

**Tompkins County Development Corporation
Board of Directors Meeting Final Minutes
April 8, 2020
2:30 PM
Via Zoom Conference Call and LiveStream**

Present: Rich John, Jennifer Tavares, Martha Robertson, Laura Lewis, Mike Sigler, John Guttridge, Anne Koreman

Staff Present: Heather McDaniel, Margaret Frank, Ina Arthur (TCAD), Russ Gaenzle (Harris Beach)

Guests: Rick Snyder (TC Finance), Chuck Schwerin, Kurt Anderson (TCAD), Tom Knipe (City of Ithaca), Bill Guerrero (Ithaca College)

CALL TO ORDER

Rich John called the meeting of the **Tompkins County Development Corporation** to order at 3:17 pm.

PRIVILEGE OF THE FLOOR

There was no one from the public present as the public viewed the meeting via live stream. Anne Koreman suggested that future agendas include information on how the public could submit comments to the Board in advance of the meeting.

ADDITIONS TO THE AGENDA

None.

NEW BUSINESS

2019 TCIDA/TCDC Audit Presentation – Leslie Spirgen and Evan Cleveland of Insero & Co. presented the 2019 TCIDA/TCDC Audit to the Board of Directors. The audit has previously been reviewed and approved by the Finance and Audit Committee pending receipt of project information from active projects.

Ithaca College Bond Refinance Application

Bill Guerrero, VP of Finance and Administration, Ithaca College joined the meeting to present the application. This is a \$36 million dollar refinance of a 2005 tax-exempt bond held by the TCIDA. The refinance will help the college take advantage of lower interest rates and will also lower debt payments by extending the maturity date. The extension of the maturity date will correspond to the life of the building that the original bonds helped to finance. The lower interest rates will help with the College's cash flow over the next five years.

Martha Robertson moved to accept the application as complete and to send the project to a public hearing. Laura Lewis seconded the motion. The motion was approved 7-0.

ARC Power Grant for Rural Broadband – Match Request

Chuck Schwerin, TCAD Managing Director for Business Services, presented the \$50,000 ARC grant match request. TCAD is the applicant for the ARC Power 2020 Grant that is part of a \$100 million investment to repurpose the Cayuga Power Plant. This grant would help bring 17 miles of broadband Internet from the Tompkins County line up to the power plant. Part of the process is securing third party match commitments.

Kurt Anderson, TCAD Director of Development and Strategy, stated that the full grant application ask is \$800,000 and it is important to show match support. The match would leverage local money at a rate of 15:1 to bring in federal money. The broadband line would not need any new work as they would use existing right of ways. This would be “dark” fiber that would be installed and then a third party would “light” it up and maintain the lines.

Martha Robertson asked that since public money would be involved, could there be a contingency that low rates be used when selling the Internet access to others? Chuck Schwerin stated that would be outside the scope of the grant that is only addressing the construction of the line.

John Guttridge stated that this is an opportunity to bring broadband Internet to a very rural area. The line would be a very key asset to whom ever ends up owning it.

The construction awardee will own the fiber and they will choose the ISP that will “light” it up and then run and maintain it.

Could the grant match guarantee from the TCDC be conditional on that final owner providing level playing field access?

Heather McDaniel stated that this is a \$100 million dollar economic development project that repurposes a dead coal burning power plant. Bringing the Internet fiber to the plant is key to making the project a success.

Jennifer Tavares stated that it is critical to support this project. Rural broadband Internet will not happen without federal money.

Mike Sigler agreed with Ms. Tavares. He does not want to have a contingency on the match. This would be a small investment to leverage a huge project.

John Guttridge moved to approve the \$50,000 match request for the ARC Power Grant for Rural Broadband. Martha Robertson seconded the motion. The motion was approved 7-0.

COVID 19 Response Funding Requests for Emergency Support to Business

TCAD Emergency Relief Loan Program

TCAD is requesting \$150,000 from the Tompkins County Development Corporation to supplement \$200,000 in existing funds to establish the TCAD Emergency Relief Loan Program. The program will provide assistance to traded sector businesses in Tompkins County that have been impacted by the Coronavirus pandemic. There is an urgent need to support Tompkins County businesses whose supply chain and customer demand have been severely compromised, jeopardizing employment and placing the survival of those entities at risk.

The program will provide short-term assistance in the form of conventional loans to traded sector businesses, those primarily selling a product or service outside of the county. The loan amount will provide a maximum of \$50,000 (with an expected average loan size of \$25,000) available to support operations and employment. The interest rate will be fixed at 2.5%. Principal and interest payments will be deferred for the first year. There will be no application fees and no closing costs. Applicants must be currently operating, even if only remotely.

The program is meant to augment other funding sources, including those local lenders may offer, as well as other emergency loan programs in the recently-passed CARES ACT that may take some time to access.

Heather McDaniel commented that this is just a start with the number of loans possible ranging from 7-14. While it may not help all businesses in need, it will help some. Rich John stated that he feels this is a sensible approach.

Loans would be reviewed on a rolling basis, first come first serve. When the money is gone the program will be done. The program will be marketed on the TCAD website and via email blast to TCAD's over 2500 contacts which includes all forms of media.

Martha Robertson moved to approve the \$150,000 request from TCAD in support of the Emergency Relief Loan Fund. Mike Sigler seconded the motion. The motion was approved 7-0.

COVID 19 Small Business Resiliency Fund

Tom Knipe presented the following request:

The City of Ithaca has been collaborating with the Ithaca Urban Renewal Agency (IURA), Downtown Ithaca Alliance (DIA), Tompkins County Area Development (TCAD), Ithaca Neighborhood Housing Services (INHS), Alternatives Federal Credit Union (AFCU), and other economic development professionals on developing programs to assist local businesses economically injured by the COVID-19 pandemic.

At its April 2nd meeting, the IURA voted to contribute \$140,000 towards emergency micro- enterprise financing utilizing CDBG funds and subject to Community Development Block Grant (CDBG) Program regulations. IURA funds are eligible to assist micro-enterprises (five FTE and smaller) owned by low-to-moderate income (LMI) persons in the density district of the City of Ithaca. The partners working on this initiative are seeking additional funding to be made available to other small businesses both in the City of Ithaca and throughout Tompkins County.

The purpose of a combined fund would be to provide short-term working capital assistance as emergency relief to existing for-profit micro-enterprises and small businesses economically injured by the COVID-19 pandemic to help retain their economic viability and — if closed due to government order, mandated social distancing, or disruptions in the supply or distribution chain — to re-open for business when social distancing mandates are relaxed.

To that end, on behalf of the partners listed above, I am requesting \$150,000 from TCDC in support of this initiative, to be used for an emergency loan fund with the following characteristics:

- . Provide zero-interest, 18-month forgivable loans to small businesses (25 FTE or less) with a maximum of \$5,000 available to support operations and employment. Loans are to be forgiven at the six-month mark if the business re-opens.

- . Eligibility: Commercial, for-profit entities that own or manage a business with a fixed, physical located within Tompkins County and can provide evidence of a significant loss in sales, income, and/or cash flow within the last 60 days (25% or greater reduction). The business must be currently operating in some capacity, even if reduced. Other eligibility requirements:
 - o At least one and no more than 25 FTEs
 - o Less than \$2,500,000 in gross receipts.
 - o Intention to re-open if temporarily closed during the COVID-19 crisis, as evidenced by affidavit and projections demonstrating a feasible plan to re-open.

AFCU would partner to administer the loan process. While the IURA funds would be limited to City of Ithaca business, other funds would be available to businesses Countywide.

John Guttridge moved to approve the \$150,000 funding request for the COVID 19 Small Business Resiliency Fund. Anne Koreman seconded the motion. The motion was approved 7-0.

OLD BUSINESS

None.

CHAIRS REPORT

None.

STAFF REPORT

Heather McDaniel commented that the two new loan funds developed in response to the COVID 19 emergency is a testament to the coordination and cooperation of the Community partners involved. She noted that Tom Knipe at the City of Ithaca really stepped up with the Small Business Resilience Fund. She also thanked Margaret Frank of TCAD for all her efforts in getting the meeting to live stream through the zoom video conference meeting.

APPROVAL OF MEETING MINUTES

Martha Robertson moved to approve the March 11, 2020 Board meeting minutes. Laura Lewis seconded the motion. The motion was approved 7-0.

ADJOURNMENT

John Guttridge moved to adjourn the meeting of the TCIDA Board of Directors. Laura Lewis seconded the motion the motion was approved 7-0

The meeting was adjourned at 4:30 PM

Minute approved at May 13, 2020 Board meeting.