



Auburn Industrial
Development Authority

REGULAR MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, July 15, 2020 @ 5:00pm
Remote due to COVID-19
2 State Street, Auburn, NY

- Board Present:** James Dacey (Chair & Member of Business)
William Andre (Vice-Chair & Member of Labor)
Jeff Gasper (School Board Member)
Roger Beer (Member at Large)
Terry Cuddy (Council Member)
Jimmy Giannettino (Council Member)
Brandon Gravius (Member of Industry)
- Board Excused:** Ron LaVarnway (Member at Large)
Gwen Webber-McLeod (Member at Large)
- Staff & Guests:** Tracy Verrier, Executive Director
Devon Roblee (CEDA)
Robert Poyer (Hancock Estabrook)
Elmer Cherry (Nucor Steel Auburn)

Mr. Dacey, Chair called the meeting to order at 5:01pm, noting the presence of a quorum. Mr. Dacey moved new business up on the agenda.

NEW BUSINESS

Initial Project Resolution: Nucor Auburn – Ms. Verrier introduced Mr. Elmer Cherry, Controller of Nucor Steel Auburn. She noted that they are seeking a sales and use tax exemption and an extension to the PILOT. Mr. Cherry reviewed the application and the proposed project, which would include upgrading the electrical component that powers the furnace. Nucor is requesting a PILOT extension of 10 years, and simultaneously be seeking an adjustment to their actual assessment. Mr. Cherry explained that the properties do not seem to be assessed in line with comparable properties. The proposed PILOT would be based on the actual assessment by the end. Mr. Dacey asked if there would be any increase in employment? Mr. Cherry explained that there would not be an increase in employment at this time. They are focused on retention given the current situation. Throughout the pandemic, the company still provided a guaranteed minimum payment to employees even when they were not working.

Mr. Giannettino asked how many employee Nucor currently has? Mr. Cherry noted that they have 273 permanent Nucor Auburn employees, 6 additional employees that are based in other parts of the company that are still under Mr. Cherry’s purview, then about 30 subcontractors. There is also ancillary employment that is supported by Nucor. Mr. Giannettino asked if Nucor’s employment has remained flat through COVID? Mr. Cherry stated that they retained all employees, and ensured all employees had a paycheck of at least 70% of their normal pay even if they were not working. There were weeks when more than half of teammates were not working, but were getting paid anyway. They are currently at about 75% capacity and do not intend going above 80% before next spring based on current conditions. Mr. Beer asked if they had received PPP? Mr. Cherry said that Nucor Steel Auburn did not receive any of those benefits.

James A. Dacey
Chairman

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Mr. Giannettino asked Mr. Cherry to talk about their community involvement, especially throughout and post-COVID. Mr. Cherry stated that Nucor prides itself on its involvement with the community. The typical local annual budget for community support is over \$150,000. This year's budget is \$154,000 and is no supplemented by additional donations recently. The previous month they gave \$12,000 to the local food bank, and that morning they approved a donation of \$8,000 for a school supply drive. Nucor is following through with their annual contributions and donations. All but \$7,500 of the donations are in Auburn and Cayuga County.

Ms. Verrier explained the proposed PILOT schedule. The current PILOT was on the tail end of an Empire Zone agreement, and the PILOT is a set payment schedule. The proposed PILOT schedule sets an assessment for the first two years to provide time for Nucor to complete the assessment challenge, then ties to the actual assessment thereafter. It then works them up to their actual tax liability over the remaining years so that when the PILOT ends the transition to the normal tax rolls will be a more natural progression without a large jump. It is not a standard 10 over 10 PILOT because of the way the current PILOT is set up, but it's the closest we could get given the current scenario.

Mr. Dacey asked why Nucor feels that it should continue to get a PILOT after so many years on a PILOT? Mr. Cherry noted Nucor's commitment to the community, as well as the challenges they are facing from the State as one of the largest energy consumers in the state. One of the big challenges is the Climate Leadership and Climate Protection Act. Nucor is considered one of New York's environmental leaders with reclamation and recycling practices, but as written the CLCPA will likely have a seven figure impact on Nucor Steel Auburn. Nucor is all for clean energy and being good environmental steward, but the law as written would have a seven figure impact on energy costs for next year alone. There is also a lot of business uncertainty due to various regulations and procedures that have been put in place recently in NYS, and the related costs will have a significant impact on the Auburn facility when they go to corporate to request capital to improve the plant. The economic environment is very uncertain for them at this time.

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE APPLICATION OF NUCOR STEEL AUBURN, INC. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY.

Motion to approve the initial project resolution by Mr. Giannettino, second by Mr. Cuddy.

| | Yea | Nay | Absent | Abstain |
|----------------------------|-----|-----|--------|---------|
| James A. Dacey, Chairman | x | | | |
| William Andre, Member | x | | | |
| Gwen Webber-Mcleod, Member | | | x | |
| Jeff Gasper, Member | x | | | |
| Terry Cuddy, Member | x | | | |
| Roger Beer, Member | x | | | |
| Ron LaVarnway, Member | | | x | |
| James Giannettino, Member | x | | | |
| Brandon Gravius, Member | x | | | |

Motion passed. Mr. Dacey recommended scheduling the public hearing directly prior to the next regular board meeting. Ms. Verrier will coordinate with Mr. Poyer to schedule the public hearing.

Auburn Place Branding Marketing Proposal – Ms. Roblee provided a brief overview of the place based branding proposal that was presented in the packet. The main goal is to improve marketing for business and talent attraction. Ms. Roblee showed some examples from other communities. Mr. Cuddy expressed support for this strategy and focusing on long term goals in relation to people and businesses planting roots rather than tourism. He added that this is a good time to move forward with an effort to promote our community’s assets. Mr. Gasper agreed but asked what the next step is. Ms. Verrier explained that the next step would be to issue an RFP to procure services from a marketing firm. She added that we do not know yet what the cost of this will be, so the RFP will help us understand the costs and the outcomes. If AIDA is not able to cover the full cost, we may be able to find other funding sources as well. Ms. Verrier requested that the board provide approval for CEDA staff to issue an RFP on AIDA’s behalf. Mr. Dacey agreed that an RFP is a good next step, and recommended involving the City sooner rather than later. Mr. Giannettino noted that the Historic Sites Commission received some Market NY funding last year and hopefully will again this year. He recommended speaking with Courtney Kasper and Chuck Mason about the NYS ERHC marketing project that was recently completed to compare to the bids that come in. Motion to issue a marketing RFP by Mr. Gravius, seconded by Mr. Beer. All voted in favor, motion passed.

MEETING MINUTES

Mr. Cuddy moved to accept the minutes from the June 17 Regular meeting; seconded by Mr. Gravius. Mr. Poyer noted that he had attended the meeting last month. Ms. Verrier agreed to add him to the attendance. All members present voted in favor; motion carried. Motion to approve the May 15 special meeting and April 15 finance committee meeting by Mr. Giannettino, seconded by Mr. Beer. All present voted in favor, motion passed.

BILLS AND COMMUNICATIONS

Ms. Verrier reviewed the CEDA Q2 administrative invoice, which included the deposits for hotel rooms and registrations for Mr. Dacey and Mr. Lavarney. These expenses were paid upfront, but will likely get refunded if the conference is cancelled. Mr. Dacey requested that Ms. Verrier ask for the refund on the conference.

The other communication is a postcard from NYSEG about vegetation management at the Tech Park. They will be doing the maintenance on the line that crosses over Allen Street and through the parcel between Mack Studios and the vacant parcel. Ms. Verrier spoke with the vendor and it did not sound like the work would be very invasive and that it would be closer to late summer or early fall before the work happened. He also explained that they would be talking to neighbors prior to starting work. Mr. Dacey asked if it is mechanical or chemical maintenance? Ms. Verrier said it seemed like a combination of both. Mr. Dacey pointed out the proximity to wetland area. Ms. Verrier noted that she had mentioned that to the vendor and he had agreed to pay close attention to those sensitive areas.

Motion to pay the CEDA invoice by Mr. Beer. All present voted in favor, motion passed.

REPORT OF THE TREASURER

Mr. Beer reviewed the budget report, and there isn’t anything unusual to point to for June. Ms. Verrier recommended moving some of the balance in the checking account to the savings account to earn some interest until it is decided what to do with those funds. Motion to make a transfer of \$90,000 from checking to savings by Mr. Beer, second by Mr. Giannettino. All voted in favor, motion passed.

UNFINISHED BUSINESS

Local Labor Policy Discussion: Ms. Verrier reminded the group that the two considerations are whether the percentages should be adjusted, as well as if they are still happy with the list of adjacent counties.

Mr. Andre thinks the percentages are still appropriate but that the projects may not be doing enough to try to find local options. He noted that the unions have not been receiving calls to identify possible local contractors. Ms. Verrier noted that there may need to be some more intensive education to companies beyond just including the contact information for unions in the policy. Ms. Verrier pointed out that the policy asks for the waiver prior to approving benefits, but often projects haven't gone out to bid yet so they don't necessarily know whether or not they are going to be able to meet the policy. She suggested finding some wording that would allow the project to come back for a waiver after approval of benefits if they can demonstrate and document a good faith effort to get local bids. Mr. Cuddy recommended developing a list of contractors and unions for projects to reference, and then promote to the community that the list exists and any businesses that we've missed can be added on request. Mr. Dacey noted that the policy doesn't have strong enough teeth. Mr. Poyer clarified that a full recapture of benefits is listed as a possible consequence to non-compliance with the local labor policy. He requested adjusting processes on the front end would likely be more effective at improving results. Mr. Cuddy expressed that he is willing to consider a waiver after authorization as long as it is clear that a good faith effort was made. Mr. Dacey and Mr. Beer agreed. Mr. Poyer recommended that the waiver decision could be delegated to an individual board member or committee to make the process more nimble. Ms. Verrier and Mr. Poyer will work on language to adjust the waiver process, and will leave the percentages as well.

Report of the Governance Committee re: PILOT Criteria Discussion – This item was tabled to the following month.

UPCOMING EVENTS

Ms. Verrier gave a brief update on upcoming events.

ADJOURNMENT

Motion to adjourn made by Mr. Beer, seconded by Mr. Cuddy. All members present voted in favor; meeting adjourned at 6:17pm.

Next regularly scheduled meeting Wednesday, August 19, 2020 @ 5:00pm.

INITIAL PROJECT RESOLUTION
(*Nucor Steel Auburn, Inc.*)

A special meeting of Auburn Industrial Development Authority was convened at 2 State Street, and via teleconference and videoconference, in the City of Auburn on July 15, 2020 at 5:00 p.m.

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

Resolution No. 2020-07-01

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE APPLICATION OF NUCOR STEEL AUBURN, INC. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY.

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, Nucor Steel Auburn, Inc. (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of the (i) acquisition of 7 parcels of land located at 25 Quarry Road (Tax Map Nos. 108.59-1-1.2; 108.60-1-1.2; 108.60-1-1.11; 108.68-1-1; 108.68-1-4; 108.76-1-3.1; 108.76-1-3.21) in the City of Auburn, New York totaling approximately 81.91 acres (the "**Land**") improved by 11 buildings totaling approximately 497,516 square feet and used in connection with the production of steel products (the "**Existing Improvements**"); (ii) the renovation and reconstruction of certain portions of the Existing Improvements by the Company as agent of the Authority (the "**Improvements**"); and (iii) and the acquisition and installation in and around the Existing 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, pursuant to Section 2302 of the Act, the Authority desires to adopt a resolution describing the Project and the financial assistance that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will hold a public hearing and (i) negotiate and enter into a lease agreement (the "**Lease Agreement**"), leaseback agreement (the "**Leaseback Agreement**") and payment-in-lieu-of-tax agreement (the "**PILOT Agreement**") with the Company, (ii) take title to or retain a leasehold interest in the Land and personal property constituting the Project Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iii) provide financial assistance (the "**Financial Assistance**") to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project Facility; and (b) a partial abatement of real property taxes; and

WHEREAS, pursuant to Section 2307 of the Act, prior to the Authority providing any Financial Assistance to any project, the Authority, among other things, must hold a public hearing with respect to the Project; and

WHEREAS, the actions of the Authority remain subject to the review required by the New York State Environmental Quality Review Act ("**SEQRA**") with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE 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; and

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

(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 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 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 Project 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 occupants in their respective industries.

Section 2. The proposed financial assistance being contemplated by the Issuer includes (i) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, renovation or equipping of the Project Facility; and (ii) an abatement or exemption from real property taxes levied against the Project Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to cause the issuance of a public hearing, hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement whereby the Company leases the Project to the Authority, (B) a related Leaseback Agreement conveying the Project back to the Company, (C) a PILOT Agreement, whereby the Company agrees to make certain payments-in-lieu-of real property taxes and (D) related documents; provided (i) the rental payments under the Leaseback Agreement shall include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement is consistent with the Authority's Uniform Tax Exemption Policy or if there is a deviation from such policy that sufficient grounds are stated for such deviation as set forth in Section 2315 of the Act.

Section 4. The Authority is hereby authorized to schedule, notice and conduct a public hearing with respect to the Project in compliance with the Act.

Section 5. This Resolution is subject to compliance with the applicable provisions of SEQRA in connection with the Project.

Section 6. 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 7. This Resolution shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote which resulted as follows:

| | <u><i>Yea</i></u> | <u><i>Nay</i></u> | <u><i>Absent</i></u> | <u><i>Abstain</i></u> |
|----------------------------|-------------------|-------------------|----------------------|-----------------------|
| James A. Dacey, Chairman | | | | |
| William Andre, Member | | | | |
| Gwen Webber-Mcleod, Member | | | | |
| Jeff Gasper, Member | | | | |
| Terry Cuddy, Member | | | | |
| Roger Beer, Member | | | | |
| Ron LaVarnway, Member | | | | |
| James Giannettino, Member | | | | |
| Brandon Gravius, Member | | | | |

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, 2020, 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), as modified by Executive Order No. 202 of 2020, as continued from time to time, 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 as so modified.

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 July, 2020

Samantha Fruge, Assistant Secretary