



Auburn Industrial  
Development Authority

**MEETING MINUTES**  
**AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY**  
**Wednesday, January 24, 2017**  
**Third Floor Training Room**  
**City Hall, 24 South Street, Auburn, NY 13021**

**Board Present:** William Andre (Vice-Chair & Member of Labor)  
Monika Salvage (Secretary & School Board Member)  
Terry Cuddy (Council Member)  
Tricia Kerr (Member at Large)  
Ronald LaVarnway (Member at Large)

**Board Excused:** James Dacey (Chair & Member of Business)  
Roger Beer (Member at Large)  
Michael Quill (Council Member)

**Staff & Guests:** Tracy Verrier, Executive Director  
Joseph Sheppard, Assistant Treasurer  
Bruce Sherman, CEDA  
Thomas Minicucci, Central Building LLC  
Robert Poyer, Hancock & Estabrook  
Jeffrey Dygert, City of Auburn  
Chuck Mason, City of Auburn

Mr. Andre, Vice-Chair, called the meeting to order at 4:50pm noting that a quorum was present.

**MEETING MINUTES**

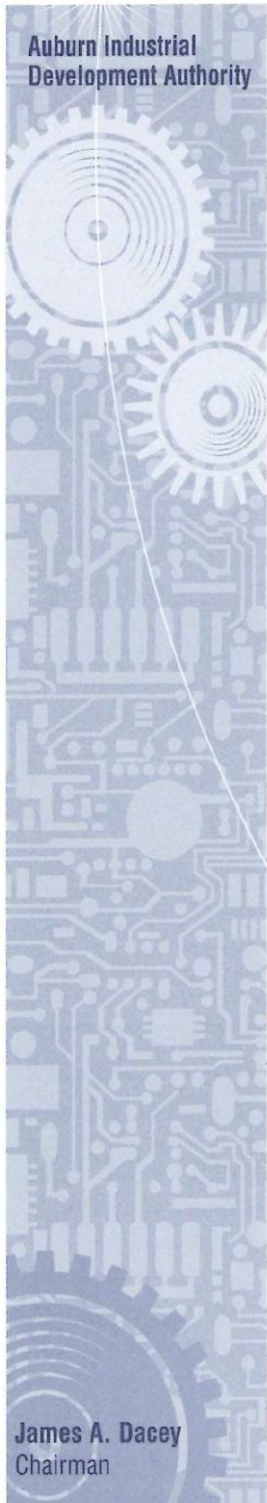
Motion to approve the December 21<sup>st</sup>, 2016 Regular Meeting Minutes was made by Mr. LaVarnway; seconded by Ms. Salvage. All members present voted in favor; motion passed. The Approval of the January 11<sup>th</sup> Public Hearing Minutes was tabled until the next meeting. Mr. Poyer noted that the date the public hearing notice was published needed to be added to the Public Hearing Minutes.

**BILLS AND COMMUNICATION**

Mr. Sheppard presented invoices totaling \$26,407.52, including one from Hancock Estabrook for fees related to the Crown Castle litigation (\$7,902.00). Mr. Andre questioned how much in legal fees had been incurred over the entire course of the Crown Castle litigation. It was decided to table the payment of the Hancock Estabrook bill until the following meeting to allow for a discussion of the total legal costs of the Crown Caste suit. Motion to pay bills, excluding Hancock Estabrook, was made by Ms. Kerr, seconded by Mr. Cuddy. All presented voted in favor, motion carried.

**UNFINISHED BUSINESS**

Ms. Verrier provided an update on the Bergmann Environmental Study of the Tech Park noting that the studies that have been completed to date are available on the Board Section of the website for review and that Bergmann will be attending the next meeting to provide an update.



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## **NEW BUSINESS**

Mr. Minicucci presented information regarding the Central Building project and their application for a 10-year extension after their current PILOT expires in 2020. This extension would aid in the completion of renovations on the third floor of the facility, and in keeping rental rates low and predictable in an effort to attract and retain tenants. Mr. Minicucci talked about some of the current tenants and the benefits having them in town offer. Mr. Minicucci also addressed a letter from Auburn Community Hospital that had been submitted to members of the Board (See Attached) that explains the risks to the healthcare industry in the area and explains the importance of the predictability of rates. Mr. Minicucci continued by explaining that Central Building, LLC currently spends \$1,000's on common area charges that they do not pass onto their tenants in an effort to subsidize their rental rates, noting that the common area charges have been frozen at a fixed rate for the last several years. Mr. Minicucci also explained that Central Building, LLC looks forward to working with the city and state on additional projects to enhance Garden Street in the future. He explained that the proposed PILOT extension is the same program that he presented to the Board in 2009, but at which time the company was given a 5-year extension and told to return with plans to renovate the third floor. He noted that they are losing some tenants this year due to retirement and requested that the PILOT options presented in the application were considered, explaining that this is what they would be able to afford while keeping lease rates low and predictable. He concluded by thanking the Board for their time and consideration and extended an invitation for members to visit the facility.

Ms. Salvage noted that she appreciated the services that the facility provided and asked what the company would do at the end of the proposed ten-year extension given that the proposed schedule does not increase enough to build them up to their full tax liability. Mr. Minicucci explained that they expect to be able go back on the tax rolls at that time, but in the meantime also need to explore negotiating their assessment. Ms. Salvage asked if Mr. Minicucci anticipated them being able to afford their full tax liability at that time. He stated that he felt they would be able to handle their full liability at that time, but needs this assistance as a bridge to assist them in retaining and attracting tenants. He noted they that would be in a better position to afford the full tax liability once there are more tenants.

Ms. Kerr asked Mr. Minicucci to provide a brief history of their current PILOT agreement. Mr. Minicucci provided a history of the PILOT agreement stating that it started with a 15-year agreement in 2000. In 2009, they then requested a 15-year extension. At that time, the Board provided a 5-year extension and told him to return when they had plans to renovate the third floor of the facility. He continued by stating that since 2009 they have invested a great deal of money and resources into the third floor of the building and all of the common areas throughout the facility. He concluded by noting that they are currently in year 17 of the 20 year PILOT agreement.

Ms. Salvage asked to discuss the various PILOT scenarios. Ms. Verrier stated that the concerns that have been expressed by the Board thus far are that the PILOT scenarios proposed do not bring Central Building close to their full tax liability at the end of the PILOT and that the level of investment for the current project is much less than the level of benefit that is being requested. Mr. Minicucci expressed that the group has made large investments into the building over the last several years that exceed the level of requested benefit, also noting that the public benefit of their services need to be taken into consideration. Ms. Verrier explained that she reviewed several other PILOT scenarios with Mr. Minicucci prior to the meeting. Mr. Minicucci then noted that he would like to keep the scenarios at the levels he has requested, but stated that if a 10-year extension were not possible he would be willing to do a five year, but that it was not ideal.

Ms. Kerr asked Mr. Minicucci to discuss the affiliation that Central Building has with Auburn Community Hospital. Mr. Minicucci noted that they could not discuss some of the relationships, as they had yet to be finalized, but noted that they will continue to work more with the Hospital, expressing that the Hospital has been supportive.

A motion was made to enter into Executive Session to discuss the financial information of a specific company by Ms. Salvage, seconded by Mr. Cuddy. All present voted in favor. Entered into Executive Session at 5:15pm.

A motion was made to exit executive session by Ms. Kerr, seconded by Mr. LaVarnway. All present voted in favor. Exited Executive Session at 5:55pm.

Ms. Verrier stated that the Board had decided to table both the Closing and SEQR Resolutions until the next meeting to allow for more information gathering and negotiation. She added that the board would like to see a PILOT scenario that has a larger ramp-up in the payment schedule so that the company will be paying close to their actual tax liability by the end.

Mr. Poyer asked if leases were net, if the costs of the PILOT were passed on to tenants in their rent. Mr. Minicucci explained that the leases were net leases, noting that the PILOT payments are included in the common area charges. He explained that since common area charges have been fixed for a number of years, the partners of Central Building, LLC currently subsidize the increases in the PILOT payments. He expressed concern about increasing tenant charges and explained the reasoning behind the gap between what is charged and what the expenses are. He continued by explaining what fees are used to calculate common area charges, including electrical, cleaning and snow removal.

Mr. Cuddy expressed that the board is very interested in making something work, but that he would like members that are absent to have a chance to review the information again and that there is room for compromise. Ms. Verrier stated that she would gather information requested by the board in the next couple of weeks.

#### **BOARD MEMBER UPDATES**

None

#### **ADJOURNMENT**

Motion to adjourn made by Ms. Salvage, seconded by Mr. Cuddy. All members present voted in favor; meeting adjourned at 6:15pm.

Next regularly scheduled meeting Wednesday February 15<sup>th</sup>, 2017 @ 5:00pm in the First Floor Conference Room of the Chamber offices, 2 State St.