

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
April 13, 2017
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Jim Dennis, Jennifer Tavares, Martha Robertson, Will Burbank, Rich John, Svante Myrick

Staff Present: Heather McDaniel, Mariette Geldenhuys

Guests Present: Theresa Alt, Sheri Cortac (sp?), Mr. Kesner, Stephanie Hegnald, Scott Whitham (Whitham Planning and Design), Yamilia Fournier (Whitham Planning and Design) Jeff Smetana (Newman Development), John Nicolich (Newman Development) Jay Franklin (TC Assessment), Kate Millar (Renovus), Dan Green (Delaware River Solar), Pete Dolgas (Delaware River Solar), Bharath Srinivasan (SunEight Hold Co), Jason Liefer (Town of Dryden), Dan Lamb (Town of Dryden), Stephanie Hegnald, Gary Ferguson (Downtown Ithaca Alliance), Jerry Goodenough (Upstate Power Producers), Doug Roll (Upstate Power Producers)

CALL TO ORDER

Jim Dennis called the meeting of the **Tompkins County Industrial Development Agency** to order at 4:05 pm.

PRIVILEGE OF THE FLOOR

Theresa Alt: Eddy Street College Town – There are housing projects being built in Collegetown that do not get tax abatements. But when it comes to downtown Ithaca, it seems that the IDA “bribes” developers to but in market rate housing. She feels that they do not need the incentives because it is a good market. Market rate housing is not what the County needs – the County needs affordable housing. When the workers have to live in the next County you are not achieving density.

Sheri Cortac: Agrees with Theresa. Sales tax revenues were supposed to go up but they have not. Why are we giving sales tax exemptions when we are having issues with sales taxes?

Mr. Kesner – Jacksonville – feels that City Centre does not need any incentives/abatements. The City parking garages are mostly empty. So putting in 60 underground parking spaces, you are just robbing yourself.

Stephanie Hegnald – Town of Ithaca – Addressing Jobs issue – City Centre does not meet the living wage jobs objective of the CIITAP policy.

BUSINESS

Cayuga Operating Company – PILOT Amendment

Mr. Dennis commented that the business before the board deals with the PILOT agreement. He outlined the new assessment amounts in the PILOT amendment. The owners have still done their due diligence for the community, still paid their taxes and provided good jobs. The value has dropped in the last 10 years from 145M to 35M.

Jim Dennis moved to approve the resolution approving the amendment to the Cayuga Operating Plant PILOT. Martha Robertson seconded the motion.

Discussion: Ms. Robertson asked about the “pop-up” clause. What happens if they make no money? They are still required to pay the PILOT payments. What if they close? That would re-open the PILOT discussions.

Mr. John discussed the impact that the loss of revenue from the Power Plant has on the Town of Lansing and its school district. This will lead to hard decisions. He supports the resolution.

Vote: The motion passed 6-0

City Centre Associates – Final Approval

Jim Dennis moved to approve the Inducement Resolution for final approval of the City Centre Association project. Martha Robertson seconded.

Ms. McDaniel had a small change to the resolution. Page 5 section 7 – increase the mortgage amount to \$50M. This would also be reflected in the project agreement.

Ms. Robertson asked about the overall property taxes paid and abated over 10 years. Ms. McDaniel stated that the amount paid over 10 years would be \$3M and the amount abated would be \$7M – this is a larger incentive, reflecting the enhanced energy incentive.

Ms. Robertson reminded all that the abatement on property taxes is only on the improvements/new building. Mr. Myrick seconded this point – there will be no drop in current taxes this is an abatement on new taxes over 10 years. This is also a good use of government resources such as fire prevention, bus services, water in a dense downtown compared to 100 housing units all over a larger area.

Mr. Burbank disagreed – we are giving up taxes. This is a prime site and something will be built. I think this is a good project. However, even though they qualify, would this project go forth without the incentives? I think it will.

Mr. Myrick commented on how other developers have proved this thought wrong – he cited Jason Fane who did not build when incentives were not approved.

Mr. Myrick also spoke to how this building will bring more customers downtown that will support local businesses, will reduce sprawl, and free up other housing areas.

Ms. McDaniel reminded all that the PILOT does not abate special district taxes.

Ms. Tavares commented that this is the right project in the right location.

Mr. John supports the project. He agrees that there is a need for more affordable housing. He feels that the project is transformational.

Ms. Robertson spoke to the cost of building affordable housing – it is real money \$80,000 - \$100,000 of tax money per unit. This is more than the tax abatements of \$38,000 for the current project. We need this project to start getting out of this housing crisis

Mr. Burbank stated that there is something wrong with our process if mostly market rate housing projects come to the IDA. He wants to know when there will be enough density in the City of Ithaca.

Mr. Dennis commented on the projects that the IDA has supported that helps affordable housing (INHS) – but there are not that many due to the laws that govern the IDA in NYS. But the agency has done what it can when it can.

Vote: The motion passed 5-1 with Mr. Burbank voting against.

Mecklenburg (Renovus) Solar Application

Ms. McDaniel commented that this is the first of four solar project applications on the agenda. Renovus is the company doing this 2 MW project. They are requesting an \$8,000/MW PILOT payment with 2% increase annually for 20 years. They are also requesting an administrative fee of ½% of project costs. The request is consistent with the proposed solar policy. There is no request for sales tax or mortgage recording tax abatements. They have the Town's endorsement and have done all environmental review for the project.

Ms. Robertson commented on no job creation and use of local labor. Renovus, a local company, is the contractor and no new jobs for this particular project.

Mr. Burbank asked about how this benefits the community – this is a monthly subscription to energy from renewable sources that customers can utilize similar to a cell phone contract.

Martha Robertson moved to accept the application as complete and move the project to a public hearing. Jennifer Tavares seconded the motion. The motion was approved 6-0.

Enfield I (Delaware River Solar) Community Solar Application

Ms. McDaniel explained the project: 2MW solar project – requesting \$8,000/MW PILOT with 2% escalator per year for 20 years. They are also requesting the sales tax and partial mortgage recording tax abatement along with a reduction in fees to ½% of project costs. The request is consistent with the proposed solar policy They have all their approvals.

Martha Robertson moved to accept the application as complete and move the project to a public hearing. Will Burbank seconded the motion. The motion was approved 6-0.

Mr. Myrick left the meeting.

SUN8PDC (2150 Dryden Road) Community Solar Application

This project is proposed in the Town of Dryden on the old RPM Ecosystem site. They are requesting an exemption from the local portion of sales tax. They are requesting a .5% administrative fee with a \$8,000/MW PILOT with 1% escalator per year for 30 years. The term and the annual increase requested are not consistent with the proposed solar policy. The company feels this is a financial necessity. The company has been building solar projects since 2009 in nine states. They also built the solar farm for Cornell near the airport.

The Town of Dryden has requested a change in the PILOT allocation to the taxing jurisdictions affected (Town of Dryden, Dryden School District and Tompkins County).

Ms. McDaniel asked the board to discuss the term of abatement 20 vs. 30 years and 1% instead of 2% increase per year. Also the requested change in the PILOT allocation to the taxing jurisdictions.

Martha Robertson moved to accept the application as complete and to send it to a public hearing. Rich John seconded the motion.

Ms. Robertson disclosed that she has been advising the applicant and the Town of Dryden as a volunteer.

The difference in PILOT payments was discussed. If only the 20-year PILOT is approved, what happens in year 21? It doesn't seem like a big difference, enough to scuttle the project.

The applicant talked about how the State allocates payment for these projects and how changes impact their overall financing and the impact to potential customers. Also the uncertainty of what the property taxes would be in year 21 makes the need for a 30 year PILOT – the land lease is 30 years.

Ms. Tavares stated that even though there is not an actual "solar policy." The draft policy has been used as a guideline. It was held to in the Newfield projects. So she feels that to deviate from it now would be wrong. Perhaps there should be a case-by-case policy or perhaps the policy should be reworked.

Ms. McDaniel commented that she would be happy to review the applicants financials to see if there is a financial need for the requested PILOT.

Ms. Tavares feels that each project should be considered on its own merits.

Ms. McDaniel commented on how the IDA in the past has deviated from PILOT/UTEP based on the unique needs of various projects. This solar project is much larger than prior solar projects, so there is a need to review the deviation request.

Ms. Robertson asked what was needed to send to a public hearing?

Ms. Geldenhuys stated that a general description of the project (size, location) and an accurate description of total abatements.

Ms. McDaniel stated that we have enough to send to a public hearing but more detail on actual final terms need to be figured out before the next meeting.

Ms. Robertson stated that 30 versus 20 years might not impact the public, but 1% versus 2% might.

Mr. John asked that the range of what is under consideration be included in the public hearing notice.

The public hearing notices usually do not have that much detail – the public can always view the application which has the 30 year 1% escalator request which is the upper limit for any abatement under consideration.

What about the taxing jurisdiction split? That is not included in a public hearing notice. If the IDA deviates from the ad valorem split it would need to have the individual taxing jurisdictions approve the change.

Ms. Robertson suggested having the Town of Dryden supervisor come to the IDA with an explanation for the request.

Jason Leifer, Town of Dryden Supervisor, commented that the Town is spending time and money attracting these projects and the County is not. Feels they need reimbursement for promoting the project to the community etc.

Ms. McDaniel commented that when a tax split change is proposed, then the effected jurisdictions need to approve – this would happen on a case-by-case basis even if it were written into the IDA UTEP.

Mr. John asked if the letter from the Town is a letter of endorsement of the project if the 50-50% split in taxes is not approved? No.

If the IDA starts this consideration, it will open up for all future projects to negotiate these possible changes.

Concerns about the site of the project and its location near a cemetery were noted. The project has tried to address these community concerns.

Ms. Robertson asked that the project give a short presentation before the public hearing.

Ms. Tavares asked about the reduction in the fee – what would it be? Ms. McDaniel will let her know.

A vote was taken and the motion was approved 5-0

The IDA attorney is also listed as the Town of Dryden attorney – she has recused herself from both sides of the project. Harris Beach will represent the IDA.

SUN8PDC (Turkey Hill Road) Community Solar Application

Martha Robertson moved the send this project to a public hearing along with the other Dryden Solar project. Rich John seconded the motion. The motion was approved 5-0

STAFF REPORT

None

MINUTES

Martha Robertson moved to approve the March 9, 2017 TCIDA Board meeting minutes. Will Burbank seconded the motion. The minutes were approved.

The meeting was adjourned at 6:45 PM.

Minutes were approved at the June 8, 2017 Board meeting.