

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
June 14, 2018
3:30 PM
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Rich John, Martha Robertson, Jennifer Tavares, Leslyn McBean-Clairborne, Mike Sigler, John Guttridge, Laura Lewis

Absent:

Staff Present: Heather McDaniel, Ina Arthur, Mariette Geldenhuys

Guests: George Reed (Delaware River Solar), Brandon Kane (GreenStar Coop), Lincoln Morse (Morse Construction), Jason Crane (Edger Enterprises), Costa Lambrou (Lambrou Real Estate)

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 3:30 pm. He also welcomed John Guttridge as the newest board member.

PRIVILEGE OF THE FLOOR

None.

ADDITIONS TO THE AGENDA

323T LLC Amended Inducement Resolution.

Jennifer Tavares moved to add the 323T LLC Amended Inducement Resolution to the agenda. Laura Lewis seconded the motion. The motion was approved 7-0.

OLD BUSINESS

Delaware River Solar Dryden I and II Solar Final Approval

Martha Robertson moved to approve the Inducement Resolution giving final approval of the Delaware River Solar NY Dryden I project. Michael Sigler seconded the motion.

Laura Lewis moved to approve the Inducement Resolution giving final approval of the Delaware River Solar NY Dryden II project. Leslyn McBean-Clairborne seconded the motion.

Heather McDaniel stated that the public hearing was been held for both of these projects. All who spoke at the hearing were in favor of the projects. They have met all the requirements to move forward and what we are looking for today is approval of the inducement resolutions.

A vote was taken on the first motion. The motion for DRS NY Dryden I was approved 7-0.

A vote was taken on the second motion. The motion for DRS NY Dryden II was approved 7-0.

Heather McDaniel commented that the Agency Project Agreements are also included in the packets, outlining the incentives and what the applicant agreed to from the application as well as the reporting requirements.

323T, LLC Amended Inducement Resolution

Heather McDaniel commented that the financing for the 323T, LLC project has come in higher than expected and thus the Inducement Resolution needs to be amended to accommodate the higher mortgage amount. The mortgage recording tax abatement will increase by \$2,000.

Martha Robertson moved to approve the amended 323T, LLC inducement resolution. Jennifer Tavares seconded the motion.

Jennifer Tavares asked if the increase would impact the sales tax abatement. Would the increase be for anything in construction costs?

Heather McDaniel commented that the developer is meeting with his construction general contractor to determine this. It is not unusual for sales tax abatements to increase from time to time as it is hard to determine full construction costs very far out in advance.

A big part of the increase has to do with the cost of using community solar. This amounts to about \$300,000 of the increase in cost.

The motion was approved 7-0.

NEW BUSINESS

Organic Nature, LLC Application

Heather McDaniel introduced the Organic Nature (GreenStar Coop) application. This is an application that comes from the City of Ithaca under the CIITAP Policy. The project lies just outside the CIITAP boundary. The City has requested it be considered under the existing policy as it meets all the other requirements.

Organic Nature, LLC will develop and own the property and will lease the space to GreenStar with an option to purchase in year ten. The project incentives will be shared by both entities; GreenStar will be responsible for the property tax payments, so will benefit directly from the phasing in of new taxes. Both entities will benefit from the sales tax abatement during construction/renovation.

The City held a public information session. The CIITAP committee met to see if they meet the requirements of the policy. They meet all but the location requirement. The IDA has the ability to deviate from its standard policy. The IDA will notify the taxing jurisdictions that it deviates from the standard policy. The recommendation is for the base 7 year PILOT level. The amount of public money going into the project costs is very low – 4.2% of project costs.

The project development team was introduced: Brandon Kane – GreenStar general manager; Lincoln Morse – Morse Construction; Jason Crane – Finance manager at Edger Enterprises; and Costa Lambrou – Lambrou Real Estate.

Brandon Kane, general manager of GreenStar, gave an overview of the proposed project.

Brandon Kane spoke to how the current location of the GreenStar building is cramped and has inadequate infrastructure (parking). There is a need to expand in order to accommodate growth. This project is a consolidation and expansion of their operations on West Buffalo Street. The space, warehouse, administration and grocery store will be accommodated in the new location.

In the current location, the capacity has stalled and if no action is taken, the company will go bankrupt in five to seven years. They feel they qualify as they are a local buyer and contribute to sales within 100 miles. They hope to grow employment by 40 and they will be building in an area that needs a grocery store. They will be building with energy efficient methods etc.

Brandon Kane also spoke to the need for incentives to assist with cash flow, particularly in the first couple of years. It is critical to help them secure bank financing.

Jason Crane and Lincoln Morse spoke to the transparency in working with GreenStar.

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

Laura Lewis commented on how the City of Ithaca is considering expanding the CIITAP boundary and it would include this parcel. She also asked about the number of bike racks that would be located at the new location.

There would be 18 under shelter with an additional 26 in the parking lot area. There would also be a bike maintenance area located there.

Jennifer Tavares disclosed that she is a member of GreenStar Coop. She asked about part-time and full-time positions – what is the current breakdown in the employment numbers in the application.

Brandon Kane stated that part time is defined as 7-34 hours/week and full time is defined as 35 hours +/week. The break down is 40% part-time and 60% full-time. The 240 current employees on the application also include substitute-workers. So really the PT and FT workers are 198.

Jennifer Tavares referenced application page 15 – where they are asked for the amount of customers from outside the county. The box is checked yes and should be verified by a third party study. Heather McDaniel commented that this box should be checked no. This will be corrected on the application (page 15, question 2).

John Guttridge disclosed he also was a member of the coop. He asked about walkability and connection to the waterfront trail. Lincoln Morse commented that they are working on that with the City but the real estate is controlled by the railroad.

Martha Robertson asked about the census tract and retail information. How big is the census tract? There are 8 census tracts in the City of Ithaca.

Martha Robertson asked that the spelling of Costa Lambrou's name be corrected on the application. Also, please fix the number on bottom of page 50 of the packet – there is a missing zero.

Mike Sigler asked about energy efficiency – the project will fall under the City's new green building policy. What energy efficiency efforts will you be making on this project?

There will be solar panels on the building. The building envelope will be improved with insulation (foam insulation). We will be using high efficiency residential windows for their thermal efficiency. Air source heat pumps will be applied to the administrative part of the building. All the equipment will be new and will be energy star rated.

GreenStar also owns a solar farm in Danby NY (provides 11% of energy used in store) and they are looking to purchase community solar.

Mike Sigler commented on the County's new policy forbidding new natural gas infrastructure.

Martha Robertson moved to accept the application as amended and to send the project to a public hearing. Laura Lewis seconded the motion. The motion was approved 7-0.

Of note: Martha Robertson, Jennifer Tavares, Laura Lewis, John Guttridge and Michael Sigler are members of GreenStar Coop.

Authority Budget Office Report on Operations

Rich John spoke to the meeting between the Board and the Authority Budget Office regarding the recent review of TCIDA operations. The meeting was to review the draft audit and to make sure all was understood. The ABO will be making edits to the final audit based on that meeting. There will be some procedures that will be changed and some that have already been made.

CIITAP Diversity and Inclusion Policy and Toolkit Discussion

Heather McDaniel gave an update on the CIITAP Diversity and Inclusion Policy – this was adopted in the fall of 2016 by the City and would like the IDA to also adopt the policy. A toolkit was developed that would give guidance on how to comply with this policy.

The policy would require single entity projects to join the City's Diversity Consortium, attend a number of workshops on diversity and report annually on its efforts. This report would be shared with the IDA Board. This would not be subject to the IDA's recapture policy.

Sue Kittel of the City's Diversity Advisory Committee joined the meeting. She stated that the idea behind the toolkit is to help employers get started in their efforts.

Michael Sigler asked if the census data this is based on includes students? Yes, it does.

Martha Robertson asked why the City just does not enforce this policy themselves during their CIITAP application process. Heather McDaniel commented that the legal documents go through the IDA as the IDA enforces the project agreement.

Jennifer Tavares asked why this policy is requiring the project to join the Diversity Consortium (DCTC) and attend 4 trainings that the DCTC holds. In essence, mandating how the project or company goes about working on diversity.

Leslyn McBean-Clairborne commented that she understands the concerns about a mandate, but this is a good place to start.

Sue Kittell indicated the trainings is a requirement of membership in DCTC. It wasn't meant to suggest those are the only options, just to outline the requirements of joining DCTC.

Jennifer Tavares stated she could endorse the policy if there was a list of options for trainings.

Michael Sigler stated that there is no metric on which to judge diversity compliance. The idea is to get them to do the training.

Rich John asked how the board would like to proceed. Laura Lewis suggested that the board review the information received and then revisit the policy at the July Board meeting.

Martha Robertson asked that the DCTC come to the July Board meeting to discuss how projects would do the training and what the cost would be.

(Leslyn McBean-Clairborne was excused from the meeting).

CHAIR'S REPORT

Rich John reported that proposals for attorney services for the IDA have been received and that the Governance Committee will be reviewing them. The Administrative Director will make the final decision for attorney services with input from the Governance Committee.

STAFF REPORT

Heather McDaniel reported on the ABO report on IDA operations. She stated that ABO staff were in the office for about six weeks. It was a good process that the ABO feels that the IDA is open and transparent. However, there is always room for improvement. She stated that the ABO does not have any authority to sanction the IDA, just to make public their report findings. Staff will be proactive in reporting the findings to the press

Some things to work on in the future: making sure the minutes reflect actions taken and enough detail to understand actions taken. Also, when going into executive session, identify the reason for doing so.

Heather McDaniel reported that the City's Planning Committee has recommended increasing the CIITAP boundary area and adding an affordable housing component to the policy. The

recommendation for affordable housing is 20% of planned units with a 30-year PILOT. When the Common Council approves the policy, it will be forwarded to the IDA for consideration.

Heather McDaniel also reported regarding the Arrowhead project. The IDA board had directed that a letter be sent to the project regarding deadlines and requirements to cure a default. The letter was sent and the developer has responded. The project is complying with the requirements and moving forward with building the housing project. There are timelines in place to that require the developer to begin construction this summer and complete the project within two years, which were also required by the Town's Planning Board in its latest round of amendments and approvals for the project. The letter will be shared with the board with the reminder that if it goes beyond the board of directors, that attorney confidentiality will be broken.

APPROVAL OF MEETING MINUTES

Martha Robertson moved to approve the draft minutes from the May 10, 2018 Board meeting. Jennifer Tavares seconded the motion.

Edits were offered on the minutes.

A vote was taken. The minutes were approved with the suggested edits. 6-0.

The meeting was adjourned at 4:52 pm.

Minutes were approved at July 12, 2018 Board meeting.