Auburn Industrial

Development Authority

Annual Operations & Accomplishments Report

FY 2016

**Introduction**

The Auburn Industrial Development Authority (“AIDA”) 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**"). AIDA’s purpose is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, and commercial and research facilities, as well as facilities for use by a federal Authority or medical facility, among others. This work is done with the intention to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and therefore improve their medical care and standard of living.

**The Administrative Office of the Authority is located at 2 State Street, Auburn, NY 13021. The Official Office of the Authority is located at Memorial City Hall, 24 South Street, Auburn, NY 13021.**

This document is being presented as the Annual Operations and Accomplishments (“Annual”) Report for the Auburn Industrial Development Authority’s (“AIDA” or the “Authority”) Fiscal Year ending 12/31/2016 in compliance with the New York State Public Authorities Law (“PAL”) Section 2824-a, the 2005 NYS Public Authorities Accountability Act (“PAAA”), the 2009 PARA, and Chapter 563 of the Laws of 2015. The goal of this report is to provide a written assessment and summary review of AIDA’s operations and accomplishments during FY2016. In some cases, this report will refer to and identify the publicly available (and posted) location of supporting reports or materials that provide the information cited. Collectively, this report and the cited materials include the following areas of concern:

1. AIDA Operations, Projects & Accomplishments in FY16
2. Real Property Owned and/or Disposed of by the Authority in FY16
3. AIDA Investment Report for FY16

# I. AIDA FY 2016 Operations, Projects & Accomplishments

AIDA continued to operate under its authority in FY2016 with a full Board of Directors, and with administrative services provided by the Cayuga Economic Development Agency (CEDA). The primary staff were CEDA’s Executive Director, as AIDA’s Executive Director, and CEDA’s Economic Development Technical Specialist, as AIDA’s Assistant Treasurer and Acting Secretary. None of the above named staff were compensated by AIDA directly.

The Board conducted eleven (11) monthly regular meetings, two (2) special meetings, and one (1) public hearing, and conducted an Independent Financial Audit for FY2016 as required by statute. AIDA’s regular and special Board meetings were public meetings and were posted as such. Each meeting included the review and approval of previous meeting minutes and included a Treasurer’s Report. The full minutes of the Board meetings of FY2016 are available online for review at: <http://www.auburnida.org/agendas-minutes> and are also available for review at AIDA offices at 2 State Street, Auburn, NY 13021.

During FY2016 AIDA continued its particular focus on the following initiatives:

* **Compliance.**During FY 2016, AIDA continued to work toward compliance with Public Authorities Law and IDA best practices. Furthermore, the AIDA Audit Committee conducted an internal audit of four of AIDA’s current PILOT agreements. Additionally, to meet the requirements set forth in Chapter 563 of the Laws of 2015, AIDA adopted an updated Application for Financial Assistance, an updated Project Recapture and Termination Policy, a Uniform Project Evaluation Policy, a standard form of Agent and Financial Assistance and Project Agreement.
* **Auburn Technology Park Marketing**. AIDA, utilizing CEDA staff, continued to market vacant properties in the Auburn Technology Park, a group of parcels set aside for commercial and industrial ventures in the City of Auburn. Efforts to improve the shovel-readiness of these parcels included contracting with Bergmann Associates to conduct master planning and a series of studies, including archeological studies, a traffic study, a wetland delineation and biological assessment, Phase 1 and 2 Environmental Site Assessments, a preliminary stormwater management report, a water and sewer report, geotech soils analysis, and the drafting of a long EAF. Final reports are expected in FY2017.
* **Knowledge Building.**During FY2016, AIDA continued to explore the current conditions of the community through gathering data regarding the community’s demographics, and economic indicators. This information gathering was intended to help better understand the impacts of ongoing economic development work.

In addition to these focus areas, AIDA also worked to market its services and available incentives and benefits to existing business enterprises and to seek opportunities for new business development. A number of proposals were developed in response to business attraction opportunities and these were pursued by AIDA using CEDA staff. Only one project was closed and advanced in FY2016 as described briefly below:

* Tessy Plastics- A plastics company headquartered in Skaneateles, NY with plant locations throughout Onondaga County, Virginia and China, wished to purchase the former Daikin/ McQuay facility to utilize as a warehousing facility, with the intent to begin manufacturing operations there in 5 years. The facility, which had sat significantly vacant for the past two years, was beginning to show signs of disrepair as maintenance on the facility had been deferred since operations ceased. Tessy approached AIDA to renegotiate the present PILOT agreement to assist with the purchase of the facility, as the sought after purchase price of the facility was less than the current PILOT agreement. The expected level of investment by Tessy was $10.8 million to get the facility operational as a warehouse space, with another $8 million of investment when manufacturing would be added. The initial project would not result in any additional jobs, but the expected addition of manufacturing in the future would add approximately 200 jobs to the area.

One other application was under consideration but not yet approved at the end of FY2016. This application was for an extension to the existing Central Building LLC PILOT agreement. In addition to these activities, AIDA, working cooperatively with CEDA, pursued a number of industrial and commercial development prospects. Some of these prospects are not ready to move forward at this time, while others have not developed beyond the initial inquiry stage.

# II. AIDA PROPERTY OWNED AND/OR DISPOSED OF FY2016

AIDA owns six (6) parcels in the City of Auburn within or adjacent to the Auburn Technology Park (“Tech Park”). AIDA also owns one (1) property in the Town of Aurelius adjacent to a parcel involved in a PILOT. Information on these parcels is provided in the table shown below. In FY2016, AIDA did not sell or acquire any property.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CAYUGA COUNTY TAX  ID # | APPROXIMATE  ACREAGE | CURRENT  FAIR MARKET  VALUE | FMV DETERMINED BY: | DATE OF ACQUISITION |
| 108.81-1-1.12 | 12.04 Acres | $240,000 | Independent Appraisal | 2001 |
| 115.24-1-10.1 | 0.35 Acres | $14,000 | Assessment |  |
| 115.24-1-11 | 0.27 Acres | $12,700 | Assessment | 2000 |
| 115.24-1-12 | 0.25 Acres | $9,300 | Assessment | 2011 |
| 115.24-1-13 | 0.30 Acres | $10,200 | Assessment | 2008 |
| 115.25-1-1.11\* | 14.55 Acres | $291,000 | Independent Appraisal |  |
| 122.00-1-42 | 0.55 Acres | $1,400 | Assessment | 1999 |

# III. AIDA INVESTMENT REPORT

Deposits and Investments

State statutes govern the Authority’s investment policies. In addition, the Authority adopted its own written Investment Policy on December 17, 2014. Authority monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The AIDA Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State and its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances of AIDA were $92,412.35 as of December 31, 2016. The carrying value of deposits at December 31, 2016 totaled $92,412.35.