



Auburn Industrial
Development Authority

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

PUBLIC HEARING MINUTES

Wednesday, April 18, 2012 @ 5:00PM

Council Chambers

Memorial City Hall

Board Present: James Dacey (Chair); Sue Chandler (Member of Labor); Laurie Didio (At-Large Member); Michael Kane (Member of Industry); Monika Salvage (At-Large Member); William Andre (School Board Member); Laurie Didio (At-Large Member); Matthew Smith (Council Member)

Excused: William Graney

Present: Rick Cook (Hancock & Estabrook);

Staff: Jennifer Haines (Executive Director); Tricia Ottley (Planning & Economic Development Program Manager); Douglas Selby (City Manager); Maureen Pesek

PUBLIC HEARING

James Dacey called the Public Hearing to order at 5:00 PM, and asked Joe Bartolotta to give a brief presentation of his project.

Joe Bartolotta said that he feel strongly that downtown is the center of any city and that Auburn downtown is undergoing a Renaissance. Joe went on to explain that this project is made up of 3 city blocks which consist of the following:

The Creative Corridor This consists of the John Stevens Bldg., Spirits, 16 State St. (bar building), 117 Genesee St. which was referred to as the "green building" for a time, but is actually limestone, and the Downtown Deli building. There would be 12, 1-2 bedroom loft apartments in these buildings and 5 retail spaces.

The East Hill District This consists of the block of the north side of East Genesee St between Seminary & John St. Improvements to this area would include new windows and awnings and old fashion terraces on the back of the buildings. There would be loft apartments on the upper levels with retail stores/office spaces below. The parking lot at the back of these buildings would be re-surfaced and lined.

James A. Dacey
Chairman

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John Street This is also located within the East Hill District and connects Arterial East to East Genesee, a “welcome mat” of the City. The block contains 8 apartment houses and an old cobblestone carriage house. The renovations for each structure will include new plumbing, electrical and HVAC; new energy efficient windows; new kitchens and bathrooms; and updated facades consistent with their historic past. The plan includes converting 7 dilapidated store fronts to new businesses in downtown.

Joe went on to say that in all, there would be 32 loft apartments and between 7 to 9 spaces for class A retail. Also, there are many other benefits to Auburn such as the hundreds of construction jobs that would be created, along with legal, accounting and marketing services and the generation of sales tax that doesn't exist right now. The rehabbing of these properties will give downtown a sense of community and get rid of the blight which puts a drain on the local police and fire departments as some of these buildings were drug homes.

PUBLIC TO BE HEARD:

1. Jerry Morgan

A-8 Standart Woods (home address)

22 Pulaski Street (owner)

~ The City will be losing over \$1M in taxes with this PILOT and taxpayers are picking up the deficit

~ If he has siding installed on his house, his assessment increases

2. John Baran

Logan Lofts

~ He moved back to Auburn because of Logan Lofts

~ The 20 properties are derelict and in total disrepair

~ He is proud to be back in Auburn, and this project will have a 100% positive effect in the community.

3. Joe DiVietro

97 Genesee St (Optician business)

Logan Lofts (Resident)

~ Urban renewal back in the 1970's demoed so many older buildings, and part of William St. became a parking garage.

~ Chose to live in Logan Lofts because of the safety and convenience to downtown.

~ Government programs are meant to be used (PILOT programs) for the benefit of the City.

4. Atoun Choueiry

4 Logan Lofts

~ Originally from Ohio, but was offered a position at Chase Design in Skaneateles. He looked for a place to live in Syracuse, Camillus and Skaneateles, and was about to refuse the offer from Chase Design, when he saw what he was looking for in Logan Lofts.

~ Some of his friends have moved to Auburn too.

5. Jon Robson

Auburn Document (Phoenix Building)

Scipio Center (Residence)

~ John Street hasn't changed in 35 years

~ A PILOT like this would be a win/win for everyone in the community

~ Logan Lofts was put to constructive use; 72 people live there and we see them in the businesses downtown.

6. Mike Reiff

11 Logan Street

~ Wants vitality for the City

~ Bartolotta's have a vision for what they are doing

7. Hillary Ford

17 Grover Street

~ This plan compliments the Strategic Plan to revitalize downtown Auburn

~ John Street is a huge "gateway" for the Musical Theater Festival (MTF)

~ The Bartolotta family does many things for the community to make it a better place for all of us to live.

8. Ray Bizzari

Owner of 39 Jefferson Street (son & daughter live here)

Resides in Ledyard

~ The Bartolotta project is amazing

~ His children complained there was nothing to do in Auburn; then his daughter became involved with MTF and the monthly Roundtable meetings and is purchasing a home on Beech St. His son is purchasing 39 Jefferson St.

~ If the Bartolotta's don't do this, who will?

9. Terry Masterson, Executive Director

Cayuga Economic Development Agency (see written comments)

~ He supports this exciting project

- ~ Incentives are up to the Board
- ~ A city under construction, with respect for the history, is a great image for those visiting
- ~ This project will recruit new residents to live downtown and spend dollars

10. Douglas Selby, City Manager

- ~ Projects like this are transformational and have great merit
- ~ Incentives should be based on economic analysis and if they are worth doing will show a tangible benefit

11. Andrew Fish, Executive Director

Cayuga County Chamber of Commerce
Conquest Resident

- ~ On behalf of the Chamber he was speaking for this project and the positive and long term benefits it will bring to the community
- ~ There will be new potential growth and downtown living
- ~ He strongly encourages the Board to support this project

12. Dia Carabajal, School Board Member

116 Curtis Place

- ~ Auburn School Board receives money through taxes
- ~ The School Board has an economic crisis with their budget and deciding to cut 19.5 positions
- ~ How will a 25 year PILOT affect students that are entering kindergarten in 2013?
- ~ Supports economic development but we need to be responsible how it effects other parts of the community

13. Isaiah Bishop

46 Cottage Street

- ~ John Street looks horrible
- ~ Auburn is a great place to live but there isn't enough here to offer to the younger generation

14. Carole Estabrook

60 Mary Street

- ~ The Bartolotta's are an outstanding family and have made many improvements in the City of Auburn
- ~ Logan Lofts is an asset to the community

15. Tim Donovan

38 Burt Avenue

- ~ He is native Auburnian, and said with Urban Renewal much of downtown was lost

~ He is affiliated with Chapel House and the Bartolotta's were generous in providing a new kitchen

~ We will have a new streetscape with these improvements
~ This is a wonderful project for our community

The Public Hearing was closed at 5:55 PM.

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
APRIL 18TH, 2012

1.) ~ Approval of Minutes

James Dacey called the meeting to order at 6:03 PM, and asked for a motion to approve the minutes from the March 22, 2012 meeting. Mike Kane made a motion to approve the minutes with Monika Salvage second. Motion carried.

2.) ~ JBJ Real Property, LLC

Jenny Haines referred to the 8 different PILOT scenarios that were sent in packets to the Board, and asked for their consensus and direction.

Matt Smith said that he has been receiving calls from constituents and that everyone seems to agree that downtown needs to be revitalized. He said that the Bartolotta's do quality work and appreciates everything they have contributed to the community. He asked how much this project is receiving from grants, loan guarantees or other incentives.

Jenny Haines said that the Main Street grant is for 117 Genesee St., 16 State St., 18 State St. & 24 State St., and \$465K is available for construction out of \$500K total. She went on to say that the grant was awarded before the Bartolotta's owned the buildings, and that they would be eligible for the Downtown Façade Program.

Joe Bartolotta said that there would be no bond financing and that this will be a straight conventional loan, and while he has spoken with several lending institutions, there have been no commitments other than the \$465K from the Main Street grant.

Matt Smith asked for the breakdown of units and the proposed rent structures and if a market study had been done. Joe Bartolotta said that the units would be one or

two bedroom with no 3 bedroom and no efficiency apartments. He said that the apartments will be geared toward young professionals as there will be no elevators. Jenny Haines said that, for three of the Main Street assisted units, they need to be affordable based on the fair market rent for bedroom size.

Matt Smith asked how the required off street parking will be handled. Joe Bartolotta said that there will be 25 parking spaces available on Dill St. for State St. properties and that the parking lot behind the East Hill buildings is going to be resurfaced and lined and should provide ample parking. The John St. properties have off street parking.

Matt Smith asked what would be the size of the commercial units. Joe Bartolotta said that they would be between 1,000 to 3,500 square feet, and he would like to have commercial tenants that complement each other.

Matt Smith asked to Joe Bartolotta to verify any additional cost that the project may incur. Joe answered that \$6.75M is to complete the project, and that he could get the numbers for each building.

Matt Smith said that the Board would also have to look at the financials.

Jenny Haines said that the sales tax exemption would be on construction and the 1% mortgage tax would be waived, which is standard. Also, she asked the Board if there is a certain direction for the PILOT that they wanted her to prepare.

Sue Chandler said that the Board needs to come to a consensus.

Jenny Haines said that she has shared the scenarios that were prepared for the AIDA Board with the School District and County as well as the City.

Bill Graney said he has heard some complaints about a 25 year term.

Monika Salvage asked Jenny Haines to elaborate on a 25 year PILOT program. Jenny said a 25 year PILOT is an incentive to get a project going as the developer needs abatement on taxes. Jenny went on to say that it can be

based on community benefit, jobs and economic deterioration or blight.

Rick Cook said that there is a State law that a developer pays 10% over the first 5 years for tax abatement and that an IDA can spread it over another 5 years. (This was in reference to a 485-b tax exemption.)

Jim Dacey said if these buildings weren't purchased for rehab that over time, the City would end up assuming ownership of these properties because of deterioration. Also because these buildings are going to be rehabbed we aren't taking money away from the tax rolls.

Jenny Haines said that there are 3 scenarios that could happen:

- 1- Taxes without a PILOT assuming buildings are rehabbed
- 2- Choice of PILOT scenario
- 3- What happens if nothing happens? Building wouldn't increase in assessment for 3 City blocks and would continue to deteriorate

Joe Bartolotta said that the City will reap the benefits and that they want to do the rehab in one phase.

Matt Smith asked about project financing, to which Joe Bartolotta said that he has no commitment from a financial institution as of yet.

Monika Salvage said that this project would have a tremendous impact on our community and surrounding communities. She said that State Street corridor is a "no brainer" with the Main Street grant and that John Street is residential, and giving tax exemptions is a little more controversial but still part of the commercial tax benefits to residential buildings. She went on to say that she is not in favor of a 25 year PILOT as she doesn't think it is in the best interest of the whole community, but she would be in favor of a 15 year PILOT as it would be fair to the community and the developer.

Joe Bartolotta said that he appreciates the Boards comments and that asking for a 25 year PILOT wasn't arbitrary; it was the result of working with the amortization schedule and trying to cushion payments in the beginning and then pay towards the end of the term.

Matt Smith said that he has a problem with the 25 year PILOT also. He said that a 25 year PILOT should be for manufacturing and that he needs more time to look at the numbers. He asked if the Board should go into Executive Session to discuss Property Acquisition. Jenny Haines said that the Board should review the numbers and plan to meet to further discuss options and vote on the project.

3.) ~ Cayuga Job Training Fund discussion

Jenny Haines recapped the discussion from the previous meeting and said that CCIDA donated \$20K for this fund and asked if there were any questions.

Terry Masterson said that this is a modest effort for a critical or emergency project, and it was requested by some of the foundations to approach both IDA's and then go to others for donations. He went on to say that this is not an "everyday fund", and that they may make it a matching grant fund.

Jenny Haines said that the Board would need to approve a budget amendment.

Sue Chandler said that it is worthwhile and how much should the Board approve.

A motion for a budget amendment for \$10,000.00 to Cayuga Economic Development Agency (CEDA) was made by Laurie Didio and second by Sue Chandler. Motion carried.

4.) ~ Small project/retail policy discussion

Trish Ottley explained currently, in order for AIDA benefits to outweigh costs, the project size needs to be around \$750K in order to qualify. She said that smaller developers don't fit into that parameter, and with the sunset of the Empire Zone in 2010, there are no AIDA incentives to offer this niche of developers. She went on to say that the Cayuga County Industrial Development Authority (CCIDA) has adopted a policy to serve these smaller projects and it is a win/win for the community and county. The policy incorporates a streamlined application, offers flat administrative fee, flat attorney fees and no Public Hearing is required because tax breaks are not being granted. Since last July CCIDA has assisted 2 projects, one of which is Monroe Tractor, that otherwise couldn't have been done.

Matt Smith asked what the monetary range would be. Jenny Haines said that it would be a range of \$250K to \$750K.

Matt Smith asked what if there were financial gaps for the company, and Trish said that we have the Small Business Assistance Program, and Sue Chandler said that the 485B program can be used from \$10K and up.

Rick Cook said that there wouldn't necessarily have to have a minimum but using \$250K as a starting point makes it worthwhile.

The Board agreed to meet again on Monday, April 23rd, at 4:30 PM to further discuss the JBJ Real Property LLC and the small project/retail policy.

A motion to adjourn was made by Matt Smith and second by Sue Chandler. Motion carried and the meeting adjourned at 7:15 PM.

*Minutes Respectfully submitted by:
Maureen Pesek*