

# Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

**TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING  
Wednesday, August 9, 2023 • 2:00 – 4:00 PM**

**Legislative Chambers  
Governor Daniel D. Tompkins Building  
121 E. Court Street, Ithaca NY**

THIS MEETING WILL BE LIVESTREAMED  
Link to live stream channel: <https://tinyurl.com/weo3tkk>

## AGENDA

- |  |             |
|--|-------------|
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July 11, 2023

Tompkins County Industrial Development Agency (TCIDA)  
Board of Directors  
119 East Seneca Street, Suite 200  
Ithaca, New York 14850  
Attention: Rich John, Chair

Re: Stately Apartments Request for Reduced TCIDA Fee

Dear Mr. John & TCIDA Board:

Visum Development Group respectfully requests a reduced TCIDA administrative fee of ½% of hard costs (as opposed to 1% of hard costs) in connection with the Stately Apartments development. Stately Apartments, as outlined in our application to the TCIDA, is an HCR funded mixed-use, mixed-income affordable housing development located in the west end of downtown Ithaca.

Visum has taken this project on as the developer and is working in partnership with a nonprofit, Steuben Churchpeople Against Poverty Inc. d.b.a Arbor Housing and Development “Arbor”. Arbor is a New York not-for-profit corporation that has 501(c)(3) federal tax-exempt status and a significant role in Stately Apartments. Arbor participated in the HCR funding application as a nonprofit partner. Arbor will own and control the record fee owner of the project (a NY housing development fund corporation), and Arbor will own and control a member of the beneficial owner of the project. Arbor will also be the property management agent. Based on the level of participation by a nonprofit, we respectfully request that TCIDA consider this project under its nonprofit fee reduction policy.

We note that Visum is applying for a PILOT only, without sales or mortgage tax incentives, from TCIDA.

Visum is a local developer and has come before your board several times for projects around Ithaca. This is our first affordable housing project, and we are excited to be moving forward in partnership with Arbor and TCIDA to expand affordable housing supply in the city of Ithaca.

Thank you for your consideration. Should you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

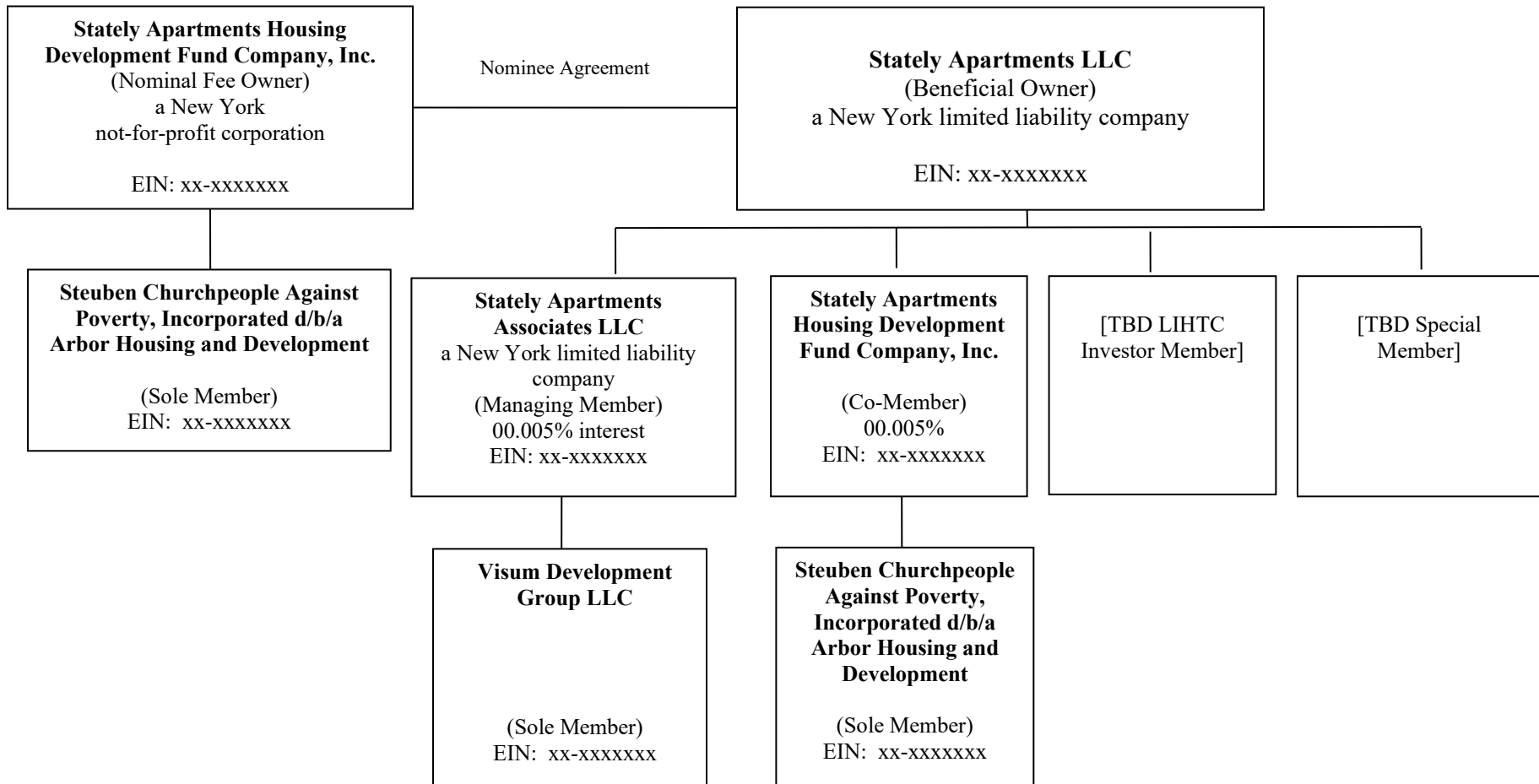
*Catherine Cullen*

Catherine Cullen

Senior Development Associate

**Project: Stately Apartments**  
**Applicant: Visum Development Group LLC**  
**Attachment A-4: Project Organizational Chart**

**STATELY APARTMENTS  
 OWNERSHIP STRUCTURE**



## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Tompkins County Industrial Development Agency (the "Agency") on Thursday, August 3, 2023, at 1:00 p.m., local time, at the offices of Ithaca Area Economic Development at 119 East Seneca Street, Suite 200, Ithaca, New York 14850, in connection with the following matter:

**STATELY APARTMENTS LLC**, a New York limited liability company, for itself and/or on behalf of an entity or entities formed or to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (A) the acquisition by the Agency of a leasehold or other interest in approximately .23 acres of certain real property located at 510 W. State Street and 507 W. Seneca Street, each in the City of Ithaca, Tompkins County, New York (the "Land", being more particularly identified as tax map numbers 72.-3-18.2 and 72.-3-8) and the existing improvements thereon consisting principally of various multi-story commercial and residential buildings, parking improvements, curbage and related site improvements (the "Existing Improvements"), (B) the demolition of the Existing Improvements and the planning, design, construction, operation and leasing by the Company of an approximately 60,480 square foot multi-tenanted mixed use redevelopment project that will include: (a) approximately 57 residential apartment units serving residents and low-income family households earning 30%-60% AMI, consisting of studio, one-bedroom and two-bedroom dwellings, (b) approximately 1,373 square feet of commercial space, (c) structured parking improvements, and (d) additional tenant amenity spaces, lobbies, common areas, various subsurface structural improvements, roadway improvements, access and egress improvements, storm water improvements, utility improvements, signage, curbage, sidewalks and landscaping improvements (collectively, the "Improvements"), and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other items of tangible personal; and, together with the Land, the Existing Improvements and the Improvements, the "Facility").

The Agency will acquire title to or a leasehold interest in the Facility (as well as an interest in the Equipment) and lease the Facility back to the Company. The Company will own and operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of a partial real property tax abatement structured under an agreement or agreements between the Company and the Agency regarding payments in lieu of real property taxes for the benefit of each municipality having taxing jurisdiction over the Facility. The Agency contemplates that it will grant the Company's request for a reduction in its Administrative Fee, which, if granted, will constitute a deviation under the Agency's Uniform Tax Exemption Policy.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's Application and hear and accept written and oral comments from all persons with views in favor of, opposed to or otherwise relevant to the proposed Financial Assistance.

The Agency will broadcast the public hearing live on YouTube at the following LIVE STREAM LINK: <https://tinyurl.com/weo3tkk>.

The Agency also encourages all interested parties to submit written comments to the Agency, which will be included within the public hearing record. Any written comments may be sent to the Agency at: Tompkins County Industrial Development Agency, Attention: Ina Arthur, 119 East Seneca Street, Suite 200, Ithaca, New York 14850 and/or via email at [info@ithacaareaed.org](mailto:info@ithacaareaed.org), with the subject line being "Stately Apartments LLC", no later than 1:00 p.m. on Wednesday, August 2, 2023.

Dated: July 24, 2023

TOMPKINS COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

**AUTHORIZING RESOLUTION**  
*(Stately Apartments LLC Project)*

A regular meeting of the Tompkins County Industrial Development Agency was convened in public session on Wednesday, August 9, 2023, at 2:00 p.m., local time, at 121 E. Court Street, Ithaca, New York 14850.

The meeting was duly called to order by the Chair, with the following members being:

PRESENT:

ABSENT:

ALSO PRESENT:

On motion duly made and seconded, the following resolution was placed before the members of the Tompkins County Industrial Development Agency:

RESOLUTION OF THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY"): (i) ACKNOWLEDGING THE PUBLIC HEARING HELD BY THE AGENCY WITH RESPECT TO THE PROEJCT AS DESCRIBED BELOW; (ii) MAKING A DETERMINATION WITH RESPECT TO THE PROJECT PURSUANT TO ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW AND 6 N.Y.C.R.R. PART 617 IN CONNECTION WITH THE PROEJCT AS DESCRIBED BELOW; (iii) APPOINTING THE COMPANY AS AGENT OF THE AGENCY; (iv) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT, FINANCIAL ASSISTANCE AND PROJECT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, TAX AGREEMENT, MORTGAGE AND RELATED DOCUMENTS; (v) DESCRIBING AND AUTHORIZING THE FINANCIAL ASSISTANCE TO BE PROVIDED BY THE AGENCY TO THE COMPANY IN THE FORM OF A PARTIAL REAL PROPERTY TAX ABATEMENT STRUCTURED THROUGH THE TAX AGREEMENT.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York (the "State"), duly enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended, and Chapter 535 of the Laws of 1971 of the State as amended and codified as Section 895-b of the General Municipal Law (collectively, the "Act"), the **TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to acquire, construct, renovate, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction or renovation, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, **STATELY APARTMENTS LLC**, a New York limited liability company, for itself and/or on behalf of an entity or entities formed or to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (A) the acquisition by the Agency of a leasehold or other interest in approximately .23 acres of certain real property located at 510 W. State Street and 507 W. Seneca Street, each in the City of Ithaca, Tompkins County, New York (the "Land", being more particularly identified as tax map numbers 72.-3-18.2 and 72.-3-8) and the existing improvements thereon consisting principally of various multi-story commercial and residential buildings, parking improvements, curbage and related site improvements (the "Existing Improvements"), (B) the demolition of the Existing Improvements and the planning, design, construction, operation and leasing by the Company of an approximately 60,480 square foot multi-tenanted mixed use redevelopment project that will include: (a) approximately 57 residential apartment units serving residents and low-income family households earning 30%-60% AMI, consisting of studio, one-bedroom and two-bedroom dwellings, (b) approximately 1,373 square feet of commercial space, (c) structured parking improvements, and (d) additional tenant amenity spaces, lobbies, common areas, various subsurface structural improvements, roadway improvements, access and egress improvements, storm water improvements, utility improvements, signage, curbage, sidewalks and landscaping improvements (collectively, the "Improvements"), and (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other items of tangible personal; and, together with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance (as such term is defined below) that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) negotiate and enter into an agent, financial assistance and project agreement (the "Project Agreement"), a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement"), a payment-in-lieu-of-tax agreement (the "Tax Agreement") and related documents with the Company, (ii) take title to or a leasehold interest in, the Land, the Existing Improvements, the Improvements, the Equipment and the personal property constituting the Project (once the Lease Agreement, the Leaseback Agreement and the Tax Agreement have been negotiated), and (iii) provide financial

assistance to the Company in the form of a partial real property tax abatement structured through the Tax Agreement (the "Financial Assistance"); and

WHEREAS, on July 12, 2023, the Agency, by duly approved motion, accepted the Application and directed that a public hearing be held; and

WHEREAS, pursuant to Section 859-a of the Act, on Thursday, August 3, 2023, at 1:00 p.m., local time, at the offices of Ithaca Area Economic Development at 119 East Seneca Street, Suite 200, Ithaca, New York 14850, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "Public Hearing"), whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake the Project; and

WHEREAS, the Project Agreement, the Lease Agreement, the Leaseback Agreement, the Tax Agreement and related documents are being negotiated and will be presented to the Agency for execution upon approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented the Application in a form acceptable to the Agency. Based upon representations made by the Company to the Agency in the Application, the Agency hereby finds and determines that:

A. By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

B. The Agency has the authority to take the actions contemplated herein under the Act; and

C. The action to be taken by the Agency will induce the Company to develop the Project in Tompkins County, New York, and otherwise further the purposes of the Agency as set forth in the Act; and

D. The Project will not result in the removal of a civic, commercial, industrial or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State to another area of the State or result in the abandonment of one (1) or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's Application, to the extent



occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

E. The Project involves a "Type I" action and the City of Ithaca Planning and Development Board (the "Planning Board"), acting as lead agency and having undertaken a coordinated review, issued a negative declaration with respect to the Project on July 27, 2021 (the "Negative Declaration"). The Agency acknowledges the "hard look" taken by the Planning Board with respect to the Project and hereby ratifies the Negative Declaration issued by the Planning Board. The Agency further determines that all of the provisions of SEQRA that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project have been satisfied.

Section 2. The Public Hearing held by the Agency on August 3, 2023, concerning the Project and the Financial Assistance, was duly held in accordance with the Act, including, but not limited to, the giving of at least ten (10) days published notice of the Public Hearing, affording interested parties a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

Section 3. The Agency is hereby authorized to provide to the Company the Financial Assistance in the form of a partial real property tax abatement structured through the Tax Agreement.

Section 4. Subject to the Company executing the Agency Documents and the delivery to the Agency of a binder, certificate or other evidence of a liability insurance policy for the Facility satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the undertaking of the Project and hereby appoints the Company as the true and lawful agent of the Agency, pursuant to the provisions of the Agency Documents: (i) to construct, reconstruct, renovate, refurbish and equip the Facility; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Company's status as agent of the Agency and related sales tax exemption letter shall expire on **December 31, 2025** (unless extended for good cause by the Administrative Director or other authorized representative of the Agency).

Section 5. The Chair, Vice Chair and/or Administrative Director of the Agency is hereby authorized, on behalf of the Agency, to negotiate and enter into (A) the Project Agreement, (B) the Lease Agreement, pursuant to which the Company leases the Project to the Agency, (C) the related Leaseback Agreement, pursuant to which the Agency leases its interest in the Project back to the Company, and (D) the Tax Agreement, *provided, that* (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for

actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the Tax Agreement are consistent with the Agency's Policy or the procedures for deviation have been complied with.

Section 6. The Chair, Vice Chair and/or Administrative Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender/financial institution identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or re-finance equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement and Tax Agreement, collectively called the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, Vice Chair and/or Administrative Director of the Agency shall approve, the execution thereof by the Chair, Vice Chair and/or Administrative Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 7. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the office, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 8. All actions heretofore undertaken by the Agency with respect to the foregoing are hereby ratified and approved.

Section 9. These Resolutions shall take effect immediately.

The question of adoption of the foregoing Resolutions was duly put to vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Rich John	[ ]	[ ]	[ ]	[ ]
Deborah Dawson	[ ]	[ ]	[ ]	[ ]
Anne Koreman	[ ]	[ ]	[ ]	[ ]
Jeff Gorsky	[ ]	[ ]	[ ]	[ ]
John Guttridge	[ ]	[ ]	[ ]	[ ]
Todd Bruer	[ ]	[ ]	[ ]	[ ]
Ducson Nguyen	[ ]	[ ]	[ ]	[ ]

The Resolution was thereupon duly adopted.

**SECRETARY'S CERTIFICATION**  
*(Stately Apartments LLC Project)*

STATE OF NEW YORK                    )  
COUNTY OF TOMPKINS                ) SS.:

I, the undersigned Secretary of the Tompkins County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Tompkins County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on August 9, 2023, with the original thereof on file in the Agency's office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of the Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the Directors of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Secretary

[SEAL]

**Tompkins County Industrial Development Agency**  
**Quarter #2 Financial Report**  
**June 30, 2023**

	<b>2023 Budget</b>	<b>Year to Date 2023</b>	<b>% of Budget</b>
<b>Starting Balance</b>	\$ 2,625,750		
<b>Income</b>			
Fees from Projects	\$ 286,854	\$ 213,415	74%
Other Interest	\$ 800	\$ 337	42%
<b>Total</b>	<u>\$ 287,654</u>	<u>\$ 213,752</u>	<u>74%</u>
<b>Expenses</b>			
Administration	\$ 459,770	\$ 229,885	50%
D&O Insurance	\$ 2,154	\$ 1,474	68%
Misc Studies	\$ 20,000	\$ -	0%
Contract Svc/broadband	\$ 350,000	\$ 94,500	27%
Contract Svc/wayfinding	\$ 100,000	\$ -	0%
Contract Svc/equipment	\$ 500,000	\$ 500,000	100%
Attorney Fees	\$ 8,000	\$ -	0%
Audit	\$ 8,000	\$ 8,500	106%
<b>Total</b>	<u>\$ 1,447,924</u>	<u>\$ 834,359</u>	<u>58%</u>
<b>Ending Balance</b>	\$ 1,465,480	\$ 2,005,143	

**Tompkins County Industrial Development Agency**  
**Board of Directors Meeting DRAFT Minutes**  
**July 12, 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), Chris Durer (remote) (Visum Development Group)

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

**CALL TO ORDER**

Rich John called meeting to order at 2:35 pm.

**PRIVILEGE OF THE FLOOR**

**Theresa Alt** – 206 Eddy Street

In the 26 hours since yesterday's hearing, I suspect that not all IDA Board members have had a chance to study the hearing record, so I will shamelessly repeat what I said yesterday.

The Citizen on the site of the former Joe's Restaurant is not the kind of housing that the City of Ithaca needs. From Heather McDaniel's memo about financial need of the project, I teased out what the rents are likely to be. A very small one-bedroom apartment of about 600 square feet would probably rent for about \$1,758/month. It would take an annual income of \$70,320 to afford that. What kinds of jobs are there in the City of Ithaca? Well, a beginning secretary, Administrative Assistant II at Cornell might make \$20/hour or about \$40,000 a year. I looked at the City of Ithaca's CSEA Administrative Unit pay scales. Only a few of the most-skilled, top-paid positions in the unit could afford one of those one-bedroom apartments.

So The Citizen is market-rate housing, the kind we don't need more and more of. That \$5,500 fee per unaffordable unit to the Tompkins County Community Housing Development Fund won't be paid for several years. So it will be quite a few years before the Fund can be used to attract State or Federal money to build affordable units and those units can actually be built. If any land is left.

I noticed in the community benefits overview that over the next ten years, the amount of abated taxes will somewhat exceed the amount of actually paid new taxes.

We don't need more gentrification in the West End. What we need is housing that the people who work in the City can afford. I'm talking about all those clerical workers and retail clerks and waitpersons and hotel cleaners. When people are forced to live far away and drive to work, that's very bad for the planet.

By the way, the West State Street project by Visum is just what we need.

**Peter Wissoker** – 705 North Tioga St.

I'd like to address a few points:

- 1) At yesterday's TCIDA Finance and Audit meeting there was an illuminating discussion of why the organization should stop using the term "Tax Abatement" and instead use "Tax Incentive." Why? "These people," to use someone's phrase, who see the term "tax abatement" see it as a negative, whereas the idea of the organization incentivizing development would be greeted more positively. Setting aside for a minute the somewhat demeaning tone of "these people" or "those people;" or the idea that something can be sensationalized and still have a grain of truth in it; and understanding that recent press has been somewhat negative toward what you do, I don't see why the organization can't use whichever term is appropriate given the context. As far as I can see, you are using tax abatements to incentivize development. By way of example, allow me to use the two terms in my comments on the projects on today's agenda:
  - a. First, I know you're not used to me saying something positive, but on the face of it, the affordable housing project, "The Stately," looks terrific—it has a firm plan for how it will be managed and it will be associated with a non-profit with the capacity to do so. It is just the type of project I think you should incentivize with an abatement and I urge you to do so.
  - b. Now, for "The Citizen:" You'll find my comments from yesterday's public hearing on "The Citizen" in your package. I won't repeat them here. The short version is that I urge you not to provide the developers a tax abatement because the project is not the type you should incentivize using public tax dollars. I would add that giving a market-rate housing project a tax abatement only incentivizes the developers and others like it to come to TCIDA to ask for one as well. If you want to incentivize its positive environmental impact, then I urge you to give it a shorter abatement, say five years, instead of ten.
- 2) Finally, another point that came up yesterday, along with the question of the use of the term "incentives" instead of "abatements," was whether the agency could point to the assessed value of a property the agency supported and contrast it with the value the property would have if you hadn't given the project on the property a tax abatement (approximately 20 minutes into the recording). The idea was thrown around as to whether it was worth keeping track of how the sum total of what the project's assessment would be with and without the incentive and how that figure would make for a "compelling picture" and be useful in proving that what you are doing offers a "benefit to the community." This sounds like a lovely PR idea, but I would urge the board to remember that you don't always know.

If you have a good piece of land another developer might come along or the original developer might go ahead with the project. In other words, you can't keep assuming that every project will fail without a subsidy.

What if The Marriott was actually the exception rather than the rule? There are times when the land will be built on without the subsidy if you'd only let it happen. Remember that the agency is constantly engaged in a game of chicken where developers are always going to say they need your assistance and it is your job to recognize when they can afford to do the project without your help or when another developer will come along who can. (Yes, I recognize that they can submit viable pro forma, but I also know that historically many developers game the system—as they say).

In other words, you can't project that a property will be vacant over the next five years and pretend that the assessment will remain the same, because you don't know. I urge you not to begin to speculate in the proposed way just to try and make yourselves look good. It would be irresponsible to do so.

## **ADDITIONS TO THE AGENDA – None**

Heather McDaniel noted that the Livestream function is not currently working. The video of today’s meeting will be posted to the TCIDA YouTube page.

## **BUSINESS**

### 602 W. Buffalo Street (The Citizen) – Final Approval

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

The public hearing for this project was held on July 11, 2023. Minutes from the public hearing have been distributed to board members. The determination of financial need memo was included in the agenda package of materials.

**John Guttridge made a motion to approve the authorizing resolution giving final approval for 602 W Buffalo QOZB LLC project application. Ducson Nguyen seconded the motion.**

Discussion:

Rich John stated that the project provides new, safe, energy efficient housing in the community. The life of the building will be more than the 10-year PILOT time frame.

John Guttridge echoed Rich John’s comments. The taxes on the new building will be more than the current building. The project is in the CIITAP area and will provide the density that the City of Ithaca is looking for.

Deborah Dawson stated that comments from the public hearing minutes should be given thought and are worth discussing at a future time. These comments include making sure that permanent jobs created by the project should continue to pay a living wage beyond the time frame of the PILOT agreement; the developer should be encouraged to pay prevailing wage to the construction workers and to purchase construction materials from local suppliers.

Todd Bruer agreed with Deborah Dawson’s comments. He asked what could be done to ensure the developer/general contractor pays sub-contractors on time. It was pointed out that this concern is addressed in the lien law in NYS. Russ Gaenzle stated that if a lien is placed on a TCIDA induced project, this would trigger an instance of default. If the lien is not cured, then the PILOT agreement would be terminated and the project place back on the tax rolls.

Ducson Nguyen asked if the payment of the housing fee is noted in the resolution? Heather McDaniel responded that the details of the housing fee payment are noted in the project application which is memorialized in the authorizing resolution.

Ducson noted that while the housing fees may seem “small” in terms of what is needed to build an affordable housing project, they do leverage quite a number of affordable housing projects.

**A vote was taken on the motion. The motion was approved 6-0-1 (Jeff Gorsky abstain).**

### 510 W State Street (The Stately) - Application

Heather McDaniel introduced the project and provided an overview of the requested incentives. The applicant is requesting the incentive outlined in the TCIDA Uniform Tax Exemption Policy for an affordable housing project. The term of the incentive is for 30 years plus a 20-year extension which is coterminous with the regulatory period for the affordable housing. A drafted PILOT schedule is included in the application packet. The applicant has also requested the IDA consider reducing the fee by 50%. A memo from the applicant was provided.

It was noted that page 8 of the application has been corrected to reflect that 31% of project costs are financed from the public sector. NYS requires a project with more than 30% of project costs financed from the public sector to pay prevailing wage to construction workers. However, affordable housing projects are exempt from this requirement.

Todd Fox introduced Julia Bucher and Catherine Cullen who gave an overview of the proposed project.

Jeff Gorsky asked about the ownership structure. Chris Durer responded on behalf of Visum Development. The not-for-profit Arbor Housing will have a controlling interest as the managing member of the LLC that is created to own the housing project for the first 15 years. They will have an option to exit or stay after the first 15 years. If they exit, Visum Development will then step in as the managing member. It is a complicated ownership structure due to the tax credit set up.

Jeff asked about past IDA projects that have requested a reduction in the IDA administrative fee: INHS/Hancock and First, a not-for-profit was approved; Arthaus, a for profit, was denied; Cayuga Park and Asteri, both for profits, were approved.

The TCIDA UTEP fee structure was last revised to include an allowance of ½% fee for affordable housing projects with a not-for-profit developer. The UTEP is silent regarding for profit developers.

With affordable housing projects and tax credits, the developer fee is always paid last, and this is only if there is anything left from the revenue generated by the project. It is unlikely, given the current financials, that the developer will be paid in that time frame.

This project is only requesting a PILOT agreement, they will not need the sales tax exemption nor the mortgage recording exemption due to the not-for-profit status of Arbor Housing.

Todd Bruer asked who would be responsible for the PILOT payments. This would be Arbor Housing as the managing member.

Ducson Nguyen asked if Catholic Charities had experience providing supportive services to residents in need of them. Yes, this organization was selected due to their experience.

Deborah Dawson asked about the \$100,000 loan from Tompkins County. Heather McDaniel stated that this is from the Community Housing Development fund as a forgivable loan.

**John Guttridge made a motion to accept the application from 510 W State Street (The Stately) as complete and to move the project to a public hearing. Anne Koreman seconded the motion.**

It was noted that the request for the ½% administrative fee would be discussed and decided on during the August 9, 2023 board meeting.



John Guttridge pointed out that with the reduction in the IDA fee, the attorney fee would also be reduced.

Ducson Nguyen asked if supportive services would be available 24/7. Not, 24/7 but there would be evening and weekend hours available if needed.

**A vote was taken on the motion. The motion was approved 7-0.**

#### Local Labor Policy – Discussion

**Deborah Dawson made a motion to modify the TCIDA Local Labor Polity to require applicants to submit a description of the project and the anticipated financial assistance to the Tompkins-Cortland Building and Construction Trades Council with five (5) business days of TCIDA approval *via certified mail*. Anne Koreman seconded the motion. The motion was approved 7-0.**

Todd Bruer referenced the Broome County IDA and how they request that he help with finding bidders for their projects. Heather McDaniel commented that the TCIDA labor policy notification requirement is set up to alert the Tompkins-Cortland Building and Construction Trades Council to the fact that there is an IDA project. This should be the cue to reach out to local contractors and alert them that there is a project that will be seeking bids.

The need for developing a list of local bidders and contractors who employ local workers was discussed.

Anne Koreman suggested that the local labor policy be sent back to the labor committee for review.

The discussion continued regarding administrative waivers.

Rich John commented that due to the fact that there can be proprietary information in the underlying documents when an administrative waiver is requested, it seems best to go to the IAED offices to review them rather than sending them via email.

John Guttridge commented that there are times that are outside of office hours when he would like to review documents to get the big picture. He feels that having access to information is importance and the level of secrecy needed should be discussed.

Jeff Gorsky commented that the labor committee should be the body to review and adjust the policy. The IDA board is a policy board and should remain that way and allow the staff to administer the approved policies.

The TCIDA Local Labor Policy will be sent back to the Labor Committee for review and updating if necessary.

**CHAIRS REPORT – None**

#### **STAFF REPORT**

Heather McDaniel reported that NYS legislation was approved that would allow projects under a PILOT agreement to be included in the tax cap calculations.

#### **MINUTES**

**Deborah Dawson made a motion to approve the minutes of the June 14, 2023 board of directors meeting. Jeff Gorsky seconded the motion. The motion was approved 7-0.**

John Guttridge proposed to adjust the TCIDA/TCDC Board meeting start time to 2:00 PM. This adjustment would allow an additional 30 minutes for discussion. This was agreeable to all.

The meeting adjourned at 4:15 pm.