

Auburn Industrial Development Authority

Annual Operations & Accomplishments Report FY 2014

Introduction

The Auburn Industrial Development Authority (“AIDA”) 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”). AIDA’s purpose is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, and commercial and research facilities, as well as facilities for use by a federal Authority or medical facility, among others. This work is done with the intention to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and therefore improve their medical care and standard of living.

**The Administrative Office of the Authority is located at 2 State Street, Auburn, NY 13021.
The Official Office of the Authority is located at Memorial City Hall, 24 South Street, Auburn, NY 13021.**

This document is being presented as the Annual Operations and Accomplishments (“Annual”) Report for the Auburn Industrial Development Authority’s (“AIDA” or the “Authority”) Fiscal Year ending 12/31/2014 in full compliance with the New York State Public Authorities Law (“PAL”) Section 2824-a, the 2005 NYS Public Authorities Accountability Act (“PAAA”) and the 2009 PARA. The goal of this report is to provide a written assessment and summary review of AIDA’s operations and accomplishments during FY2014. In some cases, this report will refer to and identify the publicly available (and posted) location of supporting reports or materials that provide the information cited. Collectively, this report and the cited materials include the following areas of concern:

1. AIDA Operations, Projects & Accomplishments in FY14
2. Real Property Owned and/or Disposed of by the Authority in FY14
3. AIDA Investment Report for FY14

I. AIDA FY 2014 Operations, Projects & Accomplishments

AIDA continued to operate under its authority in FY2014 with a full Board of Directors, with administrative services provided by the City of Auburn Office of Planning and Economic Development through June 1, 2014 and then by the Cayuga Economic Development Agency

(CEDA) for the remainder of the year. The primary staff/officers for January through May, 2014 were the City of Auburn Office of Planning and Economic Development Director, as AIDA’s Executive Director, and Secretary, as AIDA’s Acting Secretary. Starting June 1, 2014, primary staff/officer were CEDA’s Executive Director, as AIDA’s Executive Director, Economic Development Technical Specialist, as AIDA’s Assistant Treasurer, and Cayuga Strategic Solutions’ Office Manager, as AIDA’s Acting Secretary. None of the above named staff/officers were compensated by AIDA directly.

The Board conducted twelve (12) monthly meetings, one of which did not have quorum, and conducted an Independent Financial Audit for FY2014 as required by statute. AIDA regular Board meetings were public meetings and were posted as such. Each meeting included the review and approval of previous meeting minutes, and starting in July 2014 and thereafter included a Treasurer’s Report. The full minutes of the Board meetings of FY2014 are available online for review at: http://auburnida.org/AIDA_The_Board_agenda_minutes.html and are also available for review at AIDA offices at 2 State Street, Auburn, NY 13021.

During FY2014 AIDA continued its particular focused on two primary economic development initiatives:

- **CEDA.** In FY2014 AIDA provided support for, and coordination with, the Cayuga Economic Development Agency (CEDA), the County’s private-sector economic development agency. This Authority was developed to provide full-time, private sector driven economic development coordination and collaboration between the existing Industrial Development Agencies and organizations operating within Cayuga County while implementing a structured and effective Business Retention and Expansion Program.
 - AIDA Board showed continued that support for CEDA through FY14, including but not limited to:
 - Initiating an administrative services contract with CEDA, furthering the “one-stop” economic development model for the County;
 - Technical assistance with overall economic development initiatives and project development; and
 - Community Outreach and Networking.
- **Auburn Technology Park Marketing.** AIDA continued to work on marketing vacant properties in the Auburn Technology Park, a group of parcels set aside for commercial and industrial ventures in the City of Auburn. This marketing was done in conjunction with the City of Auburn Office of Planning and Economic Development and CEDA. During 2014, one 6.44 acres area of land was sold to Mack Studios, an existing Tech Park tenant, for the purpose of constructing an additional facility.

In addition to these focus areas, AIDA also worked to market its services and available incentives and benefits to existing business enterprises and to seek opportunities for new business development. A number of proposals were developed in response to business attraction opportunities and these were pursued by AIDA using both City of Auburn and

CEDA staff. The following AIDA projects were closed and deployed or advanced in FY2014 as described briefly below:

- Mack Studios (Peter Mack Realty, Ltd.) expansion- An existing Tech Park tenant purchased 6.44 acres of land from AIDA to build an approximately 50,000 square foot facility to be used for warehousing and product displays. In addition to land, AIDA provided sales and use tax and mortgage recording tax exemptions, as well as a PILOT set to begin in 2015. Project costs totaled approximately \$2.4m. The project has already created 30 new jobs, which surpasses the original expectation of 12 new jobs in two years.
- Plaza of the Arts construction- WST33, LLC, a subsidiary of Soules & Dunn Associates, closed on a project with AIDA providing sales and use tax and mortgage recording tax exemptions, as well as a PILOT, in September 2013. This assistance was in support of the construction of the Plaza of the Arts, an approximately 20,000 square foot building providing new retail and office space in downtown Auburn. In 2014, AIDA signed on to additional loans and mortgages with WST33, LLC to provide additional mortgage tax abatement. During 2014, construction on the Plaza of the Arts was completed and the building was opened. Several retailers, doctors, and business service providers have rented space in the building, offering a new range of services to downtown residents, workers, and visitors. Project costs totaled approximately \$3m and the project has attracted and created 53 jobs, primarily through the building tenants. Some of these jobs are new to the community while others were moved from other locations within the community.

In addition to these activities, AIDA, working cooperatively with the City of Auburn Office of Planning and Economic Development and the Cayuga Economic Development Agency (CEDA), pursued a number of industrial and commercial development prospects. Some of these prospects are still in negotiation, while others have not developed beyond the initial inquiry stage.

Furthermore, AIDA spent considerable time on policy development in 2014 in order to better serve clients and the community, as well as to come into compliance with GML, PAL, PAAA, and PARA statutes related to Public Authorities. As part of this effort, AIDA developed and adopted the following policies:

- a) Local Labor Policy;
- b) Monitoring Policy;
- c) Authority Salary, Compensation, and Reimbursement Policy;
- d) Authority Whistleblower Policy;
- e) Authority Investment Policy;
- f) Authority Travel Policy;
- g) Authority Procurement Policy;
- h) Authority Defense and Indemnification Policy; and
- i) Authority Extension of Credit Policy.

Additionally, AIDA established a Governance Committee and adopted a charter for said committee. AIDA is intending to establish a Finance and Audit Committee and charter in 2015.

II. AIDA PROPERTY OWNED AND/OR DISPOSED OF FY2014

AIDA owns six (6) parcels in the City of Auburn within or adjacent to the Auburn Technology Park (“Tech Park”). AIDA also owns one (1) property in the Town of Aurelius adjacent to a parcel involved in a PILOT. Information on these parcels is provided in the table shown below. In FY2014, AIDA sold 6.44 acres of land located at 38 Allen Street (tax map 115.25-1-1.1) in the Tech Park to Mack Studios, a Tech Park tenant, to construct an additional facility for warehousing and display areas. The land was subdivided from a 20.99 acre parcel and sold for \$50,000. The remaining 14.55 acres of the parcel (now 14 Allen Street, tax map 115.25-1-1.11) is marked with an asterisk in the table below. AIDA did not acquire any real property in 2014.

CAYUGA COUNTY TAX ID #	APPROXIMATE ACREAGE	CURRENT FAIR MARKET VALUE	FMV DETERMINED BY:	DATE OF ACQUISITION
108.81-1-1.12	12.04 Acres	\$240,000	Independent Appraisal	2001
115.24-1-10.1	0.35 Acres	\$14,000	Assessment	
115.24-1-11	0.27 Acres	\$12,700	Assessment	2000
115.24-1-12	0.25 Acres	\$9,300	Assessment	2011
115.24-1-13	0.30 Acres	\$10,200	Assessment	2008
115.25-1-1.11*	14.55 Acres	\$291,000	Independent Appraisal	
122.00-1-42	0.55 Acres	\$1,400	Assessment	1999

III. AIDA INVESTMENT REPORT

Deposits and Investments

State statutes govern the Authority’s investment policies. In addition, the Authority adopted its own written Investment Policy on December 17, 2014. Authority monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The AIDA Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State and its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances of AIDA were \$169,919.97 as of December 31, 2014. The entire balance of \$169,919.97 was covered by FDIC insurance up to the limits. The carrying value of deposits at December 31, 2014 totaled \$169,919.97.