

**Tompkins County Industrial Development Agency
Board of Directors Meeting Approved Minutes
February 12, 2015
TC Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Jim Dennis, Grace Chiang, Jennifer Tavares, Will Burbank, Martha Robertson, Nathan Shinagawa

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

Guests Present: Martha Armstrong (TCAD), Marguerite Wells (Black Oak Wind Farm), Marcus Williamee (Plumbers and Steamfitters), Brian Noteboom (Carpenters), Stacey Black, Tom Halstead, Chuck Smith

CALL TO ORDER

The meeting was called to order at 4:05 PM. Mr. Dennis introduced Jennifer Tavares as a new board member representing the TCAD Board. Ms. Tavares is the President of the Tompkins County Chamber of Commerce.

ADDITIONS TO THE AGENDA

None.

PRIVILEGE OF THE FLOOR

Marcus Williamee, 2350 Danby Road, Willseyville, representative for the Plumbers and Steamfitters of Tompkins and surrounding counties and member of the coalition for sustainable economic development. Currently we have over ten percent of our membership unemployed or working out of town. Some are working at Malta, a chip plant.

It is currently the position of Plumbers Local 267 that this board takes into consideration when granting tax abatements that such developers use local labor for the project's construction; as defined by Tompkins County, Schuyler County, Tioga County, Seneca County, Chemung County, Cortland County and Cayuga County. The Allegany IDA has a local labor policy with similar stipulations.

Also, as with any state, county, or public money project, the employers building the project have in place a state approved apprenticeship program. This way the taxpayers can be certain that their money was invested in a project that was built with qualified craftsmen and women and that they were paid area standard wages.

There are currently no standards to which any developer is held to with IDA money, is there? Only that the taxes on the property will be more fruitful in the future.

Ms. Filiberto referred to the TCIDA's UTEP and Agent Agreements in which developers are encouraged to use local labor and prevailing wages. However, these are not requirements under the current policy.

Ms. Robertson asked if the counties referred to were ones that are contiguous to Tompkins County. Yes.

Mr. Dennis stated that the board and staff have been looking at the policies from the Broome and Monroe County IDAs. Input is also being sought from unions and local developers.

BUSINESS

Appointment of Board Officers

Nathan Shinagawa nominated Martha Robertson for the position of Vice Chair of the Board. Grace Chiang seconded the nominations. A vote was taken. Ms. Robertson was appointed as Vice Chair.

Martha Robertson nominated Svante Myrick for the position of Secretary of the Board. Grace Chiang seconded the nomination. A vote was taken. Mr. Myrick was appointed as Chair.

Mr. Dennis commented that he will remain as Chair of the Board as appointed by the Tompkins County Legislature.

Appointment of Audit and Governance Committee Members

Will Burbank moved to appoint Jim Dennis, Jennifer Tavares and Rick Snyder as members of the Audit and Governance Committees. A vote was taken and the motion was approved.

Black Oak Wind Farm – Final Approval

Resolution authorizing the Tompkins County Industrial Development Agency to

(i) take a leasehold interest in real property consisting of approximately 1,060 acres located on Black Oak Road in the Town of Enfield, Tompkins County, New York (currently designated as tax parcel numbers 18.-2-2.22, 13.-2-6.2, 13.-2-5.2, 18.-1-6, 18.- 1-3.21, 18.-2-1.21, and 13.-1-4.12) (the "Land"), and improvements to be constructed thereon;

(ii) appoint Black Oak Wind Partners, LLC as its agent to acquire, construct and equip upon the Land a wind-powered, utility-scale generating facility consisting of approximately seven wind turbines and associated components, including gravel access roads, electrical collection and communication cables, a substation, and temporary construction staging areas;

(iii) negotiate and execute a lease agreement, leaseback agreement and related payment-in-lieu-of-tax agreement;

(iv) provide financial assistance to Black Oak Wind Partners, LLC in the form of:

- (a) a sales tax exemption for purchases and rentals related to the acquisition, construction and equipping of the project, and
- (b) a partial real property tax abatement through the PILOT Agreement; and
- (v) execute related documents.

Ms. Robertson moved to put the Inducement Resolution for Black Oak Wind Farm on the table. Will Burbank seconded the motion.

Ms. Filiberto gave an overview of the project and the PILOT recommendations.

The PILOT would be for 15 years. CPI adjustments would be at five-year increments. The payment amount would be a fixed amount of \$8,300 per nameplate listed megawatt capacity. The distribution of PILOT payments among the taxing jurisdictions will be based on the ad valorem distribution each tax year. The applicant must renegotiate the PILOT if turbines are added or removed in the future.

The PPA (power purchase agreement) has been completed. Cornell University will be purchasing 100% of the power generated.

Ms. Wells asked about the possibility of the megawatt output on the turbines purchased being more than anticipated. Ms. Geldenhuys stated that the PILOT agreement would be written so that the company would report and any change could then be accounted for.

Mr. Burbank asked about the second school district that would be affected – Odessa Montour – and how the TCIDA could abate their taxes. Ms. Geldenhuys commented that one turbine is within the Tompkins County line, thus subject to the TCIDA’s jurisdiction, but the school district line does not follow the County line.

Ms. Robertson asked about the amount of sales tax exemption allowed in the resolution – it seems like a lot.

Ms. Filiberto commented that this is for construction and materials other than the turbines themselves (which are already tax exempt). The numbers were reviewed and it was determined that the actual amount of the sales tax exemption needs to be adjusted to \$480,960 (60% of \$10,020,000 and then 8% of that number).

Martha Robertson moved to adjust the resolution to correct the sales tax exemption amount to \$480,960. Jennifer Tavares seconded the motion. The amendment to the resolution was passed.

The estimated completion time for the project is June of 2016.

Ms. Robertson asked about the jobs to be created. Ms. Wells commented that Black Oak would employ one part-time employee and that actual maintenance of the turbines would be provided by GE. The project is just too small to warrant its own turbine maintenance crew. Ms. Robertson requested the application be modified to make it clear that the three maintenance jobs would be contract jobs, not direct employees of Black Oak.

Ms. Robertson also asked about the plan for an educational facility. Ms. Wells stated that Cornell University will have access to the facility for research and teaching opportunities.

Mr. Dennis asked how the fundraising efforts were going. Ms. Wells stated that they are going well. This round of fund raising is limited to accredited persons – those who make over \$200,000/yr. There may be a third round open to all residents of NYS.

Mr. Burbank asked if there are any other community owned wind farms – there is one other in South Dakota.

Ms. Robertson asked how the CPI would be adjusted. Ms. Filiberto stated that it would be a 5-year average – if the CPI increases by 1% each year for five years, then the amount would increase by 5%.

Mr. Dennis asked if all on the board understand the terms of the PILOT that is being approved by the resolution? All stated yes.

A vote was taken on the Inducement Resolution. The resolution passed 6 – yes, 1- absent.

2015 TCAD Work Plan Update

Ms. Martha Armstrong of TCAD presented an overview of the TCAD Work Plan for 2015 as well as 2014 accomplishments.

Highlight from 2014 include:

- A fulltime SBDC advisor working out of the TCAD office
- Working with the redevelopment efforts of the Emerson Power Buildings
- TCAD's 50th Anniversary
- The creation of the TCAD Foundation and its first independent Board
- Completion of the Transform Tompkins Investment Campaign
- PR work emphasizing entrepreneurship in the region

2015 work plan highlights include:

- Roll out the Economic Development Strategy
- Working with the WIB and training programs
- Supporting utility infrastructure efforts
- TCAD Foundation activities

Ms. Robertson asked about TCAD's efforts with the Airport. Mr. Stamm is chair of the air service board and TCAD continues to work with the staff of the airport to support it.

STAFF REPORT

Ms. Filiberto reported that staff is working on pulling information together on local labor policies around the state. She has talked with union representatives, developers and customers and it is hoped that a draft policy can be brought to the board in the next few months.

Mr. Burbank asked how the policies of other IDAs are working. Ms. Filiberto commented that most of the IDA's with policies are small and do not have that many projects, however Monroe County IDA has about 400 projects and of these 80 have received a waiver. The Monroe County IDA monitors projects quarterly regarding local labor use and has hired an independent audit company to handle the compliance.

Ms. Tavares asked if the State and federal minority and women business requirements might be included with this policy.

Ms. Filiberto also reported on NYS legislation that would limit local IDA authority.

Staff will be meeting with Assemblywoman Lifton to give her an overview of IDA's and what the TCIDA has accomplished.

Ms. Filiberto commented on the Arrowhead project. She is working on getting an update as to when the housing part of the project will begin.

Advanced Design Consulting, Ithaca Beer and Incodema3D should be closing soon.

At the March Board meeting the Canopy Hilton CIITAP application should be on the agenda.

Ms. Filiberto also reported that since the CIITAP policy and all past downtown density policies have been at the request of the City of Ithaca, it has been determined that the City of Ithaca will take the lead on current CIITAP review and policy discussions.

MINUTES

Martha Robertson moved to approve the January 8, 2015 TCIDA Board Meeting Minutes. Grace Chiang seconded the motion. The motion passed. (Jennifer Tavares abstained).

These minutes approved at March 12, 2015 meeting.