

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
December 14, 2017
4:00 PM
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

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

Staff Present: Heather McDaniel, Ina Arthur, Mariette Geldenhuys

Guests: Steve Flash (323T, LLC), Shalom Braunstein (LNH Operating Company/Cayuga Ridge, LLC) Richard Schneider (LeChase Construction for Cayuga Ridge LLC), Bharath Srinivasan (SUN8PDC, LLC), Dan Green (DRS)

CALL TO ORDER

Jim Dennis called the meeting of the **Tompkins County Industrial Development Agency** to order at 4:15 pm.

PRIVILEGE OF THE FLOOR

Theresa Alt – 206 Eddy Street, Ithaca NY – She came to speak about the Cayuga Ridge project. It is a worthy enterprise but she is concerned that there are no living wage jobs promised in the application. Since this is run by a private company, these kinds of jobs would mean less profits. Perhaps government should take over caring for the elderly.

She could not find the public hearing notice for the Cayuga Ridge project.

Brendan McQuaid – Ithaca NY. He moved here and has a good job at SUNY Cortland but cannot afford to live here. He is speaking out against the tax abatements for the housing project – City Centre. This project is building market rate apartments and promising returns to investors. It is sucking wealth out of this County. We need more affordable housing and more low-income housing. He feels it is unacceptable and disgusting to be giving these projects tax abatements. Hopes the board will reconsider these handouts.

Stephanie Heslop – Income and wealth inequality are really high here. We can have policies to address that or we can have policies to give tax breaks to wealthy people. Reasons for moving forward with these projects are not good enough. A living wage is the bare minimum to get by without government assistance. Throwing people under the bus is not okay. You should have respect for people who work here.

Amanda Kirchgessner – Her complaints include: she couldn't find the public hearing notice for the Cayuga Ridge Project; the owner of the nursing home gets their income from

Medicaid. The 323T project is a water front development that she feels will become flooded. She did not understand the refinance request projects.

Sherri Kortius – she agrees with the prior speakers. There is also a need to look at climate change; don't mess with the lake. She also spoke to the bonds that Longview had access. She wants to rethink the CIITAP policy.

BUSINESS

Cayuga Green, LLC Refinance 2017

Mariette Geldenhuys explained the request from the project. The IDA is involved due to a lease/leaseback and PILOT agreement in place – involving three properties. Cayuga Green has two mortgages that they are refinancing. This is a complex debt structure. The IDA is being asked to agree to sign off on the refinancing; there is no financial obligation to the IDA. A new LLC is being created (Cayuga Green Apartments, LLC) due to banks requirement to accommodate the new financing.

The IURA which is party to one of the properties has signed and agreed to this as well.

Martha Robertson – just clarifying that there is no financial obligations to the IDA and that the “new money” is from private loans for the refinance, there is no cost nor risk to the IDA or tax payers.

Jim Dennis moved to approve the Cayuga Green, LLC Refinance Request. Martha Robertson seconded the motion. The motion passed 6-0.

Seneca Place on the Commons Refinance Request

Mariette Geldenhuys stated that this refinance request is borrowing money to make improvements to the building so there will be a mortgage recording tax partial abatement. Again the IDA is involved due to the lease/leaseback and PILOT agreement.

Svante Myrick moved to approve the Seneca Place on the Commons Refinance Request. Rich John seconded the motion. The motion passed 6-0.

Longview Ithacare Refinance Request

Heather McDaniel explained that Ithacare/Longview has refinanced their bond and the TCDC is a conduit to the bond financing. They are also taking out another mortgage and since there is a PILOT agreement on that property they need the IDA's approval due to the lease/leaseback structure.

Jennifer Tavares moved to approve the Longview/Ithacare Refinance Request. Martha Robertson seconded the motion.

Martha Robertson stated that there is no county money, no public risk, the IDA is just the vehicle.

Rich John commented that this is an example of public and private sectors working together for the benefit of the public. This is a good project – quality residences for our senior citizens in the community.

A vote was taken and the motion passed 6-0.

Cayuga Ridge – Sales Tax Abatement Final Approval

The applicants were invited to the table. What we are asking for is sales tax abatement only. This is a \$21M renovation to the facility but the property assessment is not expected to increase by much, so property tax abatement was not requested.

Heather McDaniel reiterated that the public hearing was held and notice was published in the Ithaca Journal and that it was posted on the TCIDA website. This is a type II SEQR action. Additional information was requested and provided to IDA Board via email consisting of a list of other facilities owned and operated by the applicant as well as the CNA program that is operated onsite.

Seventy eight percent of the existing staff are paid at or above the AFCU calculated living wage. It is also of note that new management asked to open nursing union pay rates negotiations early as they were the lowest payer in the County. The new owner offered an even higher rate of pay than they were asking for.

Shalom Braunstein was asked by the NYS Department of Health to take over running of the facility. In 2014 the facility lost about \$1M and in 2015 it “broke even.” The facility has not “made any money.” It has one of the highest percentages of Medicaid clients in the County. After the renovations they are aiming to make it the premier nursing facility in the County.

Rich John asked about the rating the facility has – is the plan to raise the rating – yes. The rating is an aggregate of three years – the current rating is reflective of past owners. The DOH comes annual to inspect the facility. The DOH has seen major improvement and they are hoping the physical improvements this will increase.

Will Burbank commented on why the local government does not run a nursing home – it is very cost prohibitive.

Jennifer Tavares commented that she is appreciative that these investments are being made. It is an important project to support.

Martha Robertson asked why the number of beds were being reduced? The state department of health determines the number of beds based on projected need in Tompkins and surrounding counties.

Rich John asked about nurse training programs. They are working with other partners to develop an LPN program which is much in demand in Tompkins County.

Jim Dennis moved to approve the Cayuga Ridge, LLC Sales Tax Abatement project. Svante Myrick seconded the motion. The motion passed 6-0.

Delaware River Solar IV and V – Application

Heather McDaniel introduced the two projects. They are both 2MW solar facilities in the Town of Newfield and are contiguous. Existing taxes were compared with new taxes. They are both requesting \$4,800/MW PILOT for 20 years with a 2% annual increase. This is consistent with the IDA's solar policy. She discussed how the financial structures and implications of these two projects vary from the other DRS projects in Newfield. The Town of Newfield sent in a support letter. We are looking for accepting the application and moving it on to a public hearing. The Town of Newfield has no site plan review so there is nothing to trigger SEQR review. Therefore the TCIDA will need to act as the lead agency for the SEQR review. We have engaged attorneys from Barkley Damon to develop the resolutions and oversee the SEQR review.

Jim Dennis moved to approve both applications and to move them to public hearing. Martha Robertson seconded the motion. The motion was approved 6-0.

Martha Robertson asked about the benefit memo – clarification on page 10. And also that the project will “move forward in 2018.”

Fire and ambulance taxes will be paid at the full rate.

Martha Robertson commented that the letter from the Town of Newfield cites \$8,000/MW – do you think this will be a problem? Ms. McDaniel clarified that the solar policy requires support for the IDA negotiating a PILOT, not a specific amount. Ms. McDaniel will contact Jeff Hart, Town Supervisor and notify him of the change in amount.

Martha Robertson made a motion of intent to declare the TCIDA as lead agency for SEQR Review. Jim Dennis seconded the motion. The motion was approved 6-0.

There was a brief discussion as to membership of the TCIDA in January – will the current members stay in place until the TC Legislature names the 2018 board? Not the retiring legislators.

323T, LLC – Application

Heather McDaniel introduced the project. This is a CIITAP application and is endorsed by the City of Ithaca. It is a 16-unit multi story housing project in the inlet – an area targeted for revitalization. They are requesting the 10-year PILOT due to financial need and they will also be accessing the proposed enhanced energy incentive abatement. We are looking for the IDA to accept the application as complete and to move it to a public hearing.

Steve Flash commented they are trying to take a property that is an eyesore and to redevelop it to be a model for future development in the area especially near Taughannock Blvd. The idea is to create a three-story building with studios and 2 bedrooms. The site is

challenging due to the soil and the foundation needed. They are trying to do this as sensitively as possible and as a net zero energy building.

Utility costs will be passed on to the tenants – it has been found that when people are required to pay for something they take better care of how they use it. Rooftop solar was looked at but is not cost effective.

Will Burbank asked about the type of foundation work to be done.

Martha Robertson commented that she likes the project but she hates the rents.

Ms. McDaniel stated that the financial need memo will be presented at the next IDA meeting. Without the abatements, the ROI is very thin.

Mr. Flash stated that to make this project work they will need to set market rate rents. Due to the size of the parcel there is no economy of scale available.

Jim Dennis moved to accept the application and to move 323T, LLC to a public hearing. Rich John seconded the motion. The motion was approved 6-0.

Jennifer Tavares commented that this is a great project, as the County needs the housing. She also commented that the TCIDA's purpose is not to provide affordable housing. There are a lot of tools to address the need for low-income housing, but the IDA is not one of those tools. We know there is a lack of low-income housing. But not every project will meet the needs of all the housing issues in the County. There are a lot of people and committees and groups looking at this and working on this.

Rich John and Jim Dennis echoed these thoughts. The IDA is generally not the best tool to support affordable housing, but it has assisted these projects where it can. The IDA provided assistance to INHS with the 210 Hancock project. The IDA is one of the last places that developers come to do affordable housing. The IDA can increase the tax base in a county where 50% of the property is off the tax rolls. It is trying to keep the County a vibrant place to live and work.

Martha Robertson asked that in the future both abatement scenarios be shown (7 year/10 year/Enhanced Energy)

Distributed Sun PILOT – Discussion

Heather McDaniel introduced the requested modifications the application from the two Distributed Sun Solar projects in Dryden. The original application requested \$8,000/MW for 30 years with a 1% annual increase. They were moved to a public hearing. The Board asked for a review of the financial need. Town approvals were being worked on and this has taken longer to review. The County assessor was brought in. The projects have met the local approvals. Special district taxes will be paid – this increased their costs. There was a federal trade case on the solar panels – this will increase the cost of the panels significantly. Also the net metering change to the VDER model has reduced the income stream projections. They are requesting the PILOT amount of \$6,000/MW 30 years with a 2%

annual increase. She feels this is a reasonable request. This letter is presented for discussion to see where the IDA would like to go. Any approvals for the project would happen in January 2018.

Jim Dennis commented that we are looking to encourage renewable energy.

Martha Robertson commented on the total payments. She is surprised that the projects were not grandfathered into the Net metering scenarios. It was mostly due to the time lag with the approvals in the Town of Dryden. Deadlines were missed.

Jennifer Tavares asked that the attorney review the changes and see if it needs to go to another public hearing. Heather McDaniel will check with Harris Beach as Mariette Geldenhuys has a conflict with this project.

Rich John asked if the Town of Dryden is aware of an okay with the change? Ms. McDaniel commented that it was never the intent of the solar policy that the towns be involved with the dollar amount negotiated for the PILOTs. She will notify the Town of Dryden of the changes.

The request is now also asking for a sales tax and mortgage recording tax abatement. This will be reviewed by the attorneys to see if a new public hearing needs to be held.

Rich John commented that he would support these changes to the application. Jim Dennis also supports them.

The parameters of the 2150 Dryden Rd. project have changed, so she will request that the applicant update that application. The Ellis Tract project hasn't changed significantly enough to require modifications to the application.

Martha Robertson moved to send the projects back to a public hearing if it is determined that there is a need to do so. Jennifer Tavares seconded the motion. The motion was approved 6-0.

2018 TCIDA Final Budget – Approval

Jim Dennis moved to approve the 2018 TCIDA Final Budget. Rich John seconded the motion.

Jennifer Tavares asked about the starting balance.

This is different as more projects closed in 2017 than were anticipated, so the administrative fees have increased. Also the newly negotiated audit fee has increased by \$500 and the BENP support request has increased by \$10,000. BENP = Business Energy Navigator Position.

A vote was taken. The motion passed 6-0.

STAFF REPORT

The 2017 Annual Audit process will begin soon. The Audit Committee will be meeting in early January to officially start the process.

The INHS project had its ribbon cutting.

Thank you to Will Burbank, Svante Myrick and Jim Dennis for your years of services.

APPROVAL OF MEETING MINUTES

The November 15, 2017 TCIDA Draft Board meeting minutes were approved.

The meeting was adjourned at 5:50 PM.

Minutes were approved at the January 10, 2018 Board meeting.