

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, September 12, 2012 @ 5:00 PM
Third Floor Training Room
Memorial City Hall

Board Present: Michael Kane (Member of Industry); Sue Chandler, (Member of Labor); William Graney (Council Member); Matthew Smith (Council Member); Amanda Sigona (School Board Member); Laurie Didio (At- Large Member); Frank DeRosa (At-Large Member)

Excused: James Dacey (Chair & Member of Business);

Staff: Jennifer Haines, AIDA Executive Director; Rob Poyer, Hancock and Estabrook

Guests: Dan Soules and Amy Signorelli from WST33, LLC

Mike Kane, Vice- Chair, opened the meeting at 5:00 PM.

1.) ~ Approval of Minutes

The approval of minutes from August 13, 2012 and August 27, 2012 will be held when a quorum of Board members from those meetings are present.

2.) ~ “Plaza of the Arts” presentation by Dan Soules

Dan Soules addressed the Board with a summary of WST33, LLC (a development company). Dan highlighted the following points to the Board:

*Soules and Dunn Development Group was started 36 years ago and is comprised of 8 different companies including Arby’s, Tim Horton’s & Dominos. There are 41 restaurants on the East Coast, which employs 700, and adds 30 to 50 employees a year. The restaurant group would relocate their corporate offices to Auburn if this plan is approved, along with the Soles & Dunn Development Group and their 2 satellite offices in Virginia and Pennsylvania, thus creating nearly 25 new positions, directly or indirectly. Restaurants alone have deposits of \$33 million per year.

*The balance of companies is an array of commercial enterprises including golf facilities, pharmacies, medical and professional office space including retail.

*Dan said he is “homegrown” having been raised in Weedsport and attended Cayuga Community College.

*Multi-use buildings are the way to go today.

*Dan Soules doesn’t want to pursue this project if the Board doesn’t. If the project is pursued, Dan sees this as an opportunity to grow together as a partnership.

*The history of this building (161 Genesee St) – was first a grocery store and then a restaurant (Auburn Family Restaurant).

*Dan has been watching this location for a long time because it has parking.

*Property could end up in foreclosure as it is already \$59,000 in arrears in taxes.

*This neighborhood is the center of the “creative corridor” and the neighborhood is in need.

*Parking is adjacent to the building now, but with this project parking would be in the back and provide 100 parking spaces. After 4:00PM or 5:00PM, street parking would open up, along with parking in the County parking lot.

*Project would incorporate a street from Genesee St to Pine St for easy access, and lower traffic concerns on Genesee St.

*This project would enhance St. John’s Church (adjacent to the west of the property). Plans include to purchase 32’ on the east side of their property line, provide fencing and handicap accessibility. Also, partnering with Lynch’s Furniture to improve downtown.

*This building will be 20,000 square feet, with 10,000 on the main floor and 10,000 on the second floor and will house boutique restaurants and office space. There may be a 3rd floor added, which could have 40 to 50 employees.

*Building will be wood framed with brick and glass exterior and compliment the history of Auburn along with a progressive feel. It will have a slate-like roof and the design will be modest and classic.

Dan Soules went on to say make the following points about the service industry:

- 1.) Having diversity is important
- 2.) In the 1960's there was a McDonald's on Grant Ave; then came Burger King, then Wendy's and Auburn became sub-regional to Syracuse.
- 3.) By bringing business to downtown it will help balance out the need to the service industry such as Parker's and Bambino's.
- 4.) Retail vs. Industry (*for example*)
 - ~Sales tax differential – In industry items made in NY are sent to NC, whereas in retail that doesn't happen as sales tax is collected on a service provided as in a restaurant or purchasing an item, and thus jobs are created etc.

Matt Smith asked how many jobs would be affected with the plan to move headquarters to Auburn from Virginia,. Dan Soules answered that there are 6 employees now, and that would increase by 17. (Dan said that if this option doesn't work, then the operation would move to Virginia.) Dan went on to say they have the largest franchise on the east coast for Arby's training. Also, with new jobs from the other tenants that would add another 100 to 125 jobs within the complex. Dan Soules said this project will be creating upper management jobs that will average \$50,000.

Rob Poyer asked if Dan was including equipment in the project amount, to which Dan answered no.

Dan Soules said that each business will construct their own build-out, to which the advantage will be additional sales tax to the City.

Frank DeRosa asked about "Exhibit J" on page 7. Frank said the cost of the building is estimated at \$3M, but the rents only reflect the *value* of 1 Million, creating a shortfall in collateral.

Dan Soules said to refer to the “NOTE” on that page, and that the value of the building becomes very subjective. He said you lose value on the day you open your doors, but that he wants to take that risk.

Frank DeRosa referred to the Camoin Associated Memorandum on the NYS Tax Cap, and asked what this project will really cost the City.

Dan Soules said it is hard to put a value on the building, and even though it will cost @ \$3M to build, the value will be run \$700K to \$1M. The building as it is now, along with the neighborhood, is in great need. If this project doesn't proceed the City could get this building as it stands now, as a foreclosure. This project is going to generate jobs, and as proposed, tax neutral.

Dan Soules said this project will be partnering with Lynch's Furniture with lighting and security, and that the project will become a destination point and a “new book-end for the west end of the City”.

Jenny Haines asked Dan Soules what the occupancy rate is for his property on William Street, to which he answered it is 100% occupied.

Frank DeRosa asked if lease agreements with tenants have a clause concerning a percentage of revenue generated. Dan Soules said that he does not include a clause to tenants linked to revenue. He said that is not his type of thinking in Auburn. Also, he said that the building will be paid off in 20 years, but they will have to re-invest at that point for general maintenance, roof etc.

Dan Soules said on any project a “discovery” is done first to see if the project is viable and needed. He said that they have @ \$40K into the project so far. They have applied for a grant (CFA), and it has made it to Stage 4, and will know the outcome in October or November. Dan Soules also provided two handouts; one as an AIDA Application Correction/Additions and a Real Property Tax Exemption Calculation. (See Attached)

Sue Chandler asked when the project, if approved, would begin. Dan Soules said he hopes to have all the approvals

needed by early November 2012, and ideally have the building open by June 2013.

Jenny Haines said there are two actions that need to happen.

- 1.) The Planning Board has declared its intent to be lead agency for the purposes of SEQRA. AIDA has three options: (1) Accept the Planning Board's Lead Agency Status; (2) Take no action, in which case the 30 days would expire and Planning Board would be Lead Agency; or (3) Declare AIDA's intent to be Lead Agency.

- 2.) The application must be accepted and a Public Hearing date established.

Mike Kane asked for a motion to respond to the Planning Board regarding their intent to be Lead Agency for SEQRA and to accept the WST33, LLC application and hold a Public Hearing on Tuesday, October 9, 2012, for the Plaza of the Arts project. A motion was made by Bill Graney and second by Laurie Piccolo. Motion carried. The vote was as follows:

Matt Smith	Yes
Sue Chandler	Yes
Laurie Piccolo	Yes
Bill Graney	Yes
Mike Kane	Yes
Amanda Sigona	Yes
Frank DeRosa	Yes

A motion to adjourn the meeting was made by Bill Graney and second by Amanda Sigona. Motion carried.
Meeting adjourned at 6:30PM.

Respectfully submitted,

Maureen Pesek