



## **Regular Meeting Minutes**

### **Auburn Industrial Development Authority**

**Wednesday, January 17, 2024 @ 5:00pm**

#### **Remote and board attendance**

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

#### **Board Present:**

Jim Dacey (Chair)  
Terry Cuddy (Secretary & Council Member)  
Jimmy Giannettino (Council Member)  
Tessa Crawford (Member at Large)  
William Andre (Vice-Chair & Member of Labor)  
Gwen Webber-McLeod (Member of Business)  
Dan Lovell (Representative of Auburn School District)

#### **Excused:**

Katie MacIntyre

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

Robert Poyer (Attorney)  
Maureen Reister, CEDA  
Katie Moran, Bookkeeper/Office Manager

Ms. Webber-McLeod, newly appointed Chair, stated that Mr. Dacey, who is stepping down as Chair, would be running this meeting along with her and that she would take over in February.

Mr. Dacey called the meeting to order at 5:04 pm. He thanked all the members of the Board for their participation and support over the years. The Board has worked together and has made a good team. Roll call was taken, and it was established that there was a quorum.

#### **MEETING MINUTES:**

Mr. Dacey asked for a motion to approve the minutes of the October 18, 2023 regular meeting and the October 18, 2023 Finance Committee meeting. Mr. Andre made a motion to accept the minutes and the motion was seconded by Ms. Crawford. There was no further discussion or changes and the motion passed unanimously.

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

Ms. Moran reported that there are no bills this month. There is a summary of PILOTS that were invoiced and paid during the fall invoicing period. Payment to municipalities is in process now. Mr. Dacey questioned why the Finger Lakes Railroad is on the summary list. Ms. Moran replied that there is a payment in the summer from the Railroad that impacts several municipalities, and it is therefore included in the summaries of both IDA's.

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

Ms. Crawford reviewed the financial reports for December 31, 2023. She has compared what was budgeted for this year with the actual numbers. She pointed out that the deficit was smaller than had been budgeted for the year. Anticipated Administrative fees were lower than had been budgeted, but the

marketing expenses were also lower than was budgeted. They offset each other and helped to bring the deficit down. In general, there was not a lot of activity in 2023.

Mr. Dacey asked whether a state audit had been scheduled this year. So far the state has not made any contact. Mr. Poyer reported that a Senator is threatening statewide audits, but so far nothing has come of it. The annual audit with an independent auditor is scheduled for February 12. Mr. Dacey stated that AIDA was given a one-year extension on putting the audit out for RFP, which is the 2023 audit, but that for the 2024 audit, it will be necessary to put it out for RFP.

#### **BOARD MEMBER TERMS:**

Mr. Giannettino stated that the terms on the Board Member list are not accurate. Chuck Mason is reviewing resolutions so that listing can be brought up-to-date. He also reported that Gwen Webber-McLeod has been appointed Chair of the AIDA Board. She will also move from the position of Member at Large to the position of Member of Business. There will be a resolution presented to the City Council at their next meeting to appoint Karen Walter to the Board as a Member at Large and to appoint Tessa Crawford to another term. The Board is still missing a Member of Industry. Mr. Giannettino is talking with someone about. He thanked Mr. Dacey for his work over the years. Mr. Dacey was instrumental in creating CEDA and has provided leadership to AIDA for several years.

He reported that there is tremendous excitement over Micron and what it can do for Cayuga County. He thanked Gwen for stepping into the office of the Chair.

#### **COMMITTEES AND THEIR MEMBERSHIP:**

Ms. Webber-McLeod would like to speak with Board members about the committees they are on and where their interests lie in terms of committee work. The new members will be asked for their input as well. Ms. Webber-McLeod stated that her goal is for AIDA to become more strategically focused on what AIDA does and how it works in the economic development environment. She will confirm what committees are needed, what the current membership of each committee is currently, what the interests of Board members are, and the Board will decide what the charge to the committees should be.

Mr. Dacey pointed out that all policies are up to date. Mr. Poyer pointed out that the committees that exist now are required under ABO and the law, so it is possible to add committees, but none can be taken away.

#### **AUBURN COMMUNITY HOTEL REFINANCING:**

Mr. Dacey asked for a motion regarding the refinancing of the Auburn Community Hotel. Mr. Andre made a motion to discuss the refinancing and Ms. Webber-McLeod seconded it. The motion passed unanimously.

Mr. Poyer reviewed the legal documents included in the packet. This relates to the Hilton Hotel. It is a straight lease transaction. Straight lease transactions are the bread and butter of AIDA. AIDA provides financial assistance in three ways. The first is abatement of real property taxes through a PILOT, the second is abatement of sales and use taxes, and the third is mortgage recording tax. Auburn Community Hotel will lease the title to the property to AIDA and AIDA leases a portion back to Auburn Community Hotel that gives them the right to occupy the property. There is a bill of sale of personal property to AIDA which allows for the sales tax exemption. Through the same transaction AIDA joins in the mortgage. AIDA must be legally involved to grant the exemptions. AIDA must join in the mortgage. Mr. Cuddy stated that this has been done in the past.

There will be hold harmless language in the mortgage on behalf of AIDA and the Board members. There are two mortgages, one is a gap mortgage, and one is the mortgage with the consolidated amount.

Leases and rents are assigned to the bank.

Ms. Riestler asked if it is necessary for Auburn Community Hotel to complete another application. Mr. Poyer responded that they do not. They will pay attorney's fees. The Board can charge a \$500 administrative fee. It has been done historically and AIDA should continue what has been done in the past. Mr. Poyer will send an invoice for the administrative fee along with the escrow papers.

A question was asked about the length of the PILOT. It was a 25-year PILOT. It will not be extended.

Mr. Dacey asked for a motion to approve a resolution approving execution by AIDA of gap mortgage, mortgage consolidation, modification and extension agreement, assignment of leases and rents, and mortgage recording tax and affidavit. Mr. Lovell moved, and Mr. Andre seconded the motion.

A roll call vote was taken.

	Yes	No	Absent
Terry Cuddy	X		
Jimmy Giannettino			X
Tessa Crawford	X		
William Andre	X		
Gwen Webber-McLeod	X		
Dan Lovell	X		
Katie McIntyre			X

The motion passed unanimously among those present.

Ms. Webber-McLeod suggest looking at alternative ways to discuss complicated processes and documents that would be more easily understood by Board members.

**CEDA CONTRACT:**

Ms. Webber-McLeod reported that the County has not assigned the economic development funding yet. CEDA is in the process of a 360 evaluation. The current contract that AIDA has with CEDA ended on December 31. The question now is whether AIDA should enter into a short-term contract with CEDA until the funding is decided. AIDA still needs support from the CEDA staff. Mr. Dacey suggested extending the contract through the first quarter so that AIDA services can be maintained. The change in County leadership may be helpful to maintaining CEDA.

AIDA needs to decide whether to continue with CEDA. Keeping a contract going for the short-term will benefit AIDA with the continuation of its activities and CEDA will benefit from the support that AIDA will be showing. The AIDA board needs to look at what their options will be if CEDA does not continue.

Ms. Crawford asked what AIDA can do to support CEDA and to help it get a fair chance to prove its value. Ms. Webber-McLeod stated that continuing a work relationship with CEDA through April will demonstrate confidence.

Mr. Dacey stated that the CEDA staff is there and has been doing a good job. The problems have been primarily in the leadership. Mr. Poyer suggested putting together a white paper about what AIDA sees that CEDA does for it. Ms. Webber-McLeod believes that the track record of CEDA is getting lost in all the other noise going on. AIDA could help highlight this.

For now, the route to go is to extend the contract with CEDA. After some discussion, it was decided to extend it from January 1, 2024 through April 30, 2024. Mr. Lovell made the motion to extend the contract with CEDA through April 30, 2024. Mr. Cuddy seconded the motion. There was no further discussion and the motion passed unanimously.

#### **CEDA UPDATE:**

Ms. Riester has met with a business that is planning an expansion. She gave them all the information about what AIDA can offer. They may only be looking for a sales and use tax exemption. She will check with the assessor to determine what their new tax liability would look like. They will probably have a 485B rather than a PILOT. If it looks like things can move forward, AIDA will move quickly to work with them to process the paperwork so that their sales and use exemption will be in place when they break ground. Ms. Riester explained that a 485B is simpler than a PILOT. It has fewer regulations and monitoring requirements. It abates 50% of the tax increase in the first year and 5% for the next 9 years. She also discussed the revolving loan fund and other programs that are available at local, state and federal level.

CEDA staff is wrapping up 2023. Peter King is looking at PARIS reporting. The monitoring form has been updated. AIDA's audit is February 12. Everything is due at the end of March.

Ms. Crawford asked about administrative fees. There is a fee for a PILOT that is a percentage of the project size. There is also a flat fee for the application fee. There was some discussion of the various fees that can be charged.

Ms. Riester reported that there are several residential properties that AIDA owns. AIDA was in the process of reaching out to realtors to manage sales of these properties, but since the change in CEDA leadership, there has been no movement. Ms. Riester asked the Board what they would want to do about moving forward. This is something that AIDA will not pursue at the moment.

Ms. Webber-McLeod thanked Mr. Dacey for all his work. She will follow in his footsteps and try to make him proud.

Ms. Webber-McLeod is looking to have some educational sessions at Board meetings. It is important that Board members understand what AIDA does and what it offers companies. Topics would include information on PILOTS, tax abatements and other services that AIDA provides. It is important that the Board engages in open discussion and with a basis of knowledge and understanding.

A motion was made to adjourn at 6:23.