

**Tompkins County Industrial Development Agency
Board of Directors Meeting Approved Minutes
June 11, 2015
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Jim Dennis, Will Burbank, Svante Myrick, Jennifer Tavares, Grace Chiang

Excused: Martha Robertson, Nathan Shinagawa

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

Guest Present: Eric Goetzman (Arrowhead), Neil Patel, Scott Whitham (Hilton Canopy), Greg Hartz, Greg Wilder (Tompkins Trust Company), Joe Wilson (Dryden), Marie McRae (Dryden), Chuck Smith (Carpenters Union), Michael Talarski (IBEW Local 241), Alex Huland (Ithaca), Bruce Stoff (CVB), Brian Noteboom (Carpenters Local), Michael Cannon (Ithaca), Stacey Black (Local 241), Marcus Williamee (Plumbers Local 267), Gary Ferguson (DIA), Jason Lowe (Groton), Elan Shapiro (Building Bridges), Dan Apfell (City of Ithaca)

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

PRIVILEGE OF THE FLOOR

Joe Wilson (Town of Dryden) – Mr. Wilson read a statement from **Sara Hess** (124 Westfield Drive, Ithaca NY). RE: Canopy Hilton request for IDA Tax Abatement

“I am writing to ask you to vote no on the Hilton Canopy Hotel application, and to send it back for revisions, with a statement that the IDA must consider Tompkins County’s Climate Energy goals in every project and decision, and that includes this application for IDA tax abatements.

There is a big difference between economic growth and economic development. To approve this application without modifications may be a vote for growth, but not for the kind of high-quality, sustainable development that we must require if we are going to mitigate climate disasters. You may think, ‘one building – how could that make a difference?’ with that logic no policy decision is important and business as usual continues without question.

Brian Eden wrote to you words that express my own feelings of frustration. ‘Nothing is more discouraging to those of us actively working to reduce our

community's carbon footprint than to see our gains wiped away with the current spate of low energy-efficient construction in the City.'

Every decision matters when it comes to approving new construction, new buildings that you expect to be here for 20 years or more. Common sense tells you that a more energy efficient building would have shared benefits to both the developer and the community. If Hilton were doing their own long-term cost benefit analysis, they would know this, but I am afraid that corporate interests are very short-range, and they are compelled to consider either long-term costs nor the costs of climate disruption to governments or the community.

No, anticipating and mitigating the costs of climate disruption is YOUR JOB. And you cannot do that job responsibly without requiring that any new buildings be built with your own climate goals in mind.

Exactly how to align the climate goals and this specific building project is the job for architects, planning department staff, experts in renewable energy buildings, and others. All I know is that it is your job to insist that this alignment take place if huge investments of public tax dollars are allocated."

Marie McRae (Town of Dryden) Ms. McRae stated that alignment with the County's Energy Plan is important. The Hilton Canopy project should have a good building envelop and use alternative sources of energy.

Chuck Smith (Carpenter's Union) – Mr. Smith used an elevator shaft accident from a few years ago to emphasize the need for the IDA to make sure that workers on their projects are properly supervised and trained. He asked if there are policies to make sure that safety rules are followed. Mr. Stamm replied that there are State and federal agencies that enforce these rules.

Michael Talarski (Local IBEW 241) – "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.

I have served on the Tompkins County Empire Zone in the past and I currently am a board member of the Tompkins County Area Development and the Tompkins County Workforce Investment Board. IBEW Local 241 is a proud member of the Tompkins County Chamber of Commerce.

As Business Manager of IBEW Local 241, I am the representative for 227 local union electricians and apprentices. Currently 39 of these members are unemployed.

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.

We supported and voted for Martha Robertson for Congress. Our re-elected Congressman Tom Reed is in support of the Trans Pacific Partnership that will ship more jobs out of our country.

Without the requirements of the use of Local Labor on Tompkins County Industrial Development Agency projects, we are no better than Tom Reed sending jobs out of the country.

As an example, on Kendal of Ithaca, a project that is bonded by the Tompkins County Development Corporation, the electrical work is being performed by Monroe County taxpayers. The framing and sheetrock is being performed by workers from North Carolina.

Another IDA project, the Marriott Hotel, the electrical work is being performed by Broome County taxpayers. The plumbing is being performed by Onondaga County taxpayers.

How is this going to help Vice President Martha Armstrong reach her goal of 1% job growth in Tompkins County?

Some have said that it costs too much to hire local labor. I disagree! Where are the facts?

If it did, why did Frost Travis hire Sparks Electric from the City of Ithaca to do his electrical work at the Carey Building?

Why did the Marriott Hotel hire John C. Lowery from Freeville NY to do the framing and sheet rock?

Why did Marriott Hotel hire Seico Construction, who is using local labor to do the concrete work?

Why did the Cayuga Green Apartment project use Matco Electric who used local labor to do the electrical work? Why did they use local carpenters?

Why did Andy Sciarabba and Herb Dwyer hire Matco Electric, from Ithaca, to install his co-generation project at the South Hill Business Campus?

I am sure that the Carpenters have many other examples to share.

Where is the written documentation that shows that it costs more to hire local labor?

Some have said that there is a lack of labor; we currently have 30% unemployment! 35 New York State Certified Journeyman electricians and three (3) New York State

Registered Apprentices are unemployed. So where is this lack of local labor coming from?

Monroe, Broome, Onondaga Counties. North Carolina workers. Here are they going to get cheap labor from next, another country? Hey Tom Reed supports it!

This is the Tompkins County Industrial Development Agency; we should be supporting the Tompkins County taxpayers. Are we going to support our local community by keeping the money circulating here seven times or do we not even care about the merchants in this area?

Are we going to take a stand and support local labor or are we going the way of our Congressman Tom Reed? As I said before, I have never spoken against development! I have always spoken in favor of local labor! I could not agree more with the Tompkins County Chamber of Commerce: Do not just shop local, save local, from the ground up.”

Alex Huland (Town of Ithaca) Mr. Huland stated that he is one of the out of work electricians that Michael Talarski spoke of . He would rather be working today instead of speaking at this meeting. He is against out of town workers.

Bruce Stoff (Ithaca Convention and Visitor’s Bureau) – Mr. Stoff stated that the Hilton Canopy application came to the IDA under one set of rules/policies. It is not fair to change those rules half way through the approval process. Mr. Stoff spoke to the increase not only in property taxes but also in sales tax and room tax that this project would bring into the County. He urged the board to vote yes.

Brian Noteboom (Local Carpenter’s Union) – Mr. Noteboom gave an update on out of state workers on the Kendal project. He has noted workers from North Carolina. Where is our local labor policy? It seems as if the board has been deliberating this issue for months. He doesn’t approve. We need to draw a line in the sand.

Michael Cannon (City of Ithaca) Mr. Cannon stated that he is the former DIA Board Chair. He likes the Hilton Canopy project. Building in downtown is more expensive. He has known the developer and his family for twenty years. They are a local family.

Stacey Black (IBEW Local Union 241) – “My name is Stacey Black and I am the Business Development Coordinator for the International Brotherhood of Electrical Workers, Local Union 241. I am also a member of the Coalition for Sustainable Economic Development. Thank you for the opportunity to address you this afternoon. Reading from the Tompkins County Industrial Development Agency website, the mission of the IDA is, and I quote ,‘The Tompkins County Industrial Development Agency helps companies and entrepreneurs to develop and maintain quality employment opportunities, to diversify the local economy, and to improve and strengthen the tax base and the quality of life in Tompkins County by offering economic incentives.’ In addition, the website also states, ‘the number and quality of

jobs, and how well the jobs meet the needs of local job seekers, are primary considerations of the IDA.'

What if the creation of a project actually hurts employment in an area? Because there are no requirements to use local labor in the construction of projects that are applying for IDA assistance, General Contractors are allowed to bring subcontractors from outside our area. These Subcontractors do not pay the area wages, which denies local construction workers the ability to work in their own home town community. In return, area construction workers, workers that pay taxes in Tompkins County, workers that normally would buy groceries, cars, and homes in our local economy can't because they are being displaced by workers from outside the area. To make the situation worse, those workers from outside our area are not going to buy groceries, cars, or homes in our area. They will take their hard earned money back to their home communities and spend their money there. Why would an agency that pledges such virtues as 'quality employment opportunities' and 'jobs that meet the needs of local job seekers' allow a practice that works counter to their goals?

I'm sure that all that talk about quality jobs refers to the people employed by the companies and entrepreneurs after the project is complete. Otherwise, we wouldn't be talking about this.

I implore the members of the IDA to address the issue of including local labor into the process of creating a vibrant local economy, an economy that welcomes development with open arms; an economy that benefits all. I have heard a rumor that the use of local labor on projects adds more to the cost of projects. Where is the proof of that statement? Who has done the research on this subject and how accurate and fair could this statement be? Ask Ithaca Neighborhood Housing about the Breckenridge Apartments, completed on schedule and on budget, using local labor. Ask Kionix and Rheonix, again using local labor. Ask Miller Mayer, yet again using local labor. Those projects are examples of successful use of local labor, labor that is contributing back into our community.

In closing, supporting economic growth in our community is an important subject for me and my fellow trades people. We ask that the IDA lead the effort to keep opportunities for job seekers high on their list of considerations, but to include local construction jobs in that consideration.

Marcus Williamee (Plumbers Union) – Mr. Williamee stated that he is 100% for development. Currently there are 56 plumbers out of work in the surrounding counties. He agrees that the Hilton Canopy project started the application process without a local labor policy in place. He would urge the board to have one in place for the next project.

Gary Ferguson (DIA) – Mr. Ferguson commented that one of the reasons for the CIITAP policy is to even the playing field as construction costs downtown are

usually higher than out of the City area. This is not a jobs creation program nor an energy efficiency program. The policy was created to hotels would be built in the center of the City – not on the edge or out of town where they would be even more energy inefficient. He urged the board to vote yes on the Hilton Canopy application.

Jason Lowe (Groton) – Mr. Lowe commented that he feels the board has already made up its mind regarding the Hilton Canopy project. He commented that he expects balance in the areas of fair labor and a living wage. The IDA board needs to address these issues.

Elan Shapiro (Town of Ithaca) – Mr. Shapiro spoke to the need for a local labor policy, the need to address climate disruption and the need to “ban the box.”

Dan Apfell (City of Ithaca) – Mr. Apfell stated that he is the Chair of the AFCU’s Alternative Fund. He referenced AFCU’s living wage study (most recently updated in 2013) and he feels that all workers on a project could be paid a living wage (he was referencing permanent workers). He called for a delay of the project until this is worked out.

Mr. Dennis updated all on the Local Labor Task Force. The task force has met twice and has included local developers from projects at one of these meetings. The task force will produce evidence that using local labor drives up the costs of projects. There are more meetings scheduled and there will be a local labor policy.

BUSINESS

Arrowhead Project – Update

Mr. Stamm reminded all that the Arrowhead project that includes a BJs store pays full property taxes. The “incentive” on the project is a PIF (PILOT Increment Financing) that pulls some money from the tax payments and holds it in escrow for payment on debt service for the senior housing part of the project.

Eric Goetzman gave an update on the project. He stated that originally the project was permitted for 12 units of senior housing. The Village of Lansing asked if there could be more units. Due to the wetlands in the area, this was not possible. So the developers went to the Army Corps of Engineers to see if there was a way to meet the Village’s request and mitigate the wetlands that would be displaced. They found/created an inland wetland bank to offset the local wetlands. They now have a new permit in with the new wetland application. Mr. Goetzman feels that they may be able to move forward with the housing later this fall.

Ithaca Downtown Associates/Hilton Canopy Hotel – Final Approval

James Dennis moved to approve the Inducement Resolution for the Ithaca Downtown Associates thus approving the application. Svante Myrick seconded the motion.

Mr. Stamm gave a brief overview of the project and the process so far. A public hearing has been held and the minutes have been distributed to the full board. Ms. McDaniel has done a financial analysis of the project and affirmed that there is a qualifying need for the 10-year PILOT as requested.

Mr. Stamm reminded all that the developer has committed to a wage agreement with the City of Ithaca for permanent workers at the hotel. They intend to hire local labor when possible and have worked on energy efficiency with the architects and engineers.

The City of Ithaca has issued an approval letter under the CIITAP Policy.

Mr. Burbank commented that there is a lot that he likes about the project but he is disappointed in the lack of green building practices.

Mr. Witham commented that the building will be built to the 2015 codes. They are also looking at energy expenditure and will follow the Hilton “light stay” program.

Ms. Chiang asked about the sustainable operation policies. These are the use of water carafes instead of water bottles in rooms, monitoring of HVAC needs, reduced need for laundry, etc.

Mr. Burbank thanked all who attended the public hearing. He stated that the public has called on the IDA to rethink how we do things. He feels that the attempts to make changes to the CIITAP policy and other policies are taking too long. He will not support this project and feels that the IDA should fund only very energy efficient buildings. He also feels that this project will hurt other struggling hotels. He stated that he does appreciate the wage agreement.

Mr. Myrick stated that it is important to use the right policy to make changes. If we want to raise wages, we need to change the minimum wage. This hotel will provide needed jobs that are accessible on a bus line or are within walking distance. If we want to change the building codes, we need to do so across the board not just in an incentivized zone. Green building could increase the costs in the downtown area and push future projects out of the City to a greenfield.

Mr. Myrick stated that there is space to change the CIITAP policy and that there is a committee working on it – we may need to increase the incentives to accommodate raised costs. The increases in the tax base these projects bring helps the City’s employees who can keep their wages and benefits and not have to pay more.

A vote was taken on the motion on the table. The motion passed (4 yes, 1 no, 2 absent)

Mr. Stamm commented that the Ithaca Convention and Visitor's Bureau did do calculations relating to hotels and competition. He will make sure this study is available.

Mr. Burbank asked about the Local Labor Task Force process and if there was a time frame in mind for when a policy would be produced? Mr. Dennis stated that they are working and cannot commit to a date.

Ms. Tavares, who is on the task force, commented that the group has only been working for two months and they are trying to do it right and not rush the process. She feels it will most likely take a few more months.

Mr. Burbank asked about the CIITAP committee. Mr. Myrick stated that the group has been formed but needs to finalize work on the City's comprehensive plan before beginning work on the CIITAP policy. He hopes to have something by the end of summer.

Mr. Burbank asked how many new IDA/CIITAP projects are "in the works." Ms. McDaniel said there are four projects that are working through the due diligence such as SEQR and financing. Mr. Burbank stated that time is of the essence. He is thinking of proposing a moratorium.

Ms. Tavares commented on the need to have a project summary at future public hearings.

Tompkins Trust Company Headquarters – Application

Ms. McDaniel gave an overview of the project. This is a CIITAP application that is asking for the 10-year PILOT option. Staff is currently reviewing the financial data to determine need and will report at a future meeting. This is not a development project with a proforma that shows return on investment as a result of rental income. This will be an owner occupied building. She is working with Tompkins Financial to review the costs of building downtown versus building on a greenfield site outside the city.

This is a \$35M multi-story building project with 110,000 s.f. of office space. This would consolidate employees from 5 other downtown locations. This building will increase property taxes. There are also a lot of indirect spending benefits of retaining 282 employees downtown including parking, shopping, and dining by employees. The developer is working with HOLT architects and will build to LEED standards though may not go for the actual certification.

Ms. McDaniel requested that the board accept the application and move it to a public hearing.

Mr. Hartz, CEO and President of Tompkins Trust Company thanked the board and introduced Greg Wilder, Assistant VP and Facilities & Purchasing Manager. Mr. Hartz stated that since 1836, the Tompkins Trust Company has been in the City of Ithaca. Tompkins Trust Company is part of Tompkins Financial, which is made up of four banks (3 in NY and 1 in PA), an independent Insurance Agency, and a Wealth Management company. These are six companies that are growing and he hopes they continue to grow. The company values are community centric. This project allows the company to keep employees downtown and to achieve a better working environment as a result of consolidation into one building The project will be built to environmental friendly standards.

Mr. Hartz spoke to the company's employment practices. They are a long-term employer where the average tenure is greater than 10 years. They invest in training and development of all employees and there are examples of employees beginning at entry level jobs and rising to Vice President level.

James Dennis moved to send the Tompkins Trust Company HQ Project to a public hearing. Will Burbank seconded the motion. The motion passed unanimously.

Mr. Burbank asked what would be done with the vacated downtown spaces. Mr. Hartz stated that the main TTC bank building on the commons will be sold. The Seneca East and West buildings will have the drive thru relocated to that location and they will keep these two buildings and rent them until needed by the company.

Ms. Tavares asked about the building assessment projection, if they include existing buildings? No this is just the new building.

Mr. Dennis commented that he is very pleased that the company is staying and building downtown.

STAFF REPORT

Mr. Stamm reported on some NYS legislation that may be passed in this session. It would change the IDA law to include practices that we already include in our policies.

MINUTES

Jennifer Tavares moved to approve the minutes from the May 14, 2015 Board meeting. James Dennis seconded the motion. The motion passed.

Meeting adorned at 5:45 PM

Minutes approved at July 9, 2015 meeting.