

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Final Minutes  
August 11 2021 – 2:30 - 4:00 PM**

**Tompkins County Legislative Chambers  
121 E. Court Street, Ithaca NY**

**Present:** Rich John, Martha Robertson, Todd Bruer, Jeff Gorsky, John Guttridge, Mike Sigler

**Guests:** David Norbut (NSF Enfield), Barry Carrigan (Nixon Peabody, PLLC)

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

**CALL TO ORDER**

Rich John called the meeting of the Tompkins County Industrial Development Agency to order at 2:46 pm.

**PRIVILEGE OF THE FLOOR**

**Theresa Alt** – 206 Eddy Street, Ithaca, speaking also on behalf of Teresa Halpert, 209 South Geneva Street. I am glad that the IDA Housing Committee is indeed revisiting the Workforce Housing Policy. What I gathered from the meeting of the Committee was that several aspects of the Policy were being reconsidered, and I think you will hear an interim report and plans for the Committee to meet again – not a report for adoption. But I may have misheard from the back of the room.

Not very much time was given over to the part I am most concerned about – setting the in-lieu fee when on-site workforce housing is not provided. As you probably know well, the policy called for 20% of units to be affordable to people at 80% of Area Median Income. That is teachers, nurses, young lawyers. Or the developer can pay an in-lieu fee of \$25,000 per workforce unit not built. Teresa Halpert and I sent a letter to the Housing Committee pointing out that this fee is ridiculously low. We gave a calculation based on an Urban Institute article that suggested a fee of \$412,000. Nels Bohn responded, using the same formula but altering some of our assumptions, and came to a fee of \$83,000. We now suggest that that may be a good compromise.

Of course, let us not forget that all these complicated calculations may arise simply from the fact that more luxury housing is not what downtown needs, and the IDA should not pick these projects to subsidize in the first place. Look at East Hill where unsubsidized projects regularly pencil out.

**Jude Lemke (read into the record by Rich John)** - I am writing in advance of your meeting tomorrow, August 11th, with respect to the Norbut Solar Farm projects 1, 2 and 3. I was unable to attend the public hearing today because I fell ill and the IDA turned down the Town of Enfield's request/offer to allow its residents to attend via Zoom. Before I speak to the projects themselves, I would like to address the IDA's practice of holding public hearings in the middle of workdays thereby making it difficult for interested residents to attend these hearings. Enfield encountered this issue in the past

when the IDA held a public hearing regarding the Black Oak Wind Farm. There was a great deal of interest by the residents of Enfield but despite requests by the Town Supervisor to hold the hearings in the late afternoon or early evening when townspeople could attend, the IDA insisted on holding the hearing at 10 am on a weekday.

In this case, Enfield has invested in the technology that enables it to hold hybrid meetings in which participants can attend either in person or via Zoom. When our Town Supervisor offered to make this technology available to the IDA so our residents could participate, it was turned down summarily. The IDA should be doing everything in its power to make these public hearings more accessible to the public and I do not understand why you turned down the opportunity to allow residents to participate remotely.

Turning to the substantive issue – that is, the request for a Community Host Agreement with the Town of Enfield – I am in full agreement with the comments made by Stephanie Redmond, the Enfield Town Supervisor, and Enfield Town Councilperson Robert Lynch at the public hearing today. Enfield’s return on this project is minimal. The economic benefits of this project accrue, not to Enfield, but to the Norbut investors and the surrounding region outside Enfield. The \$2M savings on electricity is not going to Enfield. The \$400,000 – 600,000 projected to be spent on food, lodging, fuel, entertainment and amenities will not be spent in Enfield. And the 50-70 temporary jobs being created to build the project are unlikely to be offered to Enfield residents. The value to this project is not to Enfield; rather it is to the areas surrounding Enfield. As such, Enfield deserves a greater cut of the PILOT since it is essentially cut out of the significant benefits accruing to the region.

Even if the IDA were to conclude that it requires a PILOT agreement of \$,4200 per mw, I would ask the IDA to make any such PILOT subject to a Community Host Agreement with the Town of Enfield for \$1,200 per mw. Norbut Solar Farms states that providing payments in excess of \$4,200 per mw would undermine the financial viability of the project, but I find that very hard to believe. Investors have put up \$5.9M. Ignoring the ongoing 30-years of operating profits, the project will receive over two times that investment just in tax breaks and incentives. NYSERDA is providing \$821,000 in incentives. The federal tax credit of 26% will be worth at least \$4-5M (and probably more). And I estimate, on a conservative basis, that the bonus depreciation deduction will generate tax savings in excess of \$6.5-7M on day one. Paying Enfield \$18,000 a year will hardly make a dent in the overall profitability of these projects. I would also point out that NSF has already made a significant investment in this project so it is unlikely to back out over the payment of such a minor amount in the grand scheme of things.

On behalf of the Town of Enfield, both in my individual capacity and as a Town Councilperson, I am asking that you allow NSF's request to pay \$1,200 of the \$4,200 to Enfield as part of a Community Host Agreement. Failing that, I am asking that you require Norbut Solar Farms to enter into Community Host Agreements for each of the three projects in the amount of \$1,200 per mw as a condition to granting the PILOT. Thank you.

**ADDITIONS TO THE AGENDA – None**

**BUSINESS**

NSF Enfield 1, 2, 3 (off-site community solar) - Approval

Heather McDaniel stated that the public hearing for this project was held and the minutes distributed to the board. The authorizing resolutions for the three sites are presented to the board.

**John Guttridge made a motion to approve the authorizing resolutions for the three sites with the understanding that the PILOT agreement would be per the TCIDA's solar policy of \$4,200/mw for 20 years with a 2% annual increase. Martha Robertson seconded the motion.**

David Norbut discussed the project and the land parcels briefly. Responding to a question about the size of the undeveloped parts of the parcels, Mr. Norbut outlined a plan to work with the County and Town to develop a composting facility at the back part of the parcels.

It was clarified that the PILOTs under consideration would only be for the parcel portions with solar panels. Any future development on the parcels would be divided out by the assessment department and would be subject to full taxes.

Martha Robertson asked about the public hearing and the request for zoom conferencing. Heather McDaniel stated that NYS law that governs IDA public hearings outlines that they be held in person with livestream access. Since the rescinding of the Governor's emergency executive order, zoom access/participation is no longer mandated. The town did state they had zoom access, but it was unclear that a request was made to make the public hearing accessible via zoom conference and this was only brought up a few days prior to the actual hearing so adequate public notice of the change could not be met.

John Guttridge asked that in the future if public hearings could be available via zoom so that the public could comment using that service. Heather stated that if the location of the hearing has adequate internet, that could be accommodated.

Rich John commented on the Town's desire for a host community agreement (HCA). He stated that if the IDA supports/enforces this HCA, it opens the door for future projects of all types to get similar requests from the taxing jurisdictions.

Todd Bruer asked developer about this HCA. Mr. Norbut stated that if the HCA is enforced, then he would need the PILOT amount to drop to \$3,000/mw. The financier of the project will not go above \$4,200/mw.

Rich John referenced a similar request from the Town of Dryden and that the IDA denied that request. It is important that the IDA have a uniform policy and stick to it.

John Guttridge stated that HCAs are conceptually not a good idea. Other project would then be asked for HCAs from taxing jurisdictions and then school taxes would be impacted.

Todd Bruer asked if legally the IDA could enforce a HCA. Russ Gaenzle stated that yes it is in the IDA's purview, but he would advise against it.

Mike Sigler commented that he hopes that the current \$4,200/mw is not applied to industrial solar project that will be coming to the area soon.

It was asked if the local municipality has to give approval to the solar project. Yes, it is in the IDA policy that they do. The Town of Enfield has stated that it feels the solar project is good but they want an additional HCA.

**A vote was taken on the motion on the floor. The motion was approved 5 – 1 (Bruer voting no).**

### **CHAIR'S REPORT**

Status of the update to the Local Labor Policy was asked about. Mike Sigler, chair of the Labor Committee, stated that a draft update to the policy as been sent out for comment from developers and local unions. This feedback will be incorporated into the update to the policy and considered by the committee in September.

### **STAFF REPORT**

Heather McDaniel presented the 2Q 2021 Financial Report. She commented that 10 of the 13 Childcare grants have been disbursed. Of the remaining, two are working on gathering their paperwork to submit for payment and one facility has actually closed and will not be using the grant.

The Arrowhead senior housing project in the Village of Lansing (Lansing Meadows) is still not yet complete. The Village of Lansing Board did vote to extend the deadline beyond the July 2021 due date that was set last year. Heather will provide a more in-depth report on the status of this project at the next TCIDA board meeting.

The City Harbor project is getting ready to begin site work on the wastewater plant part of the project and will be closing on the sales tax exemption part of their incentives soon. The developer is also going back to the City Planning Board regarding phase 2 of the project. As this moves forward, the developer will be coming back to the TCIDA board regarding phase 2 incentives. She also reported that the City has waived the requirement for the project to have two means of egress.

Rich John asked about the PILOT and if the years would change. Heather responded that when the PILOT agreement and other legal documents are closed, the dates will be adjusted accordingly.

Rich John also commented that he would advocate for a pedestrian bridge over route 13 to facilitate access to this project.

Heather reported that there will be a groundbreaking ceremony on September 24<sup>th</sup> for the Asteri Ithaca project. A time will be announced.

Heather also reported that Emmy's Organics has been acquired by Mexico-based Grupo Bimbo, better known in the states as Bimbo Bakeries. The Bimbo name may not be familiar, but their products are supermarket staples, with brands such as Sara Lee, Entenmann's, and Freihofer's. The original owners are under contract for the next two years and plan to stay with the company. The new owners plan on keeping the plant here in Ithaca and have invested already with equipment upgrades and salary increases for staff.

Heather reported that the IDA Housing Committee did meet to review the current policy and the projects that have been approved since the policy went into force. The committee members did discuss the in-lieu fee per unit and will meet again soon to continue that discussion. Short term rental units (STR) was also discussed and staff will be drafting language to put into the policy regarding the IDA's desire not to support projects with STR.

Martha Robertson commented that perhaps the housing fund could be available for housing projects with affordable units in other parts of the County.

John Guttridge stated that he has concerns about sprawl and that future projects will be more car focused even downtown. He encouraged having a thorough study before pushing forward with housing outside of the downtown node. Heather commented that smaller housing projects and what assistance the IDA could give will be part of the housing committee discussion.

Jeff Gorsky asked about demand vs. supply. Heather stated that studies show that demand is still outweighing supply.

For sale units vs. rental units were discussed and the slight softening of demand for two- and three-room units.

John Guttridge stated that when the market is saturated, we will know.

Heather reported that the McKinley (401 E State Street) project is still working with the City's Zoning board regarding a height variance request for a portion of one of the buildings. It is possible that the project will come back to the IDA with a reduction in the size of the project if the variance is not granted.

## **MINUTES**

**Martha Robertson made a motion to approve the draft minutes from the July 14, 2021 board meeting. Jeff Gorsky seconded the motion. The motion was approved 6 – 0.**

## **ADJOURNMENT**

The meeting was adjourned at 3:53 pm

**Minutes were approved at the October 13, 2021 Board meeting.**