

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
January 10, 2018
9:00 AM
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Rich John, Martha Robertson, Jennifer Tavares, Svante Myrick, Grace Chiang

Staff Present: Heather McDaniel, Ina Arthur, Mariette Geldenhuys

Guests: Steve Flash (323T, LLC) Bharath Srinivasan (SUN8PDC, LLC)

CALL TO ORDER

Martha Robertson called the meeting of the **Tompkins County Industrial Development Agency** to order at 9:02 am.

PRIVILEGE OF THE FLOOR

Deborah Dawson – She spoke about her concerns around soil issues and high costs of energy efficient building for the 323T, LLC project. If this project is the “model” for those to follow in this area of Ithaca, then all those that follow will need subsidies. Subsidizing energy efficient building is another example of socializing resident costs.

Stephanie Heslop – Regarding the 323T LLC project, she feels that the IDA is forcing people to subsidize luxury housing and low paying wages. This is economic injustice. When you say that developers don’t have to pay all their taxes it is the equivalent of handing them a pile of money. The whole process is troubling to her – why was the IDA meeting moved to an earlier time? She feels it was so less people would be able to attend. Also, only one voting member of the IDA Board showed up to the public hearing. Two members of the public showed up and out numbered the board. She stated that even if the board does not care what the public thinks, they should still go through the motions and pretend. It is part of the board’s job to attend public hearings. If they cannot attend, perhaps you should pick others for the board that can.

Theresa Alt – 206 Eddy Street, Ithaca NY – Regarding the 323T, LLC, project we do not need to subsidize high-end housing. The community desperately needs workforce housing – housing for people who make \$30,000/year. It’s not green if it forces people who live here to live further away and drive to work. However, on a list serve she learned something new. Somebody involved in solar development asked her to say something about the enhanced energy abatement – there should be no reason to get abatements for solar as the developer will already pay less than the usual rate. Perhaps due diligence is not being done in the interpretation of the documents.

Shari Korthis – She is here to say no to tax abatements on the Harold Square project, City Centre and now this 323T, LLC project. They are all market rate apartments with no jobs. The law says that the reason there are IDAs is to create jobs, you are not creating jobs. You are giving tax breaks to wealthy developers. A tax abatement is a fancy way of saying a tax break. She thinks that the CIITAP policy has lost its way. Her taxes keep going up each year because you are giving tax breaks. She cited a number of examples from other states. She spoke to what would be paid in year eleven after the tax breaks are done.

Amanda Kirchgessner – 323T, LLC is an affront to the citizens of the City and County – a tax abatement for 16 luxury apartments just because you want to develop the inlet area. We have an opportunity to have an inclusive community – but with all this luxury building you are creating a rich person playground. The people who work in the restaurants or retail can't afford to live here. They do not make \$42,000/year – which is the cost of a luxury town house. She feels that any loan the developer takes out could be paid off without abatements. Also NYS subsidizes solar already, so we're giving them abatements on subsidized solar. She also spoke to the fact that the Legislature has not confirmed the IDA Board so the meeting should be ended and we all should go back home or to work.

Elan Shipiro – Mr. Shipiro did not actually speak, he displayed his feelings via a poster. This poster spoke to trickle down economics and gentrification.

Daniel Goulden – He spoke of his disapproval of the \$800,000 in abatements for the 323T project with no affordable housing. Tax abatement should be used to encourage affordable housing not to line the pockets of developers. He thinks the circumstances of the meeting are suspect. There should not be a final decision until a new IDA is seated.

Anne Koreman – District 5 Legislator. She spoke to the make up of the IDA Board. She urged the selection of an environmental member or a working class representative or a union representative from the workers center.

Martha Robertson spoke in response to the public comment. The IDA is going through the normal process of turn over. We do have a quorum with 5 board member out of 7 present. The timing of public hearings has more to do with the availability of the space in the jurisdiction where the project is located and the availability of the developer. There is also timing of publishing the public notice to consider (10 days advance notice) so the window of when the meeting can be held is limited. This is a reason why not all IDA members can be present, but the written record was kept and this was sent to the Board prior to this meeting. When it comes to housing, the IDA is not the only thing we do in this County to support housing. A proposal has been made for a \$3M reserve fund for housing to the Legislature. She urged public support for this at the next Legislative meeting. She mentioned the Mayor's efforts for inclusionary housing in the City – there was push back to this last year and did not happen.

Typically there is a \$350,000 subsidy per unit for affordable housing versus the 323T cost per unit of \$40,000.

Svante Myrick commended Ms. Robertson for her comments and stated that he will be trying again for inclusionary housing in the City this year. He feels frustrated that things

have not moved forward with affordable housing in the City. He commented on the confusion between a tax break and tax abatement. Tax abatement is an incentive to do something you wouldn't normally do while a tax break is giving something for doing something you would do already or be doing – there is no extra effort involved. With the tax abatements under the IDA and CIITAP policies, we can direct where we want housing to be built; housing that will infill areas; housing that won't take down existing homes and replace it with "luxury" units which will in turn increase the surrounding assessments and increase property taxes. The 323T, LLC project is a project that will utilize an area that is not currently being developed. And while it is considered market rate, it is putting that level of housing where we might want it instead of having high-end "luxury" housing built outside of the City where the County then has to build new roads, new infrastructure and then maintain those items – thus adding to the tax burden of everyone.

Rich John stated that he will support the 323T, LLC project as it is housing that is not displacing other housing, energy efficient and will increase the tax base over time. He does recognize that we need to find a way to support workforce housing.

BUSINESS

SUN8PDC Turkey Hill and Dryden Road Projects – Final Approval

Updates/changes to these two solar projects in the Town of Dryden were discussed at the last TCIDA meeting. A memo outlining those changes has been provided – the changes include project costs, project size and proposed PILOT payment amount.

Ms. McDaniel has talked with Jason Leifer and Dan Lamb at the Town of Dryden and they support the changes.

SUN8PDC will become the 3rd largest taxpayer in the Town of Dryden. These projects will pay new taxes on land that was generating no taxes or very little.

Bharath Srinivasan commented that the projects have also paid \$5M for electric power grid upgrades – costs that would originally have been paid by the ratepayers. They have also given up their option for energy discounts and have passed them along to those who will purchase power from them so that the cost could be lowered for those who have limited income. Also, the amount of electricity generated can power up to 7,000 homes.

Rich John commended the Town of Dryden leaders for sticking with these projects.

Rich John moved to approve the resolution for SUN8 PDC LLC – Ellis Tract Project that accepts the application and public hearing minutes and acknowledges and adopts the Negative Declaration issued by the Dryden Town Board and authorizes the negotiation, execution and delivery of documents and abatements as outlined in the document. Grace Chiang seconded the motion. The motion was approved 5-0.

Rich John moved to approve the resolution for SUN8 PDC LLC – 2150 Dryden Road that accepts the application and public hearing minutes and acknowledges and adopts the Negative Declaration issued by the Dryden Town Board and authorizes

the negotiation, execution and delivery of documents and abatements as outlined in the document. Jennifer Tavares seconded the motion. The motion was approved 5-0.

323T, LLC – Final Approval

Heather McDaniel reviewed the process that the project has gone through including the City's CIITAP approval process. The project is requesting a 10-year abatement based on financial need (ROI less than 20% for the first 5 years). She has reviewed the financial documents and verified this need.

Jennifer Tavares asked about the current taxes. The total assessment for the parcel is \$205,000 with the current building being assessed at \$5,000. The preserved existing taxes will still be paid. Steve Flash commented that currently \$7,200 are paid each year in taxes.

Mr. Flash reviewed the energy enhancement costs – there is an up front cost of construction for solar of \$190,000. The projects construction will be using energy efficient materials, energy star equipment , and building for a below herze rating including purchasing solar to get to a net zero rating.

Ms. Robertson suggested the Energize NY program that helps with low cost financing for energy incentives.

Rich John moved to approve the Inducement Resolution granting final approval to the 323T, LLC project. Svante Myrick seconded the motion. The motion was approve 5-0.

STAFF REPORT

Heather McDaniel reported on Arrowhead briefly. This was the first PIF project that the IDA approved. The developer was incentivized to build 12 units of senior housing in the Village of Lansing. This was done by taking a percentage of taxes paid by the BJ's building and holding it in escrow to help pay the debt service on the housing units that were to be built as well as wetland mitigation.

It is the opinion of staff and the attorney that the developer is in default because to date the timeline has not been met to fulfill the terms of the project agreement.

Heather McDaniel requested that the IDA Board approve sending a letter of default to the applicant/project developer and requesting a response.

Rich John moved to authorize staff to send a letter of default to the developer. Svante Myrick seconded the motion. The motion was approved 5-0.

Martha Robertson emphasized that the BJs building has been paying full property taxes with a portion of those being put into escrow to help pay for the housing project.

Ms. McDaniel commented to the amount of research that was done to help support this type of housing.

It was also reported that the PILOT agreements were closed on for NY Newfield I, II, III. These were approved earlier in the Spring and since this was the first of this type of project it took a bit of time to develop the documents.

APPROVAL OF MEETING MINUTES

Rich John moved to approve the Board Meeting Minutes from December 14, 2017. Jennifer Tavares seconded the motion. The motion was approved 4-0-1 (Grace Chiang abstained).

Martha Robertson thanked Svante Myrick for his six years of service on the IDA Board.

The next IDA meeting is scheduled for February 8, 2018 at 4:00 PM

The meeting was adjourned at 10:10 AM.