

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Approved Minutes  
August 13, 2015  
Tompkins County Legislative Offices  
121 E. Court Street, Ithaca, NY**

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

**Excused:** Will Burbank, Svante Myrick

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

**Guests Present:** Jay Franklin (County Assessment), Joe Mareane (County Administration), Nels Bohn (IURA), Eric Goetzmann (Arrowhead), Phil Proujansky (209-215 Dryden Associates), Paul Mazzarella, Joe Bowes (INHS)

**CALL TO ORDER** The meeting was called to order at 4:05 PM

**PRIVILEGE OF THE FLOOR**

Todd Brewer – Town of Dryden. Mr. Brewer spoke about out of town and out of state contractors coming to work on IDA projects. To him, it does not make sense to approve projects that do this. People spend their money where they live.

Anna Kelles – Ms. Kelles supports local labor (union and non-union). The use of tax abatements is a “power” chip. This should be used to support use of local labor. Ms. Kelles commented on a NYT article that discussed how money is needed to keep the local economy going.

Jake Benninger – Mr. Benninger is the training director at the IBEW local union. He spoke in favor of using local labor on IDA projects and talked about considering total costs. Other counties in NYS have local labor policies that block Tompkins County workers from working on their projects. There are environmental factors to consider. Non-local laborers drive longer distances to get to Tompkins County. Also, use of union labor with apprenticeship programs promotes skilled labor on projects.

Mr. Gray – Mr. Gray spoke about the number and quality of jobs – these should be the primary consideration of the IDA Board.

Randy Murphy – Mr. Murphy is a local merchant and he feels that the discussion should be about more than just the use of union or non-union local labor. Local contractors buy locally and this supports the local economy.

Sherrie Cortez – Ms. Cortez supports local labor. She is speaking against any tax abatement. She also wants a living wage.

Stacey Black – “I am the Business Development Coordinator for the International Brotherhood of Electrical Workers Local Union 241, based here in Ithaca. I have spoken here in previous IDA meetings about the importance of including local labor in the construction and maintenance of building projects in the City of Ithaca and Tompkins County. Workers who reside in our County pay taxes, send their children to our school districts, go to restaurants here, buy their groceries here, and countless other acts that financially support our community.

The current trend on construction buildings, especially in downtown Ithaca, has seen a move toward offering tax abatements to developers that build in our community. Unfortunately, the contractors building these projects have opted to hire labor from outside our area, drawing much needed revenue from our local economy and shifting it to communities far away. Our local labor, as well as our local store owners are being denied the opportunity to support our local economy as a result.

I would encourage our IDA members to consider and enact a policy that if a developer is receiving assistance in the form of a tax abatement or bonding that the developer is encouraged to use local labor on their project. This encouragement could come in the form of an enhanced abatement if the developer pledges to use local labor. This enhancement would help the developer in making their project a reality, reward local workers with jobs, and put much needed money back into our local economy.

Creating barriers to development is the last thing on my mind, the construction industry relies on development and growth as an integral part of our livelihood. I ask that you consider including your constituents in your considerations on further growth of our community.”

Lindsey Mills – CEO of John Mills Electric. Mr. Mills feels this is a business issue. Other big cities have local labor policies and they have shut out Tompkins County. However, Tompkins County does not have a policy and other counties’ workers are flocking to our projects. He urged the board to keep jobs and money local.

Dave Marsh – Mr. Marsh commented that it is time to have a local labor policy.

David Richie - Mr. Richie is an Ithaca resident and speaks for the labor religion coalition of Ithaca. He agrees with the need for a local labor policy, a living wage policy and he emphasized that these two items need to be requirements for future projects.

Alex Hyland – Mr. Hyland is a member of the IBEW Local and has been unemployed for a while. He spoke of the high cost of living in Tompkins County and his fear of

losing his house. He feels that tax abatements are “paid” by County residents and he supports a local labor policy.

Marcus Williamee – Mr. Williamee spoke of 60 unemployed pipe fitters in Tompkins County. Mr. Williamee spoke of local contract managers who shop out the labor to the lowest bidder.

Mike Talarski – “I am Michael Talarski; I live at 139 Simsbury Drive in Ithaca. I am the Business manager of Local 241 of the International Brotherhood of Electrical Workers. I have lived in Tompkins County for 58 years. As Business Manager of IBEW Local 241, I am the representative for 230 local union electricians and apprentices. Currently 36 of these members are unemployed. We also have over fifty (50) retirees. I thought you may be getting tired of listening to me so I brought along a few friends who pay taxes here and vote. Let me be clear, I have never spoken against development! If I ever do, I should resign from my elected position. We are all about building, that is what we do. Some have said local labor costs 30% more, show me in writing. I disagree with that statement. What I can agree to is that it costs an average of \$1,146 per month for a two bedroom apartment in Ithaca, compared to \$742 in Binghamton and \$792 in Syracuse. Mayor Svante Myrick said that you must make a wage of \$22/hr for a two bedroom apartment in Ithaca. Some have said there is a shortage of local labor. I disagree. I think what they mean is there may be a shortage of unskilled labor that will work for nothing. Would the merchants on the Ithaca Commons prefer to have local people with money to spend? Would Joe Mareane from the County and Steve Thayer from the City prefer to broaden their sales tax base? In the Tompkins County Industrial Development Agency Mission, Policies and Procedures: the mission states: “The primary mission of the TCIDA is to offer economic incentives to Tompkins County businesses in order to create and retain quality employment opportunities and strengthen the local tax base.” What better way than to require local labor on all IDA construction projects and have their monies spent here. The TCIDA Polices state: “In general, the IDA avoids offering incentives to businesses that will compete with or displace existing Tompkins County business.” What better way than to hire local labor on all IDA projects. “It prefers to assist those businesses that have a market for products or services extending beyond Tompkins County including back offices operations and regional or national headquarters. The IDA will also assist companies selling their product or service in the County when it is clear their primary competition is from outside the County.” What better way than to require local labor to be used on all IDA projects. “IDA incentives will assist the applicant to deliver services important to the health, well-being or quality of life of local residents.” SO as I said I never have spoken out against any IDA projects or development. I have and always will speak in favor of using local labor from the ground up! Thank you for your time and I am looking forward to working with you tomorrow.

Nellie Ullie – City of Ithaca. Ms. Ullie spoke about use of local labor and compared not using local labor to offshoring.

Dave Marsh – Mr. Marsh spoke again and talked about seasonal and cyclical construction issues.

Brian Eden – Mr. Eden referenced the memo from Mariette Geldenhuys that spoke to the IDA's ethics policy and any perceived conflict of interest on the part of the IDA's Administrative Director who is also the President of TCAD. Even though there is no wrongdoing, the perceived issue should be dealt with.

Brian Miller – Tompkins County resident. Mr. Miller is a member of the IBEW. He talked about what the salary for Tompkins County Legislators is and compared the salaries to those of legislators in surrounding counties – TC Legislator's have a salary that is 34% higher than other counties' legislators.

Mr. Dennis commented that the IDA sub committee assigned to review the local labor policy has met three times and will be meeting tomorrow with union representatives. The City of Ithaca has set up a committee to review its CIITAP policy. That committee is looking at four issues: use of local labor, wages for employees, environmental issues, and opportunities for all income levels. These issues are also important to the IDA Board. Both the City of Ithaca and the IDA are working in concert and aiming for new policies by November of 2015.

Chuck Smith – Mr. Smith asked for the names of general contractors that the IDA sub committee has spoken with. Ms. McDaniel stated that those contractors have asked that their names not be made public.

Anthony Brown – IBEW member. Mr. Brown spoke stating he has not worked for a while in Tompkins County and fears losing his home.

Ms. Robertson stated that since she received campaign contributions from unions during her US Congress election run, she will be recuing herself from any discussions on the local labor policy.

Mr. Shinagawa thanked all who came out to speak.

## **BUSINESS**

### Cayuga Green Conveyance of Ownership to 131 East Green Street, LLC

Ms. McDaniel reviewed the request for a conveyance of ownership from Cayuga Green Parcel E to 131 East Green Street, LLC. This is due to a refinancing of the property. The ownership will remain the same; it is just a new legal entity. There is no new money being financed. Ms. McDaniel reported that the apartments have some vacancies currently but those should be filled soon. The commercial space is doing well.

Ms. Geldenhuys commented that this is being required by the bank when there are multiple properties owned by the same entity to ensure there is no confusion on the refinancing.

**Jim Dennis moved to approve the resolution authorizing the conveyance of ownership from Cayuga Green Parcel E to 131 East Greet Street, LLC. Nathan Shinagawa seconded the motion. The motion passed 5 – 0.**

#### Arrowhead Ventures Transfer of Ownership Request

Ms. McDaniel reminded all of the PILOT increment Financing (PIF) that is associated with the Arrowhead Ventures project. The BJs parcel of this project is being sold and the legal documents needs to be transferred to that new entity. This tax parcel, which pays 100% of its property taxes, will still pay into the PIF that will help with the debt load associated with the senior housing part of the project. Arrowhead Ventures will still own the land for the housing and will still build/develop the senior housing. The resolution before the board reaffirms the Board's earlier decision to waive the 1-year requirement of Arrowhead to start the housing project (delayed due to wetlands issues) and will establish a new deadline to begin the housing part of the project 1 year from date of this resolution being approved.

**Jim Dennis moved to approve the resolution authorizing the transfer of ownership from Arrowhead Ventures to Ithaca Wholesale DTS, Inc. Nathan Shinagawa seconded the motion.**

Ms. Robertson stated that she needs to recuse herself from discussion as Eric Goetzmann of Arrowhead Ventures contributed to her US Congress election campaign.

**A vote was taken. The resolution passed 4 for and 1 abstaining.**

#### Ithaca Neighborhood Housing Services, Inc. (210 Hancock Street) Application

Ms. McDaniel gave an overview of the project. Ithaca Neighborhood Housing Services is coming to the IDA with this project in order to help with the cash flow. This will be an in-fill construction project at 210 Hancock Street that will transform an entire city block from two under utilized buildings and a parking lot into mixed use, mixed income housing and community service space. There will be 12 three-bedroom townhouses, and 54 one and two bedroom apartments. INHS is asking for a 30 year PILOT that would reduce the property taxes and allow them to keep the rents affordable.

This request does deviate from the IDA's UTEP (Uniform Tax Exemption Policy) thus there will be a need to notify the other taxing jurisdictions.

Ms. McDaniel asked that the board accept the application as complete and move the project to a public hearing.

**Martha Robertson moved to accept the INHS 210 Hancock Application as complete and to move the project to a public hearing. Nathan Shinagawa seconded the motion.**

Ms. Robertson asked about the diversity in hiring question on the application that was checked no. Mr. Mazzarella commented that this question was filled in thinking of a future company that would run and maintain the buildings – he cannot speak for them; however, INHS does have a diversity in hiring policy.

Ms. Robertson asked about the use of local labor and supporting a living wage for future jobs. Mr. Mazzarella commented that INHS cannot guarantee or demand this from whomever they hire to build the project. Hayner Hoyt is their general contractor, and Hayner Hoyt will actually hire the labor etc.

Ms. Robertson stated that she would like more of a commitment when it comes to the use of local labor to construct the project. Mr. Dennis agreed with this.

Mr. Mazzarella stated that INHS is careful about the commitment that may not be fully understood.

Ms. Chiang asked that some sort of effort towards using local labor would be good. Mr. Mazzarella stated that when they come back to the board he will address this.

**A vote was taken on the motion. The motion passed 5-0.**

#### 209 – 215 Dryden Associates, LLC Application

Ms. McDaniel gave an overview of the application/project. This is a 73,000 sf building that will be built in the collegetown area of the City. It will house Cornell University's Johnson School Executive MBA program. The applicant is asking for a 50 year fixed PILOT. This request does deviate from the IDA's UTEP. The building will house 150 employees and have 450 classroom seats. The request for the PILOT will ensure the property is on the tax rolls if Cornell assumes ownership of the property.

Mr. Shinagawa commented that he is in favor of this project as it will keep the building on the tax rolls and it will get more people into collegetown and help support local businesses in the area.

Ms. Chiang asked about the lease with Cornell. Mr. Proujansky commented that this is a reverse PILOT in that it keeps the building on the tax rolls for longer than Cornell may have wanted.

Mr. Proujansky also commented that he is working with his general contractor to see if they can hire local labor to build the building.

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

**Martha Robertson moved to accept the 209-215 Dryden Associates, LLC application as complete and to move the project to a public hearing. Nathan Shinagawa seconded the motion. The motion passed 5-0.**

Affirmation of Administrative Director of TCIDA

**Jim Dennis moved to affirm Michael Stamm as the administrative director of the Tompkins County Industrial Development Agency. Martha Robertson seconded the motion. The motion passed 5-0.**

A formal resolution will be drafted.

**STAFF REPORT**

Ms. McDaniel gave an update on the public relations efforts surrounding the TCIDA OSC Audit.

Ms. McDaniel also commented on the NYS Legislation regarding IDAs that was recently passed and is now waiting for the Governor's signature. This legislation will require IDA's to have a standard application, a recapture policy and additional requirements in the project agreement. The TCIDA already is mostly in compliance with this new legislation and staff will bring recommended changes to existing documents to meet all the compliance requirements.

**MINUTES**

**Martha Robertson moved to approve the minutes from the July 9, 2015 TCIDA Board meeting. Nathan Shinagawa seconded the motion. The motion was approved 5-0.**

The meeting was adjourned at 6:05 pm

**Minutes were approved at the September 10, 2015 Board meeting.**