

Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
May 8, 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, Leslyn McBean-Clairborne

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

Guests: Frost Travis (Ex Libris, LLC), Neil Patel (Hilton Canopy), Phil Proujansky, Herman Sieverding (B&T Visions Holdings LLC), Leslie Spirgen, Evan Cleveland (Insero & Co.), Rick Snyder (TC Finance)

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 2:30 pm.

2018 TCIDA/TCDC Audit – Presentation of Final Documents

Leslie Spirgen and Evan Cleveland of Insero & Co. presented the 2018 TCIDA/TCDC Audit documents. They reviewed the Executive Summary. Both the TCIDA and TCDC are presented in the financial statements. The statements present an unmodified opinion that means they are fairly stated and are in line with general accounting standards. There were no problems with internal controls. There were no issues with conducting the audit. The audit was previously presented to the IDA Audit Committee and approved by that committee.

The NYS required supplemental information from projects is also included in the audit documents. Ms. Spirgen noted the continuing issues with Board's composition with a majority of County Legislators.

The financial statements were reviewed along with the note for future encumbrance of funds to support economic development and TCAD.

Rich John thanked the auditors for their work.

PRIVILEGE OF THE FLOOR

Robert Lynch – Spoke about his efforts on speaking against the Library Place project (February – today). He stated that the word “industrial” is in the name of the TCIDA. He spoke of Borg Warner coming to Ithaca with assistance from the IDA. The IDA was involved and hundreds of jobs were created and retained. Library Place will not create any direct jobs. He feels that the project should not receive any tax abatements and should stand on its own two feet.

Evan Hallas – Taitem Engineering – Spoke in support of the Vecino group and the Ithaca Arthaus project. He has been working with this project on energy and sustainability. This project has committed to be an all-electric building and will be a self-greening building. It will do domestic hot water heat pumps as well. They will also be participating in the NYSERDA new construction program and building to about 35% better than the current code.

Patty Siegard – Local 241 IBEW Electric – She spoke supporting local labor on the upcoming projects. She said that local does not need to be union.

Tom Butler – President of Board of Lifelong. He outlined how Lifelong will be able to use 1,800 sf of space in Library Place project – this is an expansion for their programs that is greatly needed. They will only be paying utilities and will also be able to get income from the rental of this space.

John Spence – He is the former executive director of Better Housing for Tompkins County. He spoke in support of Ithaca Arthaus because affordable housing is greatly needed in Tompkins County. He is also encouraged by the walkability to downtown and the availability of community space.

Joan Jacobs Brumberg – She spoke in favor of Ex Libris. She spoke of the housing symposium that was held three years ago. This project will fill the gap for senior housing that is just as significant as affordable housing. Density and diversity is needed downtown.

Theresa Alt – She spoke against the Ex Libris project. She feels it is irresponsible and doesn't deserve any abatement because it does not include affordable housing. She feels that lower income people pay the weight of full taxes through their rents.

Peter Wissoker – **see attached comments**. He spoke against Ex Libris. He would like Ithaca Arthaus to be located somewhere else in Ithaca. He spoke to the proposed Bylaws and the education seat.

Brett Bossard– He spoke in favor of the Ithaca Arthaus project. He feels this project addresses the need for affordable housing and includes people working in the creative arts. He commented that where he works they are a living wage employer and the employees there would qualify to live in this project at 50-80% AMI.

Suzy Kramer – She spoke against the Ex Libris project and referenced the letter she sent previously. She thanked Rich John for speaking with her at length. **See attached letter**.

ADDITIONS TO THE AGENDA

B&T Visions Holdings LLC – Sales Tax Exemption Request – this will be covered under new business

OLD BUSINESS

Ithaca Downtown Associates – Hilton Canopy – PILOT Modification

Heather McDaniel reviewed the PILOT recommendation that were sent out with the agenda packet. The delay in construction was the primary cause for this recommended adjustment.

Martha Robertson stated that this project, as do all the PILOT projects, does not abate existing taxes; only new taxes are abated.

Martha Robertson moved to approve the authorizing resolution for the PILOT modifications for Ithaca Downtown Associates. John Guttridge seconded the motion. The motion was approved 7-0.

Ithaca Arthaus, LLC (Vecino Group) Final Approval

John Guttridge moved to approve the authorizing resolution for the Vecino Group (Ithaca Arthaus, LLC) project. Leslyn McBean Clairborne seconded the motion.

John Guttridge spoke about the great amenities and the location of the project. He addressed the comments that this project location is bad (ghettoizing). While the project is located next to a former industrial area, it is also on prime waterfront next to the black diamond trail. He understands the comments about the design and hopes the issues can be worked out.

Laura Lewis appreciates all the public comment and wants to assure all that their comments are taken seriously and considered. This project will have air source heat pumps and she is very happy about this.

Martha Robertson agrees with some of the comments about the look of the project – however the “look” is not up to the IDA. That is the job of the City’s Planning Board during the site plan review.

Leslyn McBean Clairborne stated that she hopes the look of the windows will change and that she is in favor of the project.

John Guttridge spoke to the fact that the project will have a good income mix of residents – homeless and working class.

Rich John echoed the comments of other board members. He spoke of other groups that need housing support – those coming out of jails and those who are coming out of drug recovery programs.

A vote was taken on the motion. The motion passed 7-0.

Ex Libris, LLC Final Approval

Laura Lewis moved to approve the authorizing resolution for the Ex Libris LLC project. Mike Sigler seconded the motion.

Mike Sigler addressed a comment during the public hearing that this project was “shrouded in mystery.” He feels that through the whole process, beginning with the City of Ithaca CIITAP process and now at the IDA, has been very transparent. He referenced the sale of the property to the developer at the County level and then the review of the project at that level.

Laura Lewis referred to the City’s CIITAP letter of support for this project. All four eligibility requirements for this project at the CIITAP level have been satisfied. She pointed out that the project’s application to the City under CIITAP was submitted prior to the City’s affordable housing requirement. There is the potential for affordable housing with this project if funding is found.

Leslyn McBean Clairborne echoed Mike Sigler’s comments. There has been a lot of public comment on this project.

Martha Robertson asked about the memo of financial need that was sent in the agenda packet.

Heather McDaniel commented that she has reviewed the construction budget and pro forma looking out five years to see if the costs are reasonable and if the developer's fee is reasonable. The ROI should be below 20% for the first five years – this project has a much lower threshold for ROI, even lower than other projects that have been approved prior.

Martha Robertson also referenced comments from Nels Bohn of the City of Ithaca regarding the Ithaca Gun clean up project – the developer is in compliance with the DEC process. The developer is working through a difficult process to clean up the site for future housing.

She also spoke to the other developer projects that were considered before the current developer was chosen and how that might have been received.

Leslyn McBean Clairborne commented that even Ex Libris has gone through changes since originally presented to the County.

Laura Lewis commented that the Ex Libris project would bring more diversity to downtown.

Mike Sigler spoke of his excitement of the project. This will bring the property back on the tax rolls – the full taxes will be phased in over 10 years and this is a good thing. He also spoke about that “affordable” means – it is relative; it is an option for those who cannot afford very costly retirement homes in other parts of the County.

Jennifer Tavares spoke that this project is an important option for housing needs. There are assumptions made about incomes and what is affordable for whom – and this is not appropriate. Also the comments about the developer are unfair.

Rich John spoke to the good in finally developing this property and the need for senior housing.

John Guttridge spoke about the even split in those speaking for and against this project. He feels it is important to address the issue of those who spoke against the project – they are valid issues.

A vote was taken on the motion. The motion passed 6 for 1 against (McBean Clairborne)

NEW BUSINESS

B&T Visions Holdings LLC – Sales Tax Exemption Application

Heather McDaniel introduced the sales tax exemption application from B&T Visions Holdings LLC. This is a renovation of the existing buildings at 61 Brown Road, Ithaca NY. The amount of exemptions is under \$100,000 threshold for a public hearing. The Board can approve the application at this meeting if it chooses.

Herman Sieverding spoke about the project. It is a renovation of space for two high tech companies that have come out of a local incubator program. The two companies, being nascent companies, do not have financial resources. The developer is willing to take a risk and support these two companies with needed renovations including lab space, clean rooms, dry rooms, shield hoods etc. These types of renovations are very expensive.

Phil Proujansky commented that the two companies are developing long-term battery/energy storage technology. These two companies are part of the solution set for energy issues we are all facing. We are hopeful that they will build their businesses here in Ithaca NY.

John Guttridge is impressed in the amount of investment and risk the developer is willing to take. It is an excellent use of relatively small public subsidy.

Laura Lewis asked about the use of local labor, the 20% - it was commented that the electrical contractor is local. Hayner Hoyt the general contractor is based out of Syracuse, while not technically local, they are only a 50 miles drive away and considered part of the labor market for Ithaca. Also the other components are very complex and specialized.

There is a natural gas moratorium in the location so they are working on meeting the energy needs with electric. They are also working to set up energy/heat recovery to help with this issue. The developer is also working with the County's BEA program in terms of financial resources.

John Guttridge moved to approve the authorizing resolution for the sales tax exemption for B&T Visions Holdings LLC. Laura Lewis seconded the motion. The motion was approved 7-0.

Approval of Proposed New Policies and Modifications to Existing Policies

Heather McDaniel commented that Bob Ryan of Harris Beach PLLC has reviewed all the TCIDA's existing policies and has made recommendations as to updating and developing other necessary policies per the PAAA guidelines. This also includes the charters to the Governance Committee and Finance and Audit Committees. Most of the proposed new policies pertain to employees of the IDA. The IDA does not have employees, but it was recommended that the policies be put into place.

The Governance Committee has met twice to review the new and updated policies and recommended approval.

The Committee also reviewed the Bylaws and application and made a few minor changes. The attorney has recommended removing the section in the Bylaws that address the make up of the Board so the Bylaws reflect the actual practice. The Legislature appoints the members of the IDA Board and has chosen to appoint a majority of legislators.

Martha Robertson asked that the Governance Committee review the Bylaws changes again. She would like to have the bylaws reflect what it actual process. Perhaps a different recommendation to the Legislature might be welcome.

Leslyn McBean Clairborne echoed the previous comments. She would like to have specificity remain in the bylaws.

Jennifer Tavares moved to approve the new TCIDA policies as presented. Leslyn McBean Clairborne seconded the motion. The motion was approved 7-0.

Updates to the Application include charging an application fee up front.

John Guttridge moved to approve the updates to the Finance Committee and Governance Committee Charters as presented and to approve the updates to the TCIDA/TCDC Application as presented. Jennifer Tavares seconded the motion. The motion was approved 7-0.

The TCIDA Bylaws will go back to the Governance Committee for further review.

CHAIRS REPORT

None.

STAFF REPORT

Heather McDaniel reported on the housing project in Lansing related to the Arrowhead project – Lansing Meadows. Last year, the Village of Lansing approved a 20-unit project with the requirements that a building permit be issued in 2018 and that it be completed by 2020. Building permits were issued in 2018. The IDA agreed with the Village’s requirements. There has been very little movement at this point and the developer has requested that the design be changed. The Village planning board will be meeting soon to determine if it is a minor or major change. If minor, they can move forward. If major, it will have to go through site plan approval again and thus miss the 2020 deadline. The ICSD is not happy with the project in its current iteration, pointing out that this is not the 12 unit project, wetland and bird habitat for which the incentive was approved back in 2011. A portion of the taxes collected from the BJ’s project are being used to pay the debt service for the housing project. The payments are being made, but the housing project hasn’t been built. It was questioned where the money has been spent.

Further discussion on this will take place next month.

APPROVAL OF MEETING MINUTES

Leslyn McBean Clairborne moved to approve the draft meeting minutes from the March 13, 2019 and April 10, 2019 Board meetings. John Guttridge seconded the motion. The motion was approved 7-0.

ADJOURNMENT

The meeting was adjourned at 4:30 PM

Minutes approved at the June 12, 2019 Board meeting.

May 8, 2019

To: Heather McDaniel, President and the Board of Directors
Tompkins County Industrial Development Agency

From: Peter Wissoker, 705 N. Tioga St., Ithaca, NY 14850

Re: Comments for the May 8, 2019 Board Meeting

These comments address two issues before the board today. Before doing so, I would note my hope that you vote against giving abatements as proposed to either the Ex-Libris or the ArtHaus projects. My thoughts on these issues were given during the public hearings and you should have the written comments that I sent following the hearing. Today, I rise to address two other issues, the idea of doing away with the seat on the board for a member of the Board of Education and the revisions to the application for tax breaks.

I urge the Board to reverse your proposed course and instead of removing the requirement that a member of the school board serve as a member of the board, as is proposed in the revision to Section 2 of the Agency by-laws, you insist on not only keeping the requirement, but ensure that someone is actually appointed to fill the long-vacant position—and no, someone who has worked as an educator does not suffice. I would suggest three reasons for doing so:

1. Most of the literature on making economic development work and building job ladders, like that of Nichola Lowe at UNC Chapel Hill, talks about the importance of integrating local education officials with industry professionals and economic development experts to build the best, that is to say, the most supportive systems for creating a workforce to attract additional firms into the region.
2. As the IDA increasingly plays a role in residential development, it is having a variety of effects on the school district and its schools, and the Board would benefit from the school board's elaboration of what these effects will be. For instance, having parents with kids move into the two large apartment buildings that are opening soon downtown, may or may not put additional stress on the local school. Do we know? Shouldn't there be someone here to ask?
3. The IDA is regularly promising significant tax breaks that may reduce the potential tax base for the school district. They should have a say on whether these breaks are given.

In summary, please reconsider the idea of doing away with the Board of Education seat. I suspect they have more to offer than you suspect.

In addition, I have a few suggested amendments to the TCIDA/TCDC Application:

The first, on page 7, is to add a line after the "Calculation of percentage of Project costs financed from public sector" that asks for the "Ratio of developer/investor equity contribution to tax

benefits received from the public sector.” This will highlight the amount of equity the developer is putting in relative to the contribution of the County and its related entities.

On page 8, I would suggest that in the calculation of *jobs created* you include the number of workers who are doing outsourced tasks—e.g. janitors, bookkeepers, etc.—as well as those of likely tenants. Then, I would urge you to change the question “Are you willing to pay a livable wage?” to “Are you willing to pay, and insist that any contractors, tenants or others who have business in or with the building pay, a livable wage?”

Thank you.

----- Forwarded message -----

From: **Susan Kramer** <suzy196@msn.com>

Date: Wed, May 8, 2019 at 2:10 PM

Subject: 105 W Court St. Library Place CIITAP and IDA Applications

To: lmcbear@tompkins-co.org <lmcbear@tompkins-co.org>, Svante Myrick <mayormyrick@cityofithaca.org>, JoAnn Cornish <JCornish@cityofithaca.org>, rjohn@tompkins-co.org <rjohn@tompkins-co.org>, msigler@tompkins-co.org <msigler@tompkins-co.org>, jtavares@tompkinschamber.org <jtavares@tompkinschamber.org>, nelsbohn@cityofithaca.org <nelsbohn@cityofithaca.org>, Heather MCD <heatherm@tcad.org>, Laura A. Lewis <lal8@cornell.edu>, mrobertson@tompkins-co.org <mrobertson@tompkins-co.org>

Subject: 105 W Court St. Library Place CIITAP and IDA Applications

Dear CIITAP committee members and members of the TCIDA:

In reviewing the applications submitted by Frost Travis on behalf of Ex Libris, I have noticed significant inconsistencies and misrepresentations of fact, both within and between the CIITAP application and the IDA application, and therefore wish **to respectfully request that the CIITAP Committee immediately rescind its approval--and furthermore, that the IDA members deny the tax abatement at this time--until these issues are thoroughly examined and resolved.**

In addition to the information submitted in my letter to the IDA on May 6th, I wish to highlight additional details below for consideration.

Basis of Decision to Grant Abatement:

Whether the site continues to sit vacant and undeveloped for a while longer because this development team's project is inherently financially infeasible without the abatement should not be the primary consideration to approve it.

Problems with Accuracy and Completeness of Applications:

I have carefully read the application received from Frost Travis in late June of 2018--the date on the application itself is missing. According to the CIITAP process, this application must be "reviewed for completeness" by the Planning Division before submission to the mayor.

The Applicant is listed as Ex Libris LLC, a partnership formed in November of 2017 to purchase and develop the "Old Library" site from Tompkins County, the acquisition of which

took place in December of 2017. In the Business History section of the application, Mr. Travis therefore states that the applicant Company was formed in 2017.

It seems reasonable that projects undertaken before this date that have not been directly managed by him or by his umbrella company, Travis Hyde, should not be considered in either application to establish an accurate business history or track record--Gateway, Carey Building, Gun Hill, are all recent or active projects that Frost Travis can take credit and responsibility for, while those completed successfully under previous management should not form the basis.

In the IDA application, however, most of the successful projects cited date from up to forty years ago and were completed long before the present Company or its manager were involved.

Existing size is illegible, but appears to be 57,000 sf (the existing building was closer to 38,630), with 88,000 proposed.

The required "proposed Project Start and Completion Dates" is incomplete--the answer given is simply "June 2018"--the same month as the application--when in fact no work had started since acquisition--or was formally scheduled to begin; work did not actually start until October of 2018.

The application states that the "names, nature of proposed tenants, and percentage of total square footage to be used for each" must be listed, but percentages are not given, nor is the nature of Lifelong's business; the "full service restaurant" is here called merely a "café."

Under project costs, the figure is 17 million, with equipment and soft costs bringing the total to 19,950,000. As will be noted below, this figure differs greatly from the cost listed in the IDA application, although the project's scope remains the same.

Municipal Compliance:

To the important question of municipal compliance--one of just 4 Eligibility Criteria--the applicant lists "No."

While this question as phrased here does not include the full language--which crucially also includes “consent agreements,” as well as “orders of the Director of Code Enforcement”--we know that at this time there were properties, among the many that qualify for scrutiny here, that did not yet have current Certificates of Compliance, and when asked about this issue at the January 7 public meeting, JoAnn Cornish stated that the applicant was still working on fulfilling this important requirement.

Mr. Travis’s answer was therefore not accurate as of the time of the application.

The extra time apparently afforded the applicant to bring the numerous properties in question (well over a dozen) into compliance perhaps explains the lengthy delay—over 7 months since the application was received-- for issuing the Letter of Approval in February 2019.

This may also explain why the applicant was not ready to submit the IDA application until 9 months after the CIITAP application was filled out.

Project Description and Huge Cost Discrepancy:

The Project Description states that the building will consist of “a 66 unit apartment building with a first floor fitness and wellness center, as well as a full service restaurant and a 2,000 S.F. community room.” While the project remains fundamentally the same as it will be presented in the IDA application, as expected—66 units, fitness and wellness center (or “spa”), full-service restaurant—the total costs have risen by over 50% --by over 10 million dollars--a full third of the total! To what can this increase be attributed? From 17,000/19,950,000 to 27,080,00/31,713,00 in 9 months is a huge, and unaccounted for, increase.

As noted in my recent letter to the IDA, the reasons repeatedly cited for this doubling of costs since 2014/5, when the project’s total was 14 million--also the figure used by the CIITAP committee as provided by the City assessor in its review--cannot possibly apply, since these circumstances predate the CIITAP application; predate the final design configuration on this application; and even predate the formation of the applicant Company and its acquisition of the property.

Further Discrepancies and Concerns:

Account of Demolition:

At the January public meeting, when the Ex Libris principals answered questions about the asbestos abatement, they stated it “has been conducted in a safe manner”; in fact, weeks of further demolition activities after this time involved many lapses in safety protocols, even the minimal Labor ones, as documented by eyewitnesses, photos--some the developer’s own--and videos. The City’s own demolition requirements were also ignored: this building was not taken down “story by story.”

Account of Affordability Requirement:

Also at the meeting, the developer stated that the “Library Place project was approved for consideration under a previous version of...(CIITAP) before the 20% affordability eligibility requirement was added to the program.” How does simply submitting an application constitute being “approved for consideration”?

Conflicting Explanations of Cost Increases:

The shift from mid-market to luxury rate rents is also attributed to construction costs:

“At the RFP stage [2014], it appeared that units could be delivered with rents that would place it in the middle of the rental market but construction costs for the final approved building almost doubled, which meant that mid-market rents were not feasible.”

In contrast, the developer has asserted elsewhere that much of the cost increase in the rents is due to amenities added since the partnership with Bridges (it should be noted that the 2015 plan also included a fitness center, as well as amenities of community benefit--community gardens, a new Lifelong building, and a park open to the public--that were dropped).

In the next sentence, we’re told that “design changes required to satisfy the conditions of the ILPC and the Planning Board added well more than 50% to the final cost of the building vs. the costs as conceived at the RFP stage [14 million].”

The partnership with Bridges--and attendant changes made to the building’s interior configuration resulting in and justifying “luxury” rates--were choices made *after* ILPC and PB approval, so costs associated with this elective change of plans should not be conflated with previous “required” design changes.

Has this Applicant Demonstrated Inspiring, and Confidence-Inspiring, Leadership?

It should be clear that the repeated assertions by Frost Travis and his associates that the trials and tribulations, as well as the exorbitant cost increases, can all, or even largely, be blamed on the City, the ILPC, the environmental challenges of the site, or inflation.

When one looks carefully at the evidence, what it reveals is that the developer did not heed closely enough his dad's advice, or follow his example, during the planning this project: if "the key to planning is inspirational leadership and public input," attention to both these critical keys to success have been lacking.

Leadership on this project has rather inspired the Planning Board to unanimously endorse a rival project; resulted in a grudging endorsement (influenced by intense political pressure that raised issues not within their purview), by the ILPC, which passed the project by only one vote; left hundreds of citizens feeling ignored both during the design review process and the demolition with widespread asbestos in place; and to this day continues to upset next-door neighbors, and even members of council, with its poor communication, frustration over the significant delays, and worries about the huge cost increases and overall viability of the project.

The City's Responsibility to the Public and the IDA's as a Public Authority:

The Agency is a public authority, **so it is imperative that legitimate, evidence-based concerns of members of the public be taken seriously, and that we are confident that City officials are working diligently to provide complete and accurate information to the members of the IDA as it "carefully considers the community benefits of each project, weighing the value of scarce local resources."**

These scarce local resources must not be granted to developers and projects unless they have clearly demonstrated their eligibility and viability, not only to the City and to the IDA—but also to the public.

An applicant's statements and track record must therefore be thoroughly vetted for accuracy and completeness to ensure success--and the best use of public funds.

In last week's Tompkins Weekly, members of the IDA spoke with a reporter to clarify its policies, one being that "TCIDA holds the developers of its projects accountable." As Rich John tells the reporter, "that question of are you properly policing all your abatement projects is asked and looked at very carefully. So, it is not just the community looking at us. It is New York State, too."

So let's see this particularly critical IDA policy in action now--today.

For the many reasons cited herein, my urgent request is that the CIITAP application be rescinded or considered invalid; and the IDA should delay action on this matter and not vote to grant the tax abatement to Ex Libris at this time.

Sincerely,

Suzy Kramer

"Planning is key. And the key to planning is inspirational leadership and public input. We must know what the community wants: What projects?...What is going to work? We must think strategically and determine what the market will support."--Mack Travis, conclusion of [Shaping a City](#).

Sent from [Mail](#) for Windows 10