

Tompkins County IDA Approved Meeting Minutes
November 15, 2012
Tompkins County Public Library
101 E. Green Street, Ithaca, NY

- Present:** Martha Robertson, Will Burbank, Svante Myrick, Larry Baum, Jim Dennis, Jeff Furman
- Excused:** Nathan Shinagawa
- Staff Present:** Michael Stamm, Heather Filiberto, Mariette Geldenhuys, Ina Arthur (recording),
- Guests Present:** Joann Cornish, Jennifer Kushnir, Philly DeSarno (City of Ithaca), Gary Ferguson, Mike Cannon (DIA)

CALL TO ORDER The meeting was called to order at 3:40 PM

ADDITIONS TO THE AGENDA - None

PRIVILEGE OF THE FLOOR - None

BUSINESS

CIIP Policy Revisions

Ms. Filiberto reported that the City's Common Council had passed the CIIP Policy on November 7, 2012 and it is before the Board today for approval by the IDA.

Mr. Myrick commented that the vote was 8-2 at the Common Council.

Mr. Furman had a few questions:

- 1) Why does the policy reference business districts throughout the county?

Mr. Myrick responded that the Objective statement is in "conjunction with the goals of the Tompkins County Comprehensive Plan." Ms. Cornish stated that a policy is usually stronger when backed by a comprehensive plan.

- 2) What type of proforma will be used to review the incentives given to a project?

Mr. Furman stated that he would like to avoid having multiple proformas – one that shows need and one that shows profit.

Ms. Filiberto commented that staff usually reviews the pro forma that comes with the application and the "version" of that document depends on the timing and how close to final financing the project is. Mr. Baum agreed that the document usually evolves based on the financing scenarios.

Mr. Stamm suggested that staff should claim the right to look at subsequent proformas after abatements approved.

Ms. Geldenhuys commented that the IDA could ask for updated pro formas prior to the project closing and if there are significant changes the project could be sent back to the board for review. This language could be put into the final approval resolution.

Ms. Filiberto commented that the language in the policy on page 3 under section III – Incentive Package, paragraph one: the 20% return was meant to be an annual return, not cumulative. The language in the policy will be changed to read “.. if the applicant can demonstrate financial need as determined by a review by IDA administrative staff of the project proforma and demonstration of **an annual** return on investment less than 20% in the first five years.”

Mr. Myrick commented that what we are voting on is not to give profit to developers, but to encourage developers to do a project downtown. Mr. Baum commented that this is an “incentive” policy. The incentive will help mitigate any risk a developer takes to do a downtown project.

Mr. Furman commented that he would like the document language to be clean and clear.

Mr. Furman moved to change the percentage of the annual return to 12%. There was no second to the motion.

- 3) On page 3 under section III in the third paragraph, that statement that the IDA retains the ability to offer more than the standard abatement implies that the power to lower the abatement is removed.

Ms. Filiberto stated that this is verbatim from the IDA’s UTEP. Ms. Geldenhuys stated that we could add “or less” to the language.

Ms. Robertson commented that if we add “or less” it would not offer any certainty to the developer of the project.

Mr. Furman moved to eliminate the third paragraph under section III on page 3 of the CIIP Policy. Mr. Burbank seconded the motion. The motion failed 1-3.

- 4) On page 4, number 6 “Public Hearing” – Mr. Furman pointed out that phrase “if favorably disposed” stating that this does show that the moving of a project to the public hearing stage shows support. Ms. Filiberto commented that this language comes from the IDA’s policy.

Ms. Robertson stated that it is a nuance but it does not mean the project is approved. If a project is not good than it cannot even get to the public hearing.

- 5) The CIIP application is different than the standard IDA application – why? Ms. Filiberto stated that a project will also fill out the standard IDA application. Mr. Furman asked why certain questions that are one the IDA application (employment, hiring practices, wages, diversity etc.) are not on the CIIP application?

Mr. Myrick stated that they are not there because they IDA will be asking those questions on its application.

Mr. Furman asked if having two applications and the IDA making its own determination would help a developer. Mr. Myrick commented that it may not totally solve the issue but it will make the process easier. The City has chosen to simplify its process.

Mr. Burbank asked how the City's other policies are being used to get other community benefits. Mr. Myrick stated that they would happen mostly through code revisions. These revisions should take place over the next 2-3 years. Mr. Burbank commented that the onus of a living wage and employment issues would be placed on the IDA. Ms. Robertson stated that these are addressed on the IDA application.

Mr. Furman stated that there are benefits that do not cost much – one being diversity of hiring. Ms. Robertson stated that the IDA cannot tell the City what to do. Mr. Furman thinks that this document tells developers that the City does not care about certain issues. Mr. Baum commented that the City is trying to make the process easier. Mr. Myrick stated that the City is trying to avoid redundancy. Ms. Robertson commented that the values of the IDA Board address a lot of these issues.

Ms. Cornish suggested that a cover letter be included with the City's application that would include the City's diversity policy and commitment to diversity of hiring.

Larry Baum moved to approve the City of Ithaca CIIP Policy with the minor edits discussed. Jim Dennis seconded the motion.

Ms. Filiberto asked if the name of the policy be the same at the City and IDA. It was agreed that the policy would be called CIITAP – Community Investment Incentive Tax Abatement Program.

The motion passed 5-1 (Mr. Furman dissenting)

STAFF REPORT

Mr. Stamm reported that at the next board meeting TCAD will be presenting the 2012 accomplishments as well as its 2013 administrative support cost request.

APPROVAL OF MEETING MINUTES

Will Burbank moved to approve the draft minutes from the October 18, 2012 board meeting. Svante Myrick seconded the motion. The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 5:00 PM

Minutes were approved at the December 13, 2013 Board meeting