

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
October 13, 2016
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

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

Staff Present: Heather McDaniel, Ina Arthur (recording)

Guests Present: Shawn Wilczynski (Cargill Inc.), Mike Sigler (TC Legislature), Philly DeSarno, Nels Bohn (City of Ithaca), Rick Snyder (TC Finance), John Dennis, Deborah Dawson, Krys Cail

CALL TO ORDER

Jim Dennis called the meeting of the **Tompkins County Industrial Development Agency** to order at 4:10 pm

PRIVILEGE OF THE FLOOR

John Dennis (Village of Lansing resident) spoke regarding the Cargill Inc. project. Mr. Dennis distributed a geological textbook on vaporites and a study he commissioned from John K Warren.

Mr. Dennis stated he has great respect for the Cayuga Mine operation – they have a great safety record. He also commented on the DEC environmental documents that are available. Mr. Dennis spoke about other salt mine projects that have failed – example of Genesee River – this lead to salinization of the acquifers in the area. He is concerned that a similar accident could happen at the Cayuga mine – as they are “reaming from the bottom up.” Why is the mine not drilling south under the lake? He feels that Cargill should release its high resolution core photographs to see if there are any problems.

Deborah Dawson – Ms. Dawson also spoke at the public hearing. She called attention to the Ithaca Times article regarding the project that said that Cargill is a “rich” corporation and the Cayuga Mine is a “poorer” subsidiary. What is significant about the \$640,000 abatement? It is less than 2% of the total cost of the project. She thinks that the tax on this project can be deducted by the corporation.

AGENDA AMENDMENT

None.

BUSINESS

Arrowhead/BJ's PIF Assignment to New Owners - Correction

HM - just amendment to resolution passed last year re transfer of ownership – to correct name of new owner.

MR moved – JT second – approved 7-0

Cargill Final Approval

Jim Dennis moved to approve the inducement resolution allowing the sales tax abatements for the Cargill Inc. project. Jennifer Tavares seconded the motion.

Ms. McDaniel reviewed the project and the need for a new shaft. If there is no new shaft the mine will close in 9-10 years due to a lack of fresh air. This is not a threat, it is just a fact. The actual project has been in the public realm since 2012. Cayuga mine has been in Lansing for 100 years and employs 200 people. Entry-level jobs start at \$18/hour – Doing the math in terms of cost per job – this project would cost \$3,200 per job saved. The usual cost to attract new jobs can cost up to \$15,000 per job.

Can the mine afford to do this on its own? The mine needs to make its case to the parent company.

Would a new shaft increase productivity and thus increase “profits”? Salt sales are based on demand, and that is not going to increase much.

Cargill has never asked for an incentive prior to this project. If this is denied, what message would we be sending to the parent company and NYS?

Ms. McDaniel reviewed the process so far: At the last TCIDA Board meeting the board accepted the application as complete. A public hearing was held. SEQR was done and a negative declaration of environmental impact was issued by the State DEC. Today, the project is back before the board for a final vote.

Mr. Burbank asked how it was determined that the mine “needed” this incentive? Ms. McDaniel stated that she has been working with the company for the past four years to put this project together.

Ms. Robertson commented that she is interested in the question as to why the mine is not moving south under the lake in its operations.

Mr. Wilczynski stated that safety and stability are key issues in this question. The mine has tried for the past 10 years to move south into the Southern reserves. From 1920 to 1970 the mine was under the Town of Lansing and a geological feature prevented moving further south. Also it was not economical as only they could only mine 4-5 feet. As they explored south under the lake a similar geological feature was encountered – thus barring their move south.

They review mine stability every year and hire 4 outside experts to do this.

To answer the question as to why drill the mine shaft from the bottom up – this has to do with safety. For every 5,000 feet a mine shaft is drilled from the top down, there is 1 fatality - this is a world wide statistic. It is safer to drill from the bottom up as there are no humans involved. The company has had websites up and has been working with the Town of Lansing and the neighbors for the past four years regarding this project. The core hole has been drilled that will guide the mineshaft – geology and aquifer concerns have been addressed.

Mr. Burbank asked if the project could be postponed for a month. Mr. Wilczynski stated that the project is already 1 year behind schedule. They are already starting to see the effects of the lack of this new shaft.

Will Burbank moved to table the motion and delay the project for one month before the board. Rich John seconded the motion.

Mr. Burbank stated that he has heard a lot of concerns regarding this project and he would like to have an advisory committee (EMC) that works with the legislature comment on them.

Mr. Jim Dennis stated that if this advisory committee wants to ask the State DEC to re do its SEQR process, the request must come from the Tompkins County Legislature. He has talked with the County's attorney who supports not going in this direction. Plus the County has no interest – this request to the DEC would have to come from the Town of Lansing. There is no need to delay the project any further and he would like to send a positive note regarding this project to the parent company and the State of NY.

Mr. Wilczynski stated that all due diligence has been done. The company uses outside experts to review while Mr. Warren is more of an expert in petroleum drilling.

Ms. Robertson asked about pending permits – all are in order she was assured. Town does not need to do SQER as the DEC has done this already. She noted that this would not impact the school district at all as it is a sales tax abatement only.

Mr. John stated that he is comfortable with the amount of information the board has received. Perhaps at a future time the board could review its process for these types of projects that have more public concern/input.

A vote was taken on the motion to table the original approval motion. The motion failed 1-6, with Mr. Burbank voting in favor.

Ms. Robertson – question on noise studies – noise studies have been done – trees have been planted as noise buffers – have met with neighbors all along.

Ms. Robertson still has a question as to the actual need of the abatement.

Mr. Wilczynski indicated that Cargill's return on investments was 1.5% last year. Each location is treated as stand alone. The last few winters were mild which lead to low work, and lay offs. This impacts their ask for \$45M for a new shaft. With this project and the

abatement over 3 years there will be many people working in the County, staying at hotels, buying food and gas, etc.

Will Burbank stated he will be voting against this – though he was impressed by the presentation. Also thankful for jobs – but not convinced that project won't happen without the abatement.

Syvante Myrick stated he will be voting for the project. He compared the abatement application process to a game of chicken. He trusts staff and the company.

A vote was taken. The resolution passed 6-1, with Will Burbank voting against.

CIITAP Diversity Recommendation from City of Ithaca

Nels Bohn from City of Ithaca reviewed the recommendation from the City of Ithaca to add a diversity and inclusion policy to the CIITAP policy. This would not include a claw back provision but a report back provision and a requirement that applicants participate in the diversity consortium. The City worked with its workforce diversity advisory board on this recommendation.

Jim Dennis stated the IDA will take this under advisement and begin thinking about what the IDA will do with recommendation.

Rich John had questions about page 2 of the policy and statistics quoted there. – Have these been done yet and who is providing them? Mr. Bohn stated that the goal is to have workforce match diversity of the community and the labor force estimates come from Cornell University and US census.

Jennifer Tavares commended the efforts of the City's committee and said she understands the goals of the policy. What are the expectations of joining consortium – how will this be tracked? And what will the proof be?

Nels Bohn said the reporting is self-reporting by the applicant.

Jennifer Tavares asked what about different hiring standards depending on the type of industry the applicant is in and the standards vs. just strict population demographics. How will the company gather information on ethnicity and gender?

Martha Robertson said that perhaps the IDA Board could review the recommendations further at another time – it also would be good to get feed back from existing CIITAP projects.

Jim Dennis said that the IDA Board will review and get back to the City on this.

3Q 2016 Fiscal Report

Heather McDaniel stated that the report is presented mainly for information purposes. There were no questions or comments on the report.

2017 Preliminary Budget Approval

Martha Robertson moved to approve the preliminary 2017 TCIDA budget. Syvante Myrick seconded the motion. The motion was approved 7-0

STAFF REPORT

None.

MINUTES

Martha Robertson moved to approve the draft September 8, 2016 minutes and Rich John seconded the motion. The minutes were approved 7-0

The meeting was adjourned at 5:19 pm.

Minutes were approved a December 8, 2016 Board meeting.