



Cortland County

Industrial Development Agency

Regular Meeting of the Members of the Cortland County Industrial Development Agency

September 15, 2025 – Noon

40-42 Main Street, Suite A, 2nd Floor Cortland New York, 13405

Roll Call-

Mike McMahon	Chairman	
Stephen Compagni	Vice Chairman	
Clint Brooks	Secretary	
Deborah Hayden	Treasurer	
Dr. Kathleen Burke	Member	
William McGovern	Member	
Donald Richards	Member	
<u>Melanie Vilardi</u>	Executive Director	
<u>Andrea Skeels</u>	Chief Finance Officer	
<u>Ashley Riehlman</u>	Community Relations Specialist	

Approval of Minutes – August 18, 2025

New Business

1. Cortland County Legislature Chairman Kevin Fitch
2. iSpice Foods Mortgage Tax Exemption
3. 2025 IDA Budget

Old Business

1. 40 Main St Cortland Update

Monthly Reports –

1. Finance Report
2. Director's Report

Adjourn –



Cortland County
Industrial Development Agency

Minutes



Cortland County

Industrial Development Agency

MINUTES for the Regular Meeting of the Members of the Cortland County IDA

August 18, 2025 – Noon

40-42 Main Street, Suite A, 2nd Floor Cortland New York, 13405

Roll Call- Chairman McMahon called the meeting to order at 12:02 PM

Mike McMahon	Chairman	Present
Stephen Compagni	Vice Chairman	Absent
Clint Brooks	Secretary	Present
Deborah Hayden	Treasurer	Present
Dr. Kathleen Burke	Member	Absent
William McGovern	Member	Present
Donald Richards	Member	Present
Melanie Vilardi	Executive Director	Present
Andrea Skeels	Chief Finance Officer	Present
Ashley Riehlman	Community Relations Specialist	Present
John Sidd	Agency Counsel	Present – Zoom
Leroy Draper	Greek Peak CFO	Present
Ayden Wilbur	Greek Peak Vice President	Present
Marie Weiss	Local Carpenters Union 277	Present

Also Present - Dr. Kremenek, Jason Hage, Robert Edwards, and Andy Fox

Approval of Minutes - July 28, 2025 – Chairman McMahon made a motion to approve the minutes as presented, Mr. Richards seconded the motion; all voting in favor, none opposed.

New Business

1. Greek Peak – Leroy Draper and Ayden Wilbur
 - a. Presented a \$1.7 million dollar project to add on to their snow making capabilities.
 - b. Goal is to have Greek Peak become the CNY destination for skiing from December to March.
2. Consent to Collateral Assignment – Next Era Energy – Chairman McMahon made a motion to give Executive Director Vilardi the authority to sign. Mr. McGovern seconded the motion. All in favor, none opposed.
 - DG Empire Bight, LLC (Lapeer Cortland Solar)
 - DG Empire Shine, LLC (Cortlandville I)
 - DG Empire Shine, LLC (Cortlandville III)

Old Business

1. 40 Main St Cortland Update

Monthly Reports –

1. Finance Report – CFO discussed current finance reports.
2. Director's Report - Attached

Adjourn – The meeting was adjourned at 12:19 PM



Cortland County
Industrial Development Agency

New Business

**iSpice Foods**

106 Centra Ave
Cortland, NY 13045
Phone: 251-246-8001
ispicefoods.com

August 21, 2025

Board of Directors
County Business Development Corp
Cortland County Industrial Development Agency
40 Main St, Suite A
Cortland, NY 13045

Subject: Mortgage recording tax exemption

Dear Members of the Board,

As originally planned two years ago when we requested financial assistance, iSpice Foods now is about to acquire the property located at 106 Central Ave., Cortland, NY, with all the 4 parcels adjacent to the main address.

The purchase price is set to \$14,000,000.

The tax exemption we received from IDA at the time was \$126,000. Today, we are facing potentially mortgage recording tax in the amount of \$343,750.

Why is the difference?

- 1) Two years ago, at the time we applied for the exemption, the tax rate was 1%. Today, we learn that the tax rate in Cortland increased to 1.25%, and that, effective January 2025.
- 2) With 10% downpayment, and 90% financing, it was estimated that the mortgage recording tax will be \$126,000, based on \$14,000,000 purchase price. We weren't explained that the recording tax is on the total mortgage recording amount and not on purchase price.
- 3) Fully committed to the project, iSpice invested over \$18,000,000 in the abovementioned property, the majority of which in leasehold improvements (and the remaining in manufacturing equipment), to bring it into a food grade level facility, and this, prior to the acquisition cost of the property, therefore, exceeding by far its original estimates and obligations. Some of the funding came from iSpice's business operations in Alabama and New Jersey, but the balance is needed to be funded through financial institutions.
- 4) We have two lenders that are funding the whole project. A) The first lender is funding for the acquisition of the building for \$14,000,000 in addition to funding

partially the leasehold improvements to the extent of \$6,000,000, and as such recording a mortgage in the aggregate amount of \$20,000,000. B) The second lender is financing \$7,500,000 for the leasehold improvements and is recording a mortgage in the same amount.

Since its emergence in Cortland County, iSpice Foods had a considerable positive impact in the economy and the community of Cortland, employing over 160 employees and fully respecting its promise and engagement towards the community. As a matter of fact, and as stated earlier, the investment in this project will be close to \$32,000,000 after the acquisition of the property, exceeding by \$10,000,000 our original projections at the time we have applied for financial assistance.

We are on the crossroads of finalizing the credit agreements and recording of the mortgages in the next 10 days or so, and it is of crucial importance that we get the mortgage tax exemptions.

We kindly request from you to consider to extent the original tax exemption to the order of \$343,750 as fast as possible in order not to delay any further the process of financing with the lenders.

We look forward to receive your positive response in the next few days, and with vision to be a permanent presence at Cortland and forever, we remain yours,

Respectfully,

A handwritten signature in dark ink, appearing to read 'Raffi Froundjian', with a stylized flourish at the end.

Raffi Froundjian
CFO

Project Summary Sheet

Project Name: iSpice, LLC

TOTAL PROJECT AMOUNT

\$25,200,000

Summary of tax exemptions being sought with Project:

Sales Tax Exemption:	\$1,200,000
Mortgage Recording Taxes:	126,000
Real Property Taxes:	* 1,688,350

Estimated Value of Total Exemptions: \$3,014,350

***Estimate of the value of the RPT exemption sought was calculated as follows:**

As per the City Assessor, due to the recent sale of the property and a city wide reassessment adjusting properties to the market value, this property assessment will increase from \$4,787,500 to \$8,000,000 effective 3-1-2024.

Based on 2023 rates for city/county and school the total RPT paid with no PILOT and an assessed value of \$8,000,000 would be as follows:

City:	\$142,663
County:	124,176
School:	153,607

Total 1 year: \$420,446 x 10 years = \$4,204,460

The PILOT request from iSpice is to freeze the current assessment @ \$4,787,500 for a 10 year period with payments each year based on the current tax rates. An estimated projection based on 2023 tax rates and an assessed value of \$4,787,000 would be as follows:

City:	\$85,375
County:	74,312
School:	91,924

Total 1 year: \$ 251,622 x 10 years = \$2,516,110

Total estimated taxes for 10 years with NO PILOT: \$4,204,460

Total estimated taxes for 10 years with a PILOT : 2,516,110

Net Value of RPT Exemption: \$ 1,688,350 - a 40% reduction in RPT

The terms of this request is a deviation from the Agency's Uniform Tax Exemption Policy which would be paid if the Project Facility was not exempt from real property tax. Rather than the 65% reduction applicable under the Agency's Uniform Tax Exemption Policy, the project is requesting a 40% reduction resulting in greater revenue to the affected taxing jurisdictions.

Employment Impact:

New Jobs Created:

Year 1	175 FTE
Year 2	125 FTE
Year 3	50 FTE

Total New Jobs: 350 FTE

Minimum FTE before PILOT penalties apply (80%) – 280

iSpice anticipates the new jobs to consist of 10 employees at management level with the average salary of \$120,000/ year and benefits valued at \$18,000 per year; 35 employees at administrative level with the average salary of \$65,000/year and benefits valued at \$13,000 per year and 305 employees at production level with the average salary of \$40,000/year and benefits valued at \$ 8,000 per year.

Based on the above, the annual payroll once @ full capacity of 350 FTE will be **\$18,750,000**

Cost Benefit Analysis:

Total Exemptions: - 10 year period: \$3,014,350

Investment – 10 year period:

Project investment	\$25,200,000
Gross Payroll	15,675,000
Employee Benefits	3,075,000

Total Investment: \$43,950,000

Ratio: Exemptions/Investment - .07%

Cost per new job for exemption: \$8,612 over 10 years
\$861 per year

This project meets all of the qualifying criteria as noted in the Development Policy as follows:

- *The timeline for projected investment and job creation is within the first two years of application;*
- *The applicant procures goods and services locally and regionally as often as possible during the construction phase of the project;*
- *The level and type of investment to be made by the applicant exceeds the minimum investment of \$500,000;*
- *The project enhances the strategic goals identified in the BDC's economic development plan and will enhance the overall regional economic climate;*
- *The project will create jobs which will be available to county residents and displaced workers;*
- *The project enhances strategic goals identified in Section II of the Development Policy.*

iSpice Project Rationale

iSpice LLC

Project Rationale

iSpice LLC (DBA iSpice Foods) of 6450 Highway 43, Jackson AL, a leading importer, processor, and supplier of quality herbs and spices from around the world, proposes to purchase, renovate and install up to 50 production lines in an expansion project at the former Voyant manufacturing facility in the city of Cortland.

The 500,000 square-foot building was vacated by the close of the 2022 calendar year after Voyant's closure and later acquired by a local ownership group that marketed the facility to a variety of potential tenants culminating with an agreement with iSpice. With customers including such national brands as Kroger, General Mills, Publix, Target, Aldi, Starbucks and more, iSpice projects to hire up to 350 workers over the next five years.

Enabled through the PILOT agreement the project will:

- Prompt a \$25 million investment in the facility;
- Create significant new employment and fill a massive hole that the Voyant closure left in the community ;
- Include a laboratory for research and development of new products; and
- Continue to generate property tax dollars for the community.

Staff is recommending approval of CCIDA incentives for this project as outlined in the attached.



Cortland County
Industrial Development Agency

Financial Reports

Cortland County IDA
Balance Sheet
August 31, 2025

ASSETS

CURRENT ASSETS

NBT - Checking 5112	\$ 29,983.25
NBT Proj Invest Checking	1,262,087.94
NBT Money Mkt Savings	49,527.23
Prepaid Expenses	<u>1,805.35</u>

TOTAL CURRENT ASSETS 1,343,403.77

PROPERTY AND EQUIPMENT

Land-Railroad Properties	209,818.00
Land-Contento Property	91,835.00
Land-Cleveland St - Apex	303,143.60
Leasehold Improvements	3,376.80
Accum.Depreciation-L.H.I.	(3,376.80)
Office Equipment/Furniture	2,159.08
Accum.Depreciation-FF&E	<u>(308.44)</u>

NET PROPERTY & EQUIPMENT 606,647.24

RECEIVABLES

Lease A/R - Park Outdoor	<u>42,232.94</u>
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TOTAL RECEIVABLES 42,232.94

TOTAL ASSETS \$ 1,992,283.95

LIABILITIES/FUND BALANCE

CURRENT LIABILITIES

TOTAL CURRENT LIABILITIES 0.00

LONG TERM LIABILITIES

Deferred Inflows-Leases	\$ <u>42,232.94</u>
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TOTAL LONG TERM LIABILITIES 42,232.94

TOTAL LIABILITIES 42,232.94

FUND BALANCE

Unrestricted Earnings	1,777,762.52
Net Income	<u>172,288.49</u>

TOTAL FUND BALANCE 1,950,051.01

TOTAL LIAB & FUND BALANCE \$ 1,992,283.95

Cortland County IDA
Income Statement
For the Eight Months Ending August 31, 2025

	Current Month	Year to Date
REVENUE		
Application Fees	\$ 500.00	\$ 5,500.00
Project Fee	0.00	200,384.23
Interest on Deposits	2,758.76	20,371.14
Lease Interest Revenue	0.00	1,478.62
Land Lease	0.00	14,854.38
AK Community PILOT	0.00	6,026.07
Creamery Hills PILOT	0.00	9,746.80
83-85 Main LLC PILOT	0.00	14,000.00
Lapeer Cortland Solar PILOT	0.00	45,000.00
DG NY 1 C Ville LLC	0.00	23,877.18
Janis Solar LLC	0.00	31,836.24
Yellow 3 LLC	0.00	17,509.93
DG NY C'Ville #3	0.00	23,409.00
Crescent Commons	0.00	25,750.00
Total Revenue	<u>3,258.76</u>	<u>439,743.59</u>
 TOTAL REVENUE	 <u>3,258.76</u>	 <u>439,743.59</u>
 EXPENSES		
Contento Project Expenses	0.00	3,417.50
Apex/Cleveland St Property	608.09	1,590.07
Accounting	0.00	8,300.00
Bank Charges	0.00	30.00
Legal	0.00	3,895.00
Professional Services	0.00	1,750.00
Property Tax-Sewer/Water	0.00	207.09
D & O Insurance	119.50	956.00
Depreciation	0.00	154.22
AK Community PILOT	0.00	6,026.07
Creamery Hills PILOT	0.00	9,746.80
83-85 Main LLC PILOT	0.00	14,000.00
Lapeer Cortland Solar PILOT	0.00	45,000.00
DG NY 1 C Ville	0.00	23,877.18
Janis Solar LLC	0.00	31,836.24
Yellow 3 LLC	0.00	17,509.93
DG NY C'Ville #3	0.00	23,409.00
Crescent Commons	0.00	25,750.00
BDC Admin Support	0.00	50,000.00
TOTAL EXPENSES	<u>727.59</u>	<u>267,455.10</u>
 NET INCOME	 <u>\$ 2,531.17</u>	 <u>\$ 172,288.49</u>



Cortland County
Industrial Development Agency

Director's Report

Director's Report

September 15, 2025

Current:

- Housing – needs assessments
- EPA Brownfield Grant
- AES Solar – formerly EDF – Cortlandville, Homer, Solon
 - Submitted PILOT Agreement with fee
 - Working with Homer Assessor
 -
 - Municipal leaders' meeting
- Marathon NY Forward
 - Project totals \$6.5m
- Homer Bridge – FEMA \$739k – verbally approved \$600k to move forward
- Broadband update
- 40 Main St Purchase offer
- Railroad PILOT term ends 12.31.25 – Coffee Mania expansion
- Greek Peak
- Budgets
- CNY REDC – Regional Market
- iSpice request

On the Horizon:

- Micron business listing
- Meet and Greet
- Gillette Factory Update
- Cortland Standard Building
- Nomadic Security

Meet & Greet completed

- State Fair ribbon cutting
- Dan Egnor – Homer Village Clerk
- Joe McMahon – Cortland WWTP
- CNY REDC – Regional Market
- Southworks Tour
- Matt Whitman - RHI
- Chamber Fundraising event
- Sandro Mironti – NY Bagel
- Jordan Brown – Preble Horse Farm
- Joe Cortese & Molly Lane