

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

**TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD OF DIRECTORS MEETING
Wednesday, November 13, 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>

Mission Statement: The Tompkins County Industrial Development Agency delivers economic incentives to business and industry to diversify and strengthen Tompkins County's tax base and enhance community vitality, by supporting job creation, business and industrial development, and community revitalization. We strive to develop the local economy in an organized, sustainable and environmentally beneficial manner.

AGENDA

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November 6th, 2024

Tompkins County IDA
c/o Heather McDaniel
Ithaca Area Economic Development
119 E. Seneca Street
Suite 200
Ithaca NY 14850

Dear IDA,

I am writing to request a modification of the tax abatement for The Ex Libris, LLC Project Number 5003-19-02A, at 105 West Court Street, aka Library Place so that it starts when the property was actually placed in service.

I am also seeking relief from the 55+ age restriction. Lease up is going slower than expected and our current tenants have expressed strong interest and support for creating intergenerational housing. While we expect that the preponderance of our residents will be older than 55, we feel that removing the age restriction will make the project more economically viable as well as more vibrant. We intend to preserve the dignity and decorum of the building.

Thank you for your consideration.

Regards,

A handwritten signature in blue ink that reads 'Frost Travis'.

Frost Travis
Manager, Ex Libris, LLC



MEMORANDUM

To: Tompkins County IDA Members
From: Heather McDaniel, IAED President
Date: November 13, 2024
Re: Third-Party Local Labor Utilization Policy Compliance and Reporting Recommendation

The Tompkins County IDA adopted the first Local Labor Policy in 2016. The policy established a definition of local labor as Tompkins County and the six contiguous counties (Cortland, Cayuga, Seneca, Schyuler, Chemung, and Tioga). The policy required proof of local bids and monthly labor reporting but did not set a minimum local labor requirement. The intent was to gather data on the extent and capacity of local labor to complete multi-million-dollar construction projects that received incentives from the IDA.

A thorough review of the policy was undertaken in 2021 that resulted in an updated policy, establishing a 75% local labor threshold along with a waiver and appeal process. To date, 7 projects have been approved, and only one commenced and completed since the policy was adopted, due in part to higher-than-normal interest rates and material costs. As the economy rebounds, however, there are likely to be more projects approved and advancing concurrently, along with a corresponding need for monitoring and regulatory compliance.

Although IAED has done an admirable job of administering the policy including meeting with project sponsors to overview the requirements, ensuring bid lists are submitted in a timely fashion and ensuring local bids were solicited, reviewing monthly labor reporting, and processing waiver requests, it does not have the capacity to conduct regular inspections, review records at the contractor's office, or the skill sets to thoroughly identify and address irregularities. For exactly these reasons, many IDAs throughout the State have turned to third party consultants to provide compliance and oversight for their various local construction labor policies.

I requested and received a proposal for local labor monitoring services from Loewke Brill Consulting Group, a construction consulting firm based out of Rochester. The firm has been in operation for over 20 years and has provided construction labor monitoring services for IDAs across the State since 2007. Clients include the Monroe County IDA, Orange County IDA, Town of Montgomery IDA, Ulster, Ontario and Seneca County IDAs. Loewke Brill's principal, Jim Loewke, is a licensed plumber and steamfitter with decades of experience in the construction trades. His staff have similar industry experience. Loewke Brill also acts as a subject matter expert to the New York State Economic Development Council on local labor policies, enforcement, monitoring and prevailing wages.

Services included in their proposal include on-site monitoring, 1099 monitoring, weekly, monthly and annual reporting, attending IDA meetings, managing the waiver and exemption process, and collecting paperwork from sub-contractors. Fees are based on a tiered system that accounts for the project size and duration of construction. All compliance fees are passed on to the project sponsors directly.

Selecting a third-party contractor is a prudent approach to ensuring that the goals of the local labor utilization policy are met, developers and labor representatives are both held accountable, and the IDA maintains its credibility.



MEMORANDUM

To: Tompkins County IDA Board Members
From: Heather McDaniel, President
Date: November 13, 2024
Re: Recommendations to Increase Payments for Commercial Solar Projects in Prime Agricultural Areas

The Tompkins County IDA was one of the first IDA's in the State to develop a solar incentive policy and has provided incentives that made possible over 70 megawatts of commercial solar development throughout the County. The current policy provides for a Payment in Lieu of Tax (PILOT) payment that ranges from \$4,200 to \$4,800 per megawatt output of the solar facility. Projects approved since 2021 have paid an amount closer to the \$4,200 per megawatt for a number of reasons which included a declining value of State incentive and the State transitioning methods for compensating energy generated by renewable resources- both of which reduced anticipated revenue for commercial solar projects. At the same time, the State provided a common assessment, or valuation, model for solar assets and provided a calculator so that solar developers, assessors and other interested parties could readily ascertain the value that would be used for determining tax payments.

As a result of the implementation of the new State valuation model, the most recent solar projects are paying a PILOT amount of \$4,200 per megawatt, which is nearly the same as what they would be paying if fully on the tax rolls. Caramoor Solar which was approved earlier this year, is projecting a \$28,000 savings over the 25-year term of the PILOT. The solar developers continue to request PILOT agreements because they provide certainty over the long term for both the developer and the taxing jurisdictions.




The IDA asked me to propose a payment structure that would prioritize preserving prime farmland. Given that current projects are paying about what they would be if there were no PILOT, I am first recommending that this \$4,200 per megawatt be established as the PILOT amount per megawatt. I am also recommending that the \$4,200 per megawatt payment be increased 30% if: 1. The land is actively farmed; and another 30% increase if 2. If the land is designated Prime Farmland by the United States Department of Agriculture (USDA) Soil Survey.

The USDA provides the Prime Farmland designation, defining Prime Farmlands as "land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and is available for these uses. It could be cultivated land, pastureland, forestland, or other land, but it is not urban or built-up land or water areas." In Tompkins County there are 23 soil types designated as Prime Farmland at this time. The Tompkins County Prime Farmland types can be found using the [USDA's Soil Data Access Data Tool](#). The USDA Prime Farmland designation is used in the County Agriculture and Farmland Protection Plan (2015) and is the bases for County designated High Priority Farmland Protection Areas and Agricultural Focus Areas. I consulted with the Tompkins County Department of Planning and Sustainability, and they indicated that using the USDA Prime Farmland designation would be the most universally recognized approach. I am also including a map of Prime Farmland in Tompkins County for reference.

Attached are drafted edits to the Commercial Solar Policy that I believe would achieve the goal of requiring a premium payment to encourage farmland preservation.

Tompkins County Soils Map

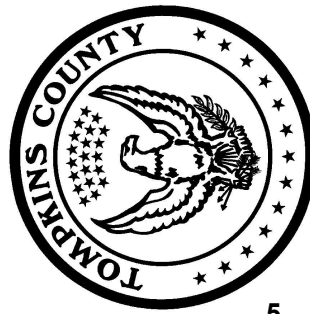
Tompkin County Soils

-  All Areas Prime Farmland
-  Farmland of Statewide Importance
-  Prime Farmland if Drained

Data Sources:

Soils: Tompkins County GIS

Map prepared October 31, 2024
by the Tompkins County
Department of Planning and
Sustainability, 121 East Court
Street, Ithaca, NY 14850.



Esri, NASA, NGA, USGS, FEMA, County of Tompkins, data.pa.gov, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS

Tompkins County Industrial Development Agency

Off-Site Commercial Solar Photovoltaic Policy

Adopted: October 12, 2017

[Draft edits 11/13/24](#)

Purpose

The Tompkins County Industrial Development Agency (IDA) wishes to adopt an off-site commercial solar photovoltaic policy to encourage solar development for the following purposes:

1. Support New York State's "Reforming the Energy Vision" Initiative, which is intended to encourage renewable energy development that will spur economic growth and develop new energy business models. The initiative sets statewide goals of cutting greenhouse gas emissions by 80% by 2050 and generating 50% of New York's electricity from renewables by 2030.
2. Support Tompkins County's energy and greenhouse gas emissions policy to "meet community needs without contributing additional greenhouse gases to the atmosphere." The policy includes goals to:
 - Reduce greenhouse gas emissions to reach a minimum 80 percent reduction from 2008 levels by 2050 and reduce reliance on fossil fuels across all sectors.
 - Increase the use of local and regional renewable energy sources and technologies.
3. Support consumer choice for renewable energy generation.
4. [Preserve land actively farmed and prime farmland for agricultural purposes.](#)
- 3-5. [Preserve Prime Farmland as designated by the United States Department of Agriculture \(USDA\) Soil Survey.](#)
- 4-6. Administer a single countywide uniform tax exemption policy allowing municipalities to collect long-term predictable payments in lieu of taxes without the burden of developing and administering PILOT agreements at the municipal level.
- 5-7. Assist project developers by offering a single countywide tax exemption policy, eliminating the need to negotiate PILOTS with multiple taxing jurisdictions.
- 6-8. To enhance developers' prospects for financing community distributed generation projects by offering a uniform PILOT structure that is simple, predictable, and more appealing to lenders.

Policy

This policy provides incentives for off-site solar projects that provide renewable energy benefits to residential and commercial customers. Eligible projects are commercial scale projects, generally two megawatts or less, as outlined in state law. Types of eligible projects include:

- Community distributed solar /shared solar
- Off-site generation projects that have a wholesale power purchase agreement with one or more users.

Tompkins County Industrial Development Agency

To respect variations in local municipal policy, each project application must include a letter from the host municipality endorsing the proposed payment in lieu of tax agreement with the IDA. It is strongly encouraged that applicants provide a preference or pre-offering to Tompkins County residents.

The following standard incentives will be offered:

Property Tax:

Real estate taxes on the increased value resulting from improvements are partially abated over a twenty-five (2025) year period. The annual payment in lieu of taxes (PILOT) will ~~range from~~ ~~be~~ ~~be~~ \$4,200 ~~to~~ ~~\$4,800~~ per megawatt (MW) of the facility's nameplate capacity in year one, with a 2% increase each year. PILOT payments replace local, county, and school district taxes only; special district taxes are not eligible under the PILOT. The actual amount will depend on projected annual revenue.

1. If the solar project is located on land actively farmed for agricultural purposes ~~land~~ the PILOT amount established in year one will increase by 30%. Actively farmed land is defined as land that is currently supporting commercial enterprises or has been supporting commercial enterprises within the prior eighteen (18) months.
2. If the solar project is located on Prime Farmland that has been designated as such by the United States Department of Agriculture (USDA) Soil Survey, the PILOT amount established in year one will increase by 30%.
3. The TCIDA may take into account the amount of Prime Farmland present as a percentage of the entire solar project acreage when determining the PILOT amount increase established in year one.
4. In no event shall the increase in PILOT amount in year one exceed 60%.

The USDA provides the Prime Farmland designation, defining Prime Farmlands as "land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and is available for these uses. It could be cultivated land, pastureland, forestland, or other land, but it is not urban or built-up land or water areas." In Tompkins County there are 23 soil types designated as Prime Farmland at this time. The Tompkins County Prime Farmland types can be found using the USDA's Soil Data Access Data Tool.

Sales Tax:

Exemption from State and local sales tax on project costs outlined in the IDA Policies and Procedures.

Tompkins County Industrial Development Agency

Mortgage Recording Tax: Exemption from the State share of the mortgage recording tax as outlined in the IDA policies and Procedures.

Fees

The applicant is responsible for paying the IDA Administrative Fee at the time of closing. The fee will be equal to .50% of the total value of expenses that are positively impacted by IDA incentives. The applicant is also responsible for paying the IDA for all legal costs it incurs including IDA Counsel.

Other

Unless specifically outlined in this policy, the applicant will be responsible for complying with all other rules and regulations as set forth in the IDA's Policies and Procedures.

**Memorandum of Understanding
Tompkins County Area Development, Inc.
D/B/A Ithaca Area Economic Development &
Tompkins County Industrial Development Agency**

AGREEMENT

AGREEMENT, made by and between Tompkins County Area Development, Inc. D/B/A Ithaca Area Economic Development, a not-for-profit corporation of the State of New York, having offices at 119 E. Seneca Steet, Suite 200, Ithaca, New York, 14850, hereinafter referred to as "IAED", and Tompkins County Industrial Development Agency, hereinafter referred to as "TCIDA."

WITNESSETH

WHEREAS, IAED, as the community's lead economic development agency, offers financial assistance, technical assistance and real estate development services. IAED administers a revolving loan program, the Tompkins County Development Corporation, the Tompkins County Industrial Development Agency, and Tourism Capital Grant Program. IAED is responsible for creating and implementing the comprehensive economic development strategy for the county that provides leadership to create a supportive economic environment. IAED provides oversight for studies related to infrastructure and other issues necessary to support economic development. IAED is growing capacity, through industry partnerships and internal operations, to provide direct workforce training for area employers.

NOW, THEREFORE, in consideration of the agreements contained herein, the parties agree as follows:

1. The term of this agreement shall be from **January 1, ~~2025~~ 2024 through December 31, ~~2025~~ 2024.**
2. IAED agrees to provide technical and administrative services as follows:
 - Organize meetings of the Board of Directors and Committees of the Board
 - Staff and take minutes of meetings
 - Facilitate live streaming of Board meetings and public hearings as outlined under NYS law
 - Maintain IDA files and archives
 - Distribute applications and supporting documents to the IDA
 - Distribute PILOT agreements and other documents and information to County Assessor, County Finance Department, and appropriate taxing authorities
 - Comply with project public hearing and taxing authority notification requirements
 - Respond to questions about projects
 - Assist attorney with closings-
 - Comply with NYS Public Authority Accountability Act regulations including filing of annual reports and other required information. Ensure Board certifies reports

- Compile information for annual audit, work with auditors in this regard, update information online as required by NYS, and keep IDA Board informed of process
 - Create and maintain a web site as required by law
 - Monitor legislation impacting the IDA
 - Educate appropriate elected officials and their staff about the TCIDA’s position on current or proposed legislation impacting IDAs and their projects
 - Recommend and advise the Board concerning changes to applications, policies, and by-laws
 - Educate board members on duties of public authorities
 - Promote the availability of IDA incentives to potential applicants
 - Meet with potential applicants to discuss IDA incentives, policies and procedures.
 - Prepare applicants for IDA meetings
 - Create community benefit analysis to accompany each project application
 - Create job and wage report and annually review with IDA Board
 - Document and review with IDA Board all projects that fall short of performance goals
 - Ensure project compliance with IDA policies
 - Implement recapture policy as necessary
 - Review PILOT payments to ensure accurate PILOT billing by taxing jurisdictions
 - Periodically compare actual assessments with those projected at time of application to help guide future tax payment and abatement estimates
 - Meet with current customers on a periodic basis to monitor status of projects.
3. TCIDA agrees to pay IAED a sum of \$475,314 467,465. Payments shall be made quarterly upon submission of an invoice.
 4. The parties also acknowledge that this sum is for the above referenced services, administration of the Tompkins County Development Corporation, and economic development services provided for Tompkins County. IAED’s 2024 workplan further outlines these services.
 5. It is mutually agreed between the parties that an independent contractor relationship is hereby established under the terms and conditions of this Agreement.
 6. The provision of this agreement shall be construed under the laws of the State of New York.

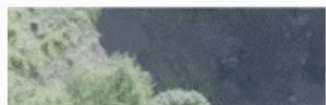
IN WITNESS THEREOF, the parties hereto have executed this agreement as of the day and year first above written.

DATE: _____

Jodi Lee Denman Greg Galvin for IAED

DATE: _____

Rich John for TCIDA



Ithaca Area Economic Development 2025 DRAFT Work Plan

Presentation to Housing & Econ. Dev. Com.
November 6, 2024



**ACCREDITED
ECONOMIC
DEVELOPMENT
ORGANIZATION**

International Economic Development Council

The Economic Development Agency



Mission

Dedicated to building a thriving and sustainable economy that improves the quality of life in Tompkins County by fostering the growth of business and employment

Vision

A diverse and inclusive economy with innovative businesses, entrepreneurs, and partnerships that foster employment pathways and promote economic prosperity for all



Ithaca Area
Economic
Development

Traded Sector Focus



Manufacturing & High Tech



Software, Mobile & Technology Development



Real Estate Development



F&B Production & Distribution



Healthcare



Tourism & Hospitality



Ithaca Area
Economic
Development

Core Activities

Direct Services



Administer incentives, loan, and technical support to businesses

Workforce Development



Align career readiness and pathways with employer needs

Economic Development Leadership



Strategic planning, special projects and initiatives

Community Awareness ties them all together!



Ithaca Area
Economic
Development

Core Activities

Direct Services



**Administer incentives,
loan, and technical support
to businesses**

- Administer four core programs:
 - Tompkins County Industrial Development Agency
 - Tompkins County Development Corporation
 - Revolving Loan Fund Program
 - Tourism Capital Grants Program (on-hold for 2025, but performance tracking will continue)
- Connect businesses with incentives, services, and technical assistance
- Promote regional, state, and federal economic development programs
- Assist key sector businesses with grants and administration
- Work with the Center for Regional Economic Advancement and other Cornell programs to help technology-related businesses start, grow, and stay in Tompkins County
- Build relationships with key referral partners to increase customer pipeline for core programs and services
- Undertake annual BR&E visits with customers to establish and maintain strategic relationships and deliver targeted services
- Initiate and/or support business attraction strategies with key sector stakeholders
- Provide site location assistance to existing and prospective traded sector industry projects

Core Activities

Workforce Development



Align career readiness and pathways with employer needs

- Collaborate with employers, educational partners, Tompkins County Workforce Development Board, and community-based organizations to address workforce needs of key sector businesses in Ithaca and Tompkins County
- Work with local traded sector employers to determine need and develop worker candidate profiles that align to targeted jobs
- In partnership with education and community partners, develop an inclusive recruitment strategy that refers individuals from social service agencies and other various community-based organizations into training opportunities
- Develop an enhanced referral and assessment process to help evaluate the job-related skills of candidates
- Work with resource partners to identify and mitigate barriers to worker success
- Contribute to larger diversity, equity, inclusion, and racial justice efforts in Tompkins County
- Participate in regional conversations and efforts related to semiconductor and construction trades (Future Ready Workforce Innovation Consortium).

Core Activities

Economic Development Leadership



**Strategic planning,
special projects and
initiatives**

- Support and evaluate implementation of the Tompkins County Economic Development Strategy and the Tompkins County Recovery Strategy
- Monitor the IDA's local labor, workforce housing, diversity and inclusion, and enhanced energy incentive policies and continue to identify opportunities to achieve benefits for the community
- Build and maintain relationships with key sector stakeholders to advance economic development objectives; convene regular meetings of Economic Development Resource Providers (EDRP)
- Participate on the Tompkins County Community Housing Development Fund and provide leadership in the development of housing to support existing and new workforce
- Participate in initiatives that support business growth and expansion (energy, housing, air service/transportation, infrastructure, childcare)
- Convey business and industry needs to policy makers
- Maintain a strong role with regional and State economic development leadership professionals
- Act as the County's economic information resource; provide labor, business sector, and other economic data analysis to keep stakeholders informed of trends
- Develop an annual work plan that achieves progress toward the goals in IAED's 5-year strategy

Core Activities

Community Awareness

- Promote core programs
- Increase public awareness through storytelling and sharing successes
- Ensure long-term and diverse funding of IAED
- Hold regular Investor Council meetings and events to engage IAED investors
- Communicate our objectives and accomplishments to our investors, the businesses we serve, and the community in general by utilizing the annual report to the community, annual meeting, monthly newsletter, construction site signage, advertisements, media relations, sponsorships, social media, and the website
- Maintain and promote the IAED website, with a focus on keeping content up to date and highlighting recent accomplishments
- Participate in creating an environment in Tompkins County, the region, and New York State that is supportive of sustainable growth
- Promote Tompkins County as a place to live and do business



Special Projects - 2025

Direct Services

- Early Stage & Technology Business Retention
- Site Readiness for Business Growth & Attraction
- Stakeholder Roundtables: Succession Planning & Business Resources

Internal Operations

- Implement New CRM System

Workforce Development

- Direct to Work (Manufacturing IP)
- Tompkins Build (Construction IP)
- Vehicles to Work!

Economic Development Leadership

- Economic Development Strategy Implementation
- Infrastructure (Broadband; Sewer/Water)
- Marketing & Communications Plan



Ithaca Area
Economic
Development

Outcomes - 2025

Direct Services

- \$150M Private Investment
- 100 New Jobs
- \$5.2M New Payroll
- \$8.6M New Property Taxes

Workforce Development

- 45 Trainees / 75% LMI
- 36 Full Time Placements
- 75% Retention

Community Benefits

- 75% Local Construction Labor
- 160 New Housing Units / 37 Affordable
- 32 MW Renewable Energy
- 30% MWBE Businesses Served

Board & Committee Service

- Tompkins County Chamber of Commerce
- Tompkins County Community Housing Development Fund Oversight Committee
- Tompkins County Planning Advisory Board
- Tompkins County Strategic Tourism Planning Board
- Tompkins County Workforce Development Board
- Tompkins County Air Services Board
- Cornell Jumpstart
- Future Ready Workforce Innovation Consortium
- Southern Tier Regional Economic Development Corporation
- Southern Tier Regional Economic Development Council
- Southern Tier 8 Regional Planning Board
- Southern Tier 8 Regional Broadband Collaborative
- STEED Loan Fund Committee
- New York State Economic Development Council
- International Economic Development Council
- Ithaca Business Women's Networking Board



QUESTIONS & COMMENTS



**Ithaca Area
Economic
Development**

IDA Open Project Status - October 2024

Project Name	IDA Approval	Closing	Current Status
City Harbor	6/10/20	Project Agreement only 8/21	on hold; seeking funds to fill budget gap
Carpenter Park Mixed Use	11/11/20	Closed 12/21	under construction
BVSHF III Ithaca (401 E State)	6/9/21	Closed 12/21, amended 6/22 and 5/23	site plan extension request 10/24; moving towards site work YE 2024
NSF Enfield Solar Site 1, 2, 3	8/11/21	Closed 3/22	under construction - expected completion YE 2024
Cliff Street Retreat	11/9/22		Property is for sale
Wayfinding Signage (TCIDA)	11/9/22	total amount \$100,000	\$64,456.31 dsibursed as of June 2024
121-125 Lake Street (The Breeze)	3/8/23	Closed: STE/MRT 12/23; PILOT 6/24	under construction
Shared Kitchen (TCDC)	6/14/23		contingencies to be met prior to release of funds
602 W Buffalo Street (The Citizen)	7/12/23		on hold
510 W State Street (The Stately) (PILOT only)	8/9/23		Anticipated closing December 2024
Conifer Realty, LLC (PILOT extension only)	11/8/23		PILOT should close before 3/1/25; no construction
Carrowmoor Solar	1/10/24	Closed 2/24	Est. Start YE 2024
Meadow on Seneca	6/12/24		LIHTC award pending prior to closing - Est. 2025
Block 14 Loan (TCDC)	6/12/24	Agreement signed 7/24	First installment of \$30,000 distributed 7/11/24. Status updated 10/24 - pending discussions with county.
Southworks	10/9/24		Base PILOT should close before 3/1/25

**Tompkins County Industrial Development Agency
Quarter #3 Financial Report
September 30, 2024**

	2024 Budget	Year to Date 2024	% of Budget
Starting Balance	\$ 2,002,257		
Income			
Fees from Projects	\$ 460,274	\$ 271,370	59%
Other Interest	\$ 650	\$ 427	66%
Total	<u>\$ 460,924</u>	<u>\$ 271,797</u>	<u>59%</u>
Expenses			
Administration	\$ 467,465	\$ 350,599	75%
D&O Insurance	\$ 1,500	\$ 1,579	105%
Misc Studies	\$ 20,000	\$ -	0%
Contract Svc/broadband	\$ 255,500	\$ -	0%
Contract Svc/wayfinding	\$ 100,000	\$ 65,456	65%
Attorney Fees	\$ 8,000	\$ -	0%
Audit	\$ 8,500	\$ 13,000	153%
Total	<u>\$ 860,965</u>	<u>\$ 430,634</u>	<u>50%</u>
Ending Balance	\$ 1,602,216	\$ 1,843,420	

**Tompkins County Industrial Development Agency
Board of Directors Meeting DRAFT 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