



Auburn Industrial
Development Authority

REGULAR MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Monday, April 22, 2019
First Floor Meeting Room
Chamber of Commerce, 2 State Street, Auburn, NY 13021

Board Present: William Andre (Vice-Chair & Member of Labor)
Tricia Kerr (Secretary & Member at Large)
Brandon Gravius (Member of Industry)
Michael Quill (Council Member)
Terry Cuddy (Council Member)
Ronald LaVarnway (Member at Large)
Jeff Gasper (School Board Member)

Board Excused James Dacey (Chair & Member of Business)
Roger Beer (Member at Large)

Staff & Guests: Tracy Verrier, Executive Director
Samantha Frugé, Assistant Treasurer
Rob Poyer (Hancock Estabrook)
Zachary Blodgett (Hancock Estabrook)
Cheryl Silvestrini (Bluefield Manor)
Alicia Butts (Bluefield Manor)
Karen Walter (City of Auburn Resident)
Ryan Franklin (Citizen Reporter)

Mr. Andre, Vice-Chairman, called the meeting to order at 5:00pm, noting the presence of a quorum.

MEETING MINUTES

Mr. LaVarnway moved to accept the minutes from the March 20th Regular Meeting and March 20th Audit Committee Meeting, seconded by Mr. Cuddy. Mr. Quill abstained. All members present voted in favor; motion carried.

BILLS AND COMMUNICATIONS

Ms. Frugé presented bills from the Chamber of Commerce for two seats at the State of the City/County Luncheon (\$80), Buffington & Hoatland for the FY2018 Audit (\$4000), and CEDA for first quarter administrative fees (\$5723.10). Ms. Verrier requested to transfer \$5000 from the savings account to the checking account to cover the bills. Mr. Cuddy motioned to approve the bank transfer and pay the bills, seconded by Mr. Gasper. All members present voted in favor, motion carried.

REPORT OF THE TREASURER

Ms. Frugé reviewed the March profit and loss and balance sheet, noting income generated from savings accounts in the amount of \$113.68. She added that the CEDA first quarter invoice was allocated on the profit and loss to show postage, travel and meetings, and contract services. Mr. LaVarnway motioned to approve the report of the treasurer, seconded by Mr. Gravius. All members present voted in favor, motion carried.

James A. Dacey
Chairman

2 State Street
Auburn, NY 13021

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UNFINISHED BUSINESS

Bluefield Manor Project Discussion: Ms. Verrier introduced Cheryl Silvestrini and Alicia Butts from Bluefield Manor. Ms. Silvestrini thanked the Board for their time and explained that she was there to represent Bluefield Manor's request to potentially extend their PILOT. She explained that the PILOT would end in 2021 with the last payment being around \$96,000. The following year would see a significant jump in taxes, projected to be about \$240,000. She said that, as a nonprofit, Bluefield Manor could not absorb the jump in tax payment without passing the costs onto their tenants and possibly making staff cuts. She added that they would likely lose many residents if they were forced to make significant rent increases to cover the tax liability. Ms. Verrier noted that Bluefield Manor provided a 10-year improvement plan as well as previous financials for 2017 and 2018, which were included in the Board packets. Mr. LaVarnway asked what the current rental rate was and how much of an increase would be required to cover the tax payment after the PILOT? Ms. Silvestrini said the current rental rate was around \$2750 for a one-bedroom apartment and that they would need to raise rental prices by a minimum of \$215 to cover the costs. She explained that they have generally raised the rental prices 1-2% a year, and went as high as 5% two years ago which resulted in a 25% vacancy. Mr. LaVarnway asked if any of the rent was subsidized? Ms. Silvestrini said that no rent was subsidized. Mr. LaVarnway asked how many employees they had? Ms. Silvestrini said they had 31 employees. Ms. Kerr asked if the tenants were on a yearly lease? Ms. Silvestrini said the tenants were on a month-to-month lease. She added that rental increases were on anniversary basis, with a few tenants that were grandfathered in on a January 1 schedule. Mr. Quill asked what the occupancy rate was? Ms. Silvestrini said they were at 94% occupancy. Mr. Andre asked what services were included in the rent? Ms. Silvestrini explained the apartment services included dinner every evening, housekeeping and linen services every week, transportation, Life Net (emergency) service, wellness checks every day, and nightly security. Mr. Andre noted that the Board for Bluefield Manor entered the original PILOT agreement with the knowledge that it did not build up to their actual tax liability. He asked what Bluefield Manor's Board plan was to address the jump in taxes following the PILOT? Ms. Silvestrini explained that she had conversations with the Bluefield Manor Board around four years ago to address her concerns about the PILOT term ending, but at the time the Board felt it was too early to start discussions. She added that the Board indicated that they would have a discussion with AIDA regarding a plan when the time was appropriate. Ms. Verrier noted that AIDA no longer structures PILOTs like that of Bluefield Manor, which did not build them up to their actual tax liability. She explained that if the Board were to work on a solution, they would likely want to see incremental increases toward the actual tax liability. Ms. Kerr asked how the improvement plan differed budget-wise from what they were doing presently? Ms. Silvestrini explained they set aside a certain percentage every month for capital improvements which were separate from maintenance. Ms. Kerr asked what the percentage was, and if the presented improvement plan went above and beyond that percentage? Ms. Silvestrini said the current percentage was around 1.19%, and the improvement plan was part of that but would also increase that percentage as necessary to cover costs. Mr. Gasper asked about the makeup of the board of directors? Ms. Silvestrini said they had a Board of nine members. She explained that the Board had little turnover, and consisted primarily of those who agreed to the original PILOT. Ms. Kerr asked if Bluefield Manor had looked into other grant funding or fundraising options to offset some costs? Ms. Silvestrini said they had not, but were open to all options. Mr. Andre expressed his concern that the project should be paying its full tax liability to the municipalities, but also did not want to see tenants lose their homes due to rent increases or see the staff lose their jobs. Ms. Verrier noted that the current discussion was to determine if the Board wanted to move forward with working on a solution for the project. Mr. Cuddy asked if the Board had the flexibility to come up with an

agreement to address concerns on both sides? Ms. Verrier confirmed that there was room for negotiation. Ms. Kerr said that whatever agreement was brought to the Board should have them at their full tax liability by the end. Mr. Cuddy asked if it was possible to include in a contract that no more extensions would be granted for that project? Mr. Poyer explained that they could not include that in a contract, but they could notate the Board's intentions within the meeting minutes. Mr. Quill suggested having a few of Bluefield Manor Board of Directors attend the next meeting to discuss solutions. The Board was agreeable.

CEDA Staff Updates: Ms. Riester provided updates on several upcoming large and small projects. She discussed Lexi Interiors and said they sold their building in the Tech Park and are relocating to the old PNC building. She said they were starting some construction, so it was uncertain if their timeline would work for any IDA incentives. Ms. Riester discussed a parcel of land the City was working on selling, and if moved forward, would be a small project for a company that provides service throughout the Northeast. She said the small business would construct their own building and create five jobs. Ms. Riester discussed another project where a company was looking to rebuild and expand their business. She advised the business had the AIDA application for benefits but was still developing their budget. Ms. Riester provided an update on the Schine Theater who had indicated their intentions to seek IDA benefits when the project begins. She explained they were waiting on documents from the State to move forward. She added that she advised the project to start preparing their application early, as larger projects must go through the public hearing process which can delay final approval. Ms. Riester discussed two possible CFA applications that potentially would be seeking IDA benefits as well. Ms. Verrier provided an update on the IDA application for Currier Plastics, noting they were still in the process of finalizing their plans but should be ready to apply soon.

NEW BUSINESS

AUTHORIZING RESOLUTION: Tessy Plastics ST-60 Extension: Ms. Verrier advised that Tessy Plastics submitted a request to extend their ST-60 to December 2019. She explained that bad weather during 2018 delayed construction on the roof and the extension would allow them to complete that construction and a few other projects that were delayed. She referenced the request letter that was distributed to the Board prior to the meeting and noted that they were not seeking additional benefits, only to extend the benefit that was already approved. Mr. Andre asked the Board if they had any questions or concerns regarding the extension request? The Board had none. Mr. LaVarnway made a motion to approve an extension of Tessy Plastic's ST-60 as proposed, seconded by Mr. Quill.

The resolution was put to a roll call vote as follows:

NAME	Yes	Nay	Absent	Abstain
JAMES DACEY			X	
WILLIAM ANDRE	X			
JEFF GASPER	X			
ROGER BEER			X	
TERRY CUDDY	X			
MICHAEL QUILL	X			
TRICIA KERR	X			
RON LAVARNWAY	X			
BRANDON GRAVIUS	X			

The motion was passed.

CEDA Staff Presentation: Overview of CEDA Offerings: Ms. Verrier's staff presentation covered the following topics:

- The City & County revolving loan programs; what financing options they offered, their requirements, and eligible uses of funds.
- Step by step overview of how projects get assistance through CEDA.
- CEDA's One-Stop model; an overview of the available resources located in the 2 State Street building.

BOARD MEMBER UPDATES: Mr. LaVarnway asked if meeting minutes could be distributed sooner than the Board packets, which were posted one week prior to the meeting? Ms. Verrier said they could distribute the draft minutes before the Board packets.

UPCOMING EVENTS: Ms. Verrier discussed the upcoming events and asked the Board to let staff know if they wanted to attend the Chamber Awards Luncheon on May 8th. Ms. Riester discussed an upcoming Workforce Development 101 presentation for employers. She explained it would be a panel presentation and roundtable discussion by the workforce development resource providers for local businesses, educating on subjects from finding/training employees to workforce development grants and tax credits.

ADJOURNMENT

Motion to adjourn made by Mr. LaVarnway, seconded by Mr. Quill. All members present voted in favor; meeting adjourned at 6:02pm.

Next regularly scheduled meeting Wednesday, May 15th, 2019 @ 5:00pm in the First Floor Conference Room of the Chamber Offices, 2 State St.

RESOLUTION
(Tessy Plastics Corp. Project)

A regular meeting of Auburn Industrial Development Authority was convened at 2 State Street in the City of Auburn, on April 22, 2019 at 5:00 p.m.

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

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE THROUGH THE EXTENSION OF AN EXEMPTION FROM ALL STATE AND LOCAL SALES AND USE TAXES WITH RESPECT TO THE TESSY PLASTICS CORP. PROJECT

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, Tessy Plastics Corp. (the "**Company**") previously requested the Authority's assistance with a certain project (the "**Project**") consisting of: (i) the acquisition of 1 parcel of land located at 4900 Tech Park Boulevard (Tax Map No. 108.72-1-2) in the City of Auburn, New York totaling approximately 30.70 acres (the "**Land**") improved by 1 building totaling approximately 436,300 square feet (the "**Existing Improvements**"); (ii) the renovation and equipping by the Company as agent of the Authority of the Existing Improvements for use as warehouse space (the "**Improvements**"); (iii) the acquisition and installation in and around the Existing Improvements and the Improvements by the Company of certain items of machinery, equipment, and other tangible personal property (the "**Equipment**" and, together with the Land, the Existing Improvements, and the Improvements, the "**Project Facility**"); and

WHEREAS, the Authority, pursuant to a resolution dated December 21, 2016, approved financial assistance for the Project, which included 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 Project Facility (the "**Sales Tax Exemption**"); and

WHEREAS, the Sales Tax Exemption expired as of December 20, 2018; and

WHEREAS, the Company submitted a letter dated April 17, 2019, which letter is attached hereto as Exhibit "A" (the "**Letter Request**"), pursuant to which the Company requested an extension of the Sales Tax Exemption through December 20, 2019 due to inclement weather, which affected completion of the Project Facility; and

WHEREAS, the Authority's Uniform Tax Exemption Policy allows for an exemption from sales and use tax related to construction, renovation or equipping of a project for up to three (3) years measured from commencement of construction, renovation or equipping of a project; 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 is not required to hold a public hearing with respect to the Project; and

WHEREAS, the Authority previously appointed the Company as its true and lawful agent to undertake and complete the Project pursuant to the terms of an Agent and Financial Assistance and Project Agreement dated as of December 21, 2016 (the "**Agent Agreement**") by and between the Authority and the Company; and

WHEREAS, the Authority had determined that the Project constitutes a "Type II Action" within the meaning of the New York State Environmental Quality Review Act and the Project continues to be a "Type II Action" within the meaning of the New York State Environmental Quality Review Act; and

WHEREAS, the execution of the Agent Agreement and related documents, and the granting of financial assistance to the Company 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. Based upon the representations made by the Company to the Authority in the Letter Request, the Authority hereby finds and determines that (A) the Company has shown good cause to extend the Sales Tax Exemption through and including December 20, 2019; and (B) the Authority has previously determined that the Project constituted a "Type II Action" within the meaning of the New York State Environmental Quality Review Act and that no further action is necessary thereunder.

Section 2. The Authority hereby approves financial assistance for the Project in the form of an extension of the Sales Tax Exemption through and including December 20, 2019.

Section 3. 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; and/or (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 (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 (B) pay over to the Authority, on demand, any amounts required to be recaptured.

Section 4. The Chairman, Vice Chairman or any other officer of the Authority is and are hereby authorized, on behalf of the Authority, to execute and deliver an amendment to the Agent Agreement, and related documents, if any, (collectively, the "**Authority Documents**") in the form and with such changes as shall be approved by the Chairman and/or Vice Chairman upon execution.

Section 6. The Chairman, Vice Chairman or any other officer of the Authority is 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.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call 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			
Jeff Gasper, Member	X			
Roger Beer, Member			X	
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Tricia Kerr, Member	X			
Ronald LaVarnway, Member	X			
Brandon Gravius, 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:

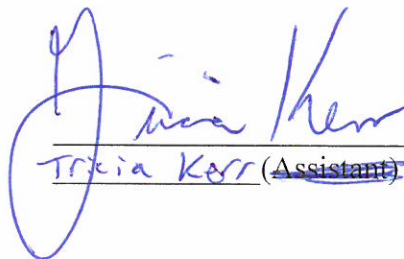
That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on April 22, 2019, with the original thereof on file in my office, and that the same is a true and correct copy of 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 22nd day of April, 2019.



Treia Kerr (~~Assistant~~) Secretary

[SEAL]

EXHIBIT "A"
LETTER REQUEST



To Auburn Industrial Development Authority

Attn. James A. Dacey

Phone 315-252-3500

E-Mail atdassociates@verizon.net

From Accounting, Tessy Plastics

Name Joseph Ranalli

Phone 315-689-3924 X 1731

E-mail JRanalli@Tessy.com

Date: 17 April 2019

Subject: Request for ST-60 Extension

Dear Mr. Dacey,

We sincerely appreciate the incentives AIDA has given us toward our newly acquired Auburn Facility. The building is coming along nicely and we are starting to investigate plans to use it as a full blown production facility. One of the upgrades necessary for the facility was a new roof. Due to inclement weather at the end of 2018 we were unable to complete the roof before our ST-60 expired on 12/20/2018. We would like to request an extension to 12/20/2019 to allow for our maintenance department to complete the roof this spring or summer.

Thank you for your consideration,

A handwritten signature in cursive script, appearing to read "J. Ranalli".

Joseph Ranalli
Director of Financial Operations
Tessy Plastics