**Tompkins County Industrial Development Agency**

**Board of Directors Meeting Final Minutes**

**January 8, 2025 2:00 – 4:00 PM**

**TC Legislative Chambers**

**121 E. Court Street**

**Ithaca, NY 14850**

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

**Excused:** Jerry Dietz (joined meeting @ 2:45pm)

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

**Guests:** Frost Travis (Travis Hyde Properties), Jeff Githens (remote) (PeakMade), Kate Donahue, David Squires (Cinemapolis), Bruce Adib-Yazdi (Vecino Group)

**CALL TO ORDER**

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

Todd Bruer is attending the meeting remotely due to an extraordinary circumstance under the TCIDA Videoconference policy. Mr. Bruer will not count towards quorum as he is in a location not open to the public. Mr. Bruer is allowed to participate and vote.

**PRIVILEGE OF THE FLOOR**

**Amanda Kirchgessner** – 4471 Jacksonville Road, Trumansburg NY (written comments submitted were read by Rich John)

Any decisions made will establish precedence for any future decisions regarding abatement extensions and rule changes. I know the state is lax in its oversight responsibilities. The states recommendations largely go unheard it seems. That means the responsibility falls squarely in the laps of those sitting at the table when these discussions are had, and these votes are cast.

The community was largely opposed to the convention center at Asteri as well as exclusively senior development at Library Place. I wonder where we'd be sitting if those voices had been heard the first time around?

Please reflect on the entire depth of the records of any and all projects who are asking for extensions or changes to their agreements. Listen to the public hearings. Read the comments. From start to finish.

Good government means doing your homework and taking the needs, perspectives, and concerns of all parties into consideration and account.

We can do better. Thank you for your time.

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

The BVFHS request reminds me of some comments I have heard from others that the IDAs offers of tax

subsidies encourage inadequately capitalized developers to grasp onto projects that they can't really afford to develop thus blocking the way to others who might have projects that they can afford if your dire scenarios of nothing getting built without your help were true nothing would be built in college

town as for the Cinemapolis application well I think that's a community cultural Enterprise that deserves support though I wish the support did not come in the form of parking some of the problems that you

deal with are way bigger than the Ida for example Library Place well this is where you get when the dominant Superstition is that housing to be any good must be private and for profit, I'd suggest best that when housing is needed it should be publicly or cooperatively owned maybe not for profit take a look at the model of Vienna Austria. Thank you.

**Peter Wissoker** – Ithaca NY

Good afternoon. I have just a couple of points to make.

First, please do not give PeakMade the adjustments it seeks. The corporation is very, very large and can afford the extra monies it seeks from the county’s taxpayers. Its investment partner, Blue Vista, has over $2.5 billion in assets under management. And despite Ms. McDaniel’s wish—expressed more than once when such issues arise—that this be a non-issue, it should be an issue. If you have to draw the line somewhere on forgoing tax revenue, doing so for firms of this size is as good a place as any.

For PeakMade, if you seek to compromise, I would have you agree to the shift in dates of the abatement. However, please ensure that the property has been reassessed based on the sale price and that the firm pays 100% of the property tax due based on that updated value for this past year.

But please, do not accede to letting the tax abatement transfer in the event of bankruptcy without having PeakMade come back to the IDA. That’s not something you would agree to in any other situation (and the rules were changed not all that long ago to ensure this is the case) and there is no reason you should do so when the richest firm to come to town in a long while asks for it. After all, it just makes it easier for the company to walk away from the project and the debt it uses to leverage it. If you do decide to offer them that concession, then I suggest you demand something in return, perhaps an agreement that if the property is sold under any or all circumstances, the seller will return to the agency all monies abated plus 1% of the sale price.

On a separate point: The minutes from the last meeting do not include the written public comments the IDA received. Please have them added. They should be part of the visible public record.

To remind you of a few points I made:

1) It is not too early to start making contacts with Cornell’s City and Regional Planning department to lay the groundwork for a detailed and rigorous analysis of the economic impact, costs, and benefits of the SouthWorks project that could be used five years from now when it comes back to the board.

2) You should ask Heather McDaniel to come up with a few different scenarios for the abatement schedule for SouthWorks to be distributed to the taxing jurisdictions for use in their planning.

3) Please revise the document defending the need to include schools in abatement plans. Its current form is an embarrassment.

Thanks, and happy new year,

**Susan Crammer –** Ithaca NY

I'm Susan Kramer and the last time I was at this microphone was in 2019 at the vote for the tax abatement for Library Place and at the time there were many comments submitted many speakers who spoke, and I would have hoped that before the discussion for amending the abatement that the members especially new members would have gone back and looked at those documents. The fact that Jerry Dietz asked whether the senior housing component was a big factor in decisions you look at the comments there and there were members of the public who had been gerontologist, gerontology professors, Lifelong board members, many seniors wrote in before the vote and the tax abatement vote saying that this was critical that we needed the senior housing. The fact that these amendments are voted on without really looking at the original abatements and the documents the financial situation that the developer was in then. I brought up the fact that in 9 months the cost of the project had gone from 20 million to 30 million and with no explanation and it was clear that Frost already then had some financial issues so I agree with Amanda that there needs to be more scrutiny there needs to be more oversight of projects that have already been approved when you revisit those to amend them and there needs to be just a lot more scrutiny and as Amanda said doing your homework and going back and looking at the situation six years ago now almost from 2019 when Frost was already talking about the enormous costs that the changes had brought about now he's saying that it's all pandemic related supply chain related and Le Chases labor shortages in fact what I was told that the two years of no activity at the site was actually due to the fact that the contractor had not been paid so for Frost to say that those were reasons when the real reason was some serious financial instability that needs to be made public and it needs to be considered by you guys before just letting this continue and other developers coming up and being given abatements when their financial picture is really questionable. Thank you.

**ADDITIONS TO THE AGENDA –** None

**BUSINESS**

BVSHF Modification Request

Kellea Bauda introduced the three requests for modification from PeakMade and the BVSHF III Ithaca project.

The three requests are:

The amount from 60% LTC to 70% LTC and requests and **increase to the mortgage recording tax exemption** as follows: Mortgage amount - $125,000,000 (versus $99,820,434 as approved by the IDA in May 2023) Estimated mortgage recording tax exemption benefit - $312,501 (versus $249,551 as approved by the IDA in May 2023)

The project also seeks to **modify the property tax benefits to extend the benefit expiration date with the following adjustments**:

Construction completion date of July 2027 (versus April 2026 as approved by the IDA in May 2023)

Benefit expiration date of tax year 2037/38 (versus tax year 2036/37 as approved by the IDA in May 2023).

The **third request is from the projects lender** as follows:

In the event of lender foreclosure on the Project, the foreclosing lender shall have the ability to sell the Project to a qualified buyer as a permitted transfer (and thus retain the IDA tax benefits) without the consent of the Agency as long as the qualified buyer assumes the Company’s obligations under the Lease and Project Agreements.

**Anne Koreman made a motion to approve the first two requests from PeakMade to the BVSHF III Ithaca project (increase the mortgage recording tax exemption and modify the property tax benefit to extend the benefit expiration date to 2037/38 based on a construction completion date of July 2027). Jeff Gorsky seconded the motion. The motion was approved 6-0-1 (Dietz absent)**

**Jeff Gorsky made a motion to approve the third request from the BVSHF III Ithaca project lender as follows:**

**In the event of lender foreclosure on the Project, the foreclosing lender shall have the ability to sell the Project to a qualified buyer as a permitted transfer (and thus retain the IDA tax benefits) without the consent of the Agency as long as the qualified buyer assumes the Company’s obligations under the Lease and Project Agreements.**

**Ducson Nguyen second the motion.**

Russ Gaenzle pointed out that this language request from lenders is not uncommon. This would be only in the event of a foreclosure, not at a regular sale. The lender must sell to a qualified buyer who would assume the requirements of the IDA for the project.

Rich John stated that as long as the owner holds up their end of the agreement it does not matter who the owner is.

Mr. Githens stated that they are not thinking of failing. This is a requirement from the lender.

**A vote on the motion was called. The motion failed 3-3-1 (Nguyen, Gorsky, John Yes; Dawson, Koreman, Bruer No; Dietz absent)**

Asteri Parking, LLC (Cinemapolis) Application

*Jerry Dietz joined the meeting at 2:45 pm. Board members who are members of Cinemapolis do not have a conflict.*

Kellea Bauda introduced the application.

Asteri Parking, LLC is requesting a 28-year PILOT agreement, with a de minimis payment of $1 per year,

for the ground floor space of 120 E Green Street, which is occupied by Seventh Art Corporation of Ithaca, d/b/a Cinemapolis.

The PILOT would support the long-term financial sustainability of Cinemapolis, which in turn provides the

following benefits to them and the City of Ithaca. These include assistance in maintaining a long-term tenant in a space that was specially designed as a movie theater. While the economy for cinemas has been unstable, Asteri received ownership of the land that was improved with a movie theater, which requires a very specific type of tenant. Cinemapolis helps support the success of projects in downtown Ithaca. The Ithaca Downtown Conference Center, another Asteri tenant, works closely with Cinemapolis as a partner on many of their events. In addition, recreational amenities improve the quality of life for the residents of the affordable housing project. Finally, visitors to Cinemapolis frequent the parking garage above the movie theater. Each of these ancillary projects have been previously supported by this Industrial Development Agency.

It is also important to note that, by buying out its leasehold, the Movie Theater would have qualified for a

full tax exemption under applicable law if the City of Ithaca and IURA had not transferred title to Asteri

Parking, LLC.

Formerly, the land underlying the movie theater was owned by IURA, subleased to a for-profit developer

called Cayuga Green, LLC, and then subleased to Cinemapolis. The City of Ithaca and IURA conveyed

the land to Asteri Parking, LLC, a subsidiary of Vecino Group, as part of the joint development of the

parking garage in 2021.

In New York State, real property taxes are exempted when the land is owned by a charitable or governmental entity and used for a charitable or governmental purpose. Because of the financial situation Cinemapolis faced for several years, they took several significant steps to reduce its fixed

costs and increase its revenues. Earlier in 2024, Cinemapolis bought out its leasehold from Cayuga Green,

LLC, and now directly leases the movie theater from IURA, which significantly reduced its fixed costs.

By removing the for-profit developer, Cinemapolis was making the Movie Theater eligible for real

property tax exemption. However, by transferring the title to Asteri Parking, LLC, that possibility was removed.

The applicant has agreed to amend their lease so that Asteri Parking, LLC assumes responsibility for the real property taxes assessed against Cinemapolis. The applicant is requesting a PILOT payment of $1 per year for 28 years, which is co-terminus with the lease. In year 29, the tenant will have the ability for the first time to purchase the building.

It was noted that the project application would be edited under Section X. B question 3 to reflect that the project would make goods and services available that are not currently reasonably accessible to the residents of the municipality within which the project is located. Also, a retail determination will be made.

**Anne Koreman made a motion to accept the application as complete pending noted edits and to send the application to a public hearing. Deborah Dawson seconded the motion. The motion was approved 7-0.**

Library Place Modifications

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

Frost Travis presented his request for the removal of the 55+ age restriction on the project and proposed lowering the rents by 10% for two years. This reduction in rent would apply to all current tenants as well. An investor who is willing to support the project has come forward but requires the removal of the 55+ age restriction.

**Deborah Dawson made a motion to accept the proposal from the developer to lower the rents by 10% for two years with adjustments for CPI and remove the 55+ age restriction. The motion was approved 5 – 1 – 1 (Nguyen, Dawson, Dietz, Koreman, John Yes; Bruer No; Gorsky Abstain)**

*Jerry Dietz left the meeting at 3:00 pm*

**CHAIRS REPORT** – None

**STAFF REPORT**

Kellea Bauda reported that The Stately (PILOT only) project has closed on its legal documents. The annual TCIDA/TCDC audit process has begun. Governor Hochul did not sign legislation appointing a school board representative to IDA Boards

Anne Koreman mentioned that the HED Committee and TC Legislature passed a resolution allowing a 30-day continuance of current TCIDA/TCDC Board members.

County Housing Development payments and projects were reviewed.

Administrative local labor waivers were reviewed.

**MINUTES**

**Deborah Dawson made a motion to approve the December 11, 2024 Board meeting minutes. Jeff Gorsky seconded the motion. The motion was approved 5 – 0 – 2 (Bruer abstain, Dietz absent).**

It was requested that minutes reflect names of members on resolutions.

The meeting was adjourned at 3:11 pm.

**Minutes approved 2/12/25.**

Action/Follow Up Items

* Report on other IDA Housing incentive information
* Solar Policy – add language to preserve forest land
* Updates as needed – ICSD School Board Representative Resolution
* Updates as needed – Proposed State legislation prohibiting IDAs from abating school taxes