

# Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

**TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING  
Wednesday, July 10, 2024 • 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

- |  |             |
|--|-------------|
| <b>1. CALL TO ORDER</b>  |             |
| <b>2. PRIVILEGE OF THE FLOOR</b>   |             |
| <b>3. ADDITIONS TO AGENDA</b>  | <b>Page</b> |
| <b>4. BUSINESS</b>   |             |
| Uniform Tax Exemption Policy Amendment – Approval  |             |
| Adding a new section to “Procedures” as follows: If a requested amendment to an approved project results in an increase in incentive valued over \$100,000, a Public Hearing will be held in the city, town or village where the project is located, with ten days public notice and ten days notice to the CEO of each affected municipality and school district. |             |
| Full policy is available at:<br><a href="https://tompkinsida.org/wp-content/uploads/2023/08/TCIDA-UTEP-2023-1.pdf">https://tompkinsida.org/wp-content/uploads/2023/08/TCIDA-UTEP-2023-1.pdf</a>  |             |
| 2023 Jobs Report and Memo  | 2           |
| SouthWorks – Discussion  |             |
| Application Materials: <a href="https://tompkinsida.org/projects/">https://tompkinsida.org/projects/</a>   |             |
| <b>5. CHAIR’S REPORT</b>   |             |
| <b>6. STAFF REPORT</b>   |             |
| <b>7. MINUTES - APPROVAL</b>   |             |
| June 12, 2024 Board Meeting  | 6           |
| <b>8. ADJOURNMENT</b>  |             |

# Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

## Memorandum

To: TCIDA Board Members  
 From: Heather McDaniel, Administrative Director  
 Date: July 10, 2024  
 Re: 2023 Project Jobs Report

I am providing this memo along with the 2023 Project Report Chart 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 2023 that were approved between 2003 and 2023. Forty-seven of those projects were under a PILOT agreement in 2023; they paid \$4,288,513 in new property taxes and benefited from property tax exemptions of \$5,644,579. Eighteen projects were under construction and benefited from sales tax exemptions totaling \$2,550,804. Two projects secured mortgage financing and received an exemption from the state share of the mortgage recording tax totaling \$98,532. Projects reported 1,993 jobs in 2023. Of those that reported, total payroll was over \$148 million with an average wage over \$37 per hour. There were 15 solar projects representing 65.1 megawatts of renewable energy and 1,836 new housing units, 23.58% of which are affordable units.

In addition to the Project Report Chart, I am providing information below for projects that have been completed and job creation or retention goals have not been met. Eleven projects did not meet job creation or retention goals. I have provided a narrative for each of these projects below the chart along with my recommendations regarding termination and/or recapture.

Project Name	Exemption Period	Jobs at Application (Retained)	Projected New Jobs	Current Employment 12/31/23	Net jobs Gained	Payroll 2023	Average Wage (hrly)
Carey Building	2019-2028	24	0	5.0	-19.0	\$194,147.00	\$19.41
Hancock and First	2019-2046	2	2	3.0	1.0	\$101,862.70	\$16.98
Hilton Canopy (Ithaca Downtown Assoc., LLC)	2019-2028	0	47	37.0	37.0	\$1,315,656.98	\$25.25
Hotel Ithaca (Holiday Inn/Lenroc)	2019-2025	78	21	61.0	-17.0	\$1,416,710.00	\$27.63
Incodema	2021-2033	47	8	39.0	-8.0	\$3,032,782.74	\$38.88
Lansing Market Realty	2012-2023	0	17	0.0	0.0		
Organic Nature, LLC (Green Star Coop)	2021-2027	240	40	169.0	-71.0	\$4,328,167.00	\$21.83
Therm, Inc.	2019-2025	158	10	136.0	-22.0	\$10,101,413.00	\$37.14
Tompkins Trust HQ	2020-2029	300	6	270.7	-29.3	\$25,869,531.00	\$47.78
Transonic Systems	2011-2031	116	20	72.6	-43.4	\$7,072,805.00	\$48.71
Twenty Thornwood (Macom)	2017-2030	57	91	52.0	-5.0	\$4,999,754.58	\$48.07

1. **Carey Building (REV Ithaca Startup Works, retail, rental housing)** – This development did not project any new jobs because of the project, which is generally the case with community development projects. The benefits of this project were the addition of space to house the new community startup incubator and new housing units which is a well-documented need in the community. There were no job retention or creation requirements in the approval documents. The developer did indicate in the application that there were 24 existing jobs, which were the existing retail tenants in the building prior to the addition. The retail tenants have changed and thus the nature and number of jobs, so the base number of jobs has declined. The retail spaces are 100% leased. ***I do not recommend any action on this project.***
2. **Hancock and First** – This affordable housing project did project four positions on site and there are currently three. The primary benefit of this project was the increase in affordable housing units, not job creation. ***I do not recommend any action on this project.***
3. **Hilton Canopy** – The hospitality industry was particularly negatively impacted by the COVID-19 Pandemic and full recovery has lagged. Jobs remained steady at 37 in 2022 and 2023. ***I do not recommend any action on this project.***
4. **Hotel Ithaca (Holiday Inn/Lenroc)** – The hospitality industry was particularly negatively impacted by the COVID-19 Pandemic and full recovery has lagged. Jobs did increase from 53 in 2022 to 61 in 2023. ***I do not recommend any action on this project.***
5. **Incodema** – This was just the third year under PILOT for this project. Pre-COVID, the company was undergoing a time of expansion and accelerated growth hence the need for a new facility. During COVID the company experienced a booming economy for its services and capabilities which they believed would continue at a modest rate for the coming years. However, the marketplace took an unexpected slow down post covid accompanied with rising interest rates and an inflationary economy. Many of their top customers entered a period of contraction due to excess inventories and slowing sales. Since that time, they have been repositioning themselves in the marketplace, focusing on new market segments and customers, and developing a new growth strategy. Currently, they are preparing to add two employment positions in the fall. ***I do not recommend any action on this project.***
6. **Lansing Market Realty** – The Lansing market closed its doors in 2022. ***The TCIDA approved and terminated the PILOT in 2023.***
7. **Organic Nature, LLC (GreenStar)** – This much-loved member owned supermarket was negatively impacted by the COVID-19 Pandemic and likely over estimated overall business growth along with job growth when the expansion was planned. Jobs are consistently growing, albeit at a much lower rate than what was originally projected. Jobs totaled 145 in 2021, 155 in 2022, and 169 in 2023. ***I do not recommend any action on this project.***
8. **Therm** – This company has been impacted by a slow down after COVID. Jobs did increase by one from 2022 to 2023 and the company is an active participant in the Direct to Work entry level manufacturing training program coordinated by IAED. As has been noted in previous annual reports, there was a discrepancy between the IDA application asking for ‘total jobs’ and the annual reporting forms requiring ‘full time equivalents’ which is what is reported to the State. Total jobs is generally a higher number than full time equivalents, so the jobs at application were likely overstated by mistake. This discrepancy has since been corrected on the IDA application. ***I do not recommend any action on this project.***
9. **Tompkins Trust HQ** – The company’s job numbers are slightly under the projections that were provided prior to construction. This is primarily due to difficulty filling vacant positions as well as the company balancing some remote workers. The company, like most, was impacted by the COVID19 Pandemic and

has transitioned most positions back into the building. ***I do not recommend any action on this project.***

10. **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. In 2022, I recommended terminating this PILOT, however, upon further information, a taxable bond that was issued in conjunction with the project would necessitate an amendment that would need to be approved by the bond holders. ***I do not recommend any action on this project.***
11. **Twenty Thornwood (Macom)** – An incentive was provided to the property owner to support, at the time, local startup company Binoptics as it established and grew here. The company did grow and was sold to Massachusetts- based Macom in 2014. This company had significant local investment that investors were then able to re-invest in other local start-up companies. In 2019, Macom significantly reduced its operations here, moving its manufacturing lines to the parent company’s location, largely because of an inability to expand because of a natural gas moratorium at the Lansing location. Some R&D remains here. The property owner has since rented the remaining space and job numbers between the two companies are nearly where the original projections were. ***I do not recommend any action on this project.***

To recap, I do not recommend any action on the projects outlined above. ***I ask that the IDA consider the narrative I have provided along with my recommendations and make a determination in regard to the recapture policy.***

TCIDA SCHEDULE OF PROJECTS  
DECEMBER 31, 2023

Under Construction  
Did not meeting job creation goal

Project Name	Exemption Period	2023 Exemption Type	Project Purpose*	Project Value	Sales Tax Cap	2023 Sales Tax Exemptions	2023 Mortgage Tax Exemptions	2023 Payments in Lieu of Taxes	2023 Property Taxes if not Exempt	2023 Property Taxes Abated	2023 Total Exemptions	Jobs at Application (Retained)	Projected New Jobs	Current Employment 12/31/23	Net jobs Gained	% Projected Jobs Created	% County Residents	Payroll 2023	Average Wage (hrly)
121 - 125 Lake Street, LLC (The Breeze)	2023-2024	STE/MRT	Real Estate	\$ 38,634,655	\$ 960,347	\$ -	\$ 64,860.74				\$ 64,860.74	0	0	0.0	0.0				
GPA Management (The Dean)	2023-2024	STE/MRT	Real Estate	\$ 19,558,226	\$ 491,244	\$ 223,550.93	\$ 33,672.00				\$ 257,222.93	0	0	0.0	0.0				
Asteri Conference	2021-2024	STE	Services	incl w housing	\$ 1,360,000	\$ 56,618.64					\$ 56,618.64	0	20	0.0	0.0	0%			
Asteri Ithaca (Apts)	2021-2024	STE	Real Estate	\$ 103,695,152	\$ 2,640,000	\$ 933,095.77					\$ 933,095.77	0	6	0.0	0.0	0%			
Asteri Parking	2021-2024	STE	Other	\$ 1,100,000	\$ 720,000	\$ 856.64					\$ 856.64	0	0	0.0	0.0				
Carpenter Park Apartments	2021-2023	STE	Real Estate	\$ 10,084,214	\$ 520,000	\$ 50,827.48					\$ 50,827.48	0	1	1.0	1.0	100%	100%	\$ 55,000.00	\$ 27.50
City Harbor	2021-2025	STE	Real Estate	\$ 44,122,195	\$ 1,839,257	\$ 2,855.75					\$ 2,855.75	0	4	0.0	0.0	0%			
NSF Enfield Solar 1	2022-2024	STE	Electric/Solar	\$ 6,700,000	\$ 349,472	\$ 65,752.25					\$ 65,752.25	0	0	0.0	0.0				
NSF Enfield Solar 2	2022-2024	STE	Electric/Solar	\$ 6,700,000	\$ 349,472	\$ 40,179.48					\$ 40,179.48	0	0	0.0	0.0				
NSF Enfield Solar 3	2022-2024	STE	Electric/Solar	\$ 6,700,000	\$ 349,472	\$ 112,143.05					\$ 112,143.05	0	0	0.0	0.0				
Arnot Ithaca 2	2021-2034	PILOT/STE	Real Estate	\$ 39,258,169	\$ 1,421,202	\$ 8,449.74		\$ 62,049.86	\$ 206,832.87	\$ 144,783.01	\$ 153,232.75	0	2	0.0	0.0	0%			
BVSHF III (401 E State Street)	2021-2036	PILOT/STE	Real Estate	\$ 134,801,491	\$ 4,443,971	\$ -		\$ 54,999.03	\$ 94,798.40	\$ 39,799.37	\$ 39,799.37	0	10	0.0	0.0	0%			
Carpenter Park Medical Office Building	2021-2051	PILOT/STE	Services	\$ 32,290,117	\$ 1,100,000	\$ 82,707.36		\$ 28,586.00	\$ 151,677.44	\$ 123,091.44	\$ 205,798.80	0	63	49.0	49.0	78%	90%	\$ 929,536.77	\$ 37.94
Carpenter Park Mixed Use	2021-2034	PILOT/STE	Real Estate	\$ 47,146,487	\$ 2,400,000	\$ -		\$ 73,897.83	\$ 51,708.22	\$ (22,189.62)	\$ (22,189.61)	0	3	0.0	0.0	0%			
Ex Libris, LLC	2019-2033	PILOT/STE	Real Estate	\$ 31,713,000	\$ 1,195,350	\$ 527,790.83		\$ 31,886.73	\$ 66,358.88	\$ 34,472.15	\$ 562,262.98	0	0	0.0	0.0				
Green Street Dev. Partners/The Ithacan	2021-2053	PILOT/STE	Real Estate	\$ 64,300,000	\$ 2,800,000	\$ 406,025.84		\$ 20,683.29	\$ 144,783.01	\$ 124,099.72	\$ 530,125.56	0	6	6.0	6.0	100%	50%	\$ 420,000.00	\$ 35.00
Ithaca Arthaus	2019-2052	PILOT/STE	Real Estate	\$ 28,792,128	\$ 960,000	\$ -		\$ 107,296.00	\$ 482,610.03	\$ 375,314.03	\$ 375,314.03	0	0	2.5	2.5	Exceeded	100%	\$ 227,240.00	\$ 45.45
Knickerbocker Bed Company	2021-2033	PILOT/STE	Manufacturing	\$ 10,525,000	\$ 600,000	\$ 39,950.85		\$ 78,690.00	\$ 123,259.80	\$ 44,569.80	\$ 84,520.65	0	88	93.0	93.0	106%	58%	\$ 6,998,395.00	\$ 37.63
15 Royal Road (Emmy's Organics)	2021-2030	PILOT	Manufacturing	\$ 2,360,000				\$ 8,239.00	\$ 53,179.79	\$ 44,940.79	\$ 44,940.79	27	5	33.0	6.0	120%	83%	\$ 1,498,687.55	\$ 22.71
209-215 Dryden Assoc., LLC	2015-2066	PILOT	Real Estate	\$ 39,350,000				\$ 224,485.63	\$ 179,255.15	\$ (45,230.48)	\$ (45,230.48)	1	0	50.5	49.5	Exceeded	63%	\$ 5,214,135.00	\$ 51.63
323T, LLC	2021-2030	PILOT	Real Estate	\$ 4,614,574				\$ 7,066.79	\$ 127,546.94	\$ 120,480.15	\$ 120,480.15	0.0	0	0.0	0.0				
327 W Seneca (Visum Dev. Group)	2022-2032	PILOT	Real Estate	\$ 1,778,422				\$ 10,531.24	\$ 51,018.77	\$ 40,487.53	\$ 40,487.53	0	0	11.0	11.0	Exceeded	73%	\$ 644,641.19	\$ 29.30
330 Main Street Holdings (Incodema3D)	2017-2023	PILOT	Manufacturing	\$ 7,150,000				\$ 48,406.31	\$ 51,997.38	\$ 3,591.07	\$ 3,591.07	9	26	54.0	45.0	173%	80%	\$ 4,704,731.00	\$ 43.56
AES Cayuga (Heorot Power)	2009-2024	PILOT	Electric/Power Plant					\$ -	\$ -	\$ -	\$ -	94	0	0.0	-94.0	Contracted			
Carey Building	2019-2028	PILOT	Real Estate	\$ 5,757,000				\$ 85,663.28	\$ 189,596.80	\$ 103,933.52	\$ 103,933.52	24	0	5.0	-19.0	Contracted	87%	\$ 194,147.00	\$ 19.41
Cascade Plaza (Hilton Garden Inn Bldg)	2005-2025	PILOT	Services	\$ 29,000,000				\$ 752,871.65	\$ 875,592.48	\$ 122,720.83	\$ 122,720.83	0	305	445.0	445.0	146%	27%	\$ 45,787,796.00	\$ 51.45
City Centre	2020-2029	PILOT	Real Estate	\$ 52,713,000				\$ 200,627.88	\$ 1,447,830.09	\$ 1,247,202.21	\$ 1,247,202.21	0	3	7.0	7.0	233%	72%	\$ 580,488.54	\$ 41.46
College Circle Association	2003-2043	PILOT	Real Estate	\$ 21,500,000				\$ 296,588.00	\$ 982,398.72	\$ 685,810.72	\$ 685,810.72	0	0	0.0	0.0				
DRS NY Dryden I	2020-2039	PILOT	Electric/Solar	\$ 3,066,011				\$ 10,188.00	\$ 12,830.32	\$ 2,642.62	\$ 2,642.32	0	0	0.0	0.0				
DRS NY Dryden II	2020-2039	PILOT	Electric/Solar	\$ 3,066,011				\$ 5,932.00	\$ 14,110.94	\$ 8,178.94	\$ 8,178.94	0	0	0.0	0.0				
DRS NY Newfield I	2019-2038	PILOT	Electric/Solar	\$ 4,198,841				\$ 17,319.00	\$ 17,579.55	\$ 260.55	\$ 260.55	0	0	0.0	0.0				
DRS NY Newfield II	2019-2038	PILOT	Electric/Solar	\$ 4,198,841				\$ 17,319.00	\$ 16,036.21	\$ (1,282.79)	\$ (1,282.79)	0	0	0.0	0.0				
DRS NY Newfield III	2017-2038	PILOT	Electric/Solar	\$ 4,198,841				\$ 17,319.00	\$ 17,488.91	\$ 169.91	\$ 169.91	0	0	0.0	0.0				
DRS NY Newfield IV	2021-2039	PILOT	Electric/Solar	\$ 4,509,190				\$ 10,188.00	\$ 31,193.07	\$ 21,005.07	\$ 21,005.07	0	0	0.0	0.0				
DRS NY Newfield V - IV B (parcel merged)	2021-2039	PILOT	Electric/Solar	\$ 4,509,190				\$ 10,188.00	\$ 31,301.33	\$ 21,113.33	\$ 21,113.33	0	0	0.0	0.0				
Dryden Tompkins Solar I	2020-2048	PILOT	Electric/Solar	\$ 35,566,956				\$ 116,903.00	\$ 14,677.75	\$ (102,225.25)	\$ (102,225.25)	0	0	0.0	0.0				
Dryden Tompkins Solar II	2021-2050	PILOT	Electric/Solar	\$ 17,431,772				\$ 62,424.00	\$ 36,302.06	\$ (26,121.94)	\$ (26,121.94)	0	0	0.0	0.0				
Enfield Solar	2020-2039	PILOT	Electric/Solar	\$ 4,615,469				\$ 16,979.00	\$ 15,026.07	\$ (1,952.93)	\$ (1,952.93)	0	0	0.0	0.0				
Hancock and First	2019-2046	PILOT	Real Estate	\$ 21,706,403				\$ 71,359.21	\$ 210,280.08	\$ 138,920.87	\$ 138,920.87	2	2	3.0	1.0	50%	67%	\$ 101,862.70	\$ 16.98
Harolds Holding	2020-2031	PILOT	Real Estate	\$ 42,900,000				\$ 145,086.36	\$ 965,220.06	\$ 820,133.70	\$ 820,133.70	0	0	1.75	1.8	Exceeded	100%	\$ 77,295.00	\$ 22.08
Hilton Canopy (Ithaca Downtown Assoc., LLC)	2019-2028	PILOT	Services	\$ 24,172,500				\$ 128,787.93	\$ 395,740.22	\$ 266,952.29	\$ 266,952.29	0	47	37.0	37.0	79%	100%	\$ 1,315,656.98	\$ 25.25
Hotel Ithaca (Holiday Inn/Lenroc)	2019-2025	PILOT	Services	\$ 15,000,000				\$ 281,154.81	\$ 410,218.53	\$ 129,063.71	\$ 129,063.72	78	21	61.0	-17.0	Contracted	62%	\$ 1,416,710.00	\$ 27.63
Hotel Ithaca (Marriott)	2016-2026	PILOT	Services	\$ 32,000,000				\$ 356,717.76	\$ 571,548.16	\$ 214,830.41	\$ 214,830.40	0	75	103.0	103.0	137%	65%	\$ 3,332,033.00	\$ 21.48
Incodema	2021-2033	PILOT	Manufacturing	\$ 2,127,000				\$ 31,176.00	\$ 30,186.07	\$ (989.93)	\$ (989.93)	47	8	39.0	-8.0	Contracted	25%	\$ 3,032,782.74	\$ 38.88
Ithaca Beer	2014-2027	PILOT	Manufacturing	\$ 7,200,000				\$ 73,707.23	\$ 98,276.31	\$ 24,569.08	\$ 24,569.08	14	23	38.0	24.0	104%	75%	\$ 2,285,071.46	\$ 30.07
Ithacare (Longview)	2019-2029	PILOT	CCRC	\$ 4,600,000				\$ 1.00	\$ 368,399.52	\$ 368,398.52	\$ 368,398.52	37	19	56.0	19.0	100%	53%	\$ 2,894,950.00	\$ 25.85
Lansing Market Realty	2012-2023	PILOT	Services	\$ 3,025,000				\$ 14,745.32	\$ 30,953.91	\$ 16,208.59	\$ 16,208.59	0	17	0.0	0.0	0%			
Lansing Renewables Solar	2021-2040	PILOT	Electric/Solar	\$ 7,938,137				\$ 22,369.00	\$ 98,934.19	\$ 76,565.19	\$ 76,565.19	0	0	0.0	0.0				
Mecklenburg Solar	2019-2038	PILOT	Electric/Solar	\$ 3,450,000				\$ 15,587.00	\$ 13,251.43	\$ (2,335.57)	\$ (2,335.57)	0	0	0.0	0.0				
Nine Brown Road (Odyssey)	2007-2030	PILOT	Manufacturing					\$ 28,454.32	\$ 44,459.88	\$ 16,005.56	\$ 16,005.56	0	0	8.0	8.0	Exceeded	94%	\$ 1,411,291.00	\$ 88.21
Nineteen Brown Road (Q Squared)	2007-2025	PILOT	Manufacturing	\$ 7,450,000				\$ 101,166.97	\$ 129,526.45	\$ 28,359.47	\$ 28,359.48	125	0	176.0	51.0	Exceeded	50%	\$ 12,443,944.00	\$ 35.35
Organic Nature, LLC (Green Star Coop)	2021-2027	PILOT	Retail	\$ 14,700,000				\$ 96,522.01	\$ 137,888.58	\$ 41,366.57	\$ 41,366.57	240	40	169.0	-71.0	Contracted	86%	\$ 4,328,167.00	\$ 21.83
Salt Point Brewing Company	2023-2029	PILOT	Manufacturing	\$ 934,850				\$ 7,034.98	\$ 19,697.94	\$ 12,662.96	\$ 12,662.96	2.5	6	13.5	11.0	183%	100%	\$ 456,969.63	\$ 16.92
Therm, Inc.	2019-2025	PILOT	Manufacturing	\$ 2,500,000				\$ 74,220.22	\$ 83,798.61	\$ 9,578.39	\$ 9,578.39	158	10	136.0	-22.0	Contracted	51%	\$ 10,101,413.00	\$ 37.14
Tompkins Trust HQ	2020-2029	PILOT	Finance	\$ 35,000,000				\$ 261,385.04	\$ 636,011.08	\$ 374,626.04	\$ 374,626.04	300	6	270.7	-29.3	Contracted	52%	\$ 25,869,531.00	\$ 47.78
Transonic Systems	2011-2031	PILOT	Manufacturing	\$ 4,750,000				\$ 135,020.65	\$ 135,020.65	\$ -	\$ -	116	20	72.6	-43.4	Contracted	72%	\$ 7,072,805.00	\$ 48.71
Twenty Thornwood (Macom)	2017-2030	PILOT	Real Estate	\$ 2,321,000				\$ 66,689											

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Draft Minutes  
June 12, 2024 2:00 – 4:00 PM  
TC Legislative Chambers  
121 E. Court Street  
Ithaca NY 14850**

- Present:** Rich John, Todd Bruer, Jeff Gorsky, John Guttridge, Ducson Nguyen, Anne Koreman,
- Excused:** Deborah Dawson
- Admin:** Heather McDaniel, Ina Arthur, Kellea Bauda (IAED), Russ Gaenzle (Harris Beach)
- Guests:** Robert Cain (remote) (CSD Housing), Lauren Tegnander, LCSW (remote) (Rehabilitation Support Services, Inc.), Robert Lewis, Brian Murray, Greg DeFabio, Sarah Barden (Shift Capital), David Lubin (L Enterprise), Nenne Lynch (Xylem), Melissa Geska (US Ceiling Corporation)

**CALL TO ORDER**

Rich John called meeting to order at 2:32 pm.

**PRIVILEGE OF THE FLOOR**

**Theresa Alt** – 206 Eddy Street, Ithaca – Sorry I couldn't attend the hearing about the Meadow, a project worthy of support. I did read the minutes and note that they are misdated, the sort of mistake that I make when I use a past set of minutes as template for a new meeting. Dylan Watros had some sensible concerns about staffing for supportive housing. I believe that IAED has relationships with job training programs, and this field might be a candidate.

As for the new application from SouthWorks, I want to note some history. Another project that you have supported, all-affordable Asteri in central downtown, originally proposed 218 units. Unfortunately, the market-rate building that you also had supported, Harolds Square, or more precisely the company Harold's Holding, LLC, sued because Asteri, with an equal right to build, was going to block the view from Harold's Square windows. Asteri agreed to reduce the size of the building, cutting down to 181 units. Harold's Holding grandly announced that the affordable unites would be replaced by unites at Chainworks, now SouthWorks. Then Harold's Holding sold Chainworks. We now see that SouthWorks plans to build 20% equaling 218 unites plus the 37 units lost from Asteri, so totaling 220 affordable units. I think you have the power to insist on this, even if Harold's Holding didn't inform the buyers of their promise.

**Jennifer Tavares** – Tompkins County Chamber of Commerce – I am here on behalf of the Chamber to express our support of the SouthWorks project. This transformative project with its size and scope and potential community benefits comes along once in a generation and likely cannot be completed without a partnership with local municipalities and the IDA. This project includes adaptive reuse which is far more beneficial than a tear down or rebuild would be. This project supports our environmental and sustainability goals with massive investments to date. Plans for the entire site to be net zero development infrastructure updates and investments including trail connections are also going to benefit the community. As many of you are aware, our housing task force recommends the support of this proposed project with its 915 proposed housing units which will include at least 20% affordable units and additional workforce housing should the economics work on the project. We cannot delay in building more housing to address our shortages in Tompkins County. This project

may create thousands of construction and permanent jobs for our area as well as stimulate micro enterprise, small business development, and incubation. It further supports our workforce development strategies particularly around construction workforce needs. Projects like SouthWorks will help create community and become an economic hub to our region. This project has real potential to attract businesses, residents and visitors alike and if you've ever visited a similar project in another community, you will likely understand why. Redeveloped former industrial spaces are magical. They are awe inspiring. It is sometimes hard to make the leap from what we see today at SouthWorks to what this site can become yet there are numerous examples that we can point to – Chelsea Market in NYC, Industry City in Brooklyn and Tin City in Pasa Robles, CA. We can also point to the South Hill Business Campus which is a highly successful redevelopment project that supports a vibrant artist small and large business ecosystem. With its substantial request which I know can seem large if you just look at the numbers, I want to point to the fact that this request is reasonable based on the value of the projected investment. This local investment which is requested as a part of this overall project structure is not cash or grant but based on projection of full tax revenue on something that might never be built without it. It would result in an increase in property taxes far beyond what the site is generating now. Even with the proposed PILOT schedule local property tax payments will increase significantly. Once the entire project is placed under PILOT about 45 million in net new property taxes are projected over 20 years. This is something that our community can really do without, I'm sure. The requested assistance will help incentivize over a half a billion dollars in investment in our community, in local construction trades, in affordable and workforce housing, in mixed use commercial development, in sustainable sites and green spaces, and in new infrastructure all of which be far more beneficial to us than not participating in this visionary and transformative project. So I encourage you give this a really hard look. I know this is going to be a process. I know this is just the beginning. I look forward to following along as you go through this over the next several months.

**Dylan Watros** – Town of Ithaca – I have been a Tompkins County resident my whole life. I have lived in the town of Ithaca for the past six years and have worked professionally in emergency services since 2011. I am speaking on behalf of myself and not my places of employment. I am here to speak against 114 North Meadow because I think that it is going to create a larger tax burden on our county residents, and I think that RSS and developer CDS are making a lot of promises that they cannot necessarily keep. One of my first considerations when I saw this I tried to do some research on RSS and I found that they operate housing in 12 other counties eight of which are significantly larger than our county. It seems a little bit concerning to me that in our County, which will be the ninth out of 12 or 13 that they operate housing in, we're going to get the largest supportive housing building. You know that doesn't really make sense to me. My fear is that this building will become a place that doesn't help our residents but turns into a space that's going to offload residents from other Counties and making them our county's responsibility. This happened in 2018 in Broome County when they were going to take legal action against NYC because the City was actually moving residents up to Broome County and basically making them Broome County's problem. This is seen in Arthaus. I spoke with someone familiar with Arthaus and they said the majority of the residents in the 40 units were actually from the New York City area so we are taking responsibility for people coming here from 230 miles away.

My second concern is the amount that the services that these buildings require are going to burden emergency services. Since 2022, Arthaus, which is a similar style housing model, has required over 1500 emergency responses from either the police department, the fire department, or the ambulance service. We are going to give them tax abatements which are supposed to be covering these services so when we do that burden for their services now falls on the rest of our county's constituents and that is not fair to them especially if they're going to be moving people from other counties into our county to house this place.

Another thing is I think the location for this building isn't necessarily the greatest. It is on the main two thoroughfares through Ithaca, Route 13 and Route 79.

My last point is, that I think they are making a promise they cannot keep. I think their goal of 9 – 12 staff members on site 24/7 or at least one on site 24/7 is great and sounds awesome but Arthaus was supposed to have just 3 staff members on site with one 24/7 and they do not do that. I have been there on multiple occasion trying to find staff members in the middle of the night and they are just not there. So I think this promise to staff this many people is just not feasible.

**Tim Downs** – City of Ithaca resident and VP of Finance, Ithaca College - I am here to speak on both items on the agenda. I will be brief as I will be wearing two different hats. The first hat is on Meadow on Seneca. I wear my resident of the City of Ithaca hat. I live at 602 West Seneca right across the street from the property and conceptually the project sounds great, and we all want success. Practically I worry about it being successful and what we don't want is another Arthaus. A one case manager to seven resident ratio is really rough and I feel like Dylan in that it's going to be a drain on the resources and what happens when they can't live up to that? What happens if it starts to falter and when it starts to fail? What can they do and adding back the tax abatement isn't going to help. It's just going to further the cycle so that's very concerning. One of the things I know in New Jersey they did when I worked down there is that they did a performance bond. They required the developer to get a performance bond that had to be held for five years after delivery and if for whatever reason they didn't live up to their obligation the municipality had the ability to draw on that bond to shore up the services. And to me if we want success, its' not tax them and make them close, it's about how do we ensure that. I would ask this group to figure out what can be done to help ensure that happens and make sure the resources are there to do it.

Under my second hat, I am the Chief Financial Officer for Ithaca College. I am here in support of SouthWorks. We are their biggest neighbor right across the street and we couldn't be happier to finally have a partner there. We've met with them many times and looked at their plans. We are in full support of development in that area and really helping bring SouthWorks and the South Hill as a destination and really enlivening the Ithaca area and having multiple resources there.

**Brian Noteboom** – Carpenters Local 277 – I am also on the IAED Board. I would like to make the IDA Board aware of a few things. SouthWorks is a great project. There has been attempts to monitor local labor in the area. I would like to make you all aware that wage theft does happen. When workers come from out of the area, wage theft does happen. For example, Asteri – another good project – but the Vecino group has used workers that are being exploited – wage theft did happen. Iron works on State Street hired workers from a company called Fox Builders out of Syracuse NY. The workers were paid as 1099s workers which is another way to circumvent State taxes. I know this is more of a NYS issue, but the NYS task force is no longer supported. I feel I need to make people aware that wage theft does happen. Workers are being exploited and not being paid properly. Monitoring does take place, but it can take years for the data to come forth.

**ADDITIONS TO THE AGENDA** – None

## **BUSINESS**

Meadow on Seneca (Rehabilitation Support Services) – Approval

**John Guttridge made a motion to approve the authorizing resolution for the Meadow on Seneca (RSS) project. Anne Koreman seconded the motion.**

Board members acknowledged the comments and concerns during privilege of the floor but also acknowledged that this project will provide needed services to the community.



Robert Cain and Lauren Tegnander commented that the lessons learned from the Arthaus project have led to adjustments to their approach with this project. RSS has over 40 years of experience in mental health services and the 7-1 ratio case load is actually very small.

Anne Koreman, Rich John and Ducson Nguyen voiced their support of the project. Todd Bruer stated that he likes the project but not the location.

**A vote was taken on the motion. The motion was approved 5 – 1 (Bruer Nay)**

### SouthWorks – Application

Rich John and Heather McDaniel made opening comments before the presentation. They ensured all that any and all questions will be answered and that enough time will be taken so that all can understand and absorb the information regarding this project. Input from the community will also be sought during this process.

Today, there will be a presentation from the development team and additional time will be taken in the next few months to gather information and have questions answered. It is hoped that a public hearing and approval will happen in early fall.

The project team is planning an over \$580 million project spanning ten to fifteen years to develop the SouthWorks site to its fullest potential under the approved Generic Environmental Impact Statement as follows: creation of 915 housing units, adaptive reuse of 820,000 square feet of industrial buildings, and approximately 900,000 square feet of new construction. In total, the project will create a mixed-use, mixed income neighborhood of approximately 1.7 million square feet, including residential, retail, commercial, industrial, and research and development space.

The requested PILOT deviates from the TCIDA's standard abatement outlined in the Uniform Tax Exemption Policy. An IDA can offer more than the standard abatement based on an analysis of the impact on the economy and the needs of the applicant. General Municipal Law allows for such deviation as long as each of the effected taxing authorities are notified of the reasons for deviation from the standard policy and given an opportunity to review and comment before final IDA approval.

The applicant is requesting that the TCIDA consider an incentive that includes a sitewide PILOT at the current assessed value of \$3,506,000 for fifteen years. Over the course of those fifteen years, as the site is developed, the commensurate value of land and improvements will be removed from the sitewide PILOT and incorporated into its own twenty-year PILOT with the following phased in schedule: Five years at 90% abatement; three years at 80% abatement; then two years each at 70%, 60%, 50%, 40%, 30%, and 20% abatement.

The standard mortgage recording tax and sales tax incentive is requested. The applicant intends to comply with the Local Labor Utilization Policy and the Workforce Housing Policy (providing a 20% set aside of affordable units on site). Some portions of the project may be subdivided and/or sold to outside entities that develop and manage affordable rental housing to achieve these results.

An administrative fee of \$35,060 (1% of current assessed value), plus attorney's fees at cost, is proposed to be paid when the sitewide PILOT is put in place and sales tax documents are issued. Subsequent PILOTs will be assessed a fee based on costs of that improvement per the fee policy outlined in the TCIDA Uniform Tax Exemption Policy (an administrative fee of 1%; and an additional 1/3 of the administrative cost in attorney fees).

This is likely the largest redevelopment project that will happen in our lifetimes in the City of Ithaca. The size and scale and timeline are such that the TCIDA may wish to consider some or all the following actions as part of its process prior to accepting the application as complete and conducting a public hearing.

**Financial Reasonability Review** – Hire a consultant to provide an independent third-party review of the project proforma and proposed incentive. This could include testing the underlying assumptions, providing an objective review of the estimated return on investment, evaluating the internal rate of return against the current market and similar projects, and providing an opinion on the need for and reasonableness of the financial assistance. The TCIDA’s application certification page allows for the costs to be paid by the applicant for any third-party analysis or review in conjunction with an application

**Economic Impact Analysis** – Hire a consultant to provide an independent third-party analysis of the economic impact of the project. The analysis prepared by the applicant’s consultant, EConsult Solutions, and included in the application, was produced using data based on a project budget of \$378 million. The current project budget has increased by 53% to over \$580 million. The economic benefits and job creation in the EConsult analysis far exceed the proposed tax incentives. It would stand to reason that an updated analysis would yield the same result, however it may be fruitful for the TCIDA to consider a more accurate picture of the benefits because of the increase in project costs. The TCIDA’s application certification page allows for the costs to be paid by the applicant for any third-party analysis or review in conjunction with an application.

The project team presented information on the project from building history to site development. A copy of the presentation is available on the TCIDA website project page under SouthWorks.

**Jeff Gorsky made a motion to approve the hiring of a consultant to provide a financial reasonability review and an economic impact analysis. Anne Koreman seconded the motion.**

Heather McDaniel suggested Camoin Associates out of Saratoga NY as the consultant firm.

John Guttridge commented that there is a need to make sure that all the questions to ask have been figured out.

Ducson Nguyen asked if any analysis or review would still be relevant 15 years in the future once the project is completed.

**A vote was taken on the motion. The motion was approved 6 – 0.**

Rich John stated that he would like to invite the community to provide input during the next few months of discussion. He also stated that at the July meeting, dates for special meetings during July will be determined to move this process along.

## **CHAIRS REPORT**

Rich John commented on the recent Ithaca Voice article regarding the IDA’s approval of an amendment to a project without holding a new public hearing. NYS GML gives no guidance, but it is considered best practice to hold a new public hearing if additional incentives are over \$100,000. Moving forward, he would like to follow the best practice.

**John Guttridge made a motion to amend the TCIDA Uniform Tax Exemption Policy (UTEP) to require holding a new public hearing for projects seeking an amendment to their incentives if the new incentives will exceed \$100,000. Todd Bruer seconded the motion. The motion was approved 6-0.**

## **STAFF REPORT**

Heather McDaniel reported that the mortgage recording tax exemption request from The Ithacan that was approved at the May 8, 2024 board meeting will not be happening as it was determined that the increase in the mortgage loan was new money.

The Breeze project should be closing on its financing and PILOT documents later this week. This will bring a payment of \$385,000 to the CHD fund.

NYS has approve two changes to the GML that governs Industrial Development Agencies. The first is that IDA Board should have a labor representative and a school board representative. The second is that IDA's should give consider if a project will have an onsite childcare facility. Once the Governor has signed these bills into law the IDA's UTEP will be updated.

## **MINUTES**

**Anne Koreman made a motion to approve the Board minutes from the May 8, 2024 meeting. Todd Bruer seconded the motion. The motion as approved 6-0.**

Meeting was adjourned at 4:15 pm.

### Action/Follow Up Items

- Set up special meeting dates for Southworks discussion
- ~~Invite stakeholders to comment on Southworks at July Meeting~~
- UTEP amendment for public hearings
- SouthWorks – engage consultant for reasonability analysis and economic impact studies
- Report on other IDA Housing incentive information
- Jobs Report and memo review