

Tompkins County Industrial Development Agency

Administration provided by 

**TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING
• Wednesday, August 12, 2020 • 2:30 PM
Via Zoom Conference
Ithaca NY**

On March 12, 2020 the Governor declared an emergency which amended Article 7 of the NYS Public Officers Law, to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in public in-person access to meetings and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed. Therefore this meeting will be a closed meeting with live stream access available to the public.

REMINDER: THIS MEETING WILL BE LIVESTREAMED
Link to live stream channel: <https://tinyurl.com/weo3tkk>

Anyone who wishes to submit written comments to be read at privilege of the floor may email them to Ina Arthur (inaa@tcad.org) no later than 9am on August 12, 2020

AGENDA

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ARROWHEAD VENTURES LLC
10 West Genesee Street, Suite 6
Skaneateles, New York 13152

July 30, 2020

Tompkins County Area Development
401 East State Street, #402b
Ithaca, New York 14850
Attn: Heather D. McDaniel, President

heatherm@tcad.org

RE: Arrowhead Ventures LLC – request for extension under PILOT Agreement – Tompkins County IDA
Senior Housing project

Dear Heather:

This letter shall serve as Arrowhead’s formal request for an extension of the July 31, 2020 construction completion date, previously set in the Modification & Assignment of PILOT Agreement recorded with the Tompkins County Clerk on February 26, 2019.

The primary reason for the extension request results from COVID related temporary work shut downs, labor and material shortages. Also, we have faced delays in a required subdivision approval from the Village of Lansing due, in part, to meeting cancellations due to COVID, and confusion over our motivation for the subdivision request, which was resolved in July, 2020. We have requested to be on the August agenda for subdivision approval which will allow us to install individual water service to each of the twelve (12) senior housing units as was requested by the local water authority.

All of the senior housing unit structures have been built and enclosed, with roofs completed. Water and sewer infrastructure materials are on site, and installation has begun. We have encountered delays in receiving numerous construction materials, some of which were ordered last fall. The work progress has been good since we were allowed to resume construction in the late spring, and the site is extremely active now. One of the most delayed items, stone façade materials for exterior installation, was due for delivery in March, but we still do not have a fixed date for that delivery. Interior work is proceeding, although certain materials and appliances are slow in delivery.

Based on the delays, which we could not avoid, I request a six (6) month extension of the completion date, to January 31, 2020. Our crews are working as quickly as possible and making great progress under the circumstances.

One caveat: if COVID related delays cause additional delays in material delivery, or if the work site is required to be shut down by government order, or if the present delays in scheduled work delay certain scopes of work (such as paving in good weather), then there is a remote possibility that the six (6) month

extension request may have to be slightly extended. I am fully committed to completing the project as soon as possible, even at the unexpected increased costs for labor and materials resulting from the mess we all are facing to COVID.

We have discussed this situation by phone, and I encourage you and any member of the IDA Board to see the progress we have made. Thank you.

Respectfully,



Eric D. Goetzmann, Member

Tompkins County Industrial Development Agency

ADMINISTRATION PROVIDED BY 

Asteri Ithaca, LLC– Community Benefits Overview

August 3, 2020

Project Overview

Asteri Ithaca is a proposed 12-story mixed-use development. Asteri will be home to 217 affordable housing units, an estimated 350-parking space garage and a 54,921 square foot conference center area, to be located at 120 E Green Street in the City of Ithaca. The housing units will be distributed with 85 studios, 114 one bedroom, 10 two bedroom and 8 three bedroom units. The project is partnering with Tompkins Community Action to include 40 units dedicated for supportive housing targeted to populations at risk of homelessness. Supportive services for these residents will be included as part of overall property management, with offices and staff onsite. Building amenities and communal spaces will be designed to support those living in the downtown core of Ithaca, providing outdoor space, fitness facilities, on-site laundry, indoor bike storage and community rooms.

Four additional parking levels will be built on the portion of the Green Street Garage, which is home to Cinemapolis. The existing parking levels will be refreshed, with upgrades including LED lighting. The four newly constructed levels will consist of 243 new parking spaces, bringing total parking count to an estimated 350 cars. The residential/conference center new-build tower will be a 12-story steel construction building. The first through third floors will be home to the 54,921 square foot conference center space, which includes a small coffee shop type lease space. While a Vecino entity will own both the Parking Garage and Conference Center, Vecino will not profit through the operations of the garage or conference center. The conference center will be leased by a to be determined entity and the garage will be leased to the City of Ithaca.

The Asteri project is requesting a 30-year PILOT, sales tax exemption, and exemption of the State share of the mortgage recording tax. The applicant has request an administrative fee of ½% as is typically granted by the IDA to not-for-profit projects. The PILOT for the residential portion of the project will be a fixed amount in each of the 30 years based on 20% of the projected net operating income. The PILOT for the parking garage and conference center will be fixed at zero for the 30-year term.

The requested incentive deviates from the IDA’s standard policy.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – The conference center pledges to create 20 FTE positions over three years. Jobs associated with the affordable housing portion of the project include 3 FTEs from Tompkins Community Action providing on-site supportive housing services, and 4 on-site property management FTEs. There will be an estimated 160 construction jobs created during the construction period.

- Estimated value of tax exemption

Affordable Housing	\$4,364,490
Garage	\$4,959,504
Conference Center	\$5,668,004
TOTAL	\$14,991,998

Tompkins County

Industrial Development Agency

Asteri Benefit Memo
Page 2 of 2

- Estimate of private sector investment to be generated by the project – Total project costs are \$108,793,929 of which \$79,443,788 will be privately financed (this includes a \$31,409,877 loan from the Housing Finance Agency). Low income housing tax credit equity investment equals \$21,819,122 and developer equity is \$2,531,019.
- Likelihood of completing project in a timely manner – SEQR has been completed. Site plan approval is expected in September and tax credit approval in the fall. Construction will begin in the first quarter of 2021 with an anticipated completion date by the end of 2023. The developer has significant experience delivering affordable housing projects.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – The conference center is projected to generate \$11.4 million in local and state sales tax receipts over 20 years. An anticipated 63,000 annual visitors to the conference center will increase hotel room nights, parking receipts, and indirect spending at retail and restaurants totaling \$322 million and \$101 million in direct and indirect wages over 20 years.
- Other benefits that might result from the project:

Infill Development/Neighborhood Revitalization – The 12-story mixed use project replaces a City owned parking structure with 243 net new parking spaces (350 total), a 54,921 square foot conference center, and 217 units of affordable housing in the downtown core.

Affordable Housing – The project establishes 217 units of housing affordable to households earning 30%-80% of area median income. Forty units will be set aside for at risk populations.

Parking – The project refurbishes existing and adds new parking to meet anticipated current and future parking demand identified by national parking consultant, Stantec.

Accessibility – The project is conveniently located in the center of the City of Ithaca, providing easy walking access to jobs, services and amenities as well as multi-modal transit connections.

Hospitality Sector Growth & Stabilization – An estimated increase of 63,000 annual visitors to the conference provides an increase in mid-week visitors that will increase overnight stays in area hotels and support the 2,600 countywide hospitality industry jobs.

Retail and Restaurant Sector – Downtown Ithaca's small retail and restaurant businesses rely on visitor and tourism traffic for at least half of their annual sales. A conference center will boost downtown foot traffic and materially benefit these local, small businesses.

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

Date: August 4, 2020

I. APPLICANT INFORMATION (company receiving benefit)

Name of Company/Applicant: Asteri Ithaca, LLC, Asteri Garage, LLC and Asteri Conference Center, LLC

Owner: Vecino Group New York, LLC

Address: 305 W Commercial

City: Springfield State: MO Zip: 65803

Primary Contact (First, Last): Rick Manzardo

Phone: (417)720-1577 Email: rick@vecinogroup.com Fax: () -

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: Same as above

Owner: _____

Address: _____

City: _____ State: _____ Zip: _____

Primary Contact (First, Last): _____

Phone: _____ Email: _____ Fax: () -

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

The three applicants listed will be the owners of the three portions of the project, each will have different leases. The residential portion of the project will lease in typical fashion, with individuals leasing units.

Asteri Garage, LLC will lease the 350 parking spaces directly to the City of Ithaca. This will be a 30-year term, with the lease payment constant for those 30 years. Lease payments will be made from the City to Ithaca Garage, LLC. This payment will be set at an amount to pay the mortgage note and ancillary charges such as bookkeeping and asset management. The City will be responsible for operations of the garage, as well as all operating expenses associated with the garage. The applicant/owner will not profit from the operation or lease payments of the garage.

Asteri Conference Center, LLC will lease the entire conference center space to a to be formed entity, with the City of Ithaca providing the ultimate financial guarantee. This will be a 30-year term, with the lease payments constant for those 30 years. Lease payments will be made from this conference center entity to Asteri Conference Center, LLC. This payment will be set at an amount to pay the mortgage note and ancillary charges such as bookkeeping and asset management. The conference center entity will be responsible for operations of the conference center, as well as all operating expenses associated with the conference center. The applicant/owner will not profit from the operation or lease payments of the conference center.

Please see attached organization charts.

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

- Tax-Exempt Bonds Taxable Bonds
- Real Property Tax Exemption
- Standard Tax Exemption (7-year)
- Other (attach justification)
- CIITAP: 7-year
- CIITAP: 10-year (requires determination of financial need – see CIITAP for details)
- Sales Tax Exemption Mortgage Recording Tax Exemption

Applicant Attorney: Shawn Whitney

Address: 2144 E Republic Road, Suite B300

City: Springfield State: MO Zip: 65804

Primary Contact (if different from above): _____

Phone: (417)888-1015 Email: swhitney@spencerfane.com Fax: () -

Applicant Accountant: Tim Flaherty

Address: 2300 Buffalo Road, Building 200

City: Rochester State: NY Zip: 14624-1365

Primary Contact (if different from above): _____

Phone: () - Email: _____ Fax: () -

Applicant Engineer/Architect (if known): Bruce Adib-Yazdi, BW Architecture & Engineering

Address: 305 W Commercial

City: Springfield State: MO Zip: 65803

Primary Contact (if different from above): _____

Phone: (417)720-1577, ext 6601 Email: bruce@bwarcheng.com Fax: () -

Applicant Contractor (if known): Mike Willemsen, Vecino Construction

Address: 444 River Street

City: Troy State: NY Zip: 12180

Primary Contact (if different from above): _____

Phone: (518)514-8119 Email: mike@vecinogroup.com Fax: () -

II. BUSINESS HISTORY

Year company was founded: 7/2/2013 NAICS Code: 531590

Type of ownership (i.e. C-Corp, LLC): LLC

Describe in detail company background, products, customers, goods and services:
See attached Business History

Major Customers: Low to middle income individuals and families earning 30-80% AMI, parking garage and conference center.

Major Suppliers: TBD

Has your business every received incentives that required job creation? Yes No

If yes, please describe: N/A

Were the goals met? Yes No

If no, why were the goals not met? _____

Annual sales to customers in Tompkins County: \$551,000 in first year of operation, \$1.1 million at stabilization

Percent of annual sales subject to local sales tax: 80%

Value of annual supplies, raw materials and vendor services that are purchased from firms in Tompkins County: \$50,000

III. PROJECT DESCRIPTION AND DETAILS

Project Location (all addresses and tax parcels): 70.-4-5.2, 120 E Green Street

Property Size (acres): existing: 1.6 proposed: 1.6

393,901 total sf, consisting of 333,661 new construction and 60,240 sf of parking garage

Building Size (square feet): existing: 120,000 proposed: rehab

Proposed Dates: start: 1st quarter 2021 end: 3rd quarter 2023

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: See attached narrative

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.: See attached narrative

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

If the Applicant is unable to obtain financial assistance for the Project what will be the impact on the County/City/Town/Village? Prolonged shortage of affordable housing options for individuals and families living in Ithaca, and the effects of a housing shortage on the median price of housing of all kinds in the area. If project does not proceed, continued deterioration of existing parking garage and lack of conference center.

Describe what green building practices you plan to use: The project will achieve NYSERDA's Multi-Family New Construction Program Performance Path with Energy Star for LMI incentives, to be constructed to Tier II standards. These will include high-efficiency insulation, heat recovery ventilation, and other energy efficient features. The use of fossil fuels will be eliminated where possible, with all

electric utilities and appliances within the residential portion of the building. Solar panels on the roof are under consideration to see if these are feasible. The project's location encourages walking and bicycling to nearby stores, as well as public transportation options.

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: 18,577

Average duration of stays (days): 2

Occupancy

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

- | | |
|---|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Service*, ** |
| <input type="checkbox"/> Acquisition of existing facility | <input type="checkbox"/> Back office |
| <input checked="" type="checkbox"/> Housing | <input checked="" type="checkbox"/> Mixed use |
| <input checked="" 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. <u>Parking Garage</u>	<u>City Run Parking</u>	<u>42%</u>
2. <u>Multi-tenant Residential Units and amenity space</u>	<u>Residential Units</u>	<u>44%</u>
3. <u>Conference Center</u>	<u>Conference Center</u>	<u>14%</u>

IV. PROJECT COSTS AND FINANCING

Project Costs

		Amount (\$)
Land and/or Building Acquisition:	<u>1.6</u> acres _____ square feet	<u>\$0</u>
New Building Construction:	<u>333,661</u> square feet	<u>\$76,207,796</u>
Building Addition(s):	_____ square feet	<u>\$</u>
Infrastructure Work:		<u>\$1,650,000</u>
Reconstruction/Renovation:	<u>60,240</u> square feet (existing garage)	<u>\$1,100,000</u>
Manufacturing Equipment:		<u>\$</u>

4
5
6
7

Totals

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: See attached narrative

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: \$ 60,000,000

Estimated State and local sales and use tax benefit (product of sales and use tax amount as indicated above multiplied by 8%) \$ 4,800,000

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): \$ 79,443,788

Estimated mortgage recording tax exemption benefit (product of mortgage amount as indicated above multiplied by .0025%): \$ 198,609

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>\$108,793,929</u>
B. Estimated Value of PILOT	<u>\$14,991,998</u>
C. Estimated Value of Sales Tax Incentive	<u>\$4,800,000</u>
D. Estimated Value of Mortgage Tax Incentive	<u>\$198,609</u>

E. Total Other Public Incentives
(tax credits, grants, ESD incentives, etc.)

\$26,819,122

Calculation of percentage of Project costs financed from public sector: 43%
(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:

As shown in the chart, staffing is split between a small group working for the LDC and a larger group working for the third-party operator. Until we select an operator, we do not know the benefits package that will be provided to their workers. This will be one of a number of items to be reviewed as part of the vetting and selection of an operator. We anticipate that the operator will have a formal benefits program that will likely differentiate between full and part time workers. Beyond that, we must wait for the selection to occur before we can report on the actual package to be used.

We estimate at this time that there would be probably 4 FTE jobs residing with the new nonprofit LDC. We would have these people adopt their own employee handbook and benefits package. Because this is a new entity without any existing staff, this handbook will need to be prepared and approved by the LDC board as we get closer to the hiring of staff. One option would be to adopt the policies of the DIA, which are spelled out in their employee handbook. At this juncture, the LDC has just been created and a benefits handbook has yet to be developed.

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

The benefits statements above will also apply to internal training and advancement opportunities.

Employment Plan

Occupation in Company	Current (Retained) Permanent FTE* Jobs		Projected New Permanent FTE* Jobs			
	Average Annual Salary Ranges/ Hourly Wage	Number of Employees	Year 1	Year 2	Year 3	Total New Jobs
Professional	61,600	0	5	1	1	7
Clerical						
Sales	53,000	0	1	1		2
Services	38,902	0	7	2	2	11
Construction						
Manufacturing						
High Skilled						
Medium Skilled						
Basic Skilled						
Other (describe)						
Total			13	4	3	20

- Full Time Equivalent (FTE) employee is equal to 40 hours a week worked. Two or more Part-time employees whose total weekly hours add up to 40 hours are counted as one FTE.

What percentage of your current positions are occupied by women? N/A %

What percentage of your current positions are occupied by minorities? N/A %

Estimated percentage of new hires who would be unemployed at time of hire: N/A %

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)*

Are you willing to pay a livable wage, as defined by the Alternatives Federal Credit union (AFCU) of Ithaca, NY to all employees for the duration of the abatements? Yes No The handful of LDC jobs will be living wage. The operator, once selected, will be strongly encouraged to have their full-time permanent staff paid living wage.

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

Please describe your strategy for ensuring diversity in hiring:

N/A

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 checked="" type="checkbox"/> Yes	<u>10</u> %	<input type="checkbox"/> No
Pay a prevailing wage	<input checked="" type="checkbox"/> Yes	<u>30</u> %	<input type="checkbox"/> No
Use local labor	<input checked="" type="checkbox"/> Yes	<u>30</u> %	<input type="checkbox"/> No

Estimate the number of construction jobs 160

VIII. ENVIRONMENTAL REVIEW AND PERMITTING

Environmental Assessment Form - Short Form Long Form

Submitted to: City of Ithaca Planning Department

Agency Name: _____

Agency Address: 108 East Green Street

City: Ithaca State: NY Zip: 14850

Date of submission:	<u>6/2020</u>	SEORA info submitted to city	Anticipate 8/25/2020
Status of submission:			<u>approval</u>

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.

Permit	Status
1. <u>Site Plan Approval</u>	<u>Expected September 22, 2020</u>
2. <u>Building Permit</u>	<u>Expected December 2020</u>

3.

IX. OTHER

Do you have anything else you would like to tell the TCIDA regarding this project?
See attached narrative.

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? 28%

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. Please see Hunden studies for conference center demand.

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:
N/A

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: _____

REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

Rick Manzardo

confirms and says that he is the Authorized Representative of Vecino Group New York, LLC 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. Local 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 Local 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. Diversity and Inclusion. The Applicant understands and agrees that, if the proposed Project receives Financial Assistance from the Agency, the Applicant agrees to comply with the Diversity and Inclusion Policy, which requires owner-occupied facilities and facilities with on-site employees to join the Tompkins County Diversity Consortium and provide annual reports on the make up of the workforce and efforts to increase diversity and inclusion as outlined in the Policy.
- F. 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.

- G. **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.

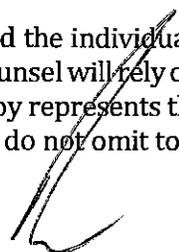
- H. **Fees.** By executing and submitting this Application, the applicant covenants and agrees to pay the following fees:
- (i) An application fee of \$1,000 due at time of application submission. A reduced application fee may be negotiated for projects with a total cost under \$5 million.
 - (ii) An 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 project costs;
 - (iii) 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; Agency transaction counsel fees shall be an amount equal to one-third (1/3) of the Agency's Administrative Fee set forth in (ii) above with a minimum fee of \$20,000 plus out of pocket expenditures unless otherwise agreed to in writing for smaller projects.
 - (iv) 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.

- I. **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.
- J. **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.

- K. 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.
- L. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, State and federal tax, worker protection and environmental laws, rules and regulations.
- M. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provisions of Section 859-a(5) and Section 862(1) of the New York General Municipal Law.
- N. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.
- O. The Applicant and the individual executing this application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Name: 

Title: Authorized Representative

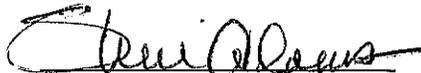
Company: Vecino Group New York, LLC

Date: 08/04/2020

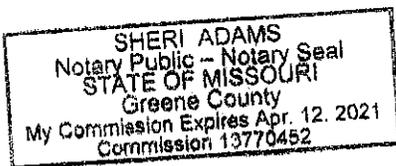
STATE OF ~~NEW YORK~~ Missouri)
) SS.:

COUNTY OF ~~TOMPKINS~~ Greene

On the 3rd day of August in the year 2020 before me, the undersigned, personally appeared Robert Menzies, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



Notary Public



**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: Rick Manzardo

Title: Authorized Representative

Company: Vecino Group New York, LLC

Date: 08/04/2020

Tompkins County Development Corporation – Industrial Development Agency
Application for Incentives
Supporting Text

Requested Incentives

The Asteri project is requesting a 30-year PILOT, Sales Tax Exemption and Property Tax Exemption. In addition, a lowering of the administrative fee to ½% of project costs is requested, as typically charged to non-profits. The Sales Tax Exemption and Mortgage Tax Exemptions are more common incentives, while the 30-year PILOT strays from what is typical.

For the residential portion of the project, we are requesting a 30-year PILOT that is based upon 20% of the Net Operating Income. These are the same terms as the Ithaca Arthaus project which received approval in 2019. Like the Arthaus project, Asteri Ithaca will be financed with a 30-year loan from the New York State Housing Finance Agency (HFA). For HFA to enter this loan, they require a PILOT that is coterminous with their 30-year loan. To keep the housing at the proposed AMI levels, the lower property tax is necessary to make the debt payments to HFA.

The parking garage and conference center are requesting the property taxes be set at de minimis levels for their 30-year terms. While a Vecino entity will own both the Parking Garage and Conference Center, Vecino will not profit through the operations of the garage or conference center.

All parking garage spaces will be leased to and operated by the City of Ithaca. This 30-year lease rate will be set at a level to support the debt service and ancillary charges, with the goal to set the lease rate to the city as low as possible. Any property tax assessment would only result in an increase of their lease rate.

The conference center is in a similar situation to the parking garage. While the conference center will be leased by a to be determined entity, the City of Ithaca will provide the financial guarantee for 30 years on any lease and expense shortfalls. With a similar goal to set the lease and expenses as low as possible, any property tax will only add to the city burden.

II. Business History

Vecino Group is an affordable housing development group that has a history of providing high-quality affordable housing options in communities across the country. To date, Vecino Group has completed or has under construction more than 30 affordable residential developments with nearly 2,500 units for thousands of people. As part of this mission, Vecino Group also develops supportive housing for at-risk populations such as homeless veterans and youth and people with developmental disabilities.

Projects in New York State include:

- Ithaca Arthaus, Ithaca, NY – in construction with completion projected for spring of 2021 - 124 affordable housing units with 40 units for youth transition aged youth with services onsite.
- The Quarry, Potsdam, NY – in construction with completion projected for summer of 2021 – mixed use development with 59 affordable housing units and 21,000 sf of commercial space
- Intrada - Saratoga Springs, NY –158 affordable housing units; 10 units for youth transitioning out of foster care with services onsite
- Mosaic Village – Cohoes, NY –68 affordable housing units with 14 units set aside for those with intellectual/developmental disabilities with services onsite.
- Libertad – Elmira, NY - 90 affordable housing units with 20 units set aside for formerly homeless veterans with services onsite.

- Asteri Utica, Utica, NY – 49 affordable housing unit development with 12 units set aside for those with intellectual/development disabilities with services onsite.
- Hudson Arthaus, Troy NY– 80 affordable housing unit development with amenities geared toward the artistic community
- 444 River Lofts, Troy NY – 74 mixed income units with 7,500 sf of commercial space.

III. Project Description and Details

Pg. 3 Narrative and purpose of the Project:

Asteri Ithaca is a proposed 12-story mixed use development. Asteri will be home to 217 affordable housing units, an estimated 350-parking space garage and a 54,921 sf conference center area, to be located at 120 E Green Street, in the City of Ithaca, New York. There will be 3 separate ownership entities involved in this project, Asteri Ithaca, LLC will own the residential portion, Asteri Garage, LLC will own the parking garage structure and Asteri Conference Center, LLC will own the conference center portion of this project. Organizational Charts have been included detailing ownership on each of these. The apartments will be rented to residents earning 30-80% Area Median Income (AMI). The units will be distributed with 85 studios, 114 1BR, 10 2BR and 8 3BR units. One of the 1BR units will be held for an onsite property maintenance unit. Building amenities and communal spaces will be designed to support those living in the downtown core of Ithaca, providing outdoor space, fitness facilities, on-site laundry, indoor bike storage and community rooms. The purpose of the residential portion of the project is to provide affordable housing opportunities for those living in Ithaca and to support the broader community of Ithaca through inclusive housing. The project is partnering with TCAction to include 40 units dedicated for supportive housing; the target population are those at risk of homelessness; supportive services for these residents will be included as part of overall property management, with offices and staff onsite.

Four additional parking levels will be built on the portion of the Green Street Garage which is home to Cinemapolis. Currently within this portion of the garage, there are two existing parking levels, housing 107 parking spaces. The existing parking levels will be refreshed, with upgrades including LED lighting. The four newly constructed levels will consist of 243 new parking spaces, bringing total parking count to an estimated 350 cars. This new parking will be constructed through cast in place concrete, a necessity given the tight urban setting and logistics. The City of Ithaca will maintain operations of the parking garage, setting parking lease rates and providing staffing and direction. Of note, none of these spaces will be held for the residential tenants, instead these tenants will be available to lease spaces from the City of Ithaca. Within the parking garage there will be 4 electric car charging stations.

The residential/conference center new-build tower will be a 12-story steel construction building. The first through third floors will be home to the 54,921 sf of conference center space, which includes a small coffee shop type lease space. The residential section occupies a portion of the first floor with a residential leasing office, indoor bike storage, mail room and elevator. The fourth floor will be home to tenant amenities, including fitness room, supportive service space and community room, there is also a community room located on the twelfth floor.

This site is adjacent to TCAT bus service, and in proximity to many Ithaca Carshare options. At minimum, the 40 supportive residential units will have subsidized TCAT service available, we are looking into expanding that to all residential tenants, along with interested conference center attendees.

Pg. 4 Why the Agency's financial assistance is needed:

The residential portion of Asteri Ithaca is requesting a 30-Year PILOT, with a year one tax upon completion of \$208,800, remaining at 20% of NOI for the 30-year term. In addition, a sales tax exemption and mortgage recording tax reduction are requested for the parking garage, conference

center and residential portion. We also respectfully request the administrative fee be reduced to ½%, from the typical 1%.

The PILOT request falls outside the Tompkins County IDA's typical PILOT program. However, the Tompkins County IDA has used this type of PILOT to support the development of long-term affordable housing units like those produced at Asteri. This is the structure that was used on the 2019 approved Ithaca Arthaus.

The NYS Housing Finance Agency (HFA) will provide tax credits and provide construction and a 30-year permanent loan on the residential portion of the Asteri Ithaca project. As part of their financing, HFA will require certain thresholds be hit to ensure the project viability. Of note, these units will remain at the previously notated AMI levels for a minimum of 30 years.

If this project were taxed at the 581(a) level, it would never proceed as the cash flow would be negative. As the residential portion is as an HFA project, more permanent debt will be on this project, and more risk for Vecino Group and HFA as the perm lender. This loan and construction amount are larger than typical, in large part due to the construction necessary and location of the project and foundations required. Part of this loan will be in the form of a 30-year mortgage, HFA will require the PILOT be coterminous with its loan, to ensure project viability. The PILOT and other tax incentives mentioned above are a key factor in allowing this project to proceed.

The parking garage will be leased directly to the City of Ithaca. This lease is proposed at 30 years, with the goal of minimizing the city payment. To do this, it is requested the property tax be de minimis. Any tax payment would only be added to city expenses, ultimately increasing the cost per space to the city. The conference center space is in a similar position. While a to be determined entity will lease this space, the City of Ithaca is the ultimate financial guarantor on this project. Due to this situation, it is requested the property taxes be de minimis for this portion as well, to keep the lease cost to the city as low as possible.

V. Value of Incentives

The Asteri project is requesting a 30-year PILOT, Sales Tax Exemption and Property Tax Exemption. In addition, a lowering of the administrative fee to ½% of project costs is requested, as typically charged to non-profits. The Sales Tax Exemption and Mortgage Tax Exemptions are more common incentives, while the 30-year PILOT strays from what is typical. The value of the sales tax exemption is estimated at \$4.8 million, with the value of the mortgage tax exemption estimated at \$198,609.

For the residential portion of the project, we are requesting a 30-year PILOT that is based upon 20% of the Net Operating Income. These are the same terms as the Ithaca Arthaus project which received approval in 2019. Like the Arthaus project, Asteri Ithaca will be financed with a 30-year loan from the New York State Housing Finance Agency (HFA). For HFA to enter this loan, they require a PILOT that is coterminous with their 30-year loan. To keep the housing at the proposed AMI levels, the lower property tax is necessary to make the debt payments to HFA.

The parking garage and conference center are requesting the property taxes be set at de minimis levels for their 30-year terms. While a Vecino entity will own both the Parking Garage and Conference Center, Vecino will not profit through the operations of the garage or conference center.

All parking garage spaces will be leased to and operated by the City of Ithaca. This 30-year lease rate will be set at a level to support the debt service and ancillary charges, with the goal to set the lease rate to the city as low as possible. Any property tax assessment would only result in an increase of their lease rate.

The conference center is in a similar situation to the parking garage. While the conference center will be leased by an LDC affiliated with the Downtown Ithaca Alliance, the City of Ithaca will provide the

financial guarantee for 30 years on any lease and expense shortfalls. With a similar goal to set the lease and expenses as low as possible, any property tax will only add to the city burden.

These nominal taxes on the conference center and garage are necessary for the financial feasibility of this project. Conference centers and garages typically do not cash flow, as is the case here. The property tax abatement is necessary to reduce the costs to the operator, and eventually to the City as guarantor. While these parts of the project will not generate property tax income, they are providing many other benefits to the community.

As development of the downtown core continues, parking is nearing a breaking point. This downtown parking will provide customers, conference center attendees, residents and visitors of downtown a new, safe location to park. The downtown business and lodging community has been vocal of the need for both added parking, as well as the conference center. The City, in partnership with the national parking and transportation consultant Stantec, has also performed extensive collection of downtown parking supply and demand data, and developed models to help project future parking demand based on future development scenarios. They found that the average peak occupancy for the three major downtown parking garages in 2019 was 80% for the Seneca Garage (351 of 439 spaces occupied), 80% for the Green Garage (272 of 340 spaces occupied), and 70% for the Cayuga Garage (480 of 685 spaces occupied). Given that the optimal occupancy for a garage is around 85%, this means that in 2019 during peak demand periods, the downtown parking garages had approximately 140 spaces of available supply before reaching 85% occupancy.

Between Vecino's project, the proposed redevelopment of the Eastern end of the Green Street Garage by Jeffrey Rimland, and Harold Square which is projected to open in Fall 2020, approximately 480 new housing units, 70,000 square feet of commercial space, and the conference center will be added to sites immediately adjacent to the Green Garage. These projects will significantly increase parking demand. Given the limited historic peak available supply and these new developments, it is clear that more parking is needed on the Green Street Garage site.

The conference center will bring an influx of visitors, which will lead to higher occupancy rates and foot traffic, leading to increased sales tax. Additional Conference Center community projected benefits include the following:

- It is a **long term community infrastructure asset**. The Center will serve our community for decades. This is an investment in the future of Ithaca and Tompkins County.
- It supports **economic recovery from the impacts of COVID-19** by diversifying and expanding our economic base.
- It creates an **indoor large format public meeting & event space**. We do not have such a space for community use in the region. Our citizens and our organizations need such a space.
- It is a **significant visitor traffic generator**. A conference center represents the largest and most significant project we can undertake to bolster our hospitality businesses at this time.
- It provides **room tax stabilization and growth**. The tourism industry needs more demand to fill the rooms we have and to maintain and grow the room tax that supports so many of our community institutions throughout the City and County.
- It provides new **sales tax growth**. With new room tax comes additional new sales tax. Half empty hotels represent lost tax revenue opportunity for the City and County. \$11.4 million in new local taxes are expected over the first 20 years of the project.

- It provides a major **foot traffic boost** to the downtown economy, with a projected annual attendance of 63,000 people. Downtown Ithaca's small retail and restaurant businesses rely on visitor and tourism traffic for at least half of their annual sales. A conference center will boost downtown foot traffic and materially help these businesses.
- It is a **job creator**. The center itself will result in new jobs, many available to people earning low- and moderate-incomes.
- It **preserves and retains hospitality sector jobs**. The conference center will help to strengthen the hospitality industry and its 2,600 countywide jobs. By filling in currently high vacancy dates, the project will help preserve and grow job stability in the industry.
- **\$322 million in net new economic impact** over the first 20 years
- **\$101 million in net new wage earnings** over the first 20 years

IX. Other

Vecino Group is excited to begin their second project the Ithaca market. The largest community impact we see encompasses the housing need, not only affordable housing, but also the supportive housing component. Vecino Group will have a partnership with TC Action on Asteri Ithaca, TC Action will have office space and employees onsite to work with the at-risk populations housed here. TC Action's office space will be provided at no charge, and Vecino and TC Action will work together to apply for Empire State Supportive Housing Initiative funding to pay for all employee and other costs associated with this project. Vecino Group has partnered with numerous service providers across the country, every time we are able to do this, it benefits the project and the residents.

The pledged jobs for this project consist of conference center employees, but others will have jobs associated with this project, working onsite. TCAction will staff a minimum of 3 FTEs, while property management will employ a minimum of 4 FTEs.

Not to discount the other portions of the project, there is no doubt a refreshed 350- car parking garage is huge to the downtown area, as well as the potential the conference center holds.

Through the construction phase, Vecino Group will use as much local labor as possible. We have been very intentional in this effort, especially given the complexity of the project. We have worked extensively with Welliver on this, as well as meeting with local unions and trades organizations.

Not only will the project help the workforce through construction, but it will provide supportive and affordable housing, safe parking facility and a conference center for decades to come.

Asteri Ithaca Conference Center
 Projected Taxes Abated/Tax Savings
 Jul-20

Applicant is requesting a 30 year fixed with an aggregate property tax payment for the conference center portion of the project, inclusive of the land, as an established tax payment of \$0 per year. The structure will require that in the event that the not-for-profit tax exempt tenant becomes an owner of the property, the property will still be required to remain on the tax roles for the duration of the 30 years.

Assumptions

- \$4,000,000 Assessed value in year 1
- 2019-2020 Tax rates used to calculate payment in year 1
- 2% Annual increase in assessed value

Tax Rates

- County 6.318567
- City 11.770000
- School 16.840400
- Total 34.928967

Total Taxes Abated \$5,668,004

Year	Taxable Value	County	City	School	Total Taxes Abated
1	4,000,000	25,274	47,080	67,362	139,716
2	4,080,000	25,780	48,022	68,709	142,510
3	4,161,600	26,295	48,982	70,083	145,360
4	4,244,832	26,821	49,962	71,485	148,268
5	4,329,729	27,358	50,961	72,914	151,233
6	4,416,323	27,905	51,980	74,373	154,258
7	4,504,650	28,463	53,020	75,860	157,343
8	4,594,743	29,032	54,080	77,377	160,490
9	4,686,638	29,613	55,162	78,925	163,699
10	4,780,370	30,205	56,265	80,503	166,973
11	4,875,978	30,809	57,390	82,113	170,313
12	4,973,497	31,425	58,538	83,756	173,719
13	5,072,967	32,054	59,709	85,431	177,194
14	5,174,427	32,695	60,903	87,139	180,737
15	5,277,915	33,349	62,121	88,882	184,352
16	5,383,473	34,016	63,363	90,660	188,039
17	5,491,143	34,696	64,631	92,473	191,800
18	5,600,966	35,390	65,923	94,323	195,636
19	5,712,985	36,098	67,242	96,209	199,549
20	5,827,245	36,820	68,587	98,133	203,540
21	5,943,790	37,556	69,958	100,096	207,610
22	6,062,665	38,307	71,358	102,098	211,763
23	6,183,919	39,074	72,785	104,140	215,998
24	6,307,597	39,855	74,240	106,222	220,318
25	6,433,749	40,652	75,725	108,347	224,724
26	6,562,424	41,465	77,240	110,514	229,219
27	6,693,672	42,294	78,785	112,724	233,803
28	6,827,546	43,140	80,360	114,979	238,479
29	6,964,097	44,003	81,967	117,278	243,249
30	7,103,379	44,883	83,607	119,624	248,114
	Total	1,025,329	1,909,945	2,732,731	5,668,004

Asteri Ithaca Garage
 Projected Taxes Abated/Tax Savings
 Jul-20

Applicant is requesting a 30 year fixed with an aggregate property tax payment for the garage portion of the project, inclusive of the land, as an established tax payment of \$0 per year. The structure will require that in the event that the not-for-profit tax exempt tenant becomes an owner of the property, the property will still be required to remain on the tax rolls for the duration of the 30 years.

Assumptions

- \$3,500,000 Assessed value in year 1
- 2019-2020 Tax rates used to calculate payment in year 1
- 2% Annual increase in assessed value

Tax Rates

- County 6.318567
- City 11.770000
- School 16.840400
- Total 34.928967

Total Taxes Abated \$4,959,504

Year	Taxable Value	County	City	School	Total Taxes Abated
1	3,500,000	22,115	41,195	58,941	122,251
2	3,570,000	22,557	42,019	60,120	124,696
3	3,641,400	23,008	42,859	61,323	127,190
4	3,714,228	23,469	43,716	62,549	129,734
5	3,788,513	23,938	44,591	63,800	132,329
6	3,864,283	24,417	45,483	65,076	134,975
7	3,941,568	24,905	46,392	66,378	137,675
8	4,020,400	25,403	47,320	67,705	140,428
9	4,100,808	25,911	48,267	69,059	143,237
10	4,182,824	26,429	49,232	70,440	146,102
11	4,266,480	26,958	50,216	71,849	149,024
12	4,351,810	27,497	51,221	73,286	152,004
13	4,438,846	28,047	52,245	74,752	155,044
14	4,527,623	28,608	53,290	76,247	158,145
15	4,618,176	29,180	54,356	77,772	161,308
16	4,710,539	29,764	55,443	79,327	164,534
17	4,804,750	30,359	56,552	80,914	167,825
18	4,900,845	30,966	57,683	82,532	171,181
19	4,998,862	31,586	58,837	84,183	174,605
20	5,098,839	32,217	60,013	85,866	178,097
21	5,200,816	32,862	61,214	87,584	181,659
22	5,304,832	33,519	62,438	89,335	185,292
23	5,410,929	34,189	63,687	91,122	188,998
24	5,519,147	34,873	64,960	92,945	192,778
25	5,629,530	35,571	66,260	94,804	196,634
26	5,742,121	36,282	67,585	96,700	200,566
27	5,856,963	37,008	68,936	98,634	204,578
28	5,974,103	37,748	70,315	100,606	208,669
29	6,093,585	38,503	71,721	102,618	212,843
30	6,215,456	39,273	73,156	104,671	217,099
	Total	897,162	1,671,202	2,391,139	4,959,504

Asteri Ithaca Projected
Residential Property Taxes

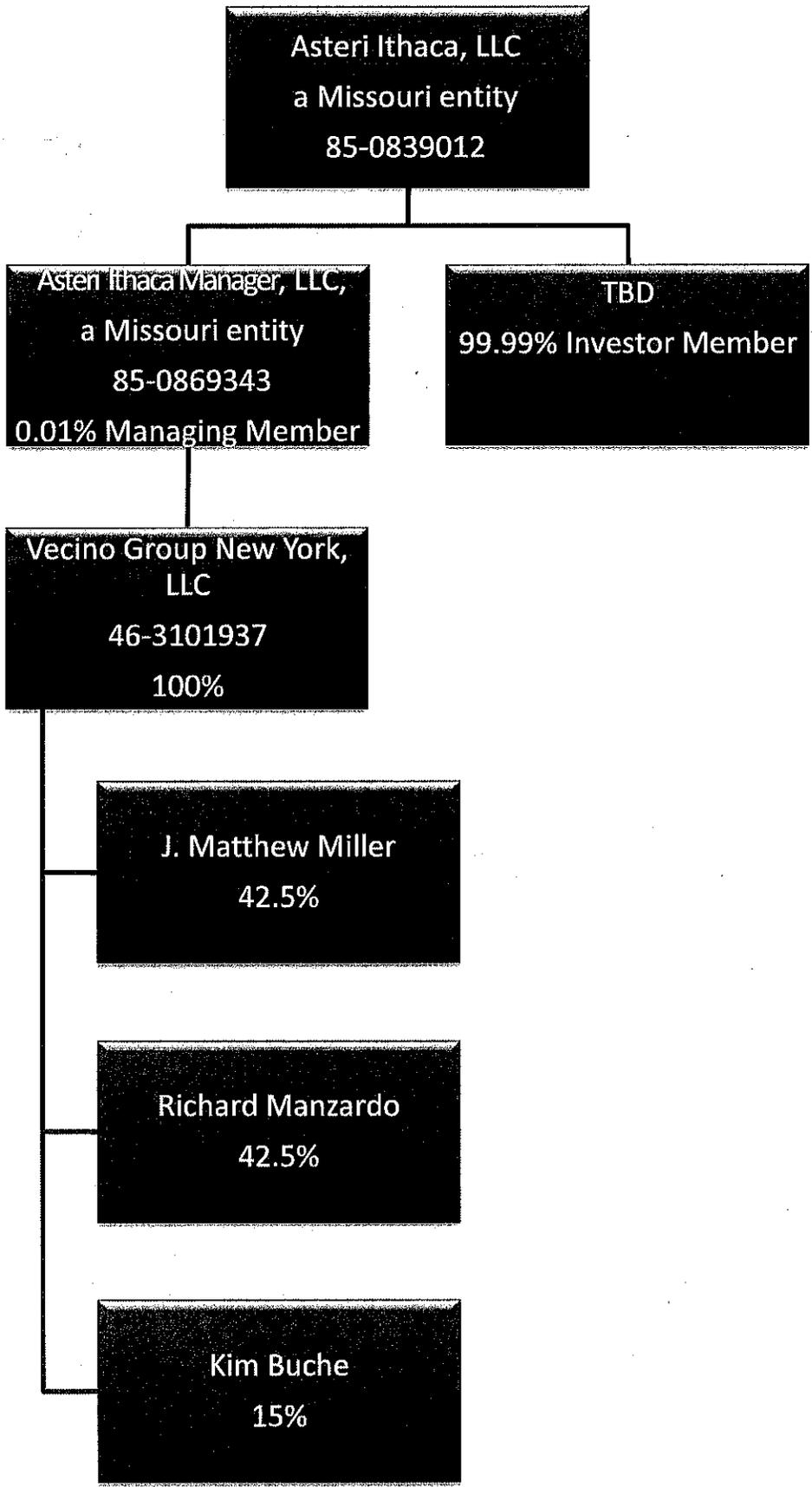
Year	1	2	3	4	5	6	7	8	9	10
Net Operating Income (before taxes and debt service)	\$ 1,043,849	\$ 1,052,953	\$ 1,061,887	\$ 1,070,635	\$ 1,079,184	\$ 1,087,518	\$ 1,095,620	\$ 1,103,476	\$ 1,111,067	\$ 1,118,376
PILOT Proposed	\$ 208,770	\$ 210,591	\$ 212,377	\$ 214,127	\$ 215,837	\$ 217,504	\$ 219,124	\$ 220,695	\$ 222,213	\$ 223,675
581-a Estimated Tax	\$ 348,105	\$ 351,141	\$ 354,120	\$ 357,038	\$ 359,888	\$ 362,668	\$ 365,370	\$ 367,989	\$ 370,521	\$ 372,958
Difference	\$ (139,335)	\$ (140,550)	\$ (141,743)	\$ (142,910)	\$ (144,052)	\$ (145,164)	\$ (146,246)	\$ (147,294)	\$ (148,307)	\$ (149,283)

Year	11	12	13	14	15	16	17	18	19	20
Net Operating Income (before taxes and debt service)	\$ 1,125,383	\$ 1,132,069	\$ 1,138,415	\$ 1,144,399	\$ 1,149,999	\$ 1,155,192	\$ 1,159,955	\$ 1,164,263	\$ 1,168,090	\$ 1,171,410
PILOT Proposed	\$ 225,077	\$ 226,414	\$ 227,683	\$ 228,880	\$ 230,000	\$ 231,038	\$ 231,991	\$ 232,853	\$ 233,618	\$ 234,282
581-a Estimated Tax	\$ 375,295	\$ 377,525	\$ 379,641	\$ 381,636	\$ 383,504	\$ 385,236	\$ 386,824	\$ 388,261	\$ 389,537	\$ 390,644
Difference	\$ (150,218)	\$ (151,111)	\$ (151,958)	\$ (152,757)	\$ (153,504)	\$ (154,197)	\$ (154,833)	\$ (155,408)	\$ (155,919)	\$ (156,362)

Year	21	22	23	24	25	26	27	28	29	30
Net Operating Income (before taxes and debt service)	\$ 1,174,195	\$ 1,176,417	\$ 1,178,045	\$ 1,179,049	\$ 1,179,396	\$ 1,179,053	\$ 1,177,986	\$ 1,176,157	\$ 1,173,531	\$ 1,170,067
PILOT Proposed	\$ 234,839	\$ 235,283	\$ 235,609	\$ 235,810	\$ 235,879	\$ 235,811	\$ 235,597	\$ 235,231	\$ 234,706	\$ 234,013
581-a Estimated Tax	\$ 391,573	\$ 392,314	\$ 392,857	\$ 393,192	\$ 393,307	\$ 393,193	\$ 392,837	\$ 392,227	\$ 391,351	\$ 390,196
Difference	\$ (156,734)	\$ (157,030)	\$ (157,248)	\$ (157,382)	\$ (157,428)	\$ (157,382)	\$ (157,240)	\$ (156,996)	\$ (156,645)	\$ (156,183)

PILOT Proposed \$ 6,819,527
 581-a Total \$ 11,370,946
 Total Difference \$ (4,364,490)

PILOT proposed is a fixed amount based on 20% of NOI

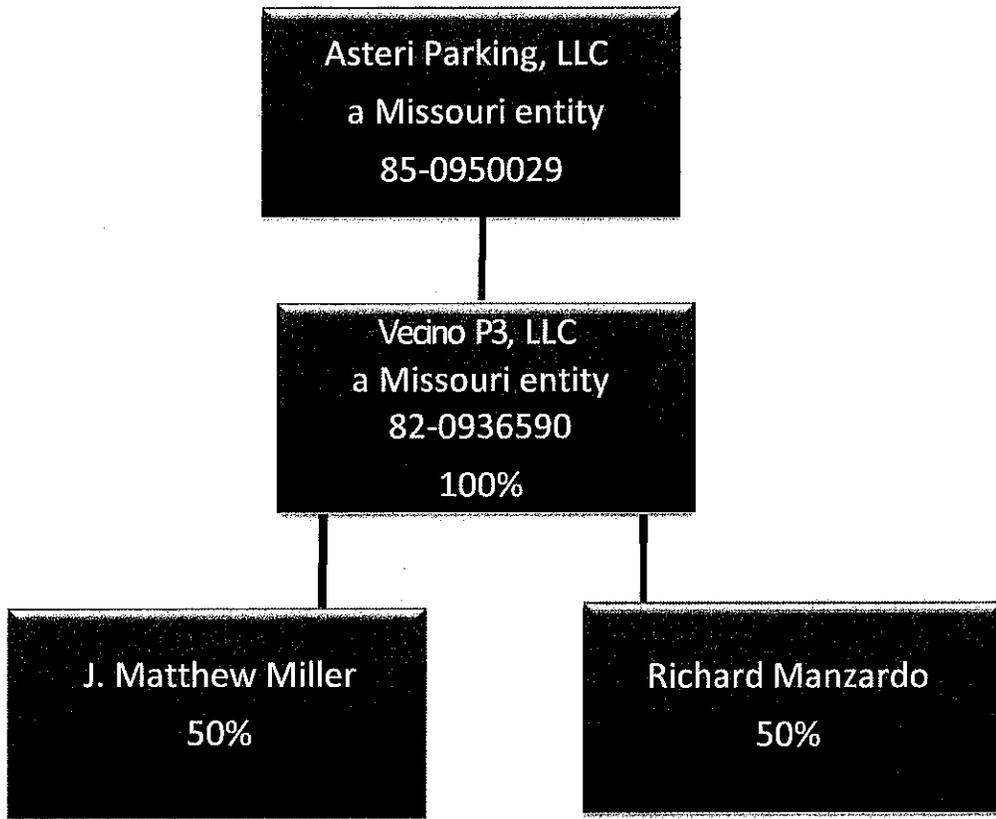


Asteri Conference, LLC
a Missouri entity
85-0998257

Vecino P3, LLC
a Missouri entity
82-0936590
100%

J. Matthew Miller
50%

Richard Manzardo
50%



Tompkins County Industrial Development Agency
 Quarters #1 & #2 Financial Report
 June 30, 2020

	2020 Budget	1Q 2020	2Q 2020	Year to Date 2020	% of Budget
Starting Balance	\$ 727,151				
Income					
Fees from Projects	\$ 654,000	\$ 388,291	\$ -	\$ 388,291	59%
Interest	\$ 400	\$ 194	\$ 177	\$ 371	93%
Total	<u>\$ 654,400</u>	<u>\$ 388,485</u>	<u>\$ 177</u>	<u>\$ 388,662</u>	<u>59%</u>
Expenses					
Administration	\$ 444,829	\$ 111,207	\$ 111,207	\$ 222,415	50%
Misc Studies (Taitem Eng.)	\$ 20,000	\$ 9,860		\$ 9,860	49%
Attorney Fees	\$ 8,000			\$ -	0%
Audit	\$ 7,500	\$ 7,500		\$ 7,500	100%
Total	<u>\$ 480,329</u>	<u>\$ 128,567</u>	<u>\$ 111,207</u>	<u>\$ 239,775</u>	<u>50%</u>
Ending Balance	\$ 901,222			\$ 876,039	

Tompkins County Industrial Development Agency

Administration provided by 

Construction Labor Committee Meeting MINUTES 7/29/20 - Via Zoom

Committee Members: Anne Koreman, Martha Robertson, Jennifer Tavares.
Also attending: Kurt Anderson and Heather McDaniel (TCAD)

1. Chair Appointment – Anne Korman was unanimously accepted as chair.
2. Consideration of additional committee members – the committee **recommended additional members Nels Bohn from the City of Ithaca and Grace Chiang from Chiang O’Brian Architects**. The following representatives will be invited for discussion and input during the course of the committee work:
Todd Breuer (IBEW)
Brian Noteboom (Northeast Regional Carpenters)
Local Labor Council Rep
Frost Travis (Developer)
Marc Newman (Developer)
LeChase and Welliver Reps (contractors)
Graham Gillespie (HOLT Architects)
Dan Brown (Racker)
Dan Governanti (retired, Kendal at Ithaca).
3. Committee Objectives – there was no consensus, but suggestions included:
 - How can the IDA support local labor?
 - Review current policy and data that has been collected to inform next steps.
 - Is the IDA requiring local labor going to have any impact on construction labor in Ithaca and Tompkins County?
 - What is the problem we are trying to address?
 - What is the workforce data telling us about construction jobs and what are the projections?
4. Next Steps
 - Doodle for next meeting August – 1.5 hour meeting.
 - Ask new members to participate
 - Invite Mike Hall to next meeting to present on construction labor and experience with the Airport expansion project.
 - Kurt Anderson to put together up to date wage and job data and then review and present trends on labor reports under existing policy.

**Tompkins County Industrial Development Agency
Board of Directors Meeting DRAFT Minutes
July 8, 2020 at 2:30 PM
Via Zoom Conference Call and LiveStream**

Present: Rich John, Mike Sigler, Laura Lewis, Martha Robertson, Anne Koreman, John Guttridge, Jennifer Tavares

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

CALL TO ORDER

Rich John called the meeting of the **Tompkins County IDA** to order at 2:32 pm.

PRIVILEGE OF THE FLOOR

Comments from the public were received via email and read into the minutes of the meeting by the Board Directors.

Rich John read the following comment from **Caroline Byrne – 108 Park Street, Ithaca NY** - I want to oppose the option of developer's paying fees towards the Community Housing Development Fund; even if the fees are large the idea is offensive. Ideally, there would be much more affordable housing in each of these new buildings, not less. It also seems important, at this time, that we don't create a more segregated city by diverting small funds to expand less wealthy areas. (Besides, Cornell should/could be covering the lion's share of the Community Housing Development Fund they are a multibillion dollar multinational corporation). These tax abatements should directly benefit regular people, or else what is the point of them?

Laura Lewis read the following comment from **Teresa Halpert Deschanes** - I write as a city and county resident to urge you to adopt an affordable-housing component in your tax-abatement policy. I also urge you to make this policy as robust as possible. There is room to ask for a lot more than you have in current proposal, particularly in the “fee-out” option. I think you should at least triple your request to \$75,000 per affordable unit.

I understand the reluctance to make demands on developers: you are only considering abatements for projects that would not be built without the financial help, therefore some are afraid to ask for any new financial outlays from developers who need help. However, the math doesn't support this fear, because of the size of the abatements you are offering. The numbers involved indicate that both of these things can be true: (1) a project might not “pencil out” without your help; (2) yet, thanks in part to our high mil rate, the abatement is worth so much money that WITH it, the project will be healthy even if it provides a modest amount of affordable housing. I think this case is easy to make looking at the numbers in past projects. I also believe it is a moral imperative for most residents of Tompkins County to do everything we possibly can to house the people who work here. Beyond any moral considerations, it is also simply smart strategy to try to maximize the public benefits that flow from subsidies.

In view of the desperate need for affordable units in Ithaca, your proposed “fee-out” is too timid. As you

may know, five years ago the Common Council considered a modest inclusionary-zoning proposal, but the collective political will was not there to make this a requirement for every single new development. That proposal makes a useful comparison, based as it was on best practices in communities that have adopted such proposals. It proposed 15% of the units be affordable to tenants at 60% AMI (or 10% of the units affordable to 50% AMI). Notably, that proposal offered a “payment- in-lieu-of” option of \$100k per affordable unit, with a requirement that the affordable units be identified within .5 mi of the proposed project. The amount was based on a fairly realistic guestimate of the cost of developing such a unit nearby.

Your proposed \$25k seems closer to, but still shy of, the subsidy offered in the Community Housing Development Fund: \$30k subsidy per unit at 80% AMI. But this CHDF subsidy is not meant to actually pay for the unit; it represents a guess at the smallest enticement that can be offered in an attempt to make the fund go as far as possible towards getting more workforce housing in Tompkins County, combining it with more money from many other sources. How much we have to offer in our donated Community Fund is unrelated to what we can fairly ask a developer to provide in his project budget as a substitute for providing a required unit.

To illustrate the numbers, I would like to use a concrete example of a recent project: Library Place. (The numbers I’m using are based on info as reported in the local press or from the city and county websites—I realize there were different versions of the project coming through, but I used the most recent ones I found, and the exact number of units isn’t crucial to making the point. The point is that the rent numbers are based on a real-world example.)

Per the Ithaca Voice, there are 66 units and some public space, and the \$17 million project will save \$5.32 million in abated taxes.

To simplify this example I am going to assume the affordable units would have been one-bedroom units, and I’m going to assume no inflation in rents over the twenty-year affordability period.

Per the same article (2019), the proposed rent for the one-bedroom unit is \$1900 per month. Using 2020 figures for AMI (per IURA), a single person at 80% of AMI is at \$48,000/year, or \$4,000/month gross income. (This is the income of a young legal-aid attorney or a senior LPN.) The rent that is affordable to this person (i.e. 30% of gross income), is \$1200/month.

Now, apply your proposal to this project. At 66 units, the developer would need to provide 13 units that were affordable to this hypothetical tenant who could pay \$1200 per month. OR the developer could pay a fee of \$25,000 times 13 units. (which is same as \$5,000 times all 66 units). The developer would pay \$330,000. Instead of receiving \$5.32 million in tax abatements, the developer would ONLY receive \$5 million.

But what would he gain when he opts out and pays the \$330,000 fee? Instead of \$1200/month, he could charge \$1900/month for all 13 units. \$700 excess rent X 12 months = \$8,400 per unit per year. There are 13 such units, so he gains \$109,200 per year. Since the affordability period is 20 years, he gains \$2.2 million dollars in excess rent, in exchange for \$330,000 that he paid to get his \$5 million abatement.

So in a universe where you are requiring such a development to provide affordable units but you are allowing this small opt-out, you are providing \$5 million intax abatements, plus an additional \$2 million in extra rents, leading to a total of \$7 million in subsidies for the developer of the \$17 million project. In exchange you are getting enough to build about 3 or 4 affordable units in some less desirable place, at some unknown point in the future, or maybe a few more if you assume that INHS or the like can

leverage the money with tax credits, etc.

Obviously the developer comes out way ahead by paying the too-small fee. It is worth looking at what would happen with a strict policy allowing NO opt-outs. From the developer's point of view, he would "lose" \$2 million in rent over the 20-year period. So he would only be getting a \$3 million abatement of his taxes. In other words, he could go it alone and make a luxury development, but it would cost him an extra \$3 million in taxes. We have already assumed that his project won't be built under those circumstances. But clearly, a \$3 million abatement is a large percentage of a \$17 million budget, so this might well be enough to get such a project built.

But I don't think getting rid of opt-out is the way to go. As you correctly note, an affordable project nearby can leverage tax credits and institutional expertise to provide more housing than the original developer would have provided. The key is setting a reasonable opt-out fee and requiring the units to be built nearby.

In this example, if you triple the opt-out fee to just under \$1 million, the developer is still netting over \$4 million in abatements on his \$17 million project. Plus, he is getting that extra \$2 million in rents over the affordability period, so he is really getting a \$6 million subsidy in total. That should allow a good developer to make a project work. (It would indeed be laughable if someone is arguing that the \$25,000-per-unit opt-out proposed is enough of a subsidy to get affordable housing built, but the \$90,000 per luxury unit that represents the smaller-tax-abatement/larger-opt-out combo is not enough of a leg up for a luxury developer to make a go of it.)

Even if we can't find the political will to require all developments to help house our workforce, we need to demand that projects getting large tax abatements do their part. The bottom line is that we have precious few locations to build new housing in Ithaca, and we better start making sure that some of it houses the people who make our county run. We can't keep giving away the store.

Jennifer Tavares read the following comment from **Stephanie Heslop** - I'd like to once again say that the public should *not* be subsidizing luxury housing. 20% "affordable" (for people at 80% AMI!) is unacceptable. Over and over again members of the IDA assert that building luxury housing somehow helps low-income people via -down but you've never given credible evidence that this happens. The burden of proof is on you.

For the Democrats: Do any of you believe in single payer over private insurance, or public schools over charter schools? Why would the "free market" do any better with housing than healthcare or schools? Why is giving tax breaks to rich people not OK when Republicans do it but OK when you do it?

Anne Koremen read the following comment. To the Tompkins County Industrial Development Agency Board of Directors:

My name is **Barbara Chasin**, I live at 129 Rachel Carson Way, in the Town of Ithaca. I am writing as a resident of Tompkins County concerned about both the lack of affordable housing and our fiscal situation. Article 25 of the United Nation's Universal Declaration of Human rights reads in part "Everyone has the right to a standard of living adequate for the health and well-being of himself [sic] and of his [sic] family, including food, clothing, housing and medical care . . ." An abatement is like a bribe to developers; why should we give developers a special benefit to get them to help meet a basic human right? They need to do their part in providing desperately-needed housing for working people and all those with lower incomes. The developers benefit from Ithaca's attracting would-be residents to all the wonderful aspects of this area that these developers did not create. The developers are going to

make a profit out of desperately needed housing on the majority of units, maybe all of them. Funding problems are exacerbated by giving tax abatements to developers. I urge a policy of no abatements and more affordable housing.

John Guttridge read the following comment from **Peter Wissoker** Tioga St. Ithaca - I am writing with regard to the housing policy being considered by the Board. Consider the following:

- 1) Given that accountants can make projects look more expensive, less profitable and/or less feasible than they are, is there a way to do a deeper actuarial assessment of the budget that is submitted with the subsidy request?
- 2) Should the Board consider whether many developers will ask for tax breaks whether they need them or not? And, whether offering this option to all is the best policy or not at this time of fiscal hardship? For instance, members might remember the developer who was asking for subsidies for a market-rate building a year or so ago. He was asked if he modeled what the finances would look like without the subsidy, to which he replied, essentially, "Oh no, I never bother doing that. That isn't my model." Taking IDA tax subsidies for granted, especially for market-rate housing, should never be acceptable.
- 3) The scope of what the Board asked the Housing Committee to do was unnecessarily limited. To ask only which of two scenarios was appropriate rather than asking the committee to address if there are other considerations the Housing Committee would suggest addressing may have circumscribed the advice the Board could receive.

I would add that if the Board is to go ahead with one of the two options, Option 1 is more likely to meet the needs of our community. If you decide to go with Option 2, the amount you ask from developers needs to be increased dramatically.

Finally, I would ask if after adopting a housing policy for now, it might make sense for the Committee, along with Heather McDaniel, to reconsider the standards by which a project is judged viable with or without a subsidy. This might include questions like: how long before a profit (and what size profit) should be expected? Thank you for your attention.

Martha Robertson read the following comment from **Leslie Brack** Homeowner and 12-year resident 117 Elmwood Ave Ithaca, NY.

I am writing to comment on the Asteri/Vecino project. The city and IDA board has consistently encouraged developers to build luxury housing in our city's center, driving rents up throughout the town. Affordable housing is now the number one crisis in Ithaca.

The Asteri/Vecino project is rare in that it has some semi-affordable housing. That is a very good step.

The IDA is known for automatically approving any proposal for tax abatements, nothing asked and no punishments for failing to deliver on even the most modest of community benefits. Proposing a fee is a step in the right direction, and that is a good thing. But the fee can't be so low (as the proposed fee is now) that it makes financial sense for the developer to pay it and ignore any agreed-upon terms. It needs to have teeth.

The most obvious and direct solution is making the developer refund the abatement, with interest, if terms are violated. A compromise solution would be a fee more like \$20,000 per unit.

With increasing homelessness, a record unemployment rate, and our city budget destroyed, I hope you

will respect the citizens of Ithaca when making this upcoming decision.

Heather McDaniel read the following comment from **Theresa Alt**, 206 Eddy St, Ithaca NY 14850 - The IDA is proposing that instead of providing 20% of units at a rent affordable to 80% AMI, a developer could pay a fee to the Tompkins County Community Housing Development Fund. In principle this makes a lot of sense. The key is to set a reasonable fee. The one-time fee of \$5,000 X total number of units that the IDA proposes is way too low. A developer of a building of, say, 60 units, by opting out could get several million dollars in tax abatements yet only pay \$300,000 in fees, while bringing in \$800,000 or \$900,000 in higher rents over just ten years. The fee should be more like \$15,000 per unit. Then the fee would cover something like the difference in rents between market rents and those affordable to 80% of AMI over the 10 years of the abatement.

You should not worry about the hypothetical developer walking away. Another will take their place. The pandemic has only made this out-of-the-way place more attractive to those who have choices.

Meanwhile, those who work in this community need to be able to live here.

Rich John read the following comment from **Dr. Barbara L. Regenspan** - 207 Cascadilla Avenue #1 - To both the Planning Board and the IDA: I am writing one letter to the Planning Board and the leadership of the IDA addressing the two different but related issues of supporting approval of the conference center plan as is, (because that is the way to get the 218 units of desperately needed affordable housing sooner than later, when the State is likely to be bankrupt), and insisting that the IDA refuse all requests from developers for tax abatements, period, no substitute penalties considered. My one letter applies the same rationale to both appeals.

If there is anything we ought to be learning from the current protests against racist police violence, it is that layers of cruel social practices accompany repeated disinvestment in communities of color and other communities consistently facing inadequate resources, especially with regard to housing. You, the members of the Planning Board and the IDA need to understand your role in the current quite reasonably motivated social unrest, for all of your good intentions re: raising the local tax base.

When working and poor people, both people of color and white people, are treated by decision-makers like they are undeserving of the resources to live decent lives, they become more generally positioned as the people from whom others need to be protected. That's how a policeman could kneel on the neck of George Floyd while playing to an audience of on-lookers. That's how Ithaca can accept an ugly, expensive to maintain SWAT truck and the use of other military hardware like tasers by police who very rarely face actual violent crime.

The practice of building for the wealthy in Ithaca has been part of this cycle of disinvestment in working people, and especially people of color, which led to the recent shameful incident on the Commons of a year ago April 6. (That incident, by the way, earned our community the very kind of bad press that discourages the tech class you wish to attract from coming here.) Two upstanding young black people celebrating the basketball victory of a friend were humiliated, arrested, assaulted and, as they awaited long-delayed adjudication, lost housing and employment. All of this happened because the police saw the need "to protect" their drunken white aggressor and an imagined large crowd of bystanders. In a complicating lie that never got the attention it deserved one of the police officers at Cadjji Ferguson's trial estimated that there were seventy-five people on the Commons at the time of the incident. During the trial, shown accurate camera footage scanning the entire Commons at that time, the officer counted only fourteen people, and four of them were police officers. (In his police report and testimony, the

officer had presented the police assault on Cadji Ferguson and Rose DeGroat as in part motivated by his desire “to protect the large crowd of citizens” on the Commons).

This was the most dramatic imaginable public presentation of the effects of Ithaca’s catering to the wealthy and the way that practice creates a dichotomy between those who deserve investment and those who do not. The real ugliness is what happens to the public image of those who do not. “Those who do not” are shaped as “dangerous” to the “deserving” in a society where we are told there are not enough resources to go around. These dynamics exactly replicate what happened during Reconstruction after the Civil War, when ex-slaves, formerly presented as too docile to live as free human beings, were suddenly reshaped as a dangerously menacing population. In 2019 here in Ithaca, NY, relatively small and thin Cadji Ferguson, a black man, was presented as a danger when he defended himself against a 6 foot-five inch overweight white drunken aggressor who happened to be the parent of a Cornell student.

So we continue this process of disinvestment in some people, and overinvestment in others, even when we see where it leads. And by the way, I have been repeatedly corrected when I claim that the most recent local development projects have served the wealthy. “They serve the middle class,” I am told. Yet my husband and I recently investigated downtown apartments available for aging friends who need to sell the scenic property they can no longer maintain in Interlaken. We were shocked to find nothing available that we, ourselves, a retired middle class couple renting a sunny downstairs apartment in an older wood-frame building on Cascadilla Avenue, could have afforded. As a retired college professor, I am middle class if anybody is middle class.

So these moves to stall the rare proposals for housing (in this case, 218 units) that is affordable to the workers who currently commute long distances from outlying areas or live in substandard housing in the city of Ithaca, and/or to give tax breaks to developers of unaffordable housing—these moves are not only unconscionable, but also self-destructive to the peace and security of this community. (And that proposal for developers to pay what amounts to a pittance in order to buy out their obligation to supply affordable housing units is a further insult to ordinary Ithacans like myself who are waking up to our current non-sustainable historic moment!)

Further, any notion of allowing developers to buy their way out of this legal obligation to provide the mandated percentage of affordable housing is nothing short of sickly self-destructive, in the present climate of increased awareness of what we are doing to ourselves. Wake up, members of the Planning Board and members of the IDA! I know you are well-intentioned citizens, but it may be that you are not connecting the dots in your efforts to attend to the threats of developers to abandon projects because they claim cost overrides. Call their bluffs and let them abandon them! Not only will more reasonable developers rush in to take their places, but imagine Ithaca deciding to become a model of improving the quality of life of its longest-term historic neighborhoods instead of pursuing this increasingly non-sustainable practice of playing to the wealthy.

While there is time, and the rapidly dwindling resources are available, the Planning Board must approve the conference center proposal because it is attached to the provision of urgently needed affordable housing. Likewise, the IDA must stop catering to developers and start investigating their unconscionable profit margins when they plead poverty! Let’s become a model community for righting the wrongs of the past while we also avert the social chaos likely to befall us if we continue to exacerbate the already unconscionable levels of wealth inequality in the U.S. and very specifically, here in Ithaca.

Martha Robertson responded to Ms. Halper's comment stating that the City policy she referred to did not pass. The Downtown Density policy has evolved over the years moving from a detailed point system to its current form. The current policy has accomplished what it was designed to do and this housing policy is a further "tweak."

John Guttridge stated that Ithaca is a very complicated market place. He has heard comments that the housing policy is not enough and he hopes that this is a start as we move forward.

Mike Sigler stated that he disagrees with the "trickle down" comment from Ms. Heslop. Building more housing at any cost point will create more housing and a fee paid now into the housing fund is better than what might come over 20 years in the future.

Anne Koreman proposed the creation of a subgroup/committee to take a look at the Local Labor Policy. She read the following statement into the record: During the COVID-19 pandemic, a local labor policy would decrease the influx of laborers from outside of Tompkins County which has been able to maintain a very low infection rate. During this economic downturn, which is predicted to last several years, the IDA can support more people being employed locally which helps our local labor force. These local laborers in turn help keep local business afloat and increase local sales tax revenue. These good jobs help families and the next generation afford the high price of rental and for sale housing in Tompkins County. This policy could also help increase the number of children in local rural schools, which have seen a decreasing enrollment. Lastly, but certainly not least, I think the IDA should do everything we can to foster local employment and I think we should tie this requirement to every tax abatement we give out. I propose we form a subgroup to work on this and present a proposal back to the IDA as soon as possible. I volunteer to be a part of this subgroup.

ADDITIONS TO THE AGENDA - None

NEW BUSINESS

TCIDA Housing Policy – Approval – Heather McDaniel gave an overview of the policy that was reviewed and approved by the Housing Committee and the process that led up to this policy. The TCIDA and the City of Ithaca have been in a partnership for over 20 years in terms of developing in the downtown Ithaca area. The City of Ithaca made a recommendation regarding affordable housing requirements. The IDA reviewed the recommendations and formed a Housing Committee to address the concerns raised over the recommendations. The Housing Committee met in June and recommends approval of the draft policy before the Board today. The policy will require either a set aside of at least 20% of units for affordable units or a payment directly to The Tompkins County Community Housing Development Fund. The CHDF is well established and has a great track record of supporting over 600 units of affordable housing over the last 10 years. The proposed \$5,000 donation amount per housing unit in the policy was based on research and can be adjusted in the future.

Two friendly amendments were received from City staff: 1) in the fourth paragraph change "80%" to "80% or less" and 2) remove the second bullet "City of Ithaca's Waterfront District" from the fifth paragraph as the updated downtown density district now includes the waterfront district.

John Guttridge moved to approve the draft Workforce Housing Policy as amended. Martha Robertson seconded the motion.

John Guttridge also proposed an amendment to the first paragraph. He proposed 1) changing “20 units or more” to “all housing projects” and 2) changing “rental” to “all multi-family housing.” Martha accepted the amendments but noted that IDAs cannot incentivize owner occupied housing.

Anne Koreman proposed changing the word “residents” in the third paragraph to “households.”

Laura Lewis stated that she is pleased with the policy, as it is good to have a document that all can refer to. She asked that a time frame be set for periodic review of the policy as we move forward. Rich John agreed that periodic review would be good.

Heather McDaniel suggested adding that the policy would be reviewed at least annually to the policy document.

All the suggested changes to the motion were accepted as friendly.

Rich John thanked the committee and staff for their work on the policy. It feels good to have something on the books.

Martha Robertson commented that the TCCHF staff asked if the IDA Board would like to have a seat on its Board. It was determined that the IDA has plenty of representation on that Board already.

A vote was called for the motion on the floor. The motion was approved 7-0.

IDA Academy Update – Heather McDaniel reported that she and Ina Arthur attended the virtual IDA Academy that was presented by the NYS Economic Development Council in conjunction with the NYS Authority Budget Office and the NYS Office of the State Comptroller. New and pending NYS Legislation regarding IDAs was presented.

New legislation that will allow IDAs to make grants and loans was recently passed. Grants and loans are limited to helping businesses with COVID-19 issues such as obtaining PPE. Many IDA’s were hoping for broader powers to grant and loan funds, but recognize that this is a good start. There are also significant reporting requirements.

New Prevailing Wage legislation will go into effect January 1, 2022. Projects with 30% or more of their total project cost coming from public monies (e.g. tax abatements, State grants, forgivable loans, etc.) must require prevailing wages for construction labor. There are eleven (11) types of excluded projects including affordable housing projects, renewable energy system projects and historic rehabilitation tax credit projects. A control board that will finalize details for this legislation will be set up by June 2021. There are a lot of outstanding questions about this new legislation.

There is also proposed legislation that would prohibit elected officials from sitting on an IDA Board.

Jeff Perlman of the ABO also led an IDA Board training session.

CHAIRS REPORT – None

STAFF REPORT – Heather McDaniel reported that she and IDA Counsel met with Eric Goetzman regarding the Arrowhead project. Mr. Goetzman will provide an update on the project at the August IDA Board meeting.

APPROVAL OF MEETING MINUTES – Anne Koreman made a motion to approved the June 10, 2020 Board meeting minutes. Martha Robertson seconded the motion. The motion was approved 7-0.

Jennifer Tavares asked to circle back to the request made by Anne Koreman at the beginning of the meeting. The request to form a Labor Committee. She commented that a lot of research and work went into developing the current local labor policy. She asked that the research that went into developing the current labor policy be provided to the new committee if formed and she also asked to be on the committee.

Rich John suggested creating a committee with IDA members (Anne Koreman, Jennifer Tavares and Martha Robertson) and then adding others from the community moving forward.

Anne Koreman moved to create a Labor Committee with initial members from the IDA Board. Laura Lewis seconded the motion. The motion was approved 7-0.

ADJOURNMENT – Jennifer Tavares made a motion to adjourn the meeting of the TCIDA Board of Directors. Laura Lewis seconded the motion. The motion was approved 7-0.

The meeting was adjourned at 4:12 pm.