



Auburn Industrial
Development Authority

MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, November 16, 2016
Plaza of the Arts
161 Genesee St., Auburn, NY 13021

Board Present: James A. Dacey (Chair & Member of Business)
Robert Byron (Member of Industry)
Michael Quill (Council Member)
William Andre (Vice- Chair & Member at Labor) (5:10pm)
Tricia Kerr (Member at Large)
Monica Salvage (Secretary & School Board Member)
Terry Cuddy (Council Member)
Frank DeRosa (Member at Large)

Board Excused:

Staff & Guests: Ed Pietruniak, VP of Finance and Administration, Tessy
Plastics
Kevin R. McAuliffe, Barclay Damon LLP
Robert Poyer, Hancock & Estabrook
Tracy Verrier, Executive Director
Joseph Sheppard, Assistant Treasurer
Maureen Riester, CEDA
Greg Mason, The Citizen
Jeff Dygert, City Manager, City of Auburn

Mr. Dacey, Chair, called the meeting to order at 5:03pm noting that a quorum was present. In lieu of a roll call he requested that all present introduce themselves because of the presence of so many guests.

MEETING MINUTES

Motion to approve both the October 19th Finance Committee Meeting Minutes and Regular Meeting minutes was made by Ms. Kerr; seconded by Mayor Quill. All members present voted in favor; motion passed.

BILLS AND COMMUNICATION

Mr. Sheppard informed the Board that notice, along with payment, had been received from Crown Castle and that they were renewing their option on the Allen Street property. Ms. Salvage asked if Crown Castle was able to renew their option and how many more times. Ms. Verrier stated that she believed they were able to renew a total of two times, which Mr. Poyer confirmed. Mayor Quill sought confirmation that the renewal was only for one year, which Ms. Verrier confirmed. Mr. Dacey asked if there was any further information on the law suit. Mr. Poyer stated that there was another hearing on November 23rd and that he would update the board afterwards.

James A. Dacey
Chairman

2 State Street
Auburn, NY 13021

PHONE
(315) 252-3500

FAX
(315) 255-3077

Mr. Sheppard presented a bill from Bergmann Associates totaling \$2,020.00 for professional services rendered at the Aurelius Technology Park. Ms. Kerr asked if there would be a presentation given by Bergmann when their studies were at a mid-point. Ms. Verrier stated that she is working with them and that there may possibly be a presentation in January, and that they are currently seeking feedback on the planning section of the studies. Ms. Verrier also noted that the studies are moving forward and that a rough draft of sections should be available soon.

Mr. Sheppard presented bills from the NY State Economic Development Council totaling \$1025.00 for both dues renewal and registration for Mr. Dacey to attend the 2017 Economic Development Conference. Mr. Dacey noted that he is planning to attend the conference and believed that it was worthwhile to be members of the NYSEDC.

TREASURERS REPORT

Mr. Sheppard reviewed the October financials. Mr. Sheppard noted that PILOT payments have begun to be received and he will provide a monthly income and disbursement report. At present payment had been received from Community Computer and has yet to be disbursed.

UNFINISHED BUSINESS

Ms. Verrier provided an update of CEDA projects. Ms. Verrier stated that she anticipated projects in the pipeline for next month, and expected the developers of the Nolan block to approach the Board after the announcement of state funding. Mr. Dacey asked what type of benefit they would be applying for, and Ms. Verrier stated that she believed they would likely be applying for Sales and Use Tax abatement only, but possibly also Mortgage Tax relief.

Ms. Verrier provided an update on the Innovation Business Accelerator, noting that the planning of the IBA is making progress and that more will be known when the ESD funding announcements have been made. Ms. Kerr asked if they were only seeking State funding. Ms. Verrier stated that they would also be applying for federal funding.

NEW BUSINESS

Mr. Pietruniak, VP of Finance and Administration- Tessy Plastics, addressed the Board and provided background on the company and their plans to purchase the McQuay facility. Mr. Pietruniak expressed that the intent is for the facility to be utilized for warehousing initially and then to add manufacturing once the need exists, noting that the facility meets their needs but will need a great deal of work. Mr. Pietruniak closed noting that the owner of Tessy Plastics Corp. was reluctant to give a solid commitment to employment numbers as new business had not yet been solidified, but that he believed that manufacturing space would be needed within three to five years, resulting in an estimated 200 new jobs.

Mr. McAuliffe, Barclay Damon, LLP, addressed the Board explaining that Tessy intended to step into the current installation agreement, and modify the current PILOT to represent the purchase price. He explained that there will be a great deal of investment that will need to be made in order to utilize the facility for warehousing.

Ms. Salvage asked for clarification regarding Tessy Plastic's Van Buren location that is currently being expanded. Mr. Pietruniak explained that the Van Buren location was currently being utilized as an assembly operation and has approximately 100 employees, which will increase to 175 when it shifts to manufacturing. Mr. McAuliffe noted that the Van Buren facility has seen an increase in production and that they still need more capacity. Mr. Pietruniak also noted that the Baldwinsville facility will soon be operating at capacity.

Mr. Dacey asked if they would be seeking Mortgage Tax exemption. Mr. Pietruniak noted that they will not have a mortgage for the purchase of this facility.

Ms. Salvage asked if they would be providing any financial information to the Board. Mr. Pietruniak stated that the company does not share their financials as a matter of policy. Ms. Verrier asked if the Board would be amenable to receiving letters from Tessy Plastic's accountants stating their financial position. Mr. Pietruniak noted that Tessy was in a very good financial position, but understood the Board's desire for due diligence and will search for a way to make the board comfortable. He continued by stating that both NY State and the Onondaga County IDA were able to provide financial assistance without being provided financial statements. Ms. Salvage asked how Tessy was able to appease the Onondaga County IDA without financial statements. Mr. McAuliffe stated that the Onondaga County IDA understood the company and were comfortable with their financial position. Ms. Verrier asked how NY State was able to get past the lack of financial statements and what methods Tessy utilized to meet their requirements. Mr. Pietruniak stated that he was unsure but would look into it.

Mr. DeRosa asked if there was a succession plan in place for members of the management team. Mr. Pietruniak explained that yes there was a succession plan in place and that the company is continuously bringing new people in and training them in an effort to find new talent.

Ms. Kerr asked about the growth of the company. Mr. Pietruniak provided background information on how the company has grown, where the growth has occurred, who their major partners are, what major industries they perform in, and where future growth is anticipated.

Mr. Dacey asked about employment levels and if there could be an addendum to the PILOT that went into effect when employment was to reach a certain level. Mr. Poyer stated that there were several different options of how to craft the agreement. Mr. Pietruniak requested that the PILOT agreement cover a five-year period, expressing his hope that manufacturing would enter the facility sooner than that and that they could reassess the PILOT at that time. Mr. Pietruniak continued that they are looking for guaranteed assistance during the warehousing period. Ms. Verrier asked if they would be willing to work within the time frame of the current agreement, which expires in 2022. Mr. Pietruniak agreed. Ms. Verrier stated that the amended PILOT scenario would run through 2022 and roughly estimated a total benefit of \$270,000, noting that this benefit assumes an actual assessment of \$8.5 million. Mr. Sheppard will prepare and send an adjusted PILOT schedule.

Mr. Cuddy asked about the amount of warehouse space that Tessy currently leases and if they had any space leased in Auburn. Mr. Pietruniak stated that the largest space they had was in Dewitt that they leased from Carrier, noting that they do lease a small amount of warehouse space from Johnston Paper.

Mr. McAuliffe asked if Tessy would be able to get onto the December agenda as they would like to close on the property prior to the end of the year. Mr. Dacey stated that the most important thing would be to have the proper time to get a notice for a public hearing out. Mr. Poyer stated he did not believe that it would be a problem.

Ms. Kerr asked if there was a timeline for the improvements to take place and asked about what contractors they would be using. Mr. Pietruniak stated that the roof replacement will likely not occur until after the winter, both cleaning and sprinkler upgrades will happen as soon as possible and contractors had already been lined up whose base of operation was in Onondaga County. Ms. Verrier noted that Tessy had signed the Board's local labor policy and had agreed to the percentages that were stated within it.

Mr. DeRosa stated there would still need to be some due diligence done around the issue of financial stability. Mr. Pietruniak stated that he will work with Ms. Verrier to determine what information is needed to meet the requirements of the Board. Mr. DeRosa offered to meet separately with Mr. Pietruniak to ask standard due diligence questions and assess the finances of the company. Mr. Dacey asked if members of the Board were willing to allow Mr. DeRosa to meet with Tessy Plastics for this purpose. The Board agreed that they were. Mr. DeRosa will arrange a meeting and provide a report to the Board.

An initial project resolution was presented to the board. Mr. Poyer noted that any vote on this project resolution was to be made with the caveats that the application was incomplete and needed to be amended based upon the new PILOT request and that approval of this resolution was based upon the receipt of a completed application. A motion was made by Mayor Quill to approve the resolution with these caveats and was seconded by Ms. Salvage. The resolution read as follows (Full Resolution Attached):

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE APPLICATION OF TESSY PLASTICS CORP. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY.

Mr. Dacey called for a roll call vote. The roll was read and votes recorded as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
James A. Dacey, Chairman	x			
William Andre, Member	x			
Monika Salvage, Member	x			
Robert Byron, Member	x			
Terry Cuddy, Member	x			
Michael Quill, Member	x			
Frank DeRosa, Member	x			
Tricia Kerr, Member	x			

This resolution was thereupon duly adopted

Mr. Poyer noted that the next regularly scheduled meeting of the AIDA Board is December 21st. Ms. Verrier recommended scheduling the Public Hearing for December 7th and noted that the updated PILOT information and any financial information would need to be received prior to that meeting.

BOARD MEMBER UPDATES

Mayor Quill stated that City Council would be voting on a resolution to appoint Mr. Ron LaVarnway at the next meeting. Mayor Quill asked to meet with Mr. Dacey to discuss board composition as all members' terms are expiring in January. Mayor Quill clarified to the Board that the Mayor appoints Board members and the City Council approves them.

Mr. Poyer directed the attention of the Board to a Technical Advice Memorandum that was issued by the State, which says that IDA's in transportation districts are no longer able to exempt any portion of the mortgage recording tax that goes to transportation districts. This will likely affect Auburn as the city is serviced by Centro.

ADJOURNMENT

Motion to adjourn was made by Mayor Quill, and seconded by Ms. Kerr. All members present voted in favor; meeting adjourned at 6:05pm.

Next regularly scheduled meeting to be held on December 21, 2016 at 5:00pm.

INITIAL PROJECT RESOLUTION
(Tessy Plastics Corp.)

A regular meeting of Auburn Industrial Development Authority was convened at the Plaza of the Arts, 161 Genesee Street, 2nd Floor, in the City of Auburn on November 16, 2016 at 5:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 11/2016-1

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE APPLICATION OF TESSY PLASTICS CORP. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY.

WHEREAS, the Auburn Industrial Development Authority (the "**Authority**") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living; and

WHEREAS, Tessy Plastics Corp. (the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of: (i) the acquisition of 1 parcel of land located at 4900 Tech Park Boulevard (Tax Map No. 108.72-1-2) in the City of Auburn, New York totaling approximately 30.70 acres (the "**Land**") improved by 1 building totaling approximately 436,300 square feet (the "**Existing Improvements**"); (ii) the renovation and equipping by the Company as agent of the Authority of the Existing Improvements for use as warehouse space (the "**Improvements**"); (iii) the acquisition and installation in and around the Existing Improvements and the Improvements by the Company of certain items of machinery, equipment, and other tangible personal property (the "**Equipment**" and, together with the Land, the Existing Improvements, and the Improvements, the "**Project Facility**"); and

WHEREAS, pursuant to Section 2302 of the Act, the Authority desires to adopt a resolution describing the Project and the financial assistance that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will hold a public hearing and (i) negotiate and enter into a lease agreement (the "**Lease Agreement**"), leaseback agreement (the "**Leaseback Agreement**") and payment-in-lieu-of-tax agreement (the "**PILOT Agreement**") with the Company, (ii) take title to or retain a leasehold interest in the Land and personal property constituting the Project (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iii) provide financial assistance (the "**Financial Assistance**") to the Company in the form of a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project;; and

WHEREAS, pursuant to Section 2307 of the Act, prior to the Authority providing any Financial Assistance to any project, the Authority, among other things, must hold a public hearing with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will further the purposes of the Authority under the Act by increasing employment opportunities in the City of Auburn, preventing economic deterioration and otherwise furthering the purposes of the Authority as set forth in the Act;

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "**State**") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Authority hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The proposed financial assistance being contemplated by the Issuer includes (i) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Land and the Building (or such interest therein as is conveyed to the Issuer) to secure financings undertaken in furtherance of the Project; and (ii) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the

Project Facility or used in the acquisition, construction, renovation or equipping of the Project Facility.

Section 3. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to cause the issuance of a public hearing, hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement whereby the Company leases the Project to the Authority, (B) a related Leaseback Agreement conveying the Project back to the Company, (C) a PILOT Agreement, whereby the Company agrees to make certain payments-in-lieu-of real property taxes and (D) related documents; provided (i) the rental payments under the Leaseback Agreement shall include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement shall provide for payments-in-lieu of taxes equal to the amount of real property taxes that would otherwise be levied on the Project in the absence of the Authority's interest therein.

Section 4. The Authority is hereby authorized to schedule, notice and conduct a public hearing with respect to the Project in compliance with the Act, and comply with the applicable provisions of the New York State Environmental Quality Review Act prior to the providing of financial assistance.

Section 5. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 6. This Resolution shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
James A. Dacey, Chairman	X			
William Andre, Member	X			
Monika Salvage, Member	X			
Robert Byron, Member	X			
Terry Cuddy, Member	X			
Michael Quill, Member	X			
Frank DeRosa, Member	X			
Tricia Ottley, Member	X			

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DO HEREBY CERTIFY:

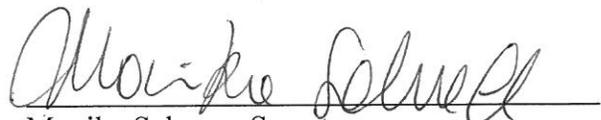
That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on November 16, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Authority had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Authority present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this 7th day of December, 2016.



Monika Salvage, Secretary

[SEAL]