

**Tompkins County Industrial Development Agency**  
**Board of Directors Meeting Final Minutes**  
**April 10, 2019**  
**2:00 PM**  
**Tompkins County Legislative Offices**  
**121 E. Court Street, Ithaca, NY**

- Present:** Rich John, Jennifer Tavares, Mike Sigler, John Guttridge, Laura Lewis, Martha Robertson, Leslyn McBean-Clairborne
- Staff Present:** Heather McDaniel, Ina Arthur, Russ Gaenzle (Harris Beach, PLLC)
- Guests:** Joe Fiori (Nexamp), Frost Travis (Ex Libris, LLC), Molly Chiang (Vecino Group), Neil Patel (Hilton Canopy), Carolann Saggese (Cornell University), Rick Snyder (TC Finance)

**CALL TO ORDER**

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 2:05 pm.

**PRIVILEGE OF THE FLOOR**

Kenneth Jaffee – Regarding the library project he is opposed to the Board granting abatements. He feels the developer has endangered residents by ignoring code violations for a year and has hired a contractor for asbestos removal who ignored state regulations. He feels the project is in violation to the City of Ithaca’s law on affordable housing for CIITAP projects.

Martha Robertson clarified that the City of Ithaca has a recommendation to the IDA regarding affordable housing. It is not a law. The IDA is reviewing the recommendation at the committee level. Laura Lewis agreed with this statement and stated that the applicant applied through CIITAP prior to the City’s recommendation on affordable housing.

Ben Roach – Supports global trades people. He has been a working person in the County for over 10 years. He feels that working people are being priced out of living in the City. Many of the projects being built in the city are using labor from outside of the County and do not support local affordable housing.

Peter Wissaker – Regarding Ithaca Arthaus, he asks that the board hold off moving the project forward until the environmental issues with the site are worked out. He feels the site is a toxic site. Regarding Ex Libris, he feels the tax breaks are greater than the equity the developer is putting into the project. He feels the developer is leveraging the taxpayer funds. He would like the developer to have some “skin in the game.” He also noted that the project is not pledging any jobs. He wondered if there could be some trade off with the home health agency working with the project and their promising to create jobs. And finally, regarding the community benefit memo; could the cost and benefit be included in the memo.

Alex Hyland – IBEW Local 241 – he spoke in favor of using local labor during the construction process on projects. He referenced the OSHA violations by the Hilton Canopy project – he feels that using non-

local labor (e.g. – Union) creates poor working conditions – there is no accountability using non local labor. He wants the board to reject the Ex Libris project unless they can give a 100% guarantee use of local labor.

Theresa Alt – Comments on Ithaca Arthaus – looks like they are bringing affordable housing; Hilton Canopy – feels that the abatements will be used to pay the OSHA fine; and Ex Libris – that company is a bad actor and should not be taken a single step further.

Robert A. Lynch – Town of Enfield (see attached prepared remarks)

Matthew Stupak – He works at a local coffee shop downtown and many of his customers are local trades persons. His income is dependent on the disposable income of the local labor force. He spoke in favor of local labor use for projects. Union labor is safer.

Suzy Kramer – She is a neighbor and property owner near the Ex Libris site. She spoke on municipal compliance as a requirement of CIITAP. There are inconsistencies with the developer's answers. She brought up the Gun Hill development site and the financial need as reasons not to approved the project.

Nathan Sitaraman – Spoke on behalf of Cornell Students United. He feels strongly that tax abatements should go to projects that support local labor.

Walter Hang – (see attached prepared remarks) He requested that the IDA deny the CIITAP application for Ex Libris. It fails to fulfill a critical requirement – that of being in full compliance with all municipal requirements. He referred to the Ithaca Gun site brown field remediation and the lack of a work plan for removal of the lead contamination.

Mark Lawrence – Concerning the Ex Libris project, he feels the plan for this project has changed numerous times and the efforts at community relations and communication with the neighbors has been abysmal. He has reviewed the application – feels it is unclear, misleading and confusing. There are many blanks on the application particularly on the use of local labor. There is also confusion as to the partners in the project as it relates to the home health provider.

Joan Jacobs Brumberg – She spoke in favor of the Ex Libris project. She has lived in both the Town and City of Ithaca. The City has said it is committed to density and diversity downtown. As for diversity there has to be housing for middle class seniors who cannot afford Kendal and who do not want to live at Longview. The people who want to live in this project are not the “1%.” They are retired public school teachers, librarians, clergy, college professors. There are lots of buildings downtown that receive abatements why should this one be exempted? There is no building downtown other than this one that will have the amenities that seniors need (ADA compliance). The home health services agency on site is not Bridges but Claussen Home Health – they can arrange for the needed care.

David Brumberg – Commented in a positive way about Library Place. The building and space had not been on the tax rolls for the last 50 years. Now, it will be on the tax rolls. The abatement, while reducing the tax income for a short time, does not mean taxes won't be paid. He sees it as an investment in the future. The facility will provide tax money after the abatement is done but will also provide services and resources for the community for years to come. He urges support for the project.

David Blatter – Urges not giving incentives to projects that do not pledge to hire local union labor. He feels that projects that use local union labor are done on time and in a safe way.

Neil Schwartzcock – Familiar with the concept of anchor stores at malls – we are talking about an anchor for downtown. What kind of anchor? One that insures that those who have lived here will stay here as they grow older. He feels that if this project is not approved and fails, then nothing will be built on the site for the next 10 years.

## **ADDITIONS TO THE AGENDA**

Appointment of Jennifer Kusznr to the TCIDA Housing Committee.

**Martha Robertson moved to approve the appointment of Jennifer Kusznr to the TCIDA Housing Committee. Leslyn McBean-Clairborne seconded the motion. The motion was approved 7-0.**

## **OLD BUSINESS**

Lansing Renewable Solar – Final Approval

Heather McDaniel introduced Joe Fiori of Nexamp. The public hearing for the project was held. The letter of support from the Town of Lansing has been received. The SEQR was approved on Monday. The project has met all the requirements.

**Martha Robertson moved the authorizing resolution for the project. Laura Lewis seconded the motion. The motion was approved 7-0.**

Martha Robertson asked about the reduction in power costs to residents. The credits are applied to the electric bills of customers. This is a 10% reduction in costs.

## **NEW BUSINESS**

Cornell University Bond Series 2002A Amendment to Indenture

Carolann Saggese of Cornell University outlined what is requested. They would like to amend the indenture for these bonds to extend the maturity from 2026 to 2030. Also when the federal interest rate went down the interest rates on the bonds when up, and this approval would amend the documents to lower the interest rate on the bonds.

John Guttridge asked if there was any financial impact to the TCIDA? Russ Gaenzle confirmed that this is conduit debt so there is not impact to the IDA. As the IDA is a party to the debt, consent is needed from the board.

Martha Robertson asked about other recent bonds financed through DASNY. Ms. Saggese stated that those bonds were refinancing a 2009 bond that had been called. This was not any new money.

**John Guttridge moved the authorizing resolution to grant the amendment to the bond indenture. Jennifer Tavares seconded the motion. The motion was approved 7-0.**

Jennifer Tavares asked if future resolution could read that the Secretary would have the resolutions kept in the Agency's office vs. her business office. Yes, that change can be made to future resolution.

## Ithaca Downtown Associates (Hilton Canopy) PILOT Modification

Neil Patel joined the meeting. Heather McDaniel introduced the PILOT modification request from the project. The PILOT documents were finalized when the financing for the project was finalized. At that time, a best guess was made as to when the building would be finished and the new assessment would be made – this would insure that the largest abatement would impact the building after the final assessment was made on the new structure. The project has been delayed and is now asking that the PILOT agreement be amended. The request would extend the PILOT agreement by two years and re-set the schedule (year 2 with no abatement and year 3 100% abatement). The first year of the PILOT has been paid by the developer.

**Jennifer Tavares moved the authorizing resolution regarding the PILOT modification. Mike Sigler seconded the motion.**

Martha Robertson asked about the number of years in the PILOT. Heather McDaniel stated that new PILOT would be 12 years to re-set the schedule. Proposal is to add a year of “0%” and add a year of “100%” since the first year of 100% only abated \$26,000 in property taxes on the current value of the unfinished project.

Leslyn McBean-Clairborne asked for clarification of the request. Heather McDaniel stated that the project would not be complete by the year it had been projected.

John Guttridge asked who would normally “catch” this sort of issue? Normally it would be the developer, but it was missed in this case.

Martha Robertson commented that she still has some questions about the PILOT schedule. Could this request wait till next month so that clarifying information could be developed?

Neil Patel stated that there is an appraisal on the building being held up by this issue.

Ms. Robertson stated that she would like to see what taxes have been paid already and what will be abated. Heather McDaniel stated that the tax rates have changes since the development of the original PILOT agreement so it is hard to look at what was originally projected. John Guttridge asked if the projects done on the pro forma were based on tax rates that have now changed, would the project still qualify for financial need?

Jennifer Tavares commented that it seems like the costs for the project have gone up even with the taxes going down. She would like to see more information on the changes. They would like to see the amount abated and amount paid.

Rich John asked if the motion could be tabled and reconsidered at the May Board meeting. The developer stated the he could wait until the May Board meeting.

Martha Robertson also stated she would like to see a 10 year total PILOT agreement if it can be done.

**The motion was tabled until the May Board meeting.**

Jennifer Tavares disclosed that she is a Lansing NY resident and could possibly benefit from reduced electric costs as they relate to the solar project that was approved previously.

## Ithaca Arthaus, LLC – Application

Rich John and John Guttridge disclosed business relations with the Vecino Group. These are minimal and counsel stated they could vote on the application.

Molly Chiang of the Vecino Group joined the meeting and presented information about the proposed housing project. The Vecino Group is based in Missouri, but has a number of affordable housing projects in New York State. For this project they will also be partnering with TC Action to provide additional support to families.

124 affordable units – 40 units set aside for formally homeless families. Affordable action means that the project will be affordable for 30 years based on AMI (50-80%). She reviewed the projected rents that are subject for a 2% increase each year. There will be an art gallery space incorporated into the project. They are doing a phase 1 environmental review.

Heather McDaniel summed up that the project is a 100% affordable housing project with a 30-year PILOT that would set the assessment. Similar to the INHS 210 Hancock project this would be based on a percentage of their income generated. This would deviate from the IDA's Uniform Tax Exemption Policy (UTEP) as it is outside the CIITAP borders, but it does address affordable housing. She would ask that the Board accept the application as complete and move the project to a public hearing.

Martha Robertson stated she is happy to see this kind of project but is confused by the financing. Ms. Chiang stated that a HFA project is a financed by a 4% bond issue. The Vecino group is not a non-profit.

John Guttridge asked about the environmental review. The Phase 1 review has come back clean.

Jennifer Tavares asked if the NYSERDA incentives are part of the funding sources. Heather McDaniel stated that at this point it is hard to determine the NYSERDA incentives. So it may or may not be included in the sources.

Laura Lewis stated that she is pleased to see this project partnering with TC Action.

Mike Sigler asked how locked in the federal sources of funding are. Is there still an application process? It is pretty much locked in and they are very confident that the federal funding will be awarded.

Laura Lewis asked about the use of local labor. Ms. Chiang stated they are trying to have discussions with local trades groups.

Leslyn McBean-Clairborne asked what happens after the 30-year compliance period (for affordable housing). Ms. Chiang stated that they would reapply for funding to do renovations on the building and to go back for another round of funding.

Potential tax liability based on 581-a projections (affordable housing rate) versus PILOT payments based on income was discussed. Debt service and developer fee was also discussed.

The use of minority and women/veteran businesses for building was discussed and how it would be hard to find these locally. Also building projects in a flood plain was asked about – it was indicated that this has been reviewed and they are in the clear.

Jennifer Tavares also asked that the request for a ½% administrative fee be discussed.

Martha Robertson asked about jobs to be created. There are no direct jobs to be created by the applicant. She asked that the application be amended to indicate the use of heat pumps on page 25.

**Martha Robertson moved to accept the application as complete and to move the project to a public hearing. Leslyn McBean-Clairborne seconded the motion. The motion was approved 7-0.**

#### Ex Libris, LLC – Application

Heather McDaniel introduced the project. Ex Libris, LLC has come through the CIITAP process and does qualify for the 10-year PILOT due to financial need. The project is also going to implement the enhanced energy incentive working with the County’s BEA program to try and get the energy usage reduced to 40% above code.

She mentioned a number of comments from the public that have been sent via email. These will be made part of the public record.

Frost Travis joined the board. He thanked the County for setting up the BEA program that has been very helpful in working on energy use reduction. The project is planning on going through the NYSERDA multifamily new construction program. Mr. Travis presented information on the project to the Board. The building will be on the corner of Cayuga and Court Street. There will be a community center and restaurant on site. There will be both a public and private entrance. Direct and indirect jobs were reviewed from the application. 66 units are planned and up to 3 affordable units at 80% AMI – they are working with the County on a grant to support these affordable units. The Ithaca Gun project will be subject to the CIITAP affordable housing requirement. He also mentioned that the Ithaca Gun clean up site is an active site – they are working with DEC and are in good standing.

John Guttridge disclosed that in the past (2018) he has been in partnership on a building project with the Travis family. The building does still exist but the financial relationship has ended. Counsel stated that is okay for him to vote on the project.

Martha Robertson asked about the number of apartments. The number did change from the June 18<sup>th</sup> CIITAP application. At this point, 66 units are confirmed.

Rich John asked about the use of local labor during construction of the project. Mr. Travis stated that locally 30-35% is what can be expected. He is working with his general contractor (LeChase) and is encouraging them to focus on local trades.

Leslyn McBean-Clairborne asked what would happen to the affordable housing piece if there were no grant support. Mr. Travis stated that most likely the affordable housing units would not happen.

**Martha Robertson moved to accept the application as complete and to move the project to a public hearing. Laura Lewis seconded the motion. The motion was approved 7-0.**

Mike Sigler commented that the Travis Hyde company has been in business in Ithaca since 1977. He feels that to paint a company and a person as a “bad person” as was done during public comments, is unacceptable.

The remainder of the agenda items will be considered at another board meeting due to the lack of time.

The meeting was adjourned at 4:05 PM

**Minutes approved at May 8, 2019 Board meeting.**