



Auburn Industrial
Development Authority

**REGULAR MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, August 21, 2019 @ 5:00pm
First Floor Meeting Room**

Chamber of Commerce, 2 State Street, Auburn, NY 13021

- Board Present:** William Andre (Vice-Chair & Member of Labor)
Tricia Kerr (Secretary & Member at Large)
Brandon Gravius (Member of Industry)
Roger Beer (Member at Large)
Ron LaVarnway (Member at Large)
Terry Cuddy (Council Member)
Michael Quill (Council Member)
- Board Excused:** James Dacey (Chair & Member of Business)
Jeff Gasper (School Board Member)
- Staff & Guests:** Tracy Verrier, Executive Director
Samantha Frugé, Assistant Treasurer
Rick Cook, Hancock Estabrook
Stephen Chabot, Volpi Manufacturing
Karen Walter, City of Auburn Resident

Mr. Andre, Vice-Chair, called the meeting to order at 5:05pm, noting the presence of a quorum.

MEETING MINUTES

Ms. Kerr moved to accept the minutes from the July 17th Regular Meeting, seconded by Mr. LaVarnway. All members present voted in favor; motion carried.

BILLS AND COMMUNICATIONS

Ms. Frugé stated that there were no bills for this month.

REPORT OF THE TREASURER

Mr. Beer reviewed the July profit and loss and balance sheet, noting that the financial position had not changed substantially from the month prior. Ms. Verrier noted that there was a typo at the bottom of the budget report saying the report was for June. Ms. Frugé advised she would correct the typo to reflect July instead of June. Mr. Cook asked when Prison City was supposed to close on benefits? Ms. Verrier said they were waiting on their CCDC loan to close before they can close on their AIDA benefits and bank financing. Mr. LaVarnway motioned to approve the report of the treasurer, seconded by Mr. Quill. All members present voted in favor, motion carried.

UNFINISHED BUSINESS

Volpi Local Labor Waiver: Ms. Verrier welcomed Stephen Chabot from Volpi Manufacturing and explained that Volpi submitted a local labor waiver request for their project. The waiver was included in the Board meeting materials along with back up documentation to show the effort they made to secure local labor. Mr. Chabot said that Volpi hired C&S Companies to do the general contracting and design. C&S solicited bids from 25 local contractors but only 5 contractors submitted bids. He explained that there were a few specialized disciplines they didn't believe could be procured locally, such as for constructing the clean rooms. They believed they could meet 35%

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labor procured locally, with the remaining percentage coming from adjacent counties. Ms. Verrier suggested 35% from Cayuga county, 60% from adjacent counties, and 5% from NYS to cover any cases where a company within the region employs a person that lives outside of the local region. Mr. Beer asked if Mr. Chabot had an idea as to why so many contractors did not submit a bid? Mr. Chabot said that the summer was the busiest season for contractors and there could have been some that just weren't interested in the project due to its small size. He added that a few contractors came out to take a look at the site but ended up not bidding on the project. Mr. Andre noted that contractors are very busy this season and finding skilled labor was challenging for the area. Mr. Andre added that he gave Mr. Chabot a call the week prior and expressed his appreciation for the effort Mr. Chabot went through to try to meet the local labor requirement. Ms. Kerr asked if Mr. Chabot or C&S reached out to the labor unions? Mr. Chabot said that C&S had extensive lists for local contractors for the required specialty and skills and did not feel that they excluded anyone. Mr. Beer asked if the contractors or laborers commuted? Mr. Chabot said that it was likely most of them commuted. Mr. Andre asked if there were any other questions or discussion items for Mr. Chabot? The Board had none. Mr. LaVarnway motioned to approve the local labor waiver as presented (35% Cayuga County, 60% adjacent counties, 5% NYS), seconded by Mr. Quill. All members present voted in favor, motion carried.

Renewable Energy PILOTs: Ms. Verrier advised that the UTEP and UPEP policies from CCIDA were included in the Board meeting materials for review. She explained that she was informed that most IDAs in the region were structuring PILOTs at 15-20 years and at \$5,500 per megawatt annually (plus an escalator), which was on the higher end of NYSERDA estimates. She added that most IDAs weren't restructuring their fees. She pointed out the highlighted sections in the policies that were specific for renewable energy PILOTs and noted that they left room for flexibility in the language. Should there be an additional benefit to the community, they could discuss the term, length, and megawatt price based on the particular project. The language also included a 2% escalator for the annual PILOT payment. Mr. Beer asked if there were projects in place within the State? Ms. Verrier said that there were numerous projects already in place, noting Tompkins, Oswego, and Madison counties all had active projects. She added that CCIDA would soon have a project coming before their Board. Mr. Quill asked if CCPUSA was involved? Ms. Verrier said that they were not at this point. Mr. Cuddy noted that since renewable energy PILOTs were standard with other IDAs, the proposed UTEP and UPEP policies wouldn't commit AIDA to a particular deal or structure, but would set a standard that aligns with what other IDAs were doing and provide a guideline for when these projects come up. Mr. Cook said that it would be like any other deviation from the UTEP policy if the AIDA board wanted to provide a different structure. Ms. Kerr asked if they should include language indicating that greater community benefit could be considered to increase the incentive? Mr. Cook said it wasn't necessary to add a separate deviation for that purpose; they could use discretion when deciding how much additional incentive to provide. Ms. Verrier said that in the UPEP policy, they included that discounted community distribution was one of the factors considered in negotiations. Mr. Cook pointed out a section in the UTEP regarding projects who had a PPA, and Ms. Verrier clarified that the section is intended to portray that the IDA could charge more to projects who have a PPA than those who go out and sell direct to customers. She added that they could outline community benefit as a factor for consideration specifically in AIDA's policy. Ms. Kerr asked if most of the projects CCIDA was working with were providing community based energy? Ms. Verrier said that the projects vary. Mr. Cook said that he thought that for projects to receive NYSERDA incentives, they couldn't all have PPAs, they would need to show a certain percentage of community sales. Ms. Verrier advised that she would draft up what AIDA's policies would look

like after hearing the feedback and work with Mr. Cook to review and put together a resolution. She added that they would reach out to the school, county, and city to show them the documents and get feedback.

CEDA Staff Updates: Ms. Verrier said that CFA scoring was completed, and award announcements would be in December. Ms. Verrier discussed the DRI announcements, and explained that the State was in the process of assigning agencies to each project that was awarded. They were looking into doing a vendor fair or event to help connect projects to other financing sources and service providers in the region, particularly certified MWBE vendors to assist with meeting state requirements. Ms. Kerr asked what the next steps were for the Public Safety Complex and who would be the State agency? Mr. Quill noted that City staff would be doing a presentation for the council on this subject. Ms. Verrier said that nothing had been officially announced for that project, but the Department of State would likely be the agency based on examples from other communities. Ms. Verrier stated that CEDA would be submitting an application to the Alliance for Economic Inclusion to extend ACT WorkKeys, a workforce skills/capabilities credentialing program, into Cayuga County. Cayuga Community College already offers this in Oswego County and have seen success, so there is interest in expanding it to Cayuga. Mr. Cuddy asked for clarification about who would take the assessments. Ms. Verrier stated it could be students, but it is relevant to the workforce community as a whole. As such, adult workers would also benefit. Mr. Cuddy noted that many students are already required to take many assessments, but a program focused on the entire community could make sense.

ADJOURNMENT

Motion to adjourn made by Mr. LaVarnway, seconded by Mr. Cuddy. All members present voted in favor; meeting adjourned at 6:03pm.

Next regularly scheduled meeting Wednesday, September 18th, 2019 @ 5:00pm at 2 State Street.