

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

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

Excused: Leslyn McBean-Clairborne

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

Guests: Rick Snyder (TC Finance)

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 2:35 pm.

PRIVILEGE OF THE FLOOR

Theresa Alt – City of Ithaca – Ms. Alt spoke of her attendance at the public hearing for 327 W. Seneca Street project. She referenced her misunderstanding of the CIITAP policy revisions and that the IDA has not yet approved the policy. She feels that the IDA does not need to approve the City’s determination of what the City needs as the IDA is not a legislative body.

Martha Robertson spoke to this comment. The IDA sets it’s own policies. The City made a recommendation to change the CIITAP policy regarding affordable housing that the IDA has not endorsed. The IDA Housing Committee is developing a housing policy. It is a complex scenario in terms of what it will cost the tax payer for each affordable unit.

John Guttridge commented that when the numbers were run there was a substantial cost to tax payers. The IDA Housing Committee is working on finding a way to increase the number of affordable units that would not overburden the taxpayer.

Heather McDaniel also clarified that Ms. Alt’s comment at the public hearing was that “the CIITAP policy is working.” The Visum Development Group is not doing a 20% set aside; it is a 100% affordable housing unit project under the CIITAP policy with a 10-year PILOT due to financial need. The IDA does not have to handle any income qualification. However, the project did receive funding from the Community Housing Development fund and will be providing 100% of the units to residents earning below 80% of area median income. As a result of the County’s Housing Fund investment, the developer will be required to maintain affordability for 49 years and is entering into an agreement with INHS to income qualify prospective tenants.

ADDITIONS TO THE AGENDA

None.

OLD BUSINESS

Rich John commented that Leslyn McBean Clairborne is excused from the meeting.

327 W. Seneca Street (Visum Development Group) – Final Approval

John Guttridge moved to approve the authorizing resolution for the 327 W. Seneca Street (Visum Development Group) project. Jennifer Tavares seconded the motion.

Heather McDaniel commented that the public hearing for this project was held on November 8, 2019. Copies of the minutes were handed out. The project has met all the requirements for approval.

John Guttridge commented that he feels this is an excellent project and an excellent collaboration between the project, the IDA and TCAD. He is looking forward to the IDA's housing committee producing a housing policy.

Laura Lewis agreed with the comments and said it is also a great partnership with INHS who is doing the income qualification for the first 5 years.

Martha Robertson commented that of the two options the housing committee is considering, the option where the developer contributes to the County's housing fund makes a lot of sense. The contribution creates a lot of leverage.

Rich John commented that this project is a result of good team effort.

A vote on the motion was called. The motion was approved 6-0.

Hotel Syracuse, LLC – Final Approval

Heather McDaniel commented that the public hearing for this project was also held on November 8, 2019. Minutes of the hearing were distributed. She clarified that the project will be meeting the diversity requirement as a result of the sales tax exemption that is being contemplated today.

John Guttridge moved to approve the authorizing resolution for Hotel Syracuse, LLC. Laura Lewis seconded the motion. The motion was approved 6-0.

NEW BUSINESS

2020 Memorandum of Understanding with TCAD – Approval

Heather McDaniel introduced the 2020 MOU between TCIDA and TCAD. This is an annual agreement with TCAD that provides reimbursement for administrative services for the TCIDA and countywide economic development services. The funding amount will support 35% of TCAD's budget plus two special projects: the third year of support for the Business Energy Advisors Program and 50% of the Water and Sewer infrastructure Study update.

Martha Robertson asked about the TCDC document that does not have a dollar amount. Heather McDaniel commented that funding for administrative support to both the IDA and LDC are included in the amount on the TCIDA MOU.

Jennifer Tavares asked if the two MOU documents could be combined into one as a three-way agreement in the future.

John Guttridge asked how other IDAs handle funding for administrative support and if there are other things they should consider adding to the document.

Russ Gaenzle commented that most other IDAs do not have this kind of relationship for administrative services. They do enter into contracts. The MOU between the IDA and TCAD has been going on for a long time and seems to be going well. If other services would be added, a contract could be set up for those services.

Martha Robertson commented that this current document has been crafted thoughtfully in past years. It was developed as a response to the PAAA legislation. Jennifer Tavares commented that she has had experience with another IDA that have a similar document.

John Guttridge moved to approve the 2020 Memorandum of Understanding between TCIDA and TCAD. Laura Lewis seconded the motion. The motion was approved 6-0.

Local Labor Report

Heather McDaniel and Ina Arthur presented an update of the local labor report that IDA projects under construction have submitted in the last six months. Two projects have been completed since March 2019 – Cayuga Ridge Nursing and Tompkins Dryden Solar I. All other projects that are under construction and subject to the local labor policy have been reporting monthly. The projects have also submitted their bid list so that these could be reviewed. The opportunity for local companies to bid is key.

Heather McDaniel commented that she is working with CIPA (Cornell Institute for Public Affairs) to develop a student project that would delve into the data and make some recommendations for the labor policy. It could also include a review of what trades are lacking locally that could inform future workforce development training projects. She also commented that when this policy was being developed, there was a back and forth regarding setting a labor percentage requirement. Even the unions recognized that there is a lack of capacity. The student project could make a recommendation to establish a reasonable local labor target.

Jennifer Tavares commented that she has heard that smaller projects have a very difficult time finding local contractors to handle projects. It might be good to take a look at all sizes of projects, not just the ones that come to the IDA.

Laura Lewis asked about incentives for apprentice programs. She would like that to be part of future discussions. Heather McDaniel commented that Broome County has identified this as a need and they are working on setting up targeted training programs.

Martha Robertson asked about the difference in local percentages on some of the projects. Heather McDaniel commented that smaller projects like 323 Taughannock and a locally owned solar project

(Mecklenburg) have a higher percentage of local labor. An investor group that contracted with local labor developed Newfield Solar while the Tompkins Dryden Solar I developer used their own construction company. Larger projects and those requiring specialized trades have a lower percentage of local labor, likely due to lack of local sub contractor firms that are large enough to bid on these projects.

Uses of Fund Balance – Informational

Russ Gaenzle reviewed the memo that was provided to the Board on the use of fund balances by IDAs and LDCs. IDAs are limited by NYS law as to what they can spend their money on. They cannot loan nor grant funds. They can enter into contracts and assist projects financially.

Heather McDaniel commented that the IDA's procurement policy needs to be followed when entering into contracts for services.

Russ Gaenzle stated that LDCs have more flexibility for using their fund balance in accordance with their corporate purposes. They can loan and grant money.

The IDA could purchase land and enter into a contract for development of that land.

Rich John stated that this information should be referred to the IDA's Finance & Audit Committee for review. The committee could review and develop options that then can be presented to the full board.

Martha Robertson corrected the information in the memo regarding the size of the fund balance and how that effects the contribution to TCAD. This was in force with the prior agreement between the County and TCAD but not with the current agreement. The Housing and Economic Development Committee of the County is informed of any amount of the fund balance above \$600,000 and what the funds will be used for.

Heather McDaniel explained the development for the current funding model for TCAD – County, IDA and Employer Investors.

CHAIRS REPORT

None.

STAFF REPORT

Heather McDaniel reported that she recently toured the Cayuga Ridge Nursing facility and was very impressed with the improvements. As a result of the upgrades, the facility is applying for an Assisted Living Program (ALP) for Medicaid recipients. This will be the first in Tompkins County and is much needed.

Heather also commented on the recently completed renovations at 61 Brown Road for two high tech companies, Ecoelectro and Conamix. IDA members toured the Conamix space. Laura Lewis commented on the number of jobs created by one of the companies – 19. Heather commented that a private developer invested significantly in the upgrades to facilitate the needs of the start up companies in the hopes of keeping them here in Ithaca as they grow.

The IDA Energy Committee has met to review the draft Energy Policy Update from Taitem Engineering. This will be presented at the December meeting.

The Ithaca Arthaus project will be closing in early December. The project has asked that the Agency Agreement be extended until 2023 to accommodate its construction schedule. This request will be handled administratively.

Heather McDaniel reminded all that NYS is requiring that all IDA meetings and public hearings be available via live stream starting January 2020. Efforts are underway to make this happen.

APPROVAL OF MEETING MINUTES

Martha Robertson moved to approve the minutes from the October 11, 2019 Board meeting. John Guttridge seconded the motion.

The minutes were corrected to clarify that Hotel Syracuse will be complying with the Diversity Policy.

The motion was approved 6-0.

ADJOURNMENT

The meeting was adjourned at 3:45 PM.