

**Cayuga County Industrial Development Agency
Regular Meeting
First Floor Conference Room
2 State St.
Auburn, NY
July 18, 2017 at 4:00pm**

Chairman Ray Lockwood called the meeting to order at 4:00pm, noting that a quorum was present.

ROLL CALL:

Present: Ray Lockwood, Paul Lattimore, Gina Speno, Grant Kyle, Herb Marshall

Excuse: John Latanyshyn, Andrew Rindfleisch

Others Present: Tracy Verrier (CEDA); Joe Sheppard (CEDA); Rick Galbato (Galbato Law Firm), Bruce Sherman (CEDA), Fred Swayze (Carpenters 277), Jeanine Wilson (Cayuga County Water & Sewer Authority)

MEETING MINUTES:

Mr. Kyle moved to approve the minutes of the June 20, 2017 Regular Meeting; seconded by Ms. Speno. All members present voted in favor, motion carried.

BILLS AND COMMUNICATIONS:

Mr. Sheppard presented a bill from CEDA for Q2 Admin Services (\$5,041.05) along with a bill from NYSEG for June service at the industrial park (\$86.44). Both bills totaling \$5,127.49. Mr. Lattimore moved to pay the bills, seconded by Ms. Speno. All members present voted in favor; motion carried.

REPORT OF THE TREASURER

Mr. Sheppard reviewed the budget report as well as the current PILOT Invoice and Disbursement Report, noting that all of the PILOT Payments had been received and disbursed and the second round of billing will occur in September. Mr. Lattimore moved to accept the Report of the Treasurer; seconded by Mr. Marshall. All members present voted in favor, motion carried.

UNFINISHED BUSINESS

CEDA Staff Update:

Mr. Sherman provided an update to the Board of the various businesses that he has met with and projects that he is working on. Mr. Sherman had done some monitoring visits:

- TMB/UPSCO's business has been increasing; they have met their employment targets but have been dealing with the flooding issues that have been bothering the southern portion of the County.
- Johnston Paper completed the project that was the product of IDA incentives and have hit their employment targets. He also stated that they are having trouble finding trained truck drivers. The Board discussed the lack of training programs in the area, which have led to a lack of drivers.
- Cayuga Milk Ingredients (CMI) is doing well in terms of production, but is experiencing trade problems with Canada and are working towards finding additional trading partners. He stated that they are also having a tough time recruiting talent.
- Grober Inc. is not yet at full production, but is hoping to be sometime in the next two months. He explained that they are also having trouble recruiting talent and need to hire twice as many employees as they have now, noting that Ann Kubarek at Cayuga Works has been brought in to help with recruitment and workforce development. He noted that they are also being affected by the limited sewer capacity at the industrial park and have been transporting their waste. Mr. Lattimore asked where they were shipping their waste. Mr. Sherman responded that he believed it is going to Auburn's wastewater treatment plant. Mr. Lockwood questioned if it was possible for the waste to go to the County digester. Mr. Sherman

stated that he had introduced Grober to the group running the digester, but that he would attempt to connect the two parties again.

- D&W is hiring talent at all levels and is operational in the expansion.
- Finger Lakes Railroad (FLRR) is in contact regularly and is still interested in building a line into NUCOR.

Guest Mr. Swayze discussed the use of area labor on the construction and expansion of Del Lago.

Ms. Verrier stated that CFA's were due at the end of the month, noting that both Mr. Sherman and Ms. Riester were working with about a dozen different businesses. She expressed her hope that most of the businesses would apply, as it would result in a lot of investment and possible jobs.

Ms. Verrier discussed StartUp NY and AIDA's approval of an MOU with Cayuga Community College. She explained to the board what the program was, stating that it might be worthwhile for CCIDA to look into a similar agreement, noting that she would provide AIDA's agreement to anyone interested. Mr. Lattimore asked if the program still only applied to land within 100 yards of college owned land. Ms. Verrier explained that the program has become much more flexible. She then discussed some of the benefits of the program, stating that she wanted to get this on the Boards radar and would put it on the agenda for the August meeting.

Industrial Park Sewer:

Ms. Verrier discussed the Industrial Park stakeholder meeting that took place on July 5. She explained that in attendance were members of the IDA Staff, Mr. Lockwood and representatives from CMI, Grober, the Town of Aurelius, Cayuga County Water and Sewer Authority, Barton & Loguidice, and the City of Auburn. She stated that the meeting was to discuss the capacity issues on the existing line and to get the ball rolling on securing funding for a new sewer line. She explained that on paper it appears that there is the required capacity, but in actuality, there is not. She noted that the group discussed various reasons for the problem, including the buildup of foam, engineering, and problems within the line.

Ms. Verrier continued, stating that the preliminary plan to increase capacity would be to install a forced main sewer line that runs parallel to the existing one, but that engineering would still need to be completed. She explained that the proposed plan for funding would be for CCIDA to apply for an ESD grant for 20% of the \$1.4 million project cost and then apply for an EDA grant for 50%, leaving a 30% local match. She stated it still needed to be determined where the 30% local match would come from, who would pay for the initial engineering study, and who would own the line when it was completed. She then explained that applications needed to be completed now, or nothing would be able to happen until next year, noting that CMI is hoping to expand sometime within the next five years and the current capacity would not allow for any expansion.

Mr. Marshall asked if CMI and Grober were willing to wait for a year or more for funding to be available and for work to begin. Ms. Verrier stated that they understood the funding delay, and were fine with it.

The Board discussed the involvement of the Town in the project, questioning if they would be interested in owning the line when completed. They then discussed the County Digester project and if they would be interested in taking any of the waste from the industrial park.

Mr. Lattimore asked what engineers would be brought in complete a preliminary study, and what would happen with the existing line after completion of a new one and would it be made available to groups that moved onto the land. Ms. Verrier explained that an RFP would need to be issued to find an engineer. Mr. Lockwood stated that new tenants would tie into the existing line when the dairy companies were off of it. The Board discussed the engineering of the existing sewer line, the milk plant and the waste that they generate, questioning if the system was engineered with too little capacity for the planned type of business. Ms. Verrier noted that the planned expansion of CMI was going to result in capacity issues regardless, as it is above the engineered capacity of the

existing line. She continued, stating that the City wanted to perform tests to confirm that their line would be able to handle the increase in capacity. Ms. Verrier then explained that the group was going to get together next week to discuss the application, the 30% match, and the \$20,000 engineering study. Ms. Verrier discussed the 10% Applicant Equity that was part of the ESD application, explaining that this was not money that the IDA needed to spend when the application was submitted, but if the funds were not committed, it would weaken the application.

Mr. Galbato provided information to the Board regarding indemnification and the responsibility of the IDA towards providing the 10% Equity stake as an applicant. He then suggested they could look at the engineering documents to determine what the original agreement was with regard to capacity and indemnification.

EXECUTIVE SESSION:

Mr. Kyle made a motion to enter executive session to discuss matters involving the proposed acquisition, sale or lease of real property and matters relating to proposed, pending, or current litigation; seconded my Mr. Lattimore. All members present voted in favor, the motion carried. The Board entered into Executive Session at 4:46pm.

Mr. Marshall made a motion to exit executive session, seconded by Mr. Lattimore. All members voted in favor. The Board exited executive session at 5:23pm.

UNFINISHED BUSINESS (cont.)

The Board discussed ways to fund the 30% local match including requesting assistance from the users of the line. The Board also discussed who the actual applicant for the ESD should be and who should fund the 10% applicant Equity. Mr. Kyle proposed that we should see if CMI would be willing to serve as the applicant for the ESD funds. Mr. Sheppard stated that they would not be eligible to apply for the EDA funds, that only the IDA or Town would be. Ms. Speno stated that she was worried about agreeing to pay the 10% applicant equity, and being responsible to spend the money. Ms Verrier explained that the money did not need to be spent as part of the application process, and that there was time to determine other ways to generate it. She then asked if the Board wanted to risk not saying that they would cover the 10% Equity, noting that it would strongly weaken the application.

Mr. Marshall moved that CCIDA support CMI’s ESD application if they were to choose to act as an applicant. If CMI did not wish to apply, CCIDA is authorized to act as the applicant for ESD funding to provide for the engineering and construction of a sewer line at the Aurelius Industrial Park, but without a funding commitment at this time. Mr. Lattimore seconded the motion. The vote was taken by roll call and recorded as follows:

| | Yay | Nay | Absent | Abstain |
|--------------------|------------|------------|---------------|----------------|
| GRANT KYLE | X | | | |
| JOHN LATANYSHYN | | | X | |
| PAUL LATTIMORE | X | | | |
| RAYMOND LOCKWOOD | X | | | |
| HERB MARSHALL | X | | | |
| ANDREW RINDFLEISCH | | | X | |
| GINA SPENO | X | | | |

The motion carried.

NEW BUSINESS (cont.):

ABO 2011 Johnston Paper and D&W Review:

Ms. Verrier informed the Board that the ABO was conducting a review of projects that closed in 2011 and that both Johnston Paper and D&W were randomly selected for review. She explained that both her and Mr. Sheppard had been working with them and providing as much information as they were able to.

Upcoming Events:

Ms. Verrier provided information on upcoming events.

Motion to adjourn made at 5:47pm by Mr. Marshall, seconded by Ms. Speno. All present voted in favor, motion passed.

Respectfully submitted,
Joseph Sheppard

Next regularly scheduled meeting: Tuesday, August 22nd, 2017 at 4:00pm.