

Cayuga County Industrial Development Authority
Regular Meeting
2 State St. Auburn NY 13021
July 26th, 2022 @ 4:00pm

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

Others Present: Taylor Symes, Maureen Riester (CEDA), Riccardo Galbato (Galbato Law Firm), Mark Chambers (C&S Companies), Justin Miller (Harris Beach Law Firm), Jared Lusk (CMI Attorney), Corrin Mays (Park Grove Realty), Andrew Bodewes (Park Grove Realty), Jason Lesch (ACH CFO), Jeanine Wilson (CCWSA), Steve Lynch (Cayuga County Economic Planning and Development)

Mr. Lockwood called the meeting to order at 4:00pm, noting the presence of a quorum.

NEW BUSINESS:

Mr. Justin Miller stated that CCIDA had three initial project resolutions that would be discussed based upon three applications that were submitted.

Initial Project Resolution: PG Auburn MOB, LLC Project- Auburn Community Hospital Cancer Center: Mr. Miller stated that this is a public private partnership between Park Grove Realty and Auburn Community Hospital for the proposed cancer center that would be built in Auburn. Mr. Miller stated that the applicants should give an overview and answer any questions the board has. Andrew Bodewes from Park Grove Realty introduced himself and Jason Lesch CFO of Auburn Community Hospital. This project is a 12,000sqft cancer center that would be built on the hospital's current property. Mr. Lesch stated that ACH has been working with SUNY Upstate for the cancer service line. Mr. Lesch stated currently they provide Oncology and Hematology and this proposed project would allow them to incorporate Radiology. Mr. Lesch stated this project is around a \$15-million-dollar project. He stated that Park Grove is willing to finance the project as a lease agreement. ACH would be selling their parking lot to Park Grove and then they would lease it back to ACH. Mr. Lesch stated this project would not be feasible without Park Grove Realty. The Department of Health is supportive of the project with a few contingencies around financing the equipment and the lease agreement. Mr. Lesch quoted \$3.5- \$4 million for equipment. He stated this project would benefit the entire county and that's why they chose to apply through CCIDA. He stated this building would be beautiful as an entrance to the City of Auburn.

Mr. Bodewes shared his screen to show the board what they plan on accomplishing. Mr. Bodewes explained the design concept. This building will be built on the corner of Lansing St and North St. Mr. Bodewes stated they have submitted their construction documents to the Site Planning Board at the City of Auburn and are waiting for approval. Mr. Bodewes explained that the hospital would have an option to purchase the facility back after so long. Mr. Bodewes stated that ACH is for all intense purposes the one paying the taxes. Park Grove Realty will handle the financing and capital. Mr. Bodewes stated that the PILOT is a crucial part to this project. Mr. Bodewes explained each part of the building as to what will be housed there. Mr. Lesch stated that the same equipment that's going into the facility is the same equipment that Upstate Medical uses.

Mr. Marshall asked what was the lease agreement? Mr. Bodewes stated that it was a 20-year lease with a 10-year extension with an option to purchase at the end of year 5. Chairman Lockwood asked was there a reason why this project isn't going through the Auburn Industrial Development Authority? Mr. Lesch stated that this project would benefit the entire county which ultimately resulted in the application to CCIDA. Mr. Lesch stated a formal application was not submitted to AIDA. Mr. Latanyshyn wanted to know about local labor would be anticipated. Mr. Bodewes stated he didn't have that information at this time but he would like to have as much local labor as possible. He stated that Gaetano Construction was the general contractor for this

project and they have subcontractors. Mr. Bodewes stated he will deliver the information once he knows. Mr. Galbato stated that even though there was not a formal application to AIDA, a detailed discussion happened on February 16th, 2022. Mr. Galbato wanted to know from that time until now what happened? He stated is it uncommon for CCIDA to be involved in a city project. Mr. Lesch stated that they attended the AIDA meeting to inform them of the project. He said that was the direction he was given and that there was a zoom meeting to reference back too. He said after that meeting they realized it benefitted the entire county. He stated things are different for the hospital due to them being not-for-profit. If ACH was able to finance this project on their own, there would be no taxes to be paid. He stated that after the meeting he spoke with Mr. Dacey and they would be applying to CCIDA. He stated ACH does not pay taxes and they wanted to bring this new endeavor to Cayuga County. Mr. Lattimore asked if Mr. Dacey agreed with Mr. Lesch about applying through CCIDA instead of AIDA? Mr. Lesch stated that he doesn't know if he agreed but Mr. Dacey asked him if he talked to Chairman Lockwood? Mr. Lesch stated no he didn't but he explained that Mr. Dacey told him that he worked closely with Mr. Lockwood. Mr. Rindfleisch asked how many jobs are anticipated that aren't construction? Mr. Lesch stated 12 would be added and in the building would be 20, Mr. Miller stated the application reflects 19 over 3 years and 35 construction jobs. Mr. Lattimore asked is there a precedent on CCIDA taking this project? Mr. Miller stated that he can explain. He stated that CCIDA and AIDA didn't have CEDA in the past. He said people would PILOT shop and became disruptive. Mr. Miller stated how it would normally work is anything inside city limits AIDA would handle and anything outside of city limits CCIDA would handle. Mr. Miller stated that in the past some projects have happened inside the city limits. Mr. Miller stated that if AIDA is taking a pass on the project, there is no needed waiver to be signed. He said if Mr. Dacey would like to sign a waiver to be filed with the project it can happen. Mr. Miller stated that if staff or Mr. Lockwood would like to speak to AIDA to make sure then it may happen. Mr. Marshall stated that he is in favor of this project and if he had time he would've called Mr. Dacey about this project. Mr. Lockwood stated that he spoke to Mr. Dacey and when they spoke he was not aware of this project. Mr. Lockwood stated that from his understanding there was a more underlying issue on why ACH would not be pursuing AIDA. Mr. Marshall asked that either Mr. Michael Miller or Mr. Lockwood follow up with AID to make sure they would not want to handle this project. Mr. Miller stated for this project to move forward AIDA should provide a statement in regards to being ok with CCIDA handling this project. Mr. Miller indicated Park Grove would like to have their Public Hearing before the September Meeting. Mr. Latanyshyn stated that it is unusual to have CCIDA take a project inside city limit but it is not illegal. He would like to know why a special meeting needs to be schedule. Mr. Shea stated that AID has a redundant organization and it wouldn't be the best way for CCIDA to proceed. If AIDA signs off on the project, then CCIDA can move forward with the project. Mr. Marshall would like for AIDA to say they are not going to do the project. Mr. Miller stated that Mr. Michael Miller is the Executive Director for AIDA also and is able to write a letter on behalf of the board stating they would not be moving forward with the project. Mr. Miller stated that he would be willing to communicate with Mr. Dacey on the project.

Mr. Latanyshyn asked what motion needed to made? Mr. Galbato stated a motion to accept the Initial resolution.

Mr. Latanyshyn motioned to approve the Initial Resolution, seconded by Mr. Rindfleisch.

Mr. Miller stated that all three resolutions on the board are to accept the application and to allow the staff to set up a public hearing. No PILOT terms are being negotiated at this time. Mr. Miller stated that instead of sending out the public hearing within the next two days, allow Mr. Michael Miller to consult with AIDA on the project. Mr. Lockwood asked if Mr. Galbato or Mr. Justin Miller could please elaborate on the resolution since he hasn't had time to educate himself on this project as it has been brought forth quicker than anticipated.

Mr. Miller stated that Mr. Bodewes and Mr. Lesch elaborated on the project earlier. He stated that they would be building a 12,000sqft building on the corner of Lansing St. They are putting together a cancer center. Mr. Miller explained that the hospital would be leasing a little over an acre of land to Park Grove Realty. He stated that once the land is leased to the developer, they are no longer tax exempt but are a commercial taxed

property. He stated that's why are coming to the IDA to control their taxes. He stated that this describes their project along with describing their financial assistance requested. Mr. Miller stated that the CEDA team, Mr. Galbato and himself will need to start on crafting their PILOT agreement as soon as possible given the timeline presented. He stated that New York State has implemented prevailing wage as of January 1st and he would like to structure the PILOT to not hit the threshold if possible. Mr. Miller stated that we are not talking planning on a longer PILOT. He stated we are trying not to have the benefits be more than 30% of the total project cost.

Mr. Marshall stated he does not have a problem setting a date for the public hearing. He stated that a meeting could be set with AIDA to discuss this and have it ready for the public hearing.

Roll Call Vote:

	Yay	Nay	Abstain	Absent
Ray Lockwood	X			
Herb Marshall	X			
Bob Shea	X			
Gina Speno	X			
John Latanyshyn	X			
Paul Lattimore	X			
Andrew Rindfleisch	X			

All members present voted in favor.

Initial Project Resolution: Cayuga Milk Ingredients, LLC 2022 Expansion Project:

Mr. Miller stated that the next resolutions are in regards to Cayuga Milk ingredients. Mr. Miller stated that they are looking to take on a huge expansion and take on more parcels in the park. He stated that one application was to purchase 28 acres from the IDA and build an aseptic bottling facility. The split of the project was strategic to keep the front end of the company separate from the back end.

Ms. Gabriel gave an overview of the project. She stated that they are building on a receiving base of the current facility. They are looking to expand onto lot 4 which is about 10 acres. They would like to build a parking lot and eventually a maintenance shop. Mr. Marshall asked if they are separating the two projects? Ms. Gabriel stated that yes each project is separated for liability purposes. Ms. Marshall asked if this project would require road changes? Ms. Gabriel stated it would not.

Mr. Marshall motioned to approve the prepared resolution, seconded by Mr. Rindfleisch.

Roll call vote:

	Yay	Nay	Abstain	Absent
Ray Lockwood	X			
Herb Marshall	X			
Bob Shea	X			
Gina Speno	X			
John Latanyshyn	X			
Paul Lattimore	X			
Andrew Rindfleisch	X			

All members present voted in favor.

Initial Project Resolution: Eagle Drive Holdings, LLC Project- Bottling Facility Project:

Ms. Gabriel stated that this project is for the aseptic expansion. She stated this project has been present on a numerous occasion. This would be to inquire around 30 acres to allow them to build a bottling facility behind

the current facility. Ms. Gabriel stated this would be a 130,000sqft facility and it would create 70 jobs over 5 years. This expansion would better serve the market. Mr. Marshall stated the magnitude of this project is less? Ms. Gabriel stated this project is the same size they decided to split it between two companies. Mr. Marshall asked if the problems have been resolved in regards to the PILOT and payment agreement. Mr. Lusk stated that Mr. Miller and himself have had preliminary meetings. Mr. Miller stated that they have made advancement on the land sale and reduced the administration fee. Mr. Miller stated that other thing will still need be completed between Mr. Lusk, Mr. Galbato and himself.

Mr. Marshall asked what is the intention of this resolution? Mr. Miller stated that this was to accept their application and the resolution describes the potential benefits and potential project. This gives CEDA the authorization to schedule a public hearing and allowing the staff to file the documents for the land sale. Mr. Miller stated that there were no approvals yet. Mr. Marshall asked if this was the right direction to move in without having everything else accomplished? Ms. Gabriel stated that she believed they were doing everything in the right order.

Mr., Marshall motioned to accept the prepared resolution, seconded by Mr. Rindfleisch.

Mr. Rindfleisch asked what lots would be left after this land sale? Mr. Latanyshyn stated lot 9,10 and 11.

Mr. Lattimore asked if Grober was consulted in regards to the lot located next to them? Ms. Riester stated that she had a meeting with them and they are interested.

Mr. Latanyshyn stated that he asked about the job reaction but he would like to know how many jobs would be created for the CMI project? Ms. Gabriel stated that it would be to support the current employees but they would be adding 4 jobs.

Mr. Lusk asked if the board could issue a conditional letter that authorizes them to start the process with the town of Aurelius? Mr. Marshall asked if that was included in the resolution that was approved today.

Roll Call Vote:

	Yay	Nay	Abstain	Absent
Ray Lockwood	X			
Herb Marshall	X			
Bob Shea	X			
Gina Speno	X			
John Latanyshyn	X			
Paul Lattimore	X			
Andrew Rindfleisch	X			

All member present voted in favor.

Mr. Miller stated that he will work with the other attorneys to draft a letter on behalf of Mr. Michael Miller, authorizing CMI and Eagle Dr. Holding to submit their applications with the town of Aurelius.

Mr. Marshall motioned to allow Mr. Miller, Mr. Galbato, Mr. Lusk and Mr. Michael Miller to draft a letter allowing CMI and Eagle Dr. Holding to submit their application with the town of Aurelius, seconded by Mr. Rindfleisch. All members present voted in favor; motion was carried.

Mr. Marshall made a public apology to the CMI Team based upon personnel issues.

Onboarding the Executive Director:

Mr. Lockwood asked if the board would like to onboard the Executive Director? Mr. Shea stated that this should be tabled until an executive session was had.

MEETING MINUTES:

Mr. Rindfleisch motioned to approve the meeting minutes, seconded by Mr. Lattimore.

Mr. Shea stated he would like the minutes to reflect him being excused and not absent. He stated he had conflicting schedules.

All member present voted in favor; motion was carried.

BILLS AND COMMUNICATION:

Ms. Symes presented the following bills: NYSEG in the amounts of \$202.40 and Harris Beach in the amount of \$4,550.

Mr. Marshall stated that he spoke with Ms. Symes and asked for a breakdown on how Mr. Miller and Mr. Galbato time was spent on the sewer line. Ms. Symes stated that the invoice that Mr. Miller sent over broke down all charges associated with the amount.

Mr. Marshall motioned to accept the bills, seconded by Mr. Rindfleisch. All members voted in favor with one abstained; motion was carried.

REPORT OF THE TREASURER:

Ms. Symes reviewed the Budget Report for July. Ms. Symes stated that for the month of July our total income was \$138.48 which includes gas lease revenue in the amount of \$97.47 and interest- savings in the amount of \$40.74. The total expense for the month of July was \$5,424.76 which included the CEDA Admin for \$5050.36 and NYSEG in the amount of \$374.40. the net income for the month of July was (5,286.28). Ms. Symes stated that the account balance was reported at the end of the Budget Report.

Mr. Marshall motioned to accept the Treasurer's Report, seconded by Mr. Rindfleisch All members present voted in favor; motion was carried.

UNFINIHSED BUSINESS:

AIDA/CCIDA Auditor Update: Ms. Symes stated that at the previous meeting it was requested to ask for a one-year extension. Ms. Buffington prepared an engagement letter for the board to approve and it would be at a 5-10% increase of cost. This would give Ms. Buffington to authority to grant a one- year extension. Mr. Latanyshyn asked if we pleased with her services. Ms. Symes stated that we were and that Ms. Buffington does not conduct our audit but she does present to the board.

Mr. Latanyshyn motioned to approve the Engagement Letter, seconded by Mr. Rindfleisch.

Upcoming Events:

Ms. Symes reviewed upcoming events.

BOARD MEMBER DISCUSSION:

Mr. Marshall has requested that Mr. Kevin Miles who is CEDA's Board Chair attend the August Regular CCIDA Meeting.

EXECUTIVE SESSION:

Mr. Marshall motioned to enter executive session at 5:08 for litigation and personnel issues seconded by Mr. Rindfleisch. All member present voted in favor; motion was carried.

Mr. Marshall motioned to exit the executive session at 5:50pm, seconded by Mr. Rindfleisch. All members present voted in favor; motion was carried.

ADJOURNMENT:

Ms. Marshall moved to adjourn at 5:59pm seconded by Mr. Rindfleisch. All members present voted in favor; motion was carried.

Respectfully Submitted,
Taylor Symes

DRAFT