

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
November 10, 2021 – 1:30 - 3:00 PM**

Via Zoom and LiveStream

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

Guests: Ian Gaffney (Emmy's Organics), Ben Cosgrove (Bimbo Bakeries USA), Richard Polevoy (Knickerbocker Bed Company), Anne Koreman (TC Legislature)

Staff: Heather McDaniel, Kurt Anderson, Ina Arthur (IAED), Russ Gaenzle (Harris Beach), Rick Snyder (TC Finance)

CALL TO ORDER

Rich John called the Tompkins County Industrial Development Agency Board of Directors meeting to order at 1:34 pm.

PRIVILEGE OF THE FLOOR *The following comments were read into the record:*

Frank A. Stento, Director of Business Development, District Council #4 Painters & Allied Trades

Tompkins County IDA:

My name is Frank Stento, and I am the Director of Business Development with the International Union of Painters & Allied Trades. Our offices are located at 701 W. State St. in Ithaca, and we represent Commercial Painters, Industrial Painters, Drywall Finishers and Glaziers in Western and Central New York. A large population of our membership resides in the Greater Ithaca Region.

A revamped Local Labor Policy in Ithaca is much needed. Many of the projects that we have seen in the recent years are housing and those jobs are temporary as the construction is primarily where there is any job creation. There is very little long-term employment in the maintenance and administrative end. What does that mean? While taxpayer funding is assisting in the creation of these projects there is not much reinvested in the community afterwards. These out of region contractors are taking the \$ earned and spending back in their own communities. A stronger local labor policy would advocate for those working and living in the Greater Ithaca Region and its surrounding areas. We often hear the term buy local or shop local, why not hire local? That could be a great slogan to the community that shows we are looking to advance those seeking careers right in our own back yards. The trades will have the need to bring in apprentices and journeypersons alike in the coming years. As demand continues and our aging workforce retires the opportunity to get a more diverse and equitable demographic involved would be one additional positive impact of a strong local labor policy. I respectfully request that you consider all the information from our brothers and sisters in labor and that support labor as we seek your approval. This policy will greatly enrich the livelihoods of those who live, work, and buy within this region.

Matt Nesbitt, Business Manager/FST, Iron Workers Local 60

I am writing in support of the local labor language proposal in the draft labor policy for the Tompkins County IDA. This language is to ensure that the residents of Tompkins County benefit from the incentives that are offered, not just the developers. While affordable housing is a much-needed commodity everywhere, these

projects yield minimal benefit to existing residents of a county if they are not guaranteed the opportunity to work on the projects during the construction. One would hope that when these incentives are being discussed that the maximum benefit for all the residents of a county would be at the forefront of the discussion. The triggering of prevailing rate due to a 30 percent public funding arguments that have been made have very little warrant in this proposal. The triggering of prevailing wage only ensures that the workers on the projects are going to be paid a living wage, it in no way guarantees that the worker will be from Tompkins County or any of the neighboring counties. The language proposed in the draft labor policy would help ensure that for current residents, again ensuring maximum benefit for the investment being made. Thank you for the opportunity to comment.

Marcus Williamee, Membership Development, UA Local 81

I am Marcus Williamee, Organizer for UA Local 81, a position I've had since 2012. Since that time, I have worked with the building trades to approach the IDA and attempt to convince them that a local labor policy would benefit the community that is directly affected by the tax incentives that are offered to developers here in Tompkins County. If the object of this board is to grow, develop, and benefit this community then why shouldn't the workers of this community benefit also? It's time to commit to a policy that helps the working community prosper as well as the developers. Please vote to pass the policy and put more Local dollars in Local pockets.

Scott Stringer, Bricklayers Union

The Bricklayer and Allied Craftworkers Local #3 supports Local labor requirements 100%. The creation of the IDA had multiple purposes and primarily local job creation was a corner stone in the IDA Formation

Rick Manzardo, President, Vecino Group

To the Tompkins County IDA, thank you for your time and allowing this note to be read.

Though well-intentioned, we feel the Local Labor Utilization Policy under review by the Tompkins County Industrial Development Agency would harm the affordable housing pipeline, and therefore general economic health of Tompkins County.

Vecino Group is proud to be developing two communities in Ithaca. The first, Arthaus, is a 124-unit affordable housing development with 40 supportive units, 111 units between 30% AMI and 60% AMI, and the remaining 12 units at 80% AMI. Sam Buggeln, Artistic Director of the Cherry Gallery located in Arthaus, says of Vecino, "Their development philosophy is very much about bringing social good to communities." The Ithaca Times calls Arthaus part of a "dramatic transformation" of Cherry Street.

The second community is right outside your window, Asteri. A 181-unit affordable housing development, 55,000 sf conference center and 350 car parking garage. This development also brings 40 supportive units, 159 units between 30% AMI and 60% AMI, with the remaining 21 at 80% AMI. Jennifer Tavares, president of the Tompkins County Chamber of Commerce, says of the project, "When you combine this housing with the broader community impact of the conference center and expanded parking garage, it becomes not just a solution for Ithaca, but a truly transformative project for the entire region."

Please note, the above quotes were pulled from news articles, and not direct quotes pertaining to this proposed policy. We added these quotes to exemplify the type of projects we are proud to work on in the community, hopefully being good stewards and working on the first of many similar developments. Unfortunately, if the

Local Labor Utilization Policy is approved in its current form, Vecino will no longer be able to work on future pursuits with the Tompkins County IDA.

Vecino uses local labor wherever possible. However, the local labor pool has not been sufficient size to competitively meet 75% of construction demand for our current projects, let alone future pursuits. We understand and appreciate the desire to use more local labor, but there will be unintended consequences to this policy. In our view, affordable housing developers will no longer be able to pursue incentives through the TCIDA. At construction financial closing, all parties (lenders, HFA/HCR, syndicators), must have project certainty. The fact that language exists which could remove the PILOT or other TCIDA incentives if local construction limits are not met is a huge red flag. Although waivers can be presented under certain circumstances, such as 20% cost premiums, there is still a time lag for decision, additional fees incurred, and it is up to the TCIDA Labor Committee to make waiver determinations. These factors would render future applications utilizing TCIDA benefits at a severe disadvantage in the competitive landscape.

We urge the TCIDA to either rework the policy, or follow NYS Labor Law amendments and exclude affordable housing projects from these requirements. Affordable housing developments that truly serve the vast majority of tenants at 60% AMI and below need incentives offered by the TCIDA to be financially feasible.

Vecino hopes Arthaus and Asteri are the first of many transformative projects it develops in Ithaca and urges the IDA to not approve this Policy.

Nels Bohn, Director of Community Development, Ithaca Urban Renewal Agency

I am writing to raise a concern that the draft Labor Policy on your agenda for possible adoption may have unintended consequences to increase the construction cost for certain affordable housing projects and public/private partnership (PPP) projects that seek IDA PILOTs and/or local bond financing.

New York State expects funding applicants for Low-Income Housing Tax Credit (LIHTC) projects to secure a PILOT to reduce property taxes. The only venue for a for-profit affordable housing developer to seek a PILOT in Tompkins County is from TCIDA.

Seeking a PILOT will trigger compliance with the Local Labor policy, which requires use of local labor for 75% of the project unless a waiver is granted. As the Policy prohibits a waiver based on cost differential if the "local" bid is not at least 20% higher than a "non-local" bid, the Policy may increase the cost of constructing affordable housing.

Similarly, PPP projects, such as the Green Street garage redevelopment project, frequently require PILOT or bond financing support. The City is exploring redevelopment options for Seneca Garage that may include an inter-city bus facility, public parking and upper story housing that will likely require IDA assistance to include non-parking uses in the project.

Recently enacted NYS labor law requires affordable housing projects and PPP projects with tax-exempt financing to pay prevailing wages as they will receive more than 30% of the construction cost from public sources. Therefore, there is less need to provide local bidders with 20% cost advantage if all workers receive at least a prevailing wage.

I urge you to amend the Policy to recognize any cost differential as a valid reason to grant a waiver for affordable housing projects or projects that are obligated to pay prevailing wages.

Thank you for the opportunity to comment.

David Marsh, Business Manager, Laborers Local 785

Dear Tompkins County IDA Board Members,

I am writing to ask for your support of the newly drafted Local Labor Policy. This policy will create construction employment opportunities for local residents on Tompkins County IDA projects that often go to out of area or out of state construction labor.

As Business Manager of Laborers Local 785 representing over 780 Laborers right here in Ithaca, NY for 20 years, I have seen local labor policy work in other communities where it was adopted by both the Broome County IDA and the Chemung County IDA.

Local Construction Laborers and other Tradeswoman and Tradesmen need every IDA project to provide employment opportunities in order to make a living and care for their families. A steady flow of work also enhances recruitment of apprentices that will be the next generation of local workers. Apprenticeship programs are a great way to ensure woman and minorities are entering the construction industry. Tompkins County is a desirable location for Developers to build as we are currently witnessing in the dramatic addition of many new construction projects across the County. Please adopt this policy that ensures IDA incentives create Local Construction jobs. Thank you for your thoughtful consideration.

Brian Noteboom, Carpenters Local 277 Representative

I write on behalf of the Carpenters Local 277 membership to urge the Board of Directors to vote in favor of the local labor policy before you.

As a Tompkins County resident for twenty years and a Carpenters Union member for Thirty-four years, I personally see the benefits of the good wages that are paid to workers throughout the skilled trades. This coupled with a NYSDOL approved apprenticeship training program is a continuing process that intentionally trains future workers for the skilled trades for generations. This Labor Policy could help open up more apprenticeship opportunities for young people. Developers, Contractors and Local Skilled trades people, we need all three working together to keep a sustainable local workforce in the Tompkins County area. The wages and benefits that are earned locally stay local with large and small purchases; this leads to a sustainable healthy community. These jobs that pay the Area Standards to Tradespeople leads to potential home ownership. This stay local, spend local historically has helped make our Tompkins County a vibrant local economy.

ADDITIONS TO THE AGENDA - None

BUSINESS

Knickerbocker Bed Company - Application

Heather McDaniel gave an overview of the project. Knickerbocker Bed Company. Knickerbocker is the oldest manufacturer in the bed frame industry. The company is launching a new product line for the hospitality and hotel industries and will be moving its new manufacturing line to the town of Dryden. The project consists of the purchase and renovation of the 220,000 sf vacant Vanguard building at 17 Hallwoods Road in Dryden. The purchase and interior renovations will not significantly increase the value of the building, therefore the PILOT

schedule requested will provide an established tax payment for 7 years that is based on the taxes associated with the current value of the building followed by a three-year phase in of the estimated full tax payment. This does deviate from the standard policy. The standard sales tax and mortgage recording tax incentives are contemplated as well.

John Guttridge made a motion to accept the application and move the project to a public hearing. Martha Robertson seconded the motion. The motion was approved 7-0.

Emmy's Organics – PILOT Transfer Request

Heather McDaniel outlined the request to transfer the PILOT agreement incentives from Emmy's Organics to its new owner, Bimbo Bakeries USA (BBU). There are six years left on the PILOT.

John Guttridge made a motion to approve the transfer of the PILOT agreement incentives from Emmy's Organics to its new owner, Bimbo Bakeries USA. Laura Lewis seconded the motion.

Ian Gaffney of Emmy's Organics and Ben Cosgrove of Bimbo Bakeries USA addressed the board regarding the sale and the benefits that have come to the company and employees.

A vote was taken on the motion. The motion was approved 7-0.

TCIDA Labor Policy Update – Approval

Heather McDaniel presented the updated labor policy. The IDA Labor Committee has met and reviewed data from past projects. Local unions and developers have been brought into the discussion to get their perspective on the updates to the policy.

The IDA Labor Committee has approved the presented update to the policy and is moving it to the full board for approval. The updates include requiring projects who receive financial assistance from the IDA to solicit bids from local contractors and use local workers for 75% of the cumulative construction of new, expanded, or renovated facilities. Applicants are also required to notify the Tompkins-Cortland Building and Construction Trades Council within 5 business days of IDA approval.

The update to the policy contains a process to request a waiver for the project or a portion where warranty issues, documented lack of workers, need for specialized skills, cost differentials of 20% or more, or other extenuating circumstances exist.

The board members agreed that the updates to the policy are good. There were questions on adding to the reasons for a waiver and the 20% project premium as well as the time line for granting waivers and who would be tasked with reviewing and granting waivers.

A special IDA meeting was requested so that the board could submit questions in advance to staff and a longer discussion could be conducted on this topic.

TCIDA Fund Balance - Discussion

Heather McDaniel presented a memo regarding use of the IDA fund balance to support attraction of a manufacturer - \$500,000 to Knickerbocker Bed Company. The TCIDA, through a contractual agreement, could

invest in a portion of the cost of specialized equipment for a power coating system used to reduce emissions. This support, combined with the IDA's regular assistance and ESD tax credits would greatly assist the project.

Martha Robertson commented that she would like to continue the discussion on options for the fund balance not just on a specific company. John Guttridge agreed that a broader discussion is needed as the requested \$500,000 is 25% of the current fund balance.

It was requested that this topic be added to the agenda for the special board meeting.

The meeting was adjourned at 3:04 pm.

Minutes were approved December 8, 2021.