



Auburn Industrial  
Development Authority

**REGULAR MEETING MINUTES  
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY  
Wednesday, January 15, 2020 @ 5:00pm  
First Floor Meeting Room**

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

- Board Present:** James Dacey (Chair & Member of Business)  
William Andre (Vice-Chair & Member of Labor)  
Brandon Gravius (Member of Industry)  
Jeff Gasper (School Board Member)  
Terry Cuddy (Council Member)  
Ron LaVarnway (Member at Large)
- Board Excused:** Michael Quill (Council Member)  
Tricia Kerr (Secretary & Member at Large)  
Roger Beer (Member at Large)
- Staff & Guests:** Tracy Verrier, Executive Director  
Samantha Frugé, Assistant Treasurer  
Jimmy Giannettino, City Councilor  
Robert Poyer, Hancock Estabrook  
Karen Walter, City of Auburn Resident  
Mark Carr, Nucor Steel  
Elmer Cherry, Nucor Steel  
Brian DiSanto, Nucor Steel

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

**MEETING MINUTES**

Mr. Andre moved to accept the minutes from the December 11<sup>th</sup> Regular meeting and December 11<sup>th</sup> Audit Committee meeting; seconded by Mr. LaVarnway. All members present voted in favor; motion carried.

**BILLS AND COMMUNICATIONS**

Ms. Frugé presented bills from the following vendors: CEDA for the 4<sup>th</sup> quarter administrative services (\$9,457.60), NYSEDC for 2020 membership renewal (\$850), 2020 special district tax bill for parcel 122.00-1-42 (\$1.65), and the Chamber of Commerce for 2020 membership renewal (\$275). Mr. LaVarnway moved pay the bills, seconded by Mr. Gravius. All members present voted in favor; motion carried.

**REPORT OF THE TREASURER**

Ms. Verrier advised that they received the annual notice of bond allocation from the Empire State Development. The 2020 bond allocation is \$462,945 and is available to eligible IDA projects. Ms. Verrier reviewed the December profit and loss statement and balance sheet, noting that the statements should be close to complete to present to the auditors coming within the next few weeks. She noted that they received \$1000 in administrative income from the Currier mortgage modification. She pointed out that they accrued \$690 from the loan that they have with the City, but had not received a bill for the interest. She reviewed unrestricted cash balance at year end, noting the cash balance was positive. She reviewed the Bluefield Manor bond statement on the balance sheet and noted that the figure was adjusted following

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their year-end statement to account for payments made in 2019 totaling around \$112,000. The adjustment wouldn't impact the financial position of the IDA as the bond was a pass-through transaction. Ms. Verrier reviewed the PILOT disbursement report, noting that there was some confusion in regards to the Seminary Commons PILOT payment in regards to the property sale, but they have since paid their PILOT invoice. Ms. Frugé noted that the PILOT payment from Carovail had gotten lost in the mail and the company was reissuing payment. Mr. Andre motioned to approve the report of the treasurer, seconded by Mr. LaVarnway. All members present voted in favor, motion carried.

## **NEW BUSINESS**

*Nucor Steel Update:* The Board welcomed Elmer Cherry, Mark Carr, and Brian DiSanto from Nucor Steel. Mr. Cherry thanked the Board for their time and explained that they were present to discuss the company's intention to apply for an extension to their PILOT agreement. Mr. Cherry discussed Nucor's impact on the local community, noting that since 2001 they have spent over \$108 million in capital expenditures, with \$41 million spent in the last five years. They plan on spending roughly \$10 million on capital expenditures within the next five years as well. They place high importance on utilizing local resources and spent around \$3.7 million over the last fifteen months with businesses in Cayuga County. Additionally, the company has donated around \$2.5 million to local charities since 2001. Mr. Cherry explained that Nucor's commitment to the community extends to their employees as well, noting that have committed to not laying off employees for economic reasons and they have been able to uphold that commitment. They currently have around 280 employees and have 30-40 full-time contractors on site at any time. He added that the average salary for a Nucor teammate was around \$85,000, and most employees lived within Cayuga County. Mr. Cherry concluded that they planned to continue to invest in the company, its employees, and the community, and he hoped that the Board would take that into consideration when they apply in the next few months.

Mr. Dacey asked if the 30-40 contractors on site were employees of Nucor, or just contracted to do specific work? Mr. Cherry said that a few of the contractors are employees of Nucor, but most are hired to do specialized work. He added that some of the work being done by specialized contractors are for long-term projects. Mr. LaVarnway asked what the terms they are requesting for the new PILOT when they apply? Mr. Cherry said it will likely be the same term as their existing PILOT but that the details are still being worked out. Mr. Dacey asked if they were currently on an extension? Ms. Verrier explained that there was no extension, but that their current 9-year PILOT followed an Empire Zone period. Ms. Verrier asked about the company's status in regards to the current economic conditions? Mr. Cherry said that they are facing tariffs on steel at the moment, but their position as one of the cheapest producers of steel helps them from a competitive standpoint. He said that they are also impacted by environmental regulations and noted that steel production is a lot cleaner than other industries. He explained that they recapture most of their waste and recently recovered 2,400 pounds of waste out of 2,700 pounds produced. He said that they are also impacted by regulations and taxes on energy usage, noting that they are one of the highest users of energy in New York State. Ms. Verrier asked what the \$10 million in planned investment would be used for? Mr. Cherry said that it would be used to increase efficiencies with production and improve safety. He explained that one of their larger investments was to increase their rolling mill that allowed them to increase production. He added that whenever they consider capital expenditures, they analyze output potential. Increases in production also benefit the employees due to their production bonuses, which has helped make the company one of the highest-paying steel production companies. Mr. Andre asked when the first PILOT was put in

place for Nucor? Mr. Dacey said the first PILOT agreement was in 1973. Mr. Andre said that as a public authority, there will be people who question why a company so large and profitable needs a PILOT agreement. Mr. Elmer understood this concern and reiterated that he hoped people would see and understand the impact of the Nucor in the community and support their ongoing success. Mr. LaVarnway asked if they planned to increase their workforce with the expansion? Mr. Cherry said they hoped to increase their workforce, but that all of their expansions (save for one) were focused on making the work environment and steel production process safer for the employees. Mr. Dacey asked if the Board had any further questions? The Board had none. Ms. Verrier said that CEDA staff would continue to work with Nucor on their application and if the Board had any feedback to let her know.

Report of the Governance Committee: Mr. Dacey provided a report of the Governance Committee and said that they reviewed the Board evaluation forms to identify areas to improve upon for the following year. One area that a member reviewed as lacking was identifying and mitigating risk. Mr. Dacey noted that the evaluations were anonymous and that the reviewer did not leave any additional comment. He asked that if risk mitigation was still a concern for that Board member, to please submit their comments/feedback (anonymously) so that the Committee could address the issue. Mr. Dacey said that the Committee reviewed the Bylaws and recommended no changes. Mr. LaVarnway motioned to adopt the Bylaws as presented, seconded by Mr. Cuddy. All members present voted in favor, motion carried.

Fiduciary Agreements: Ms. Verrier said that the Fiduciary Agreement form was included in the meeting materials. The form covers conflict of interest and board member responsibilities. Ms. Frugé asked for the Board to please sign and return the forms by the end of the month.

## **UNFINISHED BUSINESS**

CEDA Staff Updates: Ms. Verrier provided a brief update on the awards for the CFA, noting that projects in Cayuga County received over \$5 million in awards, which included Currier Plastics and Cayuga Milk Ingredients as business projects. She added that Cayuga County has received over \$60 million for projects in the span of 9 rounds of the CFA which did not include funds awarded from the DRI, Equal Rights Heritage Center, or non-CFA grants and credits. Ms. Verrier said that they will have two new members join the AIDA Board next month: Jimmy Giannettino from the City Council and Gwen Webber-McLeod. Ms. Verrier discussed some landscape work done by Soil & Water at the Tech Park, explaining that there were some concerns that they did some clearing on the wetlands which caused flooding. However, it was her understanding that upon investigation it was discovered that some drainage ditches were clogged and after clearing them the water subsided. She added that from what she could tell the wetlands were untouched and the City was helpful with opening a drain to remediate the flooding. She added that the area where the flooding occurred was dry today, and they would keep an eye out for those issues in the future.

## **UPCOMING EVENTS**

Ms. Verrier discussed the upcoming events.

## **ADJOURNMENT**

Motion to adjourn made by Mr. LaVarnway, seconded by Mr. Cuddy. All members present voted in favor; meeting adjourned at 5:39pm.

Next regularly scheduled meeting Wednesday, February 19<sup>th</sup>, 2020 @ 5:00pm at 2 State Street.