



Auburn Industrial
Development Authority

REGULAR MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Monday, May 15, 2019
First Floor Meeting Room
Chamber of Commerce, 2 State Street, Auburn, NY 13021

- Board Present:** James Dacey (Chair & Member of Business)
Tricia Kerr (Secretary & Member at Large)
Roger Beer (Member at Large)
Michael Quill (Council Member)
Terry Cuddy (Council Member)
Jeff Gasper (School Board Member)
- Board Excused** William Andre (Vice-Chair & Member of Labor)
Ron LaVarnway (Member at Large)
Brandon Gravius (Member of Industry)
- Staff & Guests:** Tracy Verrier, Executive Director
Samantha Frugé, Assistant Treasurer
Rick Cook (Hancock Estabrook)
Mark Schulz, Dawn Schulz (Prison City Brewing)
David Wilcox (Citizen Reporter)

Mr. Dacey, Chairman, called the meeting to order at 5:00pm, noting the presence of a quorum.

MEETING MINUTES

The minutes for the April 22nd Regular Meeting was tabled.

BILLS AND COMMUNICATIONS

Ms. Frugé advised that there were no bills to report.

REPORT OF THE TREASURER

Mr. Beer reviewed the March profit and loss and balance sheet, noting no income from project-related services to date, and cash was down comparatively to last year. Ms. Verrier advised that a couple projects were waiting to close and the administrative fees would follow. Mr. Cuddy motioned to approve the report of the treasurer, seconded by Ms. Kerr. All members present voted in favor, motion carried.

NEW BUSINESS

Mr. Dacey asked the Board to move New Business up the agenda, beginning with the Initial Resolution for Prison City Brewing. The Board was agreeable.

INITIAL RESOLUTION: Prison City Brewing: Dawn Schulz of Prison City Brewing introduced herself and Mark Schulz. Ms. Schulz began by explaining that, due to tremendous growth within the business, it had become necessary to expand to meet customer demand. Their expansion plans include constructing an off-site distribution/tap house with the capacity to increase their inventory from 700 barrels

James A. Dacey
Chairman

2 State Street
Auburn, NY 13021

PHONE
(315) 252-3500

FAX
(315) 255-3077

a year to 10,000 barrels a year. The new site would primarily sell packaged products for carry-out sales with the plan to distribute locally and potentially outside of NY state. She explained that they had no plans to change the original location, and the main purpose of the additional facility was to drive traffic to the Brewpub. Ms. Schulz said that they had a purchase contract on a site within Auburn that had an existing dairy barn on approximately 5 acres. Ms. Schulz described the construction process, explaining that Phase 1 of construction would be to rehabilitate the existing dairy barn to be a tasting room with room for their retail space. Phase 2 would construct a building for a second tasting room/retail space and restaurant.

Mr. Dacey asked if the previous proposed location on North Street was too small to construct their facility? Mr. Schulz explained that the location they originally chose was around 2.1 acres and had limited-to-no ability to expand once the facility was constructed. He added that after going through the City Planning process, it was discovered that the storm water runoff would require a retention beneath the planned facility due to the railroad tracks in the back of the parcel. The expense of the retention and the lack of expansion potential made the location less optimal for their plans. Ms. Verrier went over the Cost Benefit Analysis provided in the Board packet materials and reviewed the timeframes for several of the projected measures. She explained that the project will create 25 new jobs and \$735,000 new annual payroll within three years, with the majority of job creation (20 jobs) happening within the first year. Ms. Schulz added that they planned on creating around 45 jobs within five years. Ms. Verrier went on to explain that the estimated PILOT benefit of \$324,592 to the company and net property tax of \$274,516 to the municipalities would be realized over the span of ten years. Additionally, the net sales tax revenue to the municipalities of \$116,617 would also be realized over the span of ten years. The mortgage recording tax exemption of \$15,570 would be realized within the first year of the project and the sales & use tax exemption of \$120,000 would be realized during the construction phase of the project. Mr. Dacey asked how the projected property assessment was calculated for the PILOT? Ms. Verrier explained that they look at similar projects and properties, and then Ms. Riester also reached out to Michael Burns at the City Assessor's office for guidance on estimating the assessment for the property after construction was completed, but that it is simply an estimate not set in stone. Mr. Cuddy noted that the job creation component alone for the project was a substantial benefit to the community. Ms. Kerr asked where if they do much local procurement? Mr. Schulz explained they try to source most of their office and restaurant supplies locally, noting they get their malts from a malt house in Fulton, hops from local growers, labels from a design firm in Auburn, and local services such as their accountant, printer, and canning company. Ms. Kerr noted that there was more economic development in this project than was represented on paper. Ms. Kerr asked what their vision was for the event space? Ms. Schulz said they were planning on a tasting room in the barn, with capacity for 180 people on the upper floor, and they would section off smaller areas on the first floor. She added that there was room for tents in the outdoor space. Mr. Quill asked what they planned for the existing farmhouse on the property? Mr. Schulz said that they may want to turn it into an Inn down the line if structurally and financially feasible. Mr. Quill asked if the property provided enough space to expand in the future? Mr. Schulz said that with the planned 13,000 square foot facility they will construct, there should be ample space on the parcel to expand further. He added that they ideally would like to stay around producing 10,000 barrels a year and not go too much bigger than that. Mr. Cook asked if they had settled on the LLC names they planned to use? Ms. Schulz said they needed to form two new LLCs for liability purposes and trademark them as well. She explained that they could not trademark Riot Beverages as it was

already taken and their attorney was working on making the operating company Prison City and Riot Holding Company as the holding company for the land.

Ms. Verrier advised that although they have a quorum present, two of the Board members needed to abstain due to affiliated business relations to the project. She added that Mr. Dacey would call for a public hearing to be scheduled directly before the next meeting on June 19. Mr. Cuddy asked when was the earliest they could vote on the project? Ms. Verrier said that if the SEQR was completed and enough members were present at the meeting, they could potentially vote on the project in June. If the SEQR is not complete, it would need to wait until July. Mr. Beer asked if the timing would impact the project? Ms. Schulz said that it would not because would need to wait on the site plan review to be completed anyway. The Board thanked Mark & Dawn Schulz for attending the meeting and presenting their project.

INITIAL RESOLUTION: Currier Plastics: Ms. Verrier stated that Currier Plastics was applying for a Mortgage Recording Tax Exemption, Sales & Use Tax Exemption, and a PILOT for their construction project. She described the project, explaining they were planning to construct a 90,000 square foot building to be used for manufacturing with warehouse space and purchasing new equipment. The total project cost was estimated around \$18.9 million and would create 15 new jobs over three years. Ms. Verrier reviewed the Cost Benefit Analysis, noting the new PILOT would overlap the current PILOT starting in 2020 and go to 2035. She explained that the Site Plan was completed and the SEQR approved, therefore the next step if approved would be to schedule the public hearing. Mr. Cuddy motioned to approve the Initial Resolution, seconded by Mr. Beer. All members present voted in favor, motion passed.

AIDA PILOT SUMMARY: Ms. Verrier reviewed the PILOT summary included in the Board packet materials and explained that the spreadsheet outlined the benefits and job creation estimates for current projects. She added that the summary provides an overview of which projects were performing well and which projects were not. She advised the PILOT summary would be presented to the City Council and asked that the Board let her know if there were any concerns that they had.

UNFINISHED BUSINESS

CEDA Staff Updates: Ms. Verrier reviewed ongoing activities and projects that CEDA is involved with, including an upcoming Workforce Development 101 workshop for employers and potential projects. Ms. Verrier discussed Lexi Interiors and said they recently purchased and are renovating the PNC building on the west side of Auburn. She added that their move brought good activity to the west end. Ms. Verrier provided a review of the upcoming Alliance for Economic Inclusion meeting to be hosted in the County building, explaining the meeting was to discuss the RFP process and what kind of projects would be best suited for the funding. Ms. Verrier advised the Board that NUCOR was looking to come back before the Board regarding their PILOT which would be ending soon. She explained that they were in a similar situation as Bluefield Manor, where their PILOT was nontraditional and did not build them up to their actual tax liability. She said that she advised NUCOR to put together a capital improvement plan to bring before the Board for discussion.

BLUEFIELD MANOR UPDATES: Ms. Verrier stated that the Bluefield Manor staff was working on putting together a presentation and she anticipated them to attend the next month's meeting.

ADJOURNMENT

Motion to adjourn made by Mr. Beer, seconded by Mr. Quill. All members present voted in favor; meeting adjourned at 6:39pm.

Next regularly scheduled meeting Wednesday, June May 19th, 2019 following public hearings for Prison City and Currier Plastics @ 5:00pm at City Hall (if the space is available).