

Cayuga County Industrial Development Authority
Regular Meeting
2 State St. Auburn NY 13021
July 20th @ 4pm

Mr. Lockwood called the meeting to order at 4:05pm, noting the presence of a quorum.

ROLL CALL:

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

Excused: Paul Lattimore

Others Present: Tracy Verrier, Taylor Symes (CEDA), Riccardo Galbato (Galbato Law Firm), Jeanine Wilson, Doug Selby (Cayuga County Water & Sewer Authority) Kevin Ellis, Kevin Bucklin, John McCadden (CMI), Chris Lewis (Probst Group), Brad Oland (Highlander Construction).

MEETING MINUTES:

Mr. Rindfleisch motioned to approve the June 15th Regular Meeting Minutes, seconded by Mr. Marshall. All members voted in favor; motion was carried.

BILLS AND COMMUNICATION:

Ms. Symes presented the following bills: Probst Group in the amount of \$6,470.00, NYSEG online payment in the amount of \$183.94, and CEDA 2021 Q2 payment in the amount of \$5,166.18. Ms. Speno motioned to pay the bills, seconded by Mr. Latanyshyn. Mr. Vitale motioned to amend the motion to withhold the Probst Group payments, seconded by Mr. Marshall. All members voted in favor of the amendment. All members voted in favor of the amended motion to pay all bills excluding the Probst Group bills; motion was carried.

UNFINISHED BUSINESS:

Unfinished Business was moved up on the agenda.

Update on Sewer Line: Ms. Verrier stated that she had four specific topics to discuss pertaining to the sewer line. First, Ms. Verrier received an update from Highlander stating they would be mobilizing construction on phase 1 within the next day and plan on completing phase 1 within a week. Mr. Marshall stated that phase 1 should have been completed on April 21st and it still hasn't been completed. Ms. Verrier stated that the delay up to mid-June was on the side of CCIDA and not Highlander. Mr. Galbato asked if a letter to proceed was issued? Ms. Verrier stated that she informed the company they could proceed with construction, but an official notice was not issued. Mr. Vitale asked Highlander if there was a date to have phase one completed by and if they were comfortable with the timeframe? Mr. Oland stated that as far as the completion, he has been working with Ms. Verrier and that they are aware of the timeframe and are comfortable with completing it. Mr. Marshall asked how was it possible to miss the extra length in pipe of phase 2 and how did Highlander discover that it was short? Ms. Verrier stated that Highlander was field measuring and came across the difference in measurements. Mr. Oland stated that after looking over the drawings he went out and walked the site himself and noticed

that the pipeline amount in the bid document was about 1150ft short. Mr. Marshall asked if there was an expense for this? Mr. Oland stated that the main increase in cost will come from the product itself, but there are also some other costs related to the extra length for restoration and such.

Mr. Oland stated that he had a conversation with the pumping distributor and they discussed revising the pumps to make them smaller. Highlander reached out to the company weeks ago and asked questions pertaining to changing the size of the pumps to save money. Mr. Oland stated that there is not any savings on the materials since prices have increased recently. Mr. Lewis stated that he agrees with Highlander. Mr. Lewis stated that he had a call with Ms. Verrier, Mr. Selby and Ms. Wilson pertaining to the sizing of the pumps. Mr. Lewis stated that when the station is first put in, the pumps will not reach 2 million gallons per day anytime soon, and as such the pumps could be downsized, however there were some concerns about the timing of those upgrades being needed and how they would be paid for down the road.

Mr. Marshall stated that the project is now about \$65k over the original budget and would like to know where the difference will come from? Mr. Marshall stated that CCIDA will have to pay some of the difference and would like to know how to fix the rest. Mr. Lewis stated that himself and Highlander would be working together to figure this out. Mr. Oland stated that he already paid for much of the pipe material for phase 2. He stated that the pricing of materials has increased about 60% since they put the bid in on the project.

Ms. Verrier stated that last month a discussion was had on the length of pipe that had been pre-ordered and solutions to procure that pipe at the previously arranged price, which is less than the current price. As a result of that conversation, Ms. Verrier worked with Mr. Lockwood and Mr. Oland to issue a contingent letter of award. The letter was enough for Highlander to move forward with purchasing that pipe, and they took on the cost of that material for now. Mr. Latanyshyn questioned whether downsizing the pumps for savings now would just create larger costs down the road? Mr. Lewis stated that the timing on when they will reach the full capacity is unknown. He noted that there was hesitance about downsizing the whole pump, but he is also exploring the possibility of installing smaller propeller system now. It will not be a big upfront savings, but would create operating efficiency/savings until more capacity is needed and the upgrade would not be very expensive. Mr. Marshall wants to know the cost on changing the propeller sizes? Mr. Lewis stated that he doesn't know at the moment. Mr. Rindfleisch asked what was the price of the pumps? Mr. Verrier stated that when they were discussing using a smaller pump it was about a \$15k difference in price, but this solution would be less of a savings. Mr. Marshall explained that he wasn't too sure on why saving the \$10k now would be beneficial when later on the money would have to be expended to upgrade to pumps. Mr. Marshall wanted to know where the engineer would come up with a portion of the \$65k? Mr. Latanyshyn asked if all the piping was purchased? Mr. Oland stated that the additional 1150ft hasn't been purchased.

Ms. Verrier stated that she would include the difference in the EDA application, which could cover 50% of the cost, as well as the ESD grant covering 20% of the cost. Mr. Marshall stated that the engineer should be aware and take some responsibility on the problem. Mr. Marshall stated that he wants this resolved as soon as possible.

Ms. Verrier stated that if they used the number from the quote in the amount of \$54 a foot, the total would be \$62,100. The difference would be \$18,100. Mr. Lewis stated that on the bid documents the number in the bid tab was wrong but the measurements in the drawing were correct. Mr. Lewis explained that there was only one spot that the number was listed incorrectly. Mr. Vitale stated it was the most important spot that it was labeled wrong. Mr. Latanyshyn asked Mr. Lewis if there would be any movement on Probst Group taking care of some of the difference in price. Mr. Lewis stated that he doesn't have the authority to make that decision and he would need to ask management. Mr. Marshall voiced that he wants Mr. Lewis to feel comfortable working with Highlander to come up with the \$18k. He stated that a motion was already made to hold their payments until this gap has been covered without jeopardizing the project. Mr. Lewis asked if it was possible to ask for 100% of the amount through EDA. Ms. Verrier stated that the grants are all reimbursable and that they only cover a percentage of the total cost. So if we cover 100% of the additional pipe, it would just reduce the amount covered by the grant in another area. Mr. Galbato stated that 70% is the highest amount that can be awarded but that is not guaranteed to the applicants when asked. Ms. Verrier agreed that less than the 50% could be awarded.

Mr. Marshall motioned that the engineer find a way to cover the \$18k and Ms. Verrier to include the cost of the additional pipe in the EDA application, seconded by Mr. Vitale.

Roll Call Vote:

	Yea	Nay	Absent	Abstain
Ray Lockwood	X			
Herb Marshall	X			
Ben Vitale	X			
John Latanyshyn	X			
Paul Lattimore			X	
Gina Speno	X			
Andrew Rindfleisch	X			

All members voted in favor; motion was carried.

Ms. Verrier stated that CMI's next project would be greatly impacted by the sewer. Mr. Bucklin stated that the evaporator started on production June 16th. He stated that its running around 80% of capacity now. Mr. Bucklin explained that they are seeing waste water in the amount of 350k-550k gallons per day. He explained they will run around 550,000 gallons a day with the current equipment. Mr. Bucklin stated that the next project is roughly 90% ready and that should be ready to close by September. He stated the timeline would be around 2 years once they issue the PO. Mr. Bucklin stated that they will reach around 900k gallons per day when this expansion is online. Mr. Marshall asked if they are satisfied with the phase 1 timeline. Mr. Bucklin asked to confirm the expected timeline for the completion of phase one? Ms. Verrier stated that they should start digging by July 23rd and be done by the following week. Mr. Bucklin noted that timeline would be fine. Mr. Ellis stated that they are bringing in a JV Partner and it will double their footprint. The partner is looking to build their own building and he would want to keep the business here if possible. Ms. Verrier asked if they are still anticipating 1.5 million gallons per

day at some point in the future? Mr. Bucklin stated that it would be a realistic target over a five-year plan.

Ms. Verrier stated that she spoke with Mr. Stephen Lynch in regards to CCDC financing and they agreed on an ask of \$400,000 for working capital with a 5-year term. Ms. Verrier stated that CCIDA could still seek to recoup costs from tenants over a longer term as previously discussed. Mr. Lockwood stated that he would reach out with US Representative John Katko and see if there is any additional funding available.

Mr. Ellis noted that there is growth potential in renewable natural gas projects on farms. Ms. Verrier stated that CCIDA supported Global Common and asked if it was the same project he was referring to. Mr. Ellis stated that this would be a different project and it would be partnered with one of their major buyers of dried milk product.

REPORT OF THE TREASURER:

Ms. Symes presented the June Profit and Loss Budget Report. Revenue included Gas Lease Revenue in the amount of \$38.96 and interest in the amount of \$240.77. The total income for the month of June was \$279.73. Expenses included administrative fees to CEDA in the amount of \$5000.00, engineering fees of \$3,270.00, other operational costs in the amount of \$166.18, and the Industrial Park Electric bill for \$183.94. The total expense for the month of June was \$8620.12, which left a Net Income of (\$8,340.39). At the end of the Profit and Loss Budget Performance Report was a breakdown of the account balances for the month of June. Mr. Rindfleisch motioned to approve the Report of the Treasurer, seconded by Ms. Speno. All members voted in favor; motion was carried.

NEW BUISNESS:

CEDA Staff Update: Ms. Verrier stated that she has been working with Ms. Szabo on workforce development. They are looking at building out a workforce model that is industry driven, but that also addresses the needs of workers.

Ms. Verrier provided an update on DRI. Ms. Verrier stated that a ribbon cutting happened for CCC Culinary Center. More projects will be finishing soon.

Ms. Verrier stated that ESD Funding is open for applications. The ESD applications are being accepted on a rolling basis this year.

Ms. Meg Goloub is accepting applications for another Microenterprise program focused on low-to –moderate income entrepreneurs in the City of Auburn.

Update of Fee Policy: Ms. Verrier stated that she has been working with Mr. Miller on the structure of the fee policy. Ms. Verrier went over the proposed policy. She explained that applicants would pay a \$500 application fee and a \$7000 legal fee deposit with the application. The Legal Fee deposit would help to cover incurred legal costs on projects that take a long time to get to closing, but also for abandoned projects. If the entire \$7000 isn't used, the remained would go back to the applicant. Mr. Marshall asked if this might discourage really small projects. Ms. Verrier noted that really small projects are already eliminated by the minimum project cost of \$500,000 the board implemented a few years ago. Mr. Latanyshyn asked if we have turned

away small projects of this size? Ms. Verrier stated that there may have been a project along the way that was disqualified. Ms. Verrier noted that the minimum could be removed. Mr. Latanyshyn noted his concern around the language of “Applicant has responsibility to pay all CCIDA legal fees associated with coordination and delivery of benefits”. He stated that this sounds like the applicant only pays if they get the benefits. Mr. Galbato suggested: “Applicant has responsibility to pay all CCIDA legal fees associated with the project.” Mr. Lockwood noted that he would like to go into executive session before Mr. Vitale needs to leave. The board agreed to do that and then return to the fee policy discussion.

EXECUTIVE SESSION:

Mr. Rindfleisch motioned to enter an Executive Session at 5:19pm to discuss the Sale and Lease of Real Property, seconded by Mr. Marshall. All members voted in favor; motion was carried.

Mr. Latanyshyn motioned to exit the Executive Session at 5:42pm, seconded by Mr. Marshall. All members voted in favor; motion was carried.

Mr. Marshall asked about the solar project in Conquest. He asked if they can do the project without an IDA PILOT benefit. Ms. Verrier noted that the project has indicated the benefits are necessary. Mr. Marshall asked if the state can provide the benefit instead of the IDA? Ms. Verrier said not under the current law.

The board returned to the fee policy. Ms. Verrier noted the AIDA’s minimum project cost is \$100,000, but CCIDA did not have a minimum prior to the current policy. The board agreed to reduce the minimum to \$100,000. Motion to approve the new fee policy with changes discussed by Mr. Rindfleisch, second by Mr. Latanyshyn. All present voted in favor, motion passed.

ADJOURNMENT:

Mr. Lockwood moved to adjourn at 5:33pm, seconded by Mr. Vitale. All members voted in favor; motion was carried.

Respectfully Submitted,
Taylor Symes