

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
May 13, 2020
2:30 PM
Via Zoom Conference Call and LiveStream**

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

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

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 2:45 pm.

PRIVILEGE OF THE FLOOR

No comments from the public were submitted for this meeting.

ADDITIONS TO THE AGENDA

Guidance on Housing Projects
Cayuga Operating Company Request

NEW BUSINESS

2019 PARIS Documents - Information

Heather McDaniel reported that the 2019 Audit has been completed and input into the NYS PARIS (Public Authority Reporting Information System). The PARIS reports have been posted on the TCIDA website under the reports tab as required by PAAA.

TCIDA Fund Balance Memo to County - Informational

Heather McDaniel presented the annual IDA/LDC fund balance memo for the 2019 fiscal year. This memo was presented at the April 15, 2020 Housing and Economic Development Committee meeting. The MOU between TCAD and the County indicates that in the event that the accumulated fund balance of the IDA/LDC exceeds \$600,000 (after allowing for the current year's operating support to TCAD) that a report will be made of the excess along with the intended uses of the additional funds.

The excess fund balance (less 2020 obligations and the County allowance) is \$423,166. The TCDC has committed \$400,000 of the available balance to support the following economic development activities in Tompkins County:

- Predevelopment costs for the proposed downtown Conference Center - \$50,000

- Small Business Emergency Resilience Fund - \$150,000
- TCAD Emergency Relief Loan Fund - \$150,000
- ARC Broadband matching grant - \$50,000

PILOT Relief for Hospitality Industry Downtown – Discussion

Heather McDaniel reported that the downtown hotels have reported a 70% occupancy drop due to the current COVID 19 situation. The hotels with current PILOT agreements with the TCIDA are asking for help to mitigate the financial blow.

Jennifer Tavares commented that while she holds dear the hospitality and tourism sector, not all have the luxury to receive help with reducing their property taxes. She commented that all would welcome an end to assessments being increased.

Anne Koreman echoed Ms. Tavares comments and stated that lowering property taxes would mean more lay offs on the municipal level.

Martha Robertson commented that she has been told that the hotels, while collecting room taxes from the 30% occupancy that they do have, have not been submitting those collected room tax funds to the County.

Laura Lewis supported Jennifer Tavares comments and stated that it is too difficult to offer relief to that industry. There are too many unknown factors at this time and to do so would be unwise at this point.

Rich John stated that the current uncertainty crisis could lead to a confidence crisis.

Heather McDaniel thanked the Board for their feedback. She will be better equipped to respond to the hotels' requests.

Guidance on Housing Projects

Heather McDaniel recapped the ongoing discussion at the IDA and its Housing Committee regarding development of a housing policy and how to work with potential projects before the policy is finalized. The City of Ithaca has modified its CIITAP program to require projects with housing to include 20% of the house as affordable. The City would also allow a 30-year PILOT for these projects.

The IDA's Housing Committee has been working on a housing policy, but has not yet finalized one. With out a housing policy, the IDA has been considering projects with a housing component in the Downtown Density area on a case-by-case basis.

Heather McDaniel asked the Board if they would like to continue this practice for housing projects that come to the IDA.

Martha Robertson commented that having a developer contribute to the Community Development Housing Fund would be a way to leverage funds and have more affordable housing built by entities that are set up to do so. This would work better than having the IDA offer long PILOT agreements and have to income qualify tenants on their own. John Guttridge, Laura Lewis and Jennifer Tavares agreed.

Rich John commented that the IDA should see how the City moves forward and also help with housing developments however it can. He commented that Heather should continue discussions with future housing development projects that wish to come to the TCIDA.

Cayuga Operating Company Request

Heather McDaniel reported that the Cayuga Power Plant (Cayuga Operating Company) shut down operations as of December 31, 2019. The company has a PILOT agreement with the TCIDA that currently sets the assessment at \$20M. During 2019, a negotiating team from the affected taxing jurisdictions met with the company in order to negotiate an amendment to the PILOT agreement. The negotiating team suggested cancelling the PILOT and putting the property back on the tax rolls. Since then the company has been in discussions with the County Assessor and now Cayuga Operating Company has requested that the TCIDA terminate the PILOT agreement. This request was made via email.

There was discussion as to what would happen if the PILOT was terminated – would the company still be liable for the 2019/2020 school and 2020 PILOT payments?

Russ Gaenzle stated that terminating the PILOT agreement does not cancel any unpaid PILOT payments that are due. Currently the company has not made any PILOT payments for the 2019/2020 school and 2020 County and Town tax year. Having the property go back on the tax rolls will affect the future tax payments owed on the property.

The IDA Board expressed concern that the company may not pay the current PILOT payments. Perhaps making termination of the PILOT contingent on paying what is owed is the way to go.

It was noted that the email from the company stated that they would like to negotiate payments with the taxing jurisdictions.

Martha Robertson noted that the request came in an email and just before the meeting. She would like the IDA to wait until the company has set up agreements with the taxing jurisdictions. The IDA attorney and Administrative Director were asked to convey this message back to the company.

OLD BUSINESS

None.

CHAIRS REPORT

None.

STAFF REPORT

Heather McDaniel gave an update regarding the funds granted by the TCDC for two loan funds made available to businesses dealing with the COVID 19 situation.

The TCAD Emergency Relief Loan Fund received 50 inquiries and has approved 5 forgivable loans of \$50,000 each. The ERL fund can make two more loans of \$50,000 each.

The Small Business Resiliency Fund received 160 applications and made 96 grant awards of \$4,000 each – half of the businesses receiving grants were in the City of Ithaca.

The City Harbor project is waiting on final SEQR from the City of Ithaca. When the SEQR process is complete, the project should be returning for final approval from the IDA.

John Guttridge and Laura Lewis express thanks to the economic development community for their work in supporting local businesses by means of these programs.

APPROVAL OF MEETING MINUTES

Martha Robertson moved to approve the April 8, 2020 Board meeting minutes. Mike Sigler seconded the motion. The motion was approved 7-0.

ADJOURNMENT

John Guttridge moved to adjourn the meeting of the TCIDA Board of Directors. Jennifer Tavares seconded the motion the motion was approved 7-0

The meeting was adjourned at 3:55 pm.

The minutes were approved at the June 10, 2020 Board meeting.