

Cayuga County Development Corporation

FY 2019 BOARD MINUTES

Introduction

The Cayuga County Development Corporation – “CCDC”, has a policy of convening Board Meetings on an as-needed basis and therefore, there are a limited number of meetings per year. In 2019, the Board held a total of nine (9) Board Meetings, including the required annual meeting to address corporate business.

CCDC Board Meetings were held on the following dates in 2019:

- 1. January 10, 2019*
- 2. February 4, 2019*
- 3. March 8, 2019*
- 4. March 25, 2019*
- 5. April 11, 2019*
- 6. May 14, 2019*
- 7. July 18, 2019*
- 8. August 6, 2019*
- 9. November 14, 2019*

The record of the meeting minutes are attached hereto.

Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Thursday January 10, 2019 4:30 p.m.

CCDC Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 4:31 p.m.

ROLL CALL:

Board Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.
Tracy Verrier, Maureen Riester, Samantha Frugé, Cayuga Economic Development Agency
Carey Eidel, Angela Daddabbo, Auburn Public Theater

PRESENTATION

Auburn Public Theater (APT)

Carey Eidel and Angela Daddabbo, representing APT, presented a background of the Auburn Public Theater (APT) along with an overview of the current building and program expansion project. Eric Ridley inquired, as an employee of Hilton Garden Inn, whether this would be a conflict of interest for him as a potential competitor in the events market? (e.g., both venues would be doing wedding business at their locations). Board members felt that by disclosing the information, as the project is in the discussion phase, not an issue. Members will verify prior to voting on the project.

The board continued discussion on the presented elements of a loan application for the project. Carey Eidel described what part of the project the ESD grant will cover and the process for the submittal and reimbursements of funds from the NYS awarded grants. Further discussion was held on other proposed funding resources for the project. Auburn Public Theater has requested to use the NYS ESD grant reimbursements as payments for any funds distributed to APT. The board confirmed the economic importance of this project to Auburn and Cayuga County. Along with the non-profit funding opportunities, APT also operates as a business with sales generated through ticket sales, etc. The board discussed the financial configuration of the business and the probable structure and managing of the proposed loan.

Crystal Creek Potential Application

Maureen Riester presented a general overview of the proposed Crystal Creek project. The new prototype process is designed to remove 99% phosphorus from anaerobic digesters' effluent; as well as reducing the excess water levels. Phase 1 is designed to procure / prototype the necessary equipment to be able to turn the drawn phosphorus into a commercially viable unit of fertilizer. Phase 2 would be the development and distribution of a molluscicide used to kill destructive slugs on crop farms. The initial Cayuga County dairy farm will be used as a demonstration project for the future development of additional sites.

The board reviewed the planned distribution of requested funds and the proposed reimbursement from the NYSERDA grant. Crystal Creek was advised to submit a full application to include personal financials of the primary shareholders and NYSERDA grant documentation for the board to review.

MINUTES:

Grant Kyle motioned to approve the minutes of October 17, 2018, seconded by Eric Ridley.
All members present voted in favor; motion passed.

TREASURER'S REPORT

Suzanne Gauthier distributed a copy of the current Treasurer's Report and a loan summary report.
Grant Kyle motioned to accept the December Treasurer's report, 2nd by Bud Shattuck.
All members present voted in favor, passed.

OLD BUSINESS

Gavras Center Capital Improvement & Expansion

Steve Lynch reported the expansion loan closed in December. Steve described the schedule of events to finalize the transfer of the property from the County.

Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Thursday January 10, 2019 4:30 p.m.

NEW BUSINESS

CCDC Independent Auditor Procurement

Steve Lynch reviewed with the board the five results received from the Request for Proposals for Auditing Services. Two of the respondents do not have prior experience with LDC/IDA and PARIS reporting. The board reviewed the remaining three proposals and determined the Bonadio Group, with significant experience with IDAs and LDCs, including PARIS reporting, would be the best fit for the board.

Grant Kyle motioned to accept the three year proposal from Bonadio & Co., 2nd by Bud Shattuck.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

Contract for Services Planning and Economic Development Staff

**RESOLUTION OF CAYUGA COUNTY DEVELOPMENT CORPORATION (THE CORPORATION")
AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE CAYUGA
COUNTY DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT FOR CCDC
ADMINISTRATIVE & PROFESSIONAL SERVICES FOR FISCAL YEAR 2019**

Motioned by Grant Kyle, 2nd by Bud Shattuck, to sign the Memorandum of Agreement with the Cayuga County Planning and Economic Development Department for 2019 Services.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

Outside Vendor Documents

The board discussed the recent distribution of documents by an outside vendor, naming the CCDC as potential sponsors or project partners engaged in potential energy projects within the County. The CCDC has not met with this vendor, nor approved of any CCDC participation in the subject projects.

Motioned by Eric Ridley to develop a letter to forward to Mr. Gary Knapp (the vendor) to no longer name CCDC as a potential partner in any proposed project; unless given prior approval from the CCDC board, 2nd by Grant Kyle.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

NEXT CCDC BOARD MEETING - Will be announced as needed.

ADJOURNMENT

Bud Shattuck motioned to adjourn the meeting at 6.25 p.m. 2nd by Grant Kyle.

All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Grant Kyle motioned to approve the minutes of January 10, 2019, seconded by Eric Ridley.
All members present voted in favor; motion passed. February 4, 2019.

Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Monday February 4, 2019 8:45 a.m.

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 8:45 a.m.

ROLL CALL:

Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.
Tracy Verrier, Maureen Riester, Samantha Frugé, Cayuga Economic Development Agency
Rick Galbato, CCDC Attorney

MINUTES:

Grant Kyle motioned to amend to the minutes of October 12, 2018, minutes to reflect the correct interest rate for Gavras Center, seconded by John Latanyshyn. All members present voted in favor; motion passed.

Grant Kyle motioned to approve the January 10, 2018 seconded by Eric Ridley.
All members present voted in favor; motion passed.

TREASURER'S REPORT

Suzanne Gauthier distributed a copy of the current Treasurer's Report and a 2018 YTD loan summary report. All loans are current and Wells College has formally reported the college will no longer need any of the additional approved funds. Grant Kyle motioned to accept the January Treasurer's report, 2nd by Bud Shattuck. All members present voted in favor, passed.

Invoices to Pay

- Steve reviewed the Bonadio audit charges. An additional charge of \$1,000 will be necessary to complete the CHAR 500; this element had not been incorporated in the original RFQ, as these charges were included in past audits.
Motioned by Eric Ridley to pay the invoices up to \$5,500 for the original contract for services and the additional charge for the CHAR 500 to Bonadio when they are presented for payment, 2nd by Grant Kyle.
All members present voted in favor, motion passed.

Board discussed to present another request to the IRS for a determination whether CCDC, as a component of the Cayuga County, needs to formally complete the CHAR 500.

- Harris Beach forwarded an invoice for the balance of services for 2018. The bills were for services pertaining to the potential transfer of the Gavras Center project and the Wells College project.
Grant Kyle motioned to pay the Harris Beach invoice with the understanding staff submit the final billing to the projects' representatives for reimbursement, seconded by Bud Shattuck.
All members present voted in favor, motion passed.

- Expenses for a meeting with the Executive Director and CCDC Chairman to discuss potential projects which may come forward to the board.
Eric Ridley motioned to reimburse Stephen Lynch in the amount of \$65.00 for costs associated with the meeting, seconded by Bud Shattuck. All members present voted in favor, John Latanyshyn abstained, motion passed.

- Suzanne Gauthier requested authorization to pay for the annual renewal of the loan accounting software. Eric Ridley motioned to authorize loan software authorization in the amount not to exceed \$800, 2nd by Grant Kyle. All members present voted in favor, motion passed.

**Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Monday February 4, 2019 8:45 a.m.**

Auburn Public Theater (APT)

CCDC Chairman Latanyshyn and Director Lynch met to discuss and develop an administrative plan for the loan request for the APT project. A plan was presented to the board which involved coordination with the State grant structure. Administrative options and terms on a possible loan draw system for the project were reviewed. The board discussed the APT proposal, cash flow, potential collateral, interest rates and fees.

Grant Kyle motioned to present the following proposal to Auburn Public Theater, 2nd by Eric Ridley. Approval of \$450,000 in project financial assistance, Option 1: One half percent fee on the \$450,000 as project fee, five percent on loan balance, requirement to secure the property in second position as collateral, pay off judgment prior to closing, and invoices will need to be submitted to the State for reimbursement within two weeks of paying the invoices. The term of the loan not to exceed one year, with an additional year extension with board approval.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

Crystal Creek Potential Application

Maureen Riester stated Crystal Creek is continuing to work on work on their application and will present the complete application when completed.

Preferred Quality Grain (PQG)

Tracy Verrier presented an overview of the Preferred Quality Grain loan application. The request will be for \$114,000 with \$79,000 of the total being used as a bridge loan for an approved grant loan from USDA; the remainder would be used to purchase grain cleaning equipment. PQG has two owners, Chuck Kyle and Dan Conable. The company is requesting Dan Conable to be the sole guarantee of the loan request. The USDA grant is a pass through from CEDA to the company. CEDA will own the equipment for a period of five years and lease the equipment back to PQG. PQG is requesting to amortize the full \$114, 000 over five years at 5.25%. After the grant funds are received and applied to the principal of the loan, PQG will request to re-amortize the balance over the remainder of the term.

NEXT CCDC BOARD MEETING

Board discussed probable dates for next meeting to discuss the upcoming projects. If the underwriting is completed for Preferred Quality Grain, the next meeting will be February 21st at 8:45 am and March 8th for review of the Crystal Creek request at 8:45 am.

ADJOURNMENT

Grant Kyle motioned to adjourn the meeting at 10:07 a.m. 2nd by Grant Kyle.
All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Grant Kyle motioned to approve the minutes of February 4, 2019, seconded by Bud Shattuck.
All members present voted in favor; motion passed. March 8, 2019.

Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Friday March 8, 2019 8:45 a.m.

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 8:45 a.m.

ROLL CALL:

Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.
Tracy Verrier, Maureen Riester, Samantha Frugé, Cayuga Economic Development Agency
Dan Conable, Preferred Quality Grains
Chuck Kyle, Preferred Quality Grains
Rick Galbato, CCDC Attorney

NEW BUSINESS

- Preferred Quality Grain (PQG) CCDC Loan Application
The preliminary loan application documents had been previously forwarded to the board for review. Chuck Kyle and Dan Conable presented an overview of their proposed equipment purchases to provide organic grain cleaning services; along with weed management services to the farming community. PQG representatives described the process and potential customer base. The board inquired about the collateral and personal guarantee.

Grant Kyle motioned to approve a CCDC loan in the amount of \$114,000, Five Year at 5.25% as presented with a re-amortization opportunity upon pay back of the \$79,000 USDA Grant, 2nd by Bud Shattuck.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

Grant Kyle motioned to amend to motion to prepare the term sheet to include Dan Conable as Personal Guarantee and the equipment as Collateral Security, 2nd by Bud Shattuck.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

TREASURER'S REPORT

Suzanne Gauthier distributed a copy of the current Treasurer's Report. All CD's have been rolled into additional three months terms with slightly higher rates. The board briefly discussed the probable upcoming loan applications. Currently Auburn Public Theater has not finalized a commitment at this time; and are waiting for further documents from Crystal Creek Organics. CEDA described another possible opportunity with a local restaurant business/residential property.

Grant Kyle motioned to accept the March Treasurer's report, 2nd by Bud Shattuck. All members present voted in favor, passed.

MINUTES:

Eric Ridley motioned to approve the minutes of February 4, 2019, seconded by Bud Shattuck. All members present voted in favor; motion passed.

Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Friday March 8, 2019 8:45 a.m.

NEW BUSINESS CONT:

- CCDC Fund Management /Operations Discussion

Steve Lynch reviewed with the board discussions had with the Bonadio group regarding the funds transferred from the County of the closed grant funds and whether any additional reporting requirements may need to be completed. Upon completion of the financial audit, Bonadio will prepare any needed additional costs to complete any further reports. The board will continue to review and evaluate loan application parameters: job creation based on the loan value, jobs available to low/moderate income individuals, etc.

- Project/ Loan Application Fees

The board discussed fees for loan and project applications. The board discussed past fees and agreed to apply a fee up to 2%, plus legal fees on the closing of future loan projects.

NEXT CCDC BOARD MEETING

The next meeting to present and finalize the Annual Financial Audit on March 25, 2019 at 8:45 a.m.

ADJOURNMENT

Eric Ridley motioned to adjourn the meeting at 10:00 a.m. 2nd by Grant Kyle.

All members present voted in favor, passed.

Respectfully submitted,

Suzanne Gauthier, Acting Secretary/Treasurer

Eric Ridley motioned to approve the minutes of March 8, 2019, seconded by Grant Kyle.

All members present voted in favor; motion passed. May 14, 2019.

Cayuga County Development Corporation Meeting
County Office Building, 5th Floor Conference Room, Auburn, NY
Monday March 25, 2019 8:45 a.m.

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 8:47 a.m.

ROLL CALL:

Present: John Latanyshyn, Eric Ridley, Bud Shattuck
Excused: Grant Kyle
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.
Tracy Verrier, Maureen Riester, Samantha Frugé
Cayuga Economic Development Agency
Kelley Ann Hines, Bonadio & Co., LLP
Rick Galbato, CCDC Attorney

NEW BUSINESS

• CCDC FY 2018 Audit Review and Adoption

Kelley Ann Hines reviewed with the board the distributed CCDC Draft Audited Financial Statements for the Year Ending December 31, 2018. Ms. Hines upon reviewing with County management and auditors, has confirmed CCDC is defined as a blended unit of the County. Ms. Hines presented the Independent Auditor Report which provided the highest rating for the financial management of the CCDC. Ms. Hines reviewed the financial statements with the board and described the differences between 2018 and the prior year. The transfer and receipt of small business loan funds from the County had provided for additional activity in 2018. Bonadio & Co., LLP reviewed the internal control report and stated all control processes are in place and that the board is in compliance with New York State regulations. Upon review of the management letter, Ms. Hines observed CCDC did not review and readopt the current investment policy on an annual basis and recommended as a component unit of the County, CCDC can utilize the County's investment policy to review and adopt the policy annually.

Board discussed events which may trigger a Single Audit in the future due to possible large expenses/loans from the loan pool. The board further discussed revenue projections based on loan interest received and revenue received from investments. Ms. Hines recommend the board continue to review policies on fees and interest which can be used for operational expenses. Director Lynch recommends the board request Harris Beach's assistance in reviewing the original State and Federal Grant conditions to be able to continue meet the requirement of the original funds and still meet the economic needs of the community.

Ms. Hines inquired if the board would like Bonadio to prepare the CHAR 500 and the IRS 990. As a blended component of the County, the Corporation may be eligible for an exemption to file these reports. The board can decided whether to file the reports for 2018 or to file the requests for exemption and probable extensions at the same time to have adequate time for the IRS to review and make a final determination. The cost to file the exemption and extensions would be \$1,500.00.

• EXECUTIVE SESSION:

Eric Ridley motioned to go into executive session to discuss the medical, financial, credit, or employment history of a particular person(s) or corporation, 2nd by Bud Shattuck at 9:25 a.m. All members present voted in favor, passed.

Bud Shattuck motioned to come out of executive session, 2nd by Eric Ridley at 9:28 a.m. All members present voted in favor, passed.

CCDC 2018 Financial Audit Review and Adoption continued:

Eric Ridley motioned to contract with Bonadio to request the IRS 990 and CHAR 500 exemptions and extensions if needed for \$1,500, 2nd by Bud Shattuck. The motion passed with the following roll call vote:

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John Latanyshyn	Yes
Eric Ridley	Yes
Bud Shattuck	Yes
Grant Kyle	Absent

Eric Ridley motioned to contract with Harris Beach at a cost not to exceed \$5,000 to review and prepare a determination on the requirements for the original CDBG State and Federal grant funds, 2nd by Bud Shattuck. The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Bud Shattuck	Yes
Grant Kyle	Absent

Motioned by Eric Ridley to approve the 2018 Audited Financial Statements as presented, and to authorize the Chairman to sign the necessary forms and to authorize Bonadio & Co., LLP to file the necessary forms and reports, 2nd by Eric Ridley. The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Bud Shattuck	Yes
Grant Kyle	Absent

TREASURER’S REPORT

Suzanne Gauthier distributed a copy of the current Treasurer’s Report. The board reviewed the month’s expenses and loan receipts. Bud Shattuck motioned to accept the March 25, 2019 Treasurer’s report, 2nd by Eric Ridley. All members present voted in favor, passed.

OLD BUSINESS

- Update on APT Financial Assistance

Director Lynch stated are still waiting for a confirmation from the Auburn Public Theater whether the company will continue to process a loan application.

- Update on Pending Loan Requests

- i. Prison City Brewery (PCB) Production Facility Expansion

Samantha Frugé presented an overview of the proposed expansion. The \$4.5M expansion, the company is requesting \$450,000 to be used for equipment and inventory. Most of the underwriting is completed; however are waiting for further information from the owners. The board discussed the sources and uses of funds available for the project. The board will need a completed application along with the required documents to finalize a loan commitment.

- ii. Colonial Lodge

Samantha Frugé explained Andrew Hack and a fellow applicant are looking to purchase the Colonial Lodge in Moravia. The couple has presented a loan application for a SBA loan through New York Business Development Corporation (NYBDC). The request to CCDC would be for \$44,500 for the down payment on the house/business/property. The board discussed the proposal and agreed upon final presentation of the application document, the board would consider taking the current resident as collateral for the CCDC portion of the project.

- iii. Crystal Creek Organics (CCO)

Samantha Frugé reviewed the outline for a request from Crystal Creek for assistance on their project. CCO has patented technology that recovers and isolate phosphorous found in farm manure. CCO would provide the equipment, run the process to remove phosphorus and other bi- products from the manure and establish marketable products for distribution. The farms would be offered a portion of the revenue generated from the process. Crystal Creek currently has a NYSERDA grant for the project and would be looking for assistance with cash flow for the project. The completed application and financials will be ready shortly for circulation to the

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Monday March 25, 2019 8:45 a.m.**

board. The board set up a meeting for April 11th for additional review of the project.

- **Application and Project Fee for Loan Projects**

Bud Shattuck motioned to accept a \$150.00 non-refundable application fee for project loan applications, 2nd by Eric Ridley. The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Bud Shattuck	Yes
Grant Kyle	Absent

A brief discussion held on the use of outside sources for pulling credit reports for loan application. The board agreed to add language to the credit authorization form to state that CCDC may use outside sources to request credit reporting on their behalf.

- **Project Fees**

The board reviewed expenses related to staff and administration costs associated with loan processing.

Eric Ridley motioned to charge a flat fee of \$500 for projects under \$100,000 loan amount, 1% fee on project loans \$100,000 and over, plus legal fees, 2nd by Bud Shattuck. The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Bud Shattuck	Yes
Grant Kyle	Absent

NEXT CCDC BOARD MEETING

The next meeting to review completed loan applications will be held on April 11, 2019 at 8:45 a.m.

ADJOURNMENT

Eric Ridley motioned to adjourn the meeting at 10:20 a.m. 2nd by Bud Shattuck.

All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Eric Ridley motioned to approve the minutes of March 25, 2019, seconded by Grant Kyle.

All members present voted in favor; motion passed. May 14, 2019.

**Cayuga County Development Corporation Meeting County
Office Building, 5th Floor Conference Room, Auburn, NY
Thursday April 11, 2019 8:45 a.m.**

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 8:46 a.m.

ROLL CALL:

Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.
Tracy Verrier, Maureen Riester, Samantha Frugé, Derrick Simmonds,
Cayuga Economic Development Agency
Andrew Pomeroy, Crystal Creek Organics
Andrew Hack, Colonial Lodge

NEW BUSINESS

- Crystal Creek Organics (CCO), Andrew Pomeroy
The preliminary loan application documents had been previously forwarded to the board for review. Andrew Pomeroy presented an overview of the proposed business plan and financial projections for CCO. CCO will be purchasing equipment to be used for extracting the additional phosphorus from farm manure to create organic fertilizers and molluscicide for distribution. Andrew Pomeroy described the proposed job creation, benefits to the farmers, the agricultural industry, and the environment. NYSERDA has provided a grant to assist the company with the project through the promotion of local anaerobic digesters. The grant is designed for CCO to build, install and operate a production scale system on a local dairy C.A.F.O. in Cayuga County. The NYSERDA grant is broken down into specific tasks, where NYSERDA will reimburse CCO after CCO completes a given task. Crystal Creek is requesting a \$200,000 Line of Credit to be used to fund the initial tasks in the NYSERDA grant. CCO's is proposing to repay CCDC after receiving reimbursements from NYSERDA. The board reviewed the assigned tasks in the NYSERDA draft contract, along with a proposed schedule of possible reimbursements. Andrew Pomeroy further demonstrated the products and by-products which will be produced from their system.

The board continued review of the tasks and deliverables within the NYSERDA grant. The board discussed the financial projections and the future aspects of the business. Members inquired about the proposed collateral and personal guarantees for the project.

- Colonial Lodge – Andrew Hack
The preliminary loan application documents had been previously forwarded to the board for review. Andrew Hack presented the proposal for the purchasing of the Colonial Lodge in Town of Summerhill. Mr. Hack gave a background of the business and his proposed plans for maintaining and growing the business. A \$400,000 SBA Small Business Loan through NYBDC Bank has already been secured. Hack is requesting a \$44,500 bridge loan to cover a portion of his down payment to secure the business property purchase. Andrew's current house will be used as security for the CCDC loan. Andrew will be placing his house on the market and would be looking to pay the CCDC loan back with some proceeds from the borrower's current home. The project intends to keep the current five employees and is projected to add another four positions over four years. Looking to convert the current employees to full time status. The board reviewed the projected financials of the business; and the probably time frame which CCDC would hold the security.

The board discussed elements needed to proceed with finalizing the two loan prospects.

Colonial Lodge

- The board would require a real estate home appraisal on Andrew Hack's personal home which he would be using as a security lien for the CCDC loan. After the appraisal is complete, the home would need to be placed on the market. A commitment letter from CCDC would be forwarded to NYBDC bank.
- The loan would be structured as an interest only loan for six months or until the home is sold. After six months would convert to a five year amortization schedule at 5.50 % with a balloon call after one year.

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Thursday April 11, 2019 8:45 a.m.**

- 2nd Position after the original mortgagor, along with being listed as additional insured on the property insurance.
- Application fee of \$150; flat closing fee of \$500, plus legal.

Bud Shattuck motioned to approve a \$45,000 CCDC loan to Andrew Hack for the Colonial Lodge project with the discussed terms, 2nd by Bud Shattuck.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

Crystal Creek Organics (CCO), Andrew Pomeroy

The board continued discussion on the CCO project. The board requests CCO to provide value on the personal guarantees for the loan request. Upon review of the value of the personal guarantees, the board will meet again to finalize terms of the proposed loan.

OLD BUSINESS

Steve Lynch updated the board on the Bonadio review. Director Lynch advised Bonadio to proceed with the extensions of the CHAR 500 and IRS 990 as agreed to in March; then upon acceptance followed by application as not necessary to file these reports. The board briefly discussed the results of the audit in regards to the transfer of funds from the County.

NEXT CCDC BOARD MEETING

The next meeting will be scheduled as needed.

ADJOURNMENT

Bud Shattuck motioned to adjourn the meeting at 11:05 a.m. 2nd by Grant Kyle. All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Eric Ridley motioned to approve the minutes of April 11, 2019, seconded by Grant Kyle.
All members present voted in favor; motion passed. May 14, 2019.

**Cayuga County Development Corporation Meeting County
Office Building, 5th Floor Conference Room, Auburn, NY
Tuesday May 14, 2019 4:30 p.m.**

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 4:25 p.m.

ROLL CALL:

Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.
Maureen Riester, Samantha Frugé
Cayuga Economic Development Agency

TREASURER'S REPORT

The May Treasurer's report was distributed to the board for review.

Eric Ridley motioned to accept the May Treasurer's report, 2nd by Grant Kyle. All members present voted in favor, passed.

MINUTES:

Eric Ridley motioned to approve the minutes of March 8, March 25 and April 11, 2019, seconded by Bud Shattuck. All members present voted in favor; motion passed.

OLD BUSINESS

- Colonial Lodge

Steve Lynch reviewed with the board the additional documents the board requested to finalize the loan application. The provided documents did confirm that no other party has any funds due from the sale of the family home. Andrew Hack is still waiting on a formal copy of the balance due on the current mortgage. NYBDC bank is requesting a longer term than one year for the CCDC's required balloon payment from the sale of the house to pay off the anticipated CCDC loan. In order for the board to take further action on the loan, the board requested Samantha Frugé to negotiate with the applicant to confirm a mutual agreed upon term for up to two years for a scheduled balloon payment from the sale of the house.

- Crystal Creek Organics (CCO), Andrew Pomeroy

Steve Lynch summarized the elements within the \$200,000 loan application. After the presentation to the board in April, the board requested CCO to demonstrate the value of the assets to be used as collateral for the personal guarantees, as the NYSERDA reimbursements funds will be given directly to CCO. The board further discussed the CCO proposed business plan.

Mr. Pomeroy confirmed that he is not able to bring additional assets into play to secure his personal guarantee nor further secure additional collateral from the other major shareholders. Chairman John Latanyshyn asked Andrew Pomeroy for further explanation on the how the NYSERDA reimbursement of funds would be distributed. Mr. Pomeroy gave an overview on the project phases and what needs to be completed to request the NYSERDA reimbursements. Mr. Pomeroy announced a private investor has recently come forward to provide a \$200,000 financial infusion of support for the project; however would continue to request funding from CCDC for working capital and project expenses.

The board further discussed the elements with proposed project. As CCO was able to secure private equity for the company's initial gap funding need, the consensus of the board is that this detail has eliminated the need for CCDC funds at this time. The board would be is willing to consider future funding needs if necessary, when CCO is prepared to enter into Phase 2 of the project.

- Preferred Quality Grain (PQG)

Steve described the three party lease between Preferred Quality Grain, Cayuga Economic Development Agency (CEDA) and CCDC which will be needed for the equipment to be purchased for the PQG project. The lease has

**Cayuga County Development Corporation Meeting County
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been reviewed by the parties' attorneys and is ready to be executed. Once the lease is signed, the disbursement of the funds can be released to purchase the equipment.

Grant Kyle motioned to authorize Chairman John Latanyshyn to sign the lease with PQG and CEDA to secure the purchase of the equipment, 2nd by Bud Shattuck.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

The board further discussed the process of the distribution of funds for the equipment, as CCDC will pay the vendors directly for the equipment.

NEW BUSINESS

- Annual Investment Policy

The CCDC Investment policy was updated and forwarded for review to the board. Chairman Latanyshyn inquired whether custodial agreements were in place with Tompkins and Five Star as amounts deposited are over the FDIC limits. The custodial agreements are in place and monthly statements are being forwarded.

Eric Ridley motioned to adopt the CCDC Investment Policy, 2nd by Bud Shattuck.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

NEXT CCDC BOARD MEETING

The next meeting will be scheduled as needed.

ADJOURNMENT

Eric Ridley motioned to adjourn the meeting at 5:30 p.m., 2nd by Bud Shattuck. All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Bud Shattuck motioned to approve the minutes of May 14, 2019, seconded by Eric Ridley. All members present voted in favor; motion passed. January 22, 2020.

**Cayuga County Development Corporation Meeting County
Office Building, 5th Floor Conference Room, Auburn, NY
Thursday July 18, 2019 4:00 p.m.**

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 4:05 p.m.

ROLL CALL:

Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.

TREASURER'S REPORT

The July Treasurer's report was distributed to the board for review.

Grant Kyle motioned to accept the July Treasurer's report, 2nd by Bud Shattuck. All members present voted in favor, passed.

MINUTES: May 14, 2019 Pending

NEW BUSINESS

Steve Lynch informed the board the IRS has forwarded an acknowledgement that the CCDC board is not required to file IRS 990.

- **Board Briefing:1998 Canal Corridor Initiative**

The board was presented an overview of the Cayuga County Canal Corridor Initiative whereas the County had secured HUD 108 programs funds for administration of a Grant /Loan program through the Department of Planning and Economic Development. The businesses and municipalities have been paying the County for their payments, however due to a default from one business, a portion is payable to HUD will be short. These funds were original HUD allocation and the amount due can be taken from the reserves which were transferred from the County last year.

Grant Kyle motioned to authorize the transfer of \$7331.06 to the Special Grant account at the County to pay the July and January 2020 payment to HUD, 2nd by Bud Shattuck.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

- **Prison City Beverages (PCB) Loan Application**

The board reviewed the initial loan application documents for a proposed loan for the Prison City Beverages new expansion project. The board discussed the proposed equipment collateral and other elements within the application.

The board requested additional documents for final review of the loan application: a listing of the assets attached to the Personal Guarantee of Dawn Schultz, two years of taxes for Prison City Brewing and personal taxes and a more in depth explanation of the equity proposed for the new project.

NEXT CCDC BOARD MEETING

The next meeting has been scheduled for August 6th at 4:00 p.m. to further review the Prison City Beverages application and any other business which needs to come before the board.

ADJOURNMENT

Grant Kyle motioned to adjourn the meeting at 4:40 p.m., 2nd by Eric Ridley. All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Bud Shattuck motioned to approve the minutes of July 18, 2019, seconded by Eric Ridley.
All members present voted in favor; motion passed. January 22, 2020.

**Cayuga County Development Corporation Meeting County
Office Building, 5th Floor Conference Room, Auburn, NY
Tuesday August 6, 2019 4:00 p.m.**

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 4:15 p.m.

ROLL CALL:

Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.
Tracy Verrier, Director, Samantha Frugé, Economic Development Technical Specialist
Cayuga Economic Development Agency
Rick Galbato, Galbato Law Firm
Dawn and Marc Schultz, Prison City Beverages, LLC

OLD BUSINESS

• Prison City Beverages (PCB) Loan Application

The board reviewed the initial loan application documents along with the additional information provided to the board which had been requested last month for a proposed loan for the Prison City Beverages new expansion project.

Chairman Latanyshyn inquired about the equity contribution and the anticipated collateral for the loan.

Tracy Verrier further explained the Empire State Development grant for the Prison City expansion requires a 10% equity contribution which needs to be documented; and as a reimbursement program, reimbursement will be distributed when the project is complete and the job creation goals are met.

The board further discussed the required elements to be included in the term sheet. The board inquired as to the amount of equity and where the equity is being held, the breakdown of upfront softs costs, equipment collateral, current lien to be paid off prior to closing, and the board prefers not to pay the Auburn Industrial Development Agency (AIDA) fee from the CCDC funds.

The board continued the discussion with Dawn and Marc Schultz verifying elements within the application. Dawn explained the investor group has deposited the required equity contribution into Tioga bank. Dawn Schultz explained the details of ownership of the expansion project: Prison City Brewing will be the only member of Prison City Farmhouse, the land holding company for the property, and Prison City Beverages will be the operating company of the new business. The board prefers to hold as collateral pieces of new equipment and is not interested in real property assets. Dawn and Marc explained the breakdown of equipment which can be used for collateral for the different funding partners.

Motioned by Bud Shattuck for Director Lynch to prepare the term sheet for Dawn Schultz to sign, with the closing to be scheduled upon satisfaction of requested the documentation, 2nd by Grant Kyle with loan terms as stated below:
\$275,000 loan: \$240,000 for purchase of equipment breakdown as listed on application including the centrifuge, \$35,000 shall be used as soft costs, 5.5% Interest, 7.5 year term, first year interest only, Personal Guarantee from Dawn Schultz with Prison City Beverages to pay the balance of loan when the reimbursement from the ESD grant is received, proof of satisfaction of payment of current lien, 1% loan fee due at closing and the AIDA fee not to paid from CCDC funds.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

NEXT CCDC BOARD MEETING

The next meeting will be scheduled as needed.

ADJOURNMENT

Grant Kyle motioned to adjourn the meeting at 5:30 p.m., 2nd by Bud Shattuck. All members present voted in favor, passed.

Respectfully submitted,

Suzanne Gauthier, Acting Secretary/Treasurer

Bud Shattuck motioned to approve the minutes of August 6, 2019, seconded by Eric Ridley. All members present voted in favor; motion passed. January 22, 2020.

**Cayuga County Development Corporation Meeting County
Office Building, 5th Floor Conference Room, Auburn, NY
Thursday November 14, 2019 4:00 p.m.**

Chairman John Latanyshyn called the Cayuga County Development Corporation (CCDC) meeting to order at 4:10 p.m.

ROLL CALL:

Present: John Latanyshyn, Grant Kyle, Eric Ridley, Bud Shattuck
Others Present: Steve Lynch, Executive Director, Suzanne Gauthier, Acting Secretary/Treasurer,
Cayuga County Department of Planning and Economic Development.

TREASURER'S REPORT

The November Treasurer's report was distributed to the board for review. The Treasurer reported CEDA had presented the payment of \$79,035 to be applied toward Preferred Quality Grain's principal from their grant award. Prison City Beverages loan closed October 23rd.

Bud Shattuck motioned to accept the November Treasurer's report, 2nd by Eric Ridley. All members present voted in favor, passed.

Director Lynch reviewed with the board the accounting services contract with Bonadio & Co.. Bonadio had filed the request to the IRS to determine CCDC's status as to the filing of the 990 and CHAR 500 reports. Notification has been received from the IRS that CCDC is not required to file the 990 and CHAR 500. Bonadio will be preparing the 2019 Audit as the board had accepted their three year proposal for 2018, 2019 and 2020.

The Treasurer presented the invoice for the renewal of the loan servicing software for Note Smith. The cost is \$764.00 for the software and 2020 tech support.

Bud Shattuck motioned to approval payment of the loan serving software, 2nd by Grant Kyle. All members present voted in favor, passed.

The board continued discussion on the definition of elements to be included in the requested annual report from the loan recipients.

MINUTES TO APPROVE

The board requested to resend the May, June and July 2019 minutes for review to approve at the next meeting.

OLD BUSINESS

- Prison City Beverages (PCB) Loan Closing
Director Lynch updated the board on the PCB loan closing at the end of October. An initial \$35,000 for working capital was released and the remainder of the loan will be distributed directly to the appropriate vendors for the equipment for the new building.

- Cayuga County 2019 Services contract.
Eric Ridley motioned to pay the 2019 services contract to Cayuga County, 2nd by Grant Kyle. All members present voted in favor, passed.

NEW BUISNESS

- CCDC FY2020 BUDGET DISCUSSION
Executive Director Lynch reviewed the proposed FY 2020 CCDC Budget. The board discussed the specific elements within the proposed budget. With the increase in the number and size of projects from the Economic Development loan pool, the budget displays increases in the return of principal payments and interest on investments.

Eric Ridley motioned to approve the presented FY2020 budget; 2nd by Grant Kyle.

The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

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- Cayuga County 2020 Services contract.

Eric Ridley motioned to prepare a 2020 services contract with Cayuga County to provide staff to the Cayuga County Development Corporation in the amount of \$40,000, 2nd by Grant Kyle. All members present voted in favor, passed. The motion passed with the following roll call vote:

John Latanyshyn	Yes
Eric Ridley	Yes
Grant Kyle	Yes
Bud Shattuck	Yes

- Proposed Joint Meeting with Agencies Involved in Economic Development Projects (CCDC, CEDA, CCPUSA)
Bud Shattuck, as a member of both boards (Cayuga County Development Corporation and Cayuga County Public Utility Service Agency) presented to the board a request from CCPUSA of the potential of having a joint meeting with the agencies to discuss proposed economic development projects and what assistance each agency could bring to the project. Until a decision is finalized in forming a joint session, the CCDC board concluded: if a potential development project is looking for project assistance, the developers should submit the appropriate application(s) to the board(s) for review.

NEXT CCDC BOARD MEETING

The next meeting will be scheduled as needed.

ADJOURNMENT

Eric Ridley motioned to adjourn the meeting at 5:07 p.m., 2nd by Bud Shattuck. All members present voted in favor, passed.

Respectfully submitted,
Suzanne Gauthier, Acting Secretary/Treasurer

Bud Shattuck motioned to approve the minutes of November 14, 2019, seconded by Eric Ridley. All members present voted in favor; motion passed. January 22, 2020.