**Tompkins County Industrial Development Agency**

**Board of Directors Special Meeting Final Minutes**

**January 22, 2025 12:00 Noon**

**IAED Offices**

**119 E Seneca Street, Suite 200**

**Ithaca, NY 14850**

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

**Excused:** Todd Bruer, Greg Mezey

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

**Guests:** Jeff Githens (remote) (PeakMade), Tom Knipe (City of Ithaca)

**CALL TO ORDER**

Rich John called the meeting to order at 12:02 pm.

**PRIVILEGE OF THE FLOOR**

**Robert Cantelmo**, Mayor, City of Ithaca (letter read by Tom Knipe)

Dear Members of the Tompkins County Industrial Development Agency,

Thank you for reconsidering the request by State Street Apartments to modify their incentive agreement to address the needs of the lender. The project sponsor worked for years with the City on project design and approvals and received its final site plan approval in September 2021. The project has been stalled since then due to cost and financing issues.

Your approval of this request is critical for the project to move forward, and the City is strongly supportive of approving this request.

Not only will it deliver over 300 housing units to the heart of our community; it will also infuse $1.8 million into the Community Housing Development Fund to support local investment in affordable housing. This is equivalent to about four and a half years of combined City, County and Cornell payments into the fund.

It is my understanding that this modification would ensure that the project sponsor’s lender would be protected from further losses in the narrow possibility of a foreclosure and does not preclude the IDA for revisiting the structure of IDA benefits if sold on the open market. And in addition to protecting the lender, this also protects the IDA and community from maximizing the potential that the benefits of the project be realized.

The fact that the developer has stayed committed to this project as they have reworked the project financials since receiving their City approvals three and a half years ago is a testament to their commitment to this project and to working in our community.

**ADDITIONS TO THE AGENDA –** None

**BUSINESS**

BVSHF Modification Request

Rich John noted that when this modification request was presented at the January 8, 2025 meeting, it was heard as a request and not as a condition of funding being granted by the lender.

Jeff Githens thanked the board for meeting again to consider again the modification request for the project from the lender. While foreclosure is a very remote possibility, the lender is requiring the language as a condition of funding. The request is as follows:

*In the event of lender foreclosure on the Project, the foreclosing lender shall have the ability to*

*sell the Project to a quali*fi*ed buyer as a permi*tt*ed transfer (and thus retain the IDA tax bene*fi*ts)*

*without the consent of the Agency as long as the quali*fi*ed buyer assumes the Company’s*

*obligations under the Lease and Project Agreements*

It was noted that in order to keep the current construction schedule, this request could not be put off until the February IDA meeting.

The investment management company, Blue Vista Capital, and the lender, Red Cove Cap, were identified.

It was reiterated that any foreclosure purchaser still needs to meet the conditions of the TCIDA and a qualified buyer would need to meet the financial need requirement.

**Ducson Nguyen made a motion to approve the BVSHF modification request as outlined as a condition from the lender that 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. Jeff Gorsky seconded the motion.**

**The motion was approved 5-0.**

The meeting was adjourned at 12:19 pm.

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