

**Tompkins County Industrial Development Agency
Board of Directors Meeting Approved Minutes
July 10, 2014
TC Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Grace Chiang, Nathan Shinagawa, Jim Dennis, Larry Baum, Svante Myrick, Martha Robertson, Will Burbank, Rick Snyder

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

Guests Present: Michael Talarski (Local IBEW 241), Illa Burbank (Incodema3D), Marguerite Wells (Black Oak Wind Farm)

CALL TO ORDER The meeting was called to order at 4:10 PM

ADDITIONS TO THE AGENDA - NONE

PRIVILEGE OF THE FLOOR

Michael Talarski, Business Manager of Local IBEW 241, addressed the board. Mr. Talarski commented that he would like to give the board an update on the number of unemployed electricians from the Local IBEW 241 since the last meeting. The number is 15. Mr. Talarski stated that he again would like to stress the use of local labor for local projects. Mr. Talarski mentioned the TC3 Bistro, the Commons reconstruction and the upcoming Bloomfield/Schon apartments – while these are not IDA projects, they are local projects.

Mr. Dennis commented that the board has not forgotten the request to discuss the development of a local labor policy. He has met with local labor representatives and it will be discussed at an upcoming meeting.

BUSINESS

Cayuga Green PILOT Amendment – Final Approval

Ms. Filiberto reviewed the Cayuga Green PILOT Amendment request. A public hearing has been held and the resolution to amend the PILOT agreements is before the board as follows:

- a. The adjustment of the abatement percentage based on the return on investment of the Project will be deleted.
- b. The caps on rental rates will be deleted.
- c. The abatement schedule in the PILOT Agreements will apply without any further adjustments in future years.

Nathan Shinagawa moved to approve the Resolution – Cayuga Green LLC: Amended PILOT Agreements. Svante Myrick seconded the motion.

Ms. Robertson thanked the staff for working on the return on investment report. She will support this resolution and stated that she feels that this is a good project.

A vote was taken and the motion passed unanimously.

Incodema3D – Final Approval

Ms. Filiberto reported that the Town of Dryden has not yet finalized the environmental review on the Incodema3D project. The Town Board will be meeting on July 17th and will be considering it then. The TCIDA cannot give final approval without this determination. She requested that the IDA Board would consider holding a special meeting after the 17th to consider final approval of this project.

Ms. Robertson asked about the relationship between Incodema and Incodema3D as it pertains to the project the application question asking if the business has ever received incentives tied to job creation. Incodema is a current IDA project.

Ms. Filiberto commented that the two businesses have similar ownership but are not the same company thus the questions can be answered in the negative. Ms. Robertson would like it noted that the two companies are related.

Ms. Robertson also asked about Startup NY and if that project abates property taxes. Ms. Filiberto stated that Startup NY does not abate property taxes.

Mr. Burbank asked about the use of the building. It seems the company will be using only 1/3rd of the building. Would that mean that only 1/3rd would be exempt from property taxes?

Ms. Filiberto stated that under a PILOT agreement, the whole tax parcel is subject to the abatement. Ms. Geldenhuys also pointed out that the property tax abatements only apply to the improvements to the existing building.

Mr. Dennis said that he would be open to holding a special meeting regarding this project.

Black Oak Wind Farm – Application

Ms. Filiberto gave an overview of the Black Oak Wind Farm application. Black Oak Wind Farm, LLC is proposing to develop a wind-powered, utility scale generating facility in the Town of Enfield. The Project will consist of seven wind turbines, each with a nameplate capacity of 1.7 megawatts (MW), resulting in an anticipated generating capacity of approximately 11.9 MW. In addition to the wind turbines, the Project involves construction of associated components including a system of gravel access roads, electrical collection and communication cable networks, a substation, and two temporary construction staging areas.

The Project will be developed on leased private land, totaling approximately 1,060 acres. Project construction is anticipated to occur in a single phase, starting in the fall of 2014 and be completed by the fall of 2015. Once built, the wind turbines and associated components will operate in an almost

completely automated fashion. The Project will employ approximately three operations and maintenance personnel.

Since this is not a standard industrial project, the TCIDA assembled a negotiating team for the Black Oak Wind Farm Project. The team included representatives of each of the taxing jurisdictions, the IDA, and Black Oak Wind Farm. The team met twice in 2012 and twice in 2013 to learn more about the project, review other wind farm PILOTS in New York State, and recommended a PILOT structure with the following basic components:

1. PILOT term - 15 years
2. CPI adjustment at five-year increments. Index to be used: Consumer Price Index, All urban Consumers, Northeast Urban, base period 1982-4=100.
3. Payment amount – a fixed amount of \$8,300 per nameplate listed megawatt capacity.
– \$8,300 per MW x 11.9 MW = \$98,770
4. The distribution of the PILOT payments for the current assessment roll year among taxing jurisdictions will be based upon the proportionate share of the prior tax year tax rates
5. The applicant must renegotiate the PILOT if turbines are added or removed in future years.
6. A sales tax exemption generally accompanies the PILOT for equipment that is not already exempt from sales tax (equipment that is exempt is that which is used directly for the manufacture of energy such as the turbine itself); A partial mortgage recording tax abatement is also a standard incentive (\$2.50/\$1,000 of assessed value). There will not be any financed debt so this should not apply.

Ms. Wells stated that this is a seven turbine project that has been eight years in the making. They have raised \$2M from community investors so far. They have chosen GE Turbines and are working with Tetrattech for the installation. All the power that will be generated has been sold to one large local user.

Ms. Robertson asked why the PILOT would be adjusted every 5 years. This is a standard practice with PILOT agreements of this type to adjust based on increases in the consumer price index.

Ms. Robertson asked what would happen after the 15-year PILOT was done. The project would be fully taxable.

The number of employee was discussed. The turbines would be maintained by GE. GE will monitor and provide service using their employees based in Munnsville NY.

Mr. Burbank asked about the use of local electricians. During construction O’Connell Electric will be used. They are from Rochester NY and they do use local IBEW 241 members which was confirmed by Mr. Talarski.

Mr. Shinagawa asked about the \$8,300/mw amount – how was this developed? Mr. Filiberto stated that this is a standard from other PILOT agreements with wind farm projects in NYS.

Mr. Dennis asked what needs to happen next for the project to move forward. Ms. Wells stated that the environmental reviews need to be finalized and the final financing needs to be raised. Also the interconnection study needs to be completed and a tax credit buyer needs to be identified.

Mr. Dennis asked if the IDA waited until these other steps take place would that be a problem? Ms. Wells did not think so other than with the tax equity investors.

Mr. Baum commented that dealing with construction financing and bridge funding may come into play.

Mr. Dennis commented that this is a \$40M project and only \$2M has been raised – he is just wondering why the project is coming to the IDA now. Ms. Wells commented that is like the “chicken and the egg” question. The remaining money cannot be raised until the “ducks” are in a row and coming to the IDA is one of those “ducks.”

Mr. Burbank commented on the County’s opting back in to NYS law 487 which exempts renewable energy improvements from increases in tax assessments. That will not impact this project. Black Oak has put in writing their intent to enter into a PILOT agreement.

Ms. Filiberto commented that the process would be that a public hearing be held and SEQR be finalized. The IDA would then hold a final approval vote. However, the actual PILOT agreement would not be signed until the project was done/built.

Ms. Robertson commented that moving forward is fine and even if it takes a few years to complete, nothing has been lost. But we should move forward and the County will opt back in to NYS 487 for other, smaller residential and commercial renewable energy projects

Mr. Baum commented that other projects have received final approval prior to their being built. Moving forward would send a positive message.

Will Burbank moved to send the Black Oak Wind Farm Project to a public hearing. Nathan Shinagawa seconded the motion. The motion passed unanimously.

Revision to 2014 TCIDA Budget

Ms. Filiberto stated that a number of projects have not closed in 2014 and this reduced the anticipated fee income to the IDA. \$135,000 in support has been requested from the TCDC to cover this shortfall.

Svante Myrick moved to approve the revision to the 2014 TCIDA Budget. Martha Robertson seconded the motion. The motion passed unanimously.

STAFF REPORT

None.

MINUTES

Jim Dennis moved to approve the minutes from the June 12, 2014 TCIDA Board meeting. Svante Myrick seconded the motion. The motion passed.

The meeting was adjourned at 4:50 PM **Minutes approved at 9/11/14 Board meeting.**