

Tompkins County IDA Meeting Minutes
March 20, 2012
Old Jail Conference Room
125 E Court Street, Ithaca, NY

Present: Martha Robertson, Jeff Furman, Larry Baum, Nathan Shinagawa, Jim Dennis, Svante Myrick, David Squires

Staff Present: Heather Filiberto, Mariette Geldenhuys, Ina Arthur (recording)

Guests Present: Leslie Spirgen, Andrea O'Hara (CDLM)

CALL TO ORDER The meeting was called to order at 4:05 PM

ADDITIONS TO THE AGENDA - Emerson Recapture funds and interest monies

PRIVILEGE OF THE FLOOR - None

BUSINESS

TCIDA 2011 Audit Acceptance

See the March 20, 2012 TCDC Board minutes for discussion.

Jeff Furman moved to accept the 2011 TCIDA Audit. Larry Baum seconded the motion. The motion was approved unanimously.

PILOT Language Discussion

Ms. Geldenhuys reported that TCAD staff met with her and Russ Gaenzle (via conference call) to discuss the PILOT language and what to do in the event of a default in payment. Perhaps leaving the language alone and giving the board options to pursue might be best. There may be times when it is not desirable to terminate a PILOT agreement.

Other state IDAs were polled and it was found that most who have wrestled with this question are using a PILOT mortgage. Banks tend to be resistant to this as they want first position in the event of a bankruptcy. However a PILOT mortgage is just like property taxes and the banks would be no worse off as property taxes come before any mortgage. Perhaps staff can work with local banks to educate them.

A proposal can be developed that would look at the policies and the project application so applicants are aware of the use of a PILOT mortgage and they can inform their banks.

The option of giving up or abating the mortgage recording tax on only the PILOT mortgage was discussed. For smaller projects this amount of money is a big deal. Ms. Robertson stated that if this was abated that the local municipalities would have to be informed.

Staff was asked to proceed with developing a procedure and to report back to the board.

Emerson Recapture Interest – Discussion

The question was raised during the audit discussion as how to use/disperse the interest money received from the Emerson Project recapture. The amount is a bit more than \$113,000.

Mr. Furman stated that he thought that all the money that was recaptured would be returned to the municipalities and school district. Mr. Baum stated that he did not realize that the interest would this high.

Mr. Myrick asked what the alternative to dispersing the money would be? Leaving it in the TCIDA general account.

Ms. Filiberto stated that the money could be earmarked to help with the redevelopment of the Emerson site perhaps helping to leverage an EPA grant.

Ms. Robertson stated that TCAD staff has already and will continue to spend a lot of time around this project and its redevelopment. Perhaps using it to support TCAD is a good use.

Mr. Furman stated that the municipalities and school district have not weighed in on using the funds for economic development. Also there is no timeline for the Emerson redevelopment and the school and municipalities could use the money now.

Mr. Shinagawa suggested asking the municipalities and school district what they would like to do.

Ms. Robertson that that we could think about where the money would make the most difference.

Mr. Myrick stated that we are very far from knowing when Emerson will be redeveloped. It is very complex.

Mr. Dennis stated that most municipalities including the County do not support TCAD with a lot of money. Perhaps leaving the money were it is is bests.

Mr. Shinagawa suggested that the IDA communicate with the municipalities and school district about the money and what the IDA would like to do with it.

Mr. Myrick stated that he feels the municipalities would want the money for their current budget woes. The EPA and a developer may help with the Emerson redevelopment more than we think.

There was discussion on what exactly the interest was based on and it seems it might be only for the contractual amount abated, not full property taxes.

It was decided to have the IDA Board discuss what to do with the money at the April Board meeting and then at the May Board meeting, invite the municipalities and school district to the discussion and then make a decision.

STAFF REPORT

Ms. Filiberto commented that she, Jay Franklin and Russ Gaenzle have been discussing how to work with the housing parcel in the Arrowhead PIF project. The village of Lansing wants to join two parcels of land related to the senior housing part of this project. This will mean the tax id numbers and description in the existing PILOT/PIF needs to be amended.

MINUTES

Nathan Shinagawa moved to approve the February 23, 2012 TCIDA Board minutes. Larry Baum seconded the motion. The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 4:50 PM