

**Tompkins County Industrial Development Agency
Board of Directors Special Meeting Final Minutes
July 29, 2024 10:00 – 11:30 AM
TC Legislative Chambers
121 E. Court Street
Ithaca NY 14850**

Present: Rich John, Jeff Gorsky, John Guttridge, Ducson Nguyen, Anne Koreman (remote), Deborah Dawson

Excused: Todd Bruer

Admin: Heather McDaniel, Ina Arthur, Kellea Bauda (IAED), Russ Gaenzle, Stephen Maier (Harris Beach)

Guests: Rachel Selsky (Camoin Associates), Robert Lewis, Sarah Barden (remote) (Shift Capital), David Lubin (remote) (L Enterprise), Nenne Lynch (remote) (Xylem), Melissa Suchodolski (US Ceiling Corporation), Brad Schwartz (remote) (Zarin-Steinmetz)

CALL TO ORDER

Rich John called meeting to order at 10:02 am. Anne Koreman is attending remotely and will not count towards quorum nor can she vote.

PRIVILEGE OF THE FLOOR

Peter Wissoker – City of Ithaca

I'm glad to see this report is a draft and that based on the feedback from the board, Ms. McDaniel, and the public we will be receiving a more-developed document. Rather than an exhaustive list of concerns, permit me to address four, each of which I hope you will consider significant enough to pursue in your discussion with Ms. Selsky. Before doing so, I'd also note that Cornell has numerous experts on Input-Output models whose opinion you might want to solicit.

1. **Was an assessment done of the costs of the developer's stated costs for the project**—not just the costs of the capital, but the actual costs and whether they seem accurate? This is what I expected would be reviewed when told we were getting an independent evaluation of the project. As the basis for a decision as significant as this, one should be arranged. It will require some nuance given the fluctuations that occur over time.
2. In its current form, the reasonableness assessment takes an all-the-elements-or-none approach. **It would be useful to see figures broken down for the types of projects and a greater range of options.** An obvious example would be market rate housing. As we've discussed many times, there is no need for market-rate housing to receive a tax abatement/tax break even in this project. Could we see what the numbers look like without that? And certainly, a hotel would not need a ten-year tax break. Could we see what it looks like with just five or none at all? As an aside, I hope the board will take a project-by-project approach to tax breaks rather than providing a blank grant for the entire site. There's plenty here that's worthy of our support, but it should be given judiciously not carte blanche.
3. **A couple of the core assumptions are clearly wrong.**

a. The most glaring is the assumption that **all non-residential on-site employment will come from outside the county**. I don't know where this idea came from. But even a quick look at this week's Tompkins Weekly makes clear it is misguided. In an article about the development, SouthWork's community outreach person, Sarah Barden, is quoted as saying "I've been talking with some startups that are coming out of the incubators at Cornell who have outgrown the spaces on campus..." The author might also take a look at Cornell alum Rachel Weber's study of new office space in Chicago that shows that the most-common occupant of the same tends to be local firms that relocate rather than firms from outside the region.

b. Similarly, I'm sure there are plenty of low-middle income residents in the county who would be pretty offended at the idea that only **5% of the housing designed and priced for people at 80% AMI** would be available to them. **I realize that it is available to everyone, but to expect only 5% would be filled by county residents seems off-base**. Again, I would urge you to reconsider this. We have plenty of residents who would like new, affordable housing in lieu of their present living conditions.

4. **The I-O model has no costs to the local communities built into it**. Surely there must be a way to account for the extra teachers, facilities, supplies, buses, etc. the school district will have to pay to accommodate the anticipated extra students that invariably are attached to a project like this. Similarly, where are the costs for fire, police, water, road maintenance (with years of heavy trucks bringing materials to the site and leaving again), planning personnel, recycling and yard waste collection, etc.? And what about investment income or lower borrowing costs that would likely accrue to the taxing districts if the developers didn't receive a PILOT or perhaps received a smaller one?

Thank you. I wrote to Ms. Selsky and raised a couple of these questions but received no reply. I'm sure she's been very busy. Hopefully, she will have the time to address them now.

As always, I'm happy to elaborate on any of these points. If a committee is being formed to examine the idea of tax abatements for SouthWorks, I'm happy to join if invited. It's a great project.

ADDITIONS TO THE AGENDA – None

BUSINESS

SouthWorks

Third Party Consultant Presentation: Reasonable Assessment for Financial Assistance & Economic and Fiscal Impact Analysis.

Rachel Selsky, Vice President and COO, Camoin Associates, presented an overview of the two draft studies developed for the SouthWorks project.

Board members asked questions relating to housing assumptions such as net new households, where those seeking affordable housing would be coming from (in county or out), and if the consultant had seen the County's housing snapshot.

Other questions from board members focused on assumptions of construction costs and office space vacancy rates.

Rich John stated that this is a very exciting project, and he would like to support it. The unknowns are how can we make the proposed phased PILOTs work when costs for construction will change over time.

Deb Dawson expressed support for the underlying PILOT while construction happens but there is such uncertainty with costs in the future.

Brad Schwartz suggested that he and the IDA's staff and attorney work out a proposal that sets parameters for check ins and updates as the project progresses.

Jeff Gorsky also suggested that the agreed upon number of affordable units should be set whether other entities end up purchasing land and building housing that is subdivided from the SouthWorks project.

The board asked for updated reports from Camoin that would address their questions and concerns.

John Guttridge addressed the Board to announce his resignation from the Board effective the end of the month due to his involvement with a future development project that will be coming to the IDA and the conflict of interest that would create.

EXECUTIVE SESSION

Deborah Dawson made a motion to take the meeting into executive session for personnel reasons. Ducson Nguyen seconded the motion. The motion as approved 5-0.

Meeting adjourned at 11:30 am

Action Items

- Report on other IDA Housing incentive information
- Recommended PILOT request modification - Southworks
- Southworks Consultant Final Reports: reasonability analysis and economic impact studies