

**Tompkins County Industrial Development Agency
Annual Accomplishment and Operations Report
2017**

The following information is intended to outline the basic operations and accomplishments of the Tompkins County Industrial Development Agency (TCIDA). TCIDA received administrative support from Tompkins County Area Development, Inc. (TCAD), a separate not-for-profit economic development agency. TCIDA receives attorney services from Mariette Geldenhuys, Attorney at Law and receives bond counsel services from Harris Beach, PLLC.

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Policies and Procedures - 2017

At its October 2017 Board meeting, the TCIDA approved an update to its **mission statement** (below) and also approved an **Off Site Commercial Solar Photovoltaic Policy (following)**.

TCIDA Mission Statement as of October 2017

The Tompkins County Industrial Development Agency delivers economic incentives to business and industry to diversify and strengthen Tompkins County's tax base and enhance community vitality, by supporting job creation, business and industrial development, and community revitalization. We strive to develop the local economy in an organized, sustainable and environmentally beneficial manner.

Off-Site Commercial Solar Photovoltaic Policy

Purpose

The Tompkins County Industrial Development Agency (IDA) wishes to adopt an off-site commercial solar photovoltaic policy to encourage solar development for the following purposes:

1. Support New York State’s “Reforming the Energy Vision” Initiative, which is intended to encourage renewable energy development that will spur economic growth and develop new energy business models. The initiative sets statewide goals of cutting greenhouse gas emissions by 80% by 2050 and generating 50% of New York’s electricity from renewables by 2030.
2. Support Tompkins County’s energy and greenhouse gas emissions policy to “meet community needs without contributing additional greenhouse gases to the atmosphere.” The policy includes goals to:
 - Reduce greenhouse gas emissions to reach a minimum 80 percent reduction from 2008 levels by 2050 and reduce reliance on fossil fuels across all sectors.
 - Increase the use of local and regional renewable energy sources and technologies.
3. Support consumer choice for renewable energy generation.
4. Administer a single countywide uniform tax exemption policy allowing municipalities to collect long-term predictable payments in lieu of taxes without the burden of developing and administering PILOT agreements at the municipal level.
5. Assist project developers by offering a single countywide tax exemption policy, eliminating the need to negotiate PILOTS with multiple taxing jurisdictions.
6. To enhance developers’ prospects for financing community distributed generation projects by offering a uniform PILOT structure that is simple, predictable, and more appealing to lenders.

Policy

This policy provides incentives for off-site solar projects that provide renewable energy benefits to residential and commercial customers. Eligible projects are commercial scale projects, generally two megawatts or less, as outlined in state law. Types of eligible projects include:

- Community distributed solar /shared solar
- Off-site generation projects that have a wholesale power purchase agreement with one or more users.

To respect variations in local municipal policy, each project application must include a letter from the host municipality endorsing the proposed payment in lieu of tax agreement with the IDA. It is strongly encouraged that applicants provide a preference or pre-offering to Tompkins County residents.

The following standard incentives will be offered:

Property Tax:	Real estate taxes on the increased value resulting from improvements are partially abated over a twenty (20) year period. The annual payment in lieu of taxes (PILOT) will range from \$4,200 to \$4,800 per megawatt (MW) of the facility’s nameplate capacity, with a 2% increase each year. PILOT payments replace local, county, and school district taxes only; special district taxes are not eligible under the PILOT. The actual amount will depend on projected annual revenue.
Sales Tax:	Exemption from State and local sales tax on project costs outlined in the IDA Policies and Procedures.
Mortgage Recording Tax:	Exemption from the State share of the mortgage recording tax as outlined in the IDA policies and Procedures.

Fees

The applicant is responsible for paying the IDA Administrative Fee at the time of closing. The fee will be equal to .50% of the total value of expenses that are positively impacted by IDA incentives. The applicant is also responsible for paying the IDA for all legal costs it incurs including IDA Counsel.

Other

Unless specifically outlined in this policy, the applicant will be responsible for complying with all other rules and regulations as set forth in the IDA's Policies and Procedures.

Policy approved: October 12, 2017

Major Accomplishments – 2017

During 2017, ten projects received final approval by the TCIDA as follows:

Delaware River Solar NY Newfield I, II, & III

The applicant, Delaware River Solar, is proposing three separate, 2 megawatt (MW) community solar arrays – applications named Newfield I, II, and III – for a total of 6MW of off-site, renewable energy generation. The Project in total will generate enough clean renewable energy to power approximately 1,200 homes. The project is located on 56.81 contiguous acres of land on Millard Hill Road in the Town of Newfield. Residents and businesses in the NYSEG load zone C, which includes Tompkins County will be able to sign up for electricity at a 10% discount for the first year with a 2% increase in cost each year thereafter.

The Computing Center (since withdrawn)

City Centre

The City Centre Project will redevelop an underutilized property in the heart of downtown Ithaca to replace a one story commercial building and parking lot at 301 E. State Street. The 218,211 square foot, 8 story building will include 192 market rate apartments, +/- 10,000 square feet of retail/commercial space, +/- 68 underground parking spaces, and ample bicycle parking. The project serves an unmet need for housing downtown for young professionals, empty nesters, and a small percentage of graduate and professional students.

Mecklenburg Renovus Solar

Mecklenburg Solar, LLC, is proposing a 1.8 megawatt (MW) community solar array in the Town of Enfield. Mecklenburg Solar is a subsidiary of Renovus Energy, a local company that has been designing and installing solar arrays in the region since 2003. The Project will generate clean, renewable energy for subscribers in NYSEG load zone C at a rate 10% below current electricity prices. The project is located on 13 acres of vacant land that is currently contributing approximately \$1,200 a year in property taxes.

Delaware River Solar Enfield I

The applicant, Delaware River Solar, is proposing a 2 megawatt (MW) off-site, solar renewable energy generation facility on Podunk Road in the Town of Enfield. On 37 acres of land, of which 14 acres that are currently vacant will be subdivided for the project. Residents and businesses in NYSEG load zone C, which includes Tompkins County will be able to sign up for electricity at a 10% discount for the first year with a 2% increase in cost each year thereafter.

Harold's Holding (Harold's Square)

Harold's Square applied for and received approval for a standard, 7-year property tax incentive under the CHITAP in 2013. The applicant struggled to make the project financially feasible and the approval documents have all since expired. As a result of the lapse in time, changes in the proposed occupancy of the building, and increase in project costs a new application has been submitted.

David Lubin has partnered with the McGuire Development Company out of Buffalo to move the project forward. The project consists of the demolition of three buildings, the renovation of the historic sage block building and construction of 171,600 square feet of new residential, retail and office space; 108 apartments, 33,833 square feet of office and 16,241 square feet of retail space. Five stories will front on The Commons with an additional seven stories set back from The Commons. Project costs have increased by nearly 12% as a result of reconfiguration of the building, in particular adding more apartments. Total project costs are \$42.9 million.

The applicant is requesting a 10-year abatement based on financial need that is driven in part by the significant increase in construction costs, the high soft costs associated with the redesign and longer term carrying costs of the building, and the forecasted longer term lease up of the office and retail spaces. The construction budget and five year proformas have been reviewed and meet the IDA's requirements for the 10-year abatement.

Ulysses Solar III

Ulysses Solar III, LLC is proposing a 2-megawatt (MW) community solar array in the Town of Ulysses. Ulysses Solar III is a subsidiary of Renovus Energy, a local company that has been designing and installing solar arrays in the region since 2003. The Project will generate clean, renewable energy for subscribers in NYSEG load zone C. The project is located on approximately 10 acres of vacant land adjacent to Renovus' headquarters on Trumansburg Rd.

Cayuga Ridge Nursing Home – Sales Tax Exemption only

Cayuga Nursing and Rehabilitation is currently a 160 bed long term care facility licensed by the State of New York. The facility provides long term quality of life living and health care services, primarily for residents of Tompkins County, for acute and sub-acute care residents and residents with memory loss challenges. The facility provides occupational and physical therapy services for residents and non-residents, nutrition services, medical services, multiple daily activities that change every day and encourage residents to participate.

The applicant purchased the facility in 2015 at the request of the NYS Department of Health because the prior operators had failed to meet the DOH criteria for living standards and life safety requirements. The 3-story building has received very little maintenance and capital investment for over 30 years. The facility has a temporary operating agreement until upgrades are made to meet current DOH required standards. The applicant is trying to make it financially feasible to upgrade the facility and keep it operating.

The applicant has already upgraded lighting and windows throughout the facility and negotiated an increase in wages for staff.

The project consists of a major facility-wide interior reconfiguration and renovation. Per NYS DOH, the operating capacity will be reduced to 144 beds. The entire facility will be reconfigured to better reflect new rules and regulations in patient care. All rooms and private bathrooms will be reconfigured for accessibility compliance. Nursing units will be reconfigured to provide decentralized resident dining and activity space. A new physical therapy suite, medical and wellness facilities, social services, admissions and central reception parlor will be provided. HVAC, electric, plumbing and fire systems will be upgraded.

Tompkins County Industrial Development
Agency
2017 Budget (2/9/17)

Starting Balance \$310,818

Income

Fees \$379,329

Interest \$250

Total \$379,579

Expenses

Administration \$314,000

Attorney Fees \$4,000

FLRPnet Study Support \$9,950

Energy Focus (2016 carryover) \$4,709

Audit \$7,000

Total \$339,659

Projected Ending Balance \$350,738

**Tompkins County Industrial Development Agency
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★ - annual appointment
★★ - two year term ends 12/31/18
★★★ - two year term ends 12/31/17
* = member of Audit Committee
= member of Governance Committee

Comments on Operations

Currently the TCIDA does not have any real property. Any information on outstanding bonds or notes for current TCIDA projects are reported in its Annual Financial Report. There is no compensation schedule, as TCIDA does not have any employees. Administrative management is provided by TCAD.

The Board Treasurer maintains the IDA funds and reports annually to the Board. Administrative fees are paid via check or wire transfer.