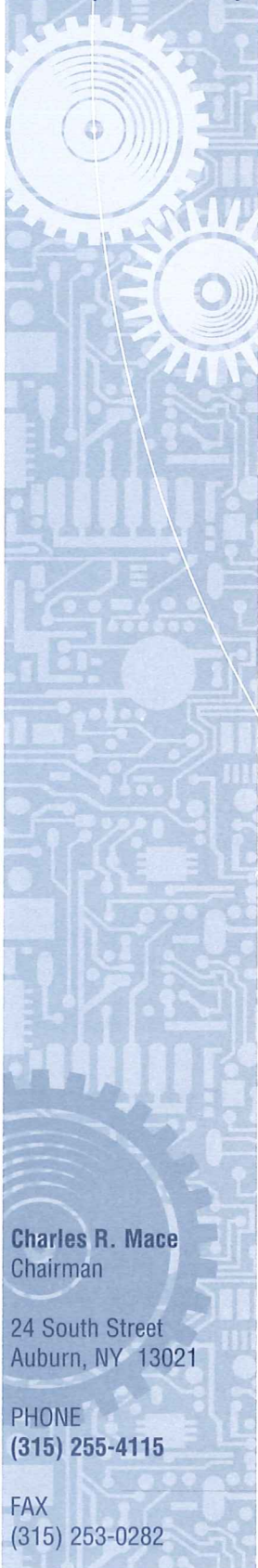




Auburn Industrial
Development Authority



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MEETING MINUTES

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

Monday, December 10, 2012 @ 5:00 PM
Council Chambers, 1st Floor
Memorial City Hall

Board Present: James Dacey (Chair & Member of Business); Sue Chandler, (Member of Labor); Matthew Smith (Council Member); William Graney (Council Member); Frank DeRosa (At-Large Member); Laurie Piccolo (At-Large Member); Michael Kane (Member of Industry)

Excused: Amanda Sigona (School Board Member)

Staff: Jennifer Haines, AIDA Executive Director; Alicia McKeen; Rick Cook, Hancock and Estabrook

Guests: David Tehan and Jocelyn Bos, Calamar

James Dacey, Chair, opened the meeting at 5:00 PM.

Chair asks for a motion to approve the minutes of August 13, 2012; August 27, 2012; October 9, 2012; November 5, 2012 and November 27, 2012. So moved by Sue Chandler, seconded by Bill Graney. Motion carried unanimously.

Calamar-RM11 Holdings, LLC/Calamar Realty Fund 1 A LLC

Chair invites the developer to speak.

Jocelyn Bos – Asked if there are any questions.

Jenny Haines – Let's start with what the recent questions were. Sue and I have had some conversations with other communities. Then Jocelyn can add some other things after we talk about that. The questions were about a Calamar project Cortland, but there is no project there so we assumed it was Corning, or closest to Corning in Erwin. The questions were around the neighborhood acceptance of the project, around who the tenancy is, whether or not Calamar is now restricting incomes and it not being a market rate project and whether or not they are renting to people who are not seniors. According to Jocelyn, all of their projects are 55 and older, they are all still market rate projects, and they are not income restricted. The Erwin town supervisor talked about some of the initial

neighborhood concerns such as storm water, and variances that were required during the development process. She said Calamar addressed those concerns, and when the project was built, all of the things they agreed to were done. She shared that, during the first big storm after construction, the storm water issues were better for the surrounding neighbors than they had been prior to the development.

Sue Chandler – Wanted to address issues myself about the particulars. I called and spoke with the Town Supervisor and Assessor in Erwin, and I can reiterate what Jenny says. The Supervisor said that Calamar did everything that was asked of them. The drainage problem was alleviated and the project is well maintained so far. Into the second month, there was already a 95% occupancy rate. Evidently they needed it there. I also checked with every other senior complex Calamar has in NYS. I spoke with the assessor in Wheatfield; they've had their facility a little bit longer, and she said it's very well maintained, they haven't had any problems and they rent only to seniors, middle to upper middle seniors and that's the way it's stayed. She said it's been 5 or more years. Her Code Enforcement department was very happy, the developer did everything they were supposed to do, and she does say there's a waiting list there. It's 98-100% occupancy rate since it opened. I called Orchard Park, they didn't have any problems, it's senior only, no one under 55, and it is also middle to upper income, similar to the rent structure of this proposed one. It's well maintained, and their Assessor states they are happy with the project. I called Wheatfield and found the same thing; I spoke with the assessor, no problems. She said they were well maintained, senior only, it's full and there's a waiting list to get in. Those are the exact things the town officers told me in answer to the questions posed.

Bill Graney stated that he also visited Corning and Orchard Park facilities. They are well maintained. He talked with some of the local people and they have no problems with it.

Jenny Haines asked Jocelyn Bos to speak about budgets in place, reserves for replacement, things Calamar does on a regular basis to make sure the properties are maintained.

Jocelyn Bos stated that Calamar has a reserve account for replacement. It's \$200 per unit per year, hence this project would be 22,000 annually that will be put into a reserve account. We would not have received a permanent mortgage

without it. On the fact sheet, it explained we spend about \$140,000 on local landscapers, janitorial, plumbing, etc. I had our book-keeper pull last year's accounts for the year to date ledger for the oldest property begun in 2008. This is YTD to the end of November:

Janitorial – \$27,000

Garbage disposal – \$7,200

Janitorial supplies – \$2,000

Repairs/maintenance – \$12,000 including tub repair (modification), screen & window replacement, clean supplies, cleaning exterior rugs.

Parking lot maintenance – \$5,600

Fire service monitoring – \$2,500

Testing and replacement of any sprinkler heads, monitoring, etc. - \$4,500

Lawn/gardening contract – \$8,500

Snow removal contract – \$5,400 paid as they come

Plus other miscellaneous smaller expenses.

Jenny Haines had a question for Rick as far as whether the Board may consider some contingencies for any vote, specifically related to putting a restriction in the approval such that the project can only be rented to 55 and above. Calamar has similar agreements with other communities.

Jocelyn Bos – Steuben and Niagara counties are 55 and up, Orchard Park is 60 and up.

Jenny Haines – This Board could do that if desired.

Frank DeRosa – Do we need to make a motion to do that?

Rick Cook – Amend the resolution when it comes to vote.

Chair asks for any other comments.

Matt Smith read a prepared statement (Attachment 1). This is not a job producing project, so that is my main reason for voting no.

Frank DeRosa – I was not here at the initial presentation and vote of this project and did not feel that this was the proper body to bring the request to previously. City survival hinges on real economic development. This project will help. Council is doing what they can to get the budget in order, and I don't see

where any additional revenues will come from to close the deficit. I've looked at many points of view and taken in many factors. Calamar has met us half way at least. We need to do what is best for everyone. I can't, in good conscience, not vote for this project. It is a good partnership. Calamar has been most accommodating. I will be voting in favor.

Jim Dacey – I think this is an excellent project as it provides safe and affordable, needed housing for the community. It increases the revenues coming into the City and County and School District and I think it's important that although it's going to raise the revenue for the school district it will not have impact on the school district itself. I also will vote approval.

Bill Graney – Thinking of other developments that could go into this site, this project is the best suited and least invasive.

Rick Cook – one of the Board members should move the resolution and then a second then we'll need a vote on two amendments to the resolution before we go back for a vote on the resolution itself. First thing is someone should move a resolution approving execution and delivery of a lease agreement, lease back agreement and PILOT agreement and related documents for Calamar Senior Housing Project.

Jenny Haines – This resolution was in your packets.

Chair asks for a motion. So moved by Frank DeRosa and seconded by Bill Graney.

Rick Cook – First is a motion to put the resolution on the floor then we'll vote on the amendments.

Chair asks for any further discussion. None.

Rick Cook – There has been two amendments. One is in the resolution to require residents be 55 years of age and older. And the other the correction to the PILOT agreement on page 2, the 3rd whereas of the proposed resolution, it states the PILOT agreement be in accordance with the authority's uniform tax exemption policy; the PILOT agreement is actually continued payments equal to the current assessment for the unimproved land and then the UTEP on top of that for the improvements.

Jennifer Haines – For everyone's benefit, the current taxes will continue to be paid, and the PILOT is based on the increase in value after the improvements are made. There is no loss of revenue to any taxing jurisdiction as those will continue to be paid. An additional benefit is that when the land is sold to the developer the back taxes will also be paid. That's not reflected in your documents here but that will be part of what happens as well. Also, the other benefit you'll be voting on with resolution would be the sales tax exemption and the mortgage tax exemption.

Chair asks for a motion to put the amendments forward. So moved by Frank DeRosa and seconded by Sue Chandler.

Chair calls for the vote.

Jenny Haines – is this on the amendments or the full resolution?

Rick Cook – the first vote is on the amendment or you can have one vote on the resolution as amended if you'd like.

Chair – why don't we vote on the amendments first then on the resolution.

Roll call for vote on amendments. Members vote unanimous approval.

Chair – now we will vote on the resolution as amended.

Roll call vote on the resolution as amended. The resolution passed 6-1 (Smith).

Central Building, LLC

Central Building, LLC is receiving mortgage financing of \$1 million for a third floor build out and new tenancy. AIDA has been asked to join the mortgage, as AIDA holds title to the property because of the PILOT Agreement.

Jenny Haines – there were some emails back and forth on this item. Frank had some great questions on this and I think you all saw the responses. I want to ask Rick to go through what the request is to make sure everyone is on the same page.

Rick Cook – Central Building has secured some new tenants for the third floor of the medical center and it requires some tenant

build outs. Tompkins Trust Company has agreed to loan the developer \$1 million to fund the improvements and since it is already an AIDA project, AIDA's signature on the mortgage is required and the developer also gets the benefit of the mortgage tax exemption. There's no change to the PILOT agreement, the existing PILOT agreement is already in place and just continues. The developer also gets the benefit of sales tax exemption building materials for the building.

Jenny Haines asks for any questions.

Chairs asks for a motion to put the resolution on the table. So moved by Sue Chandler, seconded by Mike Kane.

Chair asks for any discussion

Jenny Haines – This resolution, we had sent it ahead of time, and a revision to it is on the table

Rick Cook explained that the bank's attorney originally asked for approval of just the mortgage, today they added an assignment of rents and a UCC security interest which is just additional collateral documents for the same loan.

Chair – could you address what impact this would have on AIDA moving forward?

Rick Cook – This is completely non-recourse for AIDA and the documents all provide non-recourse and indemnification so if in the event the developer was to default on the loan there is no liability of AIDA to repay the loan.

Chair – any other questions?

Roll call vote for resolution. Motion carried unanimously.

Chair – any other business? Asks for a motion to adjourn. So moved by Mike Kane, seconded by Sue Chandler. Meeting adjourned.

Recorded by Alicia McKeen

Matt Smith

12/10/12

~~My statement is as follows:~~ "I have studied this in very great depth, and tried to look at it from everyone's perspective. I truly believe that the community will benefit from this type of housing being constructed, and it appears that the city will not lose financially. I am pleased that the PILOT being voted on has been significantly shortened and improved through this process, and even while I do not support PILOT's for residential purposes I do respect the good will and honest efforts that went into improving this deal. While I cannot vote yes for using PILOTs in this fashion, I do not harbor any ill will towards those that do support this legal usage of PILOT authority and I wish the developers well"