

**Tompkins County Industrial Development Agency
Special Board of Directors Meeting Final Minutes
October 12, 2022 – 1:30 – 2:30 PM
TC Legislative Chambers
121 E. Court Street, Ithaca NY 14850**

Present: Rich John, Faith Vavra, Jeff Gorsky, Shawna Black (remotely; non-voting), Mike Sigler, John Guttridge, Todd Bruer

Staff: Heather McDaniel, Ina Arthur (IAED), Stephen Maier, Russ Gaenzle-remotely (Harris Beach)

CALL TO ORDER

Rich John called meeting to order at 1:38 pm.

PRIVILEGE OF THE FLOOR - None

ADDITIONS TO THE AGENDA - None

BUSINESS

IDA Fund Balance Discussion

Board members reacted to the two memos in the agenda packet from 1) Harris Beach regarding the legality of fund balance use by the TCIDA and TCDC and 2) from IAED President, Heather McDaniel, on available fund balance after projected expenses, fund balance history and income projections, and priority funding opportunities.

Clarification was offered on how the IDA could pay for a study/feasibility study; the law indicates that the study would need to be tied to an existing IDA project. There would need to be a “nexus” to a project. Reacting to the three priority funding opportunities, it was suggested that the Ithaca Airport is central to the County’s transportation needs. Heather McDaniel stated that the airport could be tied to the Ithaca Convention Center which the IDA has delivered incentives to. The wayfinding signage project could also be tied to that project as it would serve visitors to the area.

John Guttridge stated that the lack of housing is creating a workforce problem. He asked if the IDA could purchase land to build housing? Could this be tied to the IDA’s purpose? Counsel stated that the GML stated the IDA can purchase land for commercial purposes. “Commercial” is not defined and the comptroller has stated that housing could fit within that definition. Counsel advised to keep good records as to what the funds would be used for.

The recent IDA COVID-19 Grants were asked about – this was a one-time use of funds allowed by NYS specifically for the purchase of PPE materials and services. This allowance has since sunset.

John Guttridge asked about the funds held by the TCDC and the totals that could be used.

Heather McDaniel stated that she looked at 2022 expenses and projected fee income for 2023 and contractual obligations and the slowdown in projects. She cannot comfortably project revenue in the future at the TCIDA and would recommend reserving funding to support the countywide economic development agency for at least two years.

John Guttridge clarified his question that he was asking about spending the total reserve funds in the TCDC so that the TCIDA funds be kept for stated obligations.

Heather McDaniel commented that while she does not see any bond issuance requests in the near future, the funds in the TCDC could be used with a little more flexibility.

Heather McDaniel commented that the IDA is an economic development engine and said that the IDA should think of supporting economic development. There are other IDA's that own land and business parks. With the announcement that Micron is coming to Clay, NY there are opportunities to capitalize on that with being ready for other companies and growth opportunities that will spin off. However, the TCIDA does not have a shovel ready business park while other IDAs in the area do. Tompkins County has a number of drawbacks (transportation, energy) and If we are serious about capturing the opportunities coming from Micron, we should identify about 40 acres of land that could be turned into a shovel ready business park.

John Guttridge stated that there is a large amount of office space available for these companies, but not being able to attract or find workforce causes some to move. Also, there is "no place" for people to live. He feels that housing should be a focus of the IDA.

Heather McDaniel commented that current zoning downtown does not allow for R&D facilities and small-scale manufacturing. However, Chainworks will be able to fill this need. A large interest there is to create a graduation space to house companies that are moving out of the area incubators, particularly high growth companies that could share resources with like companies.

Rich John asked about the IDA's ability to seek grants. Counsel was unsure if this is allowed. Heather McDaniel commented that IAED which is a 501c6 and the TCAD Foundation which is a 501c3 could be grant recipients.

Mike Sigler asked about the acreage at Chainworks – there are about 100 acres available. He commented that it fits what the current conversation is talking about. Could the TCIDA become a part owner? Carving out a tech transfer space there is opportunity for this.

Heather McDaniel stated there already is a development group partnering with David Lubin. They are planning to renovate Building 24 after the initial demolition stage. This building would work well for the tech graduation space.

John Guttridge talked about using fund balance to leverage grants to help with affordable housing. This serves two purposes. We could make land available at a lower cost to help developers and this could also generate deal flow.

Jeff Gorsky asked about how the fund balance could be leveraged for building housing? John Guttridge stated that the IDA could buy land and prepare the infrastructure that then could be used by developers to build housing. Essentially creating opportunity for developers to come into the area. The IDA would have to seek grant money to buy the land.

Rich John stated that the Community Housing Fund and INHS are doing this already and the IDA has supported a number of housing projects. He asked if other members feel housing is the what the IDA should support.

Todd Bruer stated that there are transportation and energy issues – he suggested focusing on bolstering infrastructure.

Faith Vavra stated that money coming from the federal government will be significant and we should prepare for this opportunity. The federal money is focused on electrification and housing – leveraging the money is a really good idea if we don't have to spend it right away.

Jeff Gorsky reiterated that the federal infrastructure bill will bring funds to support infrastructure that should be a focus. He also stated that focusing on supporting development of Chainworks would help in the ability to attract and retain high tech businesses. In terms of housing, he agrees with Rich John that there are a number of other organizations that are doing well in this area.

Mike Sigler commented on the need for housing for all the Micron employees coming. Employees need housing. He asked about property in the City that could be available for housing opportunities.

Shawna Black stated that housing will always be an issue and the small fund balance amount under discussion would not move the needle much. Childcare is a larger issue especially for those who are moving into the area who need childcare. She would advocate using the funds to support this.

Rich John stated based on the memo there is about \$1M to be used in the fund balance – is it the sense of the board that we want to spend the money? Todd Bruer stated yes. John Guttridge stated that there should be a strategic vision developed to know how we could use the money. Faith Vavra agreed. Jeff Gorsky agreed that funds should be spent, and he agreed that it should be strategic as well as making sure there is funding to support the economic development organization in the County. He stated that the wayfinding project would be good to support - \$100,000 would go a long way. Mike Sigler stated that money that is not used is not doing any good. Shawna Black agreed that the money should be spent.

Heather McDaniel commented that, in her capacity as an economic development professional, she suggested the airport study, the way finding project, and the tech graduation space after reviewing the county's comprehensive plan and recovery strategy. Supporting these projects would go a long way in leveraging other funding available.

Rich John asked do we want to be strategic by developing a vision first or do we want to be opportunistic and support initiatives like the wayfinding project as they come up? Mike Sigler stated that the County should pay for the wayfinding and airport study.

Rich John commented that there is a great opportunity in Chainworks and that the IDA should focus on supporting this. John Guttridge stated that the budget for developing this project will make the IDA's fund balance pale in comparison. Jeff Gorsky stated that perhaps focusing on a smaller part of the Chainworks development would be more strategic. He feels the County should pay for the airport study. He would support the \$100,000 for the wayfinding project.

John Guttridge stated that being opportunistic at the right level is good. He would advocate continuing this discussion. He would like to have the IDA develop a plan.

It was agreed that the IDA Board would meet an hour prior to the next scheduled meeting to continue this discussion.

Mike Sigler commented that this area needs a theme. Perhaps that theme would be Cornell University.

The meeting adjourned at 2:26 pm.