

Cayuga County Industrial Development Agency Meeting
2 State Street, 1st Floor Conference Room
January 21, 2014 at 4:00pm

Ray Lockwood opened the CCIDA meeting at 4:00 pm.

Tracy Verrier is taking minutes in Audrey Iwanicki's absence.

ROLL CALL

Present: Joe Runkle, Herb Marshall, Ray Lockwood, Paul Lattimore, John Latanyshyn, Carol Contigulia, Gina Speno

Excused:

Others Present: Kevin Ellis, Cayuga Marketing; Rick Galbato, Galbato Law Firm; Andrew Fish, Tracy Verrier, CEDA

CAYUGA MILK INGREDIENTS:

Andrew Fish explained that Cayuga Milk is looking to free up additional capital by selling tanks to Farm Credit Leasing (FCL) and then leasing them back. The tanks would stay on site and there would be an opportunity for buy-back at the end of the lease (approximately 7 years). The PILOT mortgage lists the tanks, so CMI needs a resolution to release them from the mortgage. That brings the coverage from \$86m to approximately \$83m, moving the CCIDA from 43:1 to approximately 41.5:1 leverage on the mortgage. This is still more than adequate. The bill of sale for the tanks was completed at the end of last year, just need to follow up with amendment to mortgage. There will be no negative impact on the CCIDA. Kevin Ellis explained that the leaseback fixes the interest rate, which is helpful to CMI given the current uncertainty in markets. Herb Marshall motioned to approve the resolution releasing tanks from the PILOT mortgage, 2nd Joe Runkle. All board members in favor. Resolution passed.

CMI updates:

- a. BOCES was not interested in the berm CMI offered to build with excess dirt from construction, so the CCIDA will not move forward with approving a berm. Kevin Ellis explained that CMI does not want to be held responsible for building a berm in the future since they had offered to do it now. Board understood.
- b. Kevin Ellis explained that there are site tours every 3rd Thursday of the month from 3:45-5:00pm. Board agreed that we should schedule the April CCIDA meeting to be located at CMI and would like a tour of the facility.
- c. Kevin Ellis said that construction is 60% complete, warehouse is 90% enclosed, and they are working on the drying facilities. Most of the wet side equipment is installed. Receiving bay is 90% complete. Offices should be finished in March or April. Substantial completion date is estimated to be June 24, final completion date should be in late July or early August. Processing should start in July. They are within three weeks of their original projected completion date.

MINUTES: Motioned by John Latanyshyn to approve the December 9, 2013 and December 17, 2013 minutes, 2nd by Herb Marshall. All present voted in favor, motion passed.

TREASURER'S REPORT: The November 2013 Treasurer's report was submitted by Tracy Verrier and reviewed by the board. Tracy Verrier explained that the December NYSEG bill did not come in until January, so is not included in the current report. Carol Contigulia asked if the report could be arranged such that all of the legal fees are together on one page. Tracy Verrier will attempt to arrange the report as cleanly as possible going forward. Andrew explained that the special district taxes went over budget, probably because the transfer of land to CMI did not happen as early as expected. John Latanyshyn motioned to approve the presented Treasurer's Report, 2nd by Joe Runkle. All members present voted in favor, motion passed.

NEW BUSINESS:

- a. CEDA Invoice: Andrew Fish presented the board with an invoice from CEDA for staff services and postage expenses through December 31, 2013. Carol Contigulia motioned to approve and pay invoice, 2nd by Gina Speno. All members voted in favor, motion passed.
- b. EDC 2014 membership: Board members were provided with an invoice for NYS Economic Development Council (EDC) 2014 dues totaling \$750. Andrew Fish explained that CEDA is a member of the EDC and therefore the CCIDA staff and Ray Lockwood (as a CEDA board member) will have access to the benefits, including conferences, meetings, seminars and EDC communications. If other CCIDA board members want access to these benefits then CCIDA should renew membership. Joe Runkle asked if the membership fee is in the budget, Andrew Fish and Tracy Verrier confirmed that it is. The board unanimously agreed to not renew as they don't anticipate using the benefits beyond those individuals covered by the CEDA membership. Will consider renewal at a later time if it becomes necessary or beneficial.
- c. CEDA contract renewal: Andrew Fish will bring the CEDA staff services contract renewal to the February meeting. Wants to wait because the CEDA executive committee will be meeting to talk about the changes to the board that the CCIDA had requested at the annual meeting (allowing an alternate in case the CCIDA chair cannot attend a meeting). They will discuss allowing all CEDA board members to designate an alternate. If changes are not made, the CCIDA could pass a resolution designating an acting CCIDA chair in Ray's absence since the CEDA board seat is based on title not individual. It would be preferred to have CEDA change the by-laws, but CCIDA still has that option as a backup.
- d. Active Physical Therapy Solutions small project application: Andrew Fish explained that Active Physical Therapy Solutions is looking to buy, renovate, and move to 321 Clark Street as part of an expansion. Acquisition and renovation will cost just under \$500,000 and the business expansion will create 10 new jobs. Since it is a professional services business, the project needs to qualify for an exemption in order to get CCIDA benefits. This site is adjacent to a distressed census tract, which qualifies for an exemption. The total savings from CCIDA benefits would likely work out to \$25-30k, the small projects fee is \$5000. If the board has no objection at this time, the application will be presented at the February meeting. There was no negative discussion among the board, so Andrew Fish will advise the company to complete the application.
- e. Industrial Park Lot E: Andrew Fish received a call from a chain restaurant (it is currently not known which one) that would potentially like to buy Lot E of the Aurelius Industrial Park, which is the small lot directly on Route 5&20. It is 1.7 acres and assessed at \$171,000. The restaurant representative explained that it would be a relocation from within the county to better situate itself within the business zone. The building currently occupied by the restaurant will be sold. The board had no objections, but would like to know which restaurant before approving a sale. Also want to ensure that the restaurant will not affect other CCIDA property and that the restaurant is aware of complications of access.
- f. Generations Bank transfer: Andrew Fish asked the board if it would be acceptable to make a transfer of funds to the Generations Bank checking account and pay the industrial park NYSEG bill online using that account going forward. This would keep the account active and avoid fees for having a dormant account. The board agreed.
- g. Business development updates:
 1. A high-tech sustainable recycling and renewable energy company is interested in the parcel on the south side of I-90 in the Weedsport industrial park. Project would be approximately \$35m and 100 jobs. Might share the parcel with another company.
 2. Victory Sports Medicine in close to finding a solution to the financing gap left by the underfunded CFA grant. Close to moving forward with the project.
 3. Owasco Beverage is closing. May keep some warehousing at the location, but for all intents and purposes is leaving. Nice building, should look for other tenants.
 4. Caseus never got back to Andrew Fish after the last meeting regarding locating at the Aurelius Industrial Park and an application for benefits.
 5. There is a possible OEM agreement for the McQuay facility and possibly equipment.
 6. Equipment was delivered to Crossible. Andrew Fish should reach out to them as they appear to be

close to reopening.

- h. CCDC loans: John Latanyshyn sits on CCDC board. CCDC just approved a new loan program funded by USDA. \$150,000 total are available. Money is being loaned at 3.5% interest rate, maximum loan of \$100,000, job creation requirement of 1 job per \$50,000 borrowed. Asked that board members keep an eye out for potential applicants.

ADJOURNMENT OF CCIDA MEETING

Herb Marshal motioned to adjourn meeting, 2nd by John Latanyshyn. All in favor. Meeting adjourned at 5:10pm.

The next regularly scheduled CCIDA meeting will be held on February 18, 2014 at 2 State Street, 1st Floor Conference Room, Auburn, NY at 4:00 pm.

Respectfully submitted,
Tracy Verrier