

Cayuga County Industrial Development Authority
Regular Meeting
2 State St
February 15th, 2022 @ 4pm

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

ROLL CALL:

Present: Ray Lockwood, Herb Marshall, Ben Vitale, Paul Lattimore, Andrew Rindfleisch,

Absent: Gina Speno, John Latanyshyn

Others Present: Danielle Szabo, Taylor Symes, Julia Foster (CEDA), Riccardo Galbato (Galbato Law Firm), Mark Chambers (C&S Companies), Robert Shea (County Legislature District 7), Kevin Ellis, Keven Bucklin, Kelly O'Hara (CMI), Jeanine Wilson (CCWSA), Gerald Scouten (Chair for Town of Aurelius Planning Board)

MEETING MINUTES:

Mr. Marshall motioned to approve the January 18th Regular Meeting Minutes, seconded by Mr. Rindfleisch. All members present voted in favor; motion was carried.

BILLS AND COMMUNICATION:

Ms. Symes presented the following bills: NYSEG in the amount of 284.33, C&S Companies in the amount of \$748.80. PILOT Disbursements for Page Trucking, Grober Nutrition and Johnston Paper. Cayuga County received \$ 83,480.07, Town of Aurelius received \$9,974.09 and the Town of Brutus received \$2,758.48.

Mr. Rindfleisch motioned to approve the bills, seconded by Mr. Marshall.

Mr. Marshall pointed out that we had another bill for C&S Companies who is the Engineering Firm. CCIDA hired them for \$40,400 to oversee the installation of the fuel main. He stated that CCIDA has already spent half of what they were hired for; will C&S be continuing their services for the amount that was quoted? Ms. Symes stated that Mr. Chambers would be able to answer that question. Mr. Chambers stated that they would continue to proceed. Mr. Chambers stated that there are some additional services that were not a part of the original scope of work where they are modifying Probst Engineering Report. C&S will be starting the Environmental Assessment Report and will be revising that for the EDA Application. Mr. Marshall would like to know why Probst Group wouldn't modify the report instead of having to pay C&S Companies to complete it? Mr. Chambers stated that the board requested them to complete it. He stated that CCIDA could have went back to Probst Group and asked them to revise it. Mr. Chambers stated that it seemed as if the IDA did not want to take it back to Probst Group to have them complete it. Mr. Marshall wanted to know would the IDA be paying more than \$40,000? Mr. Chambers explained that he isn't sure if it could be more but it is possible. Mr. Marshall would like to know exactly where we are for the Sewer line? Chairman Lockwood recommended to hold the C&S Companies payment until they know exactly where the project is at. Mr. Marshall expressed that he would like to pay all the bills since C&S earned the money but before anymore he would like a clear explanation on the project.

All members present voted in favor; motion was carried.

REPORT OF THE TREASURER:

Ms. Symes presented the Profit and Loss Budget Performance for the month of January. She stated that the total income was \$67.71 which consisted of Interest Savings in the amount of \$65.71. The total expense for the month was \$22,192.03, which was for Contract Services, Taxes on Property, Operations, Construction Management, and Industrial Park Electric. The Net Income for the month was (\$22,126.32). Mr. Rindfleisch motioned to approve the Report of the Treasurer, seconded by Mr. Marshall. All members present voted in favor; motion was carried.

UNFINISHED BUSINESS:

Update on Sewer Line: Ms. Szabo stated that she met with Mr. Chamber, Mr. Bottar and Mr. Bryan Bayers in regards to the EDA Application. C&S Companies updated the engineering report and are in the process of the environmental report. It is currently outdated. The original included phase one and the numbers that were included doesn't align with the current EDA application in the terms of the force main pipe that will be installed. C&S is working to update everything and they will be looking to submit the updates to Mr. Bottar by the end of the month. Also, Mr. Bottar informed Ms. Szabo that no applications have been reviewed over the last 6 months. Mr. Bottar expects the initial EDA review to happen by April 1. By then, CCIDA should have final determination by June and a signed contract by September. This will push back the project deadline until Spring of 2023. Ms. Szabo also mentioned Mr. Bottar stated EDA could ask for the project to be rebid since the bids would be considered outdated. Mr. Lockwood asked what the board could do to move this along faster. Ms. Szabo stated that costs could be incurred but to minimize the risk the best option would be to wait until April after the first round of review is complete. Ms. Szabo stated the way the contract is written costs could be incurred for reimbursement, but from a risk standpoint, it is not in the best interest to purchase materials until the first review has been completed. Mr. Lattimore asked why is there a delay. Ms. Szabo said EDA has not reviewed any applications yet. Mr. Marshall voiced his concern on the delay of submitted the application, as it was supposed to be complete in the beginning of 2021. Mr. Marshall continued to say Mr. Bottar did not submit the application until December of 2021. Mr. Marshall asked Mr. Ellis does this hinder their timeline? Mr. Ellis stated it could be a potential risk factor. Mr. Marshall stated that we can overcome the risk factor. Mr. Marshall stated that funding was a big factor and either way this sewer line needs to be installed so it does not become a risk. Mr. Lockwood asked for clarification on the funding breakdown. Ms. Szabo clarified that in the beginning it was a 50/50 split from the EDA. The EDA received more funding and it then became an 80/20 split. This opportunity would be a higher grant but it increases the CCIDA's overall contribution due to the project's budget increasing. Mr. Rindfleisch asked what would the leading timeline factor? Mr. Chambers said it would be the supplies. Mr. Marshall stated that CMI would need to state what their timeline is so the IDA can determine if they need to order the pumps now. Mr. Chambers stated that onsite is the pipe for the force main. Mr. Marshall asked what the pricing would be for the pumps. Mr. Rindfleisch stated they are around \$10k. Mr. Chambers stated they might be a little bit more now. Mr. Marshall stated that if things are not moving by March, then the IDA would need to purchase the pipes so they will be ready to be installed when the time comes. Mr. Lockwood agreed with Mr. Marshall.

Mr. Chambers stated that with the timeline that was explained, even with ordering pumps, it would be safe to wait until April. Mr. Chambers explained that once the order is placed it would take about a month to complete the order. It would be safe to wait for more guidance from the EDA and hope they have given an answer by then. Mr. Marshall wanted to know if there was a danger waiting to order the pumps? Mr. Chambers stated that he would check with the pump manufacturer to see what is the timeframe of ordering to delivery. Mr. Marshall asked if he could have that by our next meeting. Mr. Lockwood stated he is concerned with the delivery timeframe. Mr. Marshall would like the answer by the March meeting. Mr. Rindfleisch also requested to see what other products would fall into taking a while to order. Mr.

Chambers stated he would have to check on the pumps and the control panels for the pumps since they go together. Mr. Marshall stated that if they have the pumps along with the pipe, then the project should be in good shape when it's time to start construction.

Ms. Szabo added that the updating on of the Environmental and Engineering report was not in the contract for C&S. Ms. Szabo and Mr. Chambers had a conversation on what the additional costs would be? Mr. Chambers stated that he spoke with Mr. Bayers and it should not be a huge increase in costs since its just updating the reports. Mr. Chambers stated he will get a number over to Ms. Szabo.

CMI: Mr. Ellis explained that when he came to the board last month he asked for the IDA to consider selling CMI the entire Industrial Park. Ms. Ellis explained he is back today to discuss the \$147 million expansion. Mr. Bucklin shared the plans on screen. Mr. Ellis explained that the yellow part of the map is what currently exists today. Mr. Rindfleisch asked if the plans include the entire park? Mr. Ellis stated the plan was to buy the remainder of the park. In the future, the remainder of the park expansion would be used for bottling lines. Mr. Ellis explained there was a shift in the milk that is being sold and the demand is currently shifting to longer shelf life products. Mr. Ellis explained that the demand for fresh milk is fading and a-septic milk is the change they would be making. Mr. Ellis stated that overseas milk is a-septic and the evolution in the United States is happening. There is an under capacity for a-septic milk. Mr. Ellis stated that CMI is a unique sales opportunity. Currently CMI runs 900 million pounds of milk a year. Once they do this expansion, they will produce 1.3 billion pounds of milk yearly. This would make CMI one of the largest milk manufacturers in New York State. The a-septic plant would be priority to continue to expand. They expect to create 64 new jobs. As long as they find people to hire they can expand. Mr. Ellis stated that they do not have enough truck drivers, so last year they purchased bigger tanks to haul milk. The orange box would be able to produce 600 bottles a minute. A person would not be able to keep up with the demand so it would be automatic. CMI works with other co-ops throughout the state. CMI also has an onsite dispatcher that runs everything. Once all the tanks are delivered they will have 74 trucks. Mr. Ellis referenced a document that he printed for the board. On that document he pointed out that Lot 4 would be a truck wash depot. Now they have 35 drivers on site and 5 dispatchers. The orange and yellow box on the drawing shows they would need lot 1,5 and 6. CMI would like to have all the lots. He stated that 11 had an option on it. Mr. Marshall asked what option was on lot 11. Ms. Symes and Ms. Szabo clarified the paper was outdated and that Lot 11 doesn't have an option on it. CMI would not want to take lot 11 since it would give Grober Nutrition the option to expand. Mr. Lattimore stated that CMI is way ahead of the game and have put a lot of work into their plans. Mr. Ellis stated that they do not want to invest too much money if they are not able to obtain the remainder lots in the Industrial Park. Mr. Marshall asked what is it that CMI wants? Mr. Ellis stated that he is looking for a commitment from the IDA. Mr. Marshall stated that at the January meeting, it was requested to try and obtain more land. Ms. Szabo stated letters have gone out to the property owners and she has not received any responses. Mr. Marshall stated that he reached out to Ms. Speno to help the IDA to find property. Mr. Lockwood stated that he spoke with her also, but she has to be careful due to she may have to step off the IDA Board. Mr. Marshall stated that no one has knowledge on the board besides her on how to acquire land like her. Mr. Marshall asked Mr. Ellis that is her sure that he doesn't need lot 11? Mr. Ellis stated that they would not need Lot 11.

Mr. Marshall motioned to not accept any offers on any property besides Lot 11 and to be able to come to an agreement on a price over the next 3 months with both parties and to be able to use that money to purchase more properties. If for some reason that if CMI does not develop the land the CMI would sell it back to the IDA for the amount it was purchased for. Seconded by Mr. Rindfleisch.

Mr. Ellis stated the IDA is concerned with job creation and real estate. He stated they have a lot of engineering to do and that they would like to start construction in June. Mr. Marshall stated that if they could decide within 3 months would that suite CMI? Mr. Ellis asked if the answer could be expedited. Mr. Marshall asked how about 2 months? Mr. Ellis responded he works on days and weeks. Mr. Marshall recommended having a price by April 1. Mr. Ellis stated understands the IDA is looking to acquire more property but does not want that to delay the sale of the property to CMI. Mr. Marshall stated that he would like Ms. Speno to come back and help. Mr. Rindfleisch stated that they need to separate the issues. Mr. Lockwood agreed. Mr. Rindfleisch agreed the IDA should keep pursuing the search for more property and will take any help people can give. Mr. Rindfleisch acknowledged that CMI expansion really aligns with the IDA mission and job creation. Mr. Marshall said forget acquiring land and give us til April 1 to neogiate a price. Mr. Ellis agreed. Mr. Ellis asked who would he be negotiating with for this land? Mr. Galbato stated that they would negotiate with the Chairman Mr. Lockwood, Justin and Mr. Galbato.

Mr. Marshall motioned to agree to sell CMI the property and to agree on a price by April 1.

Mr. Galbato stated that Mr. Marshall's motion was different. Ms. Symes stated that Mr. Marshall's motion was to not accept any offers on the land besides parcel 11 and to come to an agreeable amount between the board and CMI by April 1. Mr. Lockwood stated that would only give the one moth to decide on a price. Mr. Lattimore wanted clarification on what parcels CMI wanted since they only listed 1,4,5,6. Mr. Ellis stated that he wanted all the parcels in the park besides 11. Mr. Ellis stated that he was glad Bob Shea from the County attended the meeting since Cayuga County owns the wrap around road. The drawings show CMI building over the road. Mr. Shea said he could see what he could do in regards to the road.

Mr. Lockwood asked Ms. Symes to read back the motion. Ms. Symes stated that the motion was to not accept and offers on the land besides lot 11 and to come to an agreement on price between the CCIDA Board and CMI by April 1,2022.

Roll Call Vote:

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

All members present voted in favor; motion was carried.

Mr. Ellis asked who he would work with in regards to his incentive package? Ms. Szabo stated that he will get him all the documents needed. Mr. Ellis asked who does he contact about the County Road? Mr. Marshall stated that the IDA could start the process. Mr. Shea stated that he can see what he could do in regards to the road. Mr. Ellis stated he doesn't think the County would like for him to go ahead and demolish the road. Mr. Galbato advised Mr. Ellis to see how the road would need to be reconstructed.

Mr. Lockwood asked who bought Johnston Paper? Mr. Galbato stated that he would have to look into it, but he thinks it was a company out of Ohio.

Mr. Marshall stated that he has someone contact him stating that they had read the January Regular Meeting Minutes and reiterated that CMI stated their equity Partner was no longer interested as being a partner. The man asked if CMI wanted money to contact him. Mr. Ellis stated that they wanted to keep this within the company.

CEDA Staff Update: Mr. Robert Shea introduced himself. He is a County Legislature representing District 7, which includes Ledyard, Springport and Scipio. Mr. Marshall asked if he was the new appointment? Mr. Shea stated that he is and would be taking the county seat on the board. Ms. Szabo introduced Ms. Julia Foster, she has been at CEDA for a week. Ms. Foster brings a wealth of knowledge of agriculture. She was the former Executive Director for the USDA in Wayne County. The end of February Ms. Szabo and Ms. Foster will be attending the NYSEDC Conference in Albany. The topics will include Economic Trends, State Budgets, Workforce Development, Site Selection Trends, Economic Gardening and IDA Operations. Ms. Roblee released the Annual Report for CEDA. Some of the board members received a hard copy. Ms. Szabo stated that she would send Mr. Vitale an electric copy of it.

Mr. Lockwood stated that applications have been received for the CEO. They received seven and they eliminated three instantly. Mr. Lockwood attended a zoom meeting with the search committee to compile a list of questions. The first round of interviews will be Tuesday February 22nd and Wednesday February 23rd and they will be held over zoom. The committee had someone doing phone interviews to do a pre-background. The committee will continue to receive applications until March 1st. Mr. Lattimore asked how many were on the Search Committee? Mr. Lockwood stated there are 10 people who are on the Committee. A City and County rep Jeff Dygert, Aileen McNabb-Coleman, Both IDA chairs, Ray Lockwood, Jim Dacey, Two Chamber and two CEDA Board members. Ms. Szabo stated it was Kevin Miles and Ryan Pine from the CEDA Board and Mitch Maniccia and Melody Johnson from the Chamber Board. Mr. Lockwood stated the Ms. Johnson is very knowledgeable, she run and HR firm. Ms. Szabo stated that Ms. Johnson has over 20 years of experience in HR.

Mr. Lockwood stated that he has some concern about making Owasco Lake classified as a polluted lake. He stated that with the IDA, our job is to attract business which attracts people. He wants to know how the IDA will attract businesses and people with a polluted water supply.

Mr. Marshall stated that since the last meeting he has been calling the City of Auburn to find out their contributions to the CEDA budget. He stated that Cayuga County puts in \$325k for 2022. Ms. Szabo stated that the County put in \$375k. Mr. Marshall stated that he called Ms. Symes about the budget and he was upset and maybe he misinterpreted what she told him. Mr. Rindfleisch stated that the information should be public information. Mr. Marshall said if he was to call a lawyer, he could have it FOIled. Ms. Szabo stated that CEDA is a Private 501C3 and cannot be FOIled but he can FOIL AIDA and the City of Auburn. As a Private 501C3, CEDA does not have to provide their funding sources. Ms. Szabo stated instead of going through the process of FOIling she provided the information to Mr. Marshall. Mr. Marshall stated that the City of Auburn was more than happy to give the information but they did know right at hand. Mr. Marshall proceeded to say the City of Auburn provided around \$5k. Ms. Szabo clarified that CEDA has a contract with Cayuga County that supports the organization budget annually and with the City of Auburn, CEDA bills at an hourly rate to administer their Local Loan Program. Mr. Marshall wanted to know what The City of Auburn and Cayuga County put into CEDA's Budget last year. Mr. Marshall stated that he would like to know if him knowing this information is a problem and if so he will have to deal with this. Ms. Szabo stated that she gave Mr. Marshall the breakdown of what everyone contributes. Both CCIDA and AIDA have the same structure of how their payment works to CEDA. Both IDA's have a 20% Share fee that is paid in Q4 and there is a \$5k fee quarterly. Mr. Lockwood stated that CEDA does not have the same contract with the City of Auburn as with with Cayuga County. Ms. Szabo

explained that the way the County contract is set up, it is for 3 year intervals but they cannot commit to funding multiple years in the contract. The City of Auburn's calendar year runs from June to the following July so they do not follow a normal fiscal year. Mr. Lockwood asked if there was a contract? Ms. Szabo reiterated that CEDA is paid by the hourly rate that is charged to them to administer their loans. Mr. Rindfleisch asked why the City wants to categorize the lake as polluted. Mr. Lockwood stated that its for money.

NEW BUISNESS:

Report from the Governance Committee: Committee Meeting was cancelled.

Norbit Solar Road Access: Mr. Gerald Scouten introduced himself as the Chair of the Planning Board for the Town of Aurelius. He has been working with Norbit Solar to gain access to the land from the back. He stated that they will allow them to access from Carpenter Rd., which is a county road, then they would have to cross the dirt road which involves gaining access from CCIDA. The project is Norbit Solar which is located out of Rochester NY. Mr. Marshall stated that they are too early to give them permission to the road. Mr. Marshall asked did the Aurelius Planning Board approve this project? Mr. Scouten stated that the project is currently at the county 239 review. Part of their review is asking CCIDA for access for the road. Mr. Marshall asked if the town has approved the project? Mr. Scouten stated that it will be approved. Mr. Galbato addressed Chairman Lockwood and stated that this property does back up to Genesee St. and that it is not landlocked. He stated that the town and project is asking for access from the IDA. Mr. Marshall stated that he has a dealt with a lot of Solar Projects and when projects are in the early development stages, they tend to not keep the same equity owner and sell their project to another development. It was passed last year that the IDA would not approve any Solar Projects that did not have their ownership and financial sources in place. Mr. Scouten stated that Norbit would be the owner of this project and would not be selling. Mr. Marshall asked if they would be the operator of the Solar Project. Mr. Scouten stated that this project will be owned and operated by them. As for the parcel itself, the land that is located on Genesee St. is zoned as residential. Mr. Galbato stated that is what the town's decision. Mr. Scouten stated that the parcel currently is just one parcel but once the 232 is approved it will be divided into 5 parcels. Mr. Rindfleisch stated that it was the town's decision to land lock the parcel. Mr. Scouten stated that is doesn't make any sense to destroy the residential land. Mr. Rindfleisch stated that there shouldn't be much traffic going to the parcel. Mr. Lockwood clarified there wouldn't be much traffic once it was built. Mr. Lockwood asked if this project would be asking the IDA for incentives? Mr. Scouten stated that they would be asking for an incentive package and was shocked to know they have not submitted anything. Ms. Szabo stated that they have indeed reached out but they haven't provided any documentation.

Mr. Galbato stated that this would require an executive session at the end of the meeting, since this would be brought of the IDA as a purchase or sale of land. This project is too early in the developing stages since no proposal was submitted. We are unaware of all the details in regards to megawatts, the size of the exact location. Mr. Galbato's recommendation would be to ask all questions to the Chair of the Town of Aurelius Planning Board and gather all the information now, then enter an executive session at the conclusion of the meeting. Mr. Rindfleisch asked to see exactly where this would be located. Mr. Scouten showed the Board blueprints of where Norbit Solar would potentially be located. Mr. Marshall stated that he isn't against it but it is too early to give an answer. Mr. Scouten stated that right now if something isn't decided now the state could potentially take the project away. Norbit is at a place that they could ask the state to take it over. Mr. Marshall stated that the IDA still has some control.

Mr. Lockwood asked Mr. Galbato if an executive session was needed? Mr. Galbato said at the end of the meeting.

Upcoming Events: Ms. Szabo reviewed upcoming events.

EXECUTIVE SESSION:

Mr. Marshall motioned to enter executive session at 5:16pm to discuss land acquisition seconded by Mr. Rindfleisch. All members present voted in favor. Motion was carried.

Mr. Marshall motioned to exit executive session at 5:38pm, seconded by Mr. Rindfleisch. All members present voted in favor; motion was carried.

ADJOURNEMENT

Mr. Rindfleisch moved to adjourn at 5:39pm seconded by Mr. Marshall. All members present voted in favor; motion was carried.

Respectfully Submitted,
Taylor Symes