


Tompkins County *Industrial Development Agency*

Administration provided by  **TCAD**

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY BOARD OF DIRECTORS MEETING

**• Thursday, February 9, 2017 •
4:00 – 5:30 PM
Legislative Chambers
Governor Daniel D. Tompkins Building
121 E. Court Street, Ithaca NY**

AGENDA

1. CALL TO ORDER

2. PRIVILEGE OF THE FLOOR

3. BUSINESS

Appointment of 2017 Officers

Old Business

Delaware River Solar I, II, III – Update

Off-Site Solar Policy – Continued Discussion

New Business

The Computing Center – Project Application

Funding Request from Finger Lakes Regional Prosperity Network (TCAD Foundation)

4. STAFF REPORT

5. APPROVAL OF MEETING MINUTES – January 12, 2017

6. ADJOURNMENT

Next Meeting: March 23, 2017

Tompkins County Industrial Development Agency

ADMINISTRATION PROVIDED BY 

The Computing Center – Community Benefits Overview

2/9/17

Project Overview

The newly constructed 4,600 square foot building will house The Computing Center. The layout includes sales and administrative offices, inventory and equipment staging areas, technical and engineering spaces, and a computer server room housing their own as well as client hosted servers and other computer technology.

The Computing Center was founded in Ithaca in 1978. The company provides computer hardware, software, peripherals, printers, printer consumables, systems design, consulting, network and systems engineering. The company also provides technical engineering management services, hosting of client servers, and remote management of client systems and networks. They specialize in providing the healthcare, financial, and insurance industries with HIPAA and other mandated encryption products, security systems, and policy, and remediation services. The company has outgrown its current space in the Cornell Business and Technology Park, and after 38 years, is ready to design and occupy its own building.

The incentives requested will be used to partially offset the additional equipment and systems necessary for a low energy consumption building. Because The Computing Center hosts significant computing resources for itself and its clients, substantial additional costs are necessary to make the building all-electric and to configure a suitably sized HVAC system and PV array along with the appropriate controls. This equipment will reduce overall energy consumption by approximately 30% over a standard building and the PV array will provide 40-50% of the required electricity. The building will be all-electric with at or above energy code technologies including:

- Air to Air Heat Pumps providing HVAC.
- LED Lighting throughout.
- Upgraded insulation in the walls and ceiling.
- A photo voltaic PV array.

The applicant is requesting the IDA consider an enhanced incentive equivalent to what Taitem Engineering proposed in their energy incentive study as follows:

Enhanced Energy Incentive

Year	Abatement %
1	100%
2	100%
3	100%
4	90%
5	70%
6	50%
7	30%

Standard Incentive

Year	Abatement %
1	90%
2	77%
3	64%
4	51%
5	39%
6	26%
7	13%

Tompkins County

Industrial Development Agency

The proposed enhanced incentive offers approximately \$29,000 more than the standard IDA incentive, or \$6.30 a square foot. This will allow the applicant to partially offset the costs of the planned energy saving measures. The company will still need to invest over \$98,000, or \$21.30 a square foot in these measures. The company expects to gain a reduction of 40-50% in grid provided energy utilization, representing approximately an \$8,000 annual savings over current energy costs. With the IDA incentive, the payback on the energy measures is projected to be 9-10 years.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – The project will retain 14 and create 6 new jobs.
- Estimated value of tax exemption – \$85,084
- Estimate of private sector investment to be generated by the project – \$1,394,000
- Likelihood of completing project in a timely manner – The applicant has sight control and has received municipal approvals to proceed. The bank financing is in process. I believe there is a good likelihood that construction will commence in 2017.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – \$28,000 in new tax revenue to the county, school, and town over seven years.
- Other benefits that might result from the project – The project is located in an area targeted for increased non-residential development. The project will be extremely energy efficient and contribute to reducing energy emissions in Tompkins County. The Computing Center employees will benefit from increased efficiencies and a modern work environment.

**Tompkins County Industrial Development Agency /
Tompkins County Development Corporation**
Application for Incentives

Date: 1/17/2017

I. APPLICANT INFORMATION (company receiving benefit)

Name of Company/Applicant: Baum Control Systems, Inc d/b/a The Computing Center

Owner: Mary Stazi, CEO, Larry Baum, CFO

Address: 15 Thornwood Drive

City: Ithaca State: NY Zip: 14850

Primary Contact (First, Last): Mary Stazi

Phone: (607)257-3524 Email: mary@compcenter.com Fax: (607)257-7685

If a separate company will hold title to/own the property, please provide the name and contact information for that entity:

Name of (Holding) Company: Warren Drive 987, LLC

Owner: Mary Stazi, Trudy Baum

Address: c/o The Computing Center - 15 Thornwood Drive

City: Ithaca State: NY Zip: 14850

Primary Contact (First, Last): Larry Baum

Phone: (607)257-3524 Email: larry@compcenter.com Fax: (607)257-7685

Describe the terms and conditions of the lease between the applicant and the owner of the property:

The Computing Center will be the tenant of the proposed building owned by Warren Drive 987, LLC. The initial lease will be for 10 years with two five year extension options.

Select the type of incentives being requested (select all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Tax-Exempt Bonds | <input type="checkbox"/> Taxable Bonds |
| <input type="checkbox"/> Real Property Tax Exemption | |
| <input type="checkbox"/> Standard Tax Exemption (7-year) | |
| <input checked="" type="checkbox"/> Other (attach justification) | |
| <input type="checkbox"/> CIITAP: <input type="checkbox"/> 7-year | |
| <input type="checkbox"/> CIITAP: <input type="checkbox"/> 10-year (requires determination of financial need – see CIITAP for details) | |
| <input checked="" type="checkbox"/> Sales Tax Exemption | <input checked="" type="checkbox"/> Mortgage Recording Tax Exemption |

Applicant Attorney: Peter Grossman

Address: 120 East Buffalo St.

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): _____

Phone: (607)277-6611 Email: pgrossman@bgdtlaw.com Fax: (607)277-3330

Applicant Accountant: David Iles - Sciarabba Walker & Company

Address: 410 East Upland Road

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): _____

Phone: (607)272-5550 Email: Diles@swcllp.com Fax: () -

Applicant Engineer/Architect (if known): HOLT Architects

Address: 619 West State St

City: Ithaca State: NY Zip: 14850

Primary Contact (if different from above:): Quay Thompson

Phone: (607)273-7600 Email: aqt@holt.com Fax: () -

Applicant Contractor (if known): D-Squared, Inc

Address: 1304 Ridge Road

City: Lansing State: NY Zip: 14882

Primary Contact (if different from above:): Doug Boles

Phone: (607)227-5177 Email: boles.d2@gmail.com Fax: () -

II. BUSINESS HISTORY

Year company was founded: 1978 NAICS Code: 541512

Type of ownership (i.e. C-Corp, LLC): TCC - C-Corp Warren Dr 987 - LLC

Describe in detail company background, products, customers, goods and services:

The Computing Center was founded in Ithaca in 1978. The company provides computer hardware, software, peripherals, printers, printer consumables, systems design, consulting, network and systems engineering, and repair services to clients primarily within Tompkins County and the surrounding counties. We also provide technical engineering management services, hosting of client servers, and remote management of client systems and networks. We also specialize in providing the healthcare, financial, and insurance industries with HIPAA and other mandated encryption products, security systems, and policy, and remediation services.

On 1/01/2016, Mary Stazi became the majority owner of the company and in August 2016, the company became a New York State Certified Woman Owned Enterprise (WBE).

The company is a preferred vendor to Cornell University and holds several major contracts for Cornell and other educational institutions.

Major Customers: Cornell University, Tompkins Trust Company, Ithaca College, TC3, Dryden Mutual Insurance, Security Mutual Insurance, Cayuga Medical Center, Cayuga Medical Associates, Hospicare, Tompkins County, Family & Childrens Services, Sciarabba-Walker & Co.

Major Suppliers: Hewlett Packard, Microsoft, Ingram Micro, Tech Data, Synnex

Has your business every received incentives tied to job creation? Yes No

If yes, please describe: _____

Were the goals met? Yes No

If no, why were the goals not met? _____

Annual sales to customers in Tompkins County: \$5.8 Million

Percent of annual sales subject to local sales tax: 54.06%

Value of annual supplies, raw materials and vendor services are that purchased from firms in Tompkins County: \$450,000

III. PROJECT DESCRIPTION AND DETAILS

Project Location (all addresses and tax parcels): 987 Warren Drive Tax Parcel 44.-1-15.2

Property Size (acres): existing: 0.65 acres proposed: 0.87 acres

Building Size (square feet): existing: 0 proposed: 4600 sq ft

Proposed Dates: start: 03/2017 end: 09/30/2017

Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or equipment purchases, etc.). Identify specific uses occurring within the Project. Describe any and all tenants and end users:

The newly constructed 4,600sq ft building will house The Computing Center, its sales, administrative, technical and engineering staffs. It's layout includes sales and administrative offices, inventory and equipment staging areas, technical and engineering spaces, and a computer server room housing our own as well as client hosted servers and other computer technology.

The building will have fiber optic Internet capacity from at least one ISP at an initial 50Mbit/sec speed. A standby generator will provide power in the event of a general power failure as well as uninterruptible power system will maintain technology operations while the generator is being activated.

The building will be all-electric with at or above energy code technologies including:

- Air to Air Heat Pumps providing HVAC.
- LED Lighting throughout.
- Upgraded insulation in the walls and ceiling.
- A photo voltaic PV array.

Is there a likelihood that the Project would not be undertaken but for the financial assistance provided by the Agency? Yes No

If yes, describe the reasons why the Agency's financial assistance is necessary and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc.:

If no, provide a narrative indicating why the Project should be undertaken by the Agency:

The incentives will be primarily used to partially fund the additional equipment and systems necessary for a low energy consumption building going forward. Because The Computing Center hosts significant computing resources for itself and its clients, substantial additional costs are necessary to make the building all-electric and to configure a suitably sized HVAC system and PV array along with the appropriate controls. This equipment will reduce overall energy consumption by approximately 30% over a standard building and the PV array will provide 40-50% of the required electricity.

If the Applicant is unable to obtain financial assistance for the Project what will be the impact on the County/City/Town/Village?

The building will be built using standard energy and control techniques with minimal enhancements other than those required by code. HVAC will likely be propane fired since natural gas hookups are currently not being offered by NYSEG. Insulation will be standard and to code. Lighting will be fluorescent. The PV Array will very likely be eliminated.

Describe what green building practices you plan to use:

Costs of energy enhancement items above standard code compliant equipment:

- Air to Air Mitsubishi Heat Pumps \$30,000
 - LED Lighting \$ 4,000
 - Insulation Upgrade \$ 3,500
 - 38Kw Grid-Connected Solar Electric \$89,500 138 - 275 watt Solarworld roof mounted PV panels.
- (This is the net cost AFTER the NYSERDA PV NY-Sun incentive of \$15K.

Will this project result in a regular increase in overnight visitors to your facility (e.g. for training programs)? Yes No

If yes, number of visitors per year: _____

Average duration of stays (days): _____

Occupancy

Select Project type for all end users at Project site (select all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Industrial | <input checked="" type="checkbox"/> Service*, ** |
| <input type="checkbox"/> Acquisition of existing facility | <input type="checkbox"/> Back office |
| <input type="checkbox"/> Housing | <input type="checkbox"/> Mixed use |
| <input type="checkbox"/> Multi-tenant | <input type="checkbox"/> Facility for aging |
| <input checked="" type="checkbox"/> Commercial | <input type="checkbox"/> Civic facility (not for profit) |
| <input type="checkbox"/> Retail*, ** | <input type="checkbox"/> Other |

* For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.

** If Applicant checked "retail" or "service," complete the Retail Questionnaire contained in Section X.

List the name(s), nature of business of proposed tenant(s), and percentage of total square footage to be used for each tenant (additional sheets may be attached, if necessary):

Business	Nature of Business	% of total square footage
1. The Computing Center	Computer Technology	100%
2. _____	_____	_____
3. _____	_____	_____

IV. PROJECT COSTS AND FINANCING

Project Costs

		Amount (\$)
Land and/or Building Acquisition:	.87 acres _____ square feet	\$75,000
New Building Construction:	4600 square feet	\$875,000
Building Addition(s):	_____ square feet	\$ _____

Infrastructure Work:	\$132,000
Reconstruction/Renovation: _____ square feet	\$
Manufacturing Equipment:	\$
Non-Manufacturing Equipment (furniture, fixtures, etc.):	\$
Soft Costs (professional services, etc.):	\$185,000
Other (Specify): <u>PV Array & Energy Enhancements</u>	\$127,000
TOTAL:	\$1,394,000

Have any of the above costs been paid or incurred as of the date of this application? Yes No

If yes, describe particulars: Land has been purchased. Architectural drawings, building quotes, legal, accounting, survey, town approval costs, and siteplan review costs paid for.

Sources of Funds for Project Costs

Bank Financing	\$1,114,000
Equity	\$280,000
Tax Exempt Bond Issuance (if applicable)	\$
Taxable Bond Issuance (if applicable)	\$
Public Sources (Include sum total of all state and federal grants and tax credits)	\$

Identify each State and federal grant/credit:

_____	\$
_____	\$
_____	\$

Total sources of funds for Project costs: _____ \$

Project refinancing of existing debt only (estimated): _____ \$

Amount of anticipated financing from a lending institution: \$ _____

Note: The applicant must inform the TCIDA/TCDC at the time of issuance of commitment letter if the financing will exceed the amount stated here.

V. VALUE OF INCENTIVES

Property Tax Exemption: *(Agency staff will fill out property tax exemption information based on information submitted by the applicant).*

Assumptions: \$500,000 Value of increase in assessment
4% Annual increase in assessment and tax rate

Year	Abatement	<u>New Taxes Paid</u> \$28,035				<u>Taxes Abated</u> \$85,084			
		County	Town	School	Total	County	Town	School	Total
1	100%	\$0	\$0	\$0	\$0	\$3,315	\$746	\$10,261	\$14,322
2	100%	\$0	\$0	\$0	\$0	\$3,448	\$776	\$10,671	\$14,895
3	100%	\$0	\$0	\$0	\$0	\$3,586	\$807	\$11,098	\$15,491
4	90%	\$373	\$84	\$1,154	\$1,611	\$3,356	\$755	\$10,388	\$14,499
5	70%	\$1,164	\$262	\$3,601	\$5,026	\$2,715	\$611	\$8,403	\$11,728
6	50%	\$2,017	\$454	\$6,242	\$8,712	\$2,017	\$454	\$6,242	\$8,712
7	30%	\$2,936	\$661	\$9,088	\$12,685	\$1,258	\$283	\$3,895	\$5,437
Totals		\$6,490	\$1,460	\$20,086	\$28,035	\$19,696	\$4,431	\$60,958	\$85,084

If the applicant is requesting incentives that are greater than the Agency's Standard Tax Exemption (7 years), please provide a description of the incentive and a justification:

We are requesting an enhanced incentive equivalent to what Taitem Engineering proposed in their energy incentive study for the IDA.

The proposed enhanced incentive offers approximately \$29,000 more than the standard incentive, or \$6.30 a square foot. This will allow us to partially offset the costs of the heat pumps, LED lighting, increased insulation, and the PV Array. The company will still need to invest over \$98,000, or \$21.30 a square foot, as well as cover the financing costs. We expect to gain a reduction of 40-50% in grid provided energy utilization representing approximately an \$8,000 annual savings over our current energy costs. With the estimated increases in electric rates over time, we estimate a minimum acceptable 9-10 year payback if the IDA incentive is awarded.

We reviewed the costs of doing a 3rd Party energy certification program that was proposed to the IDA in Taitem Engineering's and found it to be relatively expensive for a small project with little enhanced benefit over what we have already planned.

Our internal estimate showed the net cost of completing the 3rd Party energy certification would be \$8,000-\$10,000 increasing the return period through electrical savings by over one year taking it outside the minimally acceptable return period.

Sales and Use Tax Benefit:

Gross amount of costs for goods and services that are subject to State and local sales and use tax – said amount to benefit from the Agency's sales and use tax exemption benefit: \$ 565,000

Estimated State and local sales and use tax benefit (product of sales and use tax amount as indicated above multiplied by 8%) \$ 45,200

Note: The estimate provided above will be provided to the New York State Department of Taxation and Finance and represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to the application.

Mortgage Recording Tax Benefit:

Mortgage Amount (include construction/permanent/bridge financing/refinancing): \$ 1,114,000
 TCIDA/TCDC Application

Estimated mortgage recording tax exemption benefit
 (product of mortgage amount as indicated above multiplied by .0025%): \$ 2,785

Complete for bond applicants only: *(Projected 25 year borrowing term)*

	Without Bonds	With Bonds
First Year Debt Service	\$ _____	\$ _____
Total Debt Service	\$ _____	\$ _____

Percentage of Project costs financed from public sector:

A. Total Project Cost	<u>\$1,394,000</u>
B. Estimated Value of PILOT	<u>\$85,084</u>
C. Estimated Value of Sales Tax Incentive	<u>\$45,200</u>
D. Estimated Value of Mortgage Tax Incentive	<u>\$2,785</u>
E. Total Other Public Incentives (tax credits, grants, ESD incentives, etc.)	<u>\$na</u>

Calculation of percentage of Project costs financed from public sector: 9.5%
 (Total B + C + D + E above / Total Project Cost)

VI. EMPLOYMENT INFORMATION

Note: Annual employment reporting will be required during the course of the abatement.

Describe the benefits you offer to your employees:

- Health Insurance - Coverage required of all employees and provided to those without coverage elsewhere. Our company pays 63-69% of the health insurance premiums and 80% of deductables/prescriptions are paid through a company sponsored HRA.
- AllyHealth Telemedicine Program. 100% paid by the company
- Short & Long Term Disability Insurance - 100% paid by the company
- Group Life Insurance - 100% paid by the company
 (The hourly value of the above benefits is \$4.55-\$7.90/hr depending on single or family coverage.)
- 401k Retirement Program - Company matches 50% of first 6% of employee contribution. Immediate 100% vesting.
- Travel, mobile phone, & training programs reimbursed by the company

Describe the internal training and advancement opportunities you offer to your employees:

- Training for Technical Certifications - 100% paid for by the company with an average of \$3,000 in increased compensation for each major certification gained.
- Advancement training from technician to system engineer and/or system programmer.
- Sales, Customer Service & Product Service training programs.

Employment Plan

Occupation in Company	Current (Retained) Permanent Full Time Jobs		Projected New Permanent Full-Time Jobs			
	Average Annual Salary Ranges/ Hourly Wage	Number of Employees	Year 1	Year 2	Year 3	Total New Jobs
Professional						
Management	\$78,000	2				
Clerical	\$17.21	3				
Sales	\$50,000	2		1		1
Services						
VP Services	\$62,000	1				
Construction						
Manufacturing						
High Skilled						
Medium Skilled						
Basic Skilled						
Other (describe)						
Systems Engineers	\$59,800	2	2	1	1	4
Technicians	\$21.50	3		0		0
Delivery/Logistics	\$14.00	1		1		1
Total		14	2	3	1	6

What percentage of your current positions are occupied by women? 43 %

What percentage of your current positions are occupied by minorities? 6.3 %

Estimated percentage of new hires who would be unemployed at time of hire: 10 %

Estimate the number of residents of the labor market area in which the Project is located that will fill the projected new jobs to be created. (The Agency defines the labor market area as Tompkins County and the contiguous counties; Cayuga, Seneca, Schuyler, Chemung, Tioga, and Cortland Counties) 94 %

Are you willing to pay a livable wage, as defined by the Alternatives Federal Credit union (AFCU) of Ithaca, NY (http://www.alternatives.org/pdf/AFCU-2015-1055_FINAL2.pdf) to all employees for the duration of the abatements? Yes No

If no, estimate the percentage of the current workforce whose wages meet or exceed the livable wage, as defined by AFCU. 100%

Please describe your strategy for ensuring diversity in hiring:

- All jobs are posted to the NYS Job banks and posted at the local OneStop.
- Mary Stazi has been a member of the Workforce Investment Board (WIB) for seven years and currently serves on its executive committee.
- During its 38 years in business, Computing Center has employed women and minority employees in every technical, engineering, logistics, sales, management and clerical position.

VII. CONSTRUCTION LABOR

Note: Applicants will be required to comply with the Agency's Local Labor Utilization Policy.

Will you use contractors who:

- | | | | |
|---|---|--------------|--|
| Have a certified apprenticeship program | <input type="checkbox"/> Yes | _____ % | <input checked="" type="checkbox"/> No |
| Pay a prevailing wage | <input type="checkbox"/> Yes | _____ % | <input checked="" type="checkbox"/> No |
| Use local labor | <input checked="" type="checkbox"/> Yes | <u>100</u> % | <input type="checkbox"/> No |

VIII. ENVIRONMENTAL REVIEW AND PERMITTING

Environmental Assessment Form - *Short Form* *Long Form*

Submitted to: Ed LaVigne and Michael Long

Agency Name: Town of Lansing

Agency Address: 29 Auburn Road

City: Lansing State: NY Zip: 14882

Date of submission: 12/30/2016 Status of submission: _____

The Applicant must comply with the State Environmental Quality Review Act (SEQRA) before the Agency can vote on proposed financial incentives. It is the applicant's responsibility to provide a copy of the-SEQRA determination by another entity.

Permits: Describe other permits required and status of approval process.

	<i>Permit</i>	<i>Status</i>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____

IX. OTHER

Do you have anything else you would like to tell the TCIDA regarding this project?

The Computing Center and its staff have been active in our community since our founding. Both the principals of the company live-in and have raised their families here. We encourage our staff to actively participate in community activities and give-back locally. Our company and staff donate to and volunteer with over 30 local not-for-profit and community organizations.

After 38 years, we feel that a new building for our company is a prudent investment. By owning a building, it becomes possible to significantly lower our energy footprint (far more difficult to accomplish in a rental situation). However the investment required to fund the equipment and systems necessary are not possible on our own.

X. RETAIL QUESTIONNAIRE (Fill out if end users are "retail" or "service" as identified in Section III)

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the project site to undertake either a retail sale transaction or to purchase services.

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? Yes No

If yes, please continue. If no, do not complete the remainder of the retail questionnaire and proceed to the next section of the application.

For Purposes of this question, the term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the project location.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the Project? 12 %

If the answer is less than 33.33% do not complete the remainder of the retail determination and proceed to the next section of the application.

If the answer to Question A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the Project:

1. Will the Project be operated by a not-for-profit corporation? Yes No
2. Is the Project location or facility likely to attract a significant number of visitors from outside Tompkins County? Yes No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. Will the Project make available goods or services which are not currently reasonably accessible to the residents of the municipality within which the proposed Project would be located? Yes No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes No

If yes, explain: _____

XI. INTER-MUNICIPAL MOVE DETERMINATION

The Agency is required by State law to make a determination that, if completion of a Project benefiting from the Agency financial assistance results in the removal of an industrial or manufacturing plant of the Project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the project occupant located within the State, Agency financial assistance is required to prevent the Project occupant from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry.

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the State? Yes No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the State? Yes No

If yes to either question explain how notwithstanding the aforementioned closing or activity reduction the Agency's financial assistance is required to prevent the Project from relocating out of the State or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does the Project involve relocation or consolidation of a Project occupant from another municipality:

Within New York State: Yes No

Within County/City/Town/Village: Yes No

If yes to either question above, please explain:

The Computing Center will be moving from the Cornell Business and Technology Park to our own building in the Town of Lansing. The company has worked out of rented space since its founding in 1978. We have been in the same location for nearly 20 years. In addition to modernizing to meet client needs the new building will create significant operating efficiencies, better leverage today's and future technologies, and have space that is flexible to our company's ongoing needs.

REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

Mary Stazi(name of CEO or other authorized representative of Applicant) confirms and says that he/she is the CEO (title) of Baum Control Systems, Inc, d/b/a The Computing Center (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed Project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300) ("JTPA") in which the proposed Project is located.
- B. First Consideration for Employment. In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed Project.
- C. Employment Reports. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization, local construction labor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Project Agreement between the Agency and Applicant.
- D. Labor Utilization Reporting. The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to comply with the Labor Utilization Policy, which requires providing documentation that construction bids were solicited from local firms and monthly construction labor reporting as outlined in the Policy.
- E. Hold Harmless Provision. The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (ii) the Agency's acquisition, construction and/or installation of the Project described therein and (iii) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

- F. Sales Tax. In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copies of all filings shall be provided to the Agency.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant.

- G. Fees. By executing and submitting this Application, the applicant covenants and agrees to pay the following fees:
- (i) An Administrative Fee in accordance with the Administrative Fee Policy effective as of the date of this application, to be paid at transaction closing (unless otherwise outlined in the Project Agreement or authorizing resolution). This fee will be equal to 1% of the total value of expenses that are positively impacted by the Agency incentives. The Agency may reduce the administrative fees from 1% to .50% of project costs if the total project cost is less than \$1 million. For total project costs greater than \$1 million but less than \$2 million, the fees may be reduced from 1% to .75% of project costs;
 - (ii) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed Project; with all such charges to be paid by the Applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;
 - (iii) The cost incurred by the Agency and paid by the Applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

If the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

- H. FOIL. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.
- I. Financial Review. The Applicant acknowledges that the Agency shall undertake an assessment of all material information included in connection with the Application for Financial Assistance as necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project, including, but not limited to qualification of the proposed project under the GML (including any retail analysis, as applicable), conducting a full application review, review of applicant financial history and project pro-formas, and consideration of all local development priorities.
- J. The Applicant represents and warrants that the information contained in this Application, to the best of the Applicant's knowledge, is true, accurate and complete.

**NEW YORK STATE FINANCIAL REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

Please be advised that the New York General Municipal Law imposes certain reporting requirements on IDAs and recipients of IDA financial assistance. Of particular importance to IDA applicants is Section 859 (copy attached). This section requires IDAs to transmit financial statements within 90 days following the end of an Agency's fiscal year ending December 31, prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development. These audited financial statements shall include supplemental schedules listing the following information:

1. All straight-lease ("sale-leaseback") transactions and whether or not they are obligations of the Agency.
2. All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.
3. All new bond issues shall be listed and for each new bond issue, the following information is required:
 - a. Name of the project financed with the bond proceeds.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which the bond was issued.
 - f. Bond interest rate at issuance and, if variable, the range of interest rates applicable.
 - g. Bond maturity date.
 - h. Federal tax status of the bond issue.
 - i. Estimate of the number of jobs created and retained for the project.
4. All new straight lease transactions shall be listed and for each new straight lease transaction, the following information is required:
 - a. Name of the project.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which each transaction was made.
 - f. Method of financial assistance utilized for each project, other than the tax exemptions claimed by the project.
 - g. Estimate of the number of jobs created and retained for the project.

Please sign below to indicate that you have read and understood the above.

Name: Mary Stazi

Title: CEO

Company: Baum Control Sytems, Inc. d/b/a The Computing Center

Date: _____

**Request up to \$9,950 from the TC IDA to fund
A Business Plan for FLRPnet's Food-Processing Business Incubation Program**

Overview: The Finger Lakes Regional Prosperity Network (FLRPnet) (aka TCAD Foundation) is germinating a food sector development project as part of its rural wealth creation initiative. The purpose is to grow the Food-Processing Sector and related industries, with objectives of creating good quality jobs, business investment and, ultimately, local wealth that sticks. The target customers are start-up and existing food-processing companies that want to expand from small-scale production and niche markets into medium scale production and regional wholesale markets. This initiative builds on FLRPnet's 2016 feasibility study that was partially funded by TCIDA (for the study report go to www.FLRPnet.org).

Context: In the wake of its successful regional forum in October of 2016, FLRPnet aims to grow the organization's administrative and programmatic capacity during 2017. A consultant, Peter Fairweather Consulting, has been selected to provide two business development plans that will assist FLRPnet in charting its trajectory for the next three years. One business plan will focus on the evolution of FLRPnet's administrative capacity including hiring an Executive Director. The other business plan will focus on FLRPnet's food-processing business incubation program.

Request: FLRPnet seeks up to \$9,950 from the Tompkins County IDA to develop the business plan for the Food-Processing Business Incubation Program. The plan will describe the program's first three years of operations, identifying program objectives, staffing needs and other operating expenses. The business plan builds on the results of the 2016 feasibility study, which identified the following business incubation needs:

- (1) **Provide general information and resources** - about product trends, market research, business planning, capital access, regulatory and permitting requirements, legal matters, nutritional analysis and labeling issues, QA and food safety, etc. Recommended program elements to develop:
 - a. *Community* – network of food entrepreneurs connected with peers in the sector
 - b. *Portal* – web-based, one-stop shop for information on operating a food business
 - c. *Navigator* – a facilitator, connecting resources and information to entrepreneurs

- (2) **Provide specific business guidance and customized mentoring**: a few key topics: product and process development, market access and sales generation, and access to capital, and technology. Recommended program elements to develop:
 - a. *Industry-specific Business Assistance* – one-time or short interval support or advice
 - b. *Mentoring* – long-term, often over several stages of the business' lifecycle
 - c. *Subject Matter Experts* – short-term, specific business or technical issue
 - d. *Workshops* – topics such as marketing, sales and distribution, and food safety
 - e. *Regional Branding* – to generate heightened interest by consumers

Results: The business plan will further define the program design and related costs, positioning FLRPnet to seek funding. FLRPnet aims to initiate the program by Q4 of 2017 – hiring staff, developing an asset map, and establishing an online portal for food system business resources. The envisioned program would provide food entrepreneurs, whether farm or factory based, with technical assistance, connections to resources, and connection to a larger entrepreneurial community. The program would serve an approximate 50-mile radius, primarily targeting 12

counties: Broome, Cayuga, Chenango, Chemung, Cortland, Schuyler, Seneca, Steuben, Tioga, and Tompkins, Yates.

A note about future funding: FLRPnet hosted a forum in October 2016 to gain critical engagement for their rural wealth creation initiative. The forum brought together 80 participants – agricultural, business, economic development, non-profit, education, and government leadership from the 12 counties. Sentiment was strong for collaboration across the region to develop the food sector. FLRPnet is confident there will be funding available to develop the Food-Processing Business Incubation Program. While FLRPnet is asking the Tompkins IDA to fund this business study, when we turn to raising funds for implementation, FLRPnet will seek matching funds from across the region.

Scope of Work

FLRPnet proposes creating a business plan for the Food-Processing Business Incubation Program serving the Finger Lakes region. Peter Fairweather Consulting of New Paltz, NY, has significant experience in economic development planning, with a substantial record of strategic and business planning for a variety of agencies. Peter has worked on projects in each of the 12 counties of the region. Peter is currently working on similar food-program development for the Hudson Valley region. Martha Armstrong will provide the local interface for the consultant’s work. Peter Fairweather’s proposed scope of work and budget is summarized in the table below.

Task	Hours	Rate	Total
1. Inventory of Existing Models for Food Processing Business Incubation Navigator Initiatives	24	\$ 150	\$ 3,600
2. Estimate of Scale & Geographic Location of Food Processing Start Up Activity in Finger Lakes Region	12	\$ 150	1,800
3. Specification of Navigator Services, Territory and Average Monthly Hours for one to two Navigators	8	\$ 150	1,200
4. Define Scale & Cost Range of the Portal	2	\$ 150	300
5. Estimate of Budget & Specification of Job Description & Qualifications for Navigator Position	6	\$ 150	900
Total Personnel:	52		\$ 7,800
Expenses (travel)			350
Contingency: if needed as the business plan evolves	12	\$ 150	1,800
TOTAL not-to-exceed BUDGET:			\$ 9,950

Schedule: USDA Rural Business Development Grant program for 2017 has not yet been announced, but will likely be due May 1, 2017. We anticipate completing the business plan in time to inform this application.

ABOUT FAIRWEATHER CONSULTING

Fairweather Consulting works with organizations to realize their full potential and intensify their impact. Clients range from small villages to extensive networks of not-for-profit organizations. Learn more at <http://www.fairweatherconsulting.com>.

ABOUT PETER FAIRWEATHER



Peter Fairweather has a practice specializing in strategic change processes for communities and organizations. His work draws upon more than twenty years of experience in strategic planning, economic development, education and community planning.

President of Fairweather Consulting for over fifteen years, he regularly leads consulting teams on projects related to strategic planning, economic development and community revitalization. The technology-led economic development strategy he created for rural Ontario County, NY has been featured at conferences throughout the United States. He recently completed a strategic plan for Walkway Over the Hudson, the organization that created the longest pedestrian bridge in the world. He has successfully completed analyses for arts, wine and food-related projects in Texas, Pennsylvania and the Finger Lakes and Hudson Valley regions in New York

Prior to founding Fairweather Consulting, he held various leadership positions at the State University of New York at New Paltz. He directed an institute on community planning & economic development, was the campus-wide coordinator for a facilities master plan and was part of a four-person team that led the State's response to a major IBM downsizing. During that time, he also designed the college's Institute for International Business (which provides courses and internships for international clients), helped create the Samuel Dorsky Museum of Art, produced public affairs television programming and helped create the Hudson Valley Forum, a symposium series that became the college's single largest source of unrestricted private funding. Mr. Fairweather was also part of the team that initiated the SUNY Learning Network (now known as Open SUNY), a system-wide distance learning platform.

**Tompkins County Industrial Development Agency
Board of Directors Meeting DRAFT Minutes
January 12, 2017
Tompkins County Legislative Offices
121 E. Court Street, Ithaca, NY**

Present: Jim Dennis, Rich John, Grace Chiang, Jennifer Tavares, Martha Robertson, Will Burbank

Staff Present: Heather McDaniel

Guests Present: Stacey Black, Chuck Smith (Local Labor Union Reps), Joe Sliker (Renovus), Richard Chun (Delaware River Solar), Rich Winter (Delaware River Solar), Jay Franklin (TC Assessment)

CALL TO ORDER

Jim Dennis called the meeting of the **Tompkins County Industrial Development Agency** to order at 4:10 pm.

PRIVILEGE OF THE FLOOR

Stacey Black –IBEW – He spoke about Delaware River Solar project. Wanted to stress the use of local labor. The application does not indicate that they plan to hire local labor.

Chuck Smith – Carpenters Union – Referring to the Delaware River Solar project, there are a number of grants available for projects like this, why does it need a PILOT? Also asked about the local labor policy implementation. Ms. McDaniel commented – this was approved in June 2016 and the first project that was approved after was Cargill – they have been apprised of the requirements. Mr. Smith asked if the required documentation as to the bids and use of local labor would be up on the web site. Ms. McDaniel replied that if that information is requested it should be done so under FOIL.

Joe Sliker – Renovus – Comments on draft solar policy – concerns over difference between for profit projects and energy savings projects. Legislation has changed. Wants to make sure that these changes are considered in the policy. If arrays are built and individual homeowners buy them they are being treated as not for profit vs. a commercial company building and then selling the energy that is treated as for profit. He also mentioned that State rebates vary depending on when they are applied for. This will also impact future projects and their financial viability. Jay Franklin, TC Assessment, commented that all real property is taxable unless there is an exemption. Most taxing jurisdictions have allowed exemption for residential, solar panels but some have not.

BUSINESS

Memorandum of Understanding with TCAD and Appointment of Administrative Director

Jim Dennis moved to approve the 2017 MOU with TCAD and to appoint Heather McDaniel as the Administrative Director of the TCIDA. Jennifer Tavares seconded the motion. The motion was approved 6-0.

Off-Site Solar Policy

This is the first draft of the policy to provide incentives for off-site solar projects. There has been some comment on it. Ms. McDaniel requested that the IDA request comment from taxing jurisdictions and continue discussion at a future meeting. The policy includes a requirement that the host municipality submit a letter of endorsement. The PILOT amount was set at \$8,000 per megawatt and was based primarily on two factors: First, other states like NY and MA offer 10 and 15 year incentives (based on annual MW output) whereas NY only offers three years of incentive. This increase the payback on these projects in NY from 10 or 15 years to nearly 30 years, making them difficult to assemble in NY. Second, the load zone C where Tompkins is located has the lowest electricity rates in NYS, which effectively reduces the projected revenues on projects..

Rich John asked about figuring it out as a percentage of income stream after expenses. Ms. McDaniel stated that financing is structured very differently for each project due to tax credits etc. The suggested policy gives more predictability for taxing jurisdictions and project developers with a set dollar amount per year.

Ms. Tavares commented on informing other taxing jurisdictions about developing this polity – does a public hearing need to happen? Ms. Geldenhuys stated that there is no stipulation to hold a public hearing or even to notify them. Ms. McDaniel commented that she will notify the taxing jurisdictions and present at the Tompkins County Council of Governments.

Mr. Burbank asked why our areas electric rates are so low.

Mr. Dennis stated that this draft policy will be discussed more and will be brought back at a later time.

Delaware River Solar

Applications for Projects I, II, & III

Ms. McDaniel passed out letter from the Town of Newfield regarding the project, and a resolution for the IDA to notify interested and involved agencies of its intent to act as lead agency for the environmental review process.

There are three applications essentially the same, each a 2MW project on Millard Hill Road in Newfield. The State regulations only allow community solar projects of 2MW or less.. This project was referred from the Town of Newfield. The Town wanted to negotiate a PILOT agreement. However, real property tax law limits the term they could negotiate to 15 years. The life of the land lease and equipment is 20 years. The Town suggested the IDA could deliver a longer term to provide more certainty for the developer. The letter from the Town of Newfield requests \$9,000 per MW with a 1% annual escalator.

Richard Winter – owner of Delaware River Solar. The three, two-megawatt projects are being developed to sell renewable power locally. The company has projects in 8 or 9 other Counties in NY. The company has business in Sullivan County and NYC.

Mr. John – use of local labor – who do you plan to use? Mr. Winter stated they are committed to using as much local labor as possible. He would expect the vast majority to be local.

Mr. Burbank – The application states, “will you commit” to local labor. Mr. McDaniel stated that she couldn’t recommend how to answer if they have not yet secured a contractor.

Ms. Robertson asked about the fencing – this is to keep animals from bumping the panels and will also lower insurance rates.

How long do the panels last? The business plan is set up for 20 years but there are projects that are there for 40 years. 20-year-old panels can still produce 80% power.

Energy would be marketed to Load Zone C – all of Tompkins County and the surrounding Counties.

The administrative fee – it is usually 1 %. The project is requesting .5% - this is due to construction costs being high and the amount of incentives being lower than what a traditional project would receive.

Jim Dennis moved to accept the applications as complete and to send the projects to a public hearing. Jennifer Tavares seconded the motion. The amount in the application is the amount in the draft policy of \$8,000/mw – this is a bit lower than what the Town of Newfield proposed payment would be – a difference of less than \$30,000 over twenty years.

The motion passed unanimously 6-0.

Long Environmental Assessment Form

Ms. McDaniel stated that with no zoning in the Town of Newfield there is nothing that triggers an environmental review. Therefore, the TCIDA will need to perform the review. Outside council was hired to set up the documents to make sure the legal requirements for SEQR are met. These fees will be paid by the applicant. The IDA is passing a resolution today notifying all interested and involved agencies of the IDA’s intent to act as lead agent for the environmental review. The resolution in no way binds the IDA to accept the environmental review. The attorney has recommended that the IDA hire an environmental engineer to review and provide recommendations to the IDA.

Ms. Robertson wanted to make sure that all the possible interested entities are notified.

Intent to Declare TCIDA as Lead Agency for SEQR Review

Jennifer Tavares moved to approve the intent to declare TCIDA as lead agency for SEQR Review for the three Delaware River Solar projects. Jim Dennis seconded the motion. The motion passed 6-0.

STAFF REPORT

Ms. McDaniel reported that the 2016 Annual Audit Engagement Letter has been signed. The audit should be finished in March or April. All the requests for reporting have been sent out (jobs, bond payments, sales tax exemptions, etc.)

MINUTES

Rich John moved to approve the TCIDA Board minutes from the December 8, 2016 meeting. Martha Robertson seconded the motion. The motion was approved 5-0-1. Will Burbank abstained, as he was not at the last meeting.

The meeting was adjourned at 5:16 PM.