

**Tompkins County IDA Meeting Minutes
February 23, 2012
Borg Warner East Room TCPL
101 E Green Street, Ithaca, NY**

Present: Martha Robertson, Jeff Furman, Larry Baum, Nathan Shinagawa, Will Burbank, Jim Dennis, Svante Myrick

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

Guests Present: Jay Franklin (TC Assessment), Mike Talarski (IBEW Local 241)

CALL TO ORDER Ms. Robertson called the meeting to order at 4:10 PM.

ADDITIONS TO THE AGENDA - None

PRIVILEGE OF THE FLOOR - None

BUSINESS

AES Cayuga PILOT 2012 Amendment Approval

Ms. Geldenhuys gave a brief overview of what is being amended in the PILOT agreement between the TCIDA and AES Cayuga. The changes are in the value of the power plant and the steps down to that value. Also, there will be no re-openers to the PILOT for three years. Ms. Geldenhuys also commented that there are new bankruptcy papers being filed daily and that the expected sale of the plant may be delayed.

Mr. Furman asked what would happen if the company does not pay the PILOT payment.

Ms. Geldenhuys stated that the PILOT agreement is a contract and under bankruptcy law contracts are not given as high a preference as property taxes.

Mr. Furman commented that there should be a provision built into a PILOT agreement that would push it up the preference in a bankruptcy.

Ms. Geldenhuys stated that the Leaseback Agreement is the underpinning of the PILOT agreement and failure to pay a PILOT payment will cancel the leaseback and thus the PILOT.

Mr. Furman stated that if the company does default on payments that the IDA and staff should become proactive to take action.

Action Item

- Stamm and the IDA Attorney will meet to discuss modification remedies on possible future default on PILOT agreements. They will come back to the Board with recommendations.

Staff will also meet with local financial lenders to see about working a way to get higher preference over a mortgage.

Larry Baum moved to approve the resolution authorizing amendments to the PILOT agreement between the TCIDA and AES Eastern Energy, L.P. Nathan Shinagawa seconded the motion. The motion was approved unanimously (6 Yea, 1 Absent)

TCIDA Board Officers

The officer slate was presented for 2012:

- Martha Robertson – Chair
- Larry Baum – Secretary
- Jeff Furman – Treasurer
- Jim Dennis – Vice Chair

Will Burbank moved to approve the 2012 TCIDA Board Officer Slate. Nathan Shinagawa seconded the motion. The motion passed unanimously.

TCIDA Representative to TCAD Board

Will Burbank moved to approve Martha Robertson as the TCIDA Representative to the TCAD Board. Jeff Furman seconded the motion. The motion passed unanimously.

STAFF REPORT

Mr. Stamm reported that staff would present on a future agenda:
2011 TCAD Work Plan and Accomplishments
Risk Analysis Report for compliance with PAAA requirements

Ms. Filiberto reported that staff has met with the City of Ithaca staff on updating the Downtown Density Policy and that the second draft looks good.

MINUTES

Minor corrections to the minutes were discussed.

Larry Baum moved to approve the January 18, 2012 Board meeting minutes with changes. Will Burbank seconded the motion. The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 4:55 PM