

Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
February 13, 2019
2:30 PM
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY

Present: Rich John, Jennifer Tavares, Mike Sigler, John Guttridge, Laura Lewis, Martha Robertson

Absent: Leslyn McBean-Clairborne

Staff Present: Heather McDaniel, Ina Arthur, Russ Gaenzle (Harris Beach, PLLC)

Guests: Mark Macera (Longview/Ithacare), Rick Snyder (TC Finance), Erik Ekman (McGuire Development), Joe Fiori (Nexamp)

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 3:05 pm.

PRIVILEGE OF THE FLOOR

Mr. Lynch - Town of Enfield. Urged denial of Travis Hyde project at Old Library Place as the developer doesn't deserve it. The developer bought the building at a low price from the County in 2017 (for less than the cost to building the building) and promised affordable housing. Now the project is luxury market rate housing. Stand up for what is right and deny a tax abatement for this project. He asked for rental rate restriction be put into the legal documents.

Joseph Wetmore – Autumn Leaves Book Store on the commons – see attached scan of written comments.

Jay Sciarabba – Trader K's on The Commons – Ms. Sciarabba spoke regarding the Harold's Square project and the impact on his business on The Commons. The issues include lack of parking, broken structures, and impacts to his customer access to his store. They delay and further delay have a direct impact on his business.

Alex Hyland – IBEW electrician – Mr. Hyland spoke about the IDA's local labor policy. He understands that data is being collected from projects. He advocated for an interim policy where projects would be required to hire local unless they can demonstrate a lack of local tradesmen.

Tom Knipe – City of Ithaca – Mr. Knipe spoke as a representative of the City of Ithaca's Planning and Development Department to give an update on the Harold's Square project. They have recently changed general contractors to LeChase and they have received their building permit. A construction bond has been issued which will insure work moves forward on the commons. There is a meeting planned for March 7th that will update businesses. They are working on getting the playground open. The projected

end date now for the project is late 2020. The project is paid up with permit fees through October and invoices are out for any others. The City fully supports the request to amend the PILOT agreement.

Ariel Jackson – Regarding Harold’s Square she wants the citizens and community to be honored. She wants safety and access to The Commons and the playground. She values development but feels the Harold’s Square project shows little care for the community. She asks that the amendment to the PILOT be denied until a new safety plan is in place that allows for some access to the playground and space for festival weekends.

Martha Robertson – Commented on the public comments that pertain to the TCIDA agenda. She hopes that the members of the public will remain until the Board discusses this at the TCIDA Board meeting.

Tom Knipe commented on what needs to happen so that the playground can be opened. The City has met with LeChase and they shared their vision for the playground opening. They have presented a plan to do all the concrete work through the 5th floor on the commons side and do a temporary enclosure of the site and then do a projective treatment over the playground. When the whole building is clad later in the fall more precautions would have to be taken to secure the safety of the playground. The plan will need to be approved by City staff.

Erik Ekman – McGuire Development – representative of Harold’s Square, LLC – They tried to work with the previous contractor but no resolution could be found to move forward so they made the transition to the new contractor, LeChase, to ensure that the project is finished. They want to work to get the project done. They have a potential commercial tenant for the first floor. They are hoping to have the playground at least partially open in April.

(also attached are emails submitted by Jennifer Tavares regarding the Harold’s Square project).

ADDITIONS TO THE AGENDA

None.

OLD BUSINESS

Ithacare Center (Longview) PILOT Agreement Extension – Final Approval

Mark Macera, executive director of Ithacare Center Service Company (Longview), joined the meeting.

Heather McDaniel reviewed the second extension of a 10-year PILOT agreement with the company. A public hearing was held and the minutes of the hearing have been distributed to the IDA Board. Administrative staff does receive and review the annual services report from Longview. She also noted that the project does pay the special district taxes.

John Guttridge moved to approve the Ithacare Center Service Company PILOT agreement extension. Laura Lewis seconded the motion. The motion was approved 6-0.

Heather McDaniel commented that she has spoken with Jay Franklin, County Assessor, and he has assured her that the building is valued based on comparable properties.

NEW BUSINESS

2019 TCIDA Officer and Committee Appointments

Rich John – Chair (appointed by TC Legislature)
Martha Robertson – Vice Chair
Jennifer Tavares – Secretary/Treasurer

Committees:

Finance/Audit – Rich John, Martha Robertson, Jennifer Tavares
Governance – Rich John, Mike Sigler, Laura Lewis
Housing – Nels Bohn (IURA), John Guttridge, Martha Robertson, Laura Lewis, Joe Bowes (INHS), Seph Murtagh (City of Ithaca)
Energy – Mike Sigler, Jennifer Tavares, Rich John

The Energy Committee will review the proposed Enhanced Energy Policy and how it fits into the green energy building policy from the City of Ithaca.

John Guttridge moved to approve the 2019 TCIDA Officer and Committee appointments. Martha Robertson seconded the motion. The motion was approved 6-0.

2018 Year End Financial Report

Heather McDaniel reviewed the 2018 year end TCIDA financial report. Fees from projects were higher than projected due to an increase in closings. The attorney fees reflect costs due to SEQR for the Newfield solar projects (these were later reimbursed by the project) and a FOIL request response for the Harold's Square project.

Jennifer Tavares asked if there is any language in the Harold Square documents that would require the project to cover attorney fees for FOIL requests. Ms. McDaniel responded that the FOIL request was very extensive, with mostly general TCIDA documents, in addition to a small number of specific project documents.

2019 TCIDA Budget Amendment

Heather McDaniel presented a 2019 budget amendment to the board. The preliminary budget that was approved in October 2018 reflected income and expenses as they were understood at the time and is done early to comply with the PAAA requirement to post a budget by November 1st. This amendment better reflects income from project fees and administrative fees from TCAD for 2019. The administrative fee will also cover support of the County's Business Energy Advisor (BEA) program.

Martha Robertson moved to approve the amendment to the 2019 TCIDA Budget. Laura Lewis seconded the motion. The motion was approved 6-0.

There was clarification of the Food Business Incubator Program (FoodBIP) Director (Amina Omari) which funded by a US ARC Grant and the County's Business Energy Assistance (BEA) program. In 2018, the TCDC provided approximately \$17,000 to the the FoodBIP program. Rich John asked for a future report from the BEA program.

John Guttridge asked how the administrative fee is determined. Heather McDaniel discussed the three main funding sources for TCAD and also the efforts to grow staff to income to focus on workforce issues.

Jennifer Tavares asked if the process could be modified so that the TCIDA could review the administrative fee request from TCAD prior to TCAD's budget being set.

2019 Memorandum of Understanding between TCIDA and TCAD

Heather McDaniel presented the annual MOU between TCIDA and TCAD for administrative services to the corporation and also to provide general economic development to the County. The administrative fee is included in this MOU and TCAD's work plan and strategic objectives for 2019 are attached.

Jennifer Tavares moved to approve the 2019 Memorandum of Understanding between the TCIDA and TCAD. Martha Robertson seconded the motion. The motion was approved 6-0.

Harold's Square – PILOT Amendment Request

Heather McDaniel outlined the request from the project to amend its current PILOT agreement to shift the start of the PILOT. At the time of closing, a PILOT schedule is put in place that estimates the beginning of the 100% abatement the year the project is completed and the increase in valuation is subject to full taxation. As the building is still under construction, the current PILOT agreement would be providing a 100% abatement in year one on a very small increase in value, which was not the intent of the original approval. Therefore, the project is requesting the start date of the PILOT agreement be moved to the 2021/2022 school and 2022 City and County tax year to accurately reflect the first year the full value of the completed project will be on the tax roll.

Jennifer Tavares clarified that this is a two-year shift. Yes this is correct, as the project has been delayed by a year and a half. The delay is in part due to not starting when they had planned and a change in the general contractor for the project.

Martha Robertson mentioned the delay is also due to the enhanced energy incentive and the rewriting of the application.

Laura Lewis asked if the Board could have a copy of the "revised" application. She mentioned that the application has changed. Heather McDaniel stated that the "revised" application was presented in 2017. The application would not be revised further after it was induced. She has asked for updated construction budget and financials to verify if the 10-year financial need is still in play.

John Guttridge asked if the building description in the resolution is still the same as the 2017 application? Yes.

Laura Lewis expressed her concern with the communication with the community and businesses. She hopes that moving forward there would be an improvement with this aspect.

Jennifer Tavares recognized that three members of the public contacted the board via emails and she would like those emails to be part of the public record. Heather McDaniel stated that if the emails are forwarded to her she will make it part of the public record.

Jennifer Tavares suggested a one-year shift/extension of the PILOT to hold the project more accountable. There are a lot of businesses that have been through a lot due to the construction on the commons.

Martha Robertson stated that this is not an extension but just shifting the beginning. She feels that there is no reason to deny the developer the full two-year shift as they are really trying. There is no real justification to deny the request.

Russ Gaenzle reminded all that a PILOT agreement is already in place and it can be modified after the tax status date if need be.

Erik Ekman of McGuire Development stated that they are committed to better communication with the local businesses and community moving forward. They are hoping to have the first phase of the project done by the end of this year. They have every incentive to finish in a timely fashion.

John Guttridge feels there is a lack of regard for the community by the developer with promises made and broken. The deadline for completion of the project has come and gone. There has to be some form of accountability. He also wants to make sure that what was approved in terms of housing units and other square footage has not changed significantly. If it has changed, he feels that the project should come back to the board for approval.

Russ Gaenzle stated that if there were material change in the scope of work from 2017 they would have to come back to the board. This request is just a change in the start date of the PILOT agreement.

Laura Lewis echoed John Guttridge's concerns. She also stated that she hopes the change in completion date for this project not impact the start of the Green Street Development project.

Vicky Taylor Brous has been retained to provide communications for the project which should result in better communication with the community and neighbors.

Mike Sigler stated he supports the one-year only shift in the agreement. He would like to know why the completion date shifted 16 months. He also understands that a lot of the issue could be people are just tired of the commons being under construction.

Rich John stated that this project is in his legislative district and it has been a long haul. He knows that financing can be affected by changes so getting the shift will affect the final cost.

Jennifer Tavares would like the resolution to reflect the current project in terms of housing units and office space.

Phase one is the commercial part – phased occupancy – 5 floors common spacing complete for occupancy.

John Guttridge stated that it seems that there might not be a reason to act on this by the end of this meeting. He suggested tabling the resolution.

The school needs to know if this will be done by March 1st to set its budget. So contractually we can wait but need to have the resolution before March 1st.

Jennifer Tavares moved to approve a one-year shift in the start of the PILOT agreement for Harold's Square. Laura Lewis seconded the motion. The motion was approved 5 in favor and 1 opposed (Guttridge).

Does the project description need to be updated? The delay is based on what was approved in 2017. If the square footage etc. has changed materially, it will have to come back to the board.

Lansing Renewables, LLC – Solar Application

Joe Fiori of Nexamp joined the meeting. Heather McDaniel introduced the offsite community solar project that will be located in the Town of Lansing NY. The Town of Lansing approval letter is underway.

Martha Robertson noted that the application does not have any permanent jobs to be created. She does know that construction jobs will be created. She suggested that the governance committee review the application form so that construction jobs can be highlighted.

John Guttridge moved to accept the Lansing Renewables, LLC application as complete and to move the project to a public hearing. Martha Robertson seconded the motion. The motion was approved 6-0.

Cascade Plaza, LLC – Ownership Transfer Request

Heather McDaniel reviewed that this project is currently under a PILOT agreement and any ownership transfers need to be approved by the TCIDA so that the documents can be transferred to the new owners.

John Guttridge moved to approve the Cascade Plaza, LLC ownership transfer request. Laura Lewis seconded the motion. The motion was approved 6-0.

CHAIR'S REPORT – None.

STAFF REPORT

Heather McDaniel reported that the Audit Committee has met with the auditors (Insero & Co.) and the 2018 annual audit is underway. The auditors will present at the April meeting.

Cayuga Operating Company (AES Cayuga Power Plant) has submitted their annual NOI (notice of income) report. They are reporting negative income for 2018.

Martha Robertson asked for a parking update from the City of Ithaca at the next meeting. She has heard that they are doing a parking study.

APPROVAL OF MEETING MINUTES

Martha Robertson moved to approve the minutes from the December 12, 2018 TCIDA Board meeting. Jennifer Tavares seconded the motion. The motion was approved 6-0.

The meeting was adjourned at 4:20 PM
Minutes were approved at March 13, 2019 Board meeting.