



Auburn Industrial
Development Authority

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

MEETING MINUTES

Wednesday, June 27, 2012 @ 3:30 PM

Third Floor

Memorial City Hall

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

Absent: William Graney (Council Member)

Excused: Laurie Didio (At-Large Member)

Guest: Joceyln Bos

Staff: Jennifer Haines (Executive Director); Maureen Pesek (OPED Secretary)

James Dacey called the meeting to order and welcomed new Board member, Frank DeRosa.

1.) ~ Approval of Minutes

James Dacey asked for a motion to approve the minutes from the June 13th, 2012 meeting. Monika Salvage made a request for a correction on her remark on page 2 of minutes. The correction should be noted: ***“Monika said that the 20 year term makes more sense for the County and AIDA should have a shorter standard with 7 years for retail.”*** Sue Chandler made a motion to accept the minutes and Mike Kane second. Motion carried.

2.) ~ Calamar Project Presentation

Jocelyn Bos said that she is looking to AIDA for incentives, and that they have received PILOT's in 6 counties for like projects. The following are some of the facts of this project:

- ~ This housing project will not provide subsidized or Section 8 rentals
- ~ This project has been approved by the Planning Board and Zoning Board
- ~ A market study shows there is a identified need for this type of housing as there is no specific modern senior housing in this area
- ~ With 2 elevators, this housing will allow seniors to “age in place”
- ~ Developer will be using local tradesmen, and estimate there will be 200 construction jobs and will be a \$9 million investment
- ~ When this project is completed it will employ one full time manager, and one full time maintenance person

James A. Dacey
Chairman

24 South Street
Auburn, NY 13021

PHONE
(315) 255-4115

FAX
(315) 253-0282

- ~ Developer has been in contact with 2 local banks for additional financing
- ~ Currently, \$3,070 in taxes is being collected annually with \$15,000 in arrears; when this project is completed \$21,761 in taxes will be paid which will be an 85% increase
- ~ Most seniors that sell homes to move into the project, will have the tax advantage of the enhanced STAR Program. When they sell their homes, chances are it will be to younger individuals that won't qualify for the enhanced STAR Program, and therefore the properties will revert back to paying full taxes
- ~ Developer has agreed to replace the cracked sewer line on Standart Ave and also enlarge piping
- ~ Developer is not eligible for 485b, and the cash flow does not work for the 485p, even if the project was eligible.
- ~ Developer will not go forward with this project if PILOT is not approved
- ~ This project also has a social value to seniors and has no impact on schools
- ~ Vacancy usually takes 3 years to stabilize
- ~ Developer's PILOT's at other locations are either 15 years or 20 years

The following are some concerns the Board had about this application:

~ Can this project turn into subsidized housing and/or Section 8?

A. That is only available to not for profits.

~ Can we keep the project age specific?

A. Rick Cook said that it can be a condition of the agreement.

Jocelyn Bos said that New York State law determined the age of senior housing as 55+.

~ Matt Smith asked if background checks will be done on tenants.

A. Joslyn Bos said that criminal and credit checks are done on all perspective tenants. She went on to say that there will also be a security system with locks on doors to general entrances and also cameras.

A motion to accept the application and to have a Public Hearing on Wednesday, July 11, 2012 at 5:00PM was made by Sue Chandler and second by Mike Kane. Motion carried unanimously.

3.) ~ Strategic Planning Policy discussion

The Board had general discussion about PILOT's for specific sectors such as manufacturing vs. retail. Some other input included:

~ Have taxes currently being paid on a property to stay the same, and the abatement applied only to improvement amount

~ Offer sales tax and mortgage tax exemption incentives if a PILOT isn't feasible

~ Have PILOT's be more flexible with a manufacturer that pays \$25/\$30 per hour and also special projects, such as Bombardier

Monika Salvage prepared a proposed structure for incentives using tiers of different project types including manufacturing, commercial, mixed use, retail etc. (see attached). She explained her rationale for different levels of incentive and deviation depending on the contribution the project makes to the community.

Matt Smith said that there should be a different label other than manufacturing, and Jim Dacey said projects could be labeled consumable vs. durable, and that the Board should consider other categories.

Frank De Rosa said to take into consideration the "health" of a company, such as, is it a big box company vs. a "Mom & Pop" store. Also, perhaps include a clause of "profit sharing" where a Return On Investment (ROI) comes back to the city, county and school district. Frank suggested having an audit clause where AIDA receives copies of the payroll reports the companies send to the government, so that AIDA can track their employment levels. Rick Cook said that clause is in the standard agreement.

Sue Chandler asked if a residential project should be given consideration for incentives.

Jim Dacey said that Calamar is expending \$9M and @ 200 jobs for construction, but at its completion will only have 2 full time employees, therefore employment must be considered. Jim also said he would like to see a comparison for a 485p (for 5 years) and a PILOT.

Jenny Haines said she would get some standard definitions from North American Industry Classification System (NAICS), from the US Dept of Commerce, which is used to classify business based on the type of work they primarily perform.

It was determined a Public Hearing for Calamar would take place Wednesday, July 11th, 2012 at 5:00PM in Council Chambers, with a regular AIDA meeting immediately following.

A motion to adjourn was made. There was no longer a quorum so no second was necessary.

Minutes respectfully submitted by: Maureen Pesek