



## **Regular Meeting Minutes**

### **Auburn Industrial Development Authority**

**Wednesday, February 16<sup>th</sup> @ 5pm**

**Remote and limited board attendance**

**2 State St., Auburn, NY**

#### **Board Present:**

James Dacey (Chair & Member of Business)

William Andre (Vice-Chair & Member of Labor)

Katie MacIntyre (Member at Large)

Gwen Webber-McLeod (Member at Large)

Jimmy Giannettino (Council Member)

Terry Cuddy (Council Member)

Jeff Gasper (School Board Member)

Roger Beer (Member at Large)

Brandon Gravius (Member of Industry)

#### **Staff & Guests:**

Danielle Szabo, Interim Executive Director

Taylor Symes, Acting Treasurer

Robert Poyer, Hancock Estabrook

Richard Cook, Hancock Estabrook

Holley Carpella, RJC Development

Ryan Coe, RJC Development

Andrew Bodewes, Park Grove Reality

Tony Fransechecelli, Auburn Community Hospital

Jason Lesch, Auburn Community Hospital

Mr. Dacey called the meeting to order at 5:01pm, noting the presence of a quorum.

#### **MEETING MINUTES:**

Mr. Cuddy motioned to approve the January 19<sup>th</sup> Regular and Governance Committee Meeting Minutes, seconded by Mr. Gravius. All members present voted in favor; motion was carried.

Mr. Gravius motioned to approve the January 31<sup>st</sup> Special Meeting minutes, seconded by Ms. Webber-McLeod. All members present voted in favor; motion was carried.

#### **BILLS AND COMMUNICATION:**

None.

#### **REPORT OF THE TREASURER:**

Ms. Symes presented the Profit and Loss for the month of January. She stated that January was a quiet month and the only expense was for Contract Services in the amount of \$33,092.32 and Miscellaneous Expense in the amount of \$24.18. This is the CEDA Q4 payment. Ms. Symes stated that normally this would not be on the January P&L but for the board she wanted to show all payments on the P&L for 2022. Income for the month was \$63.35 which was Interest Income. The net income for the month of January was (\$33,053.17). Ms. Symes stated on the Balance Sheet gives a comparison of your accounts which shows your Fixed Assets, Liabilities, and Equity. It gives balances for your bank accounts also. The Retained Earnings showed an increase from last year.

Mr. Beer pointed out that the contract services were the extra that was due to CEDA as previously discussed. The only thing he wanted to point out is that last year the annual budget shows \$200k as fees this year. The income Mr. Beer projected would have an increase of \$30k based on the existing contract. Mr. Dacey stated that based on the contract we aren't able to project the Fee Share so the base amount is listed. Mr. Beer stated that if it happens like 2021 an additional would be paid.

Ms. Webber-McLeod made a motion to approve. All members present voted in favor; motion was carried.

#### **UNFINISHED BUSINESS:**

CEDA Staff Update: Mr. Giannettino asked what's the update on hiring the CEO for CEDA? Mr. Dacey stated that a meeting happened prior to the AIDA Meeting and he was traveling so he couldn't attend. He stated they put together a series of questions to ask the candidates. They have a number of applicants and will set up interviews with each one.

#### **NEW BUSINESS:**

Auburn Community Hospital (ACH): Ms. Szabo introduced the team from Auburn Community hospital along with their Developer. Andrew Bodewes, from Park Grove Reality, Jason Lesch and Tony Franceschelli from Auburn Community Hospital. Mr. Franceschelli stated that this project is high priority for the board. This building will sit in the parking lot off of North St. This facility will have doctors from Upstate Medical operating it. It will be a State of the Art Facility and will have local nurses to staff it also. Mr. Lesch wanted to thank the board for giving him the time to discuss their project. He has been working with SUNY on this project. Right now radiation services are not offered at Auburn Community Hospital. Patients have to travel to Syracuse or Rochester to receive their treatments. Oswego, Cortland all have radiation services. SUNY Upstate would like to collaborate with ACH to administer these services. The plan right

now is to have ACH sell a portion of their parking lot at the corner of Lansing St. and North St. to Park Grove LLC. Mr. Bodewes would develop the property and lease it back to ACH under a 30-year lease option to purchase. Without Park Grove, ACH does not have the cash flow to complete the project. Mr. Lesch asked the board to consider this project as if the hospital did this project on their own. Park Grove would be a pass through. Any costs that are incurred would be paid from the hospital. Mr. Lesch stated it is a highly leveraged deal. Right now ACH has submitted a Certificate of Need to New York State and it will take months for a determination. As of now they would like to get everything lined up so when they start construction in May, they have no hold up. The Department of Health likes to see a 10% equity match and ACH has 5% equity match to the project. The equipment will be leased. This project would not happen without the developer. Mr. Dacey asked what are they looking from the IDA. Ms. Szabo explained that herself and Ms. Symes attending a meeting at the City of Auburn to discuss this project. They are in the midst of being approved by the planning board. Normally the IDA would not meet with a client until they have been approved from the City of Auburn but Ms. Szabo stated that she wanted to get them introduced to the IDA since it is not a traditional structure for a project. ACH is not asking for anything but to consider their project. Mr. Bodewes introduced himself and stated that they have been working with the hospital since Spring 2021. They want a cancer center so patients do not have to continue to drive other places for their treatments. Mr. Bodewes stated they have an acre of land that will be subdivided to build the proposed building. Then Park Grove will enter an extended lease agreement to make this project happen. They have met with the City of Auburn Site Planning Committee and are on their agenda for March 1<sup>st</sup>. The City of Auburn is on board for this project. According to Mr. Bodewes this project would be seeking a PILOT structure and Sales Tax abatements. Once they have the City of Auburn's approval they will be coming to the IDA for incentives. Mr. Bodewes gave a presentation of the site renderings. Mr. Bodewes stated it would improve the streetscapes for the corner of Lansing St and North St. Mr. Bodewes stated that the building would still have a parking lot in between the Cancer Center and the Hospital just as it does now. They plan on including a healing garden. Mr. Bodewes showed the floor plan of the building on how you enter a lobby and the left side of the building would consist of the accelerator. This would allow people to walk directly to have their scans done. The right side of the building is where patients would receive their treatments and at the back of the building would be the offices for the doctors. This would be staffed by ACH along with Upstate doctors.

Ms. Webber-McLeod asked if this would be strictly for adult cancer patients or would children be able to receive their treatments? Mr. Lesch stated he would have to look into if children could receive treatments here. Mr. Beer asked if Mr. Lesch had a viability on what the Department of Health outcome would be for this project. Mr. Lesch stated that he believes the Department of Health would be on board for this project. Upstate projected this to be a positive cash flow for the Oncology Unit but a negative cash flow for the Radiation unit. He stated he doesn't know until they get approved. He stated that they are not contributing the exact amount they are asking for which is why they are looking for incentives to help alleviate some funds. Mr. Lesch is hoping for this project to be approved over the next couple of months. Mr. Giannettino asked what the overall budget was for this project? Mr. Lesch stated it is \$14 million. Mr. Giannettino asked what the lease period would be? Mr. Bodewes stated it would be a 20-year lease with the possibility of a 10-year extension. Mr. Giannettino clarified why he asked this. He stated it was because this was thought about creating the Public Works Building on Seminary St. Mr. Giannettino stated that what they found was great costs and who would be paying for it. Now

they were fortunate to receive state funding for the new Public Works Building. Mr. Giannettino asked what would this do for the overall cost and if they were seeking additional Federal and State funding like a PILOT? Mr. Lesch stated they were not and that they submitted on February 15<sup>th</sup> a Department of Health Transformation Grant for \$21 million. This would be to add a Cardiac Center and to expand their operating rooms. Also they had a \$12 million grant to buy the Cayuga County nursing home and to remodel 16,600sqft to transform it into physician's space. Mr. Giannettino wanted to explain why he asked his question about additional funding due to the Governor has given multiple resources for things of this nature. He wanted to know if this could be built with state money due to this \$9 million building would not have to pay taxes. Going the state and private funding would allow Cayuga County to recoup some of the money. Mr. Lesch stated that this project in the end would pay for itself. Mr. Giannettino asked how many jobs would this potentially create? Mr. Lesch stated it would add 6-7 more jobs. It would be around \$400,000 in payroll. It would be a makeup nurses, nurse's assistants. Mr. Dacey stated that Mr. Andre would want to ask about Local Labor.

Mr. Poyer wanted to know if the equipment would be a part of the tax abatement or would they take another approach? Mr. Lesch stated that they have a signed vendor lease program they would go through. Mr. Dacey asked how long of a PILOT would they be considering. Mr. Bodewes stated it would be the length of the lease which is 30 years. Mr. Bodewes reiterated these benefits would not be for the developer but for the Hospital. Mr. Dacey asked Mr. Poyer how this would work? Mr. Poyer stated that the hospital would subdivide their property to the developer. The developer when the time is right would enter into a PILOT Agreement with AIDA and then would act as a pass through and the Hospital would be responsible for the payment as a part of their lease agreement. Mr. Dacey clarified that the PILOT would be with the Developer. Mr. Cuddy wanted to clarify that the project would be to create a Cancer Center in the existing parking lot that would benefit the community. The Hospital would enter into a lease agreement with the developer to be responsible for a 30-year PILOT and at the end the hospital would buy back the Cancer Center. Mr. Cuddy stated that normally at the end of a PILOT the property would go back on the Tax Rolls. In this case the building property would not be back on the tax roll. The question the organization would need to consider is the need for this public service. Mr. Cuddy stated when going through this process the hospital would need to consider looking for other source of funding to help alleviate the heavy lift of the PILOT.

During the presentation, Mr. Andre voiced his concerns around local labor and the project. Mr. Lesch and Mr. Franceschelli invited Mr. Andre to come to the hospital to continue the conversation. Ms. Webber McLeod reflected on Mr. Andre's statement and thanked the presenters for coming in. Ms. Webber McLeod reiterated the importance of the project and how it would be a community asset.

*RJC Development Inc.- Initial Project Resolution:* Ms. Szabo introduced Ryan Coe to the board and she went over his AIDA Application. Mr. Coe would be seeking a PILOT along with a Sales and Use Tax Exemption along with a Mortgage Recording Tax Abatement. Mr. Coe is the president of RJC Development which is Real Estate, RYCOE which is landscaping, Apex Truck and Auto which is an Auto Mechanic Shop. He obtained ownership of the parcel on John Walsh Blvd. RJC will be the parent company and the other two companies will be the tenants. Ms. Webber-McLeod asked Mr. Coe to give a more indepth overview of the project and business structure. Mr. Coe gave an overview of the three businesses and project structure. He is currently running out of space for his businesses. This new building would be the main space for the

businesses to operate from. Ms. Szabo stated that the property has already been purchased. Mr. Beer wanted clarification. He stated that the amount that he is investing is most of his equity. Mr. Coe stated that he is selling two thirds of his residential properties to make up cash flow. Mr. Beer asked the money that is listed in the business bank accounts was money that Mr. Coe invested into the businesses? Mr. Coe stated that was correct. Mr. Cuddy asked APEX Truck and Auto was a start up? Mr. Cuddy wanted to know what experience he had in the industry of auto repair along with creating 57 new positions? Mr. Coe stated that RYCOE doubled in size last year. They hired a mechanic, general manager and service manager. They are helping manage the fleet. They work at other mechanic shops. They came together to plan this out. Mr. Coe is very confident with the connections he has to succeed in this industry. Mr. Cuddy asked about the employment he stated he would bring on. He wanted more clarification on the salary range that was provided? Mr. Coe stated that these companies are labor based. RYCOE went from 10-20 employees in 2021. Mr. Cuddy stated that a lot of businesses are looking for employees, and if Mr. Coe would be able to fill these positions. Mr. Coe stated they're big on company culture and shows his staff that they care. Ms. Webber-McLeod wanted more information about his Real Estate business. Mr. Coe stated that he owns one commercial business but a decent amount of residential. He stated he is an investor. Mr. Beer wanted to know if he sees himself buying a ton of residential properties in the upcoming years? Mr. Coe said he wouldn't take it off of his agenda to buy more residents. He tends to buy a handful a year but this endeavor is his first priority. Mr. Giannettino stated the City of Auburn sold Mr. Coe the land. He looked at the PILOT agreement and he sees a huge tax abatement. Mr. Giannettino stated he is struggling on agreeing with what he is asking for. Mr. Coe stated he is thankful for the city selling him the land but they have a huge lift to get this land to the best state to be able to develop it. Mr. Dacey asked if any of the land was registered with the DEC as wetlands. Mr. Coe stated that no. Mr. Dacey asked if the paperwork was sufficient enough for a Public Hearing? Ms. Szabo stated it was. Mr. Dacey wants the Public Hearing to be set up. Mr. Cook stated that the Initial Resolution includes an agreement to hold a Public Hearing. Mr. Cook stated that because the project is more than 33% retail they have to make a case that this project is in a distressed area.

Mr. Dacey read the Initial Project Resolution onto the record.

Mr. Beer motioned to approve the Initial Resolution, seconded by Mr. Cuddy.

Roll Call Vote:

	Yea	Nay	Abstain	Absent
Jim Dacey	X			
William Andre				X
Jimmy Giannettino	X			
Katie MacIntyre	X			
Gwen Webber-McLeod	X			
Brandon Gravius	X			
Terry Cuddy	X			
Roger Beer	X			
Jeff Gasper	X			

All member present voted in favor, motion was carried.

Mr. Dacey asked if we could set up the Public Hearing right before the March Meeting at 4pm?

Mr. Cook said it can be.

Report of the Finance Committee:

Meeting was cancelled.

**UPCOMING EVENTS:**

Mr. Dacey reviewed upcoming events.

**BOARD MEMBER UPDATE:**

Mr. Dacey stated that on February 17<sup>th</sup> Lisa Green would be appointed to the AIDA Board. Mr. Cuddy wanted to acknowledge the work and knowledge he brought to the AIDA Board and is very grateful for the work he has done.

Ms. Webber McLeod asked for a business resume before meeting potential business owners to discuss their projects so everyone can have a better understanding of what the board will be considering. Mr. Dacey would like to know if the application can be updated to include the business to include a resume? Mr. Poyer stated that nothing states that it couldn't be required. Ms. Webber-McLeod wants to know what their reputation is and what type of owner they will be interacting with. Mr. Giannettino stated that the City is in the midst of signing their CDBG Contract and he brought to the City Council if they will view the businesses records before allowing them to apply. Mr. Poyer stated looking at the IDA Statute, you have to look at what is best for the community and not what is best for the government. He stated what happens when someone with a bad reputation comes to be board for incentives but has a project that would benefit the community? Mr. Poyer stated the board has to do what is best for the community. Ms. Webber McLeod justified why she asked these questions based off of Terrapin. They engaged very well with the board despite what their product was. Mr. Poyer stated that you would have to look at the whole picture when it comes to projects for the IDA. Mr. Dacey asked if Mr. Poyer could work with Ms. Szabo on getting the application updated?

**ADJOURNMENT:**

Ms. Webber-McLeod motioned to adjourn at 6:29pm, seconded by Mr. Gravius. All members present voted in favor; motion was carried.

Respectfully Submitted,

Taylor Symes