Regular Meeting Minutes
Auburn Industrial Development Authority
Wednesday, September 16, 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) Dan Lovell (Secretary & Rep. of Auburn School District) Tessa Crawford (Treasurer & Member at Large)
Excused:	Mayor Jimmy Giannettino (Council Member) Councilor Terry Cuddy (Vice-Chair & Council Member)
Staff & Guests:	Tracy Verrier, Director Rob Poyer, Whiteford Law* Stephen Surace, 4042 South LLC

**remote attendance*

REGULAR MEETING

Ms. Webber-McLeod called the meeting to order at 5:05pm, noting the presence of a quorum.

MEETING MINUTES

Motion to approve the minutes by Mr. Lovell, seconded by Ms. Walter. Motion passed unanimously.

UNFINISHED BUSINESS

Resolution: 4042 South LLC Amendment
Ms. Verrier explained that 4042 South LLC reached out last week indicating that while preparing for closing on the financing, it became clear that the project costs had increased since AIDA approved incentives, and that the approved level of mortgage recording tax and sales and use tax will not cover the full amounts anticipated at this time. They are requesting an amendment to increase the abatements of mortgage recording tax from $21,150 to $28,043 and sales tax from $60,000 to $109,120. This would result in a total incentive of $137,163, an increase of $55,653.

She noted that the resolution today would accept the amendment for consideration and allow scheduling of a public hearing. The increase in incentives would still need to be authorized during a future meeting. If this resolution does not move forward, the previously approved incentives would remain in place. The initial budget was early in the development process, and since then they have learned about additional requirements for the construction. There is a lot more work that the state is requiring for the funding they

are providing. There were also some areas under subcontracts that weren't initially considered in calculating the sales tax. The equity injection will be $1,681,322, about half of which will be returned via historic tax credits. He also noted the increases in construction costs generally. It is important for them to start in the next 45 days to ensure that the apartments are available by late fall next year.

Ms. Walter expressed that this increase is probably not just inflation. Mr. Surace agreed. She asked if they are getting the full $3.3m from that state funding opportunity. Mr. Surace confirmed that they are getting $3.289, which is maxed out. Ms. Walter asked what level of affordability, she recalled it being a 60% AMI limit, but she saw a press release indicating 80% AMI. Mr. Surace noted that the program changed to allow higher levels of rent, but tenants will not be evicted based on income if they go above 80% AMI once they are in a unit. They can also not raise the rents more than 3% per year. Ms. Walter asked if this is a good business decision. Ms. Walter asked what the proceeds from the fire were. Mr. Surace did not know, but he does know that the mortgage has been paid down. The remaining mortgage is $425,000. They have to decide what to do with the building. It would be cheaper to demolish it and make a parking lot, but if they can make this project work it could be essentially-brand new affordable units.

Ms. Hennigan appreciates that the rental increases are capped so that tenants know what to expect. She also asked about the increase in construction costs, specifically what is related to increasing market costs. Mr. Surace clarified that it is partially inflation, but a lot of the increase is due to state requirements for the program. For instance, they changed their HVAC program, each unit will have self-controlled heating and air conditioning. That was a large increase in cost. Ms. Walter asked if each tenant will have their own electric and gas bill. Mr. Surance said that each tenant will have their own electric bill. The state will not allow them to do gas for this renovation. NYSEG will be running a new electric line from the street to accommodate this. They will also get a credit on their rent based on the fair cost of electric bill.

Ms. Walter asked if either the UTEP or fee policy changes would impact this project. Ms. Verrier noted that those policies wouldn't impact this project because there is no PILOT. Mr. Poyer agreed.

Ms. Webber-McLeod asked about the applicant's confidence in their contractor team given the amount of additional expense that has been added since the original budgeting. Mr. Surace explained that they are definitely in a tough spot. If they had known back then about all of these costs they might not have done this. However, now they are so far down the road it is hard to turn back. At this point they are working to try to reduce costs wherever they can. That said, he still has confidence in his partners to complete the project. If they were not to follow through, Mr. Surace knows that he can bring the project to completion himself.

Ms. Webber-McLeod asked what would happen if this resolution does not move forward. Mr. Surace was not sure, but there is a chance that they would not do the project. However, he is still hopeful that they can make the project work one way or another.

Ms. Walter asked why it took 9 months to get to closing. Mr. Surace noted that he did not get a commitment letter from CPC and HCR until July. They were doing their studies and reviews during that time. Ms. Walter asked about unit types. Mr. Surace said mostly studios,

but also a few 1 bedrooms. This is based on the building layout, but he also sees the market for those small units at an affordable rate. It could be people just starting out. Ms. Walter asked if there would be a lottery for the units like other Housing Visions projects. Mr. Surace noted that the lottery is required for LITEC, but not for this program.

Ms. Hennigan asked Mr. Surace to consider carefully the rental rates for high school graduates and college graduates as they will have not much income yet. She also noted that she can see the change in his demeaner and confidence around the project and appreciates his honesty about the new contexts of the project. She stressed that she wants the project to be successful. Mr. Surace clarified that he doesn't have a preference for targeted tenants, as long as they keep things clean and peaceful. All age ranges and backgrounds.

Ms. Webber-McCleod noted that she also noted his change in confidence, and wants to know that he is committed to the project's success.

> 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.

Motion to approve the Amending Project Resolution by Mr. Lovell, second by Mr. DelFavero. The question of the adoption of the Resolution was duly put to a roll call 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.

Ms. Webber-McLeod asked that there be a clearer presentation of what is in place versus what is being requested for the public hearing to make it easy for members of the public to understand.

NEW BUSINESS

Marketing Committee Report

Ms. Verrier noted that the committee met last week and are performing well on the 90 day workplan. Mr. DelFavero noted that they also discussed using a common language across entities when it comes to promoting Auburn and Cayuga County.

Finance Committee Report & 2027 Budget Draft

Ms. Crawford pointed out that the fee from the Indus project has created a turn in the financial statements. She then reviewed the draft 2027 budget. She specifically stated that

the budget keeps revenues conservative even though there was a big project this year. Ms. Webber-McLeod

General Updates
Ms. Verrier had two updates:

1. She explained that the economic development coordination group is requesting some of the county economic development funding for 2026 to develop a new customer relationship management system that is shared among agencies, as well as a shared landing page with all of the data that we all use and referring visitors to the individual sites of the agencies based on their needs.
2. She noted that she had been in contact with Nucor about amending their PILOT to a January billing date. They seem amenable. Mr. Poyer drafted a simple amendment and Nucor is reviewing. She expects to have the amendment back in the next week or so.

EXECUTIVE SESSION

There was no Executive Session.

BILLS & TREASURER'S REPORT

Motion to approve the bills by Ms. Walter, second by Ms. Crawford. Motion passed unanimously.

Ms. Crawford had nothing to add beyond the finance committee update. Motion to approve the Treasurer's Report by Mr. Lovell, second by Mr. Andre. Motion passed unanimously.

BOARD UPDATES

Ms. Webber-McLeod noted that the Cayuga County Economic Development Strategy is launching with a key stakeholder meeting.

Ms. Webber-McLeod asked if any member would like to attend the Chamber Annual Dinner on October 7. Motion to approve the purchase of up to 9 tickets by Ms. Hennigan, seconded by Mr. DelFavero. Ms. Crawford abstained, all others in favor. Motion passed.

Ms. Webber-McLeod asked the board if they would be willing to move the October meeting date back a week to October 28. This would help to accommodate an application. The board was amenable to that change. Ms. Verrier will send an updated meeting invitation.

ADJOURMENT

Motion to adjourn by Ms. Walter, second by Ms. Hennigan. Motion passed unanimously. Meeting adjourned at 6:15pm.