MEETING NOTICE & MESSAGE FROM THE BOARD CHAIR

TO: AIDA Board Members
FROM: Gwen Webber-McLeod
DATE: September 10, 2026

Operating Principles
- Constructive Candor
- Professional Boundaries
- Active Listening & Inclusion
- Accountability to the Public
- Commitment to Resolution

Greetings AIDA Board Members,

The AIDA Board will meet next Wednesday, September 16, 2026 from 5:00 to 6:30pm **at Memorial City Hall, 24 South St, Auburn, NY 13021** in the third-floor conference room.

The agenda and related handouts for the meeting are attached. Some background on items for discussion:

4042 South LLC Amendment Request
In the last couple of days, Tracy has been in contact with Mr. Steve Surace of 4042 South, LLC. AIDA previously approved incentives for their renovation project of the house located at 40-42 South Street. The building is currently vacant due to fire damage, and they intend to renovate it for use as affordable housing. While the project details have not changed, the budget has due to increases in costs since the original approval. As such, they are requesting an increase to the incentives. The original approval was for a total of $81,150 ($60k of sales and use tax exemption and $21,150 of mortgage recording tax abatement. They are not requesting a total of $137,163 ($109,120 of sales tax and $28,043 of mortgage recording tax), for an increase in benefit of $56,013. This level of benefit would require a public hearing, so at this meeting the board will only consider whether to accept the application amendment and schedule a public hearing. It is entirely up the board's discretion as to whether to consider this request. If the board opts not to consider the amendment, the previously approved amounts would remain in place.

Draft 2027 Budget
The board will take an initial look at a draft 2027 budget. The budget does not need to be approved until October, so we are seeking any feedback and adjustments to make prior to voting on the budget next month.

I am looking forward to our meeting and continue to appreciate your ongoing efforts on the AIDA board.

CC: Auburn Citizen, Rob Poyer, Jennifer Haines, Chuck Mason

Mission Statement
"To advance the job opportunities, general prosperity, sustainability and economic welfare of the people of Auburn, NY."

Strategic Priorities
- Market the benefits of doing business in Auburn and the incentives available through AIDA to eligible projects that will generate jobs and revenue for the community.
- Assist at least two (2) projects per year with AIDA benefits and/or guidance on other benefits available in the community.
- Market parcels owned by AIDA.
- Diversify deal flow.

Auburn Industrial Development Authority
Regular Board Meeting
Auburn Memorial City Hall, 3rd Floor
24 South Street, Auburn, NY 13021
Wednesday September 16, 2026 at 5:00pm

The public can view the meeting online at
https://us02web.zoom.us/j/83604578237?pwd=MW9jsKRB4hPVpxfZkJpjAMaebXUcLI.1

Item	Time	Presenter	Outcomes
Welcome, Roll Call, and Minutes	5:00 - 5:05	Gwen Webber-McLeod, Board Chair	Establish Quorum Review & Approval of Minutes
Unfinished Business: • Resolution: Resolution 4042 South LLC Amendment	5:05 – 5:25	Tracy Verrier	Vote on resolution
New Business: • Marketing Committee Report • Finance Committee Report • 2027 Budget Draft • General Updates	5:25 - 6:05	Tracy Verrier	For Board discussion only.
Executive Session		Tracy Verrier	As needed
Bills Treasurer's Report	6:05 – 6:25	Tracy Verrier Tessa Crawford, Board Treasurer	Vote to pay bills & accept Treasurers Report
Board Education			None
Board Updates & Adjournment	6:25 – 6:30	Board of Directors	Opportunity for Board to share information and ideas relevant to the work of AIDA Vote to adjourn meeting

Upcoming meetings, events, and trainings:

- AIDA Meetings
  - Marketing Committee Meeting – October 13, 2026 @ 4pm (City Hall, 3rd floor)
  - Board Meeting – October 21, 2026 @ 5pm (City Hall, 3rd floor)
- Chamber Events –
  - Annual Dinner – October 7 5:30-8:00pm @ Emerson Park Pavillion - $95/person, $50 discount for table of 8 or more
- CenterState CEO Events –
  - Grow-NY Business Development Networking Night – October 6, 2026 @ 4:30-7:00pm, INSPYRE & Shaughnessy's Irish Pub (free)
  - Economic Champions Celebration – October 15, 2026 @ 11:30am-1:30pm, Oncenter Convention Center ($150/person)

Regular Meeting Minutes
Auburn Industrial Development Authority
Wednesday, August 19, 2026
Memorial City Hall, 24 South Street, Auburn, NY 13021

Board Present:	Gwen Webber-McLeod (Chair) Courtney Hennigan (Member at Large) Karen Walter (Member at Large) William Andre (Member of Labor) Matthew Del Favero (Member of Industry) Mayor Jimmy Giannettino (Council Member). Councilor Terry Cuddy (Vice-Chair & Council Member) Dan Lovell (Secretary & Rep. of Auburn School District)
Excused:	Tessa Crawford (Treasurer & Member at Large)
Staff & Guests:	Tracy Verrier, Director Rob Poyer, Whiteford Law Brandon Dries, Indus Hospitality Group Robert Harding, The Citizen Melody Smith-Johnson, Marketing Committee Ed Sayles, Marking Committee

**remote attendance*

REGULAR MEETING

Ms. Webber-McLeod called the meeting to order at 5:01pm, noting the presence of a quorum.

MEETING MINUTES

There were two corrections noted by Ms. Walter: 1) that Mr. Lovell is noted as both the motion and second for approval of the July minutes which should not be the case, and 2) the minutes noted a construction start date of 2028 for the Indus project, but it should say 2027. Ms. Verrier will use the recording of the July meeting to find the correct motion and second for the minutes, and will correct the construction date.

Motion to approve the minutes as amended by Mr. Lovell, seconded by Mr. Giannettino. Motion passed unanimously.

UNFINISHED BUSINESS

Resolution: Authorizing Project Resolution – Indus Hospitality
Ms. Webber-McLeod noted that this is the authorizing resolution. Ms. Verrier explained that the authorizing resolution would award or not award incentives. She then spoke about the local labor waiver and that in speaking with Mr. Poyer and Indus the best path forward would be to hold off on addressing the local labor waiver until the project bidding is complete. That will ensure that any waiver is needed and based on fact rather than guesses. The board asked what their recourse is to ensure that the waiver is submitted later if

needed. Mr. Poyer explained that the agreement will have all the standard recapture and termination clauses that the board can invoke if the applicant does not follow through with the local labor requirements and request waivers as dictated in the policy. Ms. Verrier also noted that Indus has requested a reduction in the administrative fee.

Mr. Dries noted that they have spoken with three general contractors about local labor and they all feel that the initial estimates about local labor utilization are conservative. So hopefully they will be able to use more than originally guessed. They intend to use local labor as much as possible. The project will take about 12 weeks to get drawings complete, then 6-8 weeks to get hard bids, and then another few weeks of review. Then they should be able to have a meaningful conversation about local labor utilization. Ms. Verrier asked Mr. Dries to speak to the block and plank concrete work since there has been some confusion about that component. Mr. Dries noted that there are two reputable manufacturers that they have found and tend to use, one in Ohio and one in Pennsylvania. In speaking with the contractor from the recent Henrietta project, it appears that there is a warranty consideration with the manufacturer for the planks specifically.

Ms. Walter noted that she spoke with a contractor and they indicated that the block and plank is available through contractors in the Southern Tier and Buffalo. She expressed concern that the approval of the project might be moving too fast since we don't have the information about the local labor yet. She also noted that the draft local labor wavier included procurement of furniture and fixtures, which is about $1m of the budget. Ms. Verrier clarified that the local labor policy only covers labor, not materials. Ms. Walter is also concerned that there is a hotel project in Syracuse that is of similar magnitude (~$19m), and the PILOT was reduced from 10 years to 5 years, but we are considering a 25 year PILOT for this project. We need to make sure to do our due diligence. She wants to make sure that there is a partnership between AIDA and the applicant, if we are going to provide incentives they need to provide community benefit. Part of that benefit is using local labor.

Mr. Andre explained that he had done some research, both union and nonunion, and the local contractors/union representatives noted that they all said the block and plank installation is done locally on a regular basis. There is no reason that work shouldn't be able to be done with local labor. Mr. Dries noted that they are committed to using local labor where possible, so if there are local contractors that do it they are happy to vet them and consider them.

Ms. Walter noted that one of her main concerns is the length of the PILOT.

Mr. Dries also spoke to the FF&E component, which is somewhat specialized for hotels because the furniture needs to be made and installed in a way that it can't be taken out the door. The manufacturer they use is out of Jamestown, NY, it's a company that builds a lot of furniture for major hotel brands.

Ms. Walter clarified that if the resolution is approved, the expectation would be that local labor will be used. Then Indus would need to submit a waiver request to go outside of that expectation.

Ms. Walter asked they have a specific contractor in mind right now that they will be using. Mr. Dries said that they have an internal construction department, but they typically only use the internal team for smaller projects. For this project, they have been talking to three general contractors but none have been promised or awarded at this time. It will be bid out.

Ms. Walter asked if the subcontracts will be handled by the GC without a bid process. Mr. Dries explained that Indus tends to hold the contracts, so they plan to bid for all components and the GC will just manage the day to day of the project.

Ms. Walter asked if AIDA has done any 25 year projects before. Ms. Verrier confirmed that the Hilton has a 25 year PILOT. Mr. Poyer noted that the Hilton project was quite complicated, so it is not an exact comparison. Ms. Verrier added that there are a few other projects with 20 year PILOTS, and Central Building received a 20 year PILOT plus a 10 year extension for a total of 30 years.

Ms. Walter asked if they have spoken with the Department of Social Services about housing the homeless population. Mr. Dries said that they have done some work with that in some of their properties, but not typically the higher end properties. They are willing to have a conversation to help in certain circumstances, but it is not the intent for this hotel.

Mr. Cuddy asked about the market feasibility of the project. Mr. Dries explained that there is not currently a Marriot in the market and they believe there is an opportunity to bring new commerce to Auburn.

Mr. Giannettino asked Mr. Dries to reiterate why a 25 year PILOT is necessary. Mr. Dries explained that construction costs have increased substantially in the last few years, plus higher interest rates than a few years ago. This puts a lot of pressure on financing these kinds of projects. He also noted that they are exploring other mechanisms of support for the project, such as support from Marriot and NYSEG. They are not just relying on AIDA to make the project work. He also referred to the Camoin test of reasonableness report that confirmed the need for the PILOT. Mr. Giannettino stressed that the PILOT was vetted by a third party, so due diligence was done to make sure this level of benefit is necessary for feasibility.

Mr. Giannettino asked if the style of construction is the reason this project is bit more expensive than the project in Syracuse mentioned earlier. Mr. Dries stated that is likely the case, but the construction style they use holds up much better, improves energy efficiency, and improves guest satisfaction.

Mr. Giannettino asked for confirmation that the intention is to operate the property once it's built. Mr. Dries confirmed that is the plan, noting that they have never sold a property.

Mr. Giannettino noted that some of their business travelers have to stay in Syracuse during the summer.

Ms. Walter asked about the jobs and whether they will be full time or part time. Mr. Dries noted that it will be a mix.

Mr. Dries explained that they are requesting an administrative fee of .75% of the total project cost instead of the normal 1% based on the same cost considerations as for the PILOT schedule. Mr. Cuddy asked if a discount on the admin fee has ever been given. Ms. Verrier confirmed that she is not aware of that being done before. Mr. Poyer also did not believe AIDA had done that before, but other IDAs do provide discounts on occasion.

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND THE EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY OF AN AGENT AGREEMENT, LEASE AGREEMENT,

LEASEBACK AGREEMENT, PILOT AGREEMENT, AND RELATED DOCUMENTS WITH RESPECT TO THE INDUS GRANT AVENUE, LLC PROJECT.

Motion to approve the Authorizing Project Resolution without a reduction to the administrative fee and without consideration of the Local Labor Waiver by Mr. Lovell, second by Mr. Cuddy. The question of the adoption of the Resolution was duly put to a vote, which resulted as follows:

	Yea	Nay	Absent	Abstain
Gwendolyn Webber-McLeod, Chair	x			
Terrence Cuddy, Vice Chair	x			
Daniel Lovell, Secretary	x			
William Andre, Member		x		
Tessa Crawford, Member			x	
Matthew DelFavero, Member	x			
James N. Giannettino, Jr., Member	x			
Courtney Hennigan, Member	x			
Karen Walter, Member		x		

The resolution was duly adopted.

NEW BUSINESS

Marketing Committee Charge and Workplan

Ms. Webber-McLeod noted that Ms. Smith-Johnson was appointed as the chair of the committee.

Ms. Smith-Johnson presented the executive summary of the committee charge that the Marketing Committee has drafted. This included the purpose, roles, critical pathway, and intended outcomes of the committee, as well as a 90 day workplan. Mr. Sayles added additional context regarding how this work might move forward and presented the asset list that the marketing committee has been working on. Ms. Webber-McLeod added that the committee feels we need to do this marketing work from the inside out, making sure that the community is involved and aware.

The Board was comfortable with the committee charge and workplan as presented.

EXECUTIVE SESSION

There was no Executive Session.

BILLS & TREASURER'S REPORT

Ms. Verrier reviewed the bills. Motion to approve the bills by Ms. Walter, second by Mr. Cuddy. Motion passed unanimously.

ADJOURMENT

Motion to adjourn by Mr. Cuddy, second by Mr. Giannettino. Motion passed unanimously. Meeting adjourned at 6:55pm.

RESOLUTION
(*4042 South LLC Project)*

A regular meeting of the Auburn Industrial Development Authority was convened at Memorial City Hall, 24 South Street, Auburn, New York on September 16, 2026 at 5:00 p.m.

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

Resolution No. 2026-9-1

RESOLUTION OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY (i) ACCEPTING THE AMENDMENT TO THE APPLICATION OF 4042 SOUTH LLC 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, 4042 South LLC, a New York limited liability company (the "**Company**"), previously requested the Authority's assistance with a certain project (the "**Project**") consisting of (i) the acquisition of (A) an approximately 0.10 acre parcel of land located at 40 South Street in the City of Auburn identified as Tax Map No. 116.53-2-39 and (B) an approximately 0.10 acre parcel of land located at 42 South Street in the City of Auburn identified as Tax Map No. 116.53-2-40 (the "**Land**"), improved by a 22-unit residential apartment building and related site improvements (collectively, the "**Existing Improvements**"), (ii) the reconstruction of the Existing Improvements for use by the Company or its affiliates as 22-unit residential apartment building (the "**New Improvements**" and, together with the Existing Improvements, the "**Improvements**"), and (iii) the installation in and around the Improvements of equipment for use by the Company or its affiliates as a residential apartment building (the "**Equipment**" and, together with the Land and the Improvements, the "**Project Facility**"); and

WHEREAS, pursuant to Section 2302 of the Act, on December 17, 2025 the Authority adopted a resolution describing the Project and granting certain financial assistance with respect to the Project (the "**Prior Resolution**"); and

WHEREAS, due to unanticipated increases in the costs of the Project, the Company has submitted an amendment to the application (the "**Application Amendment**") to increase the project costs and the amount of financial assistance requested from the Authority; and

WHEREAS, it is contemplated that the Authority will (i) negotiate and enter into a lease agreement (the "**Lease Agreement**"), leaseback agreement (the "**Leaseback Agreement**") and an agent and financial assistance and project agreement (the "**Agent Agreement**") with the Company, (ii) take title to or retain a leasehold interest in the Project Facility (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) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, and (B) a partial abatement of the mortgage recording tax, all as set forth in the Agent Agreement; 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; and

WHEREAS, the actions of the Authority remain subject to the review required by the New York State Environmental Quality Review Act ("**SEQRA**") with respect to the Project.

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

Section 1. The Company has presented the Application Amendment 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) The Application Amendment supersedes all prior applications of the Company for financial assistance; and

(B) 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

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

(D) 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; and

(E) 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.

Section 2. The proposed financial assistance being contemplated by the Authority includes (A) 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; and (B) the partial abatement of the mortgage recording tax.

Section 3. The Chair or Vice Chair of the Authority are hereby authorized, on behalf of the Authority, to cause the issuance of a notice of public hearing, hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) the Lease Agreement whereby the Company leases the Project Facility to the Authority, (B) the Leaseback Agreement conveying the Project Facility back to the Company, (C) the Agent Agreement whereby the Company makes certain representations and agreements with respect to the Financial Assistance granted to the Company, 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 Agent Agreement are consistent with the Authority's Uniform Tax Exemption Policy or if there is a deviation from such policy that sufficient grounds are stated for such deviation as set forth in Section 2315 of the Act.

Section 4. This Resolution is subject to compliance with the applicable provisions of SEQRA in connection with the Project.

Section 5. The Chair and Vice Chair 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 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.

Section 7. This Resolution shall supersede the Prior Resolution in all respects. In no event will the Company be entitled to other or additional financial assistance from the Authority.

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

	Yea	Nay	Absent	Abstain
Gwendolyn Webber-McLeod, Chair				
Terrence Cuddy, Vice Chair				
Daniel Lovell, Secretary				
William Andre, Member				
Tessa Crawford, Member				
Matthew DelFavero, Member				
James N. Giannettino, Jr., Member				
Courtney Hennigan, Member				
Karen Walter, Member				

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 annex extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on September 16, 2026, 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 matter 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 of the State (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 or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand as of the ___ day of ____________, 2026.

____
Daniel Lovell, Secretary

Subject: Fw: Auburn IDA - 4042 South IDA Benefit Amendment Request
From: Stephen Surace <ssurace.ai@gmail.com>
Date: 9/10/2026, 11:16 AM
To: Tracy Verrier <auburnida@gmail.com>
CC: "brendangrillo@hotmail.com" <brendangrillo@hotmail.com>, Drew Savino <dsavino310@gmail.com>

Good morning, Tracy:

As a follow-up to our discussions over the past several days regarding the 40–42 South Street affordable housing redevelopment project in Auburn, I am writing to request an amendment to the previously approved IDA benefits.

Since our original application in October 2025, the project scope and overall development costs have increased significantly. As we progressed through the funding process with Homes and Community Renewal (HCR), coordinated with SHPO requirements, and navigated rising construction costs, the project budget has grown beyond the assumptions included in the original application.

One of the most significant impacts has been the increase in material costs subject to sales tax. The value of taxable materials has increased from the originally estimated $750,000 to approximately $1,364,000 (see attached email).

Additionally, the mortgage amount has increased from $2,868,000 to $3,739,000, an increase of $871,000.

Accordingly, we respectfully request that the IDA extend the sales tax exemption to cover the additional material costs, resulting in an increase of $49,120 and bringing the total sales tax exemption benefit to $109,120.

We also request an increase in the mortgage recording tax exemption of $6,532, for a total mortgage recording tax exemption of up to $28,043.

Together, these amendments would provide a total benefit of $137,163.

We recognize that this represents a substantial increase from the originally approved benefits. When project costs were updated, our contractor assumed that the sales tax exemption applied to all eligible materials without a cap and did not realize that the approved exemption amount had been exceeded. As a result, these savings have already been incorporated into the project's financial structure.

In addition, during negotiations with HCR, it was determined that our equity contribution significantly exceeded the program's minimum requirement of 10%. Our contribution is approximately 31%, which enabled HCR to increase the available funding to the program maximum of $150,000 per unit in recognition of the project's increased costs.

As you know, this is a $5 million-plus project that has been years in the making. My partners and I have continued to carry and maintain the property, both physically and financially, since the fire more than four years ago. It has been a lengthy and costly process, but we are now approaching the finish line. We are hopeful that this additional assistance, which has already been incorporated into the project's financing assumptions, can be approved.

Most importantly, these affordable housing units are greatly needed in the community.

Thank you for your time, consideration, and continued assistance.
Steve

Stephen T. Surace, CPA
Surace Real Estate Holdings, LLC
STS Management Consultant Corp
315.520.8272

Attachments:

4042 South Auburn Committment Letter Cost Detail.pdf	280 KB
4042 South - Contractor Estimate for Materials 9-10-26.pdf	183 KB

	Projected Cost	Projected Equity	CPC Portion	HFA PLP Portion
Acquisition	$10,916	$10,916	$0	$0
Refinancing	$449,084	$449,084	$0	$0
Contractor Price	$3,694,964	$139,428	$380,700	$3,174,632
Overhead and Profit	$221,698	$221,698	$0	$0
Contingency (10%)	$369,496	$369,496	$0	$0
Other Costs	$674,164	$490,496	$69,300	$114,368
Total	$5,420,322	$1,681,322	$450,000	$3,289,000

5. Closing: No earlier than September 1, 2026, and no later than March 1, 2027 (the **"Closing Date"**).

6. Completion of Improvements: No later than the first day of the month immediately following the 18th month anniversary of the Closing Date (the **"Completion Date"**).

7. Conversion/Satisfaction: No later than the first day of the month immediately following the 24th month anniversary of the Closing Date (the **"Conversion Date"**).

8. Other Terms:

Retainage: Five percent (5%). A retainage of five percent (5%) shall be withheld from each Application for Payment. The retainage shall not be released until all punch list work is completed and all close out documents, such as certificates of occupancy, letters of completion, warranties, guaranties, as-builts, final lien waivers and other conditions for final payment, have been received.

Projected Minimum Equity: $1,681,322

D-2. Permanent Loan(s)

1. Amount:

CPC Permanent Loan Amount:	$ 450,000
HFA Permanent Loan Amount:	$3,289,000
Total:	$3,739,000

2. Interest Rate:

CPC MORTGAGE SCHEDULE - Sources and Uses

Premises:	40-42 South St
# of units:	22
Construction period (months):	24
Construction Interest:	4.00% + SOFR

	Projected Cost	Equity	CPC Mortgage	HFA PLP
ACQUISITION & REFINANCING				
Acquisition	10,916	10,916	0	0
Refinancing	449,084	449,084	0	0
Construction Above Current Mtg	0	0	0	0
Other	0	0	0	0
Total	460,000	460,000	0	0
CONSTRUCTION COST				
Contractor Price	3,694,964	139,428	380,700	3,174,836
Contingency (10%)	369,496	369,496	0	0
Overhead & Profit	221,698	221,698	0	0
Total	4,286,158	730,622	380,700	3,174,836
PROFESSIONAL FEES				
Borrower's Legal	10,000	10,000	0	0
Borrower's Eng/Arch Fees	136,000	136,000	0	0
Bank's Engineer -- Prep.	4,600	4,600	0	0
Bank's Engineer -- Insp's. ($980*20)	19,600	19,600	0	0
Environmental Review & Testing	5,000	5,000	0	0
Market Study	5,550	5,550	0	0
Total	180,750	180,750	0	0
CLOSING AND OTHER FEES				
CPC Commitment Fee Const. 1%	4,500	4,500	0	0
CPC Commitment Fee Perm .5%	2,250	2,250	0	0
HFA Application Fee .5%	16,445	16,445	0	0
Appraisal	6,200	6,200	0	0
CPC Legal -- constr. loan	35,000	35,000	0	0
CPC Legal -- perm. loan	15,000	15,000	0	0
HFA Legal Fee	25,000	25,000	0	0
Title	3,000	3,000	0	0
Mortgage Tax	37,390	37,390	0	0
SONYMA Mtg Ins. App Fee	400	400	0	0
SONYMA 1st Year Premium	2,000	2,000	0	0
Survey	5,550	5,550	0	0
Pension Fund Deposit 1%	4,500	4,500	0	0
Soft Cost Contingency	25,000	25,000	0	0
Total	182,235	182,235	0	0
CARRYING COSTS				
Construction Interest (CPC)	69,300	0	69,300	0
Construction Interest (PLP) 0.75bps	43,168	0	0	43,168
Real Estate Tax	13,122	13,122	0	0
Water and Sewer Tax	2,000	2,000	0	0
Insurance	25,000	25,000	0	0
Utilities	2,000	2,000	0	0
Marketing	0	0	0	0
HFA Cap. Operating Reserves	48,996	0	0	48,996
HFA Cap. Replacement Reserves	22,000	0	0	22,000
Developer Fee	85,593	85,593	0	0
Total	311,179	127,715	69,300	114,164
TOTAL DEVELOPMENT COST	5,420,322	1,681,322	450,000	3,289,000
TOTAL LOAN	8.30%	450,000		
TOTAL PLP	60.68%	3,289,000		
TOTAL BORROWER EQUITY	31.02%	1,681,322		

BORROWER'S LETTER OF CREDIT: N/A

CPC LOAN	$450,000	8.30%	20,455
PLP LOAN	$3,289,000	60.68%	
Borrower Equity	$1,681,322	31.02%	
TOTAL	$5,420,322	100.00%	246,378

These figures are estimates only and are subject to change.

Outlook

South Street Materials

From Michael Paetow <mpaetow@rchgrd.com>
Date Thu 9/10/2026 8:27 AM
To Stephen Surace <ssurace.ai@gmail.com>

Steve,

I have still not heard back from several of the subs for specific numbers, but I went back through some historic data and tried to dial each trade in. I was a bit conservative. I also applied 20% of the contingency value to the total material cost.

Right now I'm looking at approx. $1,364,000 in materials.

I will update you as soon as I have some more hard figures from them.

Let me know if you would like to discuss. I'll be in a meeting from 8:30 – 9:30, but available after that.

Mike

RICH & GARDNER CONSTRUCTION COMPANY, INC.

Mike Paetow
Project Manager
LEED® Green Associate™
Rich & Gardner Construction Company, Inc.
206 Plum Street
Syracuse, NY 13204
Cell: (315) 440-5735

4042 South LLC Application Amendments

III. Project Information
9. Project Costs (Estimates):

Category	Amount
Land acquisition	$460,000
Building Construction/Renovation	$4,286,158
Site Work	
Machinery & Equipment	
Furniture & Fixtures	
Soft Costs (Architect, Legal and Engineering)	$180,750
Financial Charges (loan or bond fees and interest)	$182,235
Authority Fee	
Other (Describe: carry costs)	$311,179
Other (Describe:)	
Total Project Cost:	$5,420,322

10. Sources of Funds for Project Costs:

Source	Amount
Bank Financing:	$450,000 (CPC) $3,289,000 (NYS HCR Loan Program)
Equity (excluding equity attributed to grants/tax credits):	$1,681,322
Tax Exempt Bond Issuance:	
Taxable Bond Issuance:	
Public Sources (total pf all state and federal grants and tax credits):	
Identify each state and federal grant/credit:	
NYS Historic Tax Credit	Approx. $800,000 will offset equity 1.5-2.5 years after construction completion
Total Sources of Funds for Project Costs:	

11. Have any of the above costs been paid or incurred as of the date of this Application? Yes If yes, describe particulars. Market study, architectural and engineering for design

VI. Estimated Potential Benefits

1. Please indicate the type(s) of Financial Assistance sought for the Project:

Yes	Sales and Usage Tax Exemption
Yes	Mortgage Tax Exemption
No	Real Property Tax Abatement (PILOT Agreement)
No	Issuance by the Authority of Industrial Development Revenue Bonds

2. Estimated Project Benefits

*Note to Applicant: AIDA staff will work with applicants to identify potential IDA benefits upon receipt of a completed draft application, using the information contained in the draft application and discussions with the applicant. Therefore, **please do not complete this section or sign and certify application** until AIDA staff has reviewed a draft application and assisted in the calculation of estimated benefits.*

A. Sales and Use Tax Exemption

a. Amount of Project Cost Subject to Tax: $1,364,000

Applicable sales and use tax rate: x .08

b. Financial benefit if fully exempt: $109,120

B. Mortgage Recording Tax Exemption

a. Projected amount of Mortgage: $3,739,000

Mortgage recording tax rate: x .0075

b. Financial benefit if fully tax exempt: $28,043

C. Payment of Lieu of Taxes (PILOT) *

a. Investment in real property $

b. Equalization rate

c. Current, pre-project assessment $

d. Probable post-project assessed value $

e. PILOT Schedule

Year	f. Abatement on Added Value	g. Abated Taxable Value	h. Total Tax Rate	i. PILOT Payment	j. Full Taxes	k. Net Exemption
Calc.		*c + [(d-c) x f]*		*(g/1000) x h*	*(d/1000) x h*	*j - i*
1	100%	$		$	$	$
2	90%	$		$	$	$
3	80%	$		$	$	$
4	70%	$		$	$	$
5	60%	$		$	$	$

6	50%	$		$	$	$
7	40%	$		$	$	$
8	30%	$		$	$	$
9	20%	$		$	$	$
10	10%	$		$	$	$

l. Total PILOT Net Exemption: $

D. Interest Exemption – Bond transactions only

a. Total Estimated Interest Expense Assuming Taxable Interest:	$
b. Total Estimated Interest Expense Assuming Tax-exempt Interest Rate:	$
c. Interest Exemption (a - b):	$

E. Total Estimated Exemptions

a. Sales & Use Tax Exemption	$109,120
b. Mortgage Recording Tax Exemption	$28,043
c. PILOT Real Property Net Exemption	$
d. Interest Exemption from Bond Issuance	$
e. TOTAL EXEMPTION	$137,163

3. Is it likely that the Project would be undertaken without the provision of the above financial assistance? No
   If yes, describe how the Project would be impacted if these benefits were not provided.

DocuSigned by:

8507C39F0EEF4D5...

9/10/2026

Stephen Surace

Manager - 4042 South, LLC

AUBURN INDUSTRIAL DEVELOPMENT AGENCY 2027 BUDGET

Draft 9/9/2026

	YTD 8/31/26	2026 Budget	2027 Budget	*NOTES*
INCOME				
Land				
Admin. Fees - New Projects	$238,000.00	$60,000.00	$70,025.00	*Assumes 2 projects at average $30k admin fee each*
Admin. Fees - Exisiting Projects		$1,000.00		*Reimbursed effort on existing projects for special requests, annual fees*
Miscellaneous				
Interest Income	$467.16	$2,000.00	$1,000.00	*Assume some of the Indus fee goes into a CD*
TOTAL INCOME	$238,467.16	$63,000.00	$71,025.00	
EXPENSE				
Dues	$1,000.00	$1,325.00	$1,325.00	*Chamber $325; NYSEDC $1000*
Legal Fees	$69.98	$150.00	$150.00	*Public hearing legal notices ~$75 each x 2 projects*
Office Supplies	$1,355.08	$1,550.00	$1,550.00	*QB $1341.36 (annual) + postage/mailings*
Professional Svs	$12,500.00	$12,500.00	$13,000.00	*Audit cost, per Dannible & McKee quote*
Travel & Meetings	$970.43	$3,475.00	$3,000.00	*Continue to provide board development opportunities*
Contract Services	$35,098.50	$40,000.00	$48,000.00	*Staffing*
Marketing	$35.00	$4,000.00	$4,000.00	*Inc. domains and marketing programming. Website hosting renew 7/2029*
TOTAL EXPENSE	$51,028.99	$63,000.00	$71,025.00	
NET INCOME	$187,438.17	$0.00	$0.00	

AUBURN N.Y. INDUSTRIAL DEVELOPMENT AUTHORITY

Bills & Invoices

As of September 16, 2026, the following bills and invoices are unpaid (also attached for review):

Vendor	Invoice #	Date	Amount	Description
Red Clover Consulting	22	9/1/2026	$4,000.00	August services

Requesting approval for the following disbursements:

Payee	Payment Method	Total Amount
Red Clover Consulting	Check	$4,000.00

A motion to make the above disbursements was made, seconded, and approved by the AIDA board of directors.

Approved: ______________________________

Tessa Crawfod (Board Treasurer)

INVOICE

Red Clover Consulting, LLC
19 Grover Street
Auburn, New York 13021
United States

(315) 994-5259

RED CLOVER CONSULTING

Bill to
Auburn Industrial Development Authority
Tessa Crawford
24 South Street
Auburn, New York 13021
United States

tessac1310@gmail.com

Ship to
Auburn Industrial Development Authority
24 South Street
Auburn, New York 13021
United States

Invoice Number:	22
Invoice Date:	September 1, 2026
Payment Due:	October 1, 2026
Amount Due (USD):	**$4,000.00**

Items	Quantity	Price	Amount
Management Services August 2026	1	$4,000.00	$4,000.00

Total:	$4,000.00
Amount Due (USD):	**$4,000.00**

Notes / Terms

Efforts included in this invoice:
- Draft meeting agendas, compile and distribute packets, and issue necessary meeting notices for Marketing Committee and Regular Board meetings.
- Print meeting materials and attend Marketing Committee and Regular Board meetings.
- Draft meeting minutes and upload videos to YouTube.
- Financial management (bookkeeping, deposit check, pay bills, etc.)
- Participate in and correspond with Economic Development Coordination group.
- Website updates.
- Coordination and correspondence regarding Indus application, including prep for and attendance at public hearing.
- Update marketing materials as directed by committee.
- Call with NYSEG and ESD about power needs at Auburn Tech Park.
- Contact Nucor about change in billing timing.
- BoMer tour.
- Prepare and send 2025/26 PILOT actuals to school district.
- Correspond with and provide data to City Comptroller re: PILOTs.
- Schedule site visit with local manufacturer.
- Correspondence regarding 4042 South closing.
- Participate in Downtown focus group for City comp plan.

Auburn Industrial Development Authority

Balance Sheet

As of August 31, 2026

	TOTAL		
	AS OF AUG 31, 2026	AS OF AUG 31, 2025 (PY)	CHANGE
ASSETS			
Current Assets			
Bank Accounts			
102 Chemung Checking - PILOTs	500.05	500.00	0.05
103 Chemung Checking - Operating	8,893.85	31,215.11	-22,321.26
112 Chemung CD	0.00	25,043.55	-25,043.55
113 Chemung Money Market	26,970.05	25,000.33	1,969.72
130 Petty Cash	165.00	165.00	0.00
Total Bank Accounts	**$36,528.95**	**$81,923.99**	**$ -45,395.04**
Accounts Receivable			
167 Accounts receivable	245,150.95	35,321.68	209,829.27
Accounts Receivables - PILOTS (deleted)	0.00	62,680.21	-62,680.21
Pilot Rec. - Bluefield Manor (deleted)	0.00	-1.39	1.39
Total Accounts Receivables - PILOTS (deleted)	**0.00**	**62,678.82**	**-62,678.82**
Total Accounts Receivable	**$245,150.95**	**$98,000.50**	**$147,150.45**
Total Current Assets	**$281,679.90**	**$179,924.49**	**$101,755.41**
Fixed Assets			
168 Land	305,064.96	305,064.96	0.00
170 Furniture & Equipment	819.33	819.33	0.00
171 Website	16,500.00	16,500.00	0.00
172 A/D Furniture & Equipment	-16,371.15	-14,470.35	-1,900.80
Total Fixed Assets	**$306,013.14**	**$307,913.94**	**$ -1,900.80**
Other Assets			
195 Closing Costs	4,646.81	4,646.81	0.00
Total Other Assets	**$4,646.81**	**$4,646.81**	**$0.00**
TOTAL ASSETS	**$592,339.85**	**$492,485.24**	**$99,854.61**
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
200 Accounts Payable	0.00	5,373.25	-5,373.25
Total Accounts Payable	**$0.00**	**$5,373.25**	**$ -5,373.25**
Other Current Liabilities			
240 Due To Government	13,981.61	75,670.44	-61,688.83
Total Other Current Liabilities	**$13,981.61**	**$75,670.44**	**$ -61,688.83**
Total Current Liabilities	**$13,981.61**	**$81,043.69**	**$ -67,062.08**
Total Liabilities	**$13,981.61**	**$81,043.69**	**$ -67,062.08**

Auburn Industrial Development Authority

Balance Sheet

As of August 31, 2026

	TOTAL		
	AS OF AUG 31, 2026	AS OF AUG 31, 2025 (PY)	CHANGE
Equity			
390 Retained Earnings	231,169.51	276,415.63	-45,246.12
395 Unrestricted Net Assests	159,809.13	159,809.12	0.01
Net Income	187,379.60	-24,783.20	212,162.80
Total Equity	**$578,358.24**	**$411,441.55**	**$166,916.69**
TOTAL LIABILITIES AND EQUITY	**$592,339.85**	**$492,485.24**	**$99,854.61**

Auburn Industrial Development Authority

Profit Loss Prev Year Comparison

January - August, 2026

	TOTAL			
	JAN - AUG, 2026	JAN - AUG, 2025 (PY)	CHANGE	% CHANGE
Income				
410 Income - Admin Fees	238,000.00	36,811.68	201,188.32	546.53 %
Total Income	**$238,000.00**	**$36,811.68**	**$201,188.32**	**546.53 %**
GROSS PROFIT	**$238,000.00**	**$36,811.68**	**$201,188.32**	**546.53 %**
Expenses				
630 Dues	1,000.00	1,000.00	0.00	0.00 %
660 Legal Fees	69.98	73.61	-3.63	-4.93 %
670 Office Supplies	1,355.08	880.20	474.88	53.95 %
680 Professional Services	12,500.00	12,000.00	500.00	4.17 %
715 Travel & Meetings	970.43	2,539.79	-1,569.36	-61.79 %
720 Contract Services	35,098.50	46,995.10	-11,896.60	-25.31 %
725 Bank Service Charge	35.00	0.00	35.00	
745 Marketing and Promotion	58.57	46.34	12.23	26.39 %
Total Expenses	**$51,087.56**	**$63,535.04**	**$ -12,447.48**	**-19.59 %**
NET OPERATING INCOME	**$186,912.44**	**$ -26,723.36**	**$213,635.80**	**799.43 %**
Other Income				
820 Interest Income	467.16	1,940.16	-1,473.00	-75.92 %
Total Other Income	**$467.16**	**$1,940.16**	**$ -1,473.00**	**-75.92 %**
NET OTHER INCOME	**$467.16**	**$1,940.16**	**$ -1,473.00**	**-75.92 %**
NET INCOME	**$187,379.60**	**$ -24,783.20**	**$212,162.80**	**856.08 %**

Auburn Industrial Development Authority
Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L
January - August 2026

	Jan-Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Total			
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	over Budget	% of Budget
Income										
410 Income - Admin Fees					1,000.00	237,000.00	238,000.00	60,000.00	178,000.00	396.67%
415 Admin Fees - Special Projects							0.00	1,000.00	-1,000.00	0.00%
Total Income	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 1,000.00**	**$ 237,000.00**	**$ 238,000.00**	**$ 61,000.00**	**$ 177,000.00**	**390.16%**
Gross Profit	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 1,000.00**	**$ 237,000.00**	**$ 238,000.00**	**$ 61,000.00**	**$ 177,000.00**	**390.16%**
Expenses										
630 Dues	1,000.00						1,000.00	1,325.00	-325.00	75.47%
660 Legal Fees					69.98		69.98	150.00	-80.02	46.65%
670 Office Supplies	1,355.08						1,355.08	1,550.00	-194.92	87.42%
680 Professional Services	10,000.00	2,500.00					12,500.00	12,500.00	0.00	100.00%
715 Travel & Meetings	25.00	575.00		370.43			970.43	3,475.00	-2,504.57	27.93%
720 Contract Services	15,098.50	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	35,098.50	40,000.00	-4,901.50	87.75%
725 Bank Service Charge	35.00						35.00	0.00	35.00	
745 Marketing and Promotion	35.38		23.19				58.57	4,000.00	-3,941.43	1.46%
Total Expenses	**$ 27,548.96**	**$ 7,075.00**	**$ 4,023.19**	**$ 4,370.43**	**$ 4,069.98**	**$ 4,000.00**	**$ 51,087.56**	**$ 63,000.00**	**-$ 11,912.44**	**81.09%**
Net Operating Income	**-$ 27,548.96**	**-$ 7,075.00**	**-$ 4,023.19**	**-$ 4,370.43**	**-$ 3,069.98**	**$ 233,000.00**	**$ 186,912.44**	**-$ 2,000.00**	**$ 188,912.44**	**-9345.62%**
Other Income										
820 Interest Income	0.74	463.69	0.64	0.71	0.69	0.69	467.16	2,000.00	-1,532.84	23.36%
Total Other Income	**$ 0.74**	**$ 463.69**	**$ 0.64**	**$ 0.71**	**$ 0.69**	**$ 0.69**	**$ 467.16**	**$ 2,000.00**	**-$ 1,532.84**	**23.36%**
Net Other Income	**$ 0.74**	**$ 463.69**	**$ 0.64**	**$ 0.71**	**$ 0.69**	**$ 0.69**	**$ 467.16**	**$ 2,000.00**	**-$ 1,532.84**	**23.36%**
Net Income	**-$ 27,548.22**	**-$ 6,611.31**	**-$ 4,022.55**	**-$ 4,369.72**	**-$ 3,069.29**	**$ 233,000.69**	**$ 187,379.60**	**$ 0.00**	**$ 187,379.60**	