

**Tompkins County Industrial Development Agency**  
**Board of Directors Meeting Final Minutes**  
**June 8, 2017**  
**4:00 PM**  
**Tompkins County Legislative Offices**  
**121 E. Court Street, Ithaca, NY**

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

**Staff Present:** Heather McDaniel, Ina Arthur (Recording), Mariette Geldenhuys

**Guests Present:** Kate Millar (Renovus), Rick Snyder (TC Finance), David Lubin (Harold's Holding, LLC), Dave Carswell (McGuire Development), Jeff Lehrback (McGuire Development)

**CALL TO ORDER**

Jim Dennis called the meeting of the **Tompkins County Industrial Development Agency** to order at 4:00 pm.

**PRIVILEGE OF THE FLOOR**

Jim Dennis began by reminding all of the conditions speakers agree to on the speakers form for privilege of the floor. There is a 3 minute time limit per speaker; time cannot be transferred to another speaker; there will be no personal attacks; and courteous conduct will be maintained.

Sarah Hess – City of Ithaca – Ms. Hess spoke of how the reduction of green house gases is key and also spoke in favor of the Dryden Solar Projects. As to Harold's Square, she is pleased to see the updated information from the developers on the use of green energy systems. She hopes that this becomes part of the permanent application. However, local labor use should remain a priority.

Marnie Kirchgessner – Social economic disparity is the start of terrorism. She feels the IDA is dismantling the American Dream by fostering wealth inequality of rich vs. poor. She is sick of hearing that the poor are the takers and the rich are the makers. She stated that she is one of the poor with 2/3 of her income going to pay fixed costs in order to live.

Theresa Alt – She spoke against the tax abatements for Harold's Square though it is good to have density and to use green energy at Harold Square. But you are working against yourself when you put buildings in without affordable housing – you are driving your workforce out of the city who will then have to buy cars they can't afford and drive into the City.

Amanda Kirchgessner – 25% of the County budget goes to fund Medicaid – what gets people off of Medicaid? Good paying jobs. If the IDA were doing its job it would be creating good paying jobs. We don't need more housing if people can't afford to live in it. Putting in

market rate housing on the Commons is great for wealthy people. But this community has working people. The IDA should set the standard – it could require a living wage be paid by projects – but it doesn't. She has a list of 11 homes under foreclosure that owe back taxes – this amount could be covered by the taxes abated for the Harold's Square project. Bail out the people who live here, they could use an abatement. She wants a forum where people can just talk to the IDA about these issues. Luxury housing won't fix the problem. We need jobs. Perhaps you should create inclusionary zoning for the project.

Stephanie Hesslop – City of Ithaca – quoted mission of IDA. The primary mission is to create quality jobs – how does tax abatements for Harold's Square meet this mission? There are no jobs promised by this project. Harold's Holding is not a local company and will not create jobs, nor use local construction to build it. Trickle down does not work; Harold's Square will do nothing for the workers who need it most. You don't require a living wage or the use of local labor, but you could. Stop promoting welfare for the wealthy and gentrification. Stop calling yourselves progressive.

Peter Wissoker – He spoke of four reasons not to approve Harold's Square. 1) No livable wage jobs to be created by the project, nor are there any offered by the developers in terms of the maintenance jobs. 2) No affordable housing. 3) Private developers with public interest should only plan to undertake a project they can afford to pay for. 4) Projects like this hurt local landlords. The new "shoppers" downtown that this will bring to the Commons is the only economic development the project seems to be creating. He asked the board to reject the subsidy for Harold's Square. If not, please cap the PILOT at \$16M as shown by the application and current assessment.

Philly DeSarno – She is speaking for the merchants on the Commons. The City has put millions into the Commons and the empty store fronts that remain from the assembled properties for this project are a deterrent for the other merchants there. She has been asked why it is taking so long to complete the Commons. There is a need for housing, but this will help open up other housing in the City. We need this project to move forward. It will also not be an easy project to build – it is a tough sight.

Sarah Blucher – City of Ithaca - The application for Harold's Square has no job creation indicated. Third party property management will take care of the building. She would like to know more about the third party jobs that are mentioned.

Vicky Taylor-Brous – She is the public outreach person for several projects on the Commons. She has worked for the Downtown Ithaca Alliance and has worked with the merchants on the Commons. She owns her own business. She is also co-owner of The Ithaca Bakery/Collegetown Bakery/Rouloffs/and Agava Restaurant. She is not "rich" they have 450 employees; it is not easy to be small business owners. She fully supports the Harold's Square project IDA incentives. It is a difficult site and they are not doing pile driving there. Instead they are using a special type of crane during the building that is very expensive in order to avoid disruptions. This type of development needs to be encouraged to avoid sprawl. She believes the housing market will shift and adjust with more housing units becoming available. She sees this building project as being transformational for Downtown Ithaca. She mentioned support letters from merchants on the Commons – Benjamin Peters, 15 Steps, the DIA, and Green Street Pharmacy.

Mike Cannon – He likes the benefit of walking to work. This building encourages density and prevents sprawl. He is a banker and truly believes that the abatements are needed to get the building built. We can have the housing units here on the Commons or we can have those housing units up in Dryden spread over 20 acres. The abatements are not a give away, the developers will be paying taxes. The developer is “local” and not an offshore company. The stores will create local jobs.

Sarianda Lourdes – Rich and poor mean different things to different people. She spoke to communal living – there is a need to switch to communism and to how the Cayuga Indian nation lived when they ruled the land. To a way of communal health and well being. It will be difficult but we need to think about it. She spoke about money and rich and poor and gentrification downtown.

Irene Weiser – Town of Caroline – She commended the speakers from her side of the room who have talked about the struggles of living in this community. She would like to see the IDA align their caring with the actions and positions you take. Tax abatements are a privilege. They should be given when there is public benefit to be derived – we need to define what those benefits are. She would like to see real evidence that there is a demand for more retail on the commons. We need affordable housing downtown – trickle down housing will not work. A living wage is a must. Local jobs are important. Diversity of hiring should increase. The use of heat pumps – appreciates the update from the developer, thinks the application from the project should be revised to include – also the type of heat pump – totally electric vs. fossil fuel using.

Melissa Kemp – Works for a large national solar developer and has worked for Renovus. She spoke about the Solar PILOT Policy – she appreciates the work on this. A lot of progress on this has happened. The standard policy – she asked that they wait on that – the amount of the PILOT per MW should be lower than what is proposed. Why? NYSERDA has looked at this and is suggesting a lower amount so that projects can bear it. They recommend a range of \$3,000 - \$5,000 per MW. The wind PILOTs have averaged \$8,000/MW but wind produces two times more electricity per MW than solar. The amount should be adjusted lower to compensate. So she urged waiting on finalizing the policy to do a little more work on it.

Alszalyn Colgen – City of Ithaca – From the Bay Area in California. Has seen gentrification there. Gentrification is happening and this is bad. Diversity and helping people of color in Ithaca is necessary. Feels Ithaca is falling into the trap of pushing the poor out and the “funky” people out – the ones that make Ithaca interesting. People’s neighborhoods are being torn apart by this. We need to intervene the process.

Krystal Escobado – Paralegal – She read from the IDA application preamble. Tax abatements justified by community benefits. She spoke about the Harold’s Square application where all the job creation questions were answered “n/a.” This project does not seem like a benefit for the workforce in Tompkins County. There are other communities that have project sign community benefit agreements. You can get third party hiring firms to sign living wage commitments. She feels this is irresponsible to give incentives with out community benefits. She called for economic justice.

Ruth Yarrow – She has lived in Ithaca during three time periods, the 60's, 70-90s, and now. She has seen a change in who lives in the City. Tax incentives should be used to support low-income housing.

Katie Cox – She agrees with the last three speakers. The Harold's Square project needs to have more equity.

Svante Myrick – He would like a moment to respond to some of the comments. He agrees that this meeting is not the best forum to discuss a lot of the ideas mentioned. He would be happy to talk with anyone further – in his office or elsewhere. Yes, he would not be able to afford to live in Harold's Square. But without an increase in the housing units and increase in the workforce, people will be pushed out of the City. In the 1950s there were 30,000 housing units in the City of Ithaca. Today, there are 32,000 housing units in the City of Ithaca. The number of good jobs has greatly increased. Thus the demand has increased and the cost has increased. We need to increase the amount of units. The reason The Bay Area has gentrification, and the cost of living has skyrocketed is that area has resisted housing projects and an increase in units – so the cost of housing has greatly increased. Good examples are Seattle and Portland – they have laws that make sprawl illegal. So developers have to build in the Downtown area. Why do I support this project if I can't afford to live in it? Is it possible that the project is good for me even though I can't live there. Think of the other end of the spectrum – Stone Quarry affordable housing project – He heard from middle income people that they can't qualify for the housing subsidy so what does this project do for them? Currently nobody lives on the site where Harold's Square is building. This is purely adding to the housing stock. Who benefits? Someone will be able to live there. But if they couldn't live downtown they will move to the suburbs. From 2000-2012 we did not build in the City. Rents went from \$500/month to \$950/month. Economically integrated neighborhoods don't pull down the rich, they pull up the poor. Incentives to build market rate housing in the center of the City are good – otherwise it is too expensive and difficult to building in the City. The incentives are good for the long-term fiscal health of the City. It is a necessary part of a housing strategy. There is too much importance being attached to the incentives. Affordable housing costs much more upfront to build and usually those properties are tax-free forever. The City has a number of abatement programs for individuals: STAR program, abatements for Veterans, property improvement assessment freeze to name a few.

## **BUSINESS**

### Harold's Holding/Harold's Square – final approval

Ms. Tavares commented that she agrees with Mr. Myrick and is in favor of the Harold's Square project. She had to leave the meeting due to a prior commitment.

**Jim Dennis moved to approve the Inducement Resolution giving approval to the Harold's Holding/Harold's Square project. Rich John seconded the motion.**

Martha Robertson commented that she agrees with Mr. Myrick that this is only one of the tools we use to address the lack of housing. She spoke to the large subsidy that supported

the 210 Hancock affordable housing project. For Harold's Square it will cost about \$43M to build the project. The total abatements are about \$5M. The net new taxes to be paid is about \$3.7M. The bottom line is the net abatement is \$1.7M. This is 4% of the total project costs. This is not coming out of taxes anyone is already paying.

She asked all to show up in Trumansburg on July 20<sup>th</sup> 7:00 PM to support an affordable housing project there that is before the planning board.

She referenced the 2015 State Comptrollers IDA Report – the TCIDA has created 3210 jobs for 56 active projects. The cost of incentives per job is \$931/job compared to Statewide \$2,326/job.

She has spent most of her legislative career focusing on affordable housing. The key to “winning” is to do your research and have your facts correct. For example, the IDA has nothing to do with zoning, so advocates should take the suggestion of inclusionary zoning to the City and Common Council.

Rich John thanked all for coming in and speaking. He supports this project. Why? We need to fight on a number of levels. So if we don't approve a project and it doesn't get built what happens? No new taxes will be created, just the existing taxes will be paid and the housing situation remains as it is. The businesses on the Commons need that boost to be vibrant. If you don't build it there will not be people coming to the Commons. There are parts of the Commons where there is no activity – that needs to change. These new buildings will help with reducing energy needs.

Will Burbank – Will supports the project. I feel that the project would not be built without the abatements. He acknowledged that there is an economic divide between wealthy and poor. The Commons used to be a place where you could buy basic things. This project is named after a store on the Commons – Harold's. This project will help in a way.

Grace Chiang – Supports the project as well. She understands the costs of building a project like this. She is in favor of reducing sprawl. She spoke to the costs due to the project site.

Jim Dennis spoke to the history of the Downtown Commons in the 1970s - growth and changes.

Ms. McDaniel commented that most have spoken to the misunderstandings about the projects. This project doesn't deliver all the possible benefits, but it does address some. Downtown projects are more about density and housing.

She presented an amendment to the Inducement Resolution to address the developer's desire to request the Enhanced Energy Incentive. The project will pledge to do it and be certified through a third party certification program. If they do not meet the requirements the increased incentives are clawed back. She asked that the Resolution be amended to include the Enhanced Energy Incentive and approve the modified PILOT for the incentive. It is still a 10-year PILOT. The project has met all the requirements for financial need to get the 10-year abatement. Over 10 years it is \$1.2M more in abatements. Energy usage will be reported annually under this program.

Ms. Robertson – is glad to see this.

**Svante Myrick moved to add the Enhanced Energy Incentive PILOT structure and certification requirement to the Inducement Resolution on the floor. Rich John seconded the motion. A roll call vote was taken on the resolution with the amendments. The motion was approved 6-0.**

**Jim Dennis moved the changes be reflected in the Agency Project Agreement. Rich John seconded the motion. The motion was approved 6-0.**

#### Mecklenburg Solar – Supplemental Resolution

Ms. McDaniel explained that the SEQR was done by the Town of Enfield – this was an uncoordinated review. The supplemental resolution will ratify the negative declaration of environmental significance for the project by the Town of Enfield.

**Rich John moved to approve the supplemental resolution for the Mecklenburg Solar project and ratify the Town of Enfield’s SEQR negative declaration as to environmental impacts. Martha Robertson seconded the motion. The motion was approved 6-0.**

#### Enfield I Solar – Supplemental Resolution

**Jim Dennis moved to approve the supplemental resolution for the Enfield I Solar project and ratify the Town of Enfield’s SEQR negative declaration as to environmental impacts. Will Burbank seconded the motion. The motion was approved 6-0.**

#### 2016 TCIDA Annual Audit Acceptance and Certification of PARIS Documents

Ms. McDaniel highlighted a few things from the 2016 Audit.

Page 4a – net position for both agencies was 600,012 for 2016

Page 4b – impacts on agency’s future. The fund balance fluctuates due to nature of projects. She also noted that the fund balance may not continue at its current pace without downtown projects.

Page 12 – list of all active bond projects –closed on new money for WGA and Kendal.

Page 14 and 14a – list of active projects. Of the 37 active projects, roughly 1/3 are downtown. New property taxes paid in 2016 were \$4.4 million and roughly 1/3 of that was from downtown projects. The City’s tax rate has dropped 38% since 2009, largely as a result of adding new tax base.

**Rich John moved to accept the 2016 TCIDA Audit and Certify the PARIS Documents. Grace Chiang seconded the motion. The motion was approved 6-0.**

IDA Solar Policy - Discussion

Mr. Dennis asked that this item be moved to a future agenda so that more discussion can be had on the issue.

Staff Report

None.

Approval of Meeting Minutes

**Will Burbank moved to approve the minutes from the April 13, 2017 and May 11, 2017 Board Meetings. Rich John seconded the motion. The motion was approved 6-0 with the following clarification to the April 13<sup>th</sup> minutes: Ms. Robertson was assisting on a volunteer basis with the Dryden Solar projects.**

The meeting was adjourned at 6:15 PM.

**The minutes were approved at the September 14, 2017 meeting.**