

Onondaga County Industrial Development Agency
Regular Meeting Minutes
January 18, 2022

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, January 18, 2022 at 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Patrick Hogan called the meeting to order at 8:14 am with the following:

PRESENT:

Patrick Hogan
Janice Herzog
Victor Ianno
Steve Morgan
Susan Stanczyk
Fanny Villarreal

ABSENT:

Kevin Ryan

ALSO PRESENT:

Robert M. Petrovich, Executive Director
Nate Stevens, Treasurer
Nancy Lowery, Secretary
Karen Doster, Recording Secretary
Jeff Davis, Barclay Damon Law Firm
Samantha Podlas, Barclay Damon Law Firm
Carolyn Evans-Dean, Office of Economic Development
Rebecca Shiroff, Office of Economic Development
Carson Weinand, CVE Group
Sam Wilks, IMS Inc.
Jackie Egle, IMS Inc.
Carmen Emmi, Prima Terra
David Aitken, Destiny USA
Lauryn Miller

APPROVAL OF REGULAR MEETING MINUTES – DECEMBER 14, 2021

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the regular meeting minutes of December 14, 2021 meeting. Fanny Villarreal abstained. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of December 2021.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved the Treasurer's Report for the month of December 2021. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #465.

Upon a motion by Fanny Villarreal, seconded by Susan Stanczyk, the OCIDA Board approved the Payment of Bills Schedule #465 for \$2,074,311.74 and PILOT payments to Onondaga County for \$9,723.26, City of Syracuse for \$8,493.64 and Syracuse City School District for \$14,547.90. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

The Conflict of Interest was circulated and there were no conflicts reported.

CVE US EI4 MANLIUS NORTH, LLC (3101-21-16A) INITIAL MEETING

Carson Weinand stated he is the senior business developer with CVE. He stated CVE is a community solar developer out of New York City. He stated over the past couple of years they have been working on this project. He stated it is located off East Seneca Turnpike in the Town of Manlius. He stated they secured site control in 2020 and spent about six months preparing their documents to apply to the Town and spent about ten months getting their permits. He stated on October 25 they received their special use permit, their site plan approval and SEQR negative declaration so it is a mature project. He stated it is three co-located projects and plan to take one 225 acre parcel and subdivide it into separate lots to develop three separate solar community solar projects; a 1.5 megawatt project and two 5 megawatt projects. He stated they have been through the interconnection studies with National Grid and they have the green light to connect to the grid. He stated they also worked through PILOT agreements with the Town and School District. He stated they are signing a Host Community Benefit Agreement with the Town and signed an Educational Contribution agreement with the School District which includes

a \$365,000 one-time donation to the School District. He stated the benefits of the project are millions of pounds of carbon will be displaced from the grid but also about 2,500 local residents will receive monthly discounts on their electricity bills for the next 25 years. He stated there will be millions of dollars of energy savings for the residents in the Town of Manlius. He stated they are seeking sales tax and mortgage recording tax exemptions.

Patrick Hogan asked how long the PILOT is with the Town. Carson Weinand stated he believes it is 25 years. Janice Herzog stated she thinks it is 15.

Nancy Lowery asked if it is under the 487 PILOT. Carson Weinand stated it is under the 487 PILOT with the Town and School District. He stated a notice letter was sent to the County with their intent to develop and construct this project and did not get a response so he does not think anything will be due to the County under the rules of 487.

Carson Weinand stated there is a separate Host Community Benefit Agreement just for the Town which gives them additional revenue because they have the lowest pro rata share of all the tax revenue and they bear most of the burden of this project so CVE is giving them additional income.

Patrick Hogan asked if the PILOT with the Town is similar to the PILOT agreement the Agency would have where CVE pays taxes on the property but not the improvements. Carson Weinand stated the PILOT is for the property taxes of the solar facility and will still be paying tax on the land. He stated they will pay special district taxes in full. Robert Petrovich stated CVE will be paying taxes on the land but not the improvements.

Jeff Davis stated it is a 487 PILOT which requires each taxing jurisdiction to enter into a PILOT. He stated CVE has a PILOT Agreement with the Town and the School District. He stated the County did not respond in the statutory time period which means the County will not receive tax on the improvements for 15 years. He stated it is a scaled down PILOT that generally starts out with full exemption and scales down by percentage over the time period down to zero exemption at 15 years.

Victor Ianno asked how many projects are in Onondaga County. Carson Weinand stated CVE has a couple of projects in the Town of Cicero but they are on hold because there is a solar

moratorium in Cicero. He stated the projects in New York are located in the Town of Wheatfield, Town of Brunswick and Town of Queensbury.

Janice Herzog asked if there is another project in the Town of Manlius or East Syracuse. Carson Weinand stated no.

Janice Herzog asked if the other projects mentioned are through CVE. Carson Weinand stated they are all through CVE. He stated they received permits on the facility in Wheatfield in September and they are seeking the same for the facility with the Niagara County IDA. He stated they are still working on permitting on their projects in Queensbury and Brunswick

Janice Herzog asked what the total project acreage is in Onondaga County. Carson Weinand stated this project is a 225 acre parcel and the footprint and fenced in area is 80 total acres. He stated the projects before the Board are the only active projects in Onondaga County. He stated they have others in the pipeline but he does not consider them real yet and those are in Cicero.

Patrick Hogan asked if the reason CVE is breaking the project up into three separate entities is because of regulations regarding solar projects. Carson Weinand stated yes and they are limited to 5 megawatt per community solar project but they are allowed to co-locate and subdivide.

Patrick Hogan asked if CVE holds on to those projects or do you sell them. Carson Weinand stated they are an independent power producer so they own and operate the projects long term which is different than most other developers who get the permits, get them ready for construction then sell them off.

Susan Stanczyk asked for a map of the location. Carson Weinand stated he can forward a map to the Board members. He stated it is just west of the Fayetteville Manlius High School and completely hidden from view.

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing a public hearing for the CVE US EI4 Manlius North, LLC Project.

Motion was carried.

CVE US EI5 MANLIUS EAST, LLC (3101-21-17B) INITIAL MEETING

Upon a motion by Susan Stanczyk, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing a public hearing for the CVE US EI5 Manlius East, LLC Project. Motion was carried.

CVE US EI6 MANLIUS WEST, LLC (3101-21-18C) INITIAL MEETING

Upon a motion by Fanny Villarreal, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing a public hearing for the CVE US EI6 Manlius West, LLC Project. Motion was carried.

ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT BYLAWS MODIFICATION

Robert Petrovich stated he believes all the Board members have been briefed on this matter and he thinks any questions that came up during the individual briefings have been addressed. He stated if there are any questions this morning they can be discussed.

Jeff Davis stated there are two separate resolutions as noted on the agenda. He stated the first is the supermajority vote for any future changes to the Bylaws and the second is how the executive director position is filled. He stated both resolutions went through the Governance Committee last week with recommendation from that Governance Committee.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution amending Article IV of the restated bylaws, to require all future amendments to the bylaws to require supermajority vote of the Board. Motion was carried.

Upon a motion by Fanny Villarreal, seconded by Victor Ianno, the OCIDA Board approved a resolution amending Article II of the restated bylaws establishing that it is the intent and desire of the Board to have the Executive Director of the Agency be the Onondaga County Director of Economic Development, a position that is appointed by the Onondaga County Executive and confirmed by affirmative vote of the Onondaga County Legislature. Motion was carried.

IMMEDIATE MAILING SERVICES, INC./245 COMMERCE LLC (3101-21-15B0 INITIAL MEETING).

Sam Wilks stated IMS started out as a small company in a garage with the owner driving around in a van collecting and mailing which turned into the company it is today. She stated they have a locations in Liverpool, Albany, Buffalo, Rochester and Virginia. She stated it started in 1987 and in New York alone they are up to 181 employees and continuing to grow very rapidly. She stated in 2019 they came before the Agency for aid for an expansion on the building at 245 Commerce which is the Liverpool main IMS location. She stated they have already maxed out that space and now need another space. She stated this Clay location is going to be used for warehousing and office space primarily for their IT department which is also growing. She stated they have a space in downtown Syracuse which is their AI Department so they are expanding into the AI technology world with their mailing and communication services. She stated IMS is before the Board today for aid with tax exemptions for certain sales and use tax, real property taxes and mortgage recording taxes specifically for the Buckley Road location.

Janice Herzog asked for a little more explanation about the AI mailing. Sam Wilks stated the AI Department is fairly new and it was just in research and development but now they are starting to get their first clients. She stated the AI department is working on something similar to the pop up you get on websites that says "Let's Chat" but their goal is to turn into a virtual assistant so the AI can schedule appointments so you don't necessarily have to talk to a person. She stated this is still in development and slowly working up to it. She stated they are developing some cool things and growing rapidly.

Susan Stanczyk asked if the Agency assistance is only for the project on Buckley Road. Sam Wilks stated the request is just for the Buckley Road which is primarily to warehouse their supplies and an office space for IT.

Susan Stanczyk asked if it is an existing building. Sam Wilks stated the IMS owner has a company called 245 Commerce and 245 Commerce bought the building and IMS is leasing.

Victor Ianno asked how many different buildings IMS has in Onondaga County. Sam Wilks stated they have one on 245 Commerce Boulevard, 220 Commerce Boulevard, 4575 Buckley Road and the downtown Syracuse location.

Janice Herzog asked about the 8 employees being added and the skill level. Sam Wilks stated at this location they are looking to expand and get additional warehouse, IT workers and some admin workers. She stated some of their employees from their current building are going to move over to this location but their goal is also to fill this location with new employees from the area. She stated it is a range of levels including higher paying salary jobs and also part time jobs. She stated the full time jobs they are looking is managers of the floor, warehouse workers, IT service people and IT professionals as well.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution declaring intent to be the lead agency for purposes of a coordinated review pursuant to SEQRA for the Immediate Mailing Services, Inc./245 Commerce LLC project. Motion was carried.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing a public hearing for the Immediate Mailing Services, Inc./245 Commerce LLC project. Motion was carried.

ACTIVE PROJECT REVIEW

Nancy Lowery stated she shared with the Board responses from the projects giving background information as to how they fell below the recapture number. She stated the projects provided information based on what the Board asked for at the last meeting regarding what happened and how it is then effected and what their plan going forward is.

Patrick Hogan stated he believes the Board is aware of what businesses have been facing especially in the hotel industry. He stated he is in favor this resolution. He stated he believes this is part of the aid that we have to give and be understanding.

Nancy Lowery stated none of these companies had fallen below their commitments until Covid. Jeff Davis stated the resolution before the Board in addition to referencing the factors that we identified by each one of the parties does take into account this Board is including the impact of the Covid pandemic on those projects.

Robert Petrovich stated this is a resolution waiving recapture at this time and is not in perpetuity. Jeff Davis agreed. He stated based upon what we know we are waiving any recapture at this time and then it goes through an annual review process. He stated this year we are waiving that as a potential option that this Board is required to look at.

Upon a motion by Fanny Villarreal, seconded by Susan Stanczyk, the OCIDA Board approved a resolution waiving recapture of financial assistance with regard to certain projects due to COVID related impacts. Motion was carried.

REVISED OCIDA PROJECT APPLICATION

(Fanny Villarreal left the meeting.)

Nancy Lowery stated the Governance Committee reviewed the changes. She stated one change is prevailing wage which is reflecting the change in NYS Law to our benefits when a project is looking at public funding. She stated there was a little bit of tweaking of language for the narrative and moved one line under the project narrative line for cleanup. She stated based on the Board's prior discussions on fees, particularly in regards to solar, there was some upgrading to the request for solar companies, giving the Board the option, that the company is to close prior to making any modifications.

Jeff Davis stated the question was raised as to concerns this Board has had with the repeated applications coming back before closing and changing name and ownership and trying to keep track. He stated it has happened a couple of times where we have gone through process then have the applicant come back and say they no longer want to close with the IDA. He stated it is a lot of work and then no fee is collected in the end. He stated the language put in is that the name change has to come with some type of extenuating circumstances by the applicant, mainly their bank is requiring this now to coincide with the closing that is going to happen and that we would not entertain those type of changes until a closing has occurred. He stated there were questions on how to track this and this would allow that to happen. He stated it also allows for an additional fee to this Board for those types of changes as well as any other type of modification coming back by an applicant as well as an additional fee if necessary for legal review.

Victor Ianno asked how an additional fee is set. He asked if they should know there is a fee involved when initially applying to the Agency so there is no disagreements. Jeff Davis stated that is part of the change in the application language that is in front of the Board right now. He stated it adds in that language.

Nancy Lowery stated page 19 it shows the recommended change to increase application fee for solar for both the Agency and the attorney fees. She stated it then discusses the increase of the Agency fee up to 5% for modifications.

Susan Stanczyk stated it says up to 5% and asked how the 5% is determined. Robert Petrovich stated we have been going back and forth trying to find something that was enough to capture additional work that would be involved and at the same time not be punitive to the point of people having a problem with it. He stated 10% seemed to be too much when looking across several CBAs but 1% seemed to be too little. He stated potentially it could be zero depending on the circumstance but certainly up to 5% did not seem extraordinary given their request. He stated we are going to let them know this upfront if they are coming back.

Jeff Davis stated a lot of projects have been community solar, 5 megawatts, which are generally smaller and the fees are less. He stated we can have and have had much larger projects before the Board so the fees there are greater. He stated it allows the Board and staff to come up with what the percentage would be depending on the ask. He stated some of the asks have been a simple change and some of the asks have been much more involved. He stated the Board has spent a lot of time at one meeting trying to figure out what was happening so this gives the Board some leeway to try and determine what that is going to be.

Susan Stanczyk asked who makes the determination on the actual percentage. Robert Petrovich stated the executive director would make that determination and then present it to the Board for informational purposes.

Patrick Hogan stated he would like to commend the staff and the Board and being very involved in questioning more. He stated he is totally in favor of this.

Robert Petrovich stated if it is a light lift there could be a consideration to let it go but generally we have some applicants that seem to do this often enough that it causes extra work.

Janice Herzog stated we have legal expenses and we are paying that out of our pocket.

Patrick Hogan asked if the prevailing wage quantifies any kind of benefits we hand over is considered public revenue and therefore they have to do prevailing wage for the project. Jeff Davis stated yes. He stated the change, which is probably the most significant change for the application, is noted in two different sections. He stated we are advising the applicant that any funds they receive by this Board are considered public funds and now under the legislation for the State if they exceed a certain threshold of public funds, any other funds they receive from the State, requires the project to become a prevailing wage project. He stated we are advising them upfront in the application that these funds qualify for that. He stated when we grant, approve benefits and induce a project our subsequent documents that we develop that they enter into is going to contain all that same language as well so this Board is covered. He stated they are well aware that everything they are receiving falls under that. He stated it is on them to determine whether they exceed that threshold but we are letting them know that our benefits qualify.

Robert Petrovich stated to the extent they are 30% it will be subject to that. Jeff Davis stated yes. He stated this Board does not know the other benefits the project receives. He stated there are things they need to do and report back to us and those are in the project agreement etc. so that we are doing all the diligence. He stated it is on them to show that if it qualifies prevailing wage they have to do prevailing wage and if they don't then the State can come back and say this should have been a prevailing wage project and you owe this gap in wages that should have been paid to all the contractors. He stated we are making that aware twice in the application.

Nancy Lowery stated we didn't want someone to get to closing and then they recognize this is going to affect their bottom line and then pull the benefits. She stated this is so everyone knows up front.

Patrick Hogan stated we will let them know as well. Nancy Lowery stated it is in the application twice but staff can certainly draw attention to it again.

Jeff Davis stated he thinks this will be part of the discussion as a reminder and in the minutes that these funds qualify as public funds now as we move forward on inducing applications.

Upon a motion Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution adopting the revised OCIDA application. Motion was carried.

PROPERTY ACQUISITION POLICY

Nancy Lowery stated this was a document that needed to be placed on our website and when the ABO did a review of our website it was something that we need to provide. She stated counsel has developed this and once approved by the Board the Property Acquisition Policy will be put on the website.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution adopting the Property Acquisition Policy. Motion was carried.

Robert Petrovich stated we have effectively been following this policy up to this point and this is just codifying that policy and getting us in compliance with the ABO in terms of their requirements.

EXECUTIVE SESSION

Jeff Davis stated his recommendation is to vote to go into executive session Public 105 to discuss proposed acquisition of real property.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board went into Executive Session to discuss the potential acquisition of lands and contracts. Motion was carried.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board adjourned Executive Session. Motion was carried.

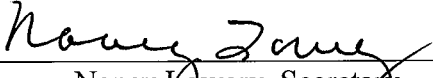
PURCHASE CONTRACT EXECUTION

Jeff Davis stated the resolutions before the Board are going to be done as omnibus resolutions. He stated there is a SEQR resolution dealing with the four parcels of property. He stated three are options to purchase that the Board is considering exercising and one is an outright purchase agreement. He stated the SEQR resolutions are virtually identical the environmental review based upon the prior review done on the project with the exception of identifying the parcels by their tax ID numbers. He read through the pertinent parts of the SEQR resolution.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the adoption of SEQR determination. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the Executive Director to enter into purchase contracts and any related documents with respect to four parcels of property. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 9:24 am. Motion was carried.



Nancy Lowery, Secretary