

Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
May 11, 2017
2:00 PM
Tompkins County Legislative Offices
121 E. Court Streets, Ithaca, NY

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

Staff Present: Heather McDaniel, Ina Arthur (Recording)

Guests Present: Richard Chun (Delaware River Solar), Kate Millar (Renovus), Rick Snyder (TC Finance), David Lubin (Harold's Holding, LLC), Jeff Lehrbach and Dave Carswell (McGuire Development)

CALL TO ORDER

Jim Dennis called the meeting of the **Tompkins County Industrial Development Agency** to order at 2:00 pm.

PRIVILEGE OF THE FLOOR

Bruno Schickel – Dryden NY – Mr. Schickel spoke regarding the Community Solar project proposed for Dryden NY. He feels both sites for the Dryden Solar projects are bad sites. You will see a lot of the solar installation and this is “visual pollution.” A good site would limit visual impacts and it would not cut down trees. He also feels that the IDA is giving these projects an enormous subsidy. These are \$52M projects and if they were assessed at that amount the rate would be \$1.5M in taxes - \$40M over 30 years. He does not think the projects should be approved especially with the Dryden School District objecting. There is also the issue of conflict of interest with the IDA attorney also representing the Town of Dryden.

Bonnie Schutt – Dryden NY – Ms. Schutt attending the public hearing in Dyden for the two Distributed Sun community solar projects. The hearing was at 6PM and only 2 of the 7 IDA Board Directors were present. The IDA says it offers economic development incentives to Tompkins County businesses. SUN8 is not a Tompkins County business. They already get State and federal subsidies.

Don Schutt – Dryden NY – Mr. Schutt stated that he is not anti-renewable. He feels that bad government is happening. Town taxes and assessments have gone up – he feels this is corporate welfare and feels the PILOT agreement is unfair to local taxpayers. He feels that local legislators are “drumming” up support for the projects (see attached email example).

Robert Keene – Dryden NY – Mr. Keene spoke about taxes increasing all the time.

Becky Sims – Enfield NY – Ms. Sims requested that a second public hearing be held for the Mecklenburg Community Solar and Enfield I Solar projects. The first public hearing was

held at 10:00 AM. The Town requested that the IDA hold the hearing after 5:00 PM so that more of the community could attend. She requested that a second public hearing be scheduled after 5:00 PM.

Shari Korthus – Ithaca NY – She spoke regarding the Harold's Square/Harold's Holding project application. Originally the application had 36 apartments. Now the project has 108 market rate apartments. The new application has no job creation projected. She feels that taxes are being given up.

Stephanie Heslup – Ithaca NY – Ms. Heslup spoke at the April 13th IDA Board meeting about living wages. She is concerned about jobs with poverty level wages, especially housekeepers and low wages.

Janice Graham – Dryden NY – Ms. Graham commented on the low IDA Board member turnout at the Dryden Solar projects public hearing.

Kim Anderson – Ithaca NY – Ms. Anderson spoke with the attorney for SUN8 and the PILOT agreement amounts. The difference of the 1% or 2% accelerator is for fire and ambulance taxes. The 200 temporary jobs during construction are still 200 jobs, no matter where they come from. The proposed moving of the site to the Caswell Road dump site would cost more for the interconnect to the grid. There is no additional tax burden; it is actually new tax revenue.

Amanda Kushner – Ulysses NY – Ms. Kushner spoke about the local labor policy and the use of local workers by IDA projects. She spoke to the numbers of jobs that are detailed in the annual audit of the TCIDA. These numbers are self-reported by the businesses. She would like independent verification. She continued to talk about taxes and jobs for low paid workers.

Amy Dickenson – Freeville & Dryden NY - Ms. Dickenson stated that she has been writing about the proposed solar project next to the Willow Glen cemetery. Ms. Dickenson commented that she lives here because she is from here and she likes the rural charm of the area. She does not live here for the low taxes; in fact she pays less taxes on her luxury home in Chicago, IL. She does not live here for any fine dining establishments, as there are none in Dryden and Freeville NY. She feels that Dryden is becoming a solar dumping ground.

Linda Mix – Dryden NY – I live at 626 Caswell Road, in the Town of Dryden. I have owned the land my house is built on since 1978. And of course, I have paid taxes on this property. Since 1978, I have watched many new homes being built on my road. These homes have their own well and septic. The town highway department may have monitored their driveways for the installation of a covert pipe. All these additional tax payers, with little cost to the town and county, sharing the tax burden; you would think my taxes would go down. This for-profit company that wants to install these solar panels on acres of land in the Town of Dryden is already getting taxpayer money to do that. Millions of taxpayer dollars are already subsidizing this project. As a taxpayer, I am wondering how much more should we give them. Please consider the taxpayers and the school district in the town of Dryden when negotiating a deal with this company. We deserve a better deal.

Sarah Hess – Ithaca NY – She supports community solar and these PILOTs – when you think of costs to the taxpayer, she doesn't see any costs. She feels that communication between the IDA and the community could be better. The PILOT agreements should be better explained.

Jim Dennis spoke in response to some of the comments. It may be that the PILOT agreements need to be explained better. However, \$8,000/mw has been talked about for over 6 months. This amount was well researched and is higher than what other communities are asking.

Heather McDaniel commented that the IDA attorney, Mariette Geldenhuys, is not involved with the development of the IDA's draft solar policy. The attorney has also recused herself from the two Distributed Sun projects in the Town of Dryden. Russ Gaenzle of Harris Beach, the IDA's bond counsel, is representing the IDA for these two projects.

Will Burbank commented stating that the timing of the two hearings in Enfield and the lack of IDA Board member attendance should be looked at. An effort was made to find a time a time that most of the Board could attend.

Rich John stated that he did not attend the Dryden projects public hearing – he went to his son's track meet instead. He did however try to attend the public hearing in Enfield and when he got to the building, was unable to find the location of the hearing. He also commented that local land use is not the purview of the IDA.

Martha Robertson commented on the Caswell Road dumpsite that was proposed for one of the Dryden solar projects. A study has been done and the site is too wet. Also, the cost of the grid interconnect from that site is much more costly. She also commented on the Willow Glen site and the complaint on how unsightly it will be next to the cemetery. No one has put up screening to block out State Route 13 and all the cars that drive by the cemetery every day, nor has anyone complained about the orange storage building across the road from the cemetery.

Heather McDaniel offered some clarity as to solar projects in NYS. New York State has only been incentivizing solar energy projects for the past 2 years while other states have been doing this for a longer time. NYS has one of the lowest energy rates in the country, thus community solar projects do not generate a lot enough revenue to be financially feasible. NYSEERDA provides incentives for these projects for only the first 3 years of operation. Similar programs in other states offer these incentives for 10-15 years. NYS has low energy rates and low incentives. Assessing these facilities is not like assessing a house – there are no comparables. The financing available to these projects is a federal tax credit model – like affordable housing projects. These are not corporate welfare. The \$8,000/mw amount was derived based on the limits on revenue generation and infrastructure costs.

The State gives IDA's authority to abate property taxes with limit on the timeframe of the PILOT. Real Property Tax law 487 made solar projects tax exempt for 15 years or offers taxing jurisdictions the ability to negotiate their own PILOT agreement with solar projects up to a 15-year term.

Jim Dennis stated that agricultural land pays a low tax rate. If you put solar panels on it you can collect more money. The IDA is not a land use entity, that is a Town of Dryden issue. Clearly the Dryden project locations are an issue. NYS is trying to encourage renewable energy through incentives and this is one avenue.

Jennifer Tavares stated that she is sympathetic to some of the comments offered today. However, personal attacks on public servants are not helpful. When it comes to the annual audit, there is a net increase in taxes and jobs. Also, not all of the projects create jobs; some actually help to retain existing jobs.

Svante Myrick reminded all that the City and County does try to help the “small guy” in terms of tax abatement. In the City of Ithaca there is a program that will lower your assessment if you improve your home.

Rich John commented on the money coming to Dryden due to solar projects. The net benefit is immediate and is positive.

BUSINESS

Mecklenburg (Renovus) Solar – Final Approval

Martha Robertson moved to approve the Inducement Resolution for the Mecklenburg Community Solar project. Jennifer Tavares seconded the motion.

Ms. McDaniel reviewed the public hearing minutes and outlined the project. This project is from a local company (Renovus). As for the \$8,000/MW, she stands by her numbers. Currently the land pays approximately \$1,100 per year in taxes. This tax on the land will still be paid under the PILOT agreement.

Mr. Burbank commented on the request for a second public hearing after 5:00 PM regarding this project and the Enfield I Solar project. If that request was granted, would it effect project deadlines?

Ms. McDaniel commented that NYS has a deadline of June 15th for projects to pay a portion of the interconnect fees to receive their State incentives. Projects will not pay these large fees if they do not have certainty around the property taxes because they may not be financially feasible. She also commented that other projects have had public hearings during working hours.

Ms. Millar spoke to project deadlines and how contractors are lined up and waiting.

A vote was taken on the motion. The motion was approved 6-0.

Enfield I (Delaware River Solar) Community Solar – Final Approval

Ms. McDaniel gave an overview of the project.

Ms. Robertson commented that the jobs associated with this project are construction jobs which by their nature are always temporary, but are still jobs.

Martha Robertson moved to approve the inducement resolution for the Enfield I (Delaware River Solar) Community Solar project. Rich John seconded the motion. The motion was approved 6-0.

In the interest of time, the 2016 TCIDA Annual Audit Acceptance and discussion on the SUN8PDC Community Solar Applications will be moved to the June IDA Board meeting.

Harold's Holding – Application

Ms. McDaniel introduced the project. This was formerly Harold's Square that was approved in 2013. The IDA agreements have since expired and the project has changed. There is also a new partner, McGuire Development. The project costs have changed as well as the number of apartments to be built. The project is also now requesting the 10-year CIITAP incentive.

Ms. McDaniel asked that the IDA Board accept the application as complete and send the project to a public hearing.

Mr. Lubin commented that this is a live/work modern building. The development costs as well as interest rates have increased since the project was first approved by the IDA. However the tax revenue from the PILOT will increase as well.

The projects height was clarified – 5 stories fronting The Commons (60 feet) and an additional 7 stories on the back of the building for a total of 12 stories (140 feet). There will also be a storage room in the basement for the renters.

There will be heat pumps to heat the building but hot water will be heated with natural gas. The building will also have solar panels on the roof.

Mr. John asked about the building energy code and if they could do what the City Centre project is hoping to – 40% better than current building code. Mr. Lubin stated that they are looking at all options to reduce energy use.

Mr. Burbank asked about what buildings on The Commons will stay and which ones will be demolished. Mr. Lubin stated that the Sage building will remain and be updated and the other two, one story buildings will be demolished.

Parking for renters was addressed. It is felt that the Cayuga Garage can accommodate any need for parking.

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

The meeting was adjourned at 4:15 PM. Minutes were approved at the June 8, 2017 Board meeting.