

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

Present: Jim Dennis, Martha Robertson, Grace Chiang, Larry Baum, Will Burbank, Nathan Shinagawa

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

Guests Present: Frost Travis (Carey Building), Nathan Lyman (130 Clinton St.), Mike Talarski, Brian Noteboom, Chuck Smith (Local Union Representatives)

CALL TO ORDER The meeting was called to order at 4:20 PM

ADDITIONS TO THE AGENDA - None

PRIVILEGE OF THE FLOOR – see TCDC minutes from November 13, 2014

BUSINESS

BinOptics – Final Approval

Will Burbank moved to approve the inducement resolution appointing BinOptics Corporation as its agent and to provide financial assistance for the project. Grace Chiang seconded the motion.

Ms. Geldenhuys explained why there are three inducement resolutions. BinOptics is the tenant company which occupies two separate buildings which in turn are owned by two separate legal entities.

Mr. Dennis asked about the fuel the company will be using. Mr. Stamm commented that the most cost effective fuel is natural gas, but due to the shortage of natural gas the company has switched to electricity at a higher cost.

Mr. Stamm commented on efforts to set up meetings regarding the shortage of natural gas in Tompkins County.

A vote was taken. The motion passed. (Larry Baum abstained due to his financial involvement with company.)

Will Burbank moved to approve the inducement resolution appointing Twenty Thornwood/Ithaca B&T LLC as its agent and to provide financial assistance for the project. Grace Chiang seconded the motion. The motion passed.

Martha Robertson moved to approve the inducement resolution appointing Ithaca B&T Associates LLC as its agent and to provide financial assistance for the project. Nathan Shinagawa seconded the motion. The motion passed.

Ithaca Beer Expansion – Final Approval

Will Burbank moved to approve the inducement resolution appointing the Ithaca Beer Company as its agent and to provide financial assistance. Larry Baum seconded the motion.

Ms. Filiberto commented that she had one amendment to the resolution in the form of a date correction. The Town of Ithaca approved the negative declaration on the SEQR on October 7, 2014. The correction was accepted as friendly by the motion mover and seconder.

The motion was approved.

Nathan Shinagawa moved to approved the inducement resolution appointing Nut Brown Realty LLC as its agent and to provide financial assistance. Will Burbank seconded the motion.

Ms. Filiberto made the same change in date as the proceeding resolution.

The motion was approved.

Kendal at Ithaca Resolution

Mr. Stamm commented that the resolution before the board has to do with the TCDC Kendal at Ithaca Bond application. Bonds that were previously approved by the TCIDA before 2008 need to be handled. This resolution authorizes that action.

Nathan Shinagawa moved to approve the resolution authorizing the execution and delivery by the TCIDA of certain amendatory and related documents in connection with the defeasance and redemption of its variable rate demand continuing care revenue bonds (Kendal at Ithaca, Inc. Project), series 2000 and its variable rate demand continuing care revenue bonds (Kendal at Ithaca, Inc. Project), series 2003B. Will Burbank seconded the motion. The motion was approved.

Carey Building CIITAP Application

Ms. Filiberto gave an overview of the project. This will add five new stories to the existing building. The project has been approved by the City of Ithaca under its CIITAP Policy. The developer owns and operates a number of properties in downtown Ithaca. The Board should consider this project individually and not based on an individual person as that could risk litigation.

The desired outcome at this point is to move the project on to a public hearing.

Mr. Travis, project developer, gave an overview of the project. The project will enhance the tax base and puts more housing in downtown Ithaca.

Mr. Burbank asked about adding that many floors onto the existing building and soundness of the structure. Mr. Travis discussed the engineering that has gone into the building.

Parking, survival of current tenants, proposed rents for apartments, employee health benefits and green building practices were discussed.

Larry Baum moved to send the Carey Building Application to a public hearing. Grace Chiang seconded the motion. The motion was approved.

130 Clinton Street CIITAP Application

Ms. Filiberto gave an overview of the project. This is a City of Ithaca CIITAP approved project. It has received all approvals from the City. It addresses the outcomes of the City's CIITAP policy – downtown infill, increase in housing downtown, and increasing the tax base.

Mr. Nathan Lyman, attorney for the developer, gave an overview of the project. It is a 36 unit residential rental housing building that will be built on Clinton Street next to the City of Ithaca Police Department. It will be a framed construction. The project meets all the criteria of the CIITAP policy. The taxes generated by the new building even with the property tax abatements will be higher than what the current property is generating. The site plan approval was very in depth due to the steep slope on the site. Mr. Lyman pointed out that the building would not be built on the steepest portion. Cost of construction has risen due to changes after the site plan review. They are now \$4.4 M up from \$2M. This is a 1.7-acre parcel and only .5 acre will be built on – the majority of the green area will be preserved.

Mr. Shinagawa commented that the project will increase housing downtown and the project does meet the CIITAP criteria. He has some concerns about the environmental impact.

Ms. Chiang asked about the square footage and what the exterior material would be – 17,330 sf and wood.

Ms. Robertson asked about parts of the application that were not filled in – business profit history and tax breakdown by municipality.

Mr. Burbank commented that he is concerned about the environmental impact and that working around these may be why the cost of construction has risen. He is concerned about using tax dollars for the project. Mr. Baum reminded Mr. Burbank that the taxes abated are not taking away from any current taxes.

Mr. Burbank talked about the community benefits from the prior City Density Policies.

Mr. Lyman stated that if the project does not receive the support from the CIITAP policy that the project will be abandoned.

Parking needs, storm water retention plans and sprinklers for the building were discussed.

Ms. Robertson asked about other housing developments downtown that did not come to the IDA or City for assistance. One received a good deal on the land purchase, another received \$2M in tax credits from the state.

Ms. Robertson asked about tying rents to the PILOT. Ms. Geldenhuys cautioned that this could become complicated.

Mr. Dennis asked what the next step would be for this project.

Mr. Stamm stated that the next step would be to send the project to public hearing where public input could be heard.

Ms. Robertson asked for additional information: Statement about rents, documentation re the slope issue and building on it, more detail on tax abatements, the business history, green building practices, diversity in hiring, and employment information.

Ms. Shinagawa commented that market conditions have changed dramatically since the IDA delivered incentives to Cayuga Green. For that project the market rates were unsure for apartment rents. Now with more housing coming on line downtown, the market has set the rates. He feels the project meets the goals of the incentive program.

Mr. Baum wondered if there was a way to tie the rents to actual construction costs so the developer can increase the rents if costs continue to escalate.

Larry Baum moved to send the 130 Clinton Street Application to a public hearing. Nathan Shinagawa seconded the motion. The motion passed 5 – yes 1 – no (Burbank).

Mr. Dennis asked about the status of the Masonic Temple (owned by the developer).

The developer has made improvements to the roof, façade and doors. The Landmark status of the building makes it exceptionally difficult to find a tenant. The developer has sought permission to install windows on the north side of the building but was denied. The building is also not ADA compliant. A single tenant would have to be found.

STAFF REPORT

Mr. Stamm reported on the status of the NYS Comptroller's audit of the TCIDA. The draft report is on its way for review by the Comptroller's staff in Albany. After that review, we will have an opportunity to comment on the findings. WE believe the comments will be minor and include the following:

- The IDA Board should formally vote on whether to trigger its Recapture Policy if projects do not meet goals.
- The IDA Board should approve the PARIS Report before it is submitted to the State
- The IDA should monitor PILOT payments to ensure they are accurate. There appears to be some small error with a few projects.

MINUTES

Nathan Shinagawa moved to approve the draft minutes from the October 9, 2014 Board meeting. Will Burbank seconded the motion. The motion pass unanimously.

The meeting was adjourned at 6:15 PM

The minutes were approved at the December 11, 2014 meeting