

Village of Lansing

MINUTES of a meeting of the Board of Trustees of the Village of Lansing held on Monday, December 6, 2010, in the Village Office.

Present: Mayor Donald Hartill; Trustees John O'Neill, Lynn Leopold, Patricia O'Rourke and Julie Baker; Attorney David Dubow; Clerk/Treasurer, Jodi Dake; Planning Board Member, Lisa Schleelein.

Mayor Hartill called the meeting to order at 7:32 pm and opened the public comment period. Stu Grinnell was present as the Community Party observer.

Motion-To Close the Public Comment Period

Trustee O'Neill moved to close the public comment period. Trustee Baker seconded the motion. A vote was taken:

Mayor Donald Hartill-Aye
Trustee Julie Baker-Aye

Trustee John O'Neill -Aye
Trustee Patricia O'Rourke-Aye

Next on the agenda was to approve the minutes from November 15th. Jodi presented the Board with some more detailed language to be added to the NYSEG resolution. The Board agreed to incorporate this language for clarity.

Motion - To Approve the Minutes from November 15, 2010

Trustee O'Rourke moved that the draft meeting notes, as reviewed and revised by the Clerk/Treasurer and the Board, are hereby adopted as the official minutes. Trustee O'Neill seconded the motion. A vote was taken:

Mayor Donald Hartill-Aye
Trustee Julie Baker-Aye

Trustee John O'Neill -Aye
Trustee Patricia O'Rourke-Aye

Trustee Lynn Leopold arrived. Nick Vaczek also arrived and the Mayor informed him that the public comment period had been closed but gave him a chance to speak. Nick stated that he was here for the Lansing Meadows PDA/BJ's discussion. He indicated that he was unaware that the TCIDA was holding a public hearing last Monday and therefore wanted to offer his comments and pose some questions. The Mayor indicated that the Lansing Meadows PDA/BJ's matter was on the agenda and that it would make sense for Nick to comment when that agenda matter comes up.

The next item on the agenda was to consider the water rate increase proposed by Bolton Point; however, the Mayor reported that the Town of Lansing voted it down so it has gone back to the SCLIWC for further evaluation. The Mayor indicated that the Commission consists of five municipalities. To increase the rate all parties have to agree. Mayor Hartill stated that he agrees with the Town of Lansing because part of the

proposed overall rate increase included \$0.10 to be specifically earmarked for what he considers to be an unnecessary capital reserve fund. The Mayor explained certain aspects and legal issues related to the creation of capital reserve funds and the use of the monies held in such funds. Over the last few years the Commission has spent down the fund balance. Don pushed to itemize what they were planning to spend or to have funds available to replace equipment from year to year in the budget. He also suggested a contingency line item in the budget. The next Commission meeting is Thursday. The Mayor stated that if they went along with the \$0.10 increase for a capital reserve fund the increase for the Village of Lansing residents would be more than what he considers appropriate. If the Commission decides to pursue a newly proposed rate increase at their meeting on Thursday the Board will have a new resolution to consider at the December 20th meeting.

Since a new water rate hasn't been set, the Board was unable to consider a sewer rate change which involves the adoption of a local law. Sewer rates are based on a percentage of the water charge. This will also be considered at the December 20th meeting at which time a public hearing can be scheduled if a local law is needed.

The next item on the agenda was to consider a resolution agreeing to the Proposed Pilot Increment Financing (PIF) for the Lansing Meadows PDA for the BJ's Wholesale Club and Senior Housing Project. Don attended the public hearing here in the Village Office on November 29th. Carolyn Peterson, City of Ithaca Mayor, other City representatives and two major developers were among those at the meeting who were against this. The City wants BJ's so that they will receive the increased property tax and sales tax. Lynn asked why the City wanted BJ's when a few years ago they were against having Walmart come to the City. Don explained that any sales tax that is generated in the City and that does not go to the State stays in the City of Ithaca while any non-State sales tax generated outside of the City is split among the County and all other municipalities outside of the City based on population. Of the 8% sales tax, 4% goes to the State, 2.25% to Tompkins County and the remaining 1.75% to towns and villages within the County. BJ's had approached the City of Ithaca 2 years ago with an interest in the Benderson owned property in the City. Don has heard that BJ's is not interested in being in the City of Ithaca because of the traffic problem.

Mayor Hartill wrote a letter to Martha Robinson, Chair of the Board of Directors of the Tompkins County Industrial Development Agency, expressing the Village's support of the proposed PDA for a combined senior housing development coupled to the construction of a BJ's on a site adjacent to the Shops at Ithaca Mall in the Village of Lansing. He explained in the letter that after a thorough review process by the Village Planning Board and the Board of Trustees, the Board of Trustees modified its Zoning Law to allow PDAs, and subsequently, after further extensive review, approved the Lansing Meadows PDA project. As a result of the newly enacted Lansing Meadows PDA zoning provisions, three delineated portions of the PDA property are subject to specific district uses and regulations, including the BJ's commercial use in one defined area (subject to special permit approval by the Village Planning Board); the residential senior housing use in another defined area (subject to special permit approval by the

Village Planning Board); and the wetlands/bird sanctuary in a third area. The proposed project in effect up zones the portion of the parcel adjacent to the Shops at Ithaca Mall to high traffic commercial and down zones the portion of the parcel along Oakcrest Road to medium density residential to provide a smooth transition to the adjacent residential areas. The project also includes a creative way of dealing with the federally designated wetlands that are on the parcel by constructing a combined walking trail and bird sanctuary as part of the wetlands. Don also stated that the twelve units of senior housing will also be a very welcome addition to the Village. Being adjacent to the shopping district and the YMCA, all within easy walking distance, will be a very strong selling point. The units will be rental units and will be maintained by the developer.

Don stated in the letter that he had listened with interest to the concerns expressed by the speakers at the public hearing. They all centered on the possible loss of sales tax revenue for the City of Ithaca and did not address the merits of this particular project. There was also concern expressed that this would set a bad precedent with respect to other possible retail development, but he pointed out that according to the TCAD website the Rothschild's Department Store received \$2,500,000 from the IDA in 1975 which is far more than is being proposed for this project and therefore there is precedent. Don feels there is a valid argument that retaining the sales dollars in Tompkins County and attracting customers from adjacent counties like Cortland, Tioga and Chemung will benefit all of us including the City of Ithaca.

Don pointed out that if the project doesn't go forward, the assessed value of the property will remain at its current value and the increased sales tax revenue will not occur. The PIF process to help finance the residential portion of the project will enable both the increased property tax revenue, although not at the full value for a period of up to 20 years, and the very significant increase in sales tax revenue. There will also be a significant number of jobs associated with the project both in the construction phase and in the operation of the store after the construction is complete.

In the letter to Martha, Don stated that on behalf of the Board of Trustees and the residents of the Village of Lansing he strongly urged Martha and the IDA Board of Directors to support this project.

Don reported that Benderson Development Company, a major developer in Ithaca, threatened legal action in a letter they sent to Martha Robertson and members of the TCIDA Board if they approved this. There was also a Cornell student who wrote a letter against this project which was also distributed to the Legislature. Even though Don had requested that his letter be similarly distributed to the Legislature, it was not. Don will comment on this at tomorrow's County Legislature meeting.

This past Thursday a subcommittee of the Legislature met and voted 3-2 against this project.

David Dubow added that there is a certain sense of urgency on this since there is a 12/31/10 deadline regarding Stimulus Bond Funds (\$2.3 million is available) that would

be used as part of the senior housing PIF financing. Don summarized the financial aspects of the project. The assessed values of the property will increase by 30% for the first five years. After 5 years the assessed value will increase 5% each year for the next 15 years. It is projected that the estimated \$40 million in sales will offer a significant increase in sales tax revenue both from the store and the traffic that comes to neighboring businesses. Tompkins County, the Ithaca City School District, the Town of Lansing and Village of Lansing, as affected property taxing authorities, can all opt in or out.

Lynn stated that the Village has spent considerable time and money on this issue in an effort to do what is in the best interests of the Village and to preserve the nature of the Village. The Village has designed a PDA which has a smooth transition from High Traffic Commercial to residential. It was pointed out that the City kept saying that the proposed IDA funding would be a benefit to a retail entity when in fact the funding is intended for the residential senior housing component of the PDA, that senior housing use having been identified in the Tompkins County Comprehensive Plan. The financial support is for the residential component and is would not subsidize the commercial component.

Nick Vaczek provided his comments and questions with respect to this matter and joined in the discussion regarding several of the issues involved.

Don indicated that he will be out of town for the IDA meeting on Monday December 13th at 8am, but urged the rest of the Board of Trustees plans to attend to show their support. The message should be that if we can get a business like BJ's into the local community, why are we fighting about where it is located? The Board then passed the following resolution for the Pilot Diversion Consent for Arrowhead Ventures, LLC Project

Resolution #5678-Consent to the Diversion of Certain Pilot Payments by the Tompkins County Industrial Development Agency with Respect to the Arrowhead Ventures, LLC Project (As Further Described Below) and Authorizing the Mayor (or Other Authorized Representative) to Execute and Deliver a Certificate in Furtherance of the Same

WHEREAS, **ARROWHEAD VENTURES, LLC** (the "Company") has submitted an application (the "Application") to the Tompkins County Industrial Development Agency (the "Agency") requesting the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition of an approximately 11-acre parcel or parcels of land located in the Village of Lansing, New York (north of The Shops at Ithaca Mall) and any existing improvements thereon (the "Land"); (ii) the acquisition, construction and equipping on the Land of a mixed-use residential facility comprising, twelve (12) senior housing units, a bird habitat and a BJ's wholesale club and related parking, infrastructure and improvements (the "Improvements"); (iii) the acquisition and installation in and around the Improvements of certain equipment, machinery and other tangible personal property (the "Equipment", and together with the Land and the Improvements, the "Facility"); (iv) the funding of a debt service reserve fund as security for the

Bonds, if necessary ((i) through (iv) hereinafter referred to as "Project Costs"); and (v) the lease (with an obligation to purchase) or sale of the facilities financed with the Bonds to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of: (A) the issuance of Recovery Zone Exemption Facility Bonds, Series 2010, (the "Bonds") in an amount not to exceed the lesser of the Project Costs or \$2,321,000 and (B) a Payment-In-Lieu-Of-Tax ("PILOT") Increment Financing ("PIF") structure whereby pursuant to a certain PILOT Agreement, by and between the Agency and the Company (the "PILOT Agreement"), all or a portion of the payments by the Company thereunder, in accordance with General Municipal Law Section 858(15) and with the consent of the Town of Lansing, the Village of Lansing, the Ithaca City School District, and the Tompkins County Legislature (collectively, the "Affected Tax Jurisdictions"), would be made available to pay debt service on the Bonds or otherwise available for other qualifying Project Costs (the "PILOT Diversion"); and

WHEREAS, in furtherance of the PILOT Diversion, the Company and the Agency have requested the consent of the Village pursuant to and in accordance with General Municipal Law Section 858(15).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF LANSING AS FOLLOWS:

Section 1. The Village hereby consents to and approves the PILOT Diversion and PILOT Agreement and authorizes and directs the Agency to undertake the PILOT Diversion and utilize an amount sufficient paid under the PILOT Agreement to be made available to pay debt service on the Bonds or otherwise available for other qualifying Project Costs. Any amounts in excess thereof shall be paid to the affected tax jurisdictions in accordance with the New York State General Municipal Law.

Section 2. The Mayor (or other authorized representative) is hereby authorized to execute and deliver a consent certificate (the "Certificate"), such Certificate to be delivered to the Agency as evidence of the Village's consent to undertake the PILOT Diversion.

Section 3. These Resolutions shall take effect immediately.

Trustee O'Neill moved this resolution. Trustee Baker seconded the motion. A vote was taken:

Mayor Donald Hartill-Aye
Trustee Julie Baker-Aye
Trustee Patricia O'Rourke-Aye

Trustee John O'Neill-Aye
Trustee Lynn Leopold-Aye

It was asked what the benefit would be to the Ithaca City School District. The answer was that there would be an increase in assessed value of the property. This property, if unimproved, would have no increased value. The proposed project is \$14 million for commercial and \$3 million for housing. There will be a 30% increase in the property tax for that parcel plus incremental increases yearly. Dubow pointed out that another benefit identified by the developers is that it will create approximately 70 jobs.

Dooley Kiefer arrived and Mayor Hartill brought her up to date on the foregoing discussion and the action taken by the Board.

The next item on the agenda was to consider a Property Tax Cap Resolution. Don explained that the Governor-elect and a large majority of state legislators have identified as their top legislative priority for 2011 the imposition of a cap on school and municipal property taxes.

Peter Baynes, NYCOM Executive Director sent a letter to all Mayors which was forwarded to the Trustees. The letter stated that NYCOM has been consistent in pointing out that state mandates are what artificially force higher local spending and, therefore, higher local property taxes. Put simply, you can't cap what you can't control!

NYCOM President Sam Teresi, Mayor of the City of Jamestown, in September appointed a Mayoral Task Force on Mandate Relief. The 20-member Task Force has been deliberating and developing a series of policy recommendations that NYCOM strongly believes must be approved by the State Legislature prior to the imposition of tax cap, if such tax cap is expected to work. The Task Force proposals will be released throughout New York State during the week of December 13th and will focus on mandates that arbitrarily drive up workforce costs in our cities and villages.

In order to inform the public as to their views on a property tax cap, NYCOM has developed a sample resolution that Peter encourages every City Council and Village Board of Trustees to enact as soon as possible.

Dooley stated that the County Legislature Board feels that if a decision is made at the State level then they should fund it. A tax cap is a real problem as one can see from the Village newsletter article that Dooley submitted in October. The following resolution was proposed:

Resolution #5679-Property Tax Cap Mandate Relief

WHEREAS the level of property taxation throughout New York has reached dangerously high levels; and

WHEREAS New York leads the nation in property taxes simply because we lead the nation in imposing inefficient state mandates on our local governments; and

WHEREAS two of the largest components of every municipal budget over which local officials have little control – pension payments and health insurance costs – are increasing at exorbitant rates; and

WHEREAS in the case of pension costs, bills from the State Retirement System will increase by an average of 40% in both 2011 and 2012; and

WHEREAS state laws pertaining to the collective bargaining of contracts between municipalities and employee unions, particularly those pertaining to firefighters and police officers, do not allow local officials to reasonably control the costs such contracts impose on property taxpayers; and

WHEREAS as a solution to New York’s property tax crisis, the Governor of New York and the New York State Legislature will, in 2011, consider enactment of legislation imposing a cap on the annual growth in property taxes; and

WHEREAS a property tax cap will only work if it is simultaneously accompanied by a repeal of current state mandates that require local governments to increase spending and property taxes; and

WHEREAS a property tax cap without repeal of costly state mandates will, by definition, lead to drastic cuts in essential local services and dramatic layoffs of municipal employees;

NOW, THEREFORE, BE IT RESOLVED by the Village of Lansing that the Governor of the State of New York and the members of the New York State Senate and New York State Assembly must reform the cost drivers that lead to high property taxes in New York, including pension benefits, health insurance costs and the collective bargaining process, as the central element of any effort to provide overdue property tax relief to the residents and businesses of New York.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the Governor, Senate Majority and Minority Leaders, Assembly Speaker and Minority Leader, Senator Nozzolio, Member of Assembly Lifton, and the New York State Conference of Mayors.

Trustee O’Neill moved this resolution. Trustee Baker seconded the motion. A vote was taken:

Mayor Donald Hartill-Aye
Trustee Julie Baker-Aye
Trustee Patricia O’Rourke-Aye

Trustee John O’Neill-Aye
Trustee Lynn Leopold-Aye

Dooley asked that we forward a copy of this resolution to Tompkins County. Don added that the Village of Lansing is not in the same trouble as other local governments because we have kept our employee size down and we outsource our engineering and legal services.

Mayor Hartill stated that the garage building expansion project is making good progress.

The footers are in and the trusses will be set at the end of the week. The salt shed has been shorted and is finished.

John O'Neil handed out a copy of Tompkins Weekly to each Board member so that they could read the two articles on the State relinquishing Dog Licensing and Deer Control.

Pat O'Rourke stated that she attended the most recent Youth Service Board meeting. Amie Hendrix is the new Director. The Youth Service Board would like a representative from the Village of Lansing on the Board. At their December 21st meeting they will be doing a presentation to TCOG which Pat will attend. TCOG wants to be involved so that they are more informed, but the Youth Services Board doesn't think they necessarily need to participate in meetings. Dooley explained that when the County cut funding for Youth Services TCOG helped gather information.

Resolution #5680 -To Appoint Patricia O'Rourke as the Village of Lansing Representative on the Youth Services Board For the Remainder of a Three Year Term Ending December 2012.

Trustee Leopold moved this resolution. Trustee Baker seconded the motion. A vote was taken:

Mayor Donald Hartill-Aye	Trustee John O'Neill-Aye
Trustee Julie Baker-Aye	Trustee Lynn Leopold-Aye
Trustee Patricia O'Rourke-Aye	

Trustee O'Rourke reported that at the last Planning Board meeting David Robertshaw requested a cross road sign be installed just before the bend on Cayuga Heights Road in advance of the Beckett Way and Cedar Lane intersecting roadways. Don will talk to John Courtney about getting this done.

Motion- To Adjourn

Trustee Baker moved for adjournment. Trustee O'Neill seconded the motion to adjourn. A vote was taken:

Mayor Donald Hartill-Aye	Trustee John O'Neill-Aye
Trustee Julie Baker-Aye	Trustee Lynn Leopold-Aye
Trustee Patricia O'Rourke-Aye	

The meeting adjourned at 8:57 pm.

Jodi Dake
Clerk/Treasurer