



Auburn Industrial
Development Authority

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, October 5, 2016
Cayuga County Chamber of Commerce
2 State St., Auburn, NY 13021

Board Present: Robert Byron (Member of Industry)
Michael Quill (Council Member)
Terry Cuddy (Council Member)
William Andre (Member at Labor)
Tricia Ottley (Member at Large)

Board Excused: James A. Dacey (Chair & Member of Business)
Frank DeRosa (Member at Large)
Monika Salvage (School Board Member)

Staff & Guests: Chuck Mason, City of Auburn
Christina Selvek, City of Auburn
Tracy Verrier, Executive Director
Joseph Sheppard, Assistant Treasurer

Mr. Andre, Vice Chair, called the meeting to order at 5:10 pm noting a quorum was present.

Meeting Minutes
None Discussed

BILLS & COMMUNICATIONS
None Discussed

TREASURER'S REPORT
None Discussed

UNFINISHED BUSINESS
None Discussed

NEW BUSINESS
Mr. Mason spoke about the Local Waterfront Revitalization Program Grant that the City has applied for (See Attached Handout). He noted that the Grant Award Notification would be in December and that it consists of a 50% match, which he stated the City would request assistance from AIDA to generate. He presented the plans for the Regional Market concept that runs along the Nolan Block, stating that there is already a developer interested and 2 out of the 3 buildings that make up the block have been purchased and that Tenants are already interested in locating there. He also expressed that the major tenant of the proposed market place, Prison City, has been offered other locations within the City and County but that they are specifically in support of this project and location and would like to have their facility downtown. He also noted concern that they are ready to move forward and have been very patient, but that if this funding falls through they may choose to locate elsewhere.

James A. Dacey
Chairman

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Ms. Selvek then spoke about the Owasco River Trail. She noted that the project is moving forward and that they are awaiting DOT approval on some aspects of the trail, with construction anticipated to begin in the Spring. She presented renderings of the project and how it would interact with the regional market; noting that the market place, which consists of a 3-Story building containing a Regional Farmers Market, Prison City Brewing Facility and Apartment Housing would be built into a cantilevered board walk extending over the river.

Questions were asked of Mr. Mason and Ms. Selvek regarding the anticipated level of AIDA's support. Mr. Mason suggested that AIDA's support would be monetary to assist with the 50% match if possible and to be receptive to developers. It was noted that the Grant funding and AIDA's support would be utilized for the creation of construction / bid package documents. Mr. Mason also noted that the timeline for a decision regarding AIDA's involvement would be after the announcement of the Grant Award, possibly in December.

Questions were then asked of Ms. Selvek and Mr. Mason regarding the current progress of the Nolan Block development. It was stated that there are currently leases for the HSBC building and that there will be redevelopment of that building into Retail spaces and approximately 18 housing units, and that the developers are awaiting notification of Main Street Grant Awards to decide on redevelopment plans of the Nolan's building and that it is anticipated that they will come to AIDA for Sales & Use Tax exemptions. Mr. Andre expressed concern regarding granting these developers a full PILOT as AIDA has been burned in the past and that there must be assurances that if a PILOT is requested that good paying, and not minimum wage, jobs would be created through this development.

It was asked of Ms. Selvek and Mr. Mason how ownership of the Market Place would work. They were unsure how physical ownership of the space would work, stating that the design of the area would be with Public Money and that the City is not interested in owning another building; hoping a developer would assume ownership of the property following the design of the area. They also noted, that the City would deed the Public Right away, as this project would mean permanently closing down a road.

Mr. Byron then spoke about the internal audit of the current AIDA PILOT projects (See Attached Handout). He stated that 4 PILOT projects were randomly chosen to be audited. These projects were requested to provide NYS Form-45 and Federal Form 4562 noting that presently two companies have provided all of the NYS-45. One company has 1 year of NYS-45 outstanding, and that one company has not supplied any forms. Additionally, no company has supplied any of the requested Federal Forms, noting that these forms were not part of the original request and that receiving this information has been extremely challenging. He noted that this information should be requested from the remaining PILOTS and that we should continuously audit all of AIDA's active pilots. Additionally, he noted that AIDA should request NYS-45 forms on an annual basis during the creation of the annual report and that the NYS-45 cover sheet should be requested with the yearly monitoring report.

UPCOMING EVENTS

None Discussed

ADJOURNMENT

Motion to adjourn at 6:06pm by Mayor Quill; seconded by Mr. Andre. All members present voted in favor; meeting adjourned

Next regularly scheduled meeting to be held on October 19, 2016 at 5:00pm.

Local Waterfront Revitalization Program. On an annual basis, the Department of State solicits grant applications from local governments for 50/50 matching grants from the New York State Environmental Protection Fund's Local Waterfront Revitalization Program.

TOTAL Request: \$579,500.00

Grant \$289,750.00 / City of Auburn Cash Match \$289,750.00

The **Downtown Auburn Owasco Riverfront Redevelopment** project will advance Downtown Auburn's revitalization in this central area of the City where the Owasco River and the Harriet Tubman Memorial Highway converge. This redevelopment project will utilize City and privately owned land and buildings in the areas of Loop Road and Market Street. Project components include:

1. A Downtown Visitor Welcoming Center. Due to an anticipated significant increase in tourist visitation due to the establishment of the Harriet Tubman National Historical Park, the proposed Downtown Visitor Welcoming Center would be designed to welcome the significant increase of travelers to Auburn at a visible central downtown location located on the Harriet Tubman Memorial Highway (NYS RT 34) and will provide visitors with a central point and dynamic orientation to begin their journey to explore the many Tubman sites in the City, as well as, the William H. Seward House Museum, and all of Auburn's other historic and cultural sites. The center will serve as a hub for regionally significant historical topics associated with Tubman.
2. A Riverside Regional Public Market that will provide a home to the already established Auburn Farmer's market in the form of a new Four Season Farmers Market, a permanent, year-round market. A Finger Lakes culinary center and demonstration kitchen will creatively leverage existing Taste-NY initiatives and develop new agri-tourism initiatives.
3. New construction of a production brewery with tasting room for Auburn's Prison City Brewing Co. designed to be an anchor tenant to the Regional Public Market. Including a 10,000 BBLS production facility, canning & bottling line and a tasting room and event space for group tours and events.
4. This design project will work in partnership with existing property and land owners to target appropriate redevelopment of underutilized and abandoned buildings in the targeted riverside area for housing, retail and commercial use.

PILOT AUDIT UPDATE

10/4/2016

Generally accepted auditing principles require the auditor to obtain documentary evidence to confirm that the requirements in the PILOT agreement have been adhered to, whether the increase be in employment or capital investment in plant, machinery and equipment. The traditional forms used in order to assist with verification of employment in New York State is the quarterly NYS-45(a form filed by every business that has employees). Secondly, for capital investment in plant, machinery and equipment the annual Federal Form 4562 is needed to determine that the proposed capital investment did actually transpire.

Four companies were randomly selected for auditing from the list of active PILOTS of AIDA. The four companies were asked to provide NYS-45's and Federal Form 4562's to determine how well they adhered to their stated goals from their various PILOT applications. As of August 2016 two companies have supplied the NYS-45's, one company has one year of NYS-45's still outstanding, and the fourth company has not supplied any NYS-45's as of yet. None of the companies have supplied any Federal Form 4562's.

In conclusion the following activities need to be addressed. 1. We need to audit the remaining PILOT agreements. 2. CEDA needs to send out follow up letters to the four companies requesting the delivery of any outstanding tax documents. 3. AIDA needs to tighten up its review process for any future company PILOT applications. In this audit of four companies, two of those applications either omitted mention of specific employment goals or failed to provide a baseline employment level for the company prior to receiving any PILOT incentives.