

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Final Minutes  
September 11, 2019  
2:30 PM  
Tompkins County Legislative Offices  
121 E. Court Street, Ithaca, NY**

**Present:** Rich John, Jennifer Tavares, Martha Robertson, Leslyn McBean-Clairborne, Laura Lewis, Mike Sigler, John Guttridge

**Staff Present:** Heather McDaniel, Ina Arthur (TCAD), Russ Gaenzle (Harris Beach)

**Guests:** Rick Snyder (TC Finance), Joe Fiori (Nexamp), Dan Mitchell (Ithaca Beer), Ian Shapiro (Taitem Engineering), Martha Armstrong (TCAD)

**CALL TO ORDER**

Rich John called the meeting of the **Tompkins County Industrial Development Agency** to order at 2:30 pm.

**PRIVILEGE OF THE FLOOR**

Bill Bronenger – 916 Stewart Ave., Ithaca NY – Expressed his reservations about the extension of the PILOT Agreement for Ithaca Beer. He has spent his life as a businessman. He has owned a number of businesses, the last being an oyster farm. If you want to make a large fortune on a business, start with a larger one. In this case, he finds it disingenuous that the Ithaca Beer Company did not know about the need to do pollution control on its waste. And he knows that breweries that expand into the national market do encounter a lot of competition. As far as his tax money he doesn't think that this is a good use, he would rather see it go to more social concerns.

**ADDITIONS TO THE AGENDA**

None.

**OLD BUSINESS**

Ithaca Beer – PILOT Extension Request – Final Approval

Heather McDaniel reported that a public hearing was held on September 6, 2019 and the minutes were emailed and hard copies were made available. The PILOT extension was reworked to fit a 10-year schedule similar to the 10-year financial need incentive offered to projects in the downtown density district.

Dan Mitchell added that yes there has been a downturn on the wholesale side of the beer industry, but that is not what he is trying to address here. The unexpected need for a Ph adjustment system after the fact is what the major issue it. Generally one goes to the experts for this type of advice when building a facility. And it is surprising that between the civil engineers, the town board and all those who deal with the permitting that this was not brought to the company's attention earlier. If they had known about it

from the beginning, they would have added it to the cost of the build out and he would not be here talking about it. It was not until after the second build out that it was noted. It boiled down to a \$400,000 extra cost that was unexpected.

Rich John commented that he is involved in a wine business that had similar wastewater treatment issues, but they are so small that it did not impact them to the same extent.

Laura Lewis thanked Dan for coming to the meeting and that she does wish his business well. She sits on the joint commission that looks at the wastewater issues – They made multiple attempts to contact Ithaca Beer about this and were met with a non-response. She also spoke about the proposed resolution where it states that one of the reasons for the PILOT extension is a “shift of business strategy.” She wanted to know why it was noted as such and what business changes have been made.

Dan Mitchell stated that this is not what the PILOT extension is about – it was about dealing with the situation caused by the wastewater treatment plant.

John Guttridge asked what the job picture would be if the PILOT extension was not granted? Dan Mitchell stated that he doesn’t know if he can tell the full impact. There have been adjustments made; having to work with less people and stretching out their debt load. They began with 17 employees and now there are over 80. Some jobs will need to be reduced. But the full picture is hard to tell at this time. John Guttridge asked about how financial analysis is done. Heather McDaniel commented that she looks at the 5-year projections that are prepared by an accounting firm. You look at expenses and then you look at return on investment.

John Guttridge asked when you were developing the expansion, did Ithaca Beer hire engineers familiar with breweries and wastewater needs? Dan Mitchell replied that it did not enter into our thinking; other breweries were looked at as examples. The “expertise” for this project came from the town level. As they expanded, they reworked the wastewater system to expand.

Jennifer Tavares stated that most of us expect businesses to have a lot of expertise; there is a lot of risk involved. She is sympathetic to this as this is the type of project that speaks to the IDAs core mission – it is creating jobs and it a manufacturing (industrial) project.

She did have a question about the proposed PILOT schedule where it has the PILOT as 10%, 23%, 36% and then back up to 30% - she now understands that the first three years are actual payments and the remaining seven are proposed numbers moving forward. She suggested changing it so that new taxes paid are not abated. She suggested making year 4 36% to be consistent with policy.

Heather McDaniel commented that land taxes are not abated and the tax rates have dropped.

Martha Robertson asked about the “rules changing in the middle of the game” in terms of wastewater treatment. Perhaps this is a communication problem. However, she is getting a better feeling about the abatement schedule.

Leslyn McBean Clairborne stated that she is glad Dan Mitchell is here today. She is struggling with the resolution. She asked for a review of the numbers.

Mike Sigler stated that he cannot support this resolution. He feels the IDA is not the correct vehicle to deal with this problem. He feels the wastewater plant dropped the ball, but he does not agree with the

PILOT to begin with. He feels that the credibility of the IDA is at issue. Other business owners do not like this, why should Ithaca Beer get different treatment from other business who struggle with similar issues.

John Guttridge feels that the public is not responsible.

Leslyn McBean Clairborne feels the same way as John.

Martha Robertson stated that the IDA is about retaining jobs. So while struggling with the resolution, she will support it.

Rich John commented that he is struggling as well. He suggested tabling the motion while the resolution is rewritten to include more about job retention and the true issue being the wastewater plant issues.

Laura Lewis would support the resolution being reworded, as she is worried about the precedent being set.

Dan Mitchell stated that no matter who is at fault, there is a situation that needs to be worked out. During all the expansions and growth of his company, he was not notified of the need to handle the wastewater in this way until this time. He came to Heather McDaniel to see what might be done to help.

Mike Sigler asked if anything else could be done? Really, there is nothing. There are not many tools to be used to help. The IDA is the biggest tool. All options have been reviewed.

**Martha Robertson moved to table the resolution while it is rewritten. Jennifer Tavares seconded the motion. The motion was approved 7-0.**

Lansing Renewables – Sales Tax Exemption Request – Final Approval

**Martha Robertson moved to approve the supplemental resolution for the Sales Tax Exemption Request from Lansing Renewables. Laura Lewis seconded the motion. The motion was approved 7-0.**

Ithaca Beer – PILOT Extension Request – Final Approval

**Martha Robertson moved to remove the table on the Ithaca Beer authorizing resolution for approval of the PILOT extension. Leslyn McBean Clairborne seconded the motion. The motion was approved 7-0.**

Russ Gaenzle reviewed the new resolution language to address the reason for the request as due to the wastewater plant request to deal with the Ph levels and also reviewed the PILOT schedule that amends the 4<sup>th</sup> year to 36%.

**Jennifer Tavares moved to approve the revised authorizing resolution as modified approving the PILOT Extension for Ithaca Beer. Martha Robertson seconded the motion. The motion was approved 4-3.**

## **NEW BUSINESS**

### **TCIDA Energy Policy Background Presentation**

*Ian Shapiro – Taitem Engineering*

Ian Shapiro, of Taitem Engineering, gave a presentation to the Board overviewing the IDA's 2016 Proposed Energy Incentive Policy, the projects that have received incentive under the proposed policy, and suggested changes to better align with the City/Town's new Green Building Code supplement. He is working with the Energy Committee of the IDA to update the proposed policy.

Leslyn McBean Clairborne left the meeting after the presentation.

## **CHAIRS REPORT**

None.

## **STAFF REPORT**

Heather McDaniel reminded all that City Centre will have a ribbon cutting on September 12<sup>th</sup> and that a tour of Harold's Square has been set up for IDA member on the same day.

## **APPROVAL OF MEETING MINUTES**

**Minutes were approved at the October 11, 2019 Board meeting.**

**Martha Robertson moved approve the minutes from the August 14, 2019 TCIDA Board meeting. Jennifer Tavares seconded the motion. The motion was approved 6-0.**

## **ADJOURNMENT**

The meeting was adjourned at 4:00 PM.