

Onondaga County Industrial Development Agency
Regular Meeting Minutes
February 11, 2020

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, February 11, 2020 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
Fanny Villarreal

ABSENT:

Victor Ianno
Kevin Ryan
Susan Stanczyk

ALSO PRESENT:

Robert Petrovich, Executive Director
Nancy Lowery, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary
Carolyn Evans-Dean, Economic Development
Jeffrey Davis, Barclay Damon Law Firm
Amanda Mirabito, Barclay Damon Law Firm
Matthew Vincent, US Census Bureau
Joe Ranalli, Tessy Plastics
Angela Orlandella, Barclay Damon Law Firm
Paul Reichel, Bond Schoeneck & King
Catherine Johnson, COR
Andrew Day, Taft Road Solar, LLC
Michael Cocquyt, LaBella (Taft Solar)
Sarah Stephens, Tracey Road Equipment
Mark Weiss, Tracy Road Equipment
Jerry Tracey, Tracey Road Equipment
Peter Blosioli, Tracy Road Equipment
Ken Bush, Onondaga County Legislature
Mitch Latimer, Local 277
Tom Iorizzo, Local 277

Chairman Pat Hogan read comments related to the live streaming of the Agency meetings pursuant to the New York State Law.

APPROVAL OF REGULAR MEETING MINUTES – JANUARY 14, 2020

Upon a motion by Steve Morgan, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of January 14, 2020. Motion was carried.

TREASURER’S REPORT

Nate Stevens gave a brief review of the Treasurer’s Report for the month of January 2020.

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved the Treasurer’s Report for the month of January 2020. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #440.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved the Payment of Bills Schedule #440 for \$348,119.10 and PILOT payments to Town of Cicero for \$24,497.66, Town of Clay for \$125,395.19, Town of DeWitt for \$89,245.00, Town of Elbridge for \$77,710.84, Town of Geddes for \$321.26, Town of Lysander for \$89,245.00, Town of Onondaga for \$2.30, Town of Salina for \$86,839.15, Town of Skaneateles for \$35,267.09, Town of Van Buren for \$68,437.00, Village of Baldwinsville for \$41,817.00, Village of Solvay for \$2,556.02, Baldwinsville School District for \$295,576.00, East Syracuse Minoa School District for \$1,143,847.75, Jamesville Dewitt Central School District for \$74.06, Jordan Elbridge School District for \$420,655.73, Liverpool Central School District for \$1,154,749.81, Lyncourt Union Free School District for \$508,659.33, North Syracuse Central School District for \$299,852.78, Skaneateles Central School District for \$205,451.59, Solvay Union Free School District for \$5,373.56, Syracuse Central School District for \$63,327.06, West Genesee Central School District for \$223,529.00, City of Syracuse for \$34,961.93 and Onondaga County for \$1,246,464.06. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

U. S. CENSUS BUREAU PRESENTATION

Matthew Vincent stated that he is a partnership specialist with the U.S. Census Bureau. He stated that the US Census Bureau is the largest statistical agency in the United States and the leading source of data about the nation. He stated they conduct over 130 surveys and programs including the Decennial Census which is the focus in which he is speaking today. He stated they face many challenges particularly in the increasingly diverse and growing population. He stated that they estimate they will count 330,000,000 people in over 140,000,000 households and their mission is to count everyone once and in the right place. He stated the Census is easy, safe and important. He stated it is mandated by Article 1 Section 2 of the U.S. Constitution. He stated that the population counts determines the numbers for each seat in the house and defines congressional state legislative district boundaries. He stated that it determines the annual allocation of \$675,000,000,000 in federal funding. He stated that grants, Medicaid, highways and roads are allocated by population determined as by the census. He stated census data provides insight to government, businesses, community groups and provides population benchmarks. He stated that the Census is safe for anyone to take part in. He stated private information is never published and US Census Bureau collects information only to produce statistical totals. He stated information collected by the Agency cannot be used against respondents. He stated Census Bureau employees are sworn to protect confidentiality for life under Title 13 and violating Title 13 is a federal crime. He stated that violators are subject to severe penalties including a prison sentence of 5 years and fines up to \$250,000. He stated that the Census Bureau has a cyber-security focus and their data is encrypted and secured. He stated that his team possesses the ability to continue to identify, protect, respond and recover from cyber threats. He stated that 2020 is going to be easier than ever with 4 ways to respond; online, by phone, by paper form or by visit from a census employee. He stated that they ask your name, age, date of birth, race, Hispanic origin, gender and sex. He stated that the Census Bureau never asks for social security number, money, credit information or anything political. He stated that the census is offered in 12 languages plus English online and by phone which covers 99% of all households in the United States. He stated that in addition they are offering language guides and resources in 59 other languages and working with local partners that can support them in other language communities. He stated that in mid-March 2020 they will send the first invitation to US households with directions on how to respond and a code. He stated every household will have the option of responding online, by phone or by mail. He stated that if a household does not receive the code they can easily respond by sending the address and the nearest cross street. He stated that 2 reminders will be sent and then a paper form. He stated that those that have not

responded will to be followed up with a Census staff member. He stated that key ways that everyone can help is be a trusted voice in the community, share the message that the Census is easy, safe and important, be Census ambassadors, encourage self-response, let everyone know that the census is important to all people and to count their children. He stated that you can also help by promoting 2020 Census jobs. He stated that this is a great way for people to earn extra money and the application is simple. He stated that the application is found on www.census2020.gov/jobs. He stated that the pay rate is \$20 an hour plus mileage. He stated the Census is a data resource for everyone and you can take advantage of the data dissemination program and use the data resources to help understand business and economic activity in this community. He stated that the Census has a robust social media presence and welcomes everyone to like and share the user content.

Patrick Hogan stated that he commends the Census Bureau for reaching out to the neighborhood groups. Matthew Vincent stated that partners are critical in their success and thanked him for his support as well.

TESSY PLASTICS CORPORATION

Robert Petrovich stated that the Agency's counsel, Barclay Damon, has a conflict will be stepping out and Paul Reichel from Bond Schoeneck & King will represent the Board on this matter.

Joe Ranalli stated that he is the Director of Financial Operations at Tessy Plastics Corporation and they are looking for financial assistance for the Elbridge expansion. He stated that they want to add on a new warehouse for cleanroom production required for the medical devices.

Angela Orlandella stated that it is a campus wide project to make revisions in multiple buildings and expand the footprint. She stated that the overall project is a 96,000 sq. ft. warehouse addition with approximately \$8,000,000 in construction costs and \$10,000,000 in production equipment so the overall project is just over \$18,000,000.

Steve Morgan asked what is driving the growth for the 125 FTE's. Joe Ranalli stated that hopefully they are going to attract a new customer base and they have a couple interested now. He stated that there is an existing manufacturing company in Mexico they are trying to reshore.

Steve Morgan asked if these are existing customers. Joe Ranalli stated that some are new and some are existing.

Angela Orlandella stated that the financial assistance being sought is a sales tax exemption for the materials associated with the building, the production equipment is already exempt and also seeking an amended and restated pilot. She stated that there is already a PILOT in place on the facility.

Steve Morgan asked if any of this will be Hill-Rom products. Angela Orlandella stated no but they continue to make about 7% of Tessy's business

Fanny Villarreal asked if this expansion will bring new job opportunities and if so what type of jobs. Joe Ranalli stated yes. He stated that initially there will be 50 positions and over 150 after 5 years. He stated that there will be various levels from a managerial position to operators.

Patrick Hogan asked how many employees are at Tessy over the 3 locations. Joe Ranalli stated that there are roughly 1,000 in Central New York. Angela Orlandella stated that there are 975 in Onondaga County alone and plan to increase by 150 more.

Patrick Hogan asked when talking about reshoring if they are talking about bringing operations back here. Joe Ranalli stated that companies that manufacture in Mexico are looking to bring their products to Tessy.

Janice Herzog asked if there is already cleanroom capability. Joe Ranalli stated yes but the program they are going after needs a larger footprint so it is a big expansion for them.

Angela Orlandella stated that everything that has come before the Board previously has been completed. She stated that the Van Buren plant is doing well and has substantially increased employment.

Steve Morgan asked if there is any administration left at the original building. Joe Ranalli stated yes; maintenance, HR and the bulk of manufacturing is still there.

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing a public hearing for the Tessy Plastics Corporation project. Motion was carried.

COR VAN RENSSLAER STREET COMPANY II, LLC AND COR VAN RENSSLAER STREET COMPANY III, INC.

Catherine Johnson stated that COR is seeking an extension of the sales tax exemption for Iron Pier Apartments which is 2 buildings with 112 apartment units and 36,000 sq. ft. of commercial/retail on the first floor. She stated that they opened at the end of 2018 and since then have had 3 tenants move in. She stated that the Bullfinch Brew Pub has not opened yet and are waiting a permit from the City. She stated that it should open in about 4 months after they get the permit. She stated that they are seeking an extension because of the build out of the commercial space on the first floor. She stated that the tenant determines how much work they will need to do. She stated that while the building is open and largely complete as far as the residential work they still have about \$2,000,000 to complete the construction work on the first floor and that is why COR is before the Board seeking the extension. She stated that they are under the estimated sales tax exemptions for this project and don't project to exceed that number. She stated that they are requesting a 1 year extension and hope to finish this year but it is tenant driven.

Steve Morgan asked how many of the 112 apartments are occupied. Catherine Johnson stated that they are about 80% occupied and have been open a little over a year.

Steve Morgan asked how many commercial spots are still available. Catherine Johnson stated it is 36,000 sq. ft. and that they have built out about 1/3. She stated that there are about 9 spaces but those can be divided up.

Patrick Hogan stated that he remembers the Inner Harbor as it was and the change is amazing. He stated that he thinks we are well on the way to creating a neighborhood down there and he congratulates everyone involved. Catherine Johnson stated that they are planning a harbor fest this summer and with the dredging allowing for boats to get into the harbor, they will see more activity and that will also spur development.

Jeff Davis stated this is a Type 2 action for SEQR.

Upon a motion Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved a resolution to extend the sales and use tax exemption for the COR Van Rensselaer Street Company II, LLC and COR Van Rensselaer Street Company III, Inc. Motion was carried.

TAFT ROAD SOLAR, LLC

Andrew Day stated that he is with Source Renewables and they are developing the Taft Solar Project located on Taft Road on the town line of Manlius and Dewitt. He stated that they are a developer of community solar. He stated that the project is 5 mw AC and approximately 7 mw DC and that includes 5 mw battery source system. He stated that community solar is unique in the fact that it is a centrally located solar farm that connects to the grid and generates monetary credits and those credits are distributed to residents and business to lower their electricity bill. He stated that community solar has been popular because it doesn't require residents or businesses to install costly equipment. He stated that in order to participate they need to be a utility customer and receive on bill credits from the utility with a discount on their power bill. He stated that as part of this project they are requesting a PILOT agreement for property and sales tax in order to help the project be financially feasible. He stated that solar is unique in the fact that it is a depreciating asset that has a high capital cost but a low operating cost over time. He stated that it provides a great number of benefits to the grid in terms of stability and that coupled with energy storage allows them to produce power during the day and discharge the power at peak times.

Steve Morgan asked how solar is viable in one of the cloudiest areas in the country. Andrew Day stated that the viability of solar is driven by local utility rates and also the State of New York has significant incentives to promote new generation such as solar and clean generation. He stated in addition to federal incentives they have investment tax credits, NYS incentives from NYSERDA and grants help to keep projects financially feasible. He stated that higher power rates in this part of the world help to make a financial case for solar. He stated that there is a demand for new generation and solar poses one of the lowest impacts to the environment that can be developed. He stated that all that coupled together creates a viable project.

Fanny Villarreal asked if this is similar to what National Grid is doing in certain parts of the State. Andrew Day stated that National Grid is the utility and they provide the distribution and transmission. He stated that they maintain all the power lines in the area. He stated that Taft Road Solar will connect to the National Grid system and the way that it works is they generate a credit and the customer maintains their bill with National Grid and they distribute the monetary credits on the bills of the subscribers locally. He stated that nothing changes for the subscriber and they continue to pay their bill as normal but they will receive a credit to help reduce their bill. He stated that generally speaking they offer a 10% discount on energy supply.

Janice Herzog asked if there has been any communication with the community in terms of their reception. Andrew Day stated that he spoke with Dr. DeSiato, the Superintendent of the local school district, and she was very enthusiastic especially with the drive for STEM type initiatives and possible learning for the students. He stated that it was a very positive response.

Janice Herzog asked if it is open land and if there are any residential areas. Andrew Day stated that it is mostly open land and there are a few residential structures. He stated that they will put up strategic barriers such as fences, shrubs and berms to blend in with the landscape.

Patrick Hogan stated that with a PILOT it is significant savings or added revenue and assures what they have to pay every year. Andrew Day agreed and it is a fairly predictable fixed rate income. He stated that if it was assessed like a traditional commercial real estate property then it would be a much different type of asset.

Robert Petrovich stated the UTEP was changed to provide a renewables component. He stated that this is the Agency's second solar project to come before the Board and the expectation given based on what is seen in the marketplace more will be coming before the Board.

Patrick Hogan stated that he would like to congratulate Mr. Petrovich and his staff for coming to grips with this as this was new technology, nobody knew how to assess them.

Janice Herzog asked if there is a radius in terms of location for the clients that they have to be within. Andrew Day stated that they want to offer the benefits to the community first but the only requirement to participate in a program is to be an account holder with National Grid.

Steve Morgan asked about the job creation. Andrew Day stated that during the construction there will be about 50 jobs and after that there will be about 2 or 3 maintenance type jobs.

Janice Herzog asked if it is available to commercial as well as residents. Andrew Day stated that yes but community solar requires 60% of the credits go to the mass markets and small commercial entities which is less than 25 kilowatts.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing a public hearing for the Taft Road Solar, LLC project. Motion was carried.

TRACEY ROAD EQUIPMENT, INC. INITIAL MEETING

Sarah Stevens stated that Tracey Road Equipment's main headquarters is located at 6803 Manlius Center Road in East Syracuse. She stated it is currently a 55,000 sq. ft. facility and is where the company's largest service shop operates. She stated that it offers the most diverse services of the company and services light, medium and heavy duty trucks, construction equipment and also serves as their fabrication shop. She stated they have 6 other locations in New York State located in Albany, Binghamton, Queensbury, Rochester, Utica and Watertown. She stated that they have been a leader in the construction and trucking industry for over 40 years. She stated that as the trucking and equipment industry has continued to grow and the technology has advanced, Tracey Road has recognized the need to grow, expand and modernize to maintain their place in the market ensuring that customers are receiving timely service and meeting the demands of the evolving market. She stated that they have outgrown their space and need to expand the facility. She stated they are proposing to do an expansion that will include the hiring of 30 new full time positions which would add to their existing workforce of 140 bringing it up to 170. She stated the salary ranges for these positions will be between \$35,000 and \$45,000 annually. She stated that currently they need to push some of their customers to other sites because they have outgrown the facility. She stated that they are looking to bring that revenue back into Onondaga County. She stated they currently make up about 51% of their revenue from outside Onondaga County. She stated that they are planning to invest roughly \$3,500,000 for the construction of the addition as well as investing in equipment. She stated that the expansion will allow them to complete their repair orders expeditiously, continue to serve

their customers in the surrounding region and across New York State. She stated that they have training and apprenticeships programs and also partnered with BOCES. She stated they recently have been awarded \$400,000 from CFA towards the expansion. She stated that when they submitted the application to CFA in July the square footage for the expansion was around 18,000 sq. ft. and since they did additional due diligence and realized it is not sufficient for what they need. She stated that they increased the square footage which increased the budget roughly \$1,000,000 more than what was submitted to the CFA. She stated that they are seeking sales tax exemption on the building material, mortgage tax recording exemptions and traditional PILOT.

Jerry Tracey reviewed a map of the expansion and the BOCES training center. He stated that due to the partnership with BOCES they needed to come up with an additional 10,000 sq. ft. of office space.

Patrick Hogan asked if the partnership is so solid with BOCES that a training center is going to be built right on the property. Jerry Tracey stated yes.

Patrick Hogan asked what type of training will be done. Jerry Tracey stated that it would be for diesel mechanic training for truck engines and construction equipment. He stated Tracey Road is a unique because they are a trucking and a construction equipment company so they are in 2 different markets under one roof. He stated that the students coming in can choose between the trucking or construction industry.

Patrick Hogan asked if they have to work for Tracey Road or can they work for anyone. Jerry Tracey stated that they can work for anyone. He stated that BOCES has their own instructors that come to the facility to do the instruction.

Janice Herzog asked how many students they serve. Jerry Tracey stated that he believes there will be 20; with 10 in the morning and 10 in the afternoon. He stated that it will start in September, as there is a shortage of technicians.

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing a public hearing for the Tracey Road Equipment, Inc. project. Motion was carried.

CENTRAL NEW YORK INTERNATIONAL BUSINESS ASSOCIATION (CNYIBA)

Robert Petrovich stated that the resolution will be put forward at the March meeting and this is just an update. He stated that OCIDA is working with the CNYIBA in the space of foreign trade zones and moving that conversation forward. He stated that there is a draft agreement that is being currently reviewed with Agency counsel. He stated that he anticipates at the March meeting staff will request to execute the agreement which will be a relationship to take us through 2020 to help bolster our FTZ skill sets so we can better serve our constituency.

Patrick Hogan asked if we have a person on staff to handle the FTZ. Robert Petrovich stated that person has left. He stated that we are brushing up our skill sets and working with an individual from the IBA to create the synergies that can hopefully advance that for folks in the space of import and export.

Patrick Hogan recognized County Legislator Bush.

SYRACUSE BINGHAMTON AND NEW YORK RAILROAD CORPORATION

Robert Petrovich stated that Nathan Fenno who is President of the Railroad came to meet with staff and submitted a schematic for review. He stated that we have a PILOT with that organization and since we have a lease agreement they need the Agency's permission to erect a billboard. He stated that counsel has reviewed and advised us that moving this forward would be appropriate. He stated that he is asking for a resolution from the Board to authorize execution of the agreement permitting them to erect the billboard.

Patrick Hogan asked where the billboard is located. Robert Petrovich stated that it is off Route 81 near the Brighton Street exit.

Jeff Davis stated this is a Type 2 action under SEQR.

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved a resolution allowing the Syracuse, Binghamton and New York Railroad Corporation to erect a billboard on property. Motion was carried.

MILTON J. RUBENSTEIN MUSEUM OF SCIENCE & TECHNOLOGY (MOST)

Robert Petrovich stated that this is a situation where we have a lease agreement with the MOST and they are asking for the Agency's permission to pursue grants which would allow them to erect an exterior display on their property in front of the museum. He stated that Counsel was asked to review this request and they have advised we can move this forward. He stated that a resolution is being requested from the Board to indicate to the MOST we have no issues and they can proceed with pursuing these grants.

Patrick Hogan asked if the property is in the City. Jeff Davis stated, yes, and the Agency is bond holders on the property. He stated that the chain of title has it as OCIDA for the issue of bonds.

Patrick Hogan stated it is still City property. Robert Petrovich stated that the MOST is the owner and our relationship is that we were the conduit for bond financing. He stated that we have a lease agreement with them and before they do any improvements they need our permission to move forward.

Steve Morgan asked what the exterior display is going to be. Nate Stevens stated that they are looking for a motion of support so they can go and pursue grants. He stated that he thinks that at this time they don't know what the display would be until they applied for and received the grants. He stated that they wanted a statement from the Board since we are in fact the land owners and that we are supportive of this concept.

Jeff Davis stated that it is a Type 2 action under SEQR. He stated that this allows them to proceed and do their own due diligence. He stated that they didn't want to get the cart before the horse in case the Agency for some reason did not agree.

Upon a motion by Steve Morgan, seconded by Janice Herzog, the OCIDA Board approved a resolution to support the MOST regarding an exterior display on their property which is subject to bonds issued by the Agency. Motion was carried.

Upon a motion by Steve Morgan, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 8:57 am. Motion was carried.


Nancy Lowery, Secretary