

**Tompkins County IDA Approved Meeting Minutes
October 17, 2013
Old Jail Conference Room
125 E. Court Street, Ithaca, NY**

Present: Martha Robertson, Will Burbank, Nathan Shinagawa, Jim Dennis, Svante Myrick

Excused: Larry Baum, Grace Chiang

Guests: Jaime Zimmerman (Dairy One), David Hart, Tiffany Gallagher (Holiday Inn), Peter Blanchard (WHCU), Vicki Taylor (DIA), Olivia Filiberto

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

CALL TO ORDER The meeting was called to order at 3:35 PM

ADDITIONS TO THE AGENDA - None

PRIVILEGE OF THE FLOOR - None

BUSINESS

Dairy One Application

Mr. Zimmerman gave an overview of Dairy One which is a co-operative that provides management information services and analytical/laboratory services for farmers and agriculture. They have 150 employees, 90 located in Ithaca. They have local, national and international customers – primarily in the northeast United States. They are seeking property tax abatements on new construction only, sales tax exemption on materials purchased for the project and a partial mortgage recording tax abatement (State only). This project will be for constructing a new facility with apx. 17,000 sf. Half will be used by Dairy One as an expansion area of the current milk lab activities. Chestnut Labs of Springfield MO will use the other half of the new building. This will be Chestnut’s first satellite facility and they are locating in the Northeast due to customer demand, potential new business, business synergies with Dairy One, and proximity to Cornell University. Chestnut will lease space from Dairy One. The facility will be named the Northeast Dairy and Food Testing Center and will have resources to meet the testing needs of all parts of the food chain from farm to store shelf. The project also includes remodeling of Dairy One’s current facility following the construction of the new building.

Mr. Dennis commented on the paying of a living wage question which is marked “no.” Mr. Zimmerman commented that there is a range of salaries from \$12-\$15 dollars an hour for some employees. They company also provides benefits for full time employees. Turn over is low and many employees have been with the company for a long time.

Mr. Myrick commented that minority employment is low. Mr. Zimmerman commented that they are working with the Workforce Investment Board in order to review their diversity in hiring. Again he remarked that there is low turn over.

Mr. Geldenhuys asked about ownership. The buildings will be owned by Dairy One and leased to the tenant – Chestnut Labs.

Mr. Shinagawa commented that he is supportive of the project. However, would it move forward without incentives? Mr. Zimmerman stated that it might, but it would be more doable with the incentives. No incentives would certainly make the company pause and re-examine the project.

Jim Dennis made a motion to move the project to the public hearing phase. Svante Myrick seconded the motion.

Mr. Shinagawa asked for documentation that would help him understand why a property tax abatement was needed.

Ms. Robertson commented that the salary ranges are big and she would like to see the wage spread for the 90 employees in Ithaca.

Mr. Zimmerman commented that there are 160 home based field techs in the Northeast. The rest are in Ithaca.

Mr. Stamm commented that none of this requested information has been asked in advance by the Board. Perhaps the board should be more specific in terms of what information it requires of applicants.

Ms. Filiberto commented that currently the IDA does not have a requirement of applicants to prove a need for incentives.

Mr. Shinagawa stated that is correct but that he has a personal need to report to his constituents. Perhaps financial projections with and without that abatements.

Mr. Stamm stated that the CIITAP policy has a requirement is a certain level of incentives is sought, but this is not the case with the standard IDA Application.

Ms. Robertson commented on the synergy between the two companies and Cornell University.

Mr. Stamm stated that staff looks at companies with a commitment to stay in the area and to bring other jobs for sound strategic reasons.

Mr. Burbank commented that he would like to see if all the new jobs are quality jobs.

Mr. Stamm stated that staff has met with the applicant a number of times and knows a lot more background information. Perhaps in the future applications could come with a memo outlining information on jobs etc.

Mr. Dennis stated that he advocates more information but does not want to change the rules in the middle of the game at this time. We don't do a lot for agriculture related businesses in this county and this would be a good thing.

Ms. Robertson asked for a dollar amount for the benefits that would be added to wages. She also asked for information on how the salary ranges are spread – specifically lab techs and services.

Mr. Burbank asked about the timing of the project. Mr. Zimmerman stated that they are still in the design phase and are hoping to get things finalized soon.

A vote was called on the motion on the table. The motion passed 4 (yes) – 1 (no)

The public hearing will be scheduled in the Village of Lansing. Ms. Robertson asked for an evening (5:30) time frame.

Holiday Inn Application

Mr. Hart discussed the Holiday Inn project. Originally it was conceived under the CIITAP process as the Hotel Ithaca and Conference Center. This application was pulled as the costs were more than expected. The project is still moving forward in phases. This current application is phase one and is a renovation of the existing hotel. A big win with this approach is that the hotel will remain open allowing the associates to stay employed and also the hotel to maintain customer contact during the process.

Mr. Hart also gave an overview of the history of the Holiday Inn. In 1991, the existing hotel as a Ramada Inn and was bankrupt. Mr. Hart's company was hired to manage during the bankruptcy and in 1992 they became the owners. In 1993 the hotel brand changed to a Holiday Inn. The current license with Holiday Inn expires in 2013. The hotel needs to be renovated – even to remain a Holiday Inn it needs to be renovated to the tune of \$5million dollars.

Mr. Hart's family company has branched out to independent hotels – The Watkins Glen Harbor Hotel is an example. He wants to stay in Ithaca as it is an excellent market. Adding a conference center to the hotel would boost mid-week occupancy. Mr. Hart made a comparison with a hotel and conference center in Saratoga Springs NY.

Phase one would keep the existing 90 jobs, \$1.7 in salary and 1.1 M in transactional and property taxes annually. Phase two would add a second tower to the hotel and a conference center. There is a \$4-5 million gap to get it all done. M&T Bank and SBA financing will be involved. Phase one renovations would be around \$4 million.

Ms. Robertson thanked Mr. Hart and stated that it sounds like a sound strategy.

Mr. Burbank asked about the conference center. It would hold up to 400 attendees – a similar size as the annual Challenge Dinner.

It was commented that full site plan approval has been received.

Jim Dennis made a motion to move the Holiday Inn Application to public hearing. Svante Myrick seconded the motion.

Mr. Burbank asked for clarification of incentives the project is currently seeking. Just sales tax abatements and partial mortgage recording tax abatement. Mr. Burbank stated that it is a great project and he will support this phase.

Ms. Robertson asked for information on the fringe benefits dollar cost that would be added full time employee rates of pay. Also who receives tips? Hotel Services, Restaurant Servers, Banquet Servers, Porters. There will be no new jobs with this renovation phase.

Mr. Burbank asked what the name of the hotel would be?

Mr. Hart stated that they will keep it a Holiday Inn for the time being. If/when they do phase two, it will be a “non branded” hotel.

Ms. Robertson asked if they would be ready by Cornell Graduation weekend? Yes.

A vote was taken on the motion on the table. The motion passed.

2014 TCIDA Budget for PAAA

Jim Dennis made a motion to approve the 2014 TCIDA Budget. Svante Myrick seconded the motion. The motion passed.

STAFF REPORT

Ms. Filiberto reported that the Harold Square CIITAP application would be holding a public session on October 21, 2013 at 5:30 PM. This application should come to the IDA at its November meeting.

Mr. Stamm reported on information relating to wage mandate legislation that may impact future projects and regionalization possibilities of NYS IDAs.

Ms. Filiberto reported that the Black Oak Wind Farm Negotiation Team has approved proposed PILOT terms. These will be presented to the company and if accepted they will be reported to the IDA Board.

APPROVAL OF MEETING MINUTES

Will Burbank moved to approve the Board minutes from the September 19, 2013 meeting. Jim Dennis seconded the motion. The motion passed unanimously.

ADJOURNMENT

Ms. Robertson asked that the next meeting be held in the new legislative chambers.

The meeting adjourned 4:25 PM

Minutes approved at 11/21/13 meeting