

**Cayuga County Industrial Development Agency
Regular Meeting
First Floor Meeting Room
Chamber of Commerce Building
2 State Street, Auburn, NY 13021
January 17, 2017 at 4:00pm**

Chairman Ray Lockwood called the meeting to order at 4:00pm, noting that a quorum was present.

ROLL CALL

Present: Ray Lockwood, Paul Lattimore, Herb Marshall (4:30pm), John Latanyshyn, Gina Speno

Excused: Joe Runkle, Carol Contiguglia

Others Present: Tracy Verrier (CEDA); Rick Galbato (Galbato Law); Bruce Sherman (CEDA); Joe Sheppard (CEDA); Keith Batman (Cayuga County Chair of the Legislature); Chris Cherry (CIDEDEC, LLC- Via Telephone), Kimberly Cherry (CIDEDEC, LLC- Via Telephone)

EXECUTIVE SESSION

Motion made by Mr. Marshall to enter executive session to discuss matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation; seconded by Mr. Lattimore. All members present voted in favor, the motion carried. The Board entered into Executive Session at 4:03pm.

Motion made by Mr. Marshall to exit Executive Session, seconded by Mr. Latanyshyn. All members voted in favor, the motion carried. The Board Exited Executive session at 4:24pm.

Motion made by Mr. Latanyshyn to enter into Executive Session to discuss matters involving the proposed acquisition, sale or lease of real property, seconded by Mr. Lattimore. All members present voted in favor, the motion carried. The Board entered into Executive Session at 4:25pm.

Motion made by Mr. Latanyshyn to leave Executive Session; seconded by Mr. Lattimore. All members present voted in favor, the motion carried. The Board exited Executive Session at 4:40pm.

MEETING MINUTES

Mr. Marshall moved to approve the minutes of the December 20, 2016 Governance Committee Meeting and December 20, 2016 annual meeting; seconded by Mr. Lattimore. Mr. Latanyshyn asked if we should amend the minutes to include the wording from Ms. Contiguglia's email of January 16, 2016, which refers to the recommendations made by the board to the County Legislature with regard to board appointments for expiring terms and the vote. Motion to amend the minutes as per Ms. Contiguglia's email made by Ms. Speno; seconded by Mr. Lattimore. All members present voted in favor, motion carried.

BILLS AND COMMUNICATIONS:

Mr. Sheppard presented bills from Bergmann Associates, the Town of Aurelius, NYSEG, and CEDA totaling \$10,220.06. Ms. Verrier stated that the tax bill from the Town of Aurelius is much lower than previous years and the auditor will be double checking to make sure nothing was missed. Mr. Latimore asked about the total of legal fees incurred over the course of the Project Marinara discussions. Ms. Verrier stated that most of the fees occurred while exploring the land option and that she would report on the total amount spent next month. Mr. Latanyshyn asked about the additional \$32.53 on the CEDA Admin bill. Mr. Sheppard explained that it was for postage expenses to mail bills and Board packets.

Mr. Latanyshyn moved to pay the bills, seconded by Ms. Speno. All members present voted in favor; motion carried.

REPORT OF THE TREASURER

Mr. Sheppard reviewed the budget report as well as the current PILOT Invoice and Disbursement Report. Mr. Sheppard noted that we had received all PILOT Payments and the final 2016 disbursement was ready to go in the mail tomorrow. Mr. Latanyshyn asked why the disbursement for Ontario Realty was showing up under the expense line. Ms. Verrier stated that we are speaking with the accountant about how to show the disbursement; once the adjustment is determined, the recouped and recovered legal fees will show as income.

Mr. Latanyshyn moved to accept the Report of the Treasurer; seconded by Mr. Lattimore. All members present voted in favor, motion carried.

Ms. Verrier provided an update on the yearly financial audit, stating that the auditors were presently in the building performing audit, noting that a few items still needed confirming. Ms. Verrier continued by explaining that the 2015 Audited Financial Statements did not include a 2015 contribution to CenterState CEO paid in 2016. She stated that the options were to either book the expense in 2016, or adjust and rewrite the 2015 audited statements. The Board agreed that it was fine to book the contribution in 2016 and leave the financial statements alone. Mr. Latanyshyn made a motion to book the payment in 2016, seconded by Mr. Lattimore. All members voted in favor, the motion carried.

UNFINISHED BUSINESS:

CEDA Staff Update:

Ms. Verrier provided an update to the board of what the CEDA staff is presently working on. She noted that the staff is going to Albany this week to attend the NYS Economic Development Council annual conference, explaining that she and Mr. Sheppard will be attending the IDA session the first morning. She continued by noting that Ms. Riester is presently engaged with people at the mall, exploring options and keeping it on her radar.

Mr. Lattimore asked about the current Bombardier facility and if it was for sale. Ms. Verrier stated that she believed there were interested parties but was unsure how it was going to progress. Mr. Lattimore asked if the GE facility was for sale. Ms. Verrier stated that she was unsure of its status given the contamination and cleanup efforts, but did not believe it was actively for sale.

Upcoming Committee Meetings:

Ms. Verrier stated that there would need to be meetings for both the Governance and Audit committees in the coming months. She explained that the Governance Committee would need to meet in February to discuss the board evaluation criteria and metrics along with other items discussed at the December meeting, and the Audit Committee would need to meet in March to review the audit prior to it going to the full board for approval.

NEW BUSINESS:

RESOLUTION: Project Authorizing Resolution for CIDEDEC, LLC:

Kimberly and Chris Cherry from CIDEDEC, LLC called in to discuss their application for Sales and Use Tax Exemption to assist with their expansion project. Mr. Cherry provided a summary of the project, explaining that it would expand their present location in Aurelius. He stated the project will expand both their warehouse and office spaces and provide improvements to their facilities. Mr. Lockwood asked how many jobs this project would create. Mr. Cherry stated that it would add approximately 7 jobs. Ms. Verrier clarified to the Board that as the total estimated benefit was less than \$100,000, so there was no need for a public hearing.

A resolution was then presented to the Board, which read in part (Full Resolution Attached):

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF CIDEC, LLC AND CIDEC REALTY, LLC (COLLECTIVELY, THE “COMPANY”) WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE UNDERTAKING OF THE PROJECT AND APPOINTING THE COMPANY AS ITS AGENT TO UNDERTAKE SAME; (iii) AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE (AS MORE FULLY DEFINED BELOW) TO THE COMPANY; (iv) MAKING FINDINGS WITH RESPECT TO THE PROJECT PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; AND (vi) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT AND RELATED DOCUMENTS.

Mr. Lattimore made a motion to approve the resolution; seconded by Mr. Latanyshyn. The resolution was put to a roll call vote and recorded as follows:

	Yea	Nay	Absent	Abstain
Paul Lattimore	X			
Carol Contiguglia			X	
John Latanyshyn	X			
Raymond Lockwood	X			
Herb Marshall	X			
Gina Speno	X			
Joseph Runkle			X	

The motion carried. The Resolution was duly adopted.

Upcoming Events:

Ms. Verrier provided information on upcoming events including the Business After Five at the Inn at the Finger Lakes, and the Economic Forecast Luncheon being held January 26th at 11:30pm at the Hilton Garden Inn.

EXECUTIVE SESSION:

Motion made by Mr. Latanyshyn to enter Executive Session to discuss matters involving the proposed acquisition, sale or lease of real property; seconded by Mr. Lattimore. All members present voted in favor, the motion carried. The Board entered into Executive Session at 5:13pm.

Motion made to exit Executive Session made by Mr. Lattimore; seconded by Mr. Latanyshyn. All members present voted in favor, the motion carried. The Board exited Executive Session at 5:20pm.

Motion made to amend the Leasing Agreement for the parcel adjoining the Finger Lakes Mall, by extending the inspection period until the end of April made by Mr. Latanyshyn; seconded by Mr. Lattimore. All members present voted in favor, the motion carried.

Motion to adjourn made at 5:21pm by Mr. Latanyshyn, seconded by Mr. Lattimore. All present voted in favor, motion passed.

Respectfully submitted,
Joseph Sheppard

Next regularly scheduled meeting: Tuesday, February 21, 2017 at 4:00pm

PROJECT AUTHORIZING RESOLUTION
(CIDEDEC, LLC Project)

A regular meeting of Cayuga County Industrial Development Agency was convened on Tuesday, January 17, 2017 at 4:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 01/17 - 01

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF CIDEDEC, LLC AND CIDEDEC REALTY, LLC (COLLECTIVELY, THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE UNDERTAKING OF THE PROJECT AND APPOINTING THE COMPANY AS ITS AGENT TO UNDERTAKE SAME; (iii) AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE (AS MORE FULLY DEFINED BELOW) TO THE COMPANY; (iv) MAKING FINDINGS WITH RESPECT TO THE PROJECT PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; AND (vi) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT AND RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 688 of the Laws of 1970 of the State of New York, as amended (hereinafter collectively called the "Act"), the **CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **CIDEDEC, LLC AND CIDEDEC REALTY, LLC** (collectively, the "Company"), have submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a Project (the "Project") consisting of (A) the appointment by the Agency of the Company as agent to undertake the planning, design, construction, renovation, and reconstruction of improvements to a certain approximately 4,000 square foot building (the "Existing Improvements") located at 1466 Clark Street Road in the Town of Aurelius, New York (the "Land", being more particularly described as tax parcel ID No. 114.00-2-18.12), including the construction of an approximately 13,000 square foot building addition and related site, infrastructure, parking, and utility improvements to be incorporated into the Company's existing dairy milking equipment warehousing and supply facility (collectively, the "Improvements"); and (B) the acquisition and installation in and around the Land, Existing Improvements and Improvements of certain machinery, equipment and other items of tangible personal property (the "Equipment" and collectively with the Land, Existing Improvements and Improvements, the "Facility"); and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, reconstructing, renovating and equipping the Project, (ii) negotiate and enter into an Agent and Financial Assistance and Project Agreement (the “Agent Agreement”), and (iii) provide financial assistance (the “Financial Assistance”) to the Company in the form of a sales and use tax exemption for purchases and rentals related to the acquisition, construction, reconstruction, renovation and equipping of the Project; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance, with such Financial Assistance to not exceed \$100,000; and

WHEREAS, the Planning Board of the Town of Aurelius (the “Planning Board”) previously reviewed the proposed Project pursuant to the State Environmental Quality Review Act, as codified under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, “SEQRA”) and related Full Environmental Assessment Form (“EAF”) and issued a negative declaration (the “Negative Declaration”) a copy of which along with the EAF are attached hereto as **Exhibit A**; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution authorizing (i) the acceptance of the Application; (ii) the undertaking of the Project and appointing the Company to undertake same as agent of the Agency; (iii) the provision of the Financial Assistance to the Company; and (iv) the execution and delivery of the Agent Agreement, along with related financing documents.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented the Application and related information in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing, reconstructing, renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act, that the Financial Assistance shall not exceed \$100,000, and that no public hearing is required to be conducted pursuant to the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Cayuga County and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a facility or plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the “State”) to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company’s Application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other facility or plant to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) Based upon a review of the Application, the EAF and the Negative Declaration issued by the Planning Board submitted to the Agency, the Agency hereby:

(i) consents to and affirms the status of Planning Board as Lead Agency for review of the Facility, within the meaning of, and for all purposes of complying with SEQRA;

(ii) ratifies the proceedings undertaken by the Planning Board as Lead Agency under SEQRA with respect to the acquisition, construction and equipping of the Facility pursuant to SEQRA, including the adoption of the Negative Declaration; and

(iii) finds that the Project involves an “Unlisted Action” (as such quoted term is defined under SEQRA) for which the Agency is an involved agency (as such quoted term is defined under SEQRA). Based upon the review by the Agency of the EAF and related documents delivered by the Company to the Agency and other representations made by the Company to the Agency in connection with the Project, the Agency hereby finds that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a “significant effect on the environment” (as such quoted term is defined under SEQRA); and (iii) no “environmental impact statement” (as such quoted term is defined under SEQRA) need be prepared for this action. This determination constitutes ratification of the Planning Board’s negative declaration” (as such quoted terms are defined under SEQRA) for purposes of SEQRA. No further review or action is required pursuant to SEQRA with respect to the Project.

Section 2. The Agency hereby accepts the Application and authorizes the undertaking of the Project, including the provision of the Financial Assistance to the Company. The Chairman, Vice Chairman, and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Agent Agreement with such changes as shall be approved by the Chairman, Vice Chairman and/or the Executive Director upon execution; provided, the Agent Agreement includes payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 3. Subject to (i) the Company executing the Agent Agreement, and (ii) the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, renovation, construction, reconstruction, rehabilitation and equipping of the

Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; *provided, however*, the Agent Agreement shall expire on December 31, 2017 (*unless extended for good cause by the Executive Director of the Agency*).

Section 5. Based upon the representation and warranties made by the Company the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to approximately **\$650,000.00**, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed **\$52,000.00**. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services, and, to the extent required, the Agency authorizes and conducts any supplemental public hearing(s).

Section 6. Pursuant to Section 875(3) of the Act, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for financial assistance; (v) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the Company obtains mortgage recording tax benefits and/or real property tax abatements and fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project (collectively, items (i) through (vi) hereby defined as a “Recapture Event”).

As a condition precedent of receiving sales and use tax exemption benefits and real property tax abatement benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) if a Recapture Event determination is made by the Agency, cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, mortgage recording tax benefits and/or

real property tax abatements abatement benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands, if and as so required to be paid over as determined by the Agency.

Section 7. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 8. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Paul Lattimore	[X]	[]	[]	[]
Carol Contiguglia	[]	[]	[X]	[]
John Latanyshyn	[X]	[]	[]	[]
Raymond Lockwood	[X]	[]	[]	[]
Herb Marshall	[]	[]	[X]	[]
Gina Speno	[X]	[]	[]	[]
Joseph Runkle	[]	[]	[X]	[]

The Resolution was thereupon declared duly adopted.

EXHIBIT A

SEQRA MATERIALS