

**Tompkins County Industrial Development Agency
Annual Accomplishment and Operations Report
2011**

The following information is intended to outline the basic operations and accomplishments of the Tompkins County Industrial Development Agency (TCIDA). TCIDA received administrative support from Tompkins County Area Development, Inc. (TCAD), a separate not-for-profit economic development agency. TCIDA receives attorney services from Mariette Geldenhuys, Attorney at Law and receives bond counsel services from Harris Beach, PLLC.

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Policies and Procedures - 2011

In 2011, the TCIDA Governance Committee reviewed and recommended approval two items:

- 1) TCIDA Mission and Measurement criteria
- 2) TCIDA Procurement Policy

The TCIDA also approved in conjunction with the Town of Lansing, NY a new “Lansing Town Center Incentive Zone.”

Tompkins County Industrial Development Agency
Mission Statement, Performance measurements and Goals
2011

The Tompkins County Industrial Development Agency helps companies and entrepreneurs to develop and maintain quality employment opportunities, to diversify the local economy, and to improve and strengthen the tax base and the quality of life in Tompkins County by offering economic incentives.

The Board of Directors of the Tompkins County Industrial Development Agency will evaluate the performance of the agency annually based on the following criteria:

- Number of jobs created and retained
- Number of businesses assisted
- Amount and type of private sector investment
- Amount of increase in the tax base

Goals:

- To help facilitate the development of essential services or businesses generally lacking in the County;
- To target financial assistance to key clusters critical to the County's economy, including manufacturing, health care, education, tourism, energy, agribusiness, high tech, housing, and commercial;
- To leverage the greatest level of private and non-IDA financial assistance as possible; and
- To work cooperatively with local governments and school districts to further economic development progress.

PROCUREMENT POLICY

A. Introduction

1. Applicability - This Procurement Policy (“Policy”) shall apply to the Tompkins County Industrial Development Agency (“TCIDA”)/Tompkins County Development Corporation (“TCDC”).
2. Scope – In accordance with Article 18-A of the General Municipal Law (the “GML”), Section 104-b of the GML, and the Public Authorities Accountability Act of 2005, the Agency is required to adopt procurement policies which will apply to the procurement of goods and services paid for by the Agency for its own use and account.
3. Purpose – Pursuant to Section 104-b of the GML, the primary objectives of this Policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of the County of Tompkins, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procedures

1. Solicitation Procedures for the Purchase of Commodities, Equipment, Goods or Services.
 - a. Up to \$5,000 per instance – The discretion of the Chairperson or chief executive officer of the Agency or authorized designee.
 - b. Greater than \$5,000 to \$20,000 per instance – Documented verbal quotations or written/fax/email quotations from at least three vendors.
 - c. Greater than \$20,000 per instance – Written Request for Proposal.
 - d. Notwithstanding the foregoing, should cumulative procurements pursuant to paragraphs a or b above exceed \$50,000 per calendar year for a single vendor, the Agency shall be required to prepare a Written Request for Proposal for such procurements.
2. Exceptions. Alternative proposals or quotations shall not be required for procurements made through or with respect to:
 - a. New York State or Tompkins County Contracts – when the Agency is able to procure commodities, equipment, goods or services through New York State or Tompkins County contracts, it is unnecessary to obtain quotations or bids;
 - b. State Finance Law Section 175-b (from agencies for the blind or severely handicapped);
 - c. Correction Law Section 186 (articles manufactured in correctional institutions);

- d. Emergency Procurements – an emergency exists if the delay caused by soliciting quotes would endanger health, welfare, property or an economic development opportunity. Approval of the Chief Executive Officer is necessary, which shall be documented and shall also include a description of the facts giving rise to the emergency.
 - e. Sole Source Procurements – A “sole source” means a situation where (i) there is only one possible source from which to produce goods and/or services available in the marketplace, (ii) no other goods and/or services provide substantially equivalent or similar benefits, and (iii) considering the benefits, the cost to the Agency is reasonable.
 - f. Utilities and Affiliate Transactions – The purchase of utilities and inter-affiliate transactions are excepted from alternative proposal/quotation requirements.
 - g. Unavailability of three (3) vendors who are able or willing to provide a quote.
3. Basis for the Award of Contracts.

Contracts will be awarded to the lowest responsible dollar offeror who meets the specifications therefor, except in circumstances that the Agency determines justify an award to other than the lowest responsible dollar offeror. In making any such determination, the Agency shall consider relevant factors including, without limitation:

- a. Delivery requirements
 - b. Quality requirements
 - c. Quantity requirements
 - d. Past vendor performance and/or experience
 - e. The unavailability of three or more vendors who are able or willing to quote on a procurement.
 - f. It may be in the best interests of the Agency to consider only one vendor who has previous expertise with respect to a particular procurement.
 - g. Any procurement excepted from the alternative proposal/quotation requirements as set forth in subdivision 2 of this Section B, and the procurement of professional services in Section E of this Policy.
4. Documentation
- a. A record of all solicitations for alternative proposals or quotations, the response (if applicable), and any determinations pursuant thereto shall be maintained in the procurement file.
 - b. For each procurement by the Agency the chief executive officer of the Agency or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
 - c. Whenever an award is made to other than the lowest responsible dollar offeror the

reasons for doing so shall be set forth in writing and maintained in the procurement file.

- d. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

C. Professional Services.

Contracts for professional services involve the application of specialized expertise, the use of professional judgment, or a high degree of creativity. Professional services include services which require special education and/or training, license to practice or are creative in nature. Examples are: lawyers, doctors, accountants, and engineers. Furthermore, professional service contracts often involve a relationship of personal trust and confidence. Procurement of professional services below \$20,000 is not subject to the solicitation procedures contained in Section B (1) of this Policy. Procurement of professional services greater than \$20,000 is subject to the existing "Professional Services RFP Process" as amended from time to time. Specific professional services not otherwise identified within the "Professional Services RFP Process" are hereby deemed to be so included, as appropriate.

D. Procurement Lobbying Law.

In accordance with Chapter 1 of the Laws of 2005, generally referred to as the "Procurement Lobbying Law", the Agency shall implement the provision of such Procurement Lobbying Law for any contract or other agreement for an article of procurement involving an estimated annualized expenditure in excess of \$15,000.

E. Unintentional Failure to Comply.

The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Agency or any officer thereof.

Lansing Town Center Incentive Zone

(October 11, 2011)

Background

The Town of Lansing Economic Development Committee discussed the idea of establishing an incentive zone whereby qualifying businesses and non-profit entities could receive a package of tax incentives to promote development in the new Lansing Town Center.

The Committee presented this concept to the Town Board in November of 2010, where they were given the go ahead to develop such a program for Town Board consideration and adoption.

Economic development committee members worked with IDA administrative staff (at TCAD) to draft the policy, which was presented to the Lansing Town Board on May 18, 2011. The Town Board reviewed the drafted incentive program and unanimously endorsed it, sending it to the Tompkins County IDA for approval.

The Lansing Town Center Incentive Zone Policy was presented to the Tompkins County IDA on June 15, 2011 where a motion passed to support the policy and participate in a public comment session with the Lansing Town Board.

The Lansing Town Board held a public comment at its regularly scheduled meeting on August 17, 2011. The Town Supervisor stated his support for the Policy. There were no public comments.

Lansing Town Center Incentive Zone Program

Final as adopted by Tompkins County IDA October 21, 2011

The Town of Lansing Comprehensive Plan identifies goals and objectives around creating a vibrant Town Center where higher density housing, commercial services catering to the needs of local residents, and recreational opportunities are established that increase the tax base and create a sense of community in Lansing.

The Town currently has very few basic commercial services. It is geographically located 5 miles from the Village of Lansing and more than 10 miles from the City of Ithaca's downtown and Route 13 commercial districts. In order to attract developers to the Town of Lansing, and the Town Center, an incentive program is critical and the requirements imposed to qualify for the incentives need to be reasonable.

The Lansing Town Center Incentive Zone Program is being considered to encourage development in the Lansing Town Center. Under this program, the Town of Lansing recommends projects to the Tompkins County Industrial Development Agency for consideration of tax incentives.

Eligible Projects

The Lansing Town Center Incentive Zone Program encourages development within the boundaries of the Town Center as outlined in Exhibit A. In general, the Program supports development at higher densities in the Town Center that increase the tax base. The following criteria and community benefits must be met for a project to be eligible.

1. Industrial – Light manufacturing and industrial projects selling a product or service outside of the local area. This definition very broadly includes computer software, agri-business, printing, publishing, and research and development.
2. Retail/Commercial - Retail/commercial projects that make available goods or services not reasonably accessible in the Town of Lansing or that the Town Board believes would benefit the community. Projects may be single story or part of a multi-story, mixed-use development project.
3. Rental Housing – multi-family housing must be at least two stories and establish a minimum of four new rental units. Projects may be part of a multi-story, mixed-use development project. Mixed income and affordable housing projects are desirable, but not required.
4. Not-For-Profit – Not-for-profit projects qualify for access to low cost tax-exempt bond financing under the regular IDA policies and procedures.

Projects must have new construction costs of at least \$500,000. In addition, the value of projected incentives must be at least three times the projected fees associated with the project. The IDA may waive the minimum construction cost in circumstances where the public benefit outweighs the project costs.

Public Benefits

Projects will be evaluated based on the extent to which they meet the public benefits outlined below:

- create permanent or seasonal jobs

- employ local construction labor as much as possible
- purchase construction materials locally when possible and price competitive
- create synergy with existing activities, such as sharing curb cuts and driveways
- incorporate public amenities such as benches or bike racks
- incorporate open space improvements
- include mixed uses (commercial and housing)
- housing projects that include mixed income and/or affordable housing
- use hiring practices that encourage women and minorities applicants
- increase the property assessed value and generate additional property taxes
- when appropriate to the project, generate net new sales taxes and/or room occupancy taxes
- create quality rental housing to meet the needs of the community

Incentive Package

Property Tax Abatement – The standard Lansing Town Center Incentive Zone property tax abatement will begin at 90% in year one and decrease in equal increments over seven (7) years. The abatement will only impact taxes on improvements to the property and not taxes on the existing value. The IDA retains the ability to offer more or less than the standard Lansing Town Center Incentive Zone abatement based on an analysis of the impact on the economy, the needs of the business, and input from the Town of Lansing.

Sales Tax Abatement – The applicant will be exempt from both the local and State portion of sales tax on construction materials, equipment, and furnishings associated with the project. The IDA will pass the sales tax abatement on to a tenant in a retail/commercial space only if the type of business meets the eligibility requirements of the Lansing Town Center Incentive Zone.

Mortgage Recording Tax – The applicant will be exempt from the State portion of the Mortgage Recording Tax (\$2.50 per \$1,000).

The IDA may negotiate additional abatements based on financial need.

Local Purchasing and Hiring Practices

The IDA requires all recipients of IDA incentives to make every effort to purchase goods and services from Tompkins County businesses and to hire Tompkins County residents. The IDA is especially supportive of projects that make a specific commitment to hire women and minorities during the construction phase and as permanent full-time workers of the project's operating businesses. The IDA may require detailed information concerning the applicant's past and projected purchasing and employment practices.

Fees

Administrative Fees – The applicant is responsible for paying the IDA Administrative Fee at the time of closing. This fee will be equal to 1% of the total value of expenses that are positively impacted by IDA incentives. This includes the value of construction of improvements to property that is impacted by property and sales tax abatement and the value of furniture, fixtures and equipment that are impacted by sales tax abatement. It will not include any purchases, such as manufacturing equipment, where the IDA does not deliver an incentive. Soft Costs (legal, consulting, financial, architectural and engineering fees) will be included in the amount considered as total value of expenses.

In an attempt to make its incentive program cost effective for smaller projects, the IDA will reimburse

the applicant for 100% of the Administrative Fee, IDA Counsel Fee, and IDA Bond Counsel Fee associated with the IDA involvement in the project if the total project cost is less than \$1 Million. For total project cost greater than \$1 Million but less than \$2 Million, the reimbursement of fees will be reimbursed on a sliding scale that declines from 100% to 0% gradually based on project size. There will be no reimbursement of fees for projects with costs over \$2 Million. The reimbursement will take the form of additional property tax abatement credited to the business in the initial years of the Payment In Lieu of Tax agreement (PILOT). The IDA retains the right to determine the credit the applicant will receive. For projects where there is no property tax abatement, there will not be any form of fee reimbursement.

IDA Counsel Fees – The applicant is also responsible for paying the IDA for all legal costs it incurs including IDA Counsel and Bond Counsel fees.

Applicant Attorney Fees – The applicant is responsible for its own attorney fees associated with closing IDA incentives.

Application Process

Tompkins County Area Development, Inc. (TCAD) provides administrative and marketing services to the IDA. Potential applicants should work with TCAD to determine whether the proposed project is eligible. If the project appears to be eligible, TCAD will work with the applicant to apply for assistance.

It is strongly advised that a potential applicant meet with TCAD staff as early in the process as possible to determine if the dollar value of the proposed incentives exceeds the associated fees.

Based on the nature of the project and the incentives requested, the following will occur:

1. Pre-Application (Exhibit B) – A developer seeking a tax abatement under this program must first submit a pre-application to the Town of Lansing. The application will be in such a form that it identifies which criteria the project is eligible under and outlines the community benefits achieved by the project.
2. Town Recommendation – The Town of Lansing must recommend, by resolution, the project to the IDA. All projects are still subject to Planning and Zoning Board approvals and other normal requirements.
3. IDA Application – A full IDA application will be submitted to the IDA accompanied by the Pre-Application and a resolution from the Town of Lansing. The IDA will make an independent determination of the project, weighing the costs and benefits of any tax incentives it delivers. The IDA recognizes that, in adopting the Lansing Town Center Incentive Zone, it is accepting that it may favor some local businesses over others in an effort to influence location decisions. The IDA also recognizes that the negative impact on existing businesses may outweigh the benefits gained from locating new development within the Zone. The IDA will also evaluate the potential impact on other governmental entities, including school districts.
4. Public Hearing – Following an initial review, the IDA will, if favorably disposed toward a project, schedule a public hearing on the proposed incentive package. Standard IDA policies apply with regards to public hearing notification and other requirements.
5. IDA Determination – Following a public hearing, the IDA will make a determination on the project. No final decision may be reached by the IDA until SEQR requirements have been met by the developer.

6. Notification and Reporting – The IDA will notify the Town of Lansing and appropriate taxing jurisdictions once a project is approved. The IDA may diminish or rescind incentives should the project materially change. IDA agreements generally have claw back requirements.
7. Applications under this policy may not be accepted after December 31, 2021 unless the IDA and the Town of Lansing vote to extend the policy beyond that date.

Major Accomplishments – 2011

Continued negotiations with AES Cayuga regarding PILOT agreement to amend the set value for power plant. These negotiations came to a mutual agreement in December 2011 and final approval for the amended PILOT agreement was given in February 2012.

2011 IDA Projects – finalized and new

Company	Status	Total Project Cost	Square Footage	Projected New Jobs
Italthai (renovation)	Closed	\$2.9 Million	17,000	22
Ithaca Beer/Nut Brown Realty (new construction)	Closed	\$3.2 Million	15,000	8
Lansing Market (new construction)	Closed	\$3 Million	14,000	17

In 2011, the TCIDA and other local municipalities approved a PILOT Increment Financing (PIF) project in the Village of Lansing, NY for the Arrowhead Ventures organization. This will result in creation of a wetlands and senior housing in the Village.

Tompkins County Industrial Development Agency 2011 Budget

Projected Starting Balance \$ 469,000

Income

Fees \$ 147,000

Interest \$ 1,500

Total \$ 148,500

Expenses

Administration \$ 400,000

Attorney Fees \$ 3,000

Audit \$ 7,000

Total \$ 410,000

Projected Ending Balance \$ 207,500

**Tompkins County Industrial Development Agency
2011 Board of Directors**

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* = member of Audit Committee
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Jean McPheeters #

Comments on Operations

Currently the TCIDA does not have any real property. Any information on outstanding bonds or notes for current TCIDA projects are reported in its Annual Financial Report. There is no compensation schedule, as TCIDA does not have any employees. Administrative management is provided by TCAD.

The Board Treasurer maintains the IDA funds and reports annually to the Board. Administrative fees are paid via check or wire transfer.