

**Tompkins County Industrial Development Agency
Board of Directors Meeting Final Minutes
November 13, 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 (remote)

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

Guests: Frost Travis, Elsa Hyde (Travis Hyde Properties)

CALL TO ORDER

Rich John called meeting to order at 2:06 pm.

Board member Anne Koreman will be attending the November 13, 2024 meeting via video conference due to an extraordinary circumstance as outlined in section 4e of the Organization's Public Meeting Videoconference Policy. This determination was made by IDA Chair Rich John. Ms. Koreman will be attending at a location that is not open to the public and thus will not count towards quorum but will be able to vote on any motions on the floor.

PRIVILEGE OF THE FLOOR

Jill Tripp – 112 1st Street, Ithaca

Jill Tripp read a resolution from the TCSD Board of Education as follows:

WHEREAS the Ithaca City School District (ICSD) is committed to providing a high-quality education to all students, which relies on adequate and stable funding, particularly through property taxes; and

WHEREAS the Tompkins County Industrial Development Agency (TCIDA) has the authority to grant tax abatements and incentives to businesses as part of its economic development strategy, which directly affects the property tax revenues collected by local governments and school districts, including the ICSD; and

WHEREAS decisions made by the TCIDA regarding tax incentives can reduce the amount of school tax revenue available to support public education, creating financial challenges for the ICSD and potentially shifting the tax burden to other property owners or resulting in reduced educational services for students; and

WHEREAS the ICSD, has a vested interest in the decisions made by the TCIDA, as these decisions impact the funding available for essential educational programs, services, and infrastructure; and

WHEREAS several Industrial Development Agencies (IDAs) in New York State include school district representatives as voting members to ensure that the perspectives of educational institutions are considered in decisions that affect public school funding; and

WHEREAS providing a voting seat for a representative from the ICSD on the TCIDA Board would ensure that the interests of public education are appropriately represented in the decision-making process and would promote more equitable and transparent economic development practices; and

NOW, THEREFORE, BE IT RESOLVED that the Ithaca City School District Board of Education respectfully requests that the Tompkins County Legislature amend the structure of the Tompkins County Industrial Development Agency to provide a school board representative, selected by local school boards, with a permanent voting seat on the TCIDA Board; and

BE IT FURTHER RESOLVED that such representation would allow for the active participation of school districts in decisions that impact school tax revenues, ensuring that economic development initiatives do not disproportionately affect public education funding and promote the long-term well-being of the community; and

BE IT FURTHER RESOLVED that copies of this resolution be sent to the Tompkins County Legislature, the Tompkins County Industrial Development Agency, Governor Kathy Hochul, Senator Lea Webb, Assemblymember Anna Kelles, and other relevant state and local officials.

Theresa Alt – 206 Eddy Street, Ithaca

You probably think that I'm going to be talking about Library Place coming hat in hand again but that is so predictable. No, I'm not talking about that. I noticed the resolution about solar seems to assume that solar farms are in opposition to agriculture, but it doesn't have to be so. It so happens that I learned about this 2 and a half years ago when I interviewed Anna Kelles thinking I would be hearing about other things but to my surprise she was really excited about the fact that a bill that she had introduced had passed with the budget. This is two years ago and it was to fund research into what she called agrivoltaics. I would have it agrovoltaics but it's the idea that the same land can be used both for a solar farm and for productive agriculture. The idea of the fund is that the risk that you experiment with something that doesn't grow. This crop we try it, it doesn't work that shouldn't bankrupt the farmer that should be part of research and if another crop succeeds nicely, great a farmer could have just tried it but now they know that it is a good deal. So I strongly suggest that you look into the promise of agrivoltaics and don't assume that there is a big conflict between farming and solar.

Amanda Kirchgessner – Town of Ulysses

I've been saying we need a school board rep for years and I'm so glad they've finally taken the initiative to ask for their rightful place at the table. But I am here today to talk about clawback protocols and having clear agreements with project that when they sell before the PILOT has expired, the PILOT agreement would be rescinded or renegotiated and clawback would happen. Particularly I can refer to the City Centre project which I know so many of us spoke against, and it sold for \$25 million more than they estimated it would be worth. I think three or four years after the project was completed and what broke my heart about that situation, it would have been very east for them to pay back several millions of dollars into the local school budget into the City's budget and into the County's budget. I know that the County Legislature is debating, I'm not sure if it passed, an endorsement of a state bill that would exempt school taxes from being abated. I mean you guys are the IDA you can set the rules you don't have to abate school taxes at all or you could adjust those numbers in your negotiations also if IAED continues to not be capable of pursuing aggressive clawback on projects that don't meet the terms of their agreement I do suggest that you look for an alternate agency to handle the financials of the IDA because if they don't have the interest of the taxpayers at heart that's not truly in our communities best interest. So please take these remarks into consideration and lets ease the burden on tax payers in this community.

ADDITIONS TO THE AGENDA – None

BUSINESS

Library Place Modifications

(Jeff Gorsky recused himself from this discussion due to a business conflict)

Frost Travis presented the request for modifications to the Library Place project.

He requested a modification of the PILOT tax abatement for the project so that the start date of the incentive coincides with the first year the new building was placed in service. Construction was delayed due to COVID and cost increases. He also requested relief from the 55+ age restriction. Lease up is going slower than expected and the current tenants have expressed strong interest and support for creating intergenerational housing. Removing the age restriction will make the project more economically viable as well as more vibrant.

The board expressed support for modifying the PILOT start date. There was discussion as to reasons and need on lifting the age requirement.

The legality of having a set percentage of 55+ tenants and giving preference to that age group was discussed. The developer will check on the legality of this option under the Fair Housing Act.

A vote on the project amendments will be considered at the December 11, 2024 board meeting.

Labor Reporting and Compliance Recommendation

Heather McDaniel reviewed the IDA's Local Labor Utilization Policy and the increasing time constraints to monitor and track compliance. Staff does an admirable job of administering. However, staff does not have the capacity to conduct regular inspections, review records at the contractor's office, or the skillsets to thoroughly identify and address irregularities. Many IDA's throughout the State have turned to third party consultants to provide compliance and oversight.

A proposal for local labor monitoring services from Loewke Brill Consulting Group has been requested and received. The firm has been in operation for over 20 years and has provided construction labor monitoring services for IDAs across the State since 2007.

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.

Ducson Nguyen made a motion to hire Loewke Brill Consulting Group to handle local labor monitoring and compliance for new and existing TCIDA projects subject to the local labor policy. Jerry Dietz seconded the motion. The motion was approved 5-0.

Solar Policy – Primer Agricultural Soils Recommendation

Heather McDaniel reviewed her recommendations to increase payments for commercial solar projects on prime agricultural land.

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. The land is designated Prime Farmland by the United States Department of Agriculture (USDA) Soil Survey.

Rich John commented that the policy edits are in line with the County's desire to preserve farmland.

It was requested that language around agrivoltaics be included with the edits to the policy.

A vote on the updated policy will be considered at the December 11, 2024 board meeting.

2025 Draft Memorandum of Understanding IAED & TCIDA

This agenda item will be considered at the December 11, 2024 board meeting.

At-Large Member Seats – Discuss Staggering Renewals

Heather McDaniel reported that currently all four of the at-large director seats will be expiring at the end of 2024. In the past, the end dates for these four seats were staggered and it is desirable to have them staggered again. In order to achieve this, she recommended appointing two of the seats for a one-year term followed by a two-year term appointment. As the County Legislature appoints the board directors, this would be a recommendation to that body.

Jeff Gorsky made a motion to recommend to the Tompkins County Legislature that two of the expiring at-large board director seats (building trade seat and City of Ithaca seat) be appointed for 1 year beginning in 2025 and then be appointed for 2 years beginning in 2026. Ducson Nguyen seconded the motion. The motion was approved 5-0.

CHAIRS REPORT

Rich John requested that the ICSD Resolution and request be discussed at the next board meeting.

STAFF REPORT

Heather McDaniel reported that in December the Housing and Economic Development Committee of the County Legislature will discuss a resolution in support of State legislation that would prohibit IDAs from abating school taxes. She reported that she did provide talking points and information on this to the chair of the committee as well as Rich John and Deborah Dawson. She updated on the status of the legislation as follows: the NYS legislative session has ended for this year and there was no action on the proposed legislation. It may be reintroduced again next year with new bill numbers.

It was clarified that with the sale of a property, the PILOT agreement is terminated. The new owner can request the transfer of the agreement before the sale is final. The IDA board has the option to reduce, recapture or continue the project incentives. In response to comments during privilege of the floor, she clarified that the city Centre project developer did request and received approval for the transfer of the incentive to the new owner.

The project status dashboard was reviewed. An update on the payments made to date to the Community Housing Development Fund was requested for the next meeting.

The shared commercial kitchen is progressing and anticipates meeting the agreed upon contingencies before funds are disbursed.

The 3Q 2024 financial report was reviewed.

The Stately is planning to close by the end of the year.

MINUTES

Jeff Gorsky made a motion to approve the minutes from the October 9, 2024 board meeting. Jerry Dietz seconded the motion. The motion was approved 5-0.

EXECUTIVE SESSION

Jeff Gorsky made a motion to take the meeting into executive session to discuss potential litigation and a separate personnel matter. Ducson Nguyen seconded the motion. The motion was approved 5-0.

The meeting went into executive session at 3:37 pm.

Action/Follow Up Items

- Report on other IDA Housing incentive information
- Community Housing Development Fund payment dashboard
- Library Place – follow up on Fair Housing – legality of giving preference to 55+ or maintaining a percentage of such
- Library Place modifications request
- Solar Policy modifications and request to add language about agrivoltaics
- IAED/TCIDA memorandum of understanding
- ICSD School Board Representative Seat for discussion