

**Tompkins County IDA Meeting Minutes
June 4, 2010
Scott Heyman (Old Jail) Conference Room
Ithaca, NY**

Present: Martha Robertson, Dan Cogan, Larry Baum, Will Burbank, Jeff Furman, Ed Marx

Excused: Jim Dennis, Nathan Shinagawa

Staff Present: Michael Stamm, Ina Arthur (recording)

Guests Present: Russ Gaenzle (Harris Beach), Krisy Gashler (Ithaca Journal), Joseph Murtagh (Ithaca Times), Eric Goetzmann, Andrew Sussman (Arrowhead Ventures)

CALL TO ORDER Ms. Robertson called the meeting to order at 4:00 PM.

ADDITIONS TO THE AGENDA

PRIVILEGE OF THE FLOOR

BUSINESS

Arrowhead Ventures Application

Mr. Stamm introduced the project. The application is asking for PILOT Increment Financing (PIF). There is a commercial tenant that would like to locate in the Village of Lansing near the existing mall. The developer has been working with the Village to rezone the land into a Plan Development Area (PDA). The Village would like to have senior housing – the current plan calls for 12 one-floor units. The current property in question has been used as a dumping site for landfill over the last 35 years. The housing would be for seniors over 55 years. It is not assisted living and would not be tied to income. Also, as senior housing it would not put a burden on the school district. In order to do the housing, the developer needs help with the debt service and thus the request to the IDA for the PIF.

Mr. Furman asked who the commercial tenant is. Mr. Goetzman stated that that has not been announced yet.

Ms. Robertson reminded all that the IDA does not support commercial retail projects.

Mr. Stamm stated that the commercial tenant would not be getting any incentives. They will pay full property and sales tax. The developer is asking for the PIF to support the housing project. The project would also incorporate green building practices and also develop a bird habitat/wet land between the housing and the mall area.

Mr. Goetzman commented that the commercial tenant is projected to generate 1.6 million in sales taxes and about 70 jobs. This would also help stop the tax revenue “leak” that goes to other counties when people travel to this tenant in other counties.

Ms. Robertson and Mr. Furman stated that they feel uncomfortable not knowing who the tenant is.

Mr. Goetzman continued. The PDA would allow a zoning change from low density commercial to high density commercial.

Mr. Sussman discussed financial for the project. Basically the tax streams from the commercial tenant would be utilized to finance the debt incurred by the housing project. Thus the need for a PIF.

Mr. Cogan asked, why come to the IDA? Why doesn't the mall finance this project? The land has been vacant for 30 years, why not just develop it?

Mr. Sussman stated we will be rezoning it residential which will lower the value, but this will allow the build the building for the commercial tenant. The cost of the investment versus the amount that will be generated – it is a very long ROI. Thus without a PIF, it is easier to let the land lay fallow.

Mr. Burbank – the village is basically put a ring around the mall. Is the wetland necessitated due to drainage? We are actually going to expand the wetland.

Have been trying to develop this land for a while but zoning has been challenging. There is a window to time, the village wants senior housing.

Ms. Robertson asked – could a four level apartment be done? No.

Mr. Marx stated that if more units were built then there would be more benefit to the community.

Mr. Stamm stated that each individual taxing authority would have to approve the PIF. This would have to have presentations at the Village, the School District and the County. The IDA would only be implementing the process.

There is also the option to use the PIF for other things like infrastructure specifically for this project.

Mr. Baum - New commercial building will generate \$120,000 net property taxes (above current \$30,000). This would be used to pay for the debt service on the infrastructure on the housing project. Why so much cost for debt service?

Mr. Cogan stated that we could only use what was needed to make project work, so we need to see the exact numbers.

Really building the wetland and infrastructure is the big costs.

Mr. Goetzman - This is just to introduce the project to you.

Ms. Robertson – economic analysis is needed to understand the project better.

Mr. Baum – from a process point of view – how many public hearings needed? Mr. Gaenzle – just one for IDA, but the local jurisdictions may hold their own hearings.

Would like to know what the village is thinking on this. They want senior housing.

Mr. Stamm - The IDA needs to talk with Village of Lansing and applicant needs to come back with more financial information.

Ms. Robertson – what about the commercial tenant using green building practices – geo thermal.

Tenant thinks there is an economic advantage to build here even in these economic times. They only build 5 stores a year in the US.

The IDA should meet with someone from the Village Board or Mayor and also the school district.

Mr. Baum – how long would the PIF be for? It can be for as long as it is approved. But how much is needed? Mr. Sussman – we are asking for what we need – plus/minus 20 to 25 year time frame to make the math work. You can shave time off by increasing income stream or lower interest rates.

ADMINISTRATIVE DIRECTOR’S REPORT

The Cornell Restructure closes on June 23rd – IDA fee from Cornell will be \$160,000 – larger than actual policy amount.

Mr. Stamm reported that the NYS tax on IDAs has been overturned.

AES Cayuga formally requested we reopen PILOT negotiations. A first meeting has been held that educated the negotiating team on the business of energy production.

APPROVAL OF MINUTES

Will Burbank moved to approve the minutes from the May 7, 2010 meeting. Larry Baum seconded the motion. The motion passed unanimously.

Meeting adjourned at 5:30 PM