



Authorities Budget Office

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Albany, New York 12224

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The New York State
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NYS Senate, State Capitol
Albany, New York 12224

Hon. Carl E. Heastie
Speaker of the New York State Assembly
State Capitol
Albany, New York 12224

State of New York Authorities Budget Office
P.O. Box 2019
Albany, New York 12220-0076

**RE: Cayuga County Industrial Development Agency (the "Agency")
Notice of Disposition of Property by Negotiation
Eagle Drive Holdings, LLC (the "Company")**

To Whom It May Concern:

Pursuant to Section 2897(6)(d) of the New York State Public Authorities Law ("PAL"), the following explanatory statement is being provided at least 90 days prior to the disposal of property by negotiation.

EXPLANATORY STATEMENT

The proposed disposition of real property (the "Disposition", as further described herein) is within the purpose, mission and governing statutes of the Cayuga County Industrial Development Agency ("CCIDA") as a duly established public benefit corporation and industrial development agency governed under Article 18-A of the General Municipal Law (the "IDA Act"), and is thereby exempted from publicly advertising for bids pursuant to PAL §2897(6)(c)(v) and obtaining fair market value pursuant to PAL §2897(7)(ii).

By resolution adopted October 6, 2023 (the "Project Authorizing Resolution"), the Agency accepted the Company's Application for Financial Assistance in connection with a proposed project (the "2023 Project"), which was defined to include: (A) the sale by the Agency to Eagle Drive Holdings (the

"Company") of certain Agency-owned parcels of real property located off Eagle Drive within the Town of Aurelius, Cayuga County, New York (being identified as TMID Nos. 114.00-3-1, 114.00-3-5, 114.00-3-6.1, 114.00-3-7.1, Eagle Drive (1.091 acre portion, and herein, the "County Land"), 114.00-3-99.2 (.275 acre portion), the foregoing assemblage totaling approximately 28.757 acres of real property, and herein, the "Agency Lands", along with the retention of a leasehold interest in an additional approximately 3.009 acre portion of TMID No 114.00-3-2.1, for a total assemblage of approximately 31.766 acres of land, and as assembled and collectively herein, the "Land"); (B) the planning, design, construction and operation on the Land by the Company and/or an Agency-approved Company affiliate of an approximately 130,000 square-foot aseptic milk product processing, bottling, packaging and warehousing facility, including product handling, bottling, packaging, warehousing, office and related flex spaces, along with exterior improvements upon, within and adjacent to the Land to include stormwater retention improvements, parking improvements, landscaping, curbage, utility improvements and product and waste transmission conveyance improvements (collectively, the "Improvements"); (C) the acquisition and installation in and around the Improvements of certain machinery, equipment and other items of tangible personal property (the "Equipment", and together with the Land and Improvements, the "Facility"); and (D) the lease of the Facility by the Agency to the Company pursuant to a straight lease transaction.

Pursuant to and in accordance with the Project Authorizing Resolution, the Agency appointed the Company as agent to undertake the 2023 Project, and as of October 20, 2023, the Agency and Company entered into (i) a certain Agent and Financial Assistance and Project Agreement (the "Agent Agreement"), a certain Amended and Restated Lease Agreement (the "Lease Agreement"), a certain Amended and Restated Leaseback Agreement (the "Leaseback Agreement"), a certain Amended and Restated PILOT Agreement (the "PILOT Agreement"), a certain Amended and Restated PILOT Mortgage (the "PILOT Mortgage"), along with related documents (collectively, the "2023 Project Documents"). At the time of closing on the 2023 Project Documents, the 2023 Project was estimated to entail an approximately \$183M investment by the Company, a significant number of construction jobs, and the creation and expansion of local Company jobs.

The Company has submitted a supplemental application to the Agency requesting the Agency's assistance with proposed expansions and modifications to the 2023 Project, including (i) effectuating a lot line adjustment to the Land through amendments to the 2023 Project Documents, (ii) the construction of an approximately 700 square foot building addition, stair tower and related bridge to be incorporated into the Improvements (the "2025 Improvements"), (iii) the finance, leasing and installation of certain additional equipment within and upon the Facility to be incorporated into the Equipment and Facility (the "2025 Equipment"), and (iv) the provision of additional financial assistance to the Company in the form of 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 Facility or used in the construction and equipping of the Facility in connection with the 2025 Improvements and 2025 Equipment, and b) mortgage recording tax exemptions for secured financings undertaken in furtherance of the 2023 Project, 2025 Improvements and 2025 Equipment (collectively, the "2025 Financial Assistance").

By Supplemental Project Authorizing Resolution adopted by the Agency on April 24, 2025, the Agency authorized the 2025 Financial Assistance and the appointment of the Company to undertake the 2025 Project, which is now estimated to cost over \$230M, with increased construction and permanent jobs added to the local economy.

Pursuant to a resolution adopted by the Agency on April 16, 2024, the Agency also authorized the provision of an amended Revocable License Agreement with the Company the ("License"), such License

containing a right of first refusal (the "ROFR") with respect to Agency-owned lots 9, 10, 11, 99.1 and 27.81, which comprise approximately 36.012 acres of land (herein, the "Additional Agency Lands"). In furtherance of the 2025 Project and the Company's ongoing expansion plans, and consistent with the ROFR, the Company has submitted an offer (the "Offer") to acquire the Additional Agency Lands for the agreed sum as contained within the License and ROFR (the "Disposition"), which totals \$1,085,696.00 (the "Purchase Price"). By resolution adopted by the Agency on May 15, 2025, the Agency has preliminarily accepted the Offer and desires to undertake the Disposition no sooner than Ninety (90) days after the date of this letter.

In accordance with applicable provisions of the PAL and Policy Guidance No. 14-01 issued by the State of New York Authorities Budget Office, the following details regarding the Disposition are provided:

1) Description of the parties involved in the Disposition:

Seller: Cayuga County Industrial Development Agency
Buyers: Eagle Drive Holdings, LLC

2) Justification for disposing Property by negotiation:

The Agency is empowered to develop and own real estate for corporate purposes allowable under the IDA Act. In furtherance of same, the Project has been identified as a highly qualified and suitable fit for location and development within the Park. The Agency actively markets lands within the Park and routinely works with site selection firms and the State of New York to attract appropriate new businesses and facilities to the Park. In this case, the Company's Project has been identified as the highest and best use in connection with the disposition of the Property, and will complement the existing milk product processing facility located adjacent to the Project and owned by Company affiliate Cayuga Milk Ingredients, LLC.

3) Identification of Property:

The Additional Agency Lands associated with the Disposition are identified as follows:

Lot 9 – 9.824 acres - TMID No. 114.00-3-9
Lot 10 – 9.857 acres – TMID No. 114.00-3-10
Lot 11 – 11.10 acres - TMID No. 114.00-3-11
Lot 27.81 – 2.69 acres - TMID No. 114.00-2-27.81
Eagle Drive (portion) – 2.541 acres and portion of TMID No. 114.00-3-99.2

Total assemblage of Additional Agency Lands – approximately 36.012 acres of real property

4) Estimated Fair Market Value of Property:

The combined appraised value of the Additional Agency Lands totals \$1,085,696.00.

5) Proposed Sale Price of the Property:

The proposed purchase price for the Agency Lands is the appraised value of \$1,085,696.00.

6) Size of the Property:

Approximately 36.012 acres (undeveloped)

7) Expected Date of Sale of the Property:

At least 90 days after the date of this notice. The Agency reasonably expects that a Closing will occur on or about October 1, 2025.

Any questions or comments relating to the proposed Disposition may be sent to Cayuga County Industrial Development Agency, 2 State Street, Auburn, New York 13021, Attn: Michael Miller, Executive Director and/or via email at director@cayugacountyida.org.

Sincerely,



Michael Miller
Executive Director

Cc: Raymond Lockwood, Agency Chairman
Riccardo Galbato, Esq., Agency General Counsel
Justin S. Miller, Esq., Agency Transaction Counsel