



108 E. Green St.
Ithaca, NY 14850
(607) 274-6565

AGENDA

ITHACA URBAN RENEWAL AGENCY (IURA) ECONOMIC DEVELOPMENT COMMITTEE (EDC) 3:00 P.M., Tuesday, August 21, 2018 Common Council Chambers, City Hall, Ithaca, NY

I. Call to Order

II. Additions to/or Deletions from Agenda

III. Green Street Garage Redevelopment Urban Renewal Project

A. Preliminary Review of Development Proposals (up to 35 minutes per proposal):

- 3:05 p.m. (approx.) **1.** [Harold’s Holdings, LLC \(“Little Commons”\)](#) ← click to view proposal
- 3:40 p.m. (approx.) **2.** [Vecino Group New York, LLC \(“Asteri Ithaca”\)](#) ← click to view proposal
- 4:15 p.m. (approx.) **3.** [Ithaca-Peak Development, LLC](#) ← click to view proposal
- 4:50 p.m. (approx.) **4.** [Newman Development Group, LLC & Visum Development Group, LLC](#) ← click to view proposal

Meeting Procedure for Each Development Proposal

15 minutes — Developer Presentation

10 minutes — Q&A with EDC (opened up to IURA Members, City Staff, & Alderpersons, as time permits)

5 minutes — Written Questions Submitted by Public Asked by Chairperson

5 minutes — *Requests for Clarifications/Additional Information*

35 minutes

NOTE: 1. EDC meeting is not intended as a Public Hearing.

2. Developers may elect to answer questions in writing following the meeting.

B. Next steps

IV. Other Business

- A.** Review of Meeting Minutes: June 14, 2018 – Approval
- B.** IURA Loan & Lease Payments Report: July 2018 – Review
- C.** Update on Cherry Street Industrial Park Expansion Project

V. Public Comment (IF TIME PERMITS) (3-minute maximum per person)

VI. Adjournment



If you have a disability and require accommodation in order to fully participate, please contact the CITY OF ITHACA CLERK’S OFFICE at 274-6570 at least 72 business hours prior to the meeting.

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DRAFT MEETING MINUTES
ITHACA URBAN RENEWAL AGENCY
Economic Development Committee (EDC)
3:30 PM, Thursday, June 14, 2018
Common Council Chambers, City Hall, Ithaca, NY

Present: Chris Proulx, Chair; Doug Dylla, Vice-Chair; Leslie Ackerman; Charles Hamilton
Excused: Heather Harrick
Vacancies: 1
Staff: Nels Bohn; Charles Pyott
Guests: Samantha Abrams, President, Emmy's Organics, Inc.
Ian Gaffney, Vice-President, Emmy's Organics, Inc.

I. Call to Order

Chair Proulx called the meeting to order at 3:31 P.M.

II. Agenda Additions/Deletions

None.

III. Review of Meeting Minutes: April 17, 2018

Ackerman moved, seconded by Dylla, to approve the April 17, 2018 minutes, with one minor modification.

Carried Unanimously 4-0.

IV. Public Comment (3-minute max. per person)

None.

V. New Business

A. Green Street Garage Redevelopment Urban Renewal Project: Review of Development Team Qualifications

- 1. Newman Development Group, LLC & Visum Development Group, LLC**
- 2. Vecino Group New York, LLC**
- 3. L Enterprises, LLC & McGuire Development Company, LLC**

Bohn explained that designating a qualified sponsor means that particular applicant will become eligible to continue with the RFP application process; however, that does not guarantee the applicant would ultimately be selected, or have a role in the project. It simply means the applicant has the capacity, experience, and qualifications to implement the project.

Bohn noted all three applicants appear to be highly qualified in terms of their skill-sets, development teams, experience, and past projects; however, most of them did not provide very detailed or meaningful financial information. As a result, each resolution contains a clause stating that additional financial information will be needed by the IURA.

Dylla asked what role Ithaca Neighborhood Housing Services (INHS) would be playing in the two applications it is included in. Bohn replied that INHS is keeping its options open. It is a little less clear what role INHS would play in the Vecino Group New York, LLC project.

Ackerman asked if Bohn observed any elements in the applications that were particularly deficient. Bohn replied, no. Every applicant team possesses significant experience; and has worked successfully with New York State and the City of Ithaca Building Division.

Hamilton moved, seconded by Ackerman:

**Designate Newman-Visum as a Qualified & Eligible Sponsor for the
Green Street Garage Site Urban Renewal Project**

WHEREAS, on April 26, 2018, the IURA re-opened the RFP for the Green Street Garage Urban Renewal Project for 90 days to receive additional proposals, and

WHEREAS, interested developers were required to submit a pre-application including qualifications, but not proposals, by June 1, 2018 to be considered for designation as a Qualified and Eligible Sponsor (Sponsor) pursuant to section 508 of General Municipal Law, also known as a preferred developer, and

WHEREAS, qualifications from three additional development teams were received by the submission deadline, and

WHEREAS, the IURA delegated authority to the Economic Development Committee (EDC) to determine a development team's qualifications and capacity to successfully undertake the urban renewal project, and

WHEREAS, IURA evaluation criteria for a Sponsor include:

- Financial status and stability
- Legal qualifications to operate in the State of New York and to enter into contracts with regard to disposition, use and development of land in question
- Previous experience in financing, use, development and operations of projects of a similar nature
- Reputation and proof of fair, reputable and ethical business practices and record devoid of convictions, and

WHEREAS, multiple Sponsors may be designated by the IURA though only one Sponsor is anticipated to be invited to execute a 90-day Exclusive Negotiating Agreement for the purpose of structuring a proposed Disposition and Development Agreement for the project site, and

WHEREAS, the Newman-Visum development team includes the following:

Co-Developers

- Newman Development Group, LLC
- Visum Development, LLC

Developer Team

- Ithaca Neighborhood Housing Services, Inc.
- HOLT Architects
- Whitham Planning and Design
- Carl Walker Engineering
- T.G. Miller
- Taitem Engineering
- Purcell Construction, and

WHEREAS, the EDC reviewed submitted qualifications and compared them to the IURA Sponsor evaluation criteria; now, therefore, be it

RESOLVED, the IURA Economic Development Committee hereby finds that the Newman-Visum development group satisfies IURA sponsor criteria — including qualifications, capacity and experience — to be designated a Sponsor to undertake an urban renewal project to undertake an in-fill, mixed-use project at 120 E. Green Street, Ithaca, NY, subject to satisfaction of the following condition:

- Receipt of requested confidential financial information from each co-developer and determination by the EDC Chairperson that such information satisfactorily verifies the co-developers possess sufficient financial capacity, and be it further

RESOLVED, that upon satisfaction of the above condition, the IURA hereby designates the Newman-Visum development team as a “Qualified and Eligible Sponsor,” pursuant to section 508 of General Municipal Law, eligible to submit a full proposal by July 31, 2018 in response to the re-opened RFP for the Green Street Garage Urban Renewal Project.

Carried Unanimously 4-0

Dylla moved, seconded by Ackerman:

**Designate Vecino as a Qualified & Eligible Sponsor for the
Green Street Garage Site Urban Renewal Project**

WHEREAS, on April 26, 2018, the IURA re-opened the RFP for the Green Street Garage Urban Renewal Project for 90 days to receive additional proposals, and

WHEREAS, interested developers were required to submit a pre-application including qualifications, but not proposals, by June 1, 2018 to be considered for designation as a Qualified and Eligible Sponsor (Sponsor) pursuant to section 508 of General Municipal Law, also known as a preferred developer, and

WHEREAS, qualifications from three additional development teams were received by the submission deadline, and

WHEREAS, the IURA delegated authority to the Economic Development Committee (EDC) to determine a development team's qualifications and capacity to successfully undertake the urban renewal project, and

WHEREAS, IURA evaluation criteria for a Sponsor include:

- Financial status and stability
- Legal qualifications to operate in the State of New York and to enter into contracts with regard to disposition, use and development of land in question
- Previous experience in financing, use, development and operations of projects of a similar nature
- Reputation and proof of fair, reputable and ethical business practices and record devoid of convictions, and

WHEREAS, multiple Sponsors may be designated by the IURA though only one Sponsor is anticipated to be invited to execute a 90-day Exclusive Negotiating Agreement for the purpose of structuring a proposed Disposition and Development Agreement for the project site, and

WHEREAS, the Vecino development team includes the following:

Co-Developers

- Vecino Group New York, LLC
- Ithaca Neighborhood Housing Services, Inc.

Developer Team

- Vecino Design, LLC
- Vecino Construction, LLC
- INHS, property management, and

WHEREAS, the EDC reviewed submitted qualifications and compared them to the IURA Sponsor evaluation criteria; now, therefore, be it

RESOLVED, the IURA Economic Development Committee hereby finds that the Vecino development team satisfies IURA sponsor criteria — including qualifications, capacity and experience — to be designated a Sponsor to undertake an urban renewal project to undertake an in-fill, mixed-use project at 120 E. Green Street, Ithaca, NY, subject to satisfaction of the following condition:

- Receipt of requested confidential financial information from Vecino and determination by the EDC Chairperson that such information satisfactorily verifies the co-developers possess sufficient financial capacity, and be it further

RESOLVED, that upon satisfaction of the above condition, the IURA hereby designates the Vecino Group New York, LLC as a “Qualified and Eligible Sponsor,” pursuant to section 508 of General Municipal Law, eligible to submit a full proposal by July 31, 2018 in response to the re-opened RFP for the Green Street Garage Urban Renewal Project

Carried Unanimously 4-0

Ackerman moved, seconded by Hamilton:

**Designate Harold’s Holdings, LLC as a Qualified & Eligible Sponsor for the
Green Street Garage Site Urban Renewal Project**

WHEREAS, on April 26, 2018, the IURA re-opened the RFP for the Green Street Garage Urban Renewal Project for 90 days to receive additional proposals, and

WHEREAS, interested developers were required to submit a pre-application including qualifications, but not proposals, by June 1, 2018 to be considered for designation as a Qualified and Eligible Sponsor (Sponsor) pursuant to section 508 of General Municipal Law, also known as a preferred developer, and

WHEREAS, qualifications from three additional development teams were received by the submission deadline, and

WHEREAS, the IURA delegated authority to the Economic Development Committee (EDC) to determine a development team’s qualifications and capacity to successfully undertake the urban renewal project, and

WHEREAS, IURA evaluation criteria for a Sponsor include:

- Financial status and stability
- Legal qualifications to operate in the State of New York and to enter into contracts with regard to disposition, use and development of land in question

- Previous experience in financing, use, development and operations of projects of a similar nature
- Reputation and proof of fair, reputable and ethical business practices and record devoid of convictions, and

WHEREAS, multiple Sponsors may be designated by the IURA though only one Sponsor is anticipated to be invited to execute a 90-day Exclusive Negotiating Agreement for the purpose of structuring a proposed Disposition and Development Agreement for the project site, and

WHEREAS, the Harold's Holdings development team includes the following:

Co-Developers

- L Enterprises, LLC
- McGuire Development Company, LLC

Developer Team

- STREAM Collaborative
- Taitem Engineering
- John Driscoll, and

WHEREAS, the EDC reviewed submitted qualifications and compared them to the IURA Sponsor evaluation criteria; now, therefore, be it

RESOLVED, the IURA Economic Development Committee hereby finds that Harold's Holdings, LLC satisfies IURA sponsor criteria — including qualifications, capacity and experience — to be designated a Sponsor to undertake an urban renewal project to undertake an in-fill, mixed-use project at 120 E. Green Street, Ithaca, NY, subject to satisfaction of the following condition:

- Receipt of requested confidential financial information from each co-developer and determination by the EDC Chairperson that such information satisfactorily verifies the co-developers possess sufficient financial capacity, and be it further

RESOLVED, that upon satisfaction of the above condition, the IURA hereby designates the Harold's Holdings, LLC as a "Qualified and Eligible Sponsor," pursuant to section 508 of General Municipal Law, eligible to submit a full proposal by July 31, 2018 in response to the re-opened RFP for the Green Street Garage Urban Renewal Project.

Carried Unanimously 4-0

Dylla asked if the IURA would use a consultant to evaluate the applications. Bohn recommended the IURA should first review the applications and then decide if it needs to hire a consultant.

Proulx remarked that the Committee will be reviewing the applications in depth at its August meeting, including a public comment period. No formal action will be taken until the September meeting.

B. Expansion of Cherry Street Industrial Park

1. Emmy's Organics, Inc. — Relocation & Expansion, Designation of Qualified & Eligible Sponsor & Authorize Disposition & Development Agreement

2. Authorize Cherry St. Road Extension & Subdivision of Land

Bohn explained the IURA acquired the parcel from the City of Ithaca and designated it for an economic development project. The parcel has 66 feet of frontage. The IURA has explored options for developing it, in the past, but has always been stymied by the need to construct a road to the site (which could not be funded with CDBG funds, unless a certain number of jobs have been created). This a good opportunity to develop the site. Bohn noted the site is constrained in some respects (e.g., railroad tracks on one side and nearby wetlands, proximity to the Black Diamond Trail and Flood Control Channel). The project would require Subdivision approval to enable construction of the public road. Financing the road construction and utilities will be expensive. The project is a good opportunity to keep a growing employer in the city. It is also consistent with the City's Comprehensive Plan, which does not allow residential use on the site. In order to proceed, the IURA will need to designate it as an urban renewal project and select the preferred developer, at which point an agreement would be generated and submitted to Common Council for approval. The project will result in at least 5 new full-time equivalent (FTE) jobs upon completion.

Gaffney explained that the company currently operates on Buffalo Street, but it has been bursting at the seams over the past year, so it needs to expand and believes the Cherry Street site is the best option. The company would easily add 5 staff persons as a result of the project (possibly as many as 10).

Abrams added that Emmy's Organics is in very good financial health, with only modest bank debt. Also, the company's CFO has a strong financial background and commercial real estate experience.

Dylla asked if all the production would take place in the new facility. Gaffney responded that is definitely the goal, although the company may need to maintain a blended approach (e.g., products that could not be made at the site or if huge orders need to be filled).

Dylla noted the IURA funds several job training/readiness programs. He asked if Emmy's Organics would be open to working with those programs. Gaffney replied, absolutely. Emmy's Organics has already worked in the past with the Youth Employment Services (YES) program.

Ackerman asked if Emmy's Organics can project how long it would be before it outgrows the new facility. Gaffney replied he anticipates they would most likely be able to remain in the facility until/through 2020. They are certainly looking to maximize the use of the site.

Bohn remarked that the IURA has not yet identified the boundaries of the parcel to be sold. It would be sold at the appraised value.

Ackerman asked how many acres Emmy's Organics believes it would need. Gaffney replied they would like 3 acres, since they will need a loading dock, parking, etc. They planned on spending \$300,000 on purchasing the land.

Bohn indicated the cost of 3 acres would be \$285,000. If the project moves forward, the Site Plan Review application would be submitted to the Planning and Development Board by July 15, 2018. The Planning Board would then need to approve both the Subdivision and the Site Plan, with final approval projected to take place in September 2018.

Hamilton asked if the IURA would impose any job-reporting requirements on the project. Bohn replied, yes.

Proulx asked how many of Emmy's Organics current staff are low-to-moderate income. Abrams replied, over half.

Hamilton asked if there would be a living wage requirement associated with the project. Bohn replied, not formally, but the IURA certainly encourages it. It could also be something the IURA chooses to negotiate with Emmy's Organics.

Hamilton asked if the new jobs would be living wage jobs. Gaffney replied that is certainly the goal. Emmy's Organics' current entry level positions are paid \$12/hr. The lowest-paid current employee is \$13, while everyone else is paid \$14-\$16/hr.

Hamilton asked how many of the 5 new positions would earn the current \$15.11/hr. living wage. Gaffney replied, all of them. Hamilton asked if Emmy's Organics would be willing to commit to paying a living wage for at least 75% of the new positions. Gaffney replied, yes. They would be comfortable with that figure.

Proulx noted the resolution would need to be amended to tie 3 of the 5 new jobs to the current living wage.

Ackerman asked how the IURA would ensure Emmy's Organics is a qualified developer, since it does not have any experience with large projects. Bohn replied the IURA should evaluate its qualifications based on its financial health as an operating business, and its profit and loss statements.

Dylla moved, seconded by Ackerman:

Designate Emmy's Organics, Inc. as a Sponsor & Approve a Disposition and Development Agreement to Acquire IURA Land at the Cherry Street Industrial Park

WHEREAS, on May 11, 2018, Emmy's Organics, Inc. (Emmy's) submitted an application to be designated as a "qualified and eligible sponsor" (Sponsor) to acquire land located at the end of Cherry Street, part of an undeveloped six acre parcel of land owned by the IURA (tax map #100.-2-1.21), and

WHEREAS, Emmy's proposes a \$1.4 million project to construct a 10,000 square foot food manufacturing facility to produce organic/natural cookies and snacks and add an additional 5 full-time equivalent employees, of which at least 51% will be low- and moderate-income at the time of hire, and

WHEREAS, Emmy's started in Ithaca by selling their product at the Ithaca Farmer's Market and have grown to employ 19 workers at their current leased operations located at 629 W. Buffalo Street, Ithaca, and

WHEREAS, Emmy's seeks to begin operations at an expanded manufacturing facility in December 2018, and

WHEREAS, Emmy's is a woman-owned business, who's officers are: Samantha Abrams, President; Ian Gaffney, Vice-President, and Bill Kelly, Chief Executive Officer, and

WHEREAS, the IURA owns an undeveloped 6-acre parcel at the end of Cherry Street appropriate for development for businesses that create job opportunities, and

WHEREAS, extension of the public road into the site is necessary to make efficient use of the IURA parcel for multiple employment-based uses, and

WHEREAS, Emmy's has indicated willingness to acquire 1-3 acres of land from the IURA at appraised value, and

WHEREAS, a 2018 appraisal of the Cherry Street Industrial Park expansion area conducted by Landmark Appraisal Co., estimated the following fair market values at the project site:

- One-acre parcel: \$110,000;
- Two-acre parcel: \$200,000; and

WHEREAS, both the IURA and Emmy's have independently contracted with T.G. Miller P.C., Civil Engineering & Surveying, to develop a coordinated plan to extend the public road, lay out a subdivision, and design a 10,000 sq. ft. manufacturing facility with room for expansion, and

WHEREAS, expansion of the Cherry St. Industrial park was considered in the Generic Environmental Impact Statement for the Southwest Master Plan for which a negative declaration was issued on August 24, 2000 by the lead agency that such expansion would not result in a significant adverse environmental impact, and

WHEREAS, subsequent environmental review of the subdivision and transfer of surplus land at Cherry Street to the IURA for industrial park expansion resulted in issuance of a negative declaration on June 6, 2012 whereby 2.25 acres of property including wetlands and environmentally sensitive open space was retained by the City and 6.0 acres was transferred to the IURA, and

WHEREAS, the project site is located within the Urban Renewal Project Boundary Area, and

WHEREAS, pursuant to section 508 of General Municipal Law, the IURA is authorized to dispose of property to a specific buyer at a negotiated price if such buyer is designated as an eligible and qualified sponsor (Sponsor), and the sale is approved by Common Council following a public hearing, and

WHEREAS, a proposed Sponsor is evaluated in accordance with adopted IURA land disposition procedures that seek to determine if the proposed Sponsor is qualified and capable of fulfilling the objectives of the property for property disposition, and

WHEREAS, IURA evaluation criteria for Sponsors include:

- Financial status and stability
- Legal qualification to operate in the State of New York and to enter into contracts with regard to disposition, use, and development of land in question
- Previous experience in the financing, use development and operation of projects of a similar nature
- Reputation and proof of fair, reputable and ethical business practices and a record devoid of convictions, and

WHEREAS the primary objective of the Urban Renewal Plan (Plan) is to improve the economic, social and physical characteristics of the project neighborhood, and

WHEREAS, an objective of the Plan is “expansion and diversification of the economic base of the community to provide the employment opportunities needed by its residents and to strengthen the tax base,” and

WHEREAS, Emmy’s Organics has submitted confidential financial statements demonstrating their financial capacity to complete the project and verifying their current employment level, and

WHEREAS, Emmy's is a certified B Corp. indicating they meet rigorous standards for social and environmental performance, accountability and transparency, and

WHEREAS, the IURA Economic Development Committee considered this matter at their June 14, 2018 meeting and recommended the following; now, therefore, be it

RESOLVED, that the IURA hereby determines that Emmy's has satisfactorily demonstrated its qualifications and capacity to successfully undertake an urban renewal project to acquire land from the IURA to construct and operate a 10,000 sq. ft. food manufacturing facility, and therefore designates Emmy's Organics, Inc. as a "qualified and eligible sponsor" to acquire a parcel or parcels to be created at the end of Cherry Street (tax map #100.-2-1.21), and be it further

RESOLVED, that IURA hereby finds that the submitted project proposal from Emmy's Organics, Inc. to construct a 10,000 sq. ft. food manufacturing facility at the Cherry Street Industrial Park resulting in creation of at least 5 full-time equivalent jobs will expand and diversify the economic base of the community and provide employment opportunities, thereby furthering the goals and objectives of the Urban Renewal Plan, and be it further

RESOLVED, that the IURA hereby authorizes the IURA Chairperson to approve a Disposition and Development Agreement to sell property to the Sponsor to undertake an urban renewal project, that contains the following essential terms:

Seller:	Ithaca Urban Renewal Agency
Purchaser:	Emmy's Organics, Inc. (or a legal entity to be formed that is majority owned by the Samantha Abrams and Ian Gaffney)
Urban Renewal Project:	Investment of approximately \$1.4 million to construct and operate an approximately 10,000 square foot food manufacturing facility for producing organic/natural cookies and snacks, resulting in job creation.
Project Site:	Portion of tax parcel #100.-2-1.21 located at the end of Cherry Street, Ithaca, NY. Exact location, dimensions and size of the parcel (s) shall be determined by mutual agreement based on site engineering, subdivision and site plan approval.
Purchase Price:	Fair market value as determined by appraisal.
Job Creation:	Creation of at least five (5) full-time equivalent jobs within

	two years of project completion. At least 51% of five jobs must be filled by low- and moderate-income persons earning no more than 80% of the Area Median Income as determined by the U.S. Department of Housing & Urban Development.
Employment & Wage Reporting:	<ul style="list-style-type: none"> Quarterly employment and wage reporting shall be submitted to Seller until job creation goal is satisfied for two consecutive quarters.
Living Wages:	At least three (3) of the new job positions created shall be paid a 2018 living wage of \$15.11/hour (or \$13.90/hour with \$2,500/year employer health care contribution) within 12 months of their hire date.
Conditions for Sale:	<ul style="list-style-type: none"> A. Approval of a Cherry Street Expansion subdivision of tax parcel #100.-2-1.21. B. Authorization by IURA to enter into a contract to construct the public road extension contained in the approved subdivision plan C. Site Plan approval – within 180 days of the date of the purchase agreement, purchaser submission of proof of final site plan approval. D. Project financing – within 270 days of the date of the purchase agreement, purchaser submission of proof of financing and equity sufficient to construct the project. E. Building Permit issuance – within 365 days of date of the purchase agreement, purchaser submission of proof of a building permit at least authorizing construction of the full foundation for the project.

RESOLVED, that pursuant to §507 of General Municipal Law, the proposed Disposition and Development agreement is subject to approval by the Common Council of the City of Ithaca following a public hearing, and be it further

RESOLVED, that IURA Chairperson, subject to advice from IURA legal counsel, is hereby authorized to execute any and all agreements and documents necessary to implement this resolution pending endorsement by the Common Council.

Carried Unanimously 4-0

Proulx asked Bohn what the cost of the road is estimated to be. Bohn replied an engineering report by Novelli Engineering in 2000 estimated a 600-linear-foot public road with a cul-de-sac

would cost approximately \$275,000, although this project would not need a 600-linear-foot road. The City of Ithaca Fire Department would also not require a full cul-de-sac. The road would not be inexpensive, so minimizing its length would be to the IURA's benefit. The IURA could apply the proceeds of the land sale to the cost of the road. The IURA also has access to \$527,000 in Small Cities CDBG program income, which it could use.

Bohn added the IURA also has approximately \$100,000 in its Industrial Parks Fund and it could conceivably tap into non-CDBG funds (e.g., for interim financing until proceeds are received). There has been some discussion about the City's Department of Public Works contributing to completing the road.

Hamilton, seconded by Ackerman:

Authorize Subdivision & Road Extension to Expand Cherry Street Industrial Park

WHEREAS, Emmy's Organics, Inc. seeks to acquire a building site in the Cherry Street Industrial Park to construct a food manufacturing facility projected to result in the creation of at least five (5) full-time jobs, and

WHEREAS, in 2012, the City of Ithaca transferred a 6-acre parcel of land to the IURA for expansion of the industrial park, and

WHEREAS, efficient utilization of this land for industrial park for multiple employers will require subdivision of the land and extension of the public road to create street frontage for new lots, and

WHEREAS, T.G. Miller, P.C. has been hired to provide surveying and engineering services to prepare a subdivision plan, schematic design for extension of the road and utilities and preparation of an opinion of probable construction costs, and further provided an option for preparation of construction documents, bidding and construction administration to construct the road extension, and

WHEREAS, a prior engineering report prepared by Novelli Engineering in 2000 estimated a 600-linear-foot public road with a cul-de-sac would cost approximately \$275,000, and

WHEREAS, T.G. Miller has been instructed to investigate approaches to minimize project costs, including reducing the length of the public roadway and investigating alternative turnaround designs, and

WHEREAS, all existing lots in the Cherry Street Industrial Park are occupied, and

WHEREAS, the project site is located within the Urban Renewal Project Boundary Area, and

WHEREAS, the primary objective of the Urban Renewal Plan is to improve the economic, social and physical characteristics of the project neighborhood, and

WHEREAS, an objective of the Urban Renewal Plan is “expansion and diversification of the economic base of the community to provide the employment opportunities needed by its residents and to strengthen the tax base,” and

WHEREAS, expansion of the Cherry Street Industrial Park is also supported by PlanIthaca, the City’s Comprehensive Plan, as a means to diversify the economy and retain and grow locally-owned businesses, and

WHEREAS, the recent Common Council adopted Waterfront District Land Use Plan designated the portion of the Cherry Street District located south of Cecil A. Malone Drive for light industrial and commercial uses and prohibited residential uses, and

WHEREAS, \$527,000 in Small Cities CDBG program income managed by the IURA is administered by the NYS Office of Community Renewal (OCR) that requires all Small Cities CDBG program income to be committed by March 31, 2019 to eligible CDBG activities or returned to OCR, and

WHEREAS, up to \$35,000 of CDBG funds per job created is eligible for infrastructure improvements, and

WHEREAS, proceeds from the sale of land at Cherry Street is also eligible to pay for infrastructure improvement, and

WHEREAS, the approximately \$100,000 balance in the Industrial Park account is available to pay for improvements in the industrial park, and

WHEREAS, the IURA Economic Development Committee considered this matter at their June 14, 2018 meeting and recommended the following; now, therefore, be it

RESOLVED, the IURA hereby finds that expansion of the Cherry Street Industrial Park to include the 6-acre undeveloped parcel owned by the IURA (tax map #100.-2-1.21) will activate an underutilized parcel of land to diversify the economy and grow locally-owned businesses thereby increasing employment opportunities and furthering the Urban Renewal Plan, and be further

RESOLVED, that the IURA hereby authorizes the IURA Chairperson to submit a subdivision and road extension plan to expand the Cherry Street Industrial Park, and be it further

RESOLVED, that the IURA Chairperson is further authorized, subject to review by IURA legal counsel, to execute contracts to design, bid and construct a road extension contained in an approved subdivision plan, subject to execution of a Disposition and Development Agreement

with Emmy's Organics, Inc. (or a legal entity to be formed that is majority owned by Samantha Abrams and/or Ian Gaffney), and be it further

RESOLVED, that funding shall derive from the following sources (projected available funding in parentheses):

- Small Cities CDBG Program Income (\$175,000)
- Proceeds from sale of land at the Cherry St. Industrial Park (\$200,000)
- The Industrial Park account (\$100,000)
- Miscellaneous non-CDBG funds (\$50,000), and be it further

RESOLVED, that the IURA Chairperson is authorized to sign any and all documents to implement this resolution.

Carried Unanimously 4-0

VI. Community Loans

A. Urban Core, LLC, 108-114 W. Green St. — Request for Loan Subordination (CD-RLF #42)

Bohn reported the IURA recently received a request to resubordinate the existing \$200,000 IURA loan on the property to a new \$450,000 Tompkins Trust Company construction loan, which will convert to a permanent mortgage upon completion of the Press Bay Court project.

Hamilton moved, seconded by Dylla:

1st Amendment to Loan Agreement with Urban Core, LLC (CD-RLF #42)

WHEREAS, on May 30, 2018, Urban Core, LLC (Urban Core) submitted a request to subordinate the existing IURA 2nd mortgage securing a \$200,000 loan for the 108-114 W. Green Street project to a new Tompkins Trust Company construction loan in the amount of \$450,000, which will convert to a permanent mortgage upon completion of the Press Bay Court project, and

WHEREAS, on August 30, 2017, the IURA issued a \$200,000 loan to Urban Core to acquire, renovate and lease up a mixed use commercial/residential building for multiple tenants located at 108-114 W. Green Street (Press Bay Court), and

WHEREAS, subsequently Urban Core LLC has been awarded Main Street and Restore NY grant funds to expand the project scope for Press Bay Alley and adjacent buildings owned by Urban Core, and

WHEREAS, such grant funding is provided on a reimbursement basis following project completion, and

WHEREAS, if the request is granted, the IURA mortgage will be subordinated to mortgages totaling approximately \$1,031,000, and

WHEREAS, standard commercial lending underwriting standards seek a minimum 1.2 Debt Coverage Ratio (DCR) and a maximum 80% Loan-to-Value (LTV) ratio on the collateral, and

WHEREAS, Urban Core has submitted an updated pro forma income statement, including updated rent rolls, and an appraisal estimating the fair market value of the property following project completion, and

WHEREAS, these documents indicate that after incorporating the new loan financing the Debt Coverage Ratio (net operating income/annual debt service) will be 1.34 and the Loan-to-Value ratio will be 74%, thereby satisfying standard commercial loan underwriting standards, and

WHEREAS, Urban Core is current on all IURA loan payments, and

WHEREAS, environmental review for project financing has already been completed, and

WHEREAS, at their June 14, 2018 meeting, the IURA Economic Development Committee reviewed this matter and recommends the following; now, therefore, be it

RESOLVED, that the IURA hereby approves the request to subordinate its mortgage lien on 108-114 W. Green Street to facilitate a loan from Tompkins Trust Company not to exceed \$450,000, and be it further,

RESOLVED, that the IURA Chairperson is authorized, subject to review by IURA legal counsel, any documents necessary to implement this resolution, and be it further

RESOLVED, that any legal costs incurred by the IURA shall be reimbursed by Urban Core, LLC.

Carried Unanimously 4-0

B. State Theatre of Ithaca, Inc. — Proposed Concession Expansion Project: Request to Consider Future Loan Subordination

Bohn noted the IURA recently received a request for loan assistance for a project to expand The State Theatre's concessions sales by connecting the theatre with the ticket office building at 105 W. State Street and converting the ticket office to a concessions/café area. The project would require a \$275,000 bank loan in addition to a \$100,000 IURA loan. Since the bank indicated a new loan would require security of a 1st mortgage position on the combined ticket office/theatre building, the State Theatre is seeking an advisory opinion from the Committee that it would consider subordinating its 1st mortgage on the theater to the bank.

Hamilton asked what the IURA would get out of the proposal. Bohn replied, 2 new jobs, as well as a presumably more robust and financially stable local not-for-profit theatre.

Hamilton remarked he is not sure what the IURA is really getting much of anything from the proposal.

Dylla agreed with Hamilton that he would like to see more community benefit associated with the proposal (e.g., more shows per week).

Hamilton indicated he would be open to the proposal.

Ackerman agreed, as long as the proposal can be adjusted to include more of a community benefit.

Proulx noted the risk of the café not surviving is probably 50%. He wondered if there would be sufficient demand in that location, although the success of The Watershed bar proves an active use is possible.

Ackerman noted the concept for the café needs to be further developed, ideally by someone with relevant experience.

C. Loan Pipeline Report

Bohn reported D.P. Dough is still developing its business plan and evaluating the resources it will need relocate to the front of Green Street, into a more visible space.

Proulx remarked it would be helpful if the Committee could meet at some point with the City's Deputy Director for Economic Development Tom Knipe.

ACTION ITEM

VI. Old/Other Business

A. Annual Selection of EDC Officers

Ackerman moved, seconded by Hamilton:

Selection of 2018 IURA Economic Development Committee Officers

WHEREAS, IURA By-laws provide that the committee membership shall elect its own committee Vice-Chairperson and nominate a candidate for committee Chairperson for consideration by the Agency, and

WHEREAS, per the Bylaws, an Agency member shall fill either the committee Chairperson or committee Vice-Chairperson position, and

WHEREAS, officers of each committee serve a one-year term, but continue to hold office until their successor is selected or appointed, and

WHEREAS, the current Committee Chairperson and Vice-Chairpersons are Chris Proulx and Doug Dylla, respectively, now, therefore be it

RESOLVED, that Chris Proulx be **nominated** as Chairperson of the IURA Economic Development Committee, and be it further

RESOLVED, that Doug Dylla be **elected** as Vice-Chairperson of the IURA Economic Development Committee.

Carried Unanimously 4-0

B. IURA Loan & Lease Payment Report: May 2018

Bohn noted all lease payments are current. All loan repayments are also all now current, except the State Theatre. He knows it was planning on setting up automated payments. The State Theatre also has an upcoming balloon payment scheduled for March 2019. Bohn noted the Grants Summary shows the IURA met its CDBG spend-down ratio requirements.

C. FY2018 HUD Entitlement Award: Use of Unanticipated CDBG Funds — Recommendations

Bohn noted the FY2018 HUD award was higher than anticipated (by \$43,000), so IURA staff will reach out to each committee to ask for recommendations for how to use the additional funds. The Committee may want to re-examine the funding levels for the economic development activities.

Hamilton asked if the IURA ever takes equity positions in return for its loans. Bohn replied, not usually, although the e2e Materials loan did include a stock option.

Hamilton responded the IURA should consider doing something along those lines with Emmy's Organics.

D. Restore NY4: Seneca/Corn St. Building Rehabilitation Project — Status Report

Bohn explained that the project owner still cannot make the project work financially, but he is open to selling property to INHS which would implement the project as the originally proposed Restore NY project.

VIII. Adjournment

The meeting was adjourned by consensus at 5:10 P.M.

— **END** —