

Tompkins County IDA Meeting Minutes
March 21, 2011
County Legislative Chamber
Ithaca, NY

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

Excused:

Staff Present: Mariette Geldenhuys, Heather Filiberto (recording)

Guests Present: Eric Goetzmann, Andrew Sussman, Jim Bold, Rob Lahood (TC Chamber of Commerce), Steve Flash, Catherine Hupert, Jean McPheeters (TC Chamber of Commerce), Marcia Lynch (TC Public Information), Brad Grainger (ICSD), Seth Peacock (ICSD), Gina Speno (The Shops at Ithaca Mall), Dan Veneer (Lansing Star Online)

CALL TO ORDER Ms. Robertson called the meeting to order at 8:05 AM.

ADDITIONS TO THE AGENDA

None

PRIVILEGE OF THE FLOOR

Brad Grainger – Ithaca City School District. Mr. Grainger commented that the school district was told that if they do not approve this PIF, that the failure of the project would be “their fault.” He rejects that reasoning. While the process has been going on for a while, this approval has come up with short notice. There is benefit to all municipalities and all municipalities need to approve the project in order to receive them. The Village will benefit from a housing project and improved wetlands. The County and Town will benefit from sales tax revenue increases. And the school district will benefit from property tax revenues. The Finance Committee of the school board will meet this afternoon and he believes will approve the project. The full school board will meet next Tuesday.

Jean McPheeters – Tompkins County Chamber of Commerce. The Chamber of Commerce is in favor of the project. The Community will benefit from the increase in sales tax revenues. She does understand the concern over the pace of the project approval process.

Steve Flash – Spoke in support of the project as a taxpayer and business owner. The proposed project is on underutilized land.

BUSINESS

Arrowhead Ventures PIF – Discussion and Vote

Ms. Filiberto handed out copies of documents that were e-mailed to IDA members the night before; an analysis of the benefits to the school district and other taxing jurisdictions; a revised PILOT/PIF spreadsheet; an alternate PIF Schedule from the School district. Ms. Filiberto also passed out a new resolution for consideration that establishes the first year assessment with which to determine the PILOT amount and caps the PIF payments at \$1.2 million.

Mr. Furman was concerned that the PIF payments would begin prior to the project being completed.

Mr. Burbank said that when the IDA considered this in December the developer insisted that it needed to happen then or else it wouldn't happen. Now, the project has been reborn and it is a better project. However, Mr. Burbank stated he would vote against it. It sets a bad precedent leveraging IDA incentives to create a big box that will impact other local stores.

Ms. Robertson responded that the project is back before the IDA as a result of the intransigence on the part of the Mayor (of the Village of Lansing). She tried to get this done without coming back to the IDA.

Mr. Furman was concerned about the process. He just heard last week. He did not get very timely notices. He thanked the IDA staff for working over the weekend on this. He stated that he has empathy and awe for the legislators who will vote on this. He recognized it is a difficult situation. Mr. Furman stated he would vote against this project.

Mr. Furman requested clarification on the proposal put forth by the school board to change the amounts distributed from the PIF to the school district. Will they vote on this on Tuesday? What changes are in the IDA resolution? Which numbers would the IDA use?

Ms. Robertson responded that the school district distribution is 64%, which is in the IDA resolution. Mr. Grainger (ICSD) wants to change the distribution so the school board gets 78.9%. The legislature wouldn't vote for this. The alternate distribution proposed by the school district would require another public hearing and approval by all the taxing jurisdictions. It would kill the project.

Mr. Burbank had to leave at 8:45am.

Mr. Baum stated he is interested in getting this done. He understands where the school board is coming from. It doesn't benefit directly from sales tax dollars that the other taxing jurisdictions do. To change this situation it would take a larger discussion by the school districts and the taxing jurisdictions and start taking into account sales taxes. They all need to understand what is going to work for all entities. The goal is to distribute sales taxes and property taxes more effectively.

Mr. Squires said it is unrealistic to think sales tax revenue would be shared with schools as long as taxing jurisdictions guarantee school taxes. If the taxes are not paid by property owners, the taxing jurisdictions pay them. This is a problem statewide. It is a large burden for municipalities.

Mr. Sussman stated that another benefit to the taxing jurisdictions is that BJ's will create 70 jobs. Twenty-four of which are managerial positions with average salaries between \$54,000 and \$100,000. BJ's has a scholarship program and employs a lot of students. For many high school students it is these scholarship programs that make it possible for them to go to college.

Mr. Furman stated that there is a problem with four legislative members on the IDA. Legislators have no incentive to vote for increasing the share of taxes going to the school district.

Mr. Shinagawa moved the resolution with the existing tax distribution.

Mr. Dennis stated that he sympathizes with the school district. The land now generates around \$30,000 in property taxes per year. If we don't do anything, it stays the same. If we do this project, everyone's revenue is going to increase. He thinks it will be a benefit to all.

Mr. Shinagawa stated that governance is difficult. He recently sat in this room as chair of the county's budget committee and heard how cuts to social service programs would impact services. The projected sales taxes revenues from this project would cover the shortfall in the County's budget to keep those social services.

Ms. Robertson stated that those social services cuts would damage schools districts immediately.

The vote was called and passed four to two. Mr. Dennis, Mr. Shinagawa, Mr. Baum, and Ms. Robertson voting yes. Mr. Cogan and Mr. Furman voting no. Mr. Burbank left the meeting early and was not present at the time of the vote.

ADJOURNMENT

Meeting adjourned at 9:15 AM