

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY BOARD OF DIRECTORS MEETING

• Wednesday, January 12, 2022 • 2:30 – 4:00 PM

On September 2, 2021, Governor Kathy Hochul signed legislation (S.50001/A.40001) extending virtual access to public meetings under New York State's Open Meetings Law, which allows New Yorkers to virtually participate in local government meetings during the COVID-19 pandemic. The legislation, which was initially implemented by Executive Order during last year's State of Emergency, allows state and local government meetings that are normally held in person to be held remotely instead, as long as the public has the ability to view or listen to the meeting and as long as the meeting is recorded and later transcribed.

Via Zoom Conference

THIS MEETING WILL BE LIVESTREAMED

Link to live stream channel: <https://tinyurl.com/weo3tkk>

Anyone who wishes to address the Board in person during privilege of the floor may email Ina Arthur (inaa@ithacaareaed.org) no later than 12:00 Noon on January 11, 2022. A Zoom Conference link will be forwarded 30 minutes prior to the meeting.

Anyone who wishes to submit written comments to be read at privilege of the floor may email them to Ina Arthur (inaa@ithacaareaed.org) no later than 9:00 am on January 12, 2022

AGENDA

- | | |
|---|-------------|
| 1. CALL TO ORDER | |
| 2. PRIVILEGE OF THE FLOOR | |
| 3. ADDITIONS TO AGENDA | |
| 4. BUSINESS | Page |
| Ex Libris, LLC – Sales Tax Exemption Extension | |
| • Request Letter | 2 |
| BVSHF III (McKinley) – Increase in Sales Tax and Mortgage Recording Tax Exemption | |
| • Request letter | 3 |
| Town of Lansing Town Center Policy Extension | |
| • Resolution from Town of Lansing | 5 |
| • Lansing Town Center Policy | 7 |
| • Updated Map | 10 |
| TCIDA COVID Grant Program – Informational | 11 |
| 2021 Year End Accomplishments – Informational | 12 |
| 5. CHAIRS REPORT | |
| 6. STAFF REPORT | |
| 7. MINUTES | |
| November 30, 2021 and December 8, 2021 | 15 |
| 8. ADJOURNMENT | |



Heather McDaniel <heatherm@tcad.org>

Sales Tax Abatement Extension for Library Place

Frost Travis <ftravis@travishyde.com>
To: "Heather D. McDaniel" <heatherm@ithacaareaed.org>

Tue, Dec 7, 2021 at 4:14 PM

Hi Heather,

Good to talk to you this afternoon. This email is to formally request that you extend the soon to expire sales tax abatement for the Library Place project due to unforeseen delays in recommencing the project. We expect to start later this month or after the first of the year. Kindly let me know if there is anything else you need from me. Thanks.

Regards,

Frost

Frost Travis
Travis Hyde Properties
306 North Cayuga St.
Ithaca, NY 14850
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Mobile (607) 327-0100

www.travishyde.com

December 28, 2021

Heather McDaniel
President
Ithaca Area Economic Development
401 East State Street, Suite 402B
Ithaca, NY 14850

Re: State Street Apartments – Sales, Use and Mortgage Recording Tax Benefit Update

Dear Ms. McDaniel:

As discussed, the Ithaca Planning Board granted final site plan approval for the State Street Apartments on September 14, 2021. The approved project now contains the following program:

- 321 Apartment Units (versus 353 units previously in the original IDA application)
- 239 Total Parking Spaces (versus 267 parking spaces in the original IDA application). 134 of these spaces are dedicated to the Project's residents. Approximately 35 of these spaces are dedicated to residents of Gateway Commons and Gateway Center. Approximately 70 of these spaces are dedicated to the Gateway Commons office tenants and will be available to the public after business hours.
- 6 Building Levels (versus 7 building levels in the original IDA application)
- Total Building Size – 356,681 SF including parking (versus 301,900 SF in the original IDA application which excluded the parking area) with the following allocations by use:
 - Apartments – 69.4%
 - Amenities – 5.6%
 - Parking - 25%

The total project budget has been revised as follows:

- Land acquisition - \$12,115,000 (same as in the original IDA application)
- New building construction - \$98,000,000 (versus \$82,000,000 in the original IDA application)
- Soft costs - \$16,142,155 (versus \$15,834,894 in the original IDA application)
- Fees and interests - \$8,307,300 (versus \$7,681,214 in the original IDA application)
- Total costs - \$134,801,491 (versus \$117,631,108 in the original IDA application)

The sources of funds for Project costs are:

- Bank financing – \$87,620,969 (versus \$72,931,287 in the original IDA application)
- Equity - \$47,180,522 (versus \$44,699,821 in the original IDA application)

Given the increase in Project costs, we seek to increase our estimated sales and use tax benefit and mortgage recording tax benefit as follows:

- Gross amount of costs for goods and services that are subject to State and local sales and use tax - \$45,746,760 (versus \$33,526,500 in the original IDA application)
- Estimated State and local sales and use tax benefit - \$3,659,741 (versus \$2,682,120 in the original IDA application)
- Mortgage amount - \$87,620,969 (versus \$72,931,287 in the original IDA application)
- Estimated mortgage recording tax exemption benefit - \$219,052 (versus \$182,328 in the original IDA application)

The current status of permits and approvals are:

- Building Permit – Not filed
- Foundation Permit – Application filed on 10/15/21
- Demo Permit – Permit received on 11/5/21
- Zoning Variance Approval – No longer required
- Final Site Plan Approval – September 14, 2021

Please let me know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Githens". The signature is stylized with a vertical line for the stem and a curved line for the top of the letters.

Jeff Githens
President

CONSENT AGENDA

RESOLUTION TO RENEW TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY'S LANSING TOWN CENTER INCENTIVE ZONE POLICY

RESOLUTION 21-163

RESOLUTION TO RENEW TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY'S LANSING TOWN CENTER INCENTIVE ZONE POLICY THROUGH 2031 TO INCLUDE UPDATED MAP

The following Resolution was duly presented for consideration by the Town Board:

WHEREAS, the Tompkins County Industrial Development Agency ("TCIDA") Lansing Town Center Incentive Zone Program was endorsed and approved by Lansing Town Board Resolution 11-87 on May 18, 2011 and adopted by TCIDA on October 21, 2011; and

WHEREAS, the current Tompkins County Industrial Development Agency ("TCIDA") Lansing Town Center Incentive Zone Program expires on December 31, 2021 if no further action is taken by the Town; and

WHEREAS, the Town of Lansing is seeking to clarify the applicable TCIDA Incentive Zone Map boundaries to enable highest and best use of existing planned or constructed utilities (water and sewer districts) and road infrastructure, either in place or planned, reducing the need to build and fund new infrastructure and ongoing delivery services close to or immediately adjacent to transit and transportation corridors; and

WHEREAS, the proposed 2020 Lansing Town Center Incentive Zone map furthers the goals of the Town Center development masterplan, the 2018 Town of Lansing Comprehensive Plan Economic Development Goal ED-4; and

WHEREAS, the proposed Lansing Town Center Incentive Zone map was reviewed by the Town Center Committee on December 1, 2021, who subsequently recommended the renewal of the policy and inclusion of the clarified map boundaries; and

the Town Board of the Town of Lansing has hereby:

RESOLVED, that the Town Board of the Town of Lansing hereby renews the Lansing Town Center Incentive Zone through December 31, 2031 with updated map for consideration by the Tompkins County Industrial Development Agency Board of Directors; and it is further

RESOLVED, the Town Supervisor be and hereby is authorized to submit a request for modification to the Tompkins County Industrial Development Agency Board of Directors to implement the Lansing Town Center Incentive Zone renewal and map update and is authorized to execute any necessary documents required by TCIDA to finalize the foregoing modification.

CONSENT AGENDA MOTIONS M21-33 – M21-36 AND RESOLUTIONS 21-151 – 21-166

RESOLUTION 21-167

WHEREAS, upon due deliberation thereupon, the Town Board of the Town of Lansing has hereby

RESOLVED, that the Consent Agenda Motions **M21-33 – M21-36** and Resolutions **21-151 – 21-166**, are hereby approved as presented and amended, and

The question of the adoption of such proposed Consent Agenda Motions and Resolutions were duly motioned by Councilperson Joseph Wetmore, duly seconded by Councilperson Doug Dake, and put to a roll call vote with the following results:

Councilperson Andra Benson – Aye	Councilperson Doug Dake – Aye
Councilperson Bronwyn Losey – Aye	Councilperson Joseph Wetmore – Aye
Supervisor Edward LaVigne – Aye	

Accordingly, the foregoing Resolutions were approved, carried, and duly adopted on December 15, 2021.

**Tompkins County Industrial Development Agency
Lansing Town Center Incentive Zone Program**

Endorsed by the Lansing Town Board May 18, 2011

Adopted by the Tompkins County IDA October 21, 2011

The Town of Lansing Comprehensive Plan identifies goals and objectives around creating a vibrant Town Center where higher density housing, commercial services catering to the needs of local residents, and recreational opportunities are established that increase the tax base and create a sense of community in Lansing.

The Town currently has very few basic commercial services. It is geographically located 5 miles from the Village of Lansing and more than 10 miles from the City of Ithaca’s downtown and Route 13 commercial districts. In order to attract developers to the Town of Lansing, and the Town Center, an incentive program is critical and the requirements imposed to qualify for the incentives need to be reasonable.

The Lansing Town Center Incentive Zone Program is being considered to encourage development in the Lansing Town Center. Under this program, the Town of Lansing recommends projects to the Tompkins County Industrial Development Agency for consideration of tax incentives.

Eligible Projects

The Lansing Town Center Incentive Zone Program encourages development within the boundaries of the Town Center as outlined by the Lansing Town Center Map. In general, the Program supports development at higher densities in the Town Center that increase the tax base. The following criteria and community benefits must be met for a project to be eligible.

1. Industrial – Light manufacturing and industrial projects selling a product or service outside of the local area. This definition very broadly includes computer software, agri-business, printing, publishing, and research and development.
2. Retail/Commercial - Retail/commercial projects that make available goods or services not reasonably accessible in the Town of Lansing or that the Town Board believes would benefit the community. Projects may be single story or part of a multi-story, mixed-use development project.
3. Rental Housing – multi-family housing must be at least two stories and establish a minimum of four new rental units. Projects may be part of a multi-story, mixed-use development project. Mixed income and affordable housing projects are desirable, but not required.
4. Not-For-Profit – Not-for-profit projects qualify for access to low cost tax-exempt bond financing under the regular IDA policies and procedures.

Projects must have new construction costs of at least \$500,000. In addition, the value of projected incentives must be at least three times the projected fees associated with the project. The IDA may waive the minimum construction cost in circumstances where the public benefit outweighs the project costs.

Public Benefits

Projects will be evaluated based on the extent to which they meet the public benefits outlined below:

- creates permanent or seasonal jobs
- employ local construction labor as much as possible
- purchase construction materials locally when possible and price competitive
- use hiring practices that encourage women and minority applicants
- increase the property assessed value and generate additional property taxes
- when appropriate to the project, generate net new sales taxes and/or room occupancy taxes

- creates synergy with existing activities, such as sharing curb cuts and driveways
- incorporates public amenities such as benches or bike racks
- incorporate open space improvements
- include mixed uses (commercial and housing)
- housing projects that include mixed income and/or affordable housing
- creates quality rental housing to meet the needs of the community

Incentive Package

Property Tax Abatement – The standard Lansing Town Center Incentive Zone property tax abatement will begin at 90% in year one and decrease in equal increments over seven (7) years. The abatement will only impact taxes on improvements to the property and not taxes on the existing value. The IDA retains the ability to offer more or less than the standard Lansing Town Center Incentive Zone abatement based on an analysis of the impact on the economy, the needs of the business, and input from the Town of Lansing. The IDA may negotiate additional abatements based on financial need.

Sales Tax Abatement – The applicant will be exempt from both the local and State portion of sales tax on construction materials, equipment, and furnishings associated with the project. The IDA will pass the sales tax abatement on to a tenant in a retail/commercial space only if the type of business meets the eligibility requirements of the Lansing Town Center Incentive Zone.

Mortgage Recording Tax – The applicant will be exempt from the State portion of the Mortgage Recording Tax (\$2.50 per \$1,000).

Local Purchasing and Hiring Practices

The IDA requires all recipients of IDA incentives to make every effort to purchase goods and services from Tompkins County businesses and to hire Tompkins County residents. The IDA is especially supportive of projects that make a specific commitment to hire women and minorities during the construction phase and as permanent full-time workers of the project’s operating businesses. The IDA may require detailed information concerning the applicant's past and projected purchasing and employment practices.

Fees

Administrative Fees – The applicant is responsible for paying the IDA Administrative Fee at the time of closing. This fee will be equal to 1% of the total value of expenses that are positively impacted by IDA incentives. This includes the value of construction of improvements to property that is impacted by property and sales tax abatement and the value of furniture, fixtures and equipment that are impacted by sales tax abatement. It will not include any purchases, such as manufacturing equipment, where the IDA does not deliver an incentive. Soft Costs (legal, consulting, financial, architectural and engineering fees) will be included in the amount considered as total value of expenses.

In an attempt to make its incentive program cost effective for smaller projects, the IDA will reimburse the applicant for 100% of the Administrative Fee, IDA Counsel Fee, and IDA Bond Counsel Fee associated with the IDA involvement in the project if the total project cost is less than \$1 Million. For total project cost greater than \$1 Million but less than \$2 Million, the reimbursement of fees will be reimbursed on a sliding scale that declines from 100% to 0% gradually based on project size. There will be no reimbursement of fees for projects with costs over \$2 Million. The reimbursement will take the form of additional property tax abatement credited to the business in the initial years of the Payment In Lieu of Tax agreement (PILOT). The IDA retains the right to determine the credit the applicant will receive. For projects where there is no property tax abatement, there will not be any form of fee reimbursement.

IDA Counsel Fees – The applicant is also responsible for paying the IDA for all legal costs it incurs including IDA Counsel and Bond Counsel fees.

Applicant Attorney Fees – The applicant is responsible for its own attorney fees associated with closing IDA incentives.

Application Process

Tompkins County Area Development, Inc. (TCAD) provides administrative and marketing services to the IDA. Potential applicants should work with TCAD to determine whether the proposed project is eligible. If the project appears to be eligible, TCAD will work with the applicant to apply for assistance.

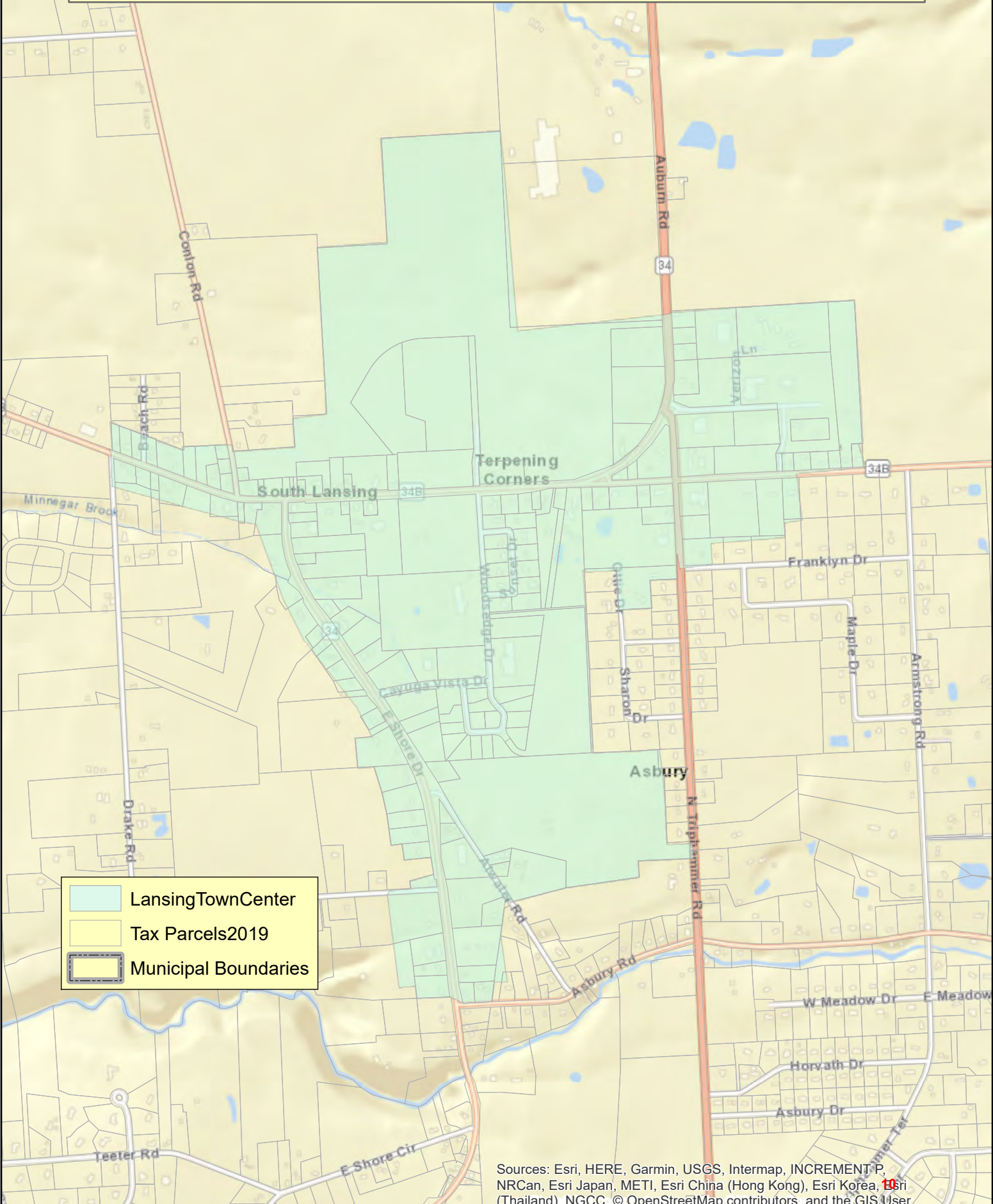
It is strongly advised that a potential applicant meet with TCAD staff as early in the process as possible to determine if the dollar value of the proposed incentives exceeds the associated fees.




Based on the nature of the project and the incentives requested, the following will occur:

1. Pre-Application – A developer seeking a tax abatement under this program must first submit a pre-application to the Town of Lansing. The application will be in such a form that it identifies which criteria the project is eligible under and outlines the community benefits achieved by the project.
2. Town Recommendation – The Town of Lansing must recommend, by resolution, the project to the IDA. All projects are still subject to Planning and Zoning Board approvals and other normal requirements.
3. IDA Application – A full IDA application will be submitted to the IDA accompanied by the Pre-Application and a resolution from the Town of Lansing. The IDA will make an independent determination of the project, weighing the costs and benefits of any tax incentives it delivers. The IDA recognizes that, in adopting the Lansing Town Center Incentive Zone, it is accepting that it may favor some local businesses over others in an effort to influence location decisions. The IDA also recognizes that the negative impact on existing businesses may outweigh the benefits gained from locating new development within the Zone. The IDA will also evaluate the potential impact on other governmental entities, including school districts.
4. Public Hearing – Following an initial review, the IDA will, if favorably disposed toward a project, schedule a public hearing on the proposed incentive package. Standard IDA policies apply with regards to public hearing notification and other requirements.
5. IDA Determination – Following a public hearing, the IDA will make a determination on the project. No final decision may be reached by the IDA until SEQR requirements have been met by the developer.
6. Notification and Reporting – The IDA will notify the Town of Lansing and appropriate taxing jurisdictions once a project is approved. The IDA may diminish or rescind incentives should the project materially change. IDA agreements generally have claw back requirements.
7. Applications under this policy may not be accepted after December 31, 2021 unless the IDA and the Town of Lansing vote to extend the policy beyond that date.

Refer to Tompkins County Industrial Development Agency Mission, Policies and Procedures for additional information.

Lansing Town Center Incentive Zone Program



-  LansingTownCenter
-  Tax Parcels2019
-  Municipal Boundaries

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, © OpenStreetMap contributors, and the GIS User

MEMORANDUM

To: Tompkins County Industrial Development Agency

From: Ithaca Area Economic Development

Date: November 8, 2021

RE: Emergency Child Care Grant Program

The Emergency Child Care Grant Program, initially approved by TCIDA at its November, 2020 meeting, has now been successfully closed out.

In response to a New York State law signed in June 2020, NYS IDAs were permitted to offer grants up to \$10,000 to small businesses and nonprofit entities with no more than 50 employees, expressly for the purchase of personal protective equipment and installing fixtures necessary to prevent the spread of COVID-19.

The initial allocation authorized by TCIDA was for a total of \$100,000, and subsequently raised to \$103,526, based upon applicants' requests. Thirteen companies and non-profits applied. They are:

Butler Daycare	\$ 4,103.08
Lovely Day Ithaca LLC	\$ 0
Group Family Day Care	\$ 4,402.37
Varna Community Association, Inc	\$10,000.00
Heart and Home Daycare	\$ 9,660.00
Corner of the Sky	\$ 2,531.50
Ithaca Montessori School	\$10,000.00
Acorn Ithaca LLC (Acorn Preschool)	\$10,000.00
Teachable Moments Daycare	\$ 9,607.27
Ithaca Community Childcare Center	\$10,000.00
Tompkins Cortland Community College	\$ 4,774.09
Coddington Road Community Center	\$10,000.00
Drop-in-Center, Inc.	\$ 8,080.44

All but one continued operations and have now completed their authorized purchases and have received reimbursement based upon actual expenses incurred. Lovely Day required re-licensing and chose not to re-open.

The total disbursed to the twelve recipients was \$93,158.75. An itemized report is being supplied by IAED to the NYS Authorities Budget Office.

Tompkins County Industrial Development Agency / Development Corporation
2021 Accomplishments

1/4/22

Projects

7 Projects	321 New Housing Units
\$184.7 Million in New Investment	\$1.6 Million to Support Affordable Housing
109 Jobs Created	15 Megawatts Solar Energy
69.5 Jobs Retained	626,281 Square Feet of New/Renovated Space

Kendal Bond Refinance – The Tompkins County Development Corporation acted as a conduit issuer for the refinance of the 2012 and 2014a bonds totaling \$15,000,000 to reduce annual debt service. Kendal is a non-profit continuing care retirement community that operates 236 independent living residences and a health center comprised of 36 enhanced assisted living rooms and 48 skilled nursing beds. The original bonds were issued to facilitate a \$30 million expansion.

Datapoint Labs – The TCIDA delivered a sales tax exemption for the renovation of 17,000 square feet in a portion of a vacant building in the Town of Lansing into a fully equipped laboratory outfitted for mechanical, thermal and rheological testing of materials for product designers around the globe. Founded in Ithaca in 1995, Datapoint Labs invested \$1,280,000 in new facilities and plans to retain 20 and create 7 new positions.

Incodema – The TCIDA delivered an incentive package valued at \$78,000 to Incodema to assist with the purchase and renovation of a long vacant 27,000 square foot building in the Town of Dryden. Founded in Ithaca in 2001, the company supplies quick turnaround custom complex metal stampings, fabrication, cuttings, and assemblies to customers across the United States. The \$2,127,000 project will facilitate continued growth and investment in Ithaca and Tompkins County. Incodema will retain 47 and create eight new jobs.

Salt Point Brewing Company – The TCIDA delivered a sales tax exemption to help this four-year-old brewery purchase and construct a 5,600 square foot new building to expand the brewing operation, tasting room and restaurant in the heart of the Lansing Town Center. The \$934,850 project will retain two and half jobs and create six new jobs.

NSF Enfield Solar I, II and III – The TCIDA delivered an incentive package to Norbut Solar Farms for the construction of three separate 5-Megawatt community solar arrays on 157 acres in the Town of Enfield, furthering New York State and Tompkins County’s renewable energy goals. The IDA incentive guarantees \$32,000 in additional property taxes on the now vacant land for the next 30 years.

McKinley Ithaca (401 E State Street) – The TCIDA delivered an incentive package to this infill development project in downtown Ithaca. The \$134,801,941 investment will replace an existing surface parking lot with 321 housing units, 267 garage parking spaces, and 7,500 square feet of public outdoor space along Six Mile Creek. The new development will contribute to a vibrant and thriving downtown and provide much needed residential units. The developer will pay an estimated \$7.9 in new property taxes over the next ten years and contribute \$1,605,000 to the Tompkins County Community Housing Development Fund to support affordable housing throughout the county.

Knickerbocker Bed Company – The TCIDA delivered an incentive package valued at \$1.3 million for the purchase and renovation of a 220,000 square foot vacant building in the Town of Dryden along with the purchase of equipment. Knickerbocker is a third generation, family run bed frame manufacturer that will establish a new line and relocate existing operations from New Jersey. The company projects creating 88 jobs in the new facility.

Financial Support

COVID 19 Childcare Grant Program

In 2020, New York State allowed IDA’s to offer grants of up to \$10,000 to small businesses and nonprofit entities with no more than 50 employees, expressly for the purchase of personal protective equipment and installing fixtures necessary to prevent the spread of COVID-19. The TCIDA established an emergency childcare grant program and awarded grants to twelve local childcare providers totaling \$93,159.

Butler Daycare
Group Family Day Care
Varna Community Association, Inc
Heart and Home Daycare
Corner of the Sky
Ithaca Montessori School

Acorn Preschool
Teachable Moments Daycare
Ithaca Community Childcare Center
Tompkins Cortland Community College
Coddington Road Community Center
Drop-in-Center

Project Support – The Tompkins County Development Corporation provided \$19,500 to a consultant to identify key sectors and a location for the development of a transitional technology center to support business and attraction and retention; and \$10,000 to the Workforce Development Board to support a Pandemic labor market skills map and workforce strategy.

Administration

Local Construction Labor Policy – the Labor Committee of the TCIDA met throughout the year to review construction labor data on existing projects, consult with local labor representatives, developers, and contractors to better gauge the capacity of the local construction labor market to support large development projects. A new local labor policy was adopted that will require 75% local labor on all TCIDA incentivized projects. Developers will be required to notify the Building Trades Council of the project and solicit local bids. A waiver process is in place for warranty issues, documented lack of qualified local bids or available workers, documented need for specialized skills not available locally, significant cost differentials or other extenuating circumstances.

Workforce Housing Policy – The TCIDA’s Housing Committee initiated the one-year review of the policy that was first put in place in July of 2020. In just one year, five housing projects were approved that will develop 1,000 new units of housing, 243 of those will be affordable units and \$2,750,000 has been earmarked for the Community Housing Development Fund to support additional affordable housing units throughout the county. The committee will consider language that prohibits short term rentals and will continue to work with stakeholders to align the current affordable housing payment with the actual local subsidy needed to develop affordable units.

Governance – The TCIDA updated its fee policy to better reflect industry standards and updated the Community Investment Incentive Tax Abatement Policy to eliminate redundancy and streamline approval time. An internal controls policy was adopted as a best practice recommendation from the Office of the State Comptroller.

OSC Audit – The Office of the State Comptroller audited the TCIDA’s policies and procedures in 2021. Overall, the audit recognized the exemplary oversight and management of the organization in approving, evaluating, and monitoring projects. Recommendations included ensuring supporting documentation for job creation performance is received with annual performance monitoring and ensuring policies and procedures are followed to ensure PILOT payments are billed and received correctly.

PARIS Reporting – Annual reporting was completed in March, inputting project and organizational information in the State’s Public Authorities Reporting Information System for the 2020 calendar year. There were 47 active projects that paid \$3.1 million in property taxes, \$117 million in payroll, and reported 2,008 jobs in 2020.

**Tompkins County Industrial Development Agency
Board of Directors Special Meeting DRAFT Minutes
November 30, 2021 – 11:00 AM - 1:00 PM**

Via Zoom and LiveStream

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

Guests: Anne Koreman (TC Legislature), Dave Marsh (Business Manager, Laborers Local 785)

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

CALL TO ORDER

Rich John called the Tompkins County Industrial Development Agency Board of Directors special meeting to order at 11:01 am.

PRIVILEGE OF THE FLOOR

Dave Marsh, Business Manager, Laborers Local 785

Mr. Marsh thanked all for the time spent on the update to the local labor policy. In 2015, the IDA was asked to develop a labor policy that resulted in the current policy. You are not looking at a more robust policy. Local developers know local contractors. The out of area developers do not have relationships with local contractors. The out of area general contracts bring in the sub-contractors and workforce that they are familiar, and this really impacts the use of local workers. Tompkins County is a lucrative market and is a desired area to build.

He reviewed the update to policy as drafted. He has 302 members in his local union in the “local” catchment area and this policy will impact many people. He is one of 13 local unions so extrapolating out this policy will impact thousands of people and their families. His union provides healthcare and pensions to local workers. What we see is a large percentage of our active members do stay in the local area. So for his retired workers he is paying out over \$300,000 – so the benefits to local workers is long-term and is part of the administrative costs that local union carry.

The following comments were read into the record:

Kasey Eiklor - Field Representative/Apprentice Coordinator Laborers Local 785

Dear TCIDA board members and guests,

My name is Kasey Eiklor. I am a Field Representative and Apprentice Coordinator for the Laborers Union Local 785 in Ithaca, New York. I am writing in support of the Local Labor policies that are up for discussion today. I would like to say that I strongly disagree with the concerns of finding local labor. It has been my experience that there is plenty of willing and able locals that are ready to work.

As the Apprenticeship Coordinator, a portion of what I do is recruiting new members from high schools, trade schools and several other ways. I have personally interacted with many young individuals that have expressed interest in the trades. If we could ensure that there was Local Labor Policies in place to ensure more job security for Local Labor, we together could achieve economic growth for our communities for

generations to come. This is a problem that can be resolved with a 75% guarantee that local labor be put on the job.

One issue that I see is the amount of local work done being granted to out of Town/State companies and their workers. Which takes the jobs right out from underneath our local members. Before I joined the Union, I worked all over this State and surrounding States. I can say from experience that when I worked out of town; I sent my paychecks home to take care of my family. The money earned was not put back into the economy of the area where I earned it. Could you imagine the effect wages re-invested in this County would have if 75% of the labor force hired were local residents? Local diners flourishing with customers, local hardware stores selling merchandise to more customers that now can afford to buy/fix their own homes if they had a local job, the list of economic growth goes on and on.

I would like to thank you all for taking the time to listen to my views on the topic. I look forward to many years of working with you all in the future.

Marcus Williamee - Union representative and Tompkins County taxpayer

It is in the best interest of the Plumbers and Pipefitters, located at 701 West State St. Ithaca NY, that a strong local labor policy is used in conjunction with the tax breaks that this board affords to help developers build projects here in Tompkins County.

We currently have over 200 proud union families in our local area that depend on Development here in Tompkins County for their food, clothing, and shelter expenses.

Our workers are just like you, they depend on a job to keep their families fed. They are here shopping local right next to your families. Their kids play on sports teams with your kids, they belong to the same clubs, fire departments and gyms that you do.

Our workers are different however in the fact that when there is no work in their area, they pack their bags and leave to go to Pittsburgh, Philadelphia, Malta, Albany, sometimes as close as Syracuse.

If there was a good strong local labor policy less of your neighbors would have to leave their families to go find work elsewhere.

The time for a strong policy is now. A strong policy will only enhance the community, not stifle Development. Who needs a break? The workers and the community or the developers?

Brian Noteboom Carpenters Local 277 Representative

I appreciate your time and consideration on this timely matter. As many of you know, I am a Tompkins County resident and local labor leader for the Carpenters Union. I am concerned that we are going down a familiar road we did eight years ago and end up with local labor language with no teeth or claw back provisions. As I and some others remember that the IDA board at that time passed a feel-good language to "encourage local labor." This was set up to monitor the workforce as stats were gathered. This work has been completed by Heathers team who has worked hard, this is much appreciated. Thank you. Now, time has come for the current board to act and be progressive as we see in the positive data. Many other area IDA's have adopted similar language without all the dilemma.

My personal observations, I see developers coming typically from out of the area are given all the incentives to develop buildings and housing. This is great for the city and county, however when building affordable housing this creates the immediate construction jobs, but no long-term jobs, like manufacturing facilities. This to me is an opportunity for all of us in labor and government to create a pipeline for these workers to enter the

construction field. This everyone is biggest growing sector in Tompkins County not manufacturing. So, this leads me to my final statement. Let all of US as leaders in this community stop hand outs and start giving a hand up to a great career in construction. This means creating good opportunities with apprenticeships and local jobs and paying the area standard wages and benefits to construction workers.

Frank A. Stento - Director of Business Development Painters & Allied Trades DC4

TCIDA Board Members,

My name is Frank Stento. I submitted a letter earlier this month in support of the draft local labor policy and I continue to advocate for that. I work with Painters & Allied Trades DC#4 and we represent industrial painters, commercial painters, drywall finishers and glaziers here in Tompkins County. What I am hearing as those oppose the current proposed draft local labor policy is that it will not be profitable enough to attract development. That could not be further from the truth. What you are not hearing is the value of working with local building trades contractors and workforce. The quality of the work along with the scheduling efficiency and professionalism offset any potential to added costs. Our workforce invests in their own education. It takes 10,000 hours (roughly 5 years) to become proficient in a skill. The skilled trades are no different and we are self-funded creating the next generation tasked to complete these construction projects.

Why implement a local labor policy if it won't truly benefit those who live and spend their income within Tompkins County? For a developer and their general contractors to hire from out of state workforce based solely off low bid is directly taking the tax dollars from those who reside in Tompkins County and removing from the local economy. An out of state or region workforce has a much higher rate of being exploited from worker misclassification, wage theft and labor trafficking. Do we want to encourage those unscrupulous contractors solely to maximize perceived profit for the developer?

The proposed draft local labor policy discussed at last month's meeting will encourage those living in this affordable housing to apply for these middle-class, blue-collar jobs. Each dollar earned by those who reside within this region has over a 70% return in the local economy. Ithaca is a well sought region for development. Once these projects are completed there is very little other than a few maintenances and administrative jobs left within the area. How does this foster the development of careers within our community? What is the true purpose of TCIDA? A watered-down version as opposed to a strong local labor policy will impact those seeking careers in construction. These labor-intensive construction careers often lead to additional opportunities within the industry.

The original proposed labor policy would not lessen development within our region, nor would it limit profit to the developers. What it would do is create apprenticeship opportunities and pathways to self-dependency and careers for the marginalized in this region. This is something that we are passionate about, and we need buy in from you to make this a reality. A strong middle class is what will drive our local economies in the years to come. A weak local labor policy will only further exacerbate the income inequality of those who live in Tompkins County.

Kenneth Willams – Business manager, Local 30 Insulators

My name is Kenneth Williams I am the Business Manager for the Heat and Frost Insulators Local 30 Syracuse, New York. I realize why you may ask yourself why is from the Syracuse area would have any input on an Ithaca labor policy. Well, it is because my territory covers from the broom Chemung Tioga County borders of New York and Pennsylvania all the way up to St Lawrence County. We strive to educate our apprentices and Members to be the best in our trade and our communities. Wherever they should live in our jurisdictional territory. We as

construction workers make a career of linking jobs together to support our families with good paying jobs that come with health benefits. These careers allow people to be productive citizens in their communities and pay their own way. I have been to Council meetings in the city of Ithaca I have heard the mayor speak on many occasions and every message is the same let's push Ithaca into being a forward-thinking city. The message is always let's support our local businesses by buying local. Support our city our community. I asked this of the Ithaca community if you are so structured around the Ithaca community and the people that live in it why are you unwilling to employ them and invest in your greatest commodity. These projects that fall under 200/220 language are there to provide the working man or woman with a livable wage with a pension and with health benefits. This policy would be a trend-setting policy a forward-thinking policy. It would send a message to the people that live in your community that the people who sit on these governing bodies such as the IDA to find Value in the city's greatest commodity it's people. And if you are willing to build things using qualified local labor which is what does policy is promoting. Maybe in the future you wouldn't find a need for fordable housing. That would truly be United Community. Thank you for your time

ADDITIONS TO THE AGENDA - None

BUSINESS

Local Labor Policy Update - Discussion

Rich John suggested discussing specific pieces of the policy. Heather McDaniel suggested using the outline provided which is based on the comments from the IDA members.

Prevailing Wage

Todd Bruer talked about the MWBE exemptions – we do not have the numbers to meet the State requirements in this area. If we have both prevailing wage and MWBE requirements this would hinder development. John Guttridge commented that his project was able to meet the MWBE requirements, but he did concede that larger projects might struggle and need to pull from other markets.

Martha Robertson what the laws for both prevailing wage and MWBE were.

There is new legislation at the State that will begin January 2022. There are several uncertainties in the current legislation. The update to our local labor policy has put in the NYS law language: Projects that receive public funds, when aggregated, that are at least 30% of total project costs that are over \$5 million will be required to pay prevailing wages. IDA incentives are considered public funds. In addition, there will be projects that receive NYS public funding that meet these benchmarks and they will be required to comply with the States prevailing wage laws. Any project that receives State funds (NYSERDA, HSC, ESD grants, income tax incentives) are required to hit a percentage of MWBE and veteran workers by the State. The State is not providing waivers and they are not available in our region in large enough numbers.

Waivers

Most of the local IDAs do allow waivers for the same reasons as outlined in our labor policy update. There was concern with having the labor committee review/approve waivers. **Staff should be able to review waivers for the listed exceptions and if there are other extenuating circumstances, the request should be brought to the full board. Routine waivers approved by staff will be reported at board meetings.** It was emphasized that the list of exemptions should be very clear. Exceptions to the exemptions should be rare and if need be, the policy can be updated in the future.

Laura Lewis is concerned with the impact on affordable housing projects. She asked that affordable housing projects be automatic waivers. This will be considered under exemption.

Jeff Gorsky was concerned with timing of projects submitting waiver requests- he asked that it be shortened to 15 days.

The need to hold special meetings of the Board from time to time to consider waiver exceptions was discussed. **If the full board cannot meet to review the waiver within 30 days, then there will be an automatic waiver.**

The Exemption list for waivers was reviewed. It was determined that the reasons for wavier requests would be:

- **Warrant issues**
- **Lack of qualified local bids or available workers**
- **Need for specialized skills not available locally**
- **Cost differential of 10% or more**
- **Other extenuation circumstances**

Affordable housing was made an automatic exemption. These projects were defined as where the entirety of units are made available to households earning 80% or less than area median income and are subject to a regulatory compliance agreement by a local, state, or federal agency for a period of at least twenty years.

Penalty

It was determined that if the applicant fails to comply with any of the requirements of the Policy of the TCIDA, shall, at its discretion and in compliance with its Recapture Policy, have the authority to terminate and/or recapture all financial assistance provided to the project.

Staff will provide a red-line draft of the Local Labor Policy for review and approval to the IDA Board at its next scheduled meeting.

The meeting was adjourned at 1:15 pm.

**Tompkins County Industrial Development Agency
Board of Directors Meeting DRAFT Minutes
December 8, 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: Michael Saglibene, Thomas Tillman, Fred Thompson, Richard Polevoy (Knickerbocker Bed Company), Andrew Bodewes, Tim Crilly (Carpenter Park/Park Grove Realty), Tom Robinson (BorgWarner), Anne Koreman (TC Legislature)

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

CALL TO ORDER

Rich John called the Tompkins County the meeting to order at 2:31 pm.

PRIVILEGE OF THE FLOOR

Tom Robinson, Plant Manager, BorgWarner Morse Chain - As plant manager of a large manufacturing company in Lansing NY, I am speaking in support of the Knickerbocker Bed Company application. Supporting this company's application will help create a critical mass in the manufacturing sector in Tompkins County.

The following comments were read into the record:

Shawn Wilczynski, Mine Manager, Cargill - Thank you for letting me know about the potential for a business to relocate to Tompkins County from NJ which could result in 88 jobs. I was disappointed but not surprised to hear that NY State processes and funding options are falling short and not providing much support. Luckily, Tompkins County has the IDA and other ways to assist with this kind of opportunity.

Although I am not aware of what the company needs, or all of the options the IDA has to support this kind opportunity, I do know that local support can have a larger impact that some might realize. For example, Cargill was approved for a sales tax exemption material associated for Cargill's new shaft construction resulting in assistance of \$640,000. Although the \$640,000 would only have a 1.4% impact on a \$45,000,000 project it sent a strong message of support to Cargill that went a long way to Cargill deciding to approve the project. Please keep this in mind when considering what could be done to support business retention and growth.

Theresa Alt, 206 Eddy Street, City of Ithaca - The request from Park Grove Realty about the affordable building at Carpenter Park is reasonable, given how the whole deal is set up. It has the advantage that it extends the affordability of the building an extra five years. The disadvantage is that the cost will be borne by future homeowners and renters through their higher property and sales taxes. But that illustrates why this whole IDA tax abatement structure is not a good way to provide affordable housing. It turns over the costs of affordable housing onto the backs of the general population, some of whom have plenty of money and others of whom have way less. Property taxes and sales taxes are regressive, hitting the poorest residents the hardest.

Affordable housing needs to be publicly owned housing funded from taxes that are based on ability to pay. The IDA was not set up to do this. The IDA should concentrate on job creation; that's what it was designed to do.

ADDITIONS TO THE AGENDA - None

BUSINESS

Knickerbocker Bed Company – Final Approval

Heather McDaniel stated that a public hearing was held on December 7, 2021 for this project. No comments were made at the hearing. Minutes from the hearing were distributed to members of the Board. She noted that the authorizing resolution relates only to the incentives requested in the application (sales tax exemption, mortgage recording tax exemption and a 10-year PILOT agreement).

John Guttridge made a motion to approve the Knickerbocker Bed Company authorizing resolution as presented. Martha Robertson seconded the motion. The motion was approved 7-0.

Carpenter Park Affordable Housing – Incentive Increase

Heather McDaniel presented the request from Park Grove Realty to increase the IDA incentives for the Carpenter Park Affordable Housing project due to increased construction costs. The project is requesting to extend the PILOT from 30 to 35 years so the PILOT is co-terminus with the NYS Housing Trust Fund loan. An increase in the sales tax exemption to \$520,000 (an increase of \$120,000) and the mortgage recording tax exemption to be increased from \$4,125 to \$25,616 is requested.

Laura Lewis stated that she is very supportive of this project due to the affordable housing units.

Laura Lewis made a motion to approve the requested incentive increases for the Carpenter Park Affordable Housing project. Martha Robertson seconded the motion. The motion was approved 7-0.

IDA/LDC Fund Balance Discussion

Heather McDaniel briefly reviewed the Fund Balance memo that was prepared by Harris Beach PLLC which outlined the uses of those funds are as determined by NYS law. The year IDA/LDC fund balance is projected to be \$1.8 million after reserving 2021 expenses. The fund balance along with potential uses is presented to the County Legislature each year. Before the presentation, Ms. McDaniel wanted to engage the board on goals for the use of these future funds. It was acknowledged that this is an ongoing discussion. Today, she wanted to specifically address a request from the Knickerbocker Bed Company project to offset a shortfall in anticipated NYS ESD incentives. While the IDA cannot grant funds directly to a project, the IDA can buy equipment or enter into a contractual agreement for services.

She is requesting that the IDA use \$500,000 to help offset costs of a state-of-the-art powder coating system to reduce emissions over a traditional spray paint booth. The additional cost of this system is estimated at \$750,000 to \$1,000,000. The TCIDA, through a contractual agreement, could invest in a portion of the cost of this equipment to provide additional support.

Both Martha Robertson and John Guttridge commented that they cannot support this request as this is a large portion of the fund balance and there is no policy that could guide future requests for funds.

Mike Sigler asked about the possibility of the IDA purchasing the equipment and leasing it to the company and then in five years the company would buy the equipment at a depreciated cost.

Rich John stated that his is in favor of the request. Looking at the 88 jobs that will be coming into the community; this is a cost of \$5,700 per job. This cost would be returned to the community through taxes.

Jeff Gorsky agreed with Rich John. This is an opportunity not to be missed. He suggested that is the company brings the rest of their line to Tompkins County within five years, that they could buy the equipment back for 50% of the current value. Todd Bruer agreed.

Laura Lewis stated that manufacturing jobs are very important and this would be a clear benefit to the community.

Martha Robertson stated that she is not supportive of this request. She feels that the board needs to review what the fund balance will be and what other uses those funds could have.

Richard Polevoy stated that the company is bringing the line to Tompkins County, but the assistance would speed up the timeline and bring all 88 jobs at a faster pace.

Russ Gaenzle stated that the IDA can structure the lease/leaseback agreement any way they would like.

Martha Robertson asked about other possible future uses of the fund balance. Heather McDaniel stated that there are items/goals in the County Recovery Strategy that support the healthcare and manufacturing sectors with training as well as support of the construction trades apprenticeship programs locally as well as redevelopment of the Chainworks site.

Rich John suggested that further discussion of a fund balance plan should be at the committee level.

Jeff Gorsky made a motion that the TCIDA should spend \$500,000 to buy equipment and to lease the equipment it to the company for \$1.00/year for five years. At the end of five years, the company will buy the equipment back from the IDA for 50% of the appraised value. If the jobs from the other lines currently in NJ have been moved to the Ithaca area, then the company will buy the equipment back for \$1.00. Todd Bruer seconded the motion.

Martha Robertson asked for clarification as to the number of jobs to be created in order to qualify for the reduction in buy back value.

John Guttridge stated that there should be a specific number of jobs in the motion. He stated that encouraging the closing of factory in NJ would not be good. Jeff Gorsky stated he is agreeable to changing the motion. Since the company has pledged 88 jobs for one line, **he would amend the motion to state that if the company has created 176 (88 x 2) jobs in five years then they could buy the equipment for \$1.00.**

A vote was taken. The motion passed 5-2 (Guttridge, Robertson No)

Local Labor Policy

Rich John thanked the Labor Committee and all who worked to review and develop the update to the IDA Local Labor Policy.

John Guttridge had a question on the waiver process. If staff is unable to make a decision, should we allow appeals from the applicant. He suggested adding language to that point.

John Guttridge made a motion to remove the “all decisions are final” verbiage and add “an applicant may appeal administrative decisions to the TCIDA Board. All decisions by the Board are final.” Martha Robertson seconded the motion. The motion was approved 7-0.

Heather McDaniel referenced a communication from Nels Bohn about the affordable housing piece. She recommended changing the exemption language regarding affordable housing projects to be defined as a project where **at least 75% of the units** are made available to households earning 80% or less of AMI instead of “the entirety of units.”

John Guttridge made a motion to make the change to “at least 75% of units” instead of “the entirety of units” under the affordable housing exemption. Jeff Gorsky seconded the motion

Martha Robertson suggested changing the percentage of housing units only when the State makes the same change.

Todd Bruer agreed with the updated policy and the suggested amendments.

A vote was taken on the motion. The motion passed 5-2 (Robertson, Bruer voted no).

John Guttridge noted a minor edit to change “the” to “this” policy in the last sentence of the exemption paragraph.

John Guttridge made a motion to approve the updated local labor policy as amended. Martha Robertson seconded the motion. The motion was approved 7-0.

2022 IAED Memorandum of Understanding

John Guttridge asked if there were any changes to the MOU from 2021. Heather McDaniel stated that the only change is an increase to the administrative fee to IAED by 2%. This would be the first increase in several years.

John Guttridge made a motion to approve the 2022 IAED MOU with the TCIDA. Laura Lewis seconded the motion. The motion was approved 7-0.

The IAED 2022 Work Plan

The work plan is presented as an attachment to the MOU. IAED staff developed the 2022 work plan with comments from the IAED Planning Committee and the County’s HED Committee. We are excited about the special projects around broadband, housing and the Emerson/Chainworks development

Chairs Report

Rich John commented that the IDA Board was very busy this past year and much was accomplished. He commended all the Board and IDA staff. He is very proud of the COVID-19 grants to support childcare. He thanked the new members Todd and Jeff for all their contributions from the Labor and IAED perspective. He briefly reviewed all the projects and assistance to the community through them. He noted the policy review and updates that occurred through the year.

Rich thanked Martha Robertson and Laura Lewis for all their hard work on the IDA Board for many years. Martha Robertson has served for a total of 16 years on the TCIDA. IAED staff and Russ Gaenzle were thanked for their hard work by Rich.

Staff Report

Heather McDaniel reported that the McKinley project is teeing up to close by the end of the year. This project will bring \$1.6 million to the CHDF. The Ex Libris project should also start moving forward again after a pause in construction.

IAED has purchased a cost benefit analysis tool from the MRB Group that calculate direct and indirect benefits for IDA projects.

Heather thanked Laura Lewis for her time on the IDA. She will be ending her term with the IDA at the end of the year. We have made a recommendation to the Legislature through the HED Community to appoint Faith Vavra, chief of staff at the City of Ithaca, for a two year at-large term.

Heather noted that Martha Robertson is not yet off the IDA Board as Legislators serve at the pleasure of the Legislature. The next TCIDA meeting will be January 12, 2022. So until the Legislature appoints new members next year, Rich John, Mike Sigler and Martha Robertson will be the County representatives on the Board.

Martha Robertson commented that her 16 years on the IDA Board has been a long ride but well worth all the effort.

Laura Lewis stated that she has appreciated working on the IDA Board. In her four years on the board, she has been impressed with staff and other members of the Board.

Minutes

Laura Lewis made a motion to approve the October 13, 2021 and November 10, 2021 Board minutes. Jeff Gorsky seconded the motion. The motion was approved 7-0.

The meeting was suspended at 4:04 pm. The meeting was started again at 4:07 pm

Laura Lewis made a motion to take the TCIDA Board meeting into executive session. Martha Robertson seconded the motion. The motion was approved 7-0.

John Guttridge made motion to bring the TCIDA Board meeting out of executive session. Laura Lewis seconded the motion. The motion was approved 7-0.

The meeting was adjourned at 4:22 pm.