

Cayuga County Industrial Development Authority
Special Meeting
2 State St. Auburn NY 13021
April 28, 2022 @ 3:30pm

Present: Paul Lattimore, Herb Marshall, John Latanyshyn, Ray Lockwood, Andrew Rindfleisch, Gina Speno, Bob Shea

Others Present: Taylor Symes, Brad Broadwell(CEDA), Riccardo Galbato (Galbato Law Firm), Brad Olin (Highlander Construction), David Bottar (NYRPDB), Steve Lynch (Cayuga County Economic and Planning), Aileen McNabb-Coleman (County Legislature)

Mr. Lockwood called the meeting to order at 3:34pm, noting the presence of a quorum.

**DISCUSSION ABOUT THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT
AGENCY SANITARY SEWER PROJECT ALONG WITH EAGLE DRIVE AND SUCH
OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:**

Mr. Bottar stated that the question in regards to the EDA Grant. He spoke with a few board members a few weeks ago and spoke with Mark Chambers. Mr. Bottar stated that the IDA did submit an application to EDA in March of 2022. The application was prepared by his office on behalf of the IDA. The total project cost was \$1,321,000. That was the cost estimate provided by C&S Engineers for the project. It included 103,000 for engineering fees, 63,000 for contingency construction fees, 30,000 to cover construction management, legal and accounting. The grant rate covers 80% of project costs and the IDA would be responsible for 20%. We asked for a little of 1 million and then the fund available from the ESD funding in the amount of 283,000 would cover the cost of the project. Some of the funds were used for phase one and would leave a balance of 186,00. The 20% the IDA would cover out of their funds. The EDA Application is complete and they completed the initial review. We have met their initial criteria. The next step is to go in front of the Investment Review Committee, they would review the application and determine which projects to fund. The next meeting would be either the 2nd or 3rd week of May. By the end of May, we should have a preliminary answer. If the answer is yes, then a period of time that addition information would need to be provided to the IRC. Then they would issue the formal Grant Award. We should have a formal Grant award by the 1st or 2nd week of July. Once you have the grant award, then you can issue a notice to proceed. You would need to prepare the bid documents even though it was already bid on. Mr. Bottar stated he does not think EDA would accept the current bid that was submitted with the application. He does not want to ask EDA if they want it to be rebid. He stated that any project that has any uncertainty, they tend to not fund them. Asking about bidding would possibly jeopardize the funding.

If we have the preliminary response by May, he would recommend having C&S prepare the bid documents to be ready to submit by July. The board letter would have the award number. Mr. Bottar stated that the board could proceed to have the bid documents ready to go once the award letter is issued. He stated once they are out to the public, it would put the board at the end of August to award a contractor. Then by September, the contractor could start work by October 1, 2022. After talking with Mr. Chambers it should take about 27 days to complete the installation

of the pipe. Mr. Bottar stated that previously a discussion happened to talk about the ordering of the pumps. Mr. Chambers stated it would be about 15 weeks. By the end it should be early January and the project could be complete by the end of March. If the award happens by October 2022 construction could be completed by the end of March 2023.

Mr. Chambers stated that the new contract documents, the only thing that would change are the spec books. The contract documents would stay the same. The spec book would have to include the EDA requirements and update the wages. Mr. Chambers stated with the timeframe he would agree with Mr. Chambers. The impact of cost will have an increase. The uptick charges from Highlander has been sent over. The increase was about \$102,000 but we are looking at could hundred thousand dollars for an increase. The application was submitted at \$1,321,500 and we should be covered for the increase.

Mr. Rindfleisch asked when would the board know when to have the project rebid? Mr. Bottar stated he would wait until CCIDA has the grant award letter. The question should be asked then. Mr. Bottar spoke with staff on how to frame the question also. The way it should be stated as: Thank you for the grant, can we use the bid from last year or can we amend the project that was bid to incorporate the EDA boiler plate requirement. That would require the contractor to agree also. Mr. Miller stated that we have a bound contract with contractor. The bidding process would involve terminating a contract. Some thought should happen since they are in on the project and invoices are involved.

Mr. Olin from Highlander Construction, stated that they have more than material costs. Mr. Olin explained all the work he has put into this project and the extra work his team has done to confirm the success of this project. The only thing he has to show for it is the 88,000 worth of pipe. He stated that all he expects is to be respected. He said if you rebid the project the expect a huge increase. Mr. Olin stated that if we are going to rebid the project then he will pay CCIDA back for the pipe and the other invoice we would not pay him. Mr. Marshall pointed out that this is off of a hypothetical case if we receive this grant. He asked what would happen if we do not receive the grant? Ms. Symes stated that the first grant that CCIDA was awarded was a reimbursable grant. Mr. Marshall asked if we used any of the funds? Ms. Symes stated that we had \$186,000 left and the funds that were used were for phase 1 of the project. Mr. Latanyshyn stated that we were working on an application previously that was a 50-50 split and who was that grant from? Ms. Symes explained that the first round of EDA funding was a 50-50 split, then more funds were awards so it was changed to an 80-20 split. Mr. Latanyshyn asked if this was ARPA Funding? Ms. Symes stated that ARPA funding was not established yet. Ms. Symes stated that the application was not completed and that it was brought to the boards attention and Ms. Verrier was going to complete it. Mr. Latanyshyn wanted to know if when the bid went out the first time were these requirements set in stone? If they were why didn't we require them? Mr. Bottar stated the grant award was not sent in stone during the summer of 2021. Mr. Bottar stated that he was not involved in awarding Highlander with the project. The other funding that was awarded last summer along with the application that was in the works then there was discussion at the staff level to approach the county to ask for funds, the IDA borrowing money from a different party. When that was brought to his attention, that would complicate the application.

Mr. Bottar stated that a bank cannot have a first lien position on the infrastructure of the finance by EDA. He stated that it would be an issue. This is when he was figuring out and discussing with EDA, no money was left in the 50-50 program. This is when the 80-20 grant was in the works. Mr. Bottar explained that his focus shifted to hat funding source. Mr. Marshall called Mr. Callopie and he told him the 50-50 application was awarded and CCIDA never acted on it. He said he is unaware if the money was still available. Mr. Marshall expressed his concerns with no one being in charge of CEDA and put the IDA at a fragile state. Mr. Marshall apologized for stepping over his boundaries but he wants the project completed. Mr. Marshall stated that he doesn't know where it leaves us with awarding the contractor with the project with the contingency of funding.

Mr. Latanyshyn asked if we have \$700,000 of funds available to us that haven't been used? Mr. Marshall stated that Mr. Callopie stated we have the funds. Mr. Latanyshyn reiterated the dates that we need to be cognizant about. We need to figure out if we are award the funds then we can proceed, if we do not get the funds then we have to figure out what we are going to do for funding. Mr. Latanyshyn stated that the contract stated according to funding. The critical time is the end of May to know which was we are moving. Mr. Broadwell stated that the board needs to forget about the past funding options that were completed and focus on what the current grant we are applying for. He stated having working for these organizations, that is how EDA works and we need to be patient. Mr. Broadwell stated it is a process. Mr. Olin stated that he understands to position to board is in. Mr. Rindfleisch stated that we need to have clarification on what grant we were awarded and what grant we are applying for. Mr. Marshall stated that Mr. Callopie was an expert and stated that we were awarded the 50-50 grant. Ms. Symes stated that the application was not completed and that the board should realize that the two grants that are being discussed are the same funds. If CCIDA was awarded one previously for this project, we cannot apply for this grant. Mr. Rindfleisch stated that we need to figure this out so everyone has a clear understanding of what is happening and the next steps that are needed to be taken.

Mr. Miller stated that he had a call with CMI and the County. Within 2022 we have the project paid for. We need to stay on track with how we have the contractor involved. Mr. Miller asked if Mr. Bottar could further talk to EDA and have the current bid documents approved. If we are awarded the grant it would be great. If we get to May and receive a grant award and then EDA asks for the project to be rebid. Mr. Broadwell stated that if no one at the meeting knows if we were awarded \$700,000, then we were not awarded the funds. Mr. Marshall stated that no one said we were awarded \$700,000.

Mr. Bottar asked who is Mark Callopie? Mr. Marshall stated that he was the Finance Director for the CCWSA and previously did the sewer project in Fair Haven. He is an expert on the finance things. Mr. Miller said for viability we need to figure out it is active. Mr. Latanyshyn asked Ms. Symes if the first grant application was dead? Ms. Symes she does not have any award letter besides the ESD Grant in the amount of \$283,000. After paying phase 1, CCIDA is left with \$186,000.

Mr. Marshall stated that he does not want to rebid the project and we should not ask if it needs to happen. Mr. Miller stated that once we enter executive session he can explain the funding source.

Mr. Olin stated that he doesn't need to stay. He understands what the board is facing. He said either way CCIDA will have to deal with him. He stated it would have been better to have an understanding prior to this. He stated do not pay the invoice for the pipe that was just ordered and he will pay back the first order of pipe. He would like to be paid for phase 1 of the project and we can part ways. He said when CCIDA needs them he will be there. Mr. Marshall stated that if he could wait until sometime in May that would be great.

EXECUTIVE SESSION:

Mr. Latanyshyn motioned to enter executive session at 5:19pm to discuss to purchase or sale of real property, seconded by Mr. Rindfleisch. All member present voted in favor; motion was carried.

Mr. Latanyshyn motioned to exit the executive session at 5:32pm seconded by Mr. Rindfleisch. All member present voted in favor; motion was carried.

ADJOURNEMNT:

Mr. Rindfleisch moved to adjourn at 5:34pm seconded by Mr. Marshall. All members present voted in favor; motion was carried.

Respectfully Submitted,
Taylor Symes