

Onondaga County Industrial Development Agency
Regular Meeting Minutes
November 9, 2021

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, November 9, 2021 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 8:02 am with the following:

PRESENT:

Patrick Hogan
Janice Herzog
Victor Ianno
Steve Morgan
Susan Stanczyk
Kevin Ryan

ABSENT:

Fanny Villarreal

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
Len Rauch, Office of Economic Development
Matt Acomb, NYCANNA, LLC
Dennis Duval, NYCANNA, LLC
Natalie Thompson, NYCANNA, LLC
David Spotts, SSC Cicero LLC
Catherine Johnson, COR

APPROVAL OF REGULAR MEETING MINUTES – OCTOBER 6 & OCTOBER 19, 2021

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved the regular meeting minutes of October 6, 2021 and October 19, 2021 meetings. Motion was carried.

TREASURER'S REPORT

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

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

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #463.

Patrick Hogan asked if Park Strategies is a yearly payment. Nate Stevens stated he believes it is monthly and he will get him more detail on that after the meeting.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved the Payment of Bills Schedule #463 for \$565,164.02. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

NYCANNA, LLC (3101-21-14A) SECOND MEETING

Nancy Lowery stated a public hearing was held and a board member from the Town of DeWitt voiced his support for the project.

Matthew Acomb stated currently there are 4 major grow rooms with 12,000 cannabis. He stated there is a corporate move towards a new type of growing which is a two tier growing and this is the first stage of construction on this type of system. He stated it is going to expand up to 18,400 square feet of cannabis which will increase the wholesale and increase their sales to the dispensaries within the State overall.

Jeff Davis stated from a SEQR standpoint all of this will be inside the existing building and the prepared resolution identifies that. He stated the recommendation is a negative declaration under SEQR.

Upon a motion by Susan Stanczyk, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing adoption of SEQRA negative declaration determination for the NYCANNA, LLC project. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the financial assistance the Agency will provide to include exemptions from certain sales and use taxes for the NYCANNA, LLC project. Motion was carried.

RPNY SOLAR 5, LLC (3101-21-13A)

Patrick Hogan asked if a public hearing was held. Nancy Lowery stated yes and there were no comments.

Robert Panasci stated this is a relatively small project in the sense of community solar projects. He stated it will be under 10 acres of land on Kirkville Street in the Town of Manlius. He stated they are proposing to build a 1.6 megawatts AC community solar project. He stated the project has received a special use permit and site plan approvals. He stated the Town Board issued a negative declaration under SEQR. He stated they are requesting exemptions from mortgage recording tax, sales tax and a PILOT for the real property taxes.

Janice Herzog asked if the principles are located in Boulder, Colorado. Robert Panasci stated RPNY is a subsidiary of Renewable Properties. He stated their main office is located in San Francisco and they are an owner operator. He stated they will develop, build and operate. He stated they have a slight presence in New York but their home office is in California.

Janice Herzog stated Wild Cat Renewables is also mentioned on the application and asked how that fits in. Robert Panasci stated Renewable Properties uses Wild Cat as the entity for development so they get leases and use Wild Cat as a subsidiary so they don't have to create an LLC until they get closer to permitting. He stated they don't want to waste the money in resources putting up a new LLC so they use an intermediary but they are all under the control of Renewable Properties.

Janice Herzog stated the Board minutes from the Town of Manlius mentions the main company will retain ownership and not sell it like a lot of solar projects have been doing. Robert Panasci stated that is correct. He stated the intent is not to sell but things could change in the future and if they did, they would have to go back to the IDA Board and the Town of Manlius for approval.

Steve Morgan asked how many construction jobs are going to be derived from this project and over a period of how long. Robert Panasci stated about 20-40 jobs created during the construction period for about 6 months.

Victor Ianno asked how many jobs once it is completed. Robert Panasci stated there is going to be lawn mowing and maintenance so once completed you are typically looking at .4 FTE.

Patrick Hogan asked if there is a change of ownership they must come back before this Board. Jeff Davis stated yes.

Nancy Lowery stated there were no comments at the public hearing.

Jeff Davis stated from a SEQR standpoint this project received a SEQR Negative Declaration from the Town of Manlius Planning Board. He stated there has been no change in the project in terms of what was proposed and approved. He stated the resolution before the Board is accepting and adopting the resolution by the Manlius Planning Board in recognition of the fact that there has been no change in the proposed project. He stated they underwent a full SEQR review at the Town level and that the action before this Board is the request.

Upon a motion by Kevin Ryan, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing adoption of SEQRA negative declaration determination for the RPNY Solar 5, LLC project. Motion was carried.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the financial assistance the Agency will provide to include exemptions from certain sales and use taxes, real property taxes and mortgage recording taxes. Motion was carried.

SSC CICERO LLC (3101-21-02B) SECOND MEETING

David Spotts stated SSC Cicero LLC is a 5 megawatt ground mounted solar facility. He stated they came before the Board on October 19, 2021 requesting a PILOT agreement which was ultimately approved. He stated today they are requesting the Board approve a change of control from SSC Cicero LLC to GSRP Development Company X LLC. He stated the majority interest is being sold to Goldman Sachs Renewable portfolio.

Samantha Podlas stated this is similar to what we have done before and it is just coming before the Board before the straight lease transaction closes rather than after. She stated all the documentation has been reviewed.

Jeff Davis stated they are requesting a change before closing so normally it is closed beforehand. He stated the documents state there is a requirement if there is going to be a change in ownership they come back before the Board. He stated in this case they already know what the change in ownership is going to be. He stated they are requesting approval to modify and extend to the new owner. He stated it is going into the Goldman Sachs portfolio. He stated it is a change in ownership pre-closing versus post-closing.

Patrick Hogan asked if they have gone before the Town Board. Jeff Davis stated they were fully approved.

Robert Petrovich stated approvals were granted and a public hearing was held based on one entity and asked where we are in the continuing relative to this. He stated it strikes him as peculiar.

Patrick Hogan stated they were fully approved but this is a whole different entity that is managing this. He stated the Town Board obviously met with these people and now they are handing off the portfolio to Goldman Sachs.

Jeff Davis stated he is sure there is a transfer and ownership provision. He stated SSC Cicero LLC is still going to be the entity that received the permit. He stated we did a public hearing with SSC Cicero LLC and is still going to be the entity the Agency ends up closing with. He stated from our standpoint the entity that the Agency did a notice with is still the entity that we

are going to close with. He stated from the Town standpoint he can only assume it is the same thing. He stated they have an ownership approval that they gave to “Entity A” and “Entity A” is still going to receive the special use permit approval.

Patrick Hogan stated they might get involved in managing part of it. Jeff Davis stated they may get involved with the decommissioning bonds and the other items requiring a backing by the entity that is going to construct it.

Janice Herzog stated it is important for people in the community to know which entity is owning and controlling because Goldman Sachs has acquired some of the other Agency solar projects and they are more of a global entity. Jeff Davis stated Goldman Sachs acquired the SSC Lysander project and was approved a couple months ago with a transfer of ownership after closing. He stated the entity that is acquiring SSC Cicero is the same entity that acquired SSC Lysander.

Janice Herzog stated a bigger question is we have a lot of these solar companies that have been bought off and a lot of them may funnel up to the same people. She asked if all the solar projects end up in the same spot.

Nancy Lowery stated she received a call from the Town of Cicero, they had gone on our website and saw this was occurring so she thinks they are monitoring this as well. She stated she thinks this is their first awareness of a transfer in ownership. She stated she is not sure how that effects Jeff Davis’s point and she is not sure they really understood.

David Spotts stated to bring some clarity to the discussion, John Switzer and himself are owners of SSC Cicero, LLC and will continue to be the owners of the land for the life of the project. He stated they had come before the Town Board as developers of the project and will remain to be in contact with the Town as the owners of the land for the life of the entity. He stated in addition the Town has accepted a decommissioning bond directly from Goldman Sachs. He stated the decommission has already been posted by GSRP.

Robert Petrovich asked if SSC came before the Board with a project in Lysander. David Spotts stated yes. Susan Stanczyk stated in the notes provided it says March 10, 2021 is when they closed. Nancy Lowery stated the project is closed.

David Spotts stated it is under construction right now and he is also the land owner in Lysander as well. He stated they have been in touch with the Town of Lysander regarding the project.

Patrick Hogan asked David Spotts if he will continue to manage the facility. David Spotts stated they are not involved with management or operation of the facility. He stated they own the land so they monitor what would impact them as a land owner like vegetation and storm water.

Janice Herzog asked if the operation, profits or anything of that nature would be handled and received by Goldman Sachs. David Spotts stated yes.

Jeff Davis asked if they are still going to close under the entity names SSC Cicero, LLC. David Spotts stated yes.

Robert Petrovich asked if they are going to close with the Town under the name of SSC Cicero, LLC and pull their permit under that entity. David Spotts stated yes.

Jeff Davis asked if they want to close with the IDA before they close on the property. David Spotts stated yes.

Jeff Davis stated normally the land has already been acquired before the closing with the IDA. He stated in this case SSC Cicero is requesting closing in advance of acquiring the land. He stated they will close with the IDA, pay the IDA fee, have everything there and then if they don't close on the land, the deal goes away with IDA. He stated they want to close in the next week on this transaction and we are prepared to do that. He stated the closing they requested is in advance of them closing on the property.

Robert Petrovich asked if there is a specific reason for that. Jeff Davis stated he thinks it is the timing of when the closing is set up for the property. He stated he also believes this closing with OCIDA gets them the benefits they likely need to close and do the things they need on the backend. He stated they need to show things are in place to move things forward. He stated there is a little bit of risk on their end and really no risk on the Agency end. He stated worst case scenario for them is the deal doesn't happen, they have already closed with the IDA, they paid the IDA fee and they don't receive any benefits. He stated the IDA fee is not refundable.

Kevin Ryan stated we have the arrangement with SSC but if they choose to convey interest to Goldman Sachs that is a business decision they are making and asked what the Agency's concern is. He stated they have already done this in Lysander and asked if there is a concern with the way the Lysander project played out. He stated he does not see what the downside is to us.

Robert Petrovich stated we are just trying to get a better understanding of what is going on.

Jeff Davis stated we have seen this with other solar and we are going to see it with most solar. He stated RPNY Solar's intent is to own, construct and operate. He stated most solar in New York, especially community solar which is small scale, are going through change in ownership as they either start construction or just after construction. He stated what you are seeing in the industry is large entities that want to have solar in their portfolio because their clients demand it and acquiring a series of community solar allows you to acquire a lot of megawatts. He stated solar in New York is a big push right now. He stated a lot of companies get permits and approvals and then sell that asset to somebody that can construct, operate and own it.

Patrick Hogan stated his concern is the local town having to deal with out of state and sometimes out of country entities managing the property that they have not met before. Jeff Davis stated none of the solar entities we have been talking to are local. He stated they are all LLCs that have been created in New York.

Patrick Hogan stated it is an infant industry and we don't know down the road what kind of management problems there might be. He stated this seems like a red flag to him.

Kevin Ryan stated from his perspective he feels more comfortable dealing with an entity like Goldman Sachs which is one of the gold standards in its industry, as opposed to a single purpose LLC whose sole purpose is to operate one LLC or in this case two solar farms in our community. He stated if that goes sideways they are not going to have the resources to keep the project afloat where Goldman Sachs does. He stated he feels more comfortable with it that way.

Janice Herzog stated that is a good point Mr. Ryan made but there is also the community side of it. She asked is a community impacted by a global owner who may not have a vested interest in the community other than solar power. She stated we keep being presented with these projects

and maybe we can request transparency in the companies. Jeff Davis stated in the application they have to provide and identify the ownership breakdown of the applicant entity and if there is ever a change in ownership with any project that comes before this Board, it needs to come back for approval. He stated it is not just solar, it is everybody.

Janice Herzog asked who is RPNY's parent company is and how does it work its way up. She stated we typically see the next rung in the ladder but we don't see it all the way up. She stated it would be helpful to have more transparency in where these companies are funneling to.

Steve Morgan asked if we are overstepping our boundaries saying we can't approve a project because we don't like who they are going to sell the company to. He asked if it is any of our business and who are we to tell them that. Jeff Davis stated the roll in this process is to do due diligence to determine whether the entity that you are going to provide the benefits to is an appropriate entity to provide benefits to. He stated is it registered to do business in the State of New York, are there any issues with litigation and those types of things. He stated so the answer is yes and beyond that we basically make sure the entity is a valid existing entity in New York and an appropriate entity to do business. He stated beyond that if they want to go through 14 different corporate ownership changes in the life of a PILOT and come before the Board every time they want to do that and explain why, then he thinks we are getting a little bit into their corporate business structure.

Robert Petrovich stated the only thing different about this is that they are coming to us pre closing. Jeff Davis agreed.

Kevin Ryan stated the Agency is the one granting the benefits or not granting the benefits and the question is whether we as an entity want to be doing this. He asked are we going to send the signal that we are going to look at every transaction a project makes in terms of their internal business structure with a magnifying glass. He stated he doesn't know what the downside is to dealing with Goldman Sachs versus SSC solar.

Patrick Hogan stated he wants to make sure on behalf of the residents of Onondaga County that every one of these projects is a project that we can be proud of down the road. He stated in regards to Goldman Sachs, he doesn't know if a Cicero Town Board member can call Goldman Sachs because of a trash pile on the property to be taken care of in an efficient manner.

Jeff Davis stated the town's recourse would be to threaten to pull the special use permit for the project and bring them in as a violation of their special use permit at which point anybody who has invested in this can decide whether they want to risk the threat of losing their permit and investment or coming in before the Board to do something. He stated in this case Goldman Sachs is the entity that has put up the decommissioning bond. He stated if the town wants to remove it then they can utilize the decommissioning bonds and not use their own money to take it down and restore the land back to what it was. He stated all the decommissioning bonds put in place are sized through engineering estimates as to what the cost would be for removal of the facility after the life of the facility. He stated that if it has been provided to the town and if that is in place then the protection is that. He stated if any of these entities go belly up they can be removed. He stated we don't have a decommissioning bond in normal projects but decommissioning bonds have become the main stay for solar facilities.

Robert Petrovich asked if we can cancel the PILOT. Jeff Davis stated if there is an issue with payment of the PILOT or violation under our agreements we can cancel the benefits.

Janice Herzog stated she thinks if we had a better understanding it would be easier. She stated these are not like a company setting up a manufacturing facility here, this is a different animal. She stated this is new in terms of development here and it is good have a better understanding of how this impacts our community with different ownerships.

Upon a motion by Kevin Ryan, seconded by Steve Morgan, the OCIDA Board approved a resolution consenting to the sale of membership interest of a project applicant. Motion was carried.

COR INNER HARBOR COMPANY, LLC (3101-15-14A)

(Steve Morgan left meeting)

Catherine Johnson stated COR Inner Harbor is seeking a one year extension on sales tax exemption for the Iron Pier project which is a mixed use building in the Inner Harbor with 112 market rate apartments as well as 37,000 square feet of commercial on the first floor. She stated

they have been very successful with the apartments with over 95% occupied. She stated they continue to work on the commercial and that is the reason why they are asking for the extension. She stated the extension is to continue the build outs for new tenants. She stated they have two tenants right now comprised of 6,000 square feet. She stated they have been successful in attracting Meier's Creek occupying 4,000 square feet which is under construction and hope to be open the end of this year. She stated that is a nice positive for this space which spurred on an increase in interest in the commercial space. She stated they have 3 leases under negotiation right now which would amount to about 7,500 square feet. She stated they are making progress on the commercial space as the inner harbor develops and if the aquarium goes forward that obviously is going to increase the tenant interest and development there. She stated they have not reached their sales tax exemption cap which is just over \$2,400,000 and have taken advantage of about \$1,000,000 of that.

Patrick Hogan stated he is happy Meier's got through the onerous planning process of the City of Syracuse to go in there. He stated it is good to see the progress being made and sales and use tax doesn't come into play unless you are actually building something so he is in favor of this.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the extension of the sales and use tax exemption for COR Van Rensselaer Street Company II, LLC and COR Van Rensselaer Street Company III, Inc. (COR Inner Harbor Company, LLC Sub Project 1). Motion was carried.

EXECUTIVE SESSION

Jeff Davis stated his recommendation is to vote to go into executive session to discuss the potential acquisition of lands and contracts.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board went into Executive Session at 8:50 am to discuss the potential acquisition of lands and contracts. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board adjourned Executive Session at 9:02 am. Motion was carried.

PURCHASE CONTRACT EXECUTION

Jeff Davis stated the motion on the table is a SEQR resolution. He read through the pertinent SEQR parts.

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

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

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 9:52 am. Motion was carried.



Nancy Lowery, Secretary