

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
October 9, 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, Todd Bruer

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

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

CALL TO ORDER

Rich John called meeting to order at 2:03 pm.

PRIVILEGE OF THE FLOOR

Theresa Alt – 206 Eddy Street, Ithaca

First let me reinforce what I said in greater detail at the public hearing. A vote for the whole package is wrong. Just vote for a few key parts that start the project.

Second, about the hearing itself. I was very encouraged to see that press releases announcing the hearing had gone out and were printed in a couple of papers. I was encouraged to see attendance by the whole IDA board. Thank you for paying attention. I was happy to see quite a few members of the public show up and express a range of views. And I was particularly encouraged that representatives of our very underfunded schools showed up.

One downside of the hearing was that the assistant attorney who chaired it didn't read the written comments that people who could not attend had submitted. I'm sure they were passed along with the spoke records to the IDA Board members, but they are not to found on the IDA website, and so we, the hoi polloi, don't get to hear them or see them.

Jill Tripp – 112 1st Street, Ithaca

I have been a city resident for almost 40 years now and I know relatively few of you so hello. I'm also new to the whole tax abatement and IDA part of the world. So, I hope you will excuse me if I misspeak in some way. I became aware of this very recently because I am a member of the school board, and my comments today are mine alone. Although I would hope to be addressing you at some point soon specifically as a representative of the school board. My concerns about the SouthWorks project in particular are that it is a very large project likely to be built over a long period of time and my concern is that the amount of money that will be diverted from the school district as well as from property taxes is to my way of thinking excessive for this project. I would like to see it looked at again. Step back and take a bit of time. I know you've already taken a lot of time on that but I can't tell you how many projects over the years that I've taken a lot of time on that turned out not to be something the public wanted so that's the risk of your role here. I don't think sufficient care has been taken in terms of the costs of this project to the citizens of Ithaca and particularly to the school children of the Ithaca City

School District and I would urge you to take a very careful look at that and I would urge you to vote no on this project at this time. I would also ask that a representative from the school district whether that's a school board member or someone else be present at your meetings either as a member of this body or a regularly invited member because I do think we're one of the groups most impacted if not the most impacted by your decisions so thank you for your time today and thank you for allowing me to speak.

Amanda Kirchgessner – Town of Ulysses

Hello, good afternoon members of the IDA. I am here today to voice my strong opposition to the \$85 million tax abatement for the Chainworks Mixed Use development. Enough is enough is enough. While I understand the desire for development and economic growth, subsidizing developer profits for residential housing that will be high-end and inaccessible to most of the people who live in Tompkins County currently is not in our best interest to put forth any type of tax forgiveness to encourage this kind of development. We've seen this pattern before with developments like City Center. Despite promises made, clawback never happened when it sold for nearly 50% over market during COVID when millions of dollars that would have come right back into the Ithaca City School District, the City of Ithaca's budget and the County's budget just pardon disappeared in the thin air. It's beyond the pale folks. This would have been vital. We probably wouldn't be having these hard conversations about our budget right now if we said no, you can sell it but you're paying full taxes. Tax abatements often lack this accountability and enforcement measures needed to protect our public interests. Once these incentives are granted it is almost impossible to have something done about it because TCAD didn't do it. IAED isn't doing it. It needs to change now more than ever. National and local economies need well-paying employment opportunities. This is why IDAs were created in the first place. The economic challenges we face currently demand that we create sustainable jobs. Just recently the largest medical saline manufacturer in our country was destroyed in hurricane Helene. An opportunity like Chainworks backed by somebody like Cornell University who has a medical school could create a massive opportunity for a manufacturer to create high-paying low-skilled jobs which our community desperately needs. Do not authorize this abatement. I urge you to reject it and instead prioritize a transparent process that actually leads to invigorating our local economy, our regional economy, our state economy, our national economy. We need to act like leaders in a nation that is in crisis right now. We have a massive opportunity. Please don't pass it up. Stronger agreements on the table if you're going to do anything that is going to increase the tax burden of the people who own property, live and work here. Thank you.

Lindsey Garner – Town of Ithaca

On the notion of transparency, nowhere was the last meeting on 9/30 put. I saw the camera guy there, but I couldn't find the recording. I know people asked me to post it once it was made available which it was never made available on your website, so I don't think there's transparency in this and the public is not informed. However, I was happy to see in the Ithaca Voice today the teachers union putting their foot down on this. Our community needs sustainable development, sustainable growth. This is not sustainable, and I don't care about myself. I actually don't care about anyone in this room but when I look at these kids we're leaving a mess and we have to be more thoughtful about how we move in this world so when we do development which I am all for sustainable development. I am in the real estate industry, but I cannot be asked as a taxpayer right now and nor can many of our community members be asked to carry a project I know it's a tax break but like the school said they can't they're working under a \$7 million deficit right now. They don't even have funds for necessities and we're talking about squeezing people. We had to outsource our wastewater treatment employees because we can't pay them enough. So until we can figure out how to correct these fundamental issues that impact us on a daily basis these excessive tax breaks for profit in many cases I am not interested in lining people's pockets. I am interested in make sure my community members have food to eat, can have transportation, medical services. I drive down the street nowadays and I am sad to see what we have done to our community so until we can fix

those problems we can't add more problems. So I beg you to reconsider not voting at this time until you have way more information, until you are informed, until the people are informed because that meeting last meeting was not even put on your website and that is not right. Thank you.

Claire Forest – 330 W King Road, Ithaca NY

I'm a berry farmer directly above South Works. There's no money in farming but it's a nice QUIET life. I'm vehemently opposed to SouthWorks plan, because it's NOISY (during construction then NOISY tenants with constant sirens). Tear it down, let it become open space. Don't turn that building into yet another crime-ridden housing complex.

Pat Sewell – 166 Crescent Place, Ithaca NY

I attended the public comments on the Tompkins County Industrial Development Agency (TCIDA) proposal for tax abatement. The majority of comments against the proposal voiced concerns regarding lost tax revenue, and therefore, an increased tax burden on city residents. However, the TCIDA plan does not eliminate the tax liability for the land currently being discussed; it reduces the *potential* amount of future revenue earned in the short-term. But reducing potential revenue does not increase our tax burden. These are two separate things.

An argument could be made that by limiting potential tax revenue, we are making our current taxes higher than they need to be. Why give a tax abatement at all? In short, a tax abatement is necessary to incentivize development of this area, which has sat unused for years; a toxic legacy that has created zero value for our city. The real concern for the TCIDA is if this abatement is necessary, a concern phrased colloquially as the "but-for" test: the development would not have happened *but for* the abatement?

In this case, I think it does pass that test. As reported by [the Voice](#), the site is only cash flow positive with the currently structured incentives, and the rate of return to the developers is below market expectations. If we want someone to take on the enormous investment and risk of developing this long-term liability on South Hill, we need to give them an incentive.

Peter Wissoker – Ithaca, NY

Hello, I'm sorry I can't join you this afternoon. Thanks to whoever is reading this for me.

As you know, the economic and financial impact assessments as well as the abatement schedule the board have been given to aide in decision on the SouthWorks abatements request are flawed.

Yet they are being used and taken seriously. This was made clear again this week in an article in the Ithaca Voice. In an article about the teacher's union's opposition to the abatements, Journalist Jimmy Jordan used the IDA figures as the basis for stating that the school district should expect to receive approximately \$24 million in new taxes over twenty years from the project. But as you know that figure is based on all the construction being completed in Year One and the idea that new taxes will begin flowing immediately. As we also know, that is not going to happen. The alternative abatement schedule I've shared, based on construction being done evenly throughout the 15-year period and 2% growth in value/taxes, suggests the school district will receive closer to \$11.3M, or less than half the IDA's projected amount.

This is the problem with using poor data. It leads to misinformed decisions. This should not happen in private business, nor should it happen in public authorities. Would those on the board who run their own

business really find this quality of work useable? I imagine not. I was hoping that Ms. McDaniel would at least have drawn up a couple of alternative abatement schedules for you to consider prior to the meeting; I don't know if she has or not. If so, I wish they'd been made available to the public.

At the public hearing Theresa Alt and a couple of other folks suggested that instead of approving the entire project now—or at least the first five years of it—the IDA should take it project-by-project. I'd like to once again propose that you go ahead and approve the initial abatement for the land itself but hold off approving the separate 20-year abatement plan until better research has been completed. It probably makes sense to go ahead and approve the abatement for any affordable housing and the one or two building restorations that are planned for the immediate future, although for the latter, I would suggest the standard ten-year abatement rather than twenty. Or, I suppose you could consider twenty and leave the school district out of it.

The abatements are very long and given that the developers are not building to spec, it is not clear why they most should receive a twenty-year abatement. The documents we have in front of us do not provide sufficiently accurate information to decide one way or the other. Certainly, the market-rate housing does not need any abatement all.

I recognize that the developer has momentum and would like to have this “once-in-a-generation” abatement approved. But the abatement terms result in an abatement two and a half times the size of the standard enlarged one, and the amount of building it covers it far more than just about any project the IDA has dealt with to this point. It is worth waiting for better information and making the decision in at least two steps, as to whether and how to move forward.

Finally, I'll say what I always say when developers come looking for an abatement:

- If you do decide to go ahead now, please do so without an abatement for the market-rate units.
- Once each element is completed, all jobs associated with it should pay a living wage. The agency should require that all workers who are attached to the project through the developers, the LLCs, or the services they hire to do work such as janitorial services, security, etc., should be guaranteed a living wage.
- The TCIDA and the taxing entities should profit from the sale of any element of the project. If the applicant resells any portion of it, whether housing, office, or something else, the state, city, county, and schools should be repaid any abated taxes and receive a share of the profits proportional to their investment in it.

I was quoted in the Ithaca Voice saying that this is a “pretty good” project. I prefer to describe it as “worthwhile.” But let's get it approved based on facts, not just inclination.

Robert Cantelmo – Mayor, City of Ithaca

I am writing to voice my strong support for the SouthWorks project. Rarely does the City have an opportunity to support the development of a new neighborhood and rarer still is it for such a project to mitigate such a significant amount of blighted and underutilized property.

As you consider the proposal before you, I humbly request that you keep in mind the significant housing crisis that faces the Ithaca community. Despite significant progress over the last ten years — some resulting from the direct efforts of this agency, its staff, and its board — we still have significant unmet demand at all income levels in our community. SouthWorks is a once-in-a-generation opportunity to redevelop a critical site and leverage

that toward a more sustainable housing solution. This applicant understands our community's needs and values and has a clear desire to move forward with implementation. We must not squander this critical opportunity to expand housing and economic opportunities for current and future Ithacans.

As you know, this is an expensive and complex project that requires significant infrastructural investment. As such, I believe it is appropriate for the IDA to take a creative approach to providing a local tax incentive to help ensure that the project can move forward and that the site can be developed. I trust agency board members and staff are committed to working hard to determine the most appropriate incentive package to make redevelopment feasible, recognizing the additional costs associated with developing a former industrial brownfield site that has been vacant for over a decade. Thank you for your time, your consideration, and your commitment to shaping a future Ithaca that meets the needs of its residents.

ADDITIONS TO THE AGENDA – None

BUSINESS

SouthWorks – Final Approval

Rich John began the discussion by polling the board members to see if they were ready to decide on final approval for this project.

Todd Bruer stated that he was not ready. He still has questions on how the school district would be impacted; concerns about the use of local labor; and would like to review the fiscal analysis information from Peter Wissoker.

All other board members were ready to decide on final approval.

Deborah Dawson made a motion to approve the authorizing resolution for the Shift Chainworks Owner 1, LLC (SouthWorks) project. Jeff Gorsky seconded the motion. The motion was approved 6-1 (Bruer No)

2025 TCIDA Draft Budget - Approval

Deborah Dawson made a motion to approve the 2025 TCIDA Draft Budget. Ducson Nguyen seconded the motion. The motion was approved 7-0.

CHAIRS REPORT – None

STAFF REPORT

Heather McDaniel reported:

- A memo on structuring higher payments for solar projects on prime agricultural lands is forthcoming
- The Stately project is moving closer to closing
- Library Place (Ex Libris) will be coming to the board to ask for an amendment to its PILOT agreement to better align with the actual end of construction
- The 2025 IAED/TCIDA MOU will be presented in the November agenda
- BVSHF III Ithaca may be moving forward
- IAED is working to secure grant funding for some of the public portions of the City Harbor project to close a demonstrated funding gap that has stalled the project.

Rich John asked for an updated project status dashboard.

MINUTES

Anne Koreman made a motion to approve the minutes from the September 11, 2024 board meeting. Jerry Dietz seconded the motion. The motion was approved 6-0-1 (Bruer abstain).

Meeting was adjourned at 3:16 pm.

Action/Follow Up Items

- Report on other IDA Housing incentive information
- Recommendations to increase payment schedule for solar projects located on prime agricultural lands
- Updated project status dashboard

Minutes approved November 13, 2024.