

**Tompkins County IDA Meeting Minutes
June 21, 2012
County Courthouse Conference Room
320 N. Tioga Street, Ithaca, NY**

Present: Martha Robertson, Jeff Furman, Larry Baum, Jim Dennis, Will Burbank

Excused: Svante Myrick, Nathan Shinagawa

Staff Present: Michael Stamm, Heather Filiberto, Mariette Geldenhuys, Ina Arthur (recording), Martha Armstrong

Guests Present: Phyllisa DeSarno, Jennifer Kusznr, Jennifer Dotson (City of Ithaca), Nels Bohn (IURA), Gary Ferguson (Downtown Ithaca Alliance)

CALL TO ORDER The meeting was called to order at 3:30 PM

ADDITIONS TO THE AGENDA - None

PRIVILEGE OF THE FLOOR - None

BUSINESS

Longview/Ithacare Patio Homes Easement – Resolution

Jim Dennis moved to approve the resolution regarding the Longview/Ithacare Patio Homes Easement. Larry Baum seconded the motion. The motion passed (Yeas – 5, Nays – 0, Absent – 2).

CDP/Cayuga Green Garage Property Donation to NYSDOT – Resolution

Mr. Bohn commented that the easement from the TCIDA and IURA will help facilitate the work being done on the Clinton Street Bridge. A new drainage pipe will be installed and there will be no permanent change to the pedestrian walkway.

Jim Dennis moved to approve the resolution regarding the CDP/Cayuga Green Garage Property Donation to NYSDOT. Will Burbank seconded the motion. The motion passed (Yeas – 5, Nays – 0, Absent – 2).

City of Ithaca CIIP Policy/Density Policy – 2012 Update

Jennifer Kusznr, Phyllisa DeSarno (City of Ithaca) and Nels Bohn (IURA) along with Jennifer Dotson (Common Council, City of Ithaca) and Gary Ferguson (DIA) have come to the TCIDA Board meeting to update the board on the City’s review of the current Community Investment Incentive Tax Abatement Program (CIIP) – this City policy ties in with the IDA’s Density Policy. The City staff would also like to get the Board’s feedback early in their review and revision process.

Ms. Kuszniir commented that the City of Ithaca adopted the current CIIP policy five years ago. Since that time there has only been one project that has gone through the process. The process has been perceived as cumbersome and prohibitive.

The City would like to simplify the process and to remove the point system currently associated with the policy. The revised policy would only have three eligibility criteria: Project size (\$500,000), project density (three stories high), and project location. The new policy would, in addition to the density district, also apply to the City's southwest extension, brown fields, and the City's industrial sites. The Emerson Power Transmission site could also be included.

The City's Planning Committee has seen this draft-updated policy.

Ms. Filiberto commented that the updated policy was modeled after the Town of Lansing Density Zone policy.

Ms. Robertson asked if the current policy has been a disincentive or perhaps was it the downturn in the economy that limited the number of projects that went through the process?

From 2002 – 2007 there were five projects that went through the program and from 2008 – 2012 there has only been one project. It seems that it would be more of the economy as most projects need help and incentives to move forward.

Ms. Robertson stated that she does not want the policy to be seen as the disincentive if it is not true.

Mr. Bohn commented that the City has talked to developers and the process is perceived as lengthy and there are predictability issues. The new policy eliminates the need of endorsement by the Common Council and the point system. Only mayoral recommendation/endorsement is needed in order for the project to move on to the IDA.

Mr. Ferguson stated that a lot of time has been spent to facilitate and recruit projects. He has heard that both the process and the economy have slowed things down.

Mr. Stamm commented that developers are also saying the City process is cumbersome.

Mr. Furman asked what developers do when they think the process is too difficult? Do they go elsewhere? He does not see anything in the City's new policy that triggers a need for incentives. There are other communities in the US that have community incentive programs that do work. Also, how do the issues of competition get addressed?

Mr. Furman also had a question about whether holding a public hearing is held – does this signal endorsement?

Mr. Furman also asked about the administrative fee that is mentioned in the policy. Shouldn't the IDA have control over this?

Mr. Dennis asked what does the endorsement by the Mayor mean? How does the Common Council feel about that? Ms. Robertson agreed that this could be a concern if it's entirely up to one person.

Ms. Filiberto stated that the information in the policy update regarding the public hearing and the administrative fee replicates the information in the IDA Density Policy. It was felt that letting the applicant know early in the process about these would be helpful.

Mr. Stamm stated that the process should be simplified; the point system in both the City and IDA policies was seen as cumbersome. A simpler and more predictable process is easier to market. However the outcome should not to be predictable but the process should be.

Mr. Ferguson commented that having the Mayor as the only endorser was seen as a way to simplify the process. In a way the City is contracting with the IDA to make the final yes or no decision.

Mr. Dennis commented that he is not opposed to a change since the IDA would have the ability to review the policy from time to time.

Ms. Dotson stated that currently the direction and focus of the policy update is on what kind of built environment the City wants. It may be that the Common Council will want the point system or other items back into the policy.

Ms. Robertson is concerned with when public input comes into the process. With this new policy, the first time a project goes to public hearing is at the IDA public hearing. This seems a bit too late and not sufficient. She would like to add having the City hold a public information meeting before coming to the IDA. She also suggested having the Mayor and two Common Council members decide on endorsement.

Mr. Stamm also stated that SEQR will have to be addressed and this might build in another public hearing.

Mr. Burbank asked where “need” for financial assistance comes into this policy? Would any project building in this location get abatements? He is also concerned with the issue of competition.

Mr. Furman asked if a project size of \$500,000 is the right number since this is tied to an increase in assessment?

Mr. Dennis asked if the IDA could see an example of how this new process would work at the City level.

Ms. Filiberto commented that the Town of Lansing policy is two tiered. An increased level of need increases the years of property tax abatement.

Mr. Bohn addressed the question of “need and competition.” The new policy is modeled after the Town of Lansing policy. It is hard to determine need. And competition is a shifting standard and depends on who is looking at it. It seems that the IDA would be a good group to address this issue of competition.

Mr. Ferguson commented that the City does not want to give away taxes but they do want growth in the core – this is a public good/benefit. Growth in the core of the City is vital to the life of the City. This

trumps everything else when it comes to competition, though of course there may be a need to tweak it a bit.

Ms. Robertson addressed the County's comprehensive plan – it is not just the City and Town of Ithaca. It identifies for nodes around the County and Lansing is ripe to become a denser node. Mr. Burbank commented that when the IDA discussed the Lansing policy, the board was not unanimous in its support.

Mr. Burbank stated that he is uncomfortable with the new plan and some of the community benefits that might be lost. He feels it would create competitive businesses with an unfair advantage over other businesses.

Mr. Furman stated that he is concerned with any possible hotel projects coming in under this policy. He would support local, smaller, entrepreneurial businesses but not big corporate organizations. He does not feel that larger organizations would have the same need, and would like a policy that would question the validity of that option.

Ms. Robertson asked about what “local” means – individual people from the local region? Versus national level corporation?

Mr. Baum stated that local small projects don't have the dollar impact that a larger national company would. Mr. Furman feels differently about this – this is where he would come in for different levels of abatements.

Ms. Robertson stated that another major issue is brown fields and the industrial zone. What is this? The IDA already has an industrial project incentive application.

Ms. Dotson stated the industrial zone does not necessarily mean purely industrial projects. It applies more to location.

Ms. Robertson asked for explanation of a list of projects the City handed out.

Ms. Kuszniir commented on all the benefits in the current policy. There is a key on the bottom of the document. The idea is that with the criteria a lot of the CIIP benefits still happen and the City would not need to make it part of the process.

Mr. Furman commented that there is no accountability mechanism for achieving these “benefits.”

Ms. Robertson thanked all for their work on this. City staff will take these comments under consideration and also present to Common Council. This will then come back to the IDA board for more comment.

Emerson Power Transmission – Use of Interest Funds

Mr. Stamm stated that at the last meeting it was talked about that the IDA had retained the interest penalty paid by Emerson that was calculated at 9%. It was kept under the assumption to help leverage funds for the site redevelopment, which has been delayed significantly. The discussion at the last

meeting was should the IDA distribute the money back to the taxing authorities, should it keep the money, or should it distribute a portion of the money to the taxing authorities based on market rate interest rates and retain the balance for redevelopment of the Emerson site?

Mr. Furman asked what do we need in terms of number of votes. We need four yes votes to pass.

Jim Dennis moved to use the difference (approx. \$76,000) between the 9% interest penalty (approx. \$103,219) and what would have been generated at market interest rates (approx. \$27,000) for the redevelopment of Emerson. The remaining funds (\$27,000) will be distributed to the taxing authorities immediately. The specific use of the \$76,000 must be approved by the IDA. If the funds are not expended within two years, the IDA must vote again on how the funds should be used. Larry Baum seconded the motion.

Mr. Burbank does support repurposing money for Emerson redevelopment. It would be helpful to bring board up to date on the site development.

Mr. Furman believes strongly that all money should go back to the taxing jurisdictions. Putting this money in such a vague way is not understandable. He has spoken to folks to at the Ithaca School District. One of the things going on in the district that the money could be used for has to do with extended day busing. This impacts tutoring positions in Enfield. Extended day busing did not start until December. This is a real project that creates real jobs now. The alternative is the Emerson project that is not known. When someone does come forward regarding Emerson, then the IDA could work on something to support that at that time.

Ms. Robertson clarified that the funds can be used now to match grants and funds to help clean up brown fields, do studies to redevelop the site. Mr. Stamm commented on the development studies, market research, community outreach that need to be done. He mentioned that there is a developer that has an agreement with the company on the site and this will allow the studies to be done and things to move forward. He feels the use of these funds to help with this would be a great return on investment even to the school district.

Ms. Robertson commented that the taxing jurisdictions would be made whole with this proposal. Mr. Furman stressed his point that the full interest amount would help the school district with jobs now versus maybes in the future.

The motion passed. Yeah – 4 Dennis, Baum, Burbank, Robertson. Nay – 1 Furman. Absent – 2 Myrick, Shinagawa.

Information will be sent to the taxing jurisdictions.

Mr. Stamm commented that he would also like to talk with the school districts and community about how they can support economic development.

Ms. Robertson also stated that the IDA's recapture policy should be revisited to clarify the policy on interest paid on recaptured funds.

Black Oak Wind Farm – PILOT Negotiations

Ms. Robertson presented her negotiation team recommendations for the Black Oak Wind Farm PILOT.

Town of Enfield – Roy Barriere, Debbie Teeter alternate

Dave McKenna

Jay Franklin

Joe Mareane

Michael Stamm, Heather Filiberto alternate

Martha Robertson

Jim Dennis

Brad Grainger

Margaret Boice

Will Burbank moved to accept the proposed recommendations for the Black Oak Wind Farm PILOT Negotiation Team. Larry Baum seconded the motion. The motion passed unanimously.

Executive Session

Larry Baum moved to take the meeting into Executive Session to discuss proprietary information. Will Burbank seconded the motion. The motion passed unanimously.

Jim Dennis moved to take the meeting out of Executive Session. Will Burbank seconded the motion. The motion passed unanimously.

STAFF REPORT

2011 TCAD Work Plan Review

Ms. Armstrong gave the review in response to a request from the IDA Board.

Direct Business Services/Revolving Loan Programs – 2011 a very good year, 5 loans to companies that worth \$328,000 creating 36 jobs over 3 years. There is over \$1 Million in loan resources. We also completed an agreement with the Park Foundation to start a sustainable loan fund. We have also found other means to capitalize other loan funds – one targeting businesses in the City of Ithaca.

Mr. Stamm highlighted what TCAD has done with some higher risk loans to start up companies – we have taken warrants and an equity position on a few loans.

The other piece is the Capital Tourism Grant Administration – Sciencenter, City of Ithaca Skate Park and also work at Cayuga Nature Center.

Next, Ms. Armstrong highlighted the work staff is doing with the Emerson Power Transmission site redevelopment.

Economic Development Strategy Update – work is ongoing. The ED Collaborative asked for more feedback from the community.

A survey for the Workforce Investment Board was tied in with the work on the ED Strategy.

We are continuing our work on Housing, Ms. Filiberto is on the Housing Fund oversight committee.

Also, Ms. Armstrong mentioned the entrepreneurship roundtable with Sen. Gillibrand was mentioned – this was a great connection with the Senator’s staff in Washington DC.

Local development procedures – we have been working with the TCCOG on this project.

Mr. Stamm has been working with the NYS Southern Tier Regional Economic Development Council and is also on the Executive Committee.

Mr. Stamm is the Chair of the Air Service Board - airline service to the area is very important.

Under Marketing and Communications – the new website work including the IDA and LDC websites.

Mr. Stamm noted that TCAD is down sizing to four people. Stephen Kimball is leaving TCAD and at this point we are not going to fill that position. The Finance Committee and Human Resource Committees have been working with staff on this.

Mr. Furman thanked Ms. Armstrong for doing this update and review. He asked about the minority and women’s loan fund – it still has loans and money available.

Ms. Robertson asked about the Employment Data issue. This is not in the work plan but has been taking a lot of staff time. Employment figures for Tompkins County looked bad for this year. This is due to how the Bureau of Labor Statistics reports the preliminary numbers – estimates are taken from a few months of the year and they do not account for the down tick due to student employment. They are underestimating the upswing in the fall and spring employment numbers. BLS has cut staff that used to work in the 50 states. We are working with our Senators to address this issue. BLS thinks this way is better, based on two quarters and there are no local biases.

There is concern of the picture of what these numbers paint for our community’s economic outlook. TCAD staff has been reaching out to other states and communities regarding this “glitch.” Staff has also issued press releases, news articles and radio and television interviews on this.

APPROVAL OF MEETING MINUTES

Larry Baum moved to approve the meeting minutes from the May 17, 2012 TCIDA Board meeting. Will Burbank seconded the motion. The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 5:45 PM