

**Cayuga County Industrial Development Agency
Regular Meeting
Cayuga County Chamber of Commerce
2 State Street
Auburn, NY
April 17, 2018 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, Herb Marshall, Gina Speno, Ben Vitale

Excused: Paul Lattimore, John Latanyshyn, Andrew Rindfleisch

Others Present: Tracy Verrier (CEDA); Samantha Frugé (CEDA); Riccardo Galbato (Galbato Law Firm); Piper Titus (Page Trucking), Mark Kubarek (ACMT Carwash), Chris Kubarek (ACMT Carwash), Amanda Kubarek (ACMT Carwash), Joe Goethe (Cameron Group, LLC), Jerry Scoutan (Chair, Aurelius Planning Board)

MEETING MINUTES:

Mr. Marshall moved to approve the minutes of the March 27th Regular Meeting and the Audit Committee Meeting; seconded by Ms. Speno. All members present voted in favor, motion carried.

BILLS AND COMMUNICATIONS:

Ms. Frugé presented bills from the Chamber of Commerce for the State of the City Luncheon (\$40), Cuddy & Ward for 2017 Audit Services (\$5700), CEDA for first quarter administration fees (\$5028.53), and NYSEG for service at the industrial park (\$82.36). Mr. Vitale moved to pay the bills, seconded by Mr. Marshall. All members voted in favor, motion carried.

REPORT OF THE TREASURER

Ms. Verrier reviewed the budget report. Ms. Verrier requested to transfer \$10,000 from the CCIDA Generations Bank Savings account to the KeyBank Checking account. Ms. Verrier also noted two application fees in the amount of \$250 were received from Page Trucking and ACMT Carwash. Additionally, Ms. Verrier pointed out the Finger Lakes Railroad PILOT administration fee is listed on the budget report due to the PILOT being recently invoiced. Mr. Vitale moved to accept the report of the treasurer and approve the bank transfer; seconded by Mr. Marshall. All members present voted in favor, the motion carried.

NEW BUSINESS:

Mr. Marshall moved new business up in the agenda and introduced Mark Kubarek, Chris Kubarek, and Amanda Kubarek from ACMT Carwash.

INITIAL PROJECT RESOLUTION: ACMT Inc.: Mr. Kubarek introduced his company, K&S Carwash, and explained they applied for a Mortgage Recording and Sales & Use tax exemption to purchase and refurbish the Suds & Buds carwash and Apple carwash locations. He stated both location facilities require a full rehabilitation and replacement of all equipment to be functional. Mr. Kubarek further explained that the locations need a ground-up rehab. Although the facilities

are structurally sound, the interior and equipment have not been updated since the 1970s and are not salvageable. He stated the rehabilitation will be sourced locally with the new equipment provided by their carwash supply company (K&S Supply) and they will use local labor. Mr. Kubarek added that they project to employ 2 full-time employees and 5 part-time employees for the Suds & Buds location within the first year. He stated the self-serve Apple carwash location will employ 1-2 part-time employees and both carwash locations will share 1 full-time mechanic. Mr. Kubarek noted his company payed living wages and 100% benefits, which attract loyal employees. He further explained that the employees who worked at the carwashes were typically seasonal students who continuously returned each year or sought to establish long-term careers.

Mr. Marshall asked if a basis for the two locations was established to determine the tax liability. Ms. Verrier explained that the company only applied for Sales & Use Tax and Mortgage Recording Tax exemptions, not a PILOT. Since the total projected benefit is above \$100,000, there will be two public hearings in separate municipalities required to move forward. She concluded that, although the project did not apply for a PILOT through the CCIDA, they are a good candidate for the 485b Real Property exemption.

Mr. Kubarek presented pictures of the Suds & Buds facility and described the scope of work required to restore it. He noted that the location involved the removal and replacement of all existing fixtures and equipment except the hot water boiler. He added that all the pay stations will be replaced, the exit pad will be levelled, all the bays will be remodeled, the brick walls will be acid washed, any wood window frames will be replaced with glass block, and the lot will be landscaped.

Ms. Speno asked how many additional jobs will be created? Ms. Verrier stated a total of 10 new jobs will be created per application. Mr. Marshall asked for a breakdown of the current full-time employment and projections. Mr. Kubarek explained they currently employ 1 full-time employee and project 2 full-time employees upon completion. He added they project 5 full-time employees within the first year. Mr. Marshall asked what was considered a part-time employee? Mr. Kubarek explained part-time employment is less than 30 worked hours a week. He added that his part-time employees were typically collegiate or sports students who worked an average of 20 hours a week.

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF ACMT, INC. (THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY; AND (iv) AUTHORIZING THE NEGOTIATION OF CERTAIN AGREEMENTS RELATING TO THE PROJECT

Mr. Vitale motioned to approve the initial project resolution to schedule a public hearing, seconded by Ms. Speno. A roll call vote was taken and recorded as follows:

NAME	Yes	Nay	Absent	Abstain
BEN VITALE	X			

JOHN LATANYSHYN		X
PAUL LATTIMORE		X
RAYMOND LOCKWOOD	X	
HERB MARSHALL	X	
ANDREW RINDFLEISCH		X
GINA SPENO	X	

Ms. Verrier noted the public hearings would be held in the town of Sennett and city of Auburn.

INITIAL PROJECT RESOLUTION: Page Trucking: Ms. Verrier introduced Piper Titus of Page Trucking.

Ms. Titus introduced her company, Page Trucking, and explained that she and her brother Dan purchased Page Trucking from their mother and have shared ownership for 6 years. She noted that at the time of purchase, the company was in the red and they broke profit in 2008 under their leadership. Ms. Titus stated the company had double-digit growth every year and will break \$1,000,000 in revenue this year. She explained that they kept pushing off an expansion plan and repaving project because they continued to invest back into their assets, which were just shy of \$25,000,000 in trailers and tractors. Ms. Titus explained that last December their primary facility burned to the ground with a total loss of 18,000 square feet. She added that they went from 16 working bays to 3 working bays with no offices, break rooms, or changing rooms, and had to bring on-site trailers for workable space. Ms. Titus explained they just finished paying off their debt financing and had to consider the best options out of the opportunity they had. She noted their options were to either restore what they previously had, create a growth path with opportunity, or look for outside buy-in which was not ideal because they would give up some control. Ms. Titus noted the prior facilities were the product of multiple expansions over time and were not presently functional because they had long outgrown their available space.

Mr. Lockwood inquired about job creation. Ms. Titus stated they project 52 jobs created within 3 years. Mr. Marshall asked whether the drivers were employees or owner-operators. Ms. Titus explained that the company has a mix of company drivers, about 350 independent contractors, and about 800 carriers. She also noted that a portion of company drivers eventually become independent contractors and once they make that change they rarely returned to company driving. Mr. Lockwood asked how the company found and retained employees? Ms. Titus stated the company created their own driver training and retention facility that help the drivers be better business owners, which is something lacking in the industry. She added they currently offer \$4+ per mile because the company pushed for better rates. Ms. Titus concluded that because they offer the right training and techniques, their employees were loyal and remained with the company. Mr. Marshall asked if the increase in the projected employment will be in-office or on-road? Ms. Titus stated the increase will be both in-office and on-road. Mr. Marshall asked if the company provides the independent contractors with insurance and if that was a big liability? Ms. Titus explained the company provided insurance to independent contractors which was not a huge liability because they worked with a broker to give the contractors options.

Mr. Marshall noted the project was very large and difficult to understand in terms of ownership entities. Ms. Titus explained that Keith Titus LLC is the employing entity, 2758 Trombley Road LLC owns the land and facility, and Page Trucking is the operating entity. Mr. Marshall stated

he was concerned about the Board being able to distinguish between employees new to the company versus current employees moving from company drivers to independent contractors. Ms. Titus explained that due to New York State laws, the company had to be diligent about differentiating between employee and independent contractor.

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF 2758 TROMBLEY ROAD, LLC (THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY; AND (iv) AUTHORIZING THE NEGOTIATION OF CERTAIN AGREEMENTS RELATING TO THE PROJECT

Mr. Marshall motioned to approve the initial project resolution and schedule a public hearing, seconded by Ms. Speno. A roll call vote was taken and recorded as follows:

NAME	Yes	Nay	Absent	Abstain
BEN VITALE	X			
JOHN LATANYSHYN			X	
PAUL LATTIMORE			X	
RAYMOND LOCKWOOD	X			
HERB MARSHALL	X			
ANDREW RINDFLEISCH			X	
GINA SPENO	X			

Ms. Verrier noted the public hearing would be held in the town of Brutus.

Other new business: Joseph Goethe, Cameron Group LLC, introduced himself to the Board, noting that the Cameron Group owns the parcel on 5&20 adjacent to the IDA's parcel at the corner of Eagle Drive. Mr. Goethe explained the current tenant of that parcel, Aspen Dental, will be moving so the building will be vacant. He stated they have had discussions with a potential tenant interested in expanding the facility to 20,000 square feet which would require the acquisition of an IDA-owned parcel.

Mr. Marshall asked what the time frame for the expansion was? Mr. Goethe stated they are looking to look to raise the Aspen Dental the building in 2019. Mr. Marshall noted he was concerned with committing to sell that parcel because the IDA may need to change the traffic flow into the property using that parcel. Mr. Goethe stated the expansion plan would leave .9 acres that would allow for continued water retention and road expansion. He noted that portion of the parcel is currently see runoff from the road and another neighboring parcel. Mr. Marshall asked if the project had use for the .9 acres adjacent to Eagle Drive and Mr. Goethe answered that they had no other use than rainwater management. Mr. Lockwood asked if they wanted to buy the entire parcel? Mr. Goethe explained they were interested in just the portion they needed to build. Ms. Speno asked what the parcel is appraised for? Ms. Verrier stated the 1.7-acre parcel was appraised at \$515,000 in 2011 and the last time the parcel was discussed the board asked for

\$525,000. Mr. Vitale asked what the issue was regarding the traffic flow on Eagle Drive? Mr. Lockwood explained the intersection was tight for tractor trailers making it difficult for them to turn in and out of Eagle Drive. Mr. Vitale asked how that can be fixed and Mr. Lockwood explained that installing a traffic light could help. Ms. Verrier noted that a traffic light could be problematic because the roads do not align at the intersection. Mr. Scoutan stated the traffic coming out of Eagle Drive was no worse when traffic studies were done a few years ago. He added that the DOT will not put a light there under the current situation. Ms. Speno noted the .9 acres between the project site and Eagle Drive would leave enough room for the IDA to work with. She added that Mr. Goethe would be doing something new that will benefit the area. Ms. Speno suggested the Board review the area and discuss the pricing because there was interest in the past but not much currently, so Mr. Goethe's offer was positive. Mr. Goethe noted the discussed price of \$525,000 was steep for the acreage and location.

Mr. Vitale made a motion to enter into Executive Session to discuss matters involving the proposed acquisition, sale or lease of real property; seconded by Mr. Marshall. All members present voted in favor. The Board Entered Executive Session at 5:14pm.

Mr. Marshall moved to exit Executive Session; seconded by Mr. Vitale. All members present voted in favor. The Board Exited Executive Session at 5:36pm.

Land Lease for Patterson: Ms. Verrier presented a map of the land leased by Mr. Patterson and noted a section of land was left out this year due to a proposed project. Ms. Verrier stated the lease language is the same as used in previous years. She added that if the IDA allows him to use the parcel that the proposed project is on, and then he isn't able to harvest because the project moves forward, the IDA would need to pay him for the lost product. The Board chose to wait to approve the land lease until next month when there is more clarity about the timeline of the proposed project.

Mr. Marshall asked if there were any news regarding the sewer testing, and if the Probst Group was still on site performing the testing? Ms. Verrier explained the Probst Group returned to their offices and were working on the report while waiting for the test samples. Mr. Marshall asked why there were issues with the samples? Ms. Verrier stated the Probst Group had issues with the testing company and getting the test kits to CMI and the Town.

Ms. Verrier noted that staff is in the process of scheduling cleanup of the road behind the Finger Lakes Crossing complex.

Mr. Marshall asked if the mall property had been purchased yet? Mr. Galbato stated it had not. Ms. Verrier asked if the process for purchase could be started? Mr. Galbato explained the seller was waiting on the IDA and the IDA was waiting on the mall's attorney.

Meeting Date for May: Ms. Verrier noted the next meeting date was scheduled on May 15th which conflicted with a CNY REDC meeting that day. She asked the Board if they would be willing to change the meeting date to May 17th? The Board was agreeable to changing the meeting date to May 17th upon confirmation from those not in attendance.

Upcoming Events: Ms. Verrier provided information on upcoming events.

UNFINISHED BUSINESS

CEDA Staff Update: Ms. Verrier stated that first interviews were completed for the vacated Economic Development Specialist position and second interviews will be next week for finalists. She added they were looking to fill the position in May.

EXECUTIVE SESSION:

Mr. Vitale made a motion to enter into Executive Session to discuss matters involving the proposed acquisition, sale or lease of real property; seconded by Mr. Marshall. All members present voted in favor. The Board Entered Executive Session at 5:14pm.

Mr. Marshall moved to exit Executive Session; seconded by Mr. Vitale. All members present voted in favor. The Board Exited Executive Session at 5:36pm.

Motion to adjourn made at 5:46pm by Mr. Marshall, seconded by Ms. Speno. All present voted in favor, motion passed.

Respectfully submitted,
Samantha Frugé

Next regularly scheduled meeting: Tuesday, May 17, 2018 at 4:00pm.

INITIAL PROJECT RESOLUTION

(ACMT, Inc. Project)

A regular meeting of Cayuga County Industrial Development Agency was convened on Tuesday, April 17, 2018 at 4:00 p.m.

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

Resolution No. 04/2018 - __

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF ACMT, INC. (THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY; AND (iv) AUTHORIZING THE NEGOTIATION OF CERTAIN AGREEMENTS RELATING TO THE PROJECT

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, (hereinafter collectively called the "Act"), the **CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS, **ACMT, INC.**, for itself or on behalf of an entity or entities to be formed (herein, the "Company"), has submitted an application (the "Application") to the Agency requesting that the Agency consider undertaking a Project (the "Project") consisting of (A) the acquisition by the Agency from the Company of a leasehold interest in parcels of land located at 351 Genesee Street, Auburn, New York (TMID No. 115.81-1-3.11) and 323 Grant Avenue in the Town of Sennett, New York (TMID No. 109.02-1-46.1) and the existing improvements located thereon, including commercial buildings and related site and parking improvements (collectively, the "Existing Improvements") (B) the reconstruction and rehabilitation of the Existing Improvements for operation and commercial car wash facilities, along with various parking, utility, curbage, site, and signage improvements (collectively, the "Improvements"); (C) the acquisition and installation in and around the Existing Improvements and Improvements of certain machinery, equipment and other items of tangible personal property (the "Equipment", and collectively with the Land, the Existing Improvements and Improvements, the "Facility"); and (D) through a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will acquire a leasehold interest in the Facility and

sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"); and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, pursuant to and in accordance with Section 859-a of the Act, the Agency desires to schedule and conduct a public hearing relating to the Project and the proposed financial assistance contemplated by the Agency (collectively, the "Financial Assistance"), such Financial Assistance to include (i) sales and use tax exemptions for purchases and rentals related to the construction and equipping of the Facility, and (ii) mortgage recording tax exemptions for financings relating to the Project; and

WHEREAS, the Agency desires to (i) accept the Application, (ii) authorize the scheduling and conduct of public hearings pursuant to and in accordance with the Act (the "Public Hearings"), and (iii) authorize the negotiation of an Agent Agreement, Lease Agreement, Leaseback Agreement, and related documents to allow the Company to undertake the project as agent of the Agency following the Public Hearing and pursuant to future authorization by the Agency.

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) The Agency has the authority to take the actions contemplated herein under the Act; and

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

(D) 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.

Section 2. The Chairman (or Vice Chairman) and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to schedule, notice and conduct the Public Hearing(s) in compliance with the Act.

Section 3. The Agency hereby authorizes the Chairman (or Vice Chairman) and/or Executive Director of the Agency to negotiate the terms of, but not execute, an Agent Agreement, Lease Agreement, Leaseback Agreement and related documents for authorization by the Agency following the Public Hearing(s).

Section 4. Harris Beach PLLC, as Transaction Counsel for the Agency, is hereby authorized to work with Agency General Counsel and counsel to the Company and others to prepare for the Public Hearing(s) and prospective authorizations by the Agency in furtherance of the Project.

Section 5. 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 6. 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]	[]
Hon. Benjamin Vitale	[X]	[]	[]	[]
John Latanyshyn	[]	[]	[X]	[]
Raymond Lockwood	[X]	[]	[]	[]
Herb Marshall	[X]	[]	[]	[]
Gina Speno	[X]	[]	[]	[]
Andrew Rindfleisch	[]	[]	[X]	[]

The Resolution was thereupon declared duly adopted.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Acting Secretary of the Cayuga County Industrial Development Agency, DO HEREBY CERTIFY:

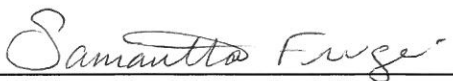
That I have compared the annexed extract of minutes of the meeting of the Cayuga County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on April 17, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 26 day of APRIL, 2018.



Acting Secretary

[SEAL]