

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Final Minutes  
September 14, 2022 – 2:30 - 4:00 PM  
TC Legislative Chambers  
121 E. Court Street  
Ithaca NY 14850**

**Present:** Rich John, Faith Vavra, Jeff Gorsky, Shawna Black, Mike Sigler, John Guttridge, Todd Bruer

**Guests:** Lincoln Morse, Mike Panko, Steve Hale, Brian Folsom, Colin Fortier (Cliff Street Retreat)

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

**CALL TO ORDER**

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

**PRIVILEGE OF THE FLOOR**

**Dierdre Kurzweil - email sent September 13, 2022, read by Heather McDaniel**

Once again, thank you for updating your system to recognize the possible impacts of economic development on tenants at the same address of a project, as communicated by Heather...

*Deirdre,*

*in the environmental review section of the application (page 9), we added the following language:*

*Please describe any short-term construction impacts or other long-term impacts to existing or adjacent businesses/tenants as well as any mitigations that were identified as part of the environmental review and or permitting process:*

*Heather*

We believe it is important that the City of Ithaca also formally act in a similar fashion and we request that you encourage the City to follow your lead. While we have been engaged with the city on this topic for nearly 2 years, due to recent changes in staff, and despite efforts by Tom Knipe to move it forward, it hasn't made it to the top of the priority list yet. If there is anything at all you can do to help them in that process (having gone through it yourself), we would be most appreciative.

There is still much that will be happening in the next year or so all around us, and we have no reason to believe that we won't be damaged further in the future. Tenants (both residential and retail) must be protected during the planning, approval, and monitoring of projects, because, sometimes, landlords DON'T.

Please distribute to, at least, all member of your Executive Boards.

Thank you!

Sunny Days of Ithaca

Uncle Toddy's Ithacan Flea Market by Sunny Days

## **Theresa Alt – 206 Eddy Street**

I have often questioned whether granting tax abatements within the CIITAP density area is useful policy, but I can see no excuse for granting an abatement outside the CIITAP area — unless your purpose is to use property taxes to transfer more and more money from those of modest income to the owners of big businesses.

The developers of Cliff Street Retreat tout all sorts of supposed community benefits. They write of “adaptive reuse” and cite the experience of Greenstar, but I don’t recall any adaptive reuse cited at the time of the GreenStar application. They tell of \$50,000 for affordable housing, but \$50,000 won’t build a single unit. That’s counting on other government sources to be incentivized to fund it. They boast of six jobs at an average \$16.61/hour. Such a job, if full time, will enable the worker to afford \$830.50 monthly rent. Is that what those six apartments in the complex will rent for?

City approval of the PUD does not mean “this is wonderful.” It just means “this isn’t harmful.”

What I see in the numbers is a total of about a million dollars in local property and sales taxes foregone by City, County and School District together. This should not be a giveaway. Now, it could be viewed as a loan, one more loan to the developer. And it should be repaid above and beyond the usual taxes, just as if it came from a bank or other investors. Or it could be viewed as the local governments owning about one-tenth of the property. In that case, they should be paid about one-tenth of the profits in perpetuity.

No, do the simple thing. Don’t grant the abatement.

## **ADDITIONS TO THE AGENDA – None**

## **BUSINESS**

### Cliff Street Retreat (SERED407, LLC)

Heather McDaniel introduced the project and developer team led by Lincoln Morse and Mike Panko. The Cliff Street Retreat is an adaptive reuse of an existing manufacturing facility at 407 Cliff Street in the City of Ithaca. The project will convert a 25,297 square foot industrial building into a 43,085 square foot multi-use building that will include ten apartments, six hotel lofts, and four hotel cottages in a new building. There will be a café and bar/lounge that reflects the quiet elements of the West Hill neighborhood, boutique retail spaces that will promote an entrepreneurial startup community, and a mix of professional office spaces. The project developer will partner with Discover Ithaca to manage and lease the hospitality programs with its lifestyle hotel rooms and associated amenities. The vision is to create a pedestrian friendly community that emphasizes health and wellness, public inclusion and overall value to the City, its residents, and visitors.

The project site is located outside the density district boundaries where projects are eligible for the Community Investment Incentive Tax Abatement Program (CIITAP). However, the IDA’s Uniform Tax Exemption Policy allows for retail/commercial projects to be considered for incentives if the project is endorsed by the host community. The City of Ithaca provided an endorsement for this project. The Common Council and the Planning & Development Board went through a lengthy review process to consider a Planned Unit Development. This process included a detailed examination of the projects, its relationship to the City comprehensive plan, and community benefits to be derived from the project.

The applicant has requested the 10-year financial need incentive along with the standard sales tax and property tax incentives. This is a deviation from the standard incentive policy as it is outside of the CIITAP boundary.

Heather McDaniel asked that the Board accept the application as complete and send the project to a public hearing.

Jeff Gorsky stated that he has a conflict of interest and thus will abstain from the discussion and any vote.

Lincoln Morse stated that the project has been in process for two years and is a creative reuse of the former Incodema building. The development team has engaged with the neighborhood to develop and upgrade the building. Discover Ithaca will be their anchor tenant.

Rich John asked if an additional building will be constructed. Yes, there will be a new building north of the existing building that will house four apartments.

Shawna Black asked how many partners there are. There are five: Lincoln Morse, Mike Panko (Panko Electric), Steve Hale (Hale Roofing), Dan Vannoy, and Rich Gianforti, Jr. (Flower City Glass).

Shawna Black also asked what the rents would be for the apartments. For the smaller apartments they would run from \$1,700 - \$1,800/month and the larger penthouse apartments would cost \$2,700 - \$3,200/month.

Mike Sigler asked how the hotel portion of the project would differ from other hotels. Lincoln Morse commented that they will be marketing the hotel as part of an amenity package for the active family. Heather McDaniel commented that she did reach out to the other hotels in the area, and they stated that they do not view this project as competition.

Todd Bruer asked about the use of local labor with Flower City Glass being based in Rochester and Panko Electric being based in Owego.

Lincoln Morse stated that Flower City Glass has a shop in Ithaca and Mike Panko stated that some of his employees live in Tompkins County. Steve Hale stated that they will be getting bids from local contractors. He also pointed out that the contractors will be coming to Tompkins County to work and will be spending money locally.

Rich John asked if the developers feel the project can satisfy the IDA's local labor policy.

Heather McDaniel stated that the development team is aware of the local labor policy as she reviews all policies with applicants, and they have signed the application that outlines all the policies they will be expected to comply with.

John Guttridge asked about Panko Electric and if it is a certified women owned company. Mike Panko stated that his wife, Kelly, is the owner of the business. The business is not currently a certified women owned company, but it does have an application into NYS. While his wife is not a licensed electrician, she does visit job sites and has hiring and firing control in the company.

Shawna Black asked about the total square footage of the project. The existing building is 25,297 square feet and the renovations and addition of second floor apartments will add 17,788 square feet.

Todd Bruer asked about the projected jobs for the project. Lincoln Morse commented that they were conservative with their projection of 5 jobs.

Shawna Black asked about the West End concerns with traffic this project will generate. Lincoln Morse stated that they completed a full traffic study as part of the site plan approval and the traffic from this project will actually be less disruptive than the shift workers from when Incodema occupied the building. He feels there should not be any issues for the neighborhood.

**Mike Sigler made a motion to accept the Cliff Street Retreat (SERED407, LLC) application as complete and to send it to a public hearing. Faith Vavra seconded the motion. The motion was approved 4 – 2 – 1 (Sigler, Guttridge, Vavra, John Yes – Bruer, Black No – Gorsky abstain).**

#### 2021 IDA Project Jobs Report

Heather McDaniel presented the 2021 IDA Project Jobs Report which is to be used to assess the progress of active projects towards achieving job retention and creation goals. This assessment is required at least annually to comply with State rules and regulations as well as the TCIDA's recapture policy. There were 57 active projects in 2021. Fifteen projects did not meet job creation or retention goals. Any accompanying memo detailed the reasons for each of the projects that have not met job goals. She did not recommend terminating or recapturing any incentives at this time, in particular as result of the impacts to businesses from COVID.

Jeff Gorsky asked about Cascade Plaza – this was the first downtown density project in the City of Ithaca on the corner of Seneca and Tioga. The anchor tenants are the Hilton Garden Inn and Cornell University.

Rich John commented that it is hard to examine this information as many companies are still recovering from the pandemic and the job market is unstable. He would not recommend penalizing projects due to the current job market.

Heather McDaniel commented that hotels are still not back up to pre-pandemic staffing levels.

John Guttridge asked about 209-215 Dryden Assoc, LLC. This is the Cornell University Breazzano Executive MBA Building. The building is owned by a developer and Cornell University leases the building. This arrangement keeps the building on the tax rolls.

Net jobs gained were reviewed. John Guttridge suggested sending a memo to projects to remind them of the recapture policy and their commitment to job creation.

Heather McDaniel stated that she does contact all projects that are below their projections to determine the reasons behind the low numbers.

John Guttridge asked about current unemployment numbers. The unemployment percentage is low. For many companies, especially manufacturers, the issue is not being able to find applicants.

John Guttridge stated that another issue is that there is nowhere to live with salaries at their current levels.

Heather McDaniel stated that jobs are easy to quantify, and this is what the State measures. However, there are other benefits including new tax base, downtown revitalization, energy efficiency and renewable energy, and housing.

Rich John stated that he is not inclined to penalize companies for low job numbers. He hopes that things will stabilize in the future. He also stated that the tax base is growing. John Guttridge agreed and asked if information on what property taxes would look like without current projects could be provided.

**John Guttridge made a motion to accept the 2021 IDA Project Jobs Report and to not initiate recapture of funds at this time. Jeff Gorsky seconded the motion. The motion was approved unanimously 7-0.**

**CHAIRS REPORT** - None

## **STAFF REPORT**

The 2022 2Q financial report was presented. Updates on a few projects were given:

Library Place (Ex Libris) – this project is abuzz with activity as the developer is working to get the wood framing done and the building “buttoned up” before winter.

McKinley – the project is on pause due to rising construction costs and rising interest rates. The project may go back to the City of Ithaca for a variance to add an additional story to the building. If the project changes by 10% or more, it will need to come back to the TCIDA Board.

Chainworks Building – while not a current IDA project, this large redevelopment is waiting on final sign off from the State Department of Environmental Conservation.

Rich John made a comment that the IDA fund balance is currently high and wondered if it could be used to help with additional affordable housing. John Guttridge and Jeff Gorsky agreed that this would be a good topic of discussion. There are limitations to how the IDA can spend it’s fund balance (cannot loan nor grant funds). Perhaps there is a committee that could discuss goals and strategy for future fund balance use.

It was decided that the Board will meet as a committee of the whole prior to October’s IDA Board meeting to discuss this topic. Russ Gaenzle was asked to provide a memo outlining what the IDA can do with fund balance.

## **MINUTES**

**Shawna Black made a motion to approve the June 8, 2022 board minutes. Mike Sigler seconded the motion. The motion was approved unanimously 7 - 0.**

The meeting was adjourned at 3:53 pm.

Minutes were approved at the October 12, 2022 meeting.