contractor’s responsibility to report.

Mr. Shinagawa commented that using County vs. distance might be easier for a general contractor to check.

Mr. Stamm brought up the possibility of other Counties excluding our local workers from working on their projects if we exclude their county’s workers.

Mr. Talarski commented that this is already happening.

Ms. Robertson stated that it is important to find the “sweet spot” and feels that the general contractor should have the location of where workers live on payroll. Perhaps we should use zip codes?

Ms. Tavares agreed with Mr. Stamm, we don’t want to put up barriers. She also stated that there is proposed apprenticeship language that she would like to see it.

Mr. Dennis ended the conversation for now – this discussion will continue at a future meeting.

## **STAFF REPORT**

Mr. Stamm reported on the NYS Budget process – as usual, the Governor’s budget includes legislation trying to regionalize IDA authority. The Governor would like to make the sales tax exemption and mortgage recording tax exemption require State approval rather than just local IDA approval.

Ms. Filiberto reported that the State Legislature’s budget does not include the above language regarding IDA authority.

Ms. Filiberto also reported that staff met with Assemblywoman Lifton regarding the State budget legislation.

Ms. Filiberto commented on her effort to find out the status of the housing component of the Arrowhead project. She has spoke with the Village of Lansing and the developer. Both would like to increase the number of housing units. However, this will impact the wetlands on the property. The army corps of engineers has suggested using a wetland “bank” to help mitigate and imbalance.

## **MINUTES**

**Martha Robertson moved to approve the minutes from the January 15, 2015 TCIDA Board meeting. Jennifer Tavares seconded the motion. The minutes were approved.**

The meeting was adjourned at 5:45 PM

**These minutes were approved at the April 9, 2015 Board meeting.**