

## F. CCIDA – Saratoga Cheese Manufacturing Facility Planning and Design (W665)

August 19, 2009

- Grantee:** Cayuga County Industrial Development Agency (“CCIDA”)
- Beneficiary Company:** Saratoga Cheese Corporation (“Saratoga Cheese” or the “Company”)
- ESD Investment:** A grant of up to \$400,000 to be used for engineering, design, site planning, and other related costs associated with the establishment of a new 64,000-square-foot cheese manufacturing facility.
- Project Location:** Aurelius Business Park, Eagle Drive, Auburn, Cayuga County
- NYS Empire Zone:** Auburn Empire Zone
- Project Completion:** June 2010
- Grantee Contact:** Steven Lynch, Executive Director  
Cayuga County Office Building, 5<sup>th</sup> Floor  
160 Genesee Street  
Auburn, New York 13021  
Phone: (315) 253-1276 Fax: (315) 253-1499
- Beneficiary Contact:** Lawrence Rosenbaum, Founder and Chairman  
101 South Main Avenue  
Albany, New York 12208  
Phone: (518) 253-4202 Fax: (518) 371-6131
- Project Team:**
- |                    |               |
|--------------------|---------------|
| Project Management | Meg Paskins   |
| Affirmative Action | Helen Daniels |
| Environmental      | Soo Kang      |
- Project Description:**

### Background

The CCIDA, a component unit of Cayuga County (the “County”) and the grantee on behalf of the project, was created in 1970 to encourage economic welfare, recreation opportunities and prosperity for the inhabitants of the County.

Saratoga Cheese, the Beneficiary Company, is planning the construction of a \$41 million specialty cheese manufacturing plant in the Town of Aurelius Business Park (the “Park”). The new 64,000-square-foot plant will be located at a shovel ready site in the Park, and the Company estimates the creation of 75 new jobs. In addition, the new facility will provide premium payment for Kosher specialty milk to be produced on as many as 13 dairy farms within a 50-mile radius.

The \$400,000 grant will provide critical funding for engineering, design and site planning related costs required to complete the planning stage for the project. This will allow the project to move through several important milestones and help secure final debt and equity

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investments needed to begin construction. Financing already in place includes an ESD offer of a New York Job Development Authority (JDA”) loan for up to \$2,420,000 in machinery and equipment financing. The offer was accepted in July 2008 and should be presented to the JDA board during the second half of 2010.

### The Project

A number of professional design, engineering and construction firms will be hired to complete the planning stage for the project. To date, LeChase Construction, a large Rochester-based firm which has constructed numerous large projects, including food processing plants, and David Bell, a Troy-based architect and architectural professor who will focus on the overall exterior presentation of the plant and the public visitors’ center to be constructed a year following the plant’s opening, have been selected. Contracts with each are still being finalized.

Saratoga Cheese is also working with two engineering firms which have submitted lengthy proposals for services. Negotiations are highly confidential, and a hiring decision is anticipated in August 2009. The following criteria will be used to decide which firm to hire: track record in dairy projects; record on projects within New York State; qualifications on LEED (Leadership in Energy & Environmental Design) certified environmental projects; carbon credit maximization; and process and payment structure requirements.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Engineering	\$357,000	ESD Grant	\$400,000	100%
Site Permitting	33,000			
Site Design	10,000			
Total Project Costs	\$400,000	Total Project Financing	\$400,000	100%

### **Statutory Basis – Community Capital Assistance Program:**

The project is authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2009-2010 New York State budget.

### **Disclosure and Accountability Certifications:**

The Grantee and Beneficiary Company have provided ESDC with the required Disclosure and Accountability Certifications. The Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations. The Beneficiary Company’s certifications indicate a New York State tax violation which was satisfied in May 2009. Staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.