

**Cayuga County Industrial Development Agency
Regular Meeting
Cayuga County Chamber of Commerce
2 State Street
Auburn, NY
July 17th, 2018 at 4:00pm**

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

ROLL CALL:

Present: Raymond Lockwood, Herb Marshall, Paul Lattimore, Ben Vitale, Gina Speno

Excused: John Latanyshyn, Andrew Rindfleisch

Others Present: Tracy Verrier, Samantha Frugé, Maureen Riester, Derek Simmonds (CEDA); Riccardo Galbato (Galbato Law Firm); Ed Ide (Town of Aurelius); Doug Selby, Jeanine Wilson (CCWSA); Tim O'Brien, Jeff Dygert (City of Auburn); John McCadden, Grant Wall (CMI); Charlie Balko (Grober)

MEETING MINUTES:

Mr. Marshall moved to approve the minutes of the June 19th Regular Meeting; seconded by Mr. Lattimore. All members present voted in favor, motion carried.

BILLS AND COMMUNICATIONS:

Ms. Frugé presented bills from the Probst Group for work on the sewer study (\$1,809.51), NYSEG for electric service at the Industrial Park (\$193.61), and CEDA for Q2 administrative services (\$5,109.17). Mr. Lattimore moved to pay the bills, seconded by Mr. Marshall. All members voted in favor, the motion carried. Mr. Marshall asked if the lights were working at the industrial park? Mr. McCadden advised that the lights were working with the exception of a few lights that were out.

REPORT OF THE TREASURER

Ms. Frugé reviewed the budget report, noting income revenue from the Minard Run Gas Lease in the amount of \$17.05, a project fee was received from ACMT Carwash in the amount of \$20,650, and interest accumulated from savings accounts and CDs in the amount of \$487.79. Mr. Lattimore moved to accept the report of the treasurer; seconded by Mr. Marshall. All members present voted in favor, the motion carried.

NEW BUSINESS:

AUTHORIZING PROJECT RESOLUTION: Page Trucking: Mr. Lockwood welcomed Ms. Piper Titus from Page Trucking and advised the Board that the authorizing resolution was on the agenda. Ms. Titus provided a progress report of the project, explaining they had engaged Beardsley Architects & Engineers for the architectural work. She stated they were hoping to select a contractor within the next 60 days and be at least 75% complete with construction documents before breaking ground. She added that the anticipated completion date was December 1st, 2019 and that they had successfully purchased the land east of their property, adding 6 acres to their holdings. Mr. Marshall asked about contractor selection. Ms. Titus explained they were still deciding between a few contractors and were still vetting them with

questions before deciding. Mr. Marshall motioned to approve the Authorizing Resolution, seconded by Mr. Lattimore. 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			

All members present voted in favor, the motion carried.

UNFINISHED BUSINESS

Probst Group Report: Ms. Verrier informed the Board that she was notified before the meeting that the Probst Group would not be attending to present their report due to a flight delay. She added that they could set up a meeting time the following morning to give everyone the chance to attend the presentation and ask them questions. Mr. Marshall stated that setting up a meeting the following morning would not be enough notice for those interested to make arrangements to be present. Ms. Verrier explained that it would delay the sewer project further to reschedule the Probst Group for a future Board meeting date. The Board was agreeable to arranging the presentation for the following morning at 9:00a.m with the understanding that they should still return in the future.

Mr. Lockwood asked the Board if anyone had discussion regarding the sewer lines. Mr. Marshall stated that according to the draft study, the problem with the build-up in the sewer system was oil and cleaning fluid, which would indicate the issue was not attributed solely to the milk plant. He added that the milk plant may have added to the problem with the flow but likely was not the cause. Mr. Marshall noted that the town may need to work with CMI if they were charged for pumping of foam that was not caused by their effluent. Mr. Wall stated they traced less than 1% oil from their flow at CMI. Mr. Vitale asked why they were using a firm from Wisconsin to put together the report? Mr. Lockwood explained that they had done an RFP and interviewed two firms who were interested in the conducting the study. Mr. Marshall explained that one of the interested firms was had done similar work in the Industrial Park and Aurelius before, so there was an interest in getting an outside opinion. He added that the Probst Group had worked with milk plants before and the Board found their experience in that field preferable.

Generations Bank 6-Month CD Maturity: Ms. Verrier advised the Board that there was a 6-month CD coming to maturity and they needed to make a decision on how to reinvest the funds. She suggested reinvesting back into another 6-month CD to make it more liquid if they needed to access the funds in the near future. The Board was agreeable to the suggestion and Ms. Verrier advised she would discuss it with Mr. Latanyshyn to get his input before moving forward.

2018 RFP for Auditing Services: Ms. Verrier advised it was time for an RFP for auditing services and stated she took the RFP that was used three years ago and updated it, noting the only addition was the independent audit of investments to make sure those were received in accordance with public authority law. Mr. Vitale noted it appeared the RFP was asking for the audit firm to prepare the financial statements as well, which he does not support. Ms. Verrier

explained that they could do two separate RFPs, one for financial statement preparation and one for auditing, or they could attempt to do the financial statements in-house. She expressed concern about having the appropriate notes if prepared in-house. Mr. Vitale stated an auditor shouldn't be auditing their own work, so either way it shouldn't be combined with the audit. Ms. Verrier stated that it was somewhat standard practice from what she understands, but was listed on the audit as a deficiency. Ms. Speno stated they should take the deficiency in consideration and look to do things differently for next fiscal year. Ms. Verrier read the deficiency audit note for the Board and advised she would take the financial statement section out of the RFP.

CEDA Staff Update: Ms. Verrier provided an update on the CFAs that were due July 27th and explained scoring would begin in early August, with final scores going to the state in September. Awards are generally announced in December. Ms. Verrier noted the manufacturing apprenticeship program she was working with MACNY on was not attracting as much interest as expected and they were working on a strategy to gain more companies. Mr. Lattimore asked how the plastics program at Cayuga Community College was working? Ms. Verrier explained that they had students but from what she had heard it was not as active as they hoped it would be. Mr. Lattimore asked if most students in that program find jobs after? Ms. Verrier stated she did not have the employment numbers but could look into it. Ms. Verrier discussed a new agriculture-focused position introduced at Cayuga Community College, focused identifying gaps and pinpointing strategies CCC could implement to add value to the agriculture community/industry.

Ms. Verrier discussed a USDA-RD grant that was awarded to Preferred Quality Grain for organic grain cleaning and noted that they were working on finalizing the paperwork required to receive the funding. She added the funding was for purchasing the mobile grain-cleaning unit, which would go to farms instead of grain being brought to a facility for cleaning.

Mr. Lockwood asked if there could be any repercussions on IDAs regarding the recent convictions? Ms. Verrier stated she thought it could be negative for economic development agencies in general and could affect how strictly the State regulates such entities. She added that in terms of IDAs, the State has been a lot more strict about conflict of interest tracking and project monitoring. Mr. Marshall noted that it was important they were tracking employment to remain in compliance.

Mr. Lockwood asked if there had been any communication from the party that had expressed interest in purchasing the property at the north end of Eagle Drive? Ms. Speno said she had left several messages but had not heard back from them yet.

Motion to adjourn made at 5:01pm by Mr. Marshall, seconded by Mr. Vitale. All present voted in favor, the motion passed.

Respectfully submitted,
Samantha Frugé

Next regularly scheduled meeting: Tuesday, August 14th, 2018 at 4:00pm.

PROJECT AUTHORIZING RESOLUTION
(2758 Trombley Road, LLC – Page Trucking Project)

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

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

Resolution No. 07/2018 - __

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) APPOINTING 2758 TROMBLEY ROAD, LLC (THE “COMPANY”) AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING THE PROVISION OF CERTAIN FINANCIAL ASSISTANCE TO THE COMPANY (AS FURTHER DEFINED HEREIN); (iv) ADOPTING FINDINGS WITH RESPECT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT (“SEQRA”); AND (v) AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS WITH RESPECT 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, **2758 TROMBLEY ROAD, LLC** for itself or on behalf of an entity 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 an approximately 12.25 acres of land located at and around 2758 Trombley Road, Brutus, New York (the “Land”, being more particularly described as TMID Nos. 77.00-1-12, 77.00-1-13, 77.00-1-14, 77.00-1-15, 77.00-1-16 and 77.00-1-18.2, as may be merged) and the existing improvements located thereon, including various commercial and residential buildings and related site and parking improvements (collectively, the “Existing Improvements”) (B) the demolition of certain of the Existing Improvements and the planning, design, construction, and reconstruction of an approximately 46,500 square foot facility to be owned by the Company and leased to various affiliates of Keith Titus Corporation for operation of commercial trucking facility, including

office, garage, shop and driver training spaces, along with various parking, utility, curbage, site, signage and stormwater 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, on April 17, 2018, the Agency adopted an initial resolution (the “Initial Project Resolution”) which (i) accepted the Company’s application, (ii) authorized the scheduling and conduct of a public hearing in compliance with the Act, (iii) described the contemplated forms of financial assistance to be provided by the Agency (the “Financial Assistance”, as described herein); and (iv) authorized the negotiation of an Agent and Financial Assistance and Project Agreement (the “Agent Agreement”), Lease Agreement (the “Lease Agreement”), Leaseback Agreement (the “Leaseback Agreement”) and Payment-in-lieu-of-Tax agreement (the “PILOT Agreement”) to be entered into with respect to the Project; and

WHEREAS, in accordance with the Initial Project Resolution, the Agency published and forwarded a Notice of Public Hearing to the Town of Brutus(the “Town”), the County of Cayuga (the “County”), and the Weedsport Central School District (the “School”, and together with the Town and County, the “Affected Tax Jurisdictions) at least ten (10) days prior to said Public Hearing are attached hereto as **Exhibit A**; and

WHEREAS, pursuant to Section 859-a of the Act, the Agency held a public hearing on Thursday May 10, 2018, at 4:00 p.m., local time, at Town of Brutus Town Hall Meeting Room, 9021 North Seneca Street, Weedsport, New York 13166 with respect to the Project (the “Public Hearing”) and the proposed Financial Assistance (as further defined herein) being contemplated by the Agency whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views, a copy of the minutes of the Public Hearing also being attached hereto within **Exhibit A**; and

WHEREAS, the Town of Brutus and Village of Weedsport Planning Board reviewed the proposed Project as lead agency 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 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 B**; and

WHEREAS, in furtherance of the foregoing, the Agency desires to authorize (i) the appointment of the Company as agent of the Agency to undertake the Project; (ii) the execution and delivery of the Agent Agreement, Lease Agreement, the Leaseback Agreement, the PILOT Agreement, and related documents; (iii) the provision of the Financial Assistance to the Company, which shall include (a) an exemption from all state and local sales and use taxes with

respect to the qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility, (b) mortgage recording tax exemption(s), and (c) a partial real property tax abatement through the execution of an agreement with the Agency regarding payments in lieu of real property taxes to be made for the benefit of the Affected Tax Jurisdictions; and (iv) the review and ratification of findings pursuant to SEQRA in connection with the Project.

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

Section 1. Based upon the representations made by the Company to the Agency in the Application, 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 (i) acquire title to or other interest in the Land, the Existing Improvements, Improvements and the Equipment constituting the Facility, (ii) lease or sell the Agency's interest in the Land, Existing Improvements, Improvements and Equipment constituting the Facility to the Company pursuant to a lease agreement or sale agreement, and (iii) enter into a Straight Lease Transaction with the Company; and

(C) The action to be taken by the Agency will induce the Company to undertake the Project, thereby increasing employment opportunities in the Town of Brutus, which is located within Cayuga County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(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; and

(E) Based upon a review of the Application, the EAF and the Negative Declaration issued by the Town of Brutus and Village of Weedsport Planning Board and 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 construction and equipping of the Facility pursuant to SEQRA; and

(iii) finds that the Project involves an “unlisted action” (as such quoted term is defined under SEQRA). The review is “uncoordinated” (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 a “negative declaration” (as such quoted terms are defined under SEQRA) for purposes of SEQRA.

Section 2. Subject to (i) the Company executing the Agent Agreement and Leaseback 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, 2019 (*unless extended for good cause by the Executive Director of the Agency*).

Section 3. 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 **\$6,070,000.00**, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed **\$485,600.00**. 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 4. 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 5. The Chairman, Vice Chairman and/or Executive Director (or Deputy Executive Director) of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Agent Agreement, Lease Agreement, Leaseback Agreement, PILOT Agreement, PILOT Mortgage, and related documents with such changes as shall be approved by the Chairman, Vice Chairman, the Executive Director and counsel to the Agency upon execution.

Section 6. The Chairman (or Vice Chairman), Executive Director (or Deputy Executive Director) of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance equipment and other personal property and related transactional costs (hereinafter with the Straight Lease Documents, the "Agency Documents"); and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman), Executive Director (or Deputy Executive Director) of the Agency shall approve, the execution thereof by the Chairman (or Vice Chairman), Executive Director (or Deputy Executive Director) of the Agency to constitute conclusive evidence of such approval;

provided, that, in all events, recourse against the Agency is limited to the Agency's interest in the Project.

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 upon adoption.

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

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Paul Lattimore	[X]	[]	[]	[]
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.

STATE OF NEW YORK)
) SS.:
COUNTY OF CAYUGA)

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 regular meeting of the Cayuga County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on July 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 the Agency had due notice of said special 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 17th day of JULY, 2018.



[SEAL]



EXHIBIT A
PUBLIC HEARING MATERIALS



EXHIBIT B
SEQRA MATERIALS