

**Cayuga County Industrial Development Agency
Regular Meeting
Remote due to COVID-19
April 21, 2020 at 4:00pm**

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

ROLL CALL:

Present: Ray Lockwood, Herb Marshall, Ben Vitale, John Latanyshyn, Andrew Rindfleisch, Paul Lattimore, Gina Speno

Excused: None

Others Present: Tracy Verrier, Samantha Frugé (CEDA); Rick Galbato (Galbato Law Firm); Sue Edinger, Jodi Bennett (Inns of Aurora)

MEETING MINUTES:

Mr. Marshall moved to approve the minutes of the March 17th Regular Meeting and March 17th Audit Committee Meeting, seconded by Mr. Latanyshyn. All members present voted in favor; the motion carried.

BILLS AND COMMUNICATIONS:

Ms. Frugé presented the following bills: CEDA for the 2020 Q1 administrative invoice (\$5,044.25), NYSEG for electric at the Industrial Park (\$121.52), Buffington & Hoatland for the final 2019 audit bill (\$4,350), and the Probst Group for preliminary engineering study for the sewer line at the Industrial Park (\$300). Mr. Marshall asked if the additional \$500 charge from Buffington & Hoatland was included in their quote? Ms. Verrier said that their quote included a component that explained if there were additional costs incurred due to changes in regulations that there could be additional fees charged. Mr. Marshall asked if the charge was a normal charge? Ms. Verrier said that there was a change in regulation in regards to accounting standards that required the firm to do additional work, and that the amount charged has been consistent with other organizations. Mr. Latanyshyn moved to pay the bills, seconded by Mr. Rindfleisch. All members present voted in favor; the motion carried.

REPORT OF THE TREASURER

Ms. Frugé reviewed the budget report, noting income generated from interest accounts in the amount of \$317.15. She advised that they have not received interest statements for the CD accounts, so the budget report will be updated to reflect the correct interest once the statements were received. She reviewed other income generated, noting Patterson Farms is farming around 35 acres for a total payment of \$3,150. Mr. Rindfleisch moved to accept the budget report, subject to the updated interest on savings and CD accounts, seconded by Mr. Marshall. All members present voted in favor; the motion carried.

UNFINISHED BUSINESS

CEDA Staff Update: Ms. Verrier provided an update on CEDA activities, noting that the emergency micro-loan program launched and received over 20 loan applications. The Executive Committee has approved 8 loans to date (about \$33,000 in loan funds), with 2 loans that are under review and another few applications that are still in the underwriting process. Mr.

Lockwood asked how much was available in loan funds? Ms. Verrier said the total loan fund balance was \$112,000. She added that CCDC provided a loan of \$100,000 to assist with meeting the current needs of the business community. She said that based on the applications so far, the emergency micro-loan program will exhaust the entire fund and will need to identify more sources of funding soon. They were also preparing for a potential second wave of need as it gets closer to restoration period. She said that CEDA has been working with regional and local partners to identify opportunities to meet other needs. She added that local businesses were stepping up to respond to needs as well.

Ms. Verrier discussed Duke Energy Renewables and said that they reached out to her with another offer in terms of the per-megawatt charge for the PILOT schedule for their project. She said that they are requesting a 20-year PILOT with a \$2,000 per-megawatt price per year with a 1.5% escalator. She said that this was higher than they originally offered, but still lower than what they were seeing throughout the region. She advised that they were negotiating a host community agreement, which they claim is impacting their ability to offer something higher for the PILOT. Mr. Marshall asked if this offer was less than the terms of the project they approved in Ledyard? Ms. Verrier said that it was less. Mr. Marshall advised that he would be reluctant to provide different terms for this project. The Board agreed. Ms. Verrier said she would provide Duke Energy Renewables with the Board's feedback.

Ms. Verrier provided an update on Cayuga Milk Ingredients and advised that their financing for the new equipment would be completed this week. Mr. Lockwood requested an update on the sewer line. Ms. Verrier said that they were still waiting to hear back from DEC on the preliminary engineering report. Mr. Marshall asked if they were going to get involved with CMI's extra sewer charge again? Ms. Verrier said that no one has reached out to her about that yet. Mr. Vitale advised that there is a dumping issue at Eagle Drive again. Ms. Verrier said that CEDA staff could arrange to get that cleaned up as they had done a while back, but it might have to wait until things start to return to normal again.

NEW BUSINESS

Resolution: Inns of Aurora Spa Application: Ms. Verrier welcomed Sue Edinger and Jodi Bennett from the Inns of Aurora. Ms. Edinger advised that they applied for a sales and use tax exemption for their spa project and noted that their application was completed before the COVID-19 crisis began. She explained that they were struggling with some of the capital projects that were critical to them to achieve financial sustainability for the Inns of Aurora. For the retail exemption, Ms. Edinger had provided some market research and statistics about their current business to show the tourism impact of their operation and this project. The statistics indicate that over 90% of Inns of Aurora guests came from outside Cayuga County and surrounding counties. She noted that this added significant tax dollars to the local community, and projections indicate that the spa project would quadruple their business over five years. Ms. Edinger said that they were currently 75% of the way through construction, which had to be put on pause, but that they anticipated opening the spa in 2021. They were currently very challenged financially due to an extreme loss of revenue and were exploring ways on how to finish the project and keep it on track to open. Ms. Verrier said that although the organization does not generally work with projects that were already underway, the current circumstances have created a changed situation and a need that is different from where the project first started. Mr. Lattimore asked if the new spa was going to be on the village water and sewer? Ms. Edinger confirmed that they would be on the village water and sewer. She added that the village utilities had more supply than demand, and they worked out a deal where

they would be paying 1.5 times the rate of a village resident for the water and sewer in an effort to provide revenue to the village and be good community neighbors. Mr. Latanyshyn asked if the IDA had approved benefits to this project previously? Ms. Edinger said that there have been no other benefits to this project. Mr. Latanyshyn asked for clarification if the project was applying for sales and use tax exemption for a \$100,000 benefit only? Ms. Bennett confirmed that was correct and said that the majority of the benefit would be used for furniture and fixtures, with any remainder going to construction. Mr. Marshall asked if a public hearing would be required? Ms. Verrier said that a hearing is not required for a benefit of \$100,000 and less. Mr. Lockwood asked if there was any further discussion? The Board had none. Ms. Edinger and Ms. Bennett thanked the Board for their time and consideration and left the meeting. Mr. Lattimore asked if the legal team had reviewed the resolution? Ms. Verrier said that Justin Miller at Harris Beach prepared the resolution. Mr. Lockwood asked if there was a motion to move forward? Mr. Rindfleisch moved to approve the resolution, seconded by Ms. Speno.

Mr. Lockwood requested a roll call vote, which was 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			

The motion was approved.

Governance Committee Report: Ms. Verrier provided a report on the Governance Committee, noting the committee reviewed the aggregated results of the board feedback that took place in December. She said that the only area that it seemed there was room for improvement was setting measurable performance goals. She advised that the topic would be added to the next agenda and urged the Board to consider what other goals they might want to put in place. She said that another area that was discussed was the lack of municipal engagement. She noted that the current goal was to have more individuals from municipalities attend meetings and have conversations about what the organization was doing and what their priorities are. To date, CCIDA had one big NYSERDA event and some municipal engagement, but fell short of the overall goal. Ms. Verrier said that Ms. Speno had the idea to create a priority list of municipalities to reach out to, and then the board might be able to help make contact and invite them to participate.

Upcoming Events: Ms. Verrier advised that the upcoming events have been postponed for the time being, and to check the Chamber events page to see what events were being held remotely.

Motion to adjourn at 4:41pm by Mr. Marshall, seconded by Mr. Rindfleisch. All members present voted in favor; motion carried.

Respectfully submitted,
Samantha Frugé

Next regularly scheduled meeting: Tuesday, May 19th, 2020 @ 4pm

PROJECT AUTHORIZING RESOLUTION
(The Pleasant T. Rowland, LLC – Inns of Aurora Spa Project)

A regular meeting of Cayuga County Industrial Development Agency was convened on April 21, 2020 at 4:00 p.m.

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

Resolution No. 04/20 - _____

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF THE PLEASANT T. ROWLAND, LLC (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 (v) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT AND 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, 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, **THE PLEASANT T. ROWLAND, LLC**, for itself or on behalf of an entity or entities to be formed (collectively, the “Company”), have submitted an application (the “Application”) to the Agency requesting that the Agency’s assistance with undertaking portions of a certain project (the “Project”) consisting of the acquisition and installation of certain machinery, furnishings, equipment and other items of tangible personal property (the “Equipment”) to be installed in and around a newly-constructed spa facility to be operated by Inns of Aurora, LLC (the “Operator”), which principally includes an approximately 22,000 square foot facility and related improvements (the “Improvements”) located on approximately 265 acre parcel of land (the “Land”, located at 700 Sherwood Road in the Town of Ledyard, New York, and collectively with the Improvements and Equipment, the “Facility”);; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of equipping portions of 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 equipping of portions 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 Ledyard (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, in furtherance of the foregoing, the Agency desires to authorize (i) the undertaking of the Project and the appointment of the Company as agent of the Agency to undertake same; (ii) the execution and delivery of the Agent Agreement, and related documents; and (iii) the provision of the Financial Assistance to the Company, which shall include an exemption from all state and local sales and use taxes with respect to the qualifying personal property to be acquired and installed into the Facility.

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 "Type I" (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.

(G) Based upon the Agency's prior review of the Application submitted by the Company, along with supporting materials, the Project will include facilities or property that are primarily used in making retail sales, as defined within Section 862(2) of the Act, to customers who personally visit the Facility. Notwithstanding the foregoing, and based upon the Application and supporting materials prepared and presented by the Company to the Agency, and pursuant to Section 862(2)(a) of the Act, the Project is likely to attract a significant number of visitors from outside the economic development region.

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 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 and install the Equipment in and around 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 June 30, 2021 (*unless extended for good cause by the Chief Executive Officer of the Agency*).

Section 4. 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 \$1,250,000.00, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed \$100,000.00. 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 5. 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 6. The Chairman, Vice Chairman and/or Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Agent Agreement, Lease Agreement, Leaseback Agreement, and related documents with such changes as shall be approved by the Chairman, Vice Chairman, the Chief Executive Officer and counsel to the Agency upon execution.

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><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:

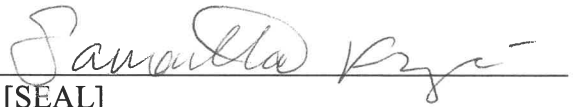
That I have compared the annexed extract of minutes of the regular meeting of the Cayuga County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on April 21, 2020, with the original thereof on file in my office, and that the same is a true and correct copy 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 21 day of April, 2020.


[SEAL]