



Auburn Industrial
Development Authority

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, January 24, 2017
City Council Chambers
City Hall, 24 South Street, Auburn, NY 13021

Board Present: William Andre (Vice-Chair & Member of Labor)
Terry Cuddy (Council Member)
Tricia Kerr (Member at Large)
Roger Beer (Member at Large)
Michael Quill (Council Member)

Board Excused: James Dacey (Chair & Member of Business)
Ronald LaVarnway (Member at Large)
Monika Salvage (Secretary & School Board Member)

Staff & Guests: Tracy Verrier, Executive Director
Joseph Sheppard, Assistant Treasurer
Bruce Sherman, CEDA
Minesh Patel, Visions Hotels (Auburn Hotel Ventures)
Rinsha Khan, Hancock & Estabrook
Chuck Mason, City of Auburn

Mr. Andre, Vice-Chair, called the meeting to order at 4:13pm noting a quorum was present.

MEETING MINUTES

None

BILLS AND COMMUNICATION

None

UNFINISHED BUSINESS

Ms. Verrier provided the Board with background information on past projects and incentives received at the Holiday Inn property. She noted that the additional financial information that was requested had been received from Mr. Patel and was provided to the Board digitally, along with answers to additional questions that had been raised since the previous meeting. Ms. Verrier explained that information regarding past incentives received by the previous owners of the facility was difficult to summarize since they go back so many years. She noted that there was a PILOT, which expired in 2003 and had begun in 1980. Payment schedules had been located that outlined the agreement from 1980 through 1994, but that no other information could be found except for disbursement statements dating to 2002. She also explained that the current owners were not seeking a PILOT and were only requesting a Sales and Use Exemption and a Mortgage Recording Exemption.

James A. Dacey
Chairman

2 State Street
Auburn, NY 13021

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Mr. Beer asked Mr. Patel if all of the bank financing had been secured for the project. Mr. Patel noted that they have a letter of commitment and that they would close on financing soon after the current resolution is finalized. Ms. Verrier explained that often the incentives and loans are closed at the same time, and that the mortgage recording exemption needs to be approved and in place prior to closing in order for the benefit to be realized. Mr. Beer then asked Mr. Patel if the equity portion of the Project had been secured. Mr. Patel stated that all of the equity had been secured.

A resolution was then put before the Board by Mr. Andre, which read in part (Full Resolution Attached):

**RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
(THE "AUTHORITY") CLASSIFYING THE AUBURN HOTEL VENTURES LLC (AS
MORE FULLY DESCRIBED BELOW) AS A TYPE II ACTION UNDER THE SEQR
ACT**

Motion by Mr. Beer to accept the SEQR resolution for Auburn Hotel Ventures, LLC; seconded by Ms. Kerr. The resolution was put to the following roll call vote:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Tricia Kerr, Member	X			
Ronald LaVarnway, Member			X	

The motion carried; the Resolution was Duly Adopted.

Mr. Andre then put a resolution before the Board, which read in part (Full Resolution Attached):

**RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND
THE EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT
AUTHORITY (THE "AUTHORITY") OF AN AGENT AGREEMENT, LEASE
AGREEMENT, LEASEBACK AGREEMENT, AND RELATED DOCUMENTS
WITH RESPECT TO THE AUBURN HOTEL VENTURES LLC.**

Motion to approve the Project Authorizing Resolution for Auburn Hotel Ventures, LLC made by Mr. Quill; seconded by Ms. Kerr. The resolution was put to the following roll call vote:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Tricia Kerr, Member	X			
Ronald LaVarnway, Member			X	

The motion carried, the Resolution was duly adopted.

NEW BUSINESS

None

BOARD MEMBER UPDATES

Ms. Verrier provided an update on the REDC Forum that took place at Cayuga Community College that morning to outline the State funding process and the new Intent to Propose form that the CNY REDC is utilizing as part of the State's Consolidated Funding Application (CFA) process. Ms. Verrier explained that funding had not been approved by the State, but that it is anticipated that the process will be similar to previous years. She explained that the Intent to Propose is a form that the REDC is requesting from all who intend to apply for State grants to submit in order to better vet projects and assist in putting together better proposals. Ms. Kerr asked if the Intent to Propose was a mandatory part of the CFA process. Ms. Verrier explained that it was not, but that those who submit the form would likely be weighted more favorably. Ms. Kerr asked if this form was specific to just ESD Funding opportunities or is it necessary for other grant opportunities as well. Ms. Verrier stated that she believed it was specific to the ESD, but that they would like to encourage all to fill out the form to be helpful for the local staff to know who is applying for what grants.

ADJOURNMENT

Motion to adjourn made by Mr. Cuddy, seconded by Mr. Beer. All members present voted in favor; meeting adjourned at 4:26pm.

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

RESOLUTION

RESOLUTION

(Auburn Hotel Ventures LLC)

A special meeting of Auburn Industrial Development Authority was convened at Auburn Memorial City Hall, Council Chambers, 24 South Street, Auburn, New York 13021 at 4:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION NO. 2017/2-4

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") CLASSIFYING THE AUBURN HOTEL VENTURES LLC (AS MORE FULLY DESCRIBED BELOW) AS A TYPE II ACTION UNDER THE SEQRA ACT

WHEREAS, Auburn Hotel Ventures LLC (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of: (i) the acquisition of 1 parcel of land located at 75 North Street (Tax Map No. 116.37-1-39.11) in the City of Auburn, New York totaling approximately 5.08 acres (the "**Land**") improved by 1 building totaling approximately 226,500 square feet (the "**Building**"); (ii) the renovation of the Building by the Company for use as lodging and conference space (the "**Improvements**"); and (iii) the acquisition and installation in and around the Building by the Company of certain items of machinery, equipment, and other tangible personal property (the "**Equipment**" and, together with the Land, the Building and the Improvements, the "**Project Facility**"); and

WHEREAS, the Authority has reviewed Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended ("**SEQRA**") and the Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the "**Regulations**"); and

WHEREAS, the Project does not appear to constitute a Type I Action pursuant to 6 NYCRR §617.4;

WHEREAS, the Project appears to be a Type II Action pursuant to 6 NYCRR § 617.5(c);

WHEREAS, pursuant to 6 NYCRR § 617.5(c)(1), actions that involve "maintenance or repair involving no substantial change in an existing structure or facility" are Type II Actions;

WHEREAS, pursuant to 6 NYCRR § 617.5(c)(2), actions that involve "replacement, rehabilitation or reconstruction of a structure or facility, in-kind, on the same site . . ." are Type II Actions;

WHEREAS, pursuant to 6 NYCRR § 617.5(c)(8), actions that involve “routine activities of educational institutions, including expansion of existing facilities by less than 10,000 square feet of gross floor area” are Type II Actions;

WHEREAS, pursuant to the SEQRA regulations at 6 NYCRR §§ 617.5(a) and 617.6(a)(i), Type II actions have been determined not to have a significant impact on the environment and are not subject to review under SEQRA; and

WHEREAS, the Authority now desires to make its SEQRA classification for the Project pursuant to the SEQRA regulations at 6 NYCRR § 617.6(a).

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:**

1. Based upon a thorough review of the SEQRA regulations at 6 NYCRR Part 617 and based further on the Authority’s knowledge of the Project and such further investigation of the Project and its environmental effects as the Authority has deemed appropriate, the Authority finds that:
 - a. the Project constitutes a SEQRA Type II action pursuant to 6 NYCRR § 617.5(c);
 - b. the Project will not have a significant impact on the environment; and
 - c. the Project is not subject to further SEQRA review.
2. This resolution shall take effect immediately.

Upon motion duly made and seconded, the question of the adoption of the foregoing Resolution was duly put to a vote, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Roger Beer, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Tricia Kerr, Member	X			
Ronald LaVarnway, Member			X	

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DO
HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on February 28, 2017, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Authority had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Authority present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this 28th day of February, 2017.

[SEAL]

Monika Salvage, Secretary

JOSEPH T. SHEPPARD, ACTING SECRETARY

RESOLUTION
(Auburn Hotel Ventures LLC)

A special meeting of Auburn Industrial Development Authority was convened at Auburn Memorial City Hall, Council Chambers, 24 South Street, Auburn, New York 13021 at 4:00 p.m.

The following resolution was duly offered and seconded, to wit: #2017/2-5

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND THE EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, AND RELATED DOCUMENTS WITH RESPECT TO THE AUBURN HOTEL VENTURES LLC.

WHEREAS, the Auburn Industrial Development Authority (the "**Authority**") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living; and

WHEREAS, Auburn Hotel Ventures LLC (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of: (i) the acquisition of 1 parcel of land located at 75 North Street (Tax Map No. 116.37-1-39.11) in the City of Auburn, New York totaling approximately 5.08 acres (the "**Land**") improved by 1 building totaling approximately 226,500 square feet (the "**Building**"); (ii) the renovation of the Building by the Company for use as lodging and conference space (the "**Improvements**"); and (iii) the acquisition and installation in and around the Building by the Company of certain items of machinery, equipment, and other tangible personal property (the "**Equipment**" and, together with the Land, the Building and the Improvements, the "**Project Facility**"); and

WHEREAS, the Authority desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn, New York by undertaking the Project in the City of Auburn, New York; and

WHEREAS, pursuant to Section 2307 of the Act, the Authority has held a public hearing with respect to the Project; and

WHEREAS, the Authority will appoint the Company as its true and lawful agent to undertake and complete the Project pursuant to the terms of an Agent Agreement to be dated as of March 1, 2017 (the "**Agent Agreement**") by and between the Authority and the Company; and

WHEREAS, the Authority will acquire a leasehold interest in the Facility pursuant to the terms of a Lease Agreement to be dated as of March 1, 2017 (the "**Lease Agreement**") by and between the Authority and the Company; and

WHEREAS, the Company has requested the Authority to enter into a Leaseback Agreement to be dated as of March 1, 2017 (the "**Leaseback Agreement**") whereby the Company will lease the Facility from the Authority on the terms and conditions set forth therein; and

WHEREAS, in connection with the undertaking of the project, the Authority will join with the Company in a mortgage and other security documents (collectively, the "**Mortgage**") in favor of a lender or lenders reasonably satisfactory to the Company; and

WHEREAS, the execution of the Agent Agreement, Lease Agreement, the Leaseback Agreement, and the Mortgage will help to improve the Project and enhance opportunities for the citizens of the City of Auburn.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Authority has the authority to take the actions contemplated herein under the Act;

(C) The action to be taken by the Authority will further the purposes of the Authority under the Act by increasing employment opportunities in the City of Auburn, preventing economic deterioration and otherwise furthering the purposes of the Authority as set forth in the Act;

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project Facility from one area of the State of New York (the "**State**") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Facility occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project Facility occupants in their respective industries; and

(E) The Project is likely to attract a significant number of visitors from outside the city of Auburn.

Section 2. The Authority hereby approves financial assistance for the Project including (A) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the

Facility to secure financings undertaken in furtherance of the Project; and (B) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Project Facility or used in the acquisition, construction, renovation and equipping of the Facility.

Section 3. The Authority hereby appoints the Company as its true and lawful agent to (A) acquire, construct and equip the Project; (B) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings, instructions, as the agent for the Authority, with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors, and to such other parties as the Company reasonable designates; and (C) to do all other things that may be requisite and proper for completing the Project, with the same powers and validity vested in the Authority; provided, however, that the agency shall expire on March 1, 2019, unless extended by the Authority.

Section 4. The Authority may, pursuant to Section 2326-a of the Act, recover or recapture from the Company, its agents, subagents, contractors, subcontractors, or any other party authorized to make purchases for the benefit of the Project (each a "**Company Party**" and, collectively, the "**Company Parties**"), any sales and use tax exemption benefits obtained or purported to be obtained by the Company Parties if it is determined that: (A) any Company Party is not entitled to sales and use tax exemption benefits; (B) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by any Company Party; (C) the sales and use tax exemption benefits are for property or services not authorized by the Authority as part of the Project; (D) the Company has made a material false statement in its application for financial assistance; (E) the sales and use tax exemption benefits are taken in cases where a Company Party fails to comply with a material term or condition to use property or services in the manner approved by the Authority in connection with the Project; and/or (F) the Company obtains mortgage recording tax abatement benefits or real property tax abatements and fails to comply with a material term or condition to use property or services in a manner approved by the Authority in connection with the Project (each a "**Recapture Event**").

As a condition precedent to receiving the financial assistance set forth in Section 2, above, the Company must, upon the Authority's determination that a Recapture Event has occurred, (A) cooperate with the Authority in its efforts to recapture any sales and use tax benefits and mortgage recording tax abatement benefits; and (B) pay over to the Authority, on demand, any amounts required to be recaptured.

Section 5. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Agent Agreement, Lease Agreement, Memorandum of Lease Agreement, Leaseback Agreement, Memorandum of Leaseback Agreement, Mortgage, mortgage recording affidavit, and related documents (collectively, the "**Authority Documents**") in such form as shall be reasonably approved by the Chairman and/or Vice Chairman upon execution, with the advice of counsel.

Section 6. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Authority Documents and any such other documents and agreements as may be necessary to carry out the intent of these resolutions; and, where appropriate, the Secretary or Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Authority Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman and/or Vice Chairman of the Authority shall approve, the execution thereof by the Chairman and/or Vice Chairman of the Authority

to constitute conclusive evidence of such approval; provided in all events recourse against the Authority is limited to the Authority's interest in the Project.

Section 7. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 8. These Resolutions shall take effect immediately.

Upon motion duly made and seconded, the question of the adoption of the foregoing Resolution was duly put to a vote, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman			X	
William Andre, Member	X			
Monika Salvage, Member			X	
Robert Byron, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Frank DeRosa, Member	X			
Tricia Ottley, Member	X			
Demetrius Murphy, Member			X	

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on July 15, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

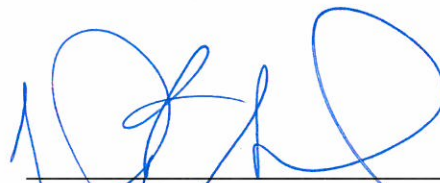
I FURTHER CERTIFY, that all members of said Authority had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Authority present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority
this ____ day of February, 2017.

[SEAL]



Monika Salvage, Secretary

JOSEPH T. SHEPPARD, ACTING
SECRETARY