PUBLIC HEARING AGENDA
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

4042 South LLC Project

Wednesday October 21, 2026 at 5:00 pm
Memorial City Hall
24 South Street, Auburn, New York 13021

https://us02web.zoom.us/j/86169704421?pwd=VeFz3kbW3j9GWaGwyKOfqYFvbc0Uae.1
Meeting ID: 861 6970 4421; Passcode: 697391.

ATTENDANCE LIST:
Justin Herrling, AIDA
Gwen Webber-McLeod, AIDA
Jimmy Giannetinno, AIDA
Dan Lovell, AIDA
Tessa Crawford, AIDA
Karen Walter, AIDA
Courtney Hennigan, AIDA
Steve Surace, 4042 South LLC
Rob Poyer*, Whiteford Law
Tracy Verrier, AIDA

CALL TO ORDER: Ms. Verrier called the public hearing to order at 5:02 pm. She read the following into the record.

PURPOSE:

Pursuant to and in accordance with Section 2307 of the New York Public Authorities Law, the Auburn Industrial Development Authority (the "**Authority**") is conducting this public hearing in connection with a proposed project, as more fully defined below to be undertaken by 4042 South LLC.

DISCUSSION:

4042 SOUTH LLC (the "**Company**") has 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**").

The Authority will acquire title to or a leasehold interest in the Project Facility and will lease the Project Facility back to the Company. The Company or its affiliate will operate the Project Facility during the term of the lease. At the end of the lease term the Company will purchase the Project Facility back from the Authority or, if the Authority holds a leasehold interest, the leasehold interest will be terminated.

AUTHORITY COST-BENEFIT ANALYSIS:

Based on the information provided by the Company in its application, the Project will involve an approximately $5,420,322 capital investment by the Company and will create 1.5 FTE jobs.

The Authority estimates that the following amounts of financial assistance will be provided to the Company:

Sales and Use Tax Exemption	$109,120
Mortgage Recording Tax Exemption	$28,043
Total Estimated Financial Assistance:	$137,163

PUBLIC COMMENT:

Ms. Walter asked if this project will be on the next agenda. Ms. Verrier confirmed that the authorizing resolution will be on the October 28, 2026 meeting agenda for consideration.

Ms. Water asked whether the insurance proceeds from the fire are part of the investment being made. Mr. Surace explained that the project team is investing over $1m of equity, which far exceeds the insurance proceeds.

Ms. Walter asked for clarification on the target population for the apartment units. Mr. Surace explained that the units will be regulated so that they can only be rented to households with an annual income below 60% or 80% of area median income (AMI). Those levels also dictate the amount of the rent. He also noted that once some is in the units, they can stay there for as long as they like even if their income goes above that threshold. Ms. Walter asked that Ms. Verrier prepare information for the meeting about the actual income and rent levels associated with those AMIs. Ms. Walter expressed concern that done this way, the units wouldn't necessarily open up to new people in need of the affordability, and asked if that was a decision of the project owners or of the state regulation. Mr. Surace stated it is part of the state regulation. Ms. Verrier explained that the tenancy is set up that way to avoid a "benefits cliff". So if someone goes from just below the threshold to just over the threshold, they aren't kicked out of their apartment.

Mr. Surace explained that the state program provides a lower interest rate, which incentivizes developers to build affordable units. He noted that the program makes the project viable. Renovating the 40-42 South building into even market rate units would not be financial viable and

could not get traditional financing. This program makes it possible to save the building, but also get it fully up to code and modernize the mechanicals. He explained that everything but the shell will be new.

Ms. Walter asked how many of the units would be subject to affordability regulations. Mr. Surance explained that they would all be subject to the income thresholds. He also added that the state does a lot of monitoring to make sure that the project is completed correctly and maintained. Housing Visions will be managing the property and ensuring compliance in the operations.

Mr. Giannettino asked what factors are driving up the cost of the project. Mr. Surace explained that it is a couple of things, but primarily additional state requirements. When they originally applied for the AIDA benefits, they put together a cost estimate based on a standard market rate build. Then NYS HCR looked at the plans and required some additional things, like individual thermostats. These additional costs added a lot to the construction cost. The state did provide some additional support to the project to help cover these costs, but the owners need to make up the difference.

Ms. Webber-McLeod asked Ms. Verrier to summarize the next steps. Ms. Verrier said that she'd work with Mr. Surace to put together the data that Ms. Walter requested. The authorizing resolution will be on the October 28 agenda for consideration by the board. If approved, the project will go to closing and get started. If not approved, the project would still be able to get the original approved benefits.

Ms. Walter asked about the size of the units, particularly the studio apartments. She recalled them being small for the size of the building Mr. Surace explained that the units are small, but it is more or less the same footprint as already exists. He noted that it is hard to change the footprint because of the historic nature of the property. There are also some historic features that take up more space than necessary but can't be changed, like large staircases and windows. Mr. Surace will bring the sizes of the units to the meeting next week.

Ms. Crawford asked which state program is being used. Mr. Surace said it is the Small Building Participation Loan Program.

ADJOURNMENT:

The hearing adjourned at 5:30.