

**Tompkins County Industrial Development Agency  
Board of Directors Meeting Final Minutes  
September 11, 2024 2:00 – 4:00 PM  
TC Legislative Chambers  
121 E. Court Street  
Ithaca NY 14850**

**Present:** Rich John, Jeff Gorsky, Jerry Dietz, Ducson Nguyen, Anne Koreman, Deborah Dawson

**Excused:** Todd Bruer

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

**Guests:** Robert Lewis, Sarah Barden (Shift Capital); David Lubin (L Enterprises, remote); Nnenna Lynch (Xylem, remote); Melissa Suchodolski (USC Builds), Brad Schwartz (Zarin & Steinmetz, remote)

**CALL TO ORDER**

Rich John called meeting to order at 2:03 pm. He noted that today is 9/11.

**PRIVILEGE OF THE FLOOR**

**Theresa Alt** – 206 Eddy Street, Ithaca

Southworks has submitted a new application, but they still offer only the same number of affordable units, just 20% of the total number. So Dave Lubin is still not keeping his work – the assurance he gave at, I believe, Site Plan Review for Asteri, that the 38 units that he threatened there will a lawsuit would be replaced at Southworks. The minimum number of affordable units, that 20% cannot make up for an additional 38 driven out elsewhere. Moreover, I see that the 20% at Southworks are defined at 80% of AMI (Area Median income) I see these people as being beginning professionals or perhaps blue-collar workers or higher-grade clerical workers, not the very-low-income people who would have been housed at Asteri.

Let me also say that the backup study tries to quantify all the advantages of the project. I question many of the assumptions. Where did they find the supposed salaries of the new residents? They talk about Bureau of Labor statistics' household income ranges. For Tompkins County? Or for the whole state including New York City? I recall telling new Yorkers about my earnings as a Cornell secretary, and they were aghast at how low my earnings were. So all sorts of estimates of what people will be spending on clothing and entertainment are probably inaccurate. People in the workforce spend on housing, healthcare and food. They buy their clothing second hand and volunteer as ushers to see plays. But no time to go into that in detail. What's missing from the backup study is any estimate of the new costs to the City for wear and tear on roads, police, fire, runoff water and new costs to the School District for more kids in the schools.

I don't think this application is ready to go to the next step.

**Peter Wissoker** – Ithaca, NY

Good afternoon. I'm here to comment on the final draft of the SouthWorks evaluation by Camoin Associates as well as the revised PILOT terms being proposed by the developer. I'll be brief.

1) **First and foremost, I urge you not to make any decisions on the project at this point and instead go back and revisit both the Camoin report and the schedule you've received for abatements.** The central problem is that both treat the project as if it is all completed in the first year. This results in a flawed evaluation of a) the economic effects of the project—which in real life would not be immediate but gradual as each individual building is completed—and b) the taxes abated as well as collected by the taxing jurisdictions.

For the abatements, I went back and did a rough estimate of what the abatements would look like if instead of the property value increasing all at once (that is to say in year one) it increased equally from year to year, and assuming there was a 5% increase in the value of the property as well. What I found is that instead of the taxing jurisdictions receiving roughly \$2.8 million in the first five years (including the \$500,000 or so in existing taxes on the site), they would receive about \$1 million (including the \$500,000). Similarly, the developers would be receiving about \$4.8M in tax breaks, which was roughly 25% more than the current schedule suggests they would receive in the first year. The current schedule also does not include what would happen past the initial twenty years. If it takes fifteen years to finish everything the taxing jurisdictions would still go without the \$74,842,639 in tax breaks that were promised for the following twenty years it would take for the last of the abatements to finish.

There are similar problems with the economic projection as well. There are ways to do these projections with spending over time, and I know there are faculty at Cornell who work with these kinds of models who could help. I've asked a couple of them to take a look and give us their feedback.

2) **The analysis must include an estimate of the real costs to our communities of the project.** It currently does not. This should include everything, from the costs of plowing and policing, to infrastructure and firefighting, and, of course, the cost of educating the kids who move into the area. These are all costs we as tax payers (including those who rent and pay property taxes indirectly) will have to bear for decades to come.)

3) **The IDA needs to confirm the employment numbers and spending presented by the developers rather than take them as fact.** The report provided by the developers suggests that the average officer worker will be earning \$99,170 and the average retail employee \$59,660. Perhaps they should use the median instead? Those figures seem very high, and of course with the estimated 365 and 80 workers respectively, will shape the spending figures attached to the project.

4) **Include an analysis of the project if it receives abatements for everything but the market-rate housing.**

5) **The analysis needs to project what will happen if things go wrong,** or what is called a sensitivity analysis. Finally, I would suggest that in the revised developer proposal, that having a building permit is not a sufficient achievement in the five-year goal setting. Also, I believe that the affordable housing should be completed in a five-to-seven-year period rather than 15 (or more). And, as a reminded, David Lubin should be required to include the promised units we've discussed in the past.

As always, I'm happy to discuss all of this further with you. But, just to restate my initial request, I ask that you hold off making any data-based decisions until you have more reliable data with which to work. Thank you.

**Martha Robertson** (written comment read by Rich John)

As a former member of the Tompkins County IDA for 15+ years, I am writing to express my strong support for the Southworks project; I hope you will choose to support it as well. For more than 12 years I've known David Lubin, the main champion of this development. Along with many others in the community, I cheered him on in the years-long struggle to clean up the Emerson site so it could be repurposed to benefit our community. I was among many who urged him to include mixed-income housing, and ownership as well as rental, to best serve

the many needs of our diverse residents. And many of us encouraged David to incorporate as much renewable energy as possible, to show the way to create a sustainable development that would add to our local economy.

It seems that David has accomplished all this, and more, and Southworks is on the verge of becoming a truly transformational addition to Tompkins County and the entire region. However, like most ambitious projects that go the extra mile, this one needs a little help from the public sector. Although I am not familiar with the parameters of the assistance Southworks is seeking, I hope you will give it your support. The many years and huge financial risks that have already gone into this effort should be recognized, appreciated, and valued. What David and his partners have done could never have been done by the public sector alone. Without David's vision - and frankly, his blood, sweat, and tears - the Emerson plant would have remained a toxic eyesore using up our precious land for decades into the future. Please become a partner in this transformation by supporting Southworks' application for IDA assistance.

Thank you very much for your consideration.

### **ADDITIONS TO THE AGENDA**

Consideration of the prompt payment memo from Harris Beach, PLLC for discussion at the end of Business.

### **BUSINESS**

#### TCIDA Secretary Appointment

**Ducson Nguyen made a motion to appoint Deborah Dawson as secretary of the TCIDA Board. Anne Koreman seconded the motion. The motion was approved 6-0.**

#### SouthWorks – Discussion

Rich John reported that he did reach out to Rod Howe and Rich DePaolo of the Town of Ithaca regarding infrastructure and road/traffic management surrounding the project. They stated that they were comfortable with them from the Town's standpoint though discussions are ongoing.

Heather McDaniel presented the Final Reasonableness Assessment and Final Economic and Fiscal Impact Analysis. These two studies have been updated based on discussion and questions from the last meeting.

**Deborah Dawson made a motion to accept the Final Reasonableness Assessment study. Jeff Gorsky seconded the motion.**

It was pointed out that this document is just point in time. Further analysis could be costly.

Rich John stated that he is comfortable with the analysis. Deborah Dawson stated that she is not an expert. She is comfortable accepting but not adopting them.

Jeff Gorsky stated that what he got out of the reasonableness assessment is that a 20 year PILOT is warranted.

Ducson Nguyen commented on the cost and impact to municipalities regarding infrastructure. He is not worried about capacity.

**A vote was taken. The motion was approved. 6-0**

**Jeff Gorsky made a motion to accept the Final Economic and Fiscal Impact Analysis study. Ducson Nguyen seconded the motion.**

A focus on the impacts to the schools, roads, infrastructure would basically mean a reworking of the study. The IDA's focus is on tax incentives. It falls to the Town and City to review the other impacts and neither entity has come to say they are uncomfortable with these aspects of the project.

Deborah asked if anyone has spoken with the school district? They have been invited to comment but not asked to comment directly. Rich John volunteered to ask before the next meeting.

Land use was addressed in the environmental review process and there are mitigation measures as new housing is brought on board etc. that the Southworks team will be complying with in terms of the land usage issues.

**A vote was taken. The motion was approved 6-0.**

The revised Proposed PILOT terms were discussed.

Brad Schwartz highlighted the updates.

- Each extension request will have a public hearing
- For all extension requests, the IDA may approve or deny the extension request or may modify the then current PILOT
- Recommendations to future IDA Boards when considering extension requests incorporated

Deborah Dawson asked about edits to first paragraph. The last sentence was edited to remove potentially misleading information. Boards do not usually review legal documents handled by administrative staff.

On page 2 of the memo 2.b. first bullet point. "applicant will submit a request" the "will" should become "shall"

The IDA has the ability to modify – to change to say that the extension request will be considered with or without modifications

The reasonable assessments should be done by independent 3<sup>rd</sup> party – what happens if both parties don't agree? This will be fleshed out when final legal documents are finalized.

Jeff Gorsky commented on 4.iv.c (page 4 of the memo) – a modification of the housing policy that a for profit organization would be considered to build the affordable housing.

Environmental review was approved by the City of Ithaca under the PUD. Moving forward each sub-project will have site plan review. If there are modifications, to the PUD any changes would come back to the IDA.

Heather stated that the proposed PILOT terms will become part of the application. She asked that the board accept the application as complete and move the project to a public hearing.

**Jeff Gorsky made a motion to accept the updated proposed PILOT terms memo. Jerry Dietz seconded the motion. The motion was approved 6-0.**

What approach will the developer use to make sure that the trades are paid in a timely manner?

Melissa Suchodolski stated that payment to the trades means that your project happens or not. They are going to make sure payment is made.

Anne Koreman commented on lack of bids due to past non-payment. This issue will be focused on, and due diligence will be done in terms of enforcing local labor and review of lien issues. The history of contractors will be reviewed for past non-payment.

Rich John addressed the affordable housing unit issue between Vecino/Asteri and David Lubin's Harold Square development. When this was litigated, 38 affordable housing units were lost from the Asteri project. Vecino was offered the option to build affordable units at Southworks site the exact number was not determined. Vecino has not acted on that option to build, and the option has expired. There were never any extra units promised beyond the 915 total units.

Anne Koreman asked that the school be contacted so that they can weigh in with their comments. Heather will contact the superintendent.

Timeline – hold public hearing prior October board meeting and potentially approve the project at the October meeting.

It was asked that the public hearing be held in the evening and a press release be sent out in addition to the legal notice in the Ithaca Journal. This could ensure that other news outlets pick up the information.

**Jeff Gorsky made a motion to accept the application as complete with the changes that were discussed today. Deborah Dawson seconded the motion. The motion was approved 6-0.**

**Jeff Gorsky made a motion to send the Southworks Project application to a public hearing. Anne Koreman seconded the motion. The motion was approved 6-0.**

#### Prompt Payment Memo

Russ Gaenzle reviewed the Prompt Payment Act memo that was provided. Basically, non-compliance is an instance of default and can lead to termination of any agreement. By virtue of the PILOT, the IDA should be notified of any lien against a project for non-compliance/payment.

Deborah Dawson requested that language be added to project agreement documents stating that applicants need to abide by the prompt payment act.

#### **CHAIRS REPORT**

Rich John commented on information regarding solar project using high-grade agricultural land and what other IDAs are doing to discourage this. It has been reported that IDAs are weighting incentives to curb the use of high-grade agricultural land. Staff was asked to create a memo with information for a future meeting.

#### **STAFF REPORT – None**

#### **MINUTES**

**Anne Koreman made a motion to approve the minutes from the August 14, 2024 board meetings. Deborah Dawson seconded the motion. The motion was approved (6-0).**

Meeting was adjourned at 3:22 pm.

**Minutes approved 10/09/24**

Action/Follow Up Items

- Report on other IDA Housing incentive information
- ICSD superintendent be contacted for comment on Southworks project
- Memo on Solar Projects and use of high-grade agriculture land – weighting incentives to curb use