

Cayuga County Industrial Development Authority
Regular Meeting
2 State St. Auburn NY 13021
September 20th, 2022 @ 4:00pm

Present: Ray Lockwood (Chair), Herb Marshall, Andrew Rindfleisch, Gina Speno, John Latanyshyn

Others Present: Taylor Symes, Maureen Riester (CEDA), Riccardo Galbato (Galbato Law Firm), Mark Chambers (C&S Companies), Justin Miller (Harris Beach Law Firm), Andrew Bodewes (Park Grove Realty), Jason Lesch (ACH CFO),

Mr. Lockwood called the meeting to order at 4:01pm, noting the presence of a quorum.

MEETING MINUTES:

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

All members present voted in favor; motion carried.

BILLS AND COMMUNICATION:

Ms. Symes presented the following bills: NYSEG in the amounts of \$216.04 and Cayuga County Water and Sewer Authority (CCWSA) in the amount of \$13,548.34 that covers two years of services from July 2020 to July 22.

Ms. Symes notes that this was an agreement with interest to CCWSA and the IDA for professional administrative guidance regarding the advancement of the Aurelius Industrial Park sewer project and to Cayuga Milk Ingredients for general legal and financial advisors.

Motion from Mr. Marshall and second by Mr. Rindfleisch to approve the bills, except for CCWSA, and motion to go into executive session to discuss a personal matter from Mr. Rindfleisch at 4:05 p.m.; Second from Mr. Marshall, all in favor, motion carried.

Return from Executive Session at 4:30 p.m.

REPORT OF THE TREASURER:

Ms. Symes reviewed the Budget Report for August. Ms. Symes stated that for the month of August our total income was \$22601.56 which includes gas lease revenue in the amount of \$101.56. The total expense for the month of August was 4968.34 which included the Harris Beach for \$4550 and NYSEG in the amount of \$418.34. The net income for the month of September was 17,633.22. Ms. Symes stated that the account balance is reported at the end of the Budget Report.

The Harris Beach bill will be directed towards specific projects, Mr. Justin Miller says he will create a breakdown for the Board, but it will take him some time to gather those calculations.

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

NEW BUSINESS:

Project authorizing resolution PG Auburn MOB, LLC Project

Michael Miller, Executive Director, addresses the board and asks if everyone has had a chance to look at the project as described, including finance the application itself, from yesterday's public hearing? Mr. Latanyshyn is here to answer any questions you might have about the project.

It is explained to the Board that this is only the underwriting process of the letter from the department of health and their due diligence. On August 8th we received the contingent approval to move forward, and that's this letter, on the third page it's the contingencies that are required for them to approve a certificate of needs. So in there is their due diligence, their contingency approvals, that they go through to approve the project.

So as you can see in there; it says approval of the lease, approval of the bank letter with Andy, the approval of the financing for the equipment, so we're working through all of those items right now with the department of health, as well as all about operating economics. Now we are going through all those processes to get it done by October 7th and since we did have a purchase and sale agreement in place, approved by our Board, to outline the terms of the lease and the agreement we are now finalizing language.

The Board questions the transfer of the real estate from the hospital to the developer; did you receive anything for that transfer? We have not done that yet, we can't until the partner gets their approval on this.

Andy Bodewes, from Park Grove Realty adds I think in terms of the lease, and I think Justin can jump in here, but the arrangement we have is a very typical arrangement when you have a situation where there's a healthcare facility, where a developer is working with a healthcare institution to help provide the financing and ability to bring one of these projects to fruition, it's typical where there's a parcel property that's developing, or it's sold back to the developer from the hospital, and then developed by the developer, and then at least back to the hospital and that's very typical. I think when we started this process we provided a purchase agreement that we have at the hospital that outlines the conditions of our lease with the hospital and it outlines the essential terms of our deal. As I've said I think previously it's was a 20-year lease for the hospital with a 10-year extension, but the key part is that the hospital, from the very beginning, has the option to buy it after five years. We're really pleased to have the opportunity to help them with this project, we think it's a great project. The parcel in question, is as you all know, is a parking lot, it currently has not yielded any tax revenue and at the end of the day, through this pilot, it's going to create the opportunity for a great asset to be in the community and a healthcare specialty service that is not currently available here, and in addition we'll yield far greater tax revenue. Without this pilot the hospital couldn't do this project, so it really is essential and critical to help.

The lease agreement is close to being finalized, we have a draft that is subject to revision based on interest rate locks, the finishes on the building, total construction costs, things of that nature, so that working draft that we've received will be firmed up as part of closing and by requirement and we will have that lease as part of the IDAs closing transcript. I think the only concern we had was that the building stays as a medical use and I think we have addressed that. If we go to the beginning, when the hospital transfers the acre to Andy's organization, it's a taxable event. It would normally go on the tax rolls and be fully taxable the IDA pilot closing with this transaction will continue to keep that acre on the exempt rolls and we have a pilot structure that we've put together that will provide up to 15 years of benefits does that answer your question?

The Board agrees that it does and Mr. Marshall would like to make the motion that they approve the pilot, subject to any transfer of that pilot, then we would have the ability to not approve the transfer. Mr. Justin Miller explains that, on assignment all IDA transaction documents we include a provision that any proposed assignment has to go to the IDA for consideration. This particular case has an even a higher bar because the project description includes that specific words cannot include a specific tenant, it's all of the auburn hospital. So the concept of the pilot being portable to another organization is I don't see that happening, I see the most

likely event here is the hospital getting into a better position and ability themselves, I think that's the more likely route.

Mr. Rindfleisch seconds the motion. All members present voted in favor; motion carried.

CCIDA – PG Auburn – Confirming Certificate of Chairman of BOL

Confirming the Certificate of Chairman of the BOL is just a signature that we need to get from the chairman before closing, so we'll work with Michael and Taylor to process this through the county. If the county attorney needs to take a look at it, we will work with them as well. It has already been drafted and it is a simple process.

C&S Companies Engagement Letter

Mr. Michael Miller discusses the updated C&S Engagement Letter in the packet that you received from Mark Chambers for services to be provided for the sewer line project. Mr. Chambers notes that this basically takes us through the redesign of the force main pump station, the required permitting for taking it right through to where we're soliciting bids, out to contractors, and recommending award to the IDA.

The Board asks if we approve this, how long will it take you to do the redesign and then when can we expect to go out to bid? Mr. Chambers explains that they have put a schedule together as part of the whole IDA application, as well having the design done by November 1st, then we advertise for bids, receive and bids back. I believe I noted at the end of the year, it's pretty fast paced to get started, so basically it would start in January of 2023. Mr. Chambers notes that the costs do not include the inspection, that is included on an existing agreement between C&S and the IDA for work in the initial phase two project.

Mr. Marshall motions to approve with a second from Mr. Rindfleisch.
All members present voted in favor; motion carried.

Generations Bank CD Renewal

Ms. Symes informs the Board the Generations Bank CD is up for renewal and matures on October 20th, she notes that the interest rate on the CD is at 0.2%, while the savings account is actually at 0.3%. The Board recommends moving the value out of the CD and in to the savings account.

Mr. Latanyshyn motions to move the CD to savings and Mr. Marshall seconds.
All members present voted in favor; motion carried.

Report from the governance Committee

Mr. Latanyshyn motions the Board to approve all the existing policies without change, second from Mr. Marshall. All members present voted in favor; motion carried.

UNFINISHED BUSINESS:

Update on Sewer Line

Mr. Michael Miller tells the Board that we are working through all the EDA requirements and already had a number that were due throughout this month, we haven't had any issues. We've been in contact with our project lead throughout this process and next Tuesday is the deadline for a number of other items that are mostly completed at this point, so we are moving along with no issues.

Staff Update

Mr. Miller states that the biggest update is that we do have an anticipated energy application coming in for next month, potentially. We are reviewing the applicant right now for suitability.

Upcoming Events:

Ms. Symes reviewed upcoming events.

- There is ABO training that you all have signed up for.
- The Cayuga County Chamber of Commerce is holding their Annual Dinner. Registration closes tomorrow at 5 pm, if you would like to attend I can sign you up now, or you can sign yourselves up, select pay at door, and we will handle the bill when it arrives.
- Lastly, we have the Chambers Virtual Auction that is party of their Annual Dinner. It is not live yet, but it is scheduled to begin this Friday and will run through the following Friday, It will be open through the dinner, and closes at noon on the 30th.

EXECUTIVE SESSION:

Mr. Latanyshyn motions to move to Executive Session at 5:15pm to discuss Real Property, second by Mr. Marshall. The Board returns to the Regular Board Meeting at 5:26pm.

ADJOURNMENT:

Mr. Marshall moved to adjourn at 5:26pm seconded by Mr. Latanyshyn.
All members present voted in favor; motion was carried.

Respectfully Submitted,
Michael Miller