

**Tompkins County Industrial Development Agency
Board of Directors Meeting Approved Minutes
March 13, 2014
TC Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Martha Robertson, Svante Myrick, Jim Dennis, Will Burbank, Larry Baum, Rick Snyder

Excused: Grace Chiang, Nathan Shinagawa

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

Guests Present: Bill Reed, David Lubin (L Enterprises, LLC), Brad Grainger (ICSD BOE), Brian Noteboom (Carpenters Union), Peter Blanchard (WHCU), David Hill (Ithaca Journal)

CALL TO ORDER The meeting was called to order at 3:30 PM

ADDITIONS TO THE AGENDA - NONE

PRIVILEGE OF THE FLOOR –

Brad Grainger, ICSD BOE Financial Committee Chair, addressed the board regarding the Emerson Project recapture money and remaining interest. Mr. Grainger reviewed how the ICSD BOE had objected to the IDA Board retaining interest money in excess of the 3% interest that was returned to the taxing authorities from the Emerson Project recapture funds. The TCIDA Board and the ICSD BOE wrote a joint letter to the NYS Authority Budget Office (ABO) seeking guidance. The ABO has written a response letter (to be discussed later on this agenda). The ABO states that it cannot issue a legal opinion and while there is no law authorizing the TCIDA to keep the money, there is no law stating that they cannot. Mr. Grainger stated that he feels it is not proper for the TCIDA to keep the interest money and is asking for the proportionate share of the money to be returned to the ICSD.

BUSINESS

2014 Officers

Mr. Dennis has been appointed chair of the TCIDA by the TC Legislature. There was a call for nominees for the office of Vice Chair.

Will Burbank nominated Larry Baum as Vice Chair of the TCIDA Board. Martha Robertson seconded the nomination. Mr. Baum accepted the nomination. A vote was held and it was approved unanimously.

There was a call for nominees for the office of Secretary.

Martha Robertson nominated Svante Myrick as Secretary of the TCIDA Board. Larry Baum seconded the nomination. Mr. Myrick accepted the nomination. A vote was held and it was approved unanimously.

ABO Response Letter to ICSD re Emerson Recapture Interest

Mr. Dennis referred to the letter from the NYS Authority Budget Office (ABO) to the TCIDA regarding disposal of the remaining interest money garnered from the Emerson Project Recapture. The last paragraph of the letter states that that two parties should reach an amicable and good faith resolution.

Mr. Stamm offered background. Incentives in the form of property tax abatements and sales tax exemptions were delivered to Emerson Power Transmissions in 2004. The company left NYS in 2011 and thus triggered the TCIDA's recapture policy. The company paid back all sales taxes that were exempted and all abated property taxes from 2004 – 2011. The company also paid 9% interest on these funds. The 9% was based on the NYS rate for Judgments.

The TCIDA paid back for Tompkins County and NYS the sales taxes. The TCIDA paid back all property taxes to taxing authorities plus the interests that would have been earned on that money if it had been in a bank (3%).

The remainder of the interest money was held by the TCIDA in the hopes of using it in redevelopment of the property.

The ICSD wants all of their share (approx. \$46,000). Now there is a developer who has bought the property and is working to redevelop it.

Ms. Robertson asked about the third paragraph of the ABO letter that references a "deviation policy." Mr. Stamm stated that has to do with the IDA's Uniform Tax Exemption Policy and the process to follow if that "standard" is "deviated" from. Mr. Stamm also stated that the fact that the IDA updated its recapture policy to address future recapture efforts is not an admission of guilt, but just focusing on clarifying a grey area of law.

Mr. Myrick stated that he would be in favor of returning the fee to the municipalities. He also feels that the money could be used to help redevelop the property. In the future he is sure that the IDA board will vote on incentives larger than this for the Emerson redevelopment.

Mr. Dennis stated that he disagrees. Redeveloping the property will generate more money for the ICSD than this one time pot of money.

Mr. Stamm stated that the ICSD BOE was notified of this meeting late. He recommends not voting on granting money to the developer until April. Staff should go to the School Board to give them some background and to update them on what the developer is hoping to do with the property.

Mr. Baum stated that all the municipalities should be included on the update.

Ms. Robertson stated that all the municipalities have been made whole.

Mr. Burbank stated that he supports deferring the vote. He also asked what the implications would be if the money was not granted to the developer.

Mr. Stamm stated that the IDA Board knew that the ICSD BOE was not happy with the original outcome. But the Board did pass a resolution to use the money to help any future developer with redeveloping the property. TCAD in good faith then began to market this money to developers. Staff has spent a large amount of time on this and has even found additional State funds that can be leveraged with this money to help the developer.

Mr. Dennis stated that he feels all should try again for an amicable agreement. He recommended voting on the developer request at the April TCIDA meeting.

Emerson Redevelopment Project Request

Ms. Robertson recused herself from the discussion.

Ms. Filiberto stated that based on the guidance from the TCIDA Board, staff has marketed the remaining Emerson interest money to leverage private money to redevelop the property.

David Lubin of L Enterprises, LLC has entered into a purchase agreement for the property. The redevelopment of the property will take a lot of money and time and effort.

Mr. Dennis commented that he appreciates the work of developer and stated that redevelopment of the property would be a benefit to the City, Town, County and School District.

Mr. Burbank seconded Mr. Dennis' comments.

Update of Sales Tax Reporting to NYS

Ms. Arthur gave a brief overview of the Sales Tax exemption reporting on projects approved after March 28, 2013. A change to the NYS law creates an exemption cap from the beginning of the project versus allowing exemptions for a time period. Projects report exemptions each year to the state and IDAs need to monitor those exemptions. If the exemption goes over the cap, those funds need to be recaptured. The IDA has updated all legal documents and policies to reflect this change.

Ms. Robertson asked how much more time does this monitor require of staff. Ms. Arthur stated that staff tracks the original amount from the application and asks projects to keep them abreast of the exemptions they claim. It should not take too much extra time – however the state has not figured out how or where the reporting should take place.

STAFF REPORT

Mr. Stamm reported that NYS Legislation to regionalize IDAs is under consideration. If enacted, this would have a negative impact on local IDAs.

MINUTES

Will Burbank moved to approve the minutes from the January 16, 2014 board meeting. Svante Myrick seconded the motion. The motion passed.

The meeting adjourned at 4:50 PM

Minutes approved at April 10, 2014 Board meeting.