

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Approved Minutes  
February 11, 2016  
Tompkins County Legislative Offices  
121 E. Court Street, Ithaca, NY**

**Present:** Jim Dennis, Jennifer Tavares, Will Burbank, Martha Robertson, Rich John, Svante Myrick

**Staff Present:** Ina Arthur (recording), Heather McDaniel, Mariette Geldenhuys, Rick Snyder

**Guests Present:** Gary Ferguson (DIA), Dean Zervos (Simeon's on the Commons), Nels Bohn (IURA), Joe Bowes (INHS), Chuck Smith, Stacy Black, Marcus Williamee (Union Representatives), David Hart (Hart Hotels), Jeff Furman

**CALL TO ORDER**

Jim Dennis called to order the meeting of the **Tompkins County Industrial Development Agency** at 4:01 pm

Mr. Dennis introduced the seventh TCIDA Board member, Rich John, TC Legislator, who was appointed by the TC Legislature at its last meeting.

**Mr. Dennis also asked for a motion to add the Hotel Ithaca, LLC (Marriott) Sales Tax Exemption Increase to the agenda. Will Burbank moved to add the request to the agenda. Rich John seconded the motion. The motion passed.**

**PRIVILEGE OF THE FLOOR**

Stacy Black – IBEW 241 – Mr. Black commented that he would like to see the TCIDA adopt the changes that the City has made to its CIITAP policy. He feels the 40% local labor recording requirement is good but it wont reveal if enough local labor is available.

Jeff Furman – Mr. Furman spoke on two issues: Climate Change and Wage Issues. He feels that the IDA should require developers to help meet the green house gas reduction goals set by the County. Mr. Furman also commented on the Lenroc hotel project before the board. The wage structure for that project for housekeepers is 20% below the other hotels in the area. He is appalled and urges the IDA Board not to let this happen.

Ms. Robertson commented on the wage agreements that two other downtown hotels have with the City of Ithaca – these were made and are tied to land sales between those developers and the City of Ithaca.

Mr. Burbank commented that he had raised similar wage concerns with this project at the January Board meeting.

Mr. Tavares stated that the Lenroc application lists housekeepers wages from \$9-\$13/hr. Her guess is that unskilled hires would move up as they become more skilled.

## **BUSINESS**

### Lenroc/Hotel Ithaca Phase 2 – Final Approval

Ms. McDaniel stated that a public hearing for this project has been held. She is requesting that final approval be granted for this project. She also commented that an updated first page of the application can be found in the agenda packet – this clarifies the ownership.

**James Dennis moved to approve the inducement resolution for the Hotel Ithaca – Lenroc Phase 2 project. Svante Myrick seconded the motion.**

Mr. John asked about the total acreage and if a second tax parcel would need to be added to the resolution. Ms. Geldenhuys commented that after checking, there seems to be only one tax parcel.

Mr. Burbank asked Mr. Hart about the wage rates for housekeepers at the hotel.

Mr. Hart commented that the hotel stays in compliance with federal and State wage requirements. They pay a competitive rate and cannot go above that. The hotel usually hires inexperienced people and then trains them. The hotel also recognizes performance.

Mr. Burbank commented that on the application, the questions pertaining to use of local labor were all checked “no.” Mr. Hart commented that their general contractor is out of Buffalo NY. However, that contractor does a lot of work in the Southern Tier and a number of top bidders for smaller parts of the project are out of Ithaca, Southern Tier and Central New York.

Ms. Robertson asked about the length of the PILOT – seven years.

Do the employees pay a percentage of health insurance premiums? Yes, based on AHA legislation.

Mr. John asked when a worker would be eligible for a raise? 90 days.

**A vote was taken on the motion – the motion passed 5 – yes, 1 – no 1 – absent**

Ms. Robertson reminded Mr. Hart of the County’s PACE program.

Mr. Burbank commented that he voted no due to the wage issue. He is not against the project.

Ms. Tavares thanked Mr. Hart for his update on the use of local contractors.

### Hancock & First LLC – INHS 210 Hancock Street – Amended Inducement Resolution

**Svante Myrick moved to approve the amended inducement resolution for INHS 210 Hancock Street project. Will Burbank seconded the motion.**

Ms. Geldenhuys commented that the incentives for this project have previously been approved when INHS was the applicant. INHS was waiting until tax credits were approved and then they created the legal entity – Hancock & First, LLC – that would own the tax parcel. This resolution is to modify the previously approved documents to reflect the correct name of the owning entity.

Mr. Dennis commented that he is glad to be involved.

**A vote was taken on the motion. The motion passed 6 yes 1 absent.**

Mr. Bowes of INHS gave a brief update on the project. They are hoping to close on the financing for the project by March 22<sup>nd</sup>. Demolition should begin in early March and site work and construction will take 12-14 months.

State Street Vine & Dine d/b/a Simeon's on the Commons – Sales Tax Exemption Application and final approval

Ms. McDaniel introduced Dean Zervos, co-owner of Simeon's on the Commons. She stated that the application deviates from the IDA's UTEP – the IDA can choose to deviate from this policy as long as the taxing jurisdictions are notified. The sales tax exemption requested on the application is less than \$100,000 therefore there is no need for a public hearing. It's estimated value is just over \$27,000.

Mr. Zervos stated that they would be rebuilding the interior space where their restaurant was prior to the accident. Equipment will be purchased and the bar and kitchen and dining space will be re-built.

Ms. Robertson commented that it is great to see them moving forward with rebuilding and opening the restaurant again. She suggested looking into EnergizeNY for green building practices. She also corrected the application under annual purchases subject to sales tax - this should be \$750,000 to \$1M, not \$2M.

Mr. Tavares asked how this application deviates from the UTEP.

Ms. McDaniel commented that the deviation is in the use – this is a restaurant, and that it is only sales tax exemption, not the “standard” abatement package that would usually include a property tax abatement and mortgage recording tax abatement.

Mr. Rich asked what the division of labor would be between the building owner and the restaurant. Mr. Zervos commented that is under negotiation.

It was pointed out that since non of the prior employees are currently on the payroll, all the jobs on the application will be considered “new.”

**Jim Dennis moved to approve the inducement resolution for the State Street Vine & Dine d/b/a Simeon's on the Commons sales tax exemption. Svante Myrick seconded the motion. The motion passed 6 yes, 1 absent.**

#### Hotel Ithaca, LLC (Marriott) Sales Tax Exemption Increase Request

Ms. McDaniel stated that the Hotel Ithaca is asking for an increase in its sales tax exemption – the project costs have not changed, however that percentage subject to sales tax has been adjusted to more correctly reflect real costs. The projects request letter also points out an administrative error on the ST-60 form that was original reported to the State. This will be corrected in the new paperwork.

The project has not yet reached their current sales tax exemption cap, but are requesting a \$259,000 increase in the amount. This increase requires a new public hearing. She asked the Board to move this request to a public hearing.

**Martha Robertson moved to send the Hotel Ithaca, LLC sales tax exemption increase request to a public hearing. Svante Myrick seconded the motion. The motion was approved 6-yes, 1 absent.**

#### OSC Audit Corrective Action Plan – PARIS Report Memo

Ms. Arthur reviewed the recommended PARIS Report memo – this will help staff comply with the OSC Audit recommendation to have the IDA Board verify that the PARIS report is complete and accurate. Staff is asking that the Board authorize information being entered into PARIS, generate a report of the information entered, and present to the board for verification and certification. Ms. McDaniel commented that she has had conversations with the attorney that helped to craft the PAAA legislation and the he recommended this course of action.

**Jennifer Tavares moved to authorize staff to enter data from the 2015 TCIDA/TCDC Audit into the online PARIS system a report of which will be reviewed. Martha Robertson seconded the motion. The motion passed 6 yes 1 absent.**

#### 2016 TCIDA Board Officer Appointments

**James Dennis moved to appoint Martha Robertson as Vice Chair of the TCIDA Board and Svante Myrick as Secretary of the TCIDA Board. Jennifer Tavares seconded the motion. The motion was approved.**

#### City Modification to CIITAP Policy

Ms. McDaniel gave an overview of the modifications to the City of Ithaca's CIITAP policy. The City is still addressing some recommendations but did move forward on requiring the following:

**“Local Construction Labor-** Applicants are encouraged to hire locally wherever possible. For the purposes of this application, local is defined as anyone residing

in Tompkins County, or any of the 6 contiguous counties of Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties. In order to be eligible for a tax abatement an applicant must commit to the City in writing that they will meet the minimum local labor requirements described below, and will submit to the IDA the following information:

- a. Proof that the General Contractor has solicited bids from local sub-contractors for all major trades required for the construction project, including electric, plumbing, carpentry, masonry, and HVAC.
- b. Monthly payroll reporting of all workers on site during construction with a summary of how many employees are “local.” The reporting should include the address, zip-code, and total payroll amount per employee.”

Ms. McDaniel stated that the IDA Board can adopt the revised policy at the recommendation of the City of Ithaca.

Mr. Burbank asked if this is just the first pass at revisions by the City and if there are more to come.

Mr. Myrick commented that this recommendation was the first thing the Council came to consensus around and they wanted to get it in place so that data could begin to be collected.

Ms. Robertson commented on her past perceived conflict of interest regarding local labor – due to a past campaign contribution by labor unions.

Ms. Geldenhuys clarified the types of conflict of interest – project specific (an application etc.) versus policy discussions. As this is a general policy discussion and also time has lapsed since the donation, it would be fine for Ms. Robertson to join the discussion.

Ms. Tavares stated that she appreciates the concern over defining “local.” She would advocate for including Broome and Onondaga Counties to the definition. She also suggested looking at miles driving by “local labor” workers.

Mr. Myrick stated that these concerns were raised during discussions at the City level – at this point, the City would like to begin collecting data and based on that data will make adjustments as needed to the policy.

Mr. Burbank asked what the next steps in the process would be and how long it might take.

Mr. Myrick stated he is not exactly sure on the steps but thinks possibly 3 months.

Ms. Robertson stated that she is concerned about privacy issues and the reporting.

Mr. Bohn from the City stated that they plan to use certified payroll systems to get the addresses and zip codes and also the payroll hours regarding the labor working on the projects. This will help see where the workers live and how long they actually worked on a project.

This revision to the CIITAP policy will apply to future project applications. Current projects can be asked to provide data but cannot be compelled to do so.

This is a City of Ithaca Policy but projects will report to the TCIDA due to the legal documents in place.

**Svante Myrick moved to adopt the revised City of Ithaca Community Investment Incentive Tax Abatement Program (CIITAP). Will Burbank seconded the motion.**

Ms. Robertson stated that she feels this policy is confusion. Mr. Dennis stated that this revision is really for information gathering.

Ms. Robertson asked how would this requirement be enforced? Ms. McDaniel stated that it will be a learning experience.

Ms. Tavares stated that the policy should be more specific as to what we are collecting so we can be fair across the board. Ms. McDaniel stated that the IDA can outline how they will collect the data. She will develop a procedure and report back to the board.

Ms. Tavares also stressed that the identity of the workers needs to be protected. Mr. John agreed.

**A friendly amendment to the motion to remove the work “address” from subsection “b” of the policy was made and accepted.**

**A vote was taken on the motion. The motion passed 6 yes, 1 absent.**

## **STAFF REPORT**

Ms. Arthur gave a brief update on the annual audit process. The auditors are working on the financial and project data. Project data is still being collected by staff.

Ms. McDaniel reported that Taitem Engineering has been hired as the consultant for the County’s energy efficiency study for IDA energy related policies.

Staff is also reviewing changes to the NYS IDA legislation that will go into effect mid year.

Mr. Burbank asked if the board could be polled as to availability for the upcoming public hearing.

Mr. Burbank also asked about the possibility of moving the monthly IDA Board meeting to another day of the week/month. He suggested the third Monday of the month. Ms. McDaniel stated that she would have a conflict with that day.

## **MINUTES**

**Will Burbank moved to approve the TCIDA Board minutes from the January 14, 2016 meeting. Jim Dennis seconded the motion. The motion passed 5 yes, 1 absent, 1 recuse (R. John).**

The meeting was adjourned at 6:00 pm

**The minutes were approved at the April 14, 2016 Board meeting.**