

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
December 14, 2021

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, December 14, 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 8:00 am with the following:

PRESENT:

Patrick Hogan  
Janice Herzog  
Steve Morgan  
Susan Stanczyk  
Kevin Ryan  
Fanny Villarreal

ABSENT:

Victor Ianno

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  
Joseph Cattalani, Stewart Hancock Partner, LLC  
Charlie Wallace, Quantum Cool, LLC  
Paul Reichel, Bond Schoeneck & King

APPROVAL OF REGULAR MEETING MINUTES – NOVEMBER 9, 2021

Upon a motion by Kevin Ryan, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of November 9, 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 November 2021.

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

#### PAYMENT OF BILLS

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

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the Payment of Bills Schedule #463 for \$463,034.19 and PILOT payments to NYS & W Railway Corp. for \$2,910.00, Onondaga County for \$945.89, Town of DeWitt for \$14.50, Town of Onondaga for \$2.92, Jamesville Dewitt School District for \$94.89 and City of Syracuse for \$1,471.13. Motion was carried.

#### CONFLICT OF INTEREST DISCLOSURE

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

#### STEWART HANCOCK PARTNERS LLC/DUNN TIRE LLC (3101-21-12A) SECOND MEETING

Joseph Cattalani stated they are proposing to build a new warehouse at the airport for Dunn Tire because they have outgrown their current warehouse and their office is not really suitable to keep expanding business.

Kevin Ryan asked where the current facility is. Robert Petrovich stated they rent a facility in Clay.

Robert Petrovich stated the project is locating at the Hancock Airpark which is owned by the County and controlled by this organization in terms of marketing and sales of the property. He stated this is a nice development project. He stated there is a creation of 11 jobs and one of the things that should be noted is Len Rauch did a nice job in working with the applicant on this project because if they couldn't find a place here he believes they would have moved to Albany.

He stated this is a nice win. He stated the Town of Cicero was accommodating in terms of some of the modifications to the setback requirement. He stated at the end of the day we got there but it was a little bit of a struggle.

Patrick Hogan asked if there are any properties left at Hancock Airpark. Robert Petrovich stated there are a couple of parcels left and Len Rauch is working on getting the last couple taken care of and then we will be out of space. He stated the County Executive is looking to do another project like Hancock Airpark so we can accommodate businesses like this with shovel ready sites for them to develop on.

Jeff Davis stated the Cicero Planning Board was lead agency and they conducted an environmental review earlier this year and we were not identified at the time as an involved agency and had we been we would have consented. He stated all the information has been reviewed and the resolution before the Board is in recognition of the environmental review conducted by the Planning Board for the Town of Cicero. He stated the Board is reaffirming accepting and adopting that negative declaration and the review they conducted.

Nancy Lowery stated a public hearing was held and there were no comments on the project.

Upon a motion by Kevin Ryan, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing adoption of SEQRA negative declaration determination for the Stewart Hancock Partners LLC/Dunn Tire LLC project. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Fanny Villarreal, 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, real estate transfer taxes and mortgage recording taxes for the Stewart Hancock Partners LLC/Dunn Tire LLC project. Motion was carried.

#### GSPP SENTINEL HEIGHTS ROAD, LLC (3101-20-10B) MEETING TO MODIFY

Jeff Davis stated this project was approved in September. He stated they came before the Board shortly after that approval and approved a change in ownership from the original member which

was GSPP Omni Hold Co LLC and then a few weeks later there was a change in ownership to GSPP Hold Co 2 LLC so a new LLC was created under the same provisions. He stated in gearing up to close we sent out our closing documents to them with the signature block for GSPP Hold Co LLC and we learned on December 3 the company entered into a membership interest purchase agreement between GSPP Hold Co LLC and the new owner GSPP Hold Co F and C Fund. He stated in essence what they did was they had somebody come in and provide an equity interest to help pay for the construction of the facility and they entered into that change of ownership. He stated the documents have been reviewed and the ownership transaction took place December 3. He stated they have also filed with the State with regard to certain benefits required for this type of facility. He stated they are before us to do an after the fact despite the fact that it should have been done before the fact. He stated the interesting thing is the facility is already built and is almost completed. He stated he also learned that when they went to close they no longer are going to be requiring the sales tax exemption because it is already built and therefore they can't use it. He stated it is a little bit less of a benefit that the Agency is going to provide and they will really only be receiving the PILOT from the Agency. He stated in order to move forward to close the Agency needs to approve.

Patrick Hogan asked what happens if we don't approve. Jeff Davis stated they don't receive the PILOT. He stated at this point he does not think they can undo this membership interest change especially now that they filed with the State.

Susan Stanczyk asked what the building is. Robert Petrovich stated it is a solar facility. Jeff Davis stated it is located in the Town of Lafayette and GSPP stands for Green Street Power Partners.

Kevin Ryan asked what precipitated the new ownership and who the new owners are. He stated in the past there has been concern. Jeff Davis stated the membership information they sent has been looked at and it is still Green Street Power Partners that is involved in the process; they brought in someone else that provided equity funding to complete the construction.

Jeff Davis asked if Samantha Podlas knew who the F and C stands for in the F and C Fund. Samantha Podlas stated they did not provide that information but there was concern last month with Cicero going out to Goldman Sachs and the transfers are all within the company.

Jeff Davis stated if he remembers correctly they create the entity and the members of that LLC can buy into certain ones of these solar facilities. He stated there was extensive discussion at a prior meeting and the owner was trying to explain it. He stated that they owned this one and they have other partners that buy into various solar facilities.

Kevin Ryan asked if we are satisfied that this doesn't change anything in terms of operation control or anything else in terms of the way this is going to function. Jeff Davis stated this doesn't change anything in terms of operational control and is still in the name of GSPP, it is just that GSPP at the back end decided who owns their company.

Patrick Hogan asked if they made the local municipality aware of the ownership. Jeff Davis stated the facility is already constructed and he doesn't think they have to.

Patrick Hogan asked why they don't have to. Jeff Davis stated it is under construction, they have a permit and what they needed to get the permit was to submit a removal bond so they have a bond in place with the Town that covers the facility. He stated under that bond if there is a change in ownership that town needs to be notified who the appropriate bond entity is. He stated whether that has been done he does not know.

Robert Petrovich stated generally speaking when we have projects we close then there is a change in ownership and we require folks to come back to the Board. He stated in this particular instance, we haven't closed and there have been two ownership changes thus far. He stated the first one was early on and we did it more or less as a courtesy. He stated this is another change yet again. He stated he thinks going forward, he would hope the Board would endorse that when the applicant closes the deal and if they want to do a change in ownership they have to come back before the Board after the closing and then the Board can consider it. He stated in this instance the horse has left the barn but it is frustrating because we are now chasing different entities and it is more work for counsel. He stated at the end of the day we understand extenuating unique circumstances but this seems to be a recurring pattern on these solar projects.

Jeff Davis stated he would recommend that as well. He stated the change in ownership beforehand, especially in this particular industry, are becoming difficult.

Kevin Ryan stated Patrick Hogan raised a good point questioning if the town is notified and the answer was they don't have to, but it was said they post a bond and in the terms of the bond the municipality is required to be notified of any ownership change. He stated if they have not notified the Town of Lafayette of the ownership change doesn't that violate the terms of the bond and if something happens we can make a claim that they didn't comply with the material terms. Jeff Davis stated he has not seen the bonds, he has not read the bonds and we are not required to see the bonds so he does not know what the terms are. He stated typically you would notify if there is a change in owner but if this qualifies, he does not know what entity posted the bonds because that is all within the Town of Lafayette.

Kevin Ryan asked if we are going to approve the ownership change can we do it such a fashion that we require they notify the Town of Lafayette so the terms of the bond are complied with so that they are not violated and voided. Jeff Davis stated he thinks we can make that request that they do that but we cannot condition an approval of change in ownership. He stated it has already happened. He stated we just don't close.

Janice Herzog stated Kevin Ryan raises a good point because what if for some odd reason the town has a problem with it and our Board already approved it then they can say well OCIDA approved it.

Robert Petrovich stated they want the PILOT so there is motivation to close.

Jeff Davis stated we can put in that on the condition of OCIDA closing on the PILOT they need to provide documentation that they have notified the Town of Lafayette of the change in ownership and the bond is in full force.

Kevin Ryan stated that there might be some other condition that we are unaware of. Jeff Davis stated he is assuming there is a removal bond because typically these types of facilities have one. He stated he thinks that is a fine condition to put in. He stated he is sure they would easily want to satisfy that so they can close and get their PILOT.

Janice Herzog stated we can hear from the town to see if everything is OK then we can approve our projects but it seems like we are putting the cart before the horse.

Steve Morgan asked if it is a burden for all parts of our agency to deal with something like this, can we invoke a change in ownership fee. He stated if that is done at least we will cover our time and efforts to accommodate something like this. Robert Petrovich stated that is a great idea and it was discussed amongst counsel and staff about doing something like that such that everyone recoups some of the cost and time. He stated he doesn't know if it can be done in this particular situation and he will defer to counsel given timing but on a going forward basis he thinks this is something we ought to consider as part of the transaction.

Jeff Davis stated typically if this is post-closing and they are coming back to us we do have a fee to cover the development of new documents. He stated sometimes OCIDA charges a fee to come back and appear before the Board and in this case obviously we have not closed yet. He stated the Agency fee structure as established is in the OCIDA application that they submitted.

Jeff Davis stated if the Board wanted to entertain the approval of the resolution for the change in ownership that would include language that would be added into that resolution that prior to closing on the PILOT they must show proof of notification of the change in ownership to the Town of Lafayette and prove that the bond, if any, is still in full force and effect. He stated he will modify that in the written resolution for purposes of any resolution going forward those will be the two conditions that we include.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution consenting to the sale of membership interest of the GSPP Sentinel Heights Road, LLC project subject to proof of notification of the change in ownership to the Town of Lafayette and proof that the bond, if any, is in full force and effect. Motion was carried.

#### QUANTUM COOL, LLC & CRYOMECH, INC. (3101-19-02A) MEETING TO MODIFY

Nancy Lowery stated this is a modification to the resolution and everyone should have copies.

Paul Reichel stated back in 2019 an affiliate of VIP Structures Quantum Cool built a facility and leases it to Cryomech in Dewitt. He stated at the time there was a possibility that they might sell the facility to Cryomech and two years later they want to sell it to Cryomech. He stated the documents allow the sale to Cryomech but Cryomech wants to set up a subsidiary to buy it. He

stated the sale will be to Kelvin Kool LLC and they are before the Board to ask for approval of the sale to Kelvin Kool, a subsidiary of Cryomech.

Jeff Davis stated when this was originally approved, the Board pre-approved a sale already to Quantum Cool. He stated this is just a change in name of the company that they are going to sell to and we had already contemplated this was going to happen. He stated this request is not only the approval of the name change for the change in ownership but also approval to authorize the executive director to execute mortgage documents as necessary like we typically do.

Charlie Wallace stated the entity is solely owned by Cryomech.

Robert Petrovich stated it is separating the real estate from the operating business and is standard practice.

Paul Reichel stated to be clear they are not asking for a mortgage tax exemption on the project. He stated they are also asking for release of Quantum Cool because it is no longer going to own the facility, it is selling it to Kelvin Kool. Robert Petrovich stated a release going forward but Cryomech is still responsible for future job targets and obligations.

Upon a motion by Kevin Ryan, seconded by Susan Stanczyk, the OCIDA Board approved a resolution approving the assignment of the right, title and interest in a Company Project Facility by Quantum Cool, LLC to Kelvin Kool, LLC and authorization for the executive director to execute and deliver documents in connection therewith including mortgage documents. Motion was carried.

### ACTIVE PROJECT REVIEW

Nancy Lowery stated we are required by Municipal Law 874-12 to report to the Board assessment of the active projects and this year we have 64 active projects and 60 are in compliance. She stated 4 are out of compliance meaning they have fallen below the 75% of the employment they put in their application. She stated we have been in contact with the 4 projects and submitted written documentation as to why they fell below. She stated they are all Covid related. She stated 3 of them are in the hospitality industry that are hotels and due to the



executive order from the Governor they were severely impacted by restrictions. She stated the other was an apartment complex that was impacted by the restrictions and their ability to hire contracting employees. She stated it is important to note that none of these companies had fallen below their targets prior to Covid and were within compliance. She stated they all hope to get back to their targets but the hotels might need another year to get back up to compliance. She stated staff is in contact with them.

Kevin Ryan asked what hotels and where are they located. Nancy Lowery stated Destiny USA, Etna and Prima Terra. She stated she is not sure the exact location but she can get that information to him. She stated they are all in Onondaga County.

Kevin Ryan asked if they are along the I-81 corridor making the complaints. Robert Petrovich stated he is not sure they are the same ones.

Robert Petrovich stated we are required to inform the Board of the circumstance at this meeting. He stated at the January meeting we will be looking for a vote from the Board with respect to recapture and whether or not we should institute recapture of benefits with respect to these companies. He stated staff's recommendation because of extenuating circumstances related to Covid that we would hope not to do that. He stated that staff can advise the Board and the Board can make a determination at that time.

Susan Stanczyk asked for information of how far they are behind, more information why they are lacking and the positions that are lacking. She stated she understands if it were sales and marketing but it depends on what the positions are. Robert Petrovich stated staff can provide that information.

Robert Petrovich stated this is not a forward look, it is a look back as to what was in the height of Covid and what the problem was. He stated he expects them to be rebounding assuming we keep this at bay. He stated staff will provide information as to where they are located, information as to by how much they missed the mark, the positions and potentially their plan to get back on track.

Susan Stanczyk stated she is not sure if the Agency should consider or not but if they received a PPP loan they shouldn't have lost those employees. She stated if there is no work to be done, she gets that but she would like to know what they have received as far as benefits.

Patrick Hogan stated he is surprised there hasn't been more because it has been devastating and he can totally understand.

Kevin Ryan asked what was the name of the project that wasn't a hotel and what types of jobs were lost. Nancy Lowery stated it was Morgan B'Ville Apartments. She stated they had contract employees like life guards, other ancillary and seasonal kinds of things.

Jeff Davis stated no action is required just a report to the Board. He stated a recommendation will be provided at the January meeting for a vote for the Board.

#### EXECUTIVE SESSION

Jeff Davis stated his recommendation is to vote to go into executive session to discuss the potential entrance into purchase and sale contracts.

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

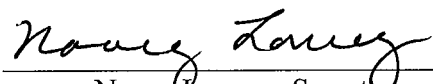
#### PURCHASE CONTRACT EXECUTION

Jeff Davis stated the resolutions before the Board are for acquisition of additional lands. He stated there are two parcels of land. He stated this is relevant to White Pine and he will read the pertinent parts of the SEQR resolution.

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

Upon a motion by Susan Stanczyk, seconded by Fanny Villarreal, 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 Kevin Ryan, seconded by Susan Stanczyk, the OCIDA Board adjourned the meeting at 8:56 am. Motion was carried.

  
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Nancy Lowery, Secretary