

Cayuga County Industrial Development Agency

Annual Operations and Accomplishments Report FY 2022

Introduction

The Cayuga County Industrial Development Agency ("CCIDA") is a public benefit corporation created under Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 688 of the Laws of 1970 of the State of New York (collectively referred to as the "Act"), with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, civic, research, and recreational facilities as authorized by the Act, in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance on behalf of client enterprises to coordinate County, Federal, New York State and Municipal programs to insure that each client has access to the full range of development incentives and assistance available to firms locating or expanding in Cayuga County.

The Office of the Agency is located at 2 State Street, Auburn, NY, 13021.

This document is being presented as the Annual Operations and Accomplishments ("Annual") Report for the Cayuga County Industrial Development Agency's ("CCIDA" or the "Agency") Fiscal Year ending 12/31/2022 in full compliance with the New York State Public Authorities Law ("PAL") Section 2824-a, the 2005 NYS Public Authorities Accountability Act ("PAAA"), the 2009 PARA, and Chapter 563 of the Laws of 2015. The goal of this report is to provide a written assessment and summary review of CCIDA's operations and accomplishments during FY2022. In some cases, this report will refer to and identify the publicly available (and posted) location of supporting reports or materials that provide the information cited. Collectively, this report and the cited materials include the following areas of concern:

1. Overview of CCIDA Operations and Accomplishments in FY22
2. Revenues & Expenditures, Assets & Liabilities in FY22
3. CCIDA Compensation Policy
4. Overview of Projects undertaken by the Agency in FY22
5. Real Property Owned and/or Disposed of by the Agency in FY22
6. Assessment of the Effectiveness of CCIDA Internal Controls in FY22
7. CCIDA Investment Report for FY22

I. Overview of Operations & Accomplishments

The CCIDA continued to operate under its authority in FY2022 with a full Board of Directors and administrative services provided through the Cayuga Economic Development Agency. The Board conducted one (1) annual and eleven (11) monthly meetings, as well as an Independent Financial Audit for FY2021 as required by statute. The CCIDA monthly Board meetings were public meetings and were posted as such and each meeting included a Treasurer's Report and a review and approval of previous meeting minutes. The full minutes of the Board meetings of FY2022 are available online for review at: <http://cayugacountyida.org/documents/> and at the CCIDA offices, 2 State Street, Auburn, NY 13021.

During FY2022, as done in prior years, the CCIDA continued its focus on the development of infrastructure at the Aurelius Industrial Park. Beginning in 2017, CCIDA applied for and received a State grant to expand sewer capacity at the Aurelius Industrial Park. In December 2017, CCIDA signed a contract with the Probst Group, an engineering firm, to complete preliminary design work for the project. In 2021 and 2022, following completion of work completed by The Probst Group, CCIDA contracted with C&S Companies to continue phase 2 engineering work for the proposed project. CCIDA was awarded a \$1.1 million dollar grant by the Economic Development Agency ("EDA") in July, 2022 for the project. From July, 2022, CCIDA had undertaken steps to meet guidelines of the EDA grant to proceed with work on the project planned for 2023. To ensure CCIDA has necessary and additional funds to support the project, they negotiated for a bridge loan from the Cayuga County Development Corporation for \$400,000 which had not closed, but was agreed to, in 2022.

In addition to this focus areas, the CCIDA also worked to market CCIDA services and available incentives and benefits to existing business enterprises and to seek opportunities for new business development. A number of proposals were developed in response to business expansion and attraction opportunities and these were pursued by the CCIDA using the CCEDA staff. The following CCIDA projects were closed and deployed in FY2022 as described briefly below:

PG Auburn MOB LLC – Auburn, NY – This project was approved in September 2022 and closed in November 2022. The project will undertake the planning, design, construction and commencement of operations of an oncology and cancer radiation treatment facility. The company received sales tax exemption, PILOT, and mortgage recording benefits totaling an estimated \$4.2 million in financing assistance.

Land Development Agreement – Eagle Drive Holdings & Cayuga Milk Ingredients – Aurelius, NY – This project was approved in October 2020 and closed in November 2022. The project involves the option to purchase several parcels in the IDA owned Aurelius Industrial Development Park. The companies intended to purchase parcels in the park in 2023 as part of their planned expansion project which is estimated to be in excess of \$150,000,000. Cayuga Milk Ingredients will pursue a new PILOT agreement as part of their intended project expansion.

II. CCIDA REVENUES AND EXPENSES, ASSETS AND LIABILITIES FY2021

The CCIDA has conducted an independent financial audit of the fiscal year ended 12/31/2022. The full audit, including an analysis and overview of the CCIDA Revenues and Expenses and Assets and Liabilities for the fiscal year, is available both at the CCIDA website (<http://cayugacountyida.org/documents/>) and at the CCIDA offices, 2 State Street, Auburn, NY 13021.

III. CCIDA CORPORATION COMPENSATION

The CCIDA is located at 2 State Street, Auburn, NY and operates with administrative support provided by the Cayuga Economic Development Agency (CEDA). The primary CEDA staff members working with the CCIDA on daily operation and administration in FY2022 were CEDA's Executive Director and CEDA's Interim Executive Director acting as CCIDA Executive Director, and CEDA's Economic Development Technical Specialist and CEDA's Office Manager acting as CCIDA Acting Secretary and CFO/Treasurer.

None of the above CCIDA officers received any compensation by the CCIDA and are paid fully by Cayuga Strategic Solutions, CEDA's staffing entity. These CCIDA officers are reimbursed by CEDA for expenses incurred in the performance of their duties to the CCIDA such as mileage, supplies purchases, etc. CEDA is reimbursed by CCIDA for these expenses in addition to the contracted amount for administrative services.

As per an administrative services contract, CEDA received \$20,000 in 2022 for services rendered to the CCIDA. In addition to services rendered, CEDA received a fee share totaling 20% of collected small and large project fees net subject expenses in the amount of \$21,311.08.

In addition to these primary positions, the CCIDA receives technical assistance from time to time through Cayuga County and CEDA. This support assistance is provided at no cost to the CCIDA.

IV. PROJECTS UNDERTAKEN BY THE CCIDA IN FY2022

As done in 2021, the CCIDA continued to work with Cayuga Milk Ingredients on their planned expansion project. The intended project has significant and positive impacts for Cayuga County through its job creation and growth. This resulted in the land development agreements agreed to with Cayuga Milk Ingredients and Eagle Drive Holdings, with planned intent of purchase in 2023. The CCIDA was awarded a \$1.1 million dollar grant from the Economic Development Agency to support the construction of a new and expanded sewer line in the Industrial Park which will support Cayuga Milk Ingredients planned expansion, in addition to supporting other tenant's needs (both existing and potential).

The other major activity undertaken by CCIDA in 2022 was the approval of IDA benefits to PG Auburn MOB LLC which is seeking to construct an oncology and cancer radiation center in Auburn, NY. The project is located next to Auburn Memorial Hospital and provides county residents a much needed resource that is otherwise unavailable in the county. The project will create seven full time jobs. The CCIDA has continued to work with several potential solar

developers in their interest of locating to Cayuga County and reaching intended renewable goals set by New York State.

In addition to these activities, the CCIDA, working cooperatively with the Cayuga Economic Development Agency (CEDA), pursued a number of industrial development prospects. Several prospects are still under consideration and negotiation, but had not closed in 2022 but continue in 2023.

In addition to these projects, the CCIDA also engaged in the following economic development activities:

- Worked with existing Aurelius Industrial Park tenants and other partners and stakeholders to continue the process of expanding sewer capacity at the Cayuga County Industrial Park and being awarded a \$1.1 million EDA Grant;
- Participation in New York State Economic Development Council (NYSEDC) ongoing seminars and conferences on economic development best practices;
- Outreach to small business assistance organizations and developers in concert with CEDA and the AIDA.

V. CCIDA PROPERTY OWNED AND/OR DISPOSED OF FY2022

The CCIDA owns thirteen (13) parcels in the Town of Aurelius, within or adjacent to the CCIDA-owned Aurelius Industrial Park (the Park). Information on these parcels is provided in the table shown below.

CAYUGA COUNTY TAX ID #	APPROXIMATE ACREAGE	CURRENT FAIR MARKET VALUE**	FMV DETERMINED BY:	DATE OF ACQUISITION
114.00-2-27.6	1.71 Acres	\$513,000	Independent Appraisal	1992
114.00-2-27.71	2.11 Acres	\$42,200*	Independent Appraisal	1992
114.00-2-27.81	2.69 Acres	\$53,800*	Independent Appraisal	1992
114.00-3-1	10.08 Acres	\$252,000	Independent Appraisal	1992
114.00-3-4	10.32 Acres	\$258,000	Independent Appraisal	1992
114.00-3-5	5.08 Acres	\$127,000	Independent Appraisal	1992
114.00-3-6.1	5.6 Acres	\$140,000*	Independent Appraisal	1992
114.00-3-7.1	6.63 Acres	\$167,750*	Independent Appraisal	1992
114.00-3-9	9.82 Acres	\$245,500	Independent Appraisal	1992
114.00-3-10	9.85 Acres	\$246,250	Independent Appraisal	1992
114.00-3-11	11.10 Acres	\$277,500	Independent Appraisal	1992
115.00-1-54.1	4 Acres	\$350,000	Independent Appraisal	2018
114.00-1-53.1	56.5 Acres	\$310,000	Independent Appraisal	2018

* Parcel was split after portion transferred to another entity

**Fair Market Value based on 2011 appraisal plus conservative consideration for new infrastructure.

In addition to the above thirteen parcels, there is also a fourteenth parcel within the park (114.00-2-27.91) that is 2.45 acres and will potentially be used for a roadway. Based on the Appraisal for the above parcels, fair market value for this parcel is likely \$49,000.

VI. Assessment of the Effectiveness of CCIDA Internal Controls

The CCIDA FY2022 Independent Financial Audit and Financial Statements are the responsibility of CCIDA management and the Board of Directors. These statements were prepared in accordance with accounting principles generally accepted in the United States of America. Financial information contained in this report and in the related, cited materials at the CCIDA offices and online at the CCIDA website are consistent with the FY2022 financial statements.

CCIDA has established an Internal Control Structure and the CCIDA Board of Directors conducts an annual review and assessment of its Internal Controls. The objectives of the CCIDA Internal Controls and Structure is to provide reasonable assurance as to the protection of and accountability for assets, compliance with applicable laws and regulations, proper authorization and recording of transactions and the reliability of financial records for preparing financial statements. The Internal Control Structure is subject to periodic review by CCIDA independent auditors in addition to the review by the CCIDA Board and Officers/management.

The CCIDA Board and management are committed to an ongoing assessment of the control structure and are focused on the following continuous improvements:

- Timely compliance with PAAA and PARA throughout the fiscal year, including communication with CCIDA independent auditors and general counsel to bring the Agency in to a structured review and audit schedule ensuring full and timely compliance with statutory compliance, public reporting and transparency;
- Cross training of Agency staff on PAAA/PARA and financial reporting requirements to establish checks and balances for meeting full compliance with scheduled reporting.

VII. CCIDA INVESTMENT REPORT

Deposits and Investments

State statutes govern the Agency's investment policies. In addition, the Agency adopted its own written Investment Policy on October 17, 2006. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The CCIDA Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State and its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances of the CCIDA were \$867,707.40 on December 31, 2022. All balances were either covered under FDIC insurance or collateralized by appropriate obligations. The carrying value of deposits at December 31, 2022 totaled \$867,707.40. Included in these balances is restricted funds totaling \$10,000.23. The restricted funds include \$10,000.23 for the Clarity Connect broadband project. The funds tied to the Clarity Connect project were granted by local municipalities and will be disbursed to Clarity Connect upon the receipt of a submitted request with appropriate documentation of expenditures.