

**Cayuga County Industrial Development Agency
Auburn Industrial Development Authority
Joint Governance Committee Meeting
Chamber of Commerce, First Floor Conference Room
September 15, 2015 5 pm**

ROLL CALL

Present: Paul Lattimore, Carol Contiguglia (CCIDA); Monika Salvage, Terry Cuddy (AIDA)

Others Present: Tracy Verrier, Michelle Milewski, Andrew Fish (CEDA)

MINUTES:

Mr. Fish said that the first question the boards would have to answer in regards to merging the boards would be the legality of the merging and transferring PILOTs. He said that there were two ways to resolve the merger, the first being an act of legislation and the second being if AIDA no longer had any lease transactions – which would instantly dissolve the authority.

The transferring of the 12 PILOTs would not be an issue, and could be transferred in one master agreement. The Bluefield Manor bond was an outstanding question, but as long as notice is given to both Bluefield Manor and the financial institution AIDA can assign the bond to CCIDA. One master agreement would do that, and AIDA would file one last PARIS report. If AIDA were to dissolve in this way, AIDA’s assets would automatically be returned to the city. So as part of the transfer process, land parcels and cash would be moved to CCIDA before the master agreement was executed. It would take a minimum of 100 days for a merge.

Mr. Fish reviewed four options: Status Quo, AIDA Strategic Projects, AIDA Dormant with CCIDA Current, and AIDA dissolved with CCIDA only IDA. He reviewed each option based on assessment criteria of Legality, Annual Cost, One-Time Cost, Efficiency and Feasibility:

Alternatives:	Assesment Criteria				
	Legality	Annual Cost	One Time Cost	Efficiency	Feasible
Status Quo	+	---	na	---	+++
AIDA Strategic Projects	+	---	na	-	-
AIDA Dormant CCIDA Current	+/-	-	na	++	+
AIDA Disolved CCIDA only IDA	+++	+++	--	+++	--
Legend (relative scale)	+++ Much better or easier, ++ better or easier + Somewhat better or easier --- Much worse or harder, -- worse or harder, - somewhat worse or harder +/- Some aspects better or easier, other aspects worse or harder				

Legality

Status Quo: The option was only given one “plus” because there would be no change to legal aspects.
AIDA Strategic Projects: Same as above item.
AIDA Dormant/CCIDA Current: This option would cause change, but wouldn’t have a higher level of legal efficiency.
AIDA Dissolved/Only CCIDA: One set of legislation to deal with, one legal counsel.

Annual Cost:

The first two options remain the same.
AIDA Dormant/CCIDA Current: There would still be some cost related to annual audits and staffing for both agencies.
AIDA Dissolved/Only CCIDA: No duplication of services, so only one cost for audits, staffing, legal, etc.

One-Time Cost

AIDA Dissolved/Only CCIDA: This would be the only option affected. There would be upfront legal costs involved with this option.

Efficiency:

Status Quo: Two boards means twice roughly twice the time and costs. Duplication of services.
AIDA Strategic Projects: Slightly more efficient as it reduces duplication of services to some extent and provides focus.
AIDA Dormant/CCIDA Current: From the customers’ stand point, this would be more efficient. There would still be two boards meeting, doing audits, retaining legal counsel, etc., but one would be meeting less often.
AIDA Dissolved/Only CCIDA: Only one set of processes and costs.

Feasible:

Status Quo: This is the current situation, so it is feasible.
AIDA Strategic Projects: The boards would have to discuss and decide which projects each board would take on.
AIDA Dormant/CCIDA Current: This leaves AIDA the option to come back to an active board if needed.
AIDA Dissolved/Only CCIDA: The legislation says that there would be a 3-7 member board, as opposed to nine seats. Discussion needed as to whether this is sufficient or if there would need to be legislation to increase board size of CCIDA.

Mr. Fish concluded by saying that no option is all negative, and each has a positive.

Mr. Cuddy recognized that AIDA has come a long way since CEDA took over, and he is pleased with CEDA’s performance. However, as a representative of Auburn, he would not like to see AIDA disappear.

Ms. Salvage said she understands how cumbersome it is to do admin work with the state, and that the state is trying to consolidate and get rid of small authorities. She is in favor of getting ahead of the curve, but isn’t sure that the two boards are ready to merge yet. Ms. Salvage said it’s important for the representatives who sit on AIDA be held responsible to the residents of the municipality.

Mr. Fish said that for a community the size of Cayuga County, it is rare to have two IDAs. Only two IDAs have legally designated seats for labor, school board, etc., the other 60 agencies are free to decide how to best represent their community. He said that change is never easy, and it’s harder when you have to give up something.

Mr. Cuddy asked if there was something that AIDA could or should be doing differently to keep it relevant, and if having two IDAs was a deterrent to businesses. Mr. Fish said that today, there is not a deterrent, but noted that it will not always be the same people sitting around the table. If the boards disagree in the future, the IDAs could be bidding against each other. Mr. Fish said that the AIDA board is engaged now, but a board that’s not engaged will never be cohesive with CCIDA.

Mr. Cuddy said that as CEDA becomes the arbiter of area economic development, the framework should be ingrained. CEDA becomes not so much an IDA but an official one-stop shop. The IDAs are the appendages to CEDA.

Mr. Cuddy said he liked the idea of CCIDA and AIDA being active, engaged boards. He asked why the CCIDA wasn’t asked to do the VG Rentals project, and Mr. Fish said that CEDA has a clause in its contract that city

projects will be brought to AIDA and county projects will be brought to CCIDA. He said the only difference in the two IDAs is the board makeup and a slight difference in the PAL and GML laws, because sometimes the legislature tends to forget about the PAL. He used the retail exemption as an example, saying that CCIDA had to start adhering to the change for retail projects a year before AIDA did because the State forgot to include the PAL in the amendment. He said that CCIDA can currently only have up to seven members, and to change that to nine would require an act of legislation.

Mr. Cuddy asked if political winds change, will it not be favorable to CEDA to have two IDAs. Mr. Fish said if political winds change, CEDA would be in much more trouble than just the IDAs. He added that the Rensselaer and Troy IDAs are now “cutting each other’s throats” over a deal.

Ms. Contiguglia said that she was grateful that Mr. Fish was being honest, and that she can see what he was driving at. She said she wouldn’t know what the representation was going to be like but said that that could be worked on. She said the strategic project idea was a good one but the boards would have to spend a great deal of time and effort trying to ascertain what the targeted projects would be so there was no second guessing and resentment against CEDA after a decision was made. She said she could be possibly going backwards.

Mr. Fish said that right now it’s cut and dry, and that CEDA does not propose different deals – which was a problem before.

Mr. Cuddy said that it is almost an understanding with projects, and it’s not complicated (currently).

Mr. Lattimore asked the AIDA representatives there was any political appetite to merge the boards, and that he thinks that’s what it will come down to. He said he thinks CCIDA would be in favor, but it would be a big decision for the city.

Ms. Salvage said the question is, do we want to do this to ourselves before the state does it? Mr. Cuddy said that as an elected official, his answer is predetermined in that he wants the IDA to be accountable to city residents.

Mr. Fish said he understands the level of accountability, but the business community wonders why there isn’t just one IDA.

Mr. Cuddy said that this isn’t the end of the conversation, and he doesn’t know the feelings of the other board members. Mr. Fish said that the next step would be at the board level, and determining if a merger warrants board discussion. Ms. Verrier suggested that when the boards fill out their anonymous evaluation sheets, she could add a question about a possible merger.

Ms. Salvage asked about Jim Dacey’s position, and Mr. Fish said that that he is a proponent of the merger and has been for a while. Mr. Cuddy said that it seems like this is coming from state pressure. Mr. Lattimore said that it may be too early to talk about a merger, and that the boards should revisit the issue in another six months. Mr. Fish said the Ms. Verrier can do a straw poll in October, and the boards could have a discussion in November depending on the results.

Ms. Contiguglia said that the boards will still have to have this conversation, and they are going to see really stringent control if the state pursues consolidation in the future. If the AIDA was going to have targeted projects, she would like to see how they would delineate to make sure there isn’t room for animosity. She said that if the boards decided to combine or AIDA becomes dormant, they can’t be sure that the city will have adequate representation.

Mr. Lattimore asked what the next steps were and Mr. Fish said that Ms. Verrier will conduct a survey, and the results will be discussed at the November board meetings.

The meeting was adjourned at 6:01 pm.

Respectfully submitted,
Michelle Milewski
Acting Secretary (CCIDA), Assistant Secretary (AIDA)