

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Final Minutes  
June 14, 2023 – 2:30 – 4:00 PM  
TC Legislative Chambers  
121 E. Court Street  
Ithaca NY 14850**

**Present:** Rich John, Jeff Gorsky, John Guttridge, Todd Bruer, Anne Koreman, Ducson Nguyen, Deborah Dawson

**Guests:** Todd Fox, Julia Bucher (remote), Catherine Cullen (remote) (Visum Development Group),

**Staff:** Heather McDaniel, Ina Arthur (IAED), Stephen Maier (remote), Russ Gaenzle (remote), Kyle Gooch (remote) (Harris Beach)

**CALL TO ORDER**

Rich John called meeting to order at 3:04 pm.

**PRIVILEGE OF THE FLOOR**

**Theresa Alt** – 206 Eddy Street

Back in December Brian Crandall wrote in the *Voice* about Visum's plans for The Citizen on the site of the former Joe's Restaurant at 602 West Buffalo Street. Visum was talking about middle-income or workforce housing and about 110 units. Now the plan comes to the IDA, and it's down to 80 units. More significantly, it's no longer the middle-income or workforce housing that we need in the city. Now it's market-rate housing, the kind we don't need. Workforce housing is relegated to that \$5,500 per unit fee that won't be paid for several years.

I see from your overview that over the next ten years, the amount of abated taxes will somewhat exceed the amount of actually paid new taxes.

The current Citizen is not what the city needs. CIITAP doesn't force you to subsidize it out of our taxes. You have said "No" to the city before, and you can say "No" today. You should be supporting better-paying jobs in the city and housing that is affordable to the people who work here now.

Visum says they need the subsidy because construction costs have risen. But that is not the taxpayers' problem. Developers are supposed to take on the risks. Unwise subsidies have led to increased land prices downtown, and this has made it nearly impossible to build anything affordable. Please stop aggravating this problem.

And we don't need more gentrification in the West End.

**Todd Kurzweil** – City of Ithaca NY (submitted comment read by Rich John)

Will there be any percentage of retail in the new addition to the Rothschild building (aka The Ithacan)?

I don't see retail designation usage in the site planning, application OR retail noted as a use anywhere in the formal paperwork. Please show primary source documents if I'm incorrect.

**Norman Adelewitz** – City of Ithaca NY (submitted comment read by Heather McDaniel)

NO NO NO! A thousand times NO!

Enough of giving abatements for building projects like this. If the project is good enough for a developer to make profits from, it's good enough for the developer to entirely pay for building it. County & City need to stop giving tax relief for housing projects that benefit no one other than the developer and people who can afford to pay the apartment prices.

80 residential units with NONE being "affordable"? Past the 150(?) TEMPORARY construction jobs, there's no benefit to the county or city to justify subsidizing developers who have created an industry for their own benefit.

Where does it end?

**Tim Lillard** – Newfield NY (submitted comment read by Rich John)

The Citizen development is missing at least 3 things

I read Brian Crandall's description in The Ithaca Voice of Visum's plan for 602 West Buffalo Street - <https://ithacavoice.org/2023/06/visum-seeks-tax-abatement-for-west-end-project/> - and am very grateful for his keeping the people in the loop. There are three things missing in Visum's plan, which should alert all readers that additional costs will be borne by the community because Visum didn't attend to them.

I know that we need more housing in the area, but everyone recognizes that owner occupied is preferable to rental. Shoveling money to entice corporations to build and collect rent off large apartment complexes instead of encouraging the building of smaller co-ops and houses is a mystery to me.

All projects need to be good neighbors, but Visum's plan is not, in spite of their ridiculous name for it.

First of all, Visum has begged off from serving low-income residents. They've turned low-income residents into a cost and would off-load that to the community; so for a start they are not willing to recognize all citizens. It's also a warning not to expect any landlord leniency when hard times come again, as they inevitably will. By the way, it's odd that they seek to rent to such a particular segment of the population, "mid-market "workforce" (80-120% area median income)". I can only speculate as to what they mean by it.

Secondly, am I the only one who sees this as a missed opportunity for installing solar panels? A five-story building at that corner would not now and is unlikely to ever be in the shade. Its 92,800 square feet of flat roof could generate a significant portion of the energy demand it will add to the local grid, especially valuable for A/C in the expanding and increasingly hot summers. Solar on the roof would diminish the project's accentuation of the urban heat island effect. Solar electricity is cheaper than that from fossil-fuels and allows us to retire dirty old expensive power plants, which is what we must do to reduce global warming. To not put up solar panels when it's so easy to do so keeps us speeding to disaster and represents a failure of both conscience and intelligence. It would reduce the cost of electricity for the building. Panels on rooftops means sparing open land, be it farm, forest, or recreational. Being on the roof, it would be inaccessible to vandals and thieves. Our so-called national grid is not integrated and won't accommodate many of the windmills and solar farms we need, and it's slow-going and expensive even in the rural parts of Tompkins County to get access. Meanwhile, Ithaca is smack in the middle of the local grid, where panels could be linked in easily. If the Tompkins Public Library could do it, so can they.

There are government incentives for solar!

BTW, for all of the buildings recently built and still going up with acres of rooftops and large demands for electricity, I'm not seeing or hearing anything about solar panels, but perhaps I'm just uninformed. All these builders' projects have rooftops, so why don't they routinely design them for roof-top solar? All cities have poor residents, so why don't they routinely design residential projects to include them? Why do we expect anything different?

Thirdly, the most obvious fault, the plan provides 26 parking spaces for 80 residences where there is already a shortage of parking. The streets to the East as far as Washington Park will be jammed, and those residents will know exactly whom to blame.

Design is Visum's gatekeeper. It keeps solar electricity generation out. It keeps lower-income people out. It sheds as many costs to the community as it can. Overall efficiency or concern for the community itself seem to receive no consideration in the process. Bad "design" is simpler for them. It makes projects more profitable for them. Government authorities are put in the position of asking Visum to do the whole design properly, so Visum's manager Bucher put out a lot of fluff to indicate they could do only this plan, and only if it comes with big rebates, in order to lower your expectations, and she tried to do your thinking for you when she said "Without the financial support provided by this (CIITAP) program, this project will be unfeasible, and the City and NYS will be passing on the opportunity for a development that will help advance the so needed West End revitalization".

Forget about giving Visum any CIITAP rebates for this plan, for we will need that money, and more, to make up for its inefficiency and faults. Better to give public funds to nonprofits to do it instead. And let Visum either redesign their project in order to get rebates or walk away.

**ADDITIONS TO THE AGENDA – None**

## **BUSINESS**

602 W. Buffalo Street (The Citizen) – Application

*(Jeff Gorsky recused himself due to conflict of appearance though there is no legal conflict)*

Heather McDaniel gave an overview of the project and community benefits. The project is eligible under the CIITAP policy and does meet the financial need incentive – a memo will be forthcoming at the next meeting. All local approvals are in hand. The developer has opted to pay the housing fee over the first three years of operations which will include payment of a 20% additional fee as a convenience fee at the time of closing.

Julia Bucher of Visum Development Group gave a project overview. The project will have total of 92,800 sf with 2,250 sf of commercial spaces. There will be 80 residential unit with 26 parking spaces. Live More Ithaca will be managing the building once it is completed. The Project is locating in a NYS opportunity zone. The project will create 150 temporary construction jobs and three permanent indirect jobs through Live More Ithaca.

Deborah Dawson asked what incentives from NYS come from the project being in an opportunity zone? Todd Fox stated that this allows investors in the project to defer capital gain payment and to reinvest them into the project. It was also clarified that without the incentives the project would not move forward.

Deborah Dawson asked what would happen if the property/project was sold after completion to another entity. The PILOT agreement would terminate unless the TCIDA Board approved a transfer of the PILOT to the new owners. If the transfer was not authorized, then the property would go back on the tax rolls.

Rich John asked about solar panels on the roof – it was clarified that only about 18,000 sf would be available on the roof. They have considered installing them in the past and have worked with Taitem Engineering. However, it is just not feasible.

Why are only 26 parking spaces in the plan with 80 residential units? Do you anticipate parking in the neighborhood. There is no parking zoning required by the city as there is access to public transportation.

What about the property being in a designated flood zone. The property is in a flood zone and there will be additional insurance for the retail spaces, however, the residential units are not on the ground floor.

Ducson Nguyen spoke to parking utilization and city zoning as well as proposed NYSDOT changes to traffic flow in the area. He also commented that he hopes that Visum Development is committed to finding good commercial tenants for the commercial space to make the area vibrant and active.

Todd Bruer asked about when projects do a “feasibility study” as there are a lot of incentives being considered. Staff reviews the financials of the project to ensure the project is feasible. We used to have a third party do this but it is currently done in house. There is no market study requirement for housing projects because the County’s Housing Needs Assessment indicates that there is need at every type, size and price point for housing in the region.

Rich John asked about the project initially being workforce housing and now it is market rate. Todd Fox commented that initially yes, it was planned as workforce housing but the market environment has changed and even with that it is still not full market rate.

**John Guttridge made a motion to move the 602 W. Buffalo Street (The Citizen) project to a public hearing. Ducson Nguyen seconded the motion. The motion was approved 6-0-1 (Gorsky abstain).**

#### Project Jobs Report and Review Memo – Recommendations for Approval

Heather McDaniel presented the 2022 TCIDA Project Jobs report and memo. The annual job metric review is required by the NYS Authority Budget Office and is also a determining factor in any recapture of benefit per the IDA’s recapture policy.

There were 59 active projects in 2022. Projects were approved between 2003 and 2022. Forty-eight of those projects were under a PILOT agreement in 2022; they paid \$4,035,487.47 in new property taxes and benefited from property tax exemptions of \$5,637,157.50. Fifteen projects were under construction and benefited from sales tax exemptions totaling \$3,693,422.77. One project secured mortgage financing and received an exemption from the state share of the mortgage recording tax totaling \$21,060. Projects reported 2264.7 jobs in 2022. Of those that reported, total payroll was \$165,396,466.46 with an average wage over \$36 per hour. There were 15 solar projects representing 65.1 megawatts of renewable energy and 1630 new housing units, 26.68% of which are affordable units.

A narrative for each project that did not meet their job creation goals is provided in the job report memo. There were three recommendations for PILOT terminations as follows:

1. AES Cayuga - The power plant closed and has since been put back on the tax rolls by the county assessment department as the PILOT payments were higher than the actual value of a mothballed power plant. ***It is recommended to formally terminate the PILOT.***
2. Transonic Systems - The PILOT was implemented as a backup should the State's Empire Zones Program be terminated and projected incentives under that program be reduced, which did not happen. The amount paid under the PILOT is equal to the actual tax payment so there is no local incentive to recapture. The company did receive the standard ten years of incentive through the Empire Zones Program. There is no need to keep this PILOT in place. ***It is recommended to terminate this PILOT.***
3. Lansing Market - Lansing Market closed at the end of 2022. The building is now vacant. ***It is recommended to terminate this PILOT.***

John Guttridge asked for more explanation as to why the Lansing Market PILOT should be terminated. The other two terminations there is no impact it is more for cleaning up the paperwork.

Heather McDaniel stated that the business ceased operation and is in default of the PILOT agreement.

Anne Koreman asked about Twenty Thornwood. It looks as if the PILOT payment matches the taxes paid. It was explained that the PILOT set the assessment amount so significant investment for the clean space could be amortized over the term of the lease.

**John Guttridge made a motion to terminate the PILOT agreements without recapture for 1) AES Cayuga, 2) Transonic Systems and 3) Lansing Market. Deborah Dawson seconded the motion. The motion was approved 6-1 (Bruer No).**

**CHAIRS REPORT – None**

**STAFF REPORT**

Local Labor Waiver Report

Heather McDaniel reported that two administrative local labor waivers for the City Harbor project have been administratively approved, per the Local Labor Utilization Policy. One is due to no local bids for rough framing and the second was for lack of specialized skills needed not available local for exterior package work. Due to the size and scale there was only one contractor that bid and it was not local.

Todd Bruer stated that he was never contacted regarding the City Harbor waiver requests.

Heather McDaniel commented that the policy requires that the Tompkins-Cortland Building Trades Council be notified of project approval within five business days. It does not require notification for each waiver request. Warranty issues, documented lack of qualified local bids or available workers, documented need for specialized skills not available locally, or a cost differential of ten percent (10%) or more receive an administrative review; other extenuating circumstances are subject to review and approval by the TCIDA board of directors. Projects also must submit bid lists and who responded.

John Guttridge asked that in the future, the backup information be included in the agenda packets.

Todd Bruer asked that letters be sent via certified mail in the future.

## **MINUTES**

**Anne Koreman made a motion to approve the minutes of the May 10, 2023 board of directors meeting. Deborah Dawson seconded the motion. The motion was approved 7-0.**

## **EXECUTIVE SESSION**

**John Guttridge made a motion to take the meeting into executive session to discuss a matter under litigation. Jeff Gorsky seconded the motion. The motion was approved 7-0.**

The meeting adjourned at 4:17 pm.

**Minutes were approved a July 12, 2023 Board meeting.**