

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Final Minutes  
May 11 2022 – 2:30 - 4:00 PM**

**Via Zoom and LiveStream**

**Present:** Rich John, Faith Vavra, Jeff Gorsky, Shawna Black, Mike Sigler, John Guttridge  
**Guests:** Jason Crane, David Riedman, Kenneth Hall, Jessica and Jodi Edger (City Harbor, LLC)  
**Staff:** Heather McDaniel, Ina Arthur (IAED), Russ Gaenzle, (Harris Beach), Rick Snyder (TC Finance)

**CALL TO ORDER**

Rich John called meeting to order at 2:33 pm.

**PRIVILEGE OF THE FLOOR**

**Todd Kurzweil - email read by Heather McDaniel**

Was the City Common Council bypassed in approving the merging in of the IC PA school project? Why didn't the Resolution that merged the two public projects acknowledge the tenants of 215 East State Street? Was a difference tenant of 215 DISPLACED by this Economic Development? Why. Wasn't a FEAF/SEQR updated when Ithaca College entered the project late in the Fall of 2020? Did the City of Ithaca administratively alter this public project without Common Council approval?

**ADDITIONS TO THE AGENDA – None**

**BUSINESS**

City Harbor - Amendments Final Approval

Rich John spoke to comments from board member Todd Bruer which he emailed to the board regarding this agenda item. He requested that the project abide by the updated IDA Local Labor Policy that was adopted in 2021.

Heather McDaniel stated the applicant was asked and agreed to follow the new local labor policy. This will be reflected in the project agreement and closing documents.

Heather McDaniel commented that there is a process to apply for a waiver if there is a documented lack of workers or other items as outlined in the policy. This is the first project that will be following the updated policy.

**John Guttridge made a motion to approve the authorizing resolution for the City Harbor LLC project and amendments to the financial assistance. Jeff Gorsky seconded the motion. the motion was approved 6-0.**

BVSHF III - Project CHDF Payment

Rich John stated that this discussion is regarding the Community Housing Development Fund payment by the BVSHF III (McKinley) project at 401 East State Street.

**John Guttridge made a motion to offer the developer to defer the Housing Fund payment according to the recently updated by not yet adopted Housing Policy. The developer would pay a deferral fee of 20% of the payment now and then make equal installments of the fee during the first three years of operation. Shawna Black seconded the motion.**

Rich John asked if this would be allowed. Russ Gaenzle stated he would suggest that this could raise an issue as this would be adding a fee after closing.

John Guttridge stated that the developer is already in questionable territory. They have committed to paying the full fee at past meetings, and there is no authorization from the board to defer the fee. They would pay \$321,000 immediately and \$535,000 in each of the first three years of operating.

Russ Gaenzle stated that while the housing policy does stipulate payment of the fee at closing, past practices allowed other developers to defer the payment to the first three years of operation and this is what was done with this project. If the board wishes to ask for an additional 20%, it can. John Guttridge pointed out that the prior two projects did ask the board for approval.

Rich John stated that he does not want to give developers the idea we will change the rules mid-stream. We should stick to our policies but there was prior representation on how to proceed with the fee payment and there was reliance on that past representation in this instance. He understands that when the documents were being drawn up mistakes were made, we all make mistakes. He does want to see this project move forward. We desperately need housing.

Shawna Black supports John's motion and feels it a good middle ground. She pointed out that in any financial agreement with a bank, the bank can stop and state they made mistake and change the fees.

John Guttridge stated he takes umbrage of the concept of fairness and developers relying on the contract. But we as a board considered the project based on the representation from the developer that they would make the payment at closing. The board should be able to rely on what is presented in the application and what the developer states. He feels that if changes in finances happen, developers should come to the board with that information. He also thinks that the precedent that our policies are fungible without scrutiny from the board is serious. He feels that the project construction has already slipped its timeline so this will further delay payment into the housing fund.

Mike Sigler stated that he has a competing resolution from the April 2022 board meeting (page 9 of the agenda packet). He asked if the board needs to vote on this one or the one from John first.

The one from John Guttridge is on the floor and should be considered first.

Russ suggested that rescinding prior resolutions would be the way to go and then propose new ones moving forward. He is referring to the approving resolutions for this project.

Heather McDaniel stated there was much discussion on the timing of payment to the housing fee at the housing committee level. The desire of the committee was that the payment would be made at closing. There also was discussion on deferral of the fee due to financial reasons from the developer. The first two projects that asked for deferral identified this need early in the process and it was put into the benefit memos. She relied on this when working with the BVSHF III/McKinley project. However, the request from this developer to defer the fee came just before closing as a result of a reduction in units and an increase in costs. The modification was done administratively and she recognizes that the Board should have approved this.

John Guttridge reiterated that we need to abide by our policies and when needed the board can deviate from the policy. John Guttridge stated that he thinks all developers will say the finances are tight.

Heather stated that the return on investment for this developer is extremely low. It is less than 5% whether he has deep pockets or not. The developer has put up \$47M in private equity and won't see a return for many years. John pointed out that an early return on investment could come if the project is sold for a profit.

**Rich John called for a vote on John Guttridge's motion on the floor. The motion failed 2-4 (Black, Guttridge for, Vavra, Sigler, Gorsky, John against)**

**Mike Sigler's motion from March 9, 2022, was considered. The motion is as follows: Regarding the timing of the BVHSF III Ithaca, LLC project's payment of \$1,605,000 to the Community Housing Development Fund fee as follows: \$200,000 towards the housing fee amount at the beginning of construction and the remainder of the fee in three equal installments commencing 12 months after the first business day in the month in which the construction, renovation and equipping of the project is complete. Jeff Gorsky seconded the motion.**

Russ Gaenzle will prepare a formal resolution to be entered into the documents.

Shawna had a question on process. This is the third time we have considered this. What will prevent this coming up again? Todd Bruer is not present. She feels that this keeps coming up because some members do not like the outcome of the prior votes.

Rich John stated It is unlikely that it will come up, but it is possible. He feels that not all members have had a chance to vote.

Mike Sigler commented that we do not need to belabor a past mistake.

**Shawna Black moved to table the motion so that Faith Vavra can review the motion and so that Todd Bruer can be present for the vote. John Guttridge seconded the motion. The motion was approved 6-0.**

#### TCIDA Housing Policy Recommendations from Committee - Approval

Heather McDaniel reported that the IDA Housing Policy is reviewed annually. At the most recent meeting of the IDA Housing Committee the following two updates were recommended to be added to of updated in the policy:

- 1) Short-term rentals: The TCIDA will no deliver incentives to housing projects that include short term rentals defined as "residential or non-commercial structures used for transient lodging with occupancy under 30 consecutive days.
- 2) County Community Housing Development Fund payments: The payment is due at closing. At the applicant's request the payment can be made in equal installments during the first three years of operation, however a deferral fee of 20% of the payment amount will be due at closing. Any deviation in payment timing is subject to prior approval by the TCIDA.

**John Guttridge made a motion to approve the recommended updates to the TCIDA Housing Policy as recommended by the TCIDA Housing Committee. Jeff Gorsky seconded the motion. The motion was approved 6-0.**

John Guttridge asked that Heather McDaniel ask the BVSHF III developer if they would follow the updated housing policy as it stands now. She will ask the developer.

#### **CHAIRS REPORT - None**

#### **STAFF REPORT**

Heather McDaniel stated that she has begun the process of developing the 2021 IDA project job report. There were 58 active projects that paid \$3.3 million in property taxes in 2021 and retained or created over 1,700 jobs. For any projects that have not met projected job levels, she will be making a recommendation to the board regarding actions to take.

Heather McDaniel reported that she met with the Town and Village of Dryden housing committee as they are looking at ways to support multi-housing projects in Dryden.

Heather reported that the Village of Lansing has provided the Arrowhead Ventures project with extensions on finishing up the 12 units of housing and have given the project a July deadline to start the next phase of housing. The developer has installed a master water meter rather than subdividing the parcels and individually metering the units for future sale rather than rental.

The 1Q 2022 Financial Report was presented. Heather McDaniel stated that she will be reviewing the fund balance and develop a plan for the fund balance that will be reviewed by the IDA Finance Committee.

#### **MINUTES**

**Mike Sigler made a motion to approve the April 20, 2022, board minutes. Shawna Black seconded the motion. The motion was approved 6-0.**

The meeting was adjourned at 3:30 pm.

**The minutes were approved at the June 8, 2022 meeting.**