

Tompkins County IDA Meeting Minutes

ACTION ITEMS

April 4, 2008

- Larry Baum and Michael Stamm will review the current recapture policy. **STATUS: subcommittee formed. Review on hold pending changes in NYS IDA law.**

January 16, 2009

- TCAD to study the IDA's competitive strengths and incentives. **STATUS: Ongoing.**

June 5, 2009

- The blank density application should be placed on the next IDA meeting agenda for discussion. **STATUS: Still needs to be reviewed**

November 6, 2009

- Staff to develop a policy draft on benefits standards. **STATUS: Work with WIB who will survey IDA customers regarding benefits.**
- Staff to develop a policy draft on Empire Zone and non-property tax benefits. **STATUS: Ongoing.**

January 8, 2010

- Cayuga Green Apartment occupancy rates requested.

**Tompkins County IDA Meeting Minutes
April 2, 2010
Scott Heyman (Old Jail) Conference Room
Ithaca, NY**

Present: Martha Robertson, Dan Cogan, Larry Baum, Jim Dennis, Will Burbank, Nathan Shinagawa, David Squires

Excused: Jeff Furman

Staff Present: Michael Stamm, Ina Arthur (recording),

Guests Present: Philly DeSarno (City of Ithaca), Sunit “Lex” Chutintaranond (Italthai), Krisy Gashler (Ithaca Journal)

CALL TO ORDER Ms. Robertson called the meeting to order at 3:45 PM.

ADDITIONS TO THE AGENDA

PRIVILEGE OF THE FLOOR

BUSINESS

Appointment of Representative to TCAD Board of Directors

Will Burbank nominated Martha Robertson as the TCIDA representative to the TCAD Board. Larry Baum seconded the nomination. The nomination passed unanimously.

NYS Authority Budget Office – Fiduciary Duty Form

The Board was updated on the NYS ABO Fiduciary Form.

NYS Authority Budget Office – Mission Statement Performance Measures

Ms. Robertson pointed out that the IDA has an existing mission statement. She asked if the board would like to work on changing the mission statement.

Mr. Baum asked why this is being asked of IDAs? Mr. Stamm stated that perhaps the state is trying to encourage IDAs to think about a mission statement and through this process put it into writing.

Mr. Burbank commented that the mission statement specifically targets “industry” as a sector that the IDA supports. Mr. Stamm suggested that perhaps the mission statement could be changed to reflect other sectors that the IDA supports.

TCIDA Financial Disclosure Forms – Due May 15, 2010

Board members were reminded that the TCIDA Financial Disclosure forms are due to the County by May 15, 2010.

NYS IDA Tax

Mr. Stamm updated the board on the status of the NYS IDA Tax. The TCIDA's tax bill was just under \$36,000. The NYS Economic Development Council (NYSEDC) has hired an attorney to sue the State over this tax. TCAD on behalf of the IDA contributed \$1,000 towards this effort. To date due to some late filing on the part of the State, a stay has not been issued regarding this tax. The question is should TCIDA pay the tax? If payment is made, and the courts overturn the tax, will we get the money back? If we do not pay and the suit fails, what will or could the State do to us? There are about 30 IDAs that have joined the suit. There is also strong support in the Senate and Assembly against this tax.

Mr. Dennis commented that he would recommend not paying the tax until the first round of hearings have finished. There may be a penalty, but that would be better than paying and not getting the money back. All the board members present agreed not to pay the tax as yet.

Mr. Burbank stated that if all the IDAs work together and take the same action, then they would have a better chance at getting what they want.

Dan Cogan moved to have the TCIDA reimburse TCAD the \$1,000 that was contributed to the lawsuit regarding the NYS IDA Tax. Nathan Shinagawa seconded the motion. The motion passed unanimously.

Will Burbank moved to withhold payment of the NYS IDA Tax pending further action and to encourage other IDAs to follow suit. Larry Baum seconded the motion. The motion passed unanimously.

Italthai, LLC – Final Approval

Mr. Stamm updated the board on the progress of this project. The project has completed all the requirements including notification of the taxing authorities, the public hearing as well as the third party review. The sub-committee of the board which reviewed the third party review consists of Larry Baum and Nathan Shinagawa.

Mr. Baum reported that the committee identified who would do the review. Andrew Dixon was selected. He did a good job in two weeks. The analysis shows that without the IDA incentives, the project would not work. The report shows that the development costs are at normal levels and that construction costs will be low. Over all the ROI is quite low. The IRR is negative for the first nine years. Overall, structured the way it is, the project would not work without the IDA incentives.

Mr. Shinagawa stated that the report was based on well-established assumptions.

Ms. Robertson thanked the subcommittee for their work.

Mr. Burbank asked if the DIA would be helping the restaurant or with building the apartments? Mr. Stamm stated there are several levels of incentives to the project. All need to be in place to make the project work. Italthai is the property owner. Plantations Building is the building operator. And Mia Noodle Bar & Restaurant is the restaurant owner.

Mr. Cogan asked about the need for the Plantations Building, LLC. Mr. Chutintaranond commented that due to Federal and State tax credits requirements the Plantations Building, LLC needed to be formed.

Mr. Chutintaranond thanked the IDA Board for all their work.

Dan Cogan moved to approve all three inducement resolutions regarding Italthai, LLC, Plantations Building, LLC and Mia Noodle Bar & Restaurant, Inc. Larry Baum seconded the motion. A vote was taken on all three resolutions. The motions passed (yea – Robertson, Baum, Cogan, Dennis, Burbank, Shinagawa; absent – Furman)

ADMINISTRATIVE DIRECTOR'S REPORT

Mr. Stamm reported that with the new LDC up and running there is a good chance that a \$15 million dollar deal will be financed through the corporation.

Cornell University is considering restructuring \$80 million in debt. This could be done through the IDA as it is an existing bond deal that went originally through the IDA.

Mr. Stamm reported that he was in Albany last week for discussions centering on the IDA Tax, Civic Facility legislation and the Empire Zone Program. The Assembly and Senate have both come up with new versions of the Empire Zone.

Transonic Systems has been on hold due to sewer issues which have now been resolved and due to choosing a bank. A bank has been selected so this project should be coming back to the IDA soon.

There were some questions as to what will happen with the Empire Zone and currently certified companies. Current certified companies will still get benefits for up to 10 years. These companies will need administrative services from TCAD. However there are no administrative funds from the State as there have been in the past.

APPROVAL OF MINUTES

Will Burbank moved to approve the minutes from the February 24, 2010 meeting. Nathan Shinagawa seconded the motion. The motion passed unanimously.

Meeting adjourned at 4:30 PM