MINUTES OF PUBLIC HEARING
Cayuga Green, LLC.
September 7, 2006
12:00 pm
Common Council Chambers, City Hall
108 E. Green Street, Ithaca, New York

Present: Mariette Geldenhuys (Attorney), Michael Stamm (for Tompkins County Industrial Development Agency), Ina K. Arthur (recording), Jen Daley (Ithaca Journal), K. Jenny (WHCU), Brian Noteboom (Carpenters Union representative), David Marsh (Labor 589 representative), Gary Ferguson (Ithaca Downtown Partnership), Mary Tomlan (Common Council), John Grave, Allan Lambert, John Bentkowski, Alan Cohen, Fay Gougackis (members of the public), Ken Schon (Cayuga Green, LLC)
Also other members of the public that did not identify themselves.

IDA Board members present: Tim Joseph, Jeff Furman, Dan Cogan, Jean McPheeters, Martha Robertson, Ed Marx

The public hearing was called to order at 12:05 pm

MARIEETE GELDENHUYS:
Good afternoon everyone, I am Mariette Geldenhuys an attorney. I was asked by the IDA to conduct this public hearing regarding Cayuga Green, LLC for financial assistance from the Tompkins County IDA. This hearing is held pursuant to public hearing notice that was published in the Ithaca Journal. The purpose of this hearing is to allow the public to make comments. There are additional copies of the application to the IDA here for those that would like them. This is not a question and answer session, but an opportunity for the public to make comments on the proposed assistance. There is a sign up sheet for those who wish to speak.
The members of the IDA Board present were asked to identify themselves.

We will limit each speaker to five minutes. I will keep track of time and will tell you when you have one minute left. If you are representing an organization or group we will give you 10 minutes to speak. If you are representing an organization please identify that organization.

JOHN GRAVES:
I am John Graves and I live in Ithaca, NY. The goal of the Kyoto Treaty was to reduce carbon dioxide emissions by 1 billion ton by 2015. It is projected that the measures implemented to close the ozone hole (another environmental catastrophe) will add 2 to 3 billion tons of additional carbon dioxide emissions into the atmosphere by the same year. That means the goal of the Kyoto agreement would need to be doubled or even tripled just to get to the original goal by 2015. In light of this new information, I think it is time for the IDA to get serious about reducing carbon dioxide emissions.

In support of the Kyoto Treaty, Ithaca and Tompkins County both promised 5% of their energy use to be renewable. That should be increased to 15% and density incentive projects like Cayuga Green II should be required to do the same. Serious measures must be taken to reduce carbon dioxide emissions from buildings because behind motor vehicles, buildings are the largest contributors of carbon dioxide emissions in the U.S. today. The density incentive program would be the logical place to require developers to reduce carbon dioxide emissions from their buildings simply because they benefit from public subsides, tax abatements.

Economic development project are important to our local economy but only if they do not contribute to global warming, which so far they all do.

Mr. Graves referenced a newspaper article from the Associated Press: Scientists: Permafrost gases new warming ‘time bomb’.

BRIAN NOTEBOOM:
Good afternoon, I am Brian Noteboom and I represent the Carpenters Union, Ithaca, NY. I am also a resident of Ithaca. I have met with the builders on past projects and our concern is the use of local contractors, prevailing wages, and apprenticeship programs. I would like to say that the Carpenters Union and its apprentices would like to work on this project.

DAVID MARSH:
I am David Marsh and the local union laborer’s Union 589 business manager and the president of the Tompkins County Land Building Trades Council. I would like to echo what Brian Noteboom stated. We feel we have a positive relationship with the builders of Cayuga Green, LLC and their use of local labor. We would like to endorse the project. Overall it looks like a good project for Ithaca.

MARY TOMLAN:
I am a member of the City Common Council, 3rd Ward and am on the County PD&E Committee. I would like to look at the project from the past, present, and future. In referring to my clipping files I found from 2001 forward that there were references to this project repeatedly mentioning the aspect of market rate housing. The project was discussed
with the Seneca Place project as part of the overall plan for downtown regarding jobs and housing opportunities.

Looking to the future the Planning Committee will be meeting regarding the Economic Development Strategy. One of the major goals of the Economic Development Strategy includes an increase and diversification of housing for downtown. This project helps to diversity housing offerings.

In terms of the present, the Common Council has agreed on an increase in funding for the Green Garage. We are encouraged by this (Cayuga Green) project and would like to support it.

GARY FERGUSON:
I am Gary Ferguson of the Ithaca Downtown Partnership.

On behalf of the Ithaca Downtown Partnership, I offer our strongest support for the granting of abatements to the revised Cayuga Green project. The following represents several justifications for this support:

1. The density policy was devised to encourage the development of projects just like Cayuga Green in downtown Ithaca. This is a dense, mixed use project built in the core of the City on a vacant lot that has stood undeveloped for over twenty-five years. Without the tax incentives offered by the IDA, this property will remain vacant and unproductive, off the tax rolls and not contributing to the downtown, City or regional economy.

2. The revised Cayuga Green project has been crafted to respond to community concerns and input. A major multi-plex theater has been replaced with a smaller five screen operation in a separate building underneath the Green Street garage. The developers are negotiating with Seventh Arts, our local independent and art film nonprofit theater operator.

3. The revised Cayuga Green project includes retail/commercial space in three locations: under the Cayuga Garage, under the Green Garage and on the ground floor of the new building. This commercial/retail space is important to downtown and helps to provide added inventory that downtown Ithaca needs to remain competitive.

4. The revised Cayuga Green project has increased the number of housing units to 68. A subsequent condominium phase will also add another 30 units. The City, over several City Common Councils, has expressed its desire to obtain market rate housing at this key downtown location. The developers of Cayuga Green have faithfully responded to the City’s request and have planned a bold and exciting project that will provide badly needed middle market units.

5. The need for market rate downtown Ithaca housing has been clear for a number of years. Studies by the Danter Company in 2000 and subsequently in December 2002 starkly described the unmet demand that exists in downtown for housing at all income levels. Council was particularly concerned that market rate housing was not being built in the City in significant numbers and urged downtown projects such as Cayuga Green to embrace market rate housing.

6. In 2005, HUD released a comprehensive market analysis study of the greater Ithaca residential market. Table 5 of this study clearly illustrates the lack of investment in
the City and underscores the reason for a density policy and for supporting the Cayuga Green project. This table (attached) summarizes residential building permit activity for a twelve-year period (1993 – 2004) in the greater Ithaca region and in the City. According to HUG, there were 2,480 permits used for single-family (generally market rate) housing units during this time in the greater Ithaca region. Only 25 or 1% of the total, were actually located in the City of Ithaca. Ninety-nine percent (99%) of the new single family growth happened somewhere else. Left to its own devices, history proves that the marketplace can be brutally cruel to center cities.

7. By contrast, during this same 12 year period, HUD counted 1,513 permits for new multi-family housing in our region. In general, this type of housing tended to be priced to the lower end of the marketplace. The City was responsible for 756 or 50% of these permits. History clearly demonstrates that the City has shouldered a disproportionate share of lower priced housing units, leaving nearly all (99%) of the single family market rate units to the suburbs. Projects like Cayuga Green are designed to redress this incredible inequity that has historically existed.

8. The Cayuga Green project under consideration is a revision of a project already approved by the IDA. Since it was a pre-existing project, it is right and proper that the rules governing its review not be changed in mid-stream.

For nearly five years, we have worked to develop a project for this key vacant City site that will add benefit to downtown and Ithaca community. We are excited and pleased that Cayuga Green is now so close to moving forward. Your approval of the needed tax incentive package is one of the final steps in the process. On behalf of the downtown community, I urge your approval.

ALAN LAMBERT:
I would like to address a few principles – practical, philosophical, and political. Practical in that can we achieve a net financial gain publicly and privately. Philosophically regarding density and quality of life. Politically in terms of bad faith and the process. There is a problem of good analysis or not. At past public hearings, public figures spoke in favor and many of the public spoke against. The big issue was the large cinema- now that is gone and there is a smaller one. Traffic issues – how can we support traffic? There is a need to re-examine this.

Density is a nice value – but trying to put too much in downtown Ithaca will effect the quality of life. I would argue against it. It appears that the density policy is trying to make Ithaca a replica of a big city on a small scale. I do not want this.

The public process with the IDA is a breach of faith. The vast majority were in opposition yet the project moved forward.

The Board of Education vote was barely in favor five years ago. Conditions have changed dramatically. Now it seems that the Board of Education would not support it at all. Where is the promise from the IDA that it would not support the project without the Board of Educations support?

JOHN BENTKOWSKI:
I live in Ithaca and am a tax payer. Taxes are driving me out of my home. I am opposed to any tax abatement. There is a question of taxation. The only ones empowered to tax are
governments or school boards. One member on the IDA Board is not an elected official. Therefore we cannot control how they vote. There is no recourse against that individual. Elected officials can be ousted in terms of re-election efforts.

I have written to the State District Attorney. I feel that there should be a ruling if this non-elected person can vote regarding tax abatements. Only the six elected officials should be able to vote. The legality should be looked into. Therefore all previous IDA votes should be illegal.

ALAN COHEN:
I would like to speak on tax abatements. You have heard a lot on philosophy of IDA tax abatements. I feel that tax abatements are a positive tool to stimulate economic development. I agree with Gary Ferguson on the development of downtown. There are merits to the Cayuga Green project. It spans a number of mayoral administrations. I served on the downtown task force under Mayor Nichols which concluded that it was important to increase density. The next administration formulated the Cayuga Garage. Phase II and III will continue with retail and housing as the next logical steps.

Density of housing is a positive step but more work needs to be done. I empathize with the issues of affordability and local labor. This is a project that has been on the table for five years. We need to make a choice – forward or not? Approving this project will decrease the tax load and will increase the vibrancy of downtown.

FAY GOUGACKAS:
I have a number of points. I am really struggling with housing. Rents are incredibly high. And people discriminate – they want to rent to students not to ones with low incomes.

I am opposed to tax abatements although I understand they help economic development. But we need a good mix of retail in downtown – not all high end.

Living in downtown now is very unhealthy. Living next to a garage is unhealthy. I would recommend putting up a wall. The air quality issues are bad. There are concerns with demolition downtown and dust.

In terms of history – why was the library put where it is when it should have been retail? Labor is an issue. The local labor unions should have a contract.

I know people want to develop downtown. They need to remember many who cannot afford market rate housing.

There were no further speakers. The public hearing was adjourned at 12:46 pm.