

**ONONDAGA CIVIC DEVELOPMENT CORPORATION**  
**Regular Meeting Minutes**  
**March 18, 2020**

The Regular meeting of the Onondaga Civic Development Corporation was held on Wednesday, March 18, 2020 at 333 West Washington Street, Syracuse, New York, 13202, in the large conference room on the 1st floor.

Matthew Marko called the meeting to order at 8: 58 am with the following:

**PRESENT:**

Matthew Marko  
Michael LaFlair

**PRESENT VIA TELECONFERENCE**

Alison Miller  
Gerald Albrigo  
Mitch Latimer

**ABSENT:**

James Jordan  
Kimberly Townsend

**ALSO PRESENT:**

Robert M. Petrovich, President/CEO  
Carolyn Evans-Dean, Secretary  
Karen Doster, Recording Secretary  
Chris Andreucci, Harris Beach Law Firm  
Mike Lisson, Grossman St. Amour PLLC  
Eric Smith, SUNY Upstate

APPROVAL OF REGULAR MEETING MINUTES DECEMBER 19, 2019

Upon a motion by Gerald Albrigo, seconded by Mitchell Latimer, the OCDC Board approved the regular meeting minutes of December 19, 2019. Motion was carried unanimously.

TREASURER'S REPORT

Nate Stevens gave brief review of the Treasurer's Report for the month ending February 2020.

Upon a motion by Gerald Albrigo, seconded by Alison Miller, the OCIDA Board approved the Treasurer's Report for the month of February 2020. Motion was carried unanimously.

## PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills, Schedule #87.

Upon a motion by Alison Miller, seconded by Mike LaFlair, the OCDC Board approved the Payment of Bills scheduled #87 with General Expenses being \$126,881.85. Motion was carried unanimously.

## CONFLICT OF INTEREST

Nate Stevens stated a conflict of interest will be emailed to each person to attest they have no conflict.

## APPOINTMENT OF CAROLYN EVANS-DEAN AS THE SECRETARY OF THE ONONDAGA CIVIC DEVELOPMENT CORPORATION

Upon a motion by Matthew Marko, seconded by Mike LaFlair, the OCDC Board approved a resolution appointment Carolyn Evans-Dean to the position of Secretary of the Corporation. Motion was carried unanimously.

## G&C FOODS REQUEST FOR A GRANT OF \$12,500 FROM THE EMPLOYEE PRODUCTIVITY PROGRAM

Robert Petrovich stated G & C Foods is a successful project through t and the employment growth is substantial. He stated typically this would be done through the IDA but there has been a change in the IDA Law that prohibits the Agency from making these types of grants. He stated it is a reimbursement grant where they have to spend the money first. He stated it is for training of their employees and once they demonstrate they have successfully completed the program and spent the \$25,000 then OCDC would give the grant of \$12,500 because it is 2:1 matching.

Matthew Marko asked when the change of law came into effect. Robert Petrovich stated it was the OCIDA Counsel that notified staff to the change of law. He stated he thinks the change was

in 2016 but was just recently made known to us. He stated the IDA cannot do grants or loans and is more appropriate to come through OCDC. He stated none of these programs will be done through the IDA going forward. He stated legacy ones may have got through but going forward the IDA cannot do it.

Chris Andreucci stated that has always been the law. He stated the IDA was able to make the loan or grant of federal funds but not its own money unless it was related to a project that the IDA was actually undertaking. He stated there is no project of the IDA so the IDA cannot do it.

Upon a motion by Michael LaFlair, seconded by Alison Miller, the OCDC Board approved a resolution authorizing a reimbursement grant in the amount of \$12,500 from the Employee Productivity Program to allow for employee job training to support operations at the G & C Foods manufacturing facility. Motion was carried unanimously.

#### SUNY UPSTATE BOND REFINANCE INDUCEMENT

Chris Andreucci stated the agenda states \$31,500,000 but the resolution before the board authorizes up to \$32,500,000.

Robert Petrovich stated the County Executive has been to SUNY Upstate looking at some of the things they are going to advance. He stated he had the opportunity to visit with Eric Smith and the Executive to understand how they work and figure out their revenue and expenses. He stated one of the things that came forward is that they were interested in refinancing the taxable issuance that was done a few years ago. He stated the other component is being able to do the inducement and authorizing resolution at one meeting without a public hearing because of its taxable nature as opposed to being tax exempt. He stated they are doing a lot of good things up there.

Eric Smith stated Upstate Properties Development is a subsidiary essentially of SUNY Upstate Medical University and it is their property holding corporation. He stated its primary investment or holding is Geneva Towers. He stated Geneva Towers is their only student housing facility. He stated they had roughly 238 students in there this past fall. He stated they also have short stays, recruitments and other activities that generate revenues. He stated on average they are at least

90% occupied over the past 5 years. He stated they originally financed the construction of Geneva Tower in 2011 with the issuance of tax exempt bonds through OCDC of \$32,000,000. He stated they are now looking at taxable refunding. He stated the tax law changes of 2017 prohibit their ability to do a tax exempt refinancing until 10 years after the original issuance from 2011. He stated they wouldn't be able to do this until 2021 on the tax exempt basis. He stated the spread between taxable bonds and tax exempt bonds was close enough for this to be a good opportunity for them to look at an alternative which has been a taxable refinancing of tax exempt debt and that is where they are today. He stated they have engaged underwriters and attorneys so they are ready to go. He stated as of the end of February the all-inclusive interest costs of a taxable basis over the life of the bond was just shy of 3%. He stated their average rate for the remaining bond outstanding of the original issuance was over 5% so that presents a savings of over \$5,000,000 to Upstate Property Development for these operations. He stated it relieves pressure on their operating statement in terms of reducing their debt service payment as well as keeping rent and pricing stable and more attractive for their students in a competitive market in the Syracuse area with private development for student housing projects. He stated they would also like to take out additional issuance for infrastructure improvements; heating and ventilation air condition systems for approximately \$1,000,000. He stated it is a great opportunity for their original covenants and reserve requirements from the 2011 issuance to be relieve some of the existing maintenance fund requirements they have and create more liquidity on their balance sheets so that not as much of their reserves are restricted and more flexible in terms of how they manage their total cash. He stated there is also an opportunity for reduced and more favorable debt service ratio. He stated the original issuance was a 1.1 debt service coverage requirement and they believe they can get a lower debt service coverage requirement creating a much more flexible operating situation for the student housing development and all for the good of their students and medical residents that live in Geneva Tower. He stated it is \$32,500,000 to give them a cushion but they think it will fall between \$31,800,000 to \$32,000,000.

Upon a motion by Michael LaFlair, seconded by Jerry Albrigo, the OCDC Board approved an inducement and authorizing resolution authorizing taxable refinancing of approximately \$32,500,000 in bonds and an additional \$818,000 for the purpose of capital improvements. Motion was carried unanimously.

PROPERTY SALE TO SYRACUSE LABEL CO., INC.  
PROPERTY SALE TO CERTIFIED ENVIRONMENTAL SERVICES, INC.  
PROPERTY SALE TO BLASÉ LAROCCA/BROKER MARTY MEROLA (ROBIN REAL  
ESTATE SERVICES, LLC)

Robert Petrovich stated items 4, 5 and 6 on the agenda are all related to the Hancock Airpark. He stated Syracuse Label has located their operation at Hancock Airpark and has excelled. He stated they have one expansion underway. He stated they want to pick up some additional property. He stated there has been a lot of back and forth and long story short we are under contract now in terms of them to move forward. He stated there are 4 acres and ultimately they will pick up about 2 acres and pay the per acre price negotiated. He stated OCDC is agents of the County and the County owns the land. He stated we are in a position to move this forward. He stated they are going to pick up all the costs for surveying and subdivision. He stated we are going to retain the drainage feature to the north which encompasses about 2 acres between the property line and Taft Road. He stated they are in the process of subdivision and once the subdivision is done we will know exactly what the area is and based on the area it will be \$22,500 per acre and get an ultimate sale price. He stated they are in that process right now, under contract and moving that forward. He stated the ultimate goal is to dispose of all of the land at the Airpark through sale.

Robert Petrovich stated Syracuse Label was interested in the CES property but could not come to business terms so they decided to forgo that property. He stated in the interim CES has been a long term tenant of Hancock Airpark and has stepped forward and agreed to purchase the property for \$140,000 as is, where is and no contingencies. He stated that contract has come through the Law Department and is being reviewed and approved along with our Counsel, Harris Beach, are working with us to develop a contract. He stated the ball is in their court to execute the contract and get it back to us. He stated we will be moving from landlords to not.

Robert Petrovich stated #6 on the agenda is a potential sale on the other side of the Airpark to Blasé Larocca brought forward by Marty Merola who is the broker. He stated there is a purchase sale agreement drafted by Harris Beach. He stated Harris Beach has worked on all of these. He stated the County Executive has to sign these so the County Law Department has reviewed and approved and is now in the court of Blasé Larocca and Marty Merola for the acquisition at the park. He stated the negotiated price was \$110,000 and that leaves us with a couple parcels left.

He stated we are working towards the goal of disposing of all of the property. He stated he wanted to make sure he had support of the Board to move forward.

Matthew Marko stated we have been working on these for a long time and it's great to see. He stated the economy was cranking along to get these lined up and we need to move quickly on these deals.

Upon a motion by Alison Miller, seconded by Matthew Marko, the OCDC Board approved a resolution authorizing the subdivision and sale of approximately 3.95 acres, Lot 1G-1 (Tax Map ID 057.-02-39.0) at a purchase price of \$27,500 per acre; authorizing the sale of Lot 1G-3A (Tax Map ID 057.-02-38.1) 7280 Caswell Street at a purchase price of \$140,000; authorizing the sale of lot (Tax Map ID 057.-02-34.0) at a purchase price of \$110,000. Motion was carried unanimously.

Matthew Marko requested a map when everything is subdivided for next meeting. Robert Petrovich stated staff will get an overall airpark map telling who is where and what is left.

#### UPDATE ON OCDC SERVICE CONTRACT TRACKING

Carol Evans-Dean stated at a prior meeting there was a discussion regarding the grant tracking. She stated staff and OCDC have done a good job keeping track of what monies are going out and to what agencies. She stated that was not an issue but staff was looking to improve the processes to ensure the recipients of grants from OCDC are actually held to the highest level of accountability and the Board is able to be kept abreast of the outcomes of the projects that have been funded. She stated staff produced a service contract tracking sheet. She stated this new form creates a level of accountability where we keep track of the reporting requirements. She stated staff actually goes through each contract, takes a look to see how often the recipients are supposed to come back to the Board with an update or submit a paper report. She stated it enables staff to see who still has outstanding documents or reporting requirements and it allows staff to get back in contact with them. She stated staff also established a chain of events that would happen when someone is out of compliance. She stated the first thing that would happen is they would get a phone call reminding them their reports have not been received, then an actual letter, then staff would inform

the Board and make sure they are aware this is going on. She stated in some of these cases it is possible that the recipient may be due another installment on their grant payment and that would not be issued until we are satisfied with the reporting requirements.

Matthew Marko suggested including the letters and the tracking form in the meeting package sent to the Board members. He stated if it does get to a letter point, he thinks it would be great notice to the Board members to know where people are. He stated maybe some of the Board members know these institutions and can help push the message if needed. Carolyn Evans-Dean stated she will add it into the protocol.

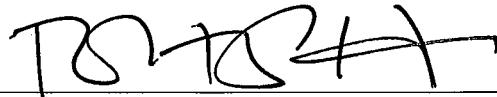
Mike LaFlair stated last meeting CenterState was discussed and he doesn't see them on the chart. Carolyn Evans-Dean stated CenterState has submitted reporting but the issue is they are lacking certain information. She stated they are in the process of getting more information into us that would fit our needs before issuing another installment.

Alison Miller stated in 2018 it looks like 3 of them are related to the film industry. She stated it is over \$100,000 and asked what happened to it. Carolyn Evans-Dean stated staff has not started rolling this out until after the Board was informed so it will be starting as soon as possible.

Robert Petrovich stated at a prior meeting there was a discussion on how staff was going to develop this and this is for the Board to review. He stated if the Board is comfortable with this then our next move would be to reach out and make contact with folks who are tardy in providing us information. He stated some of these have already provided the information and were granted a check. He stated with respect to CenterState there is a final installment due and will not be released until we are satisfied that they met their obligation for the service agreement. He stated those that have procured funds and have not reported, staff will reach out to them asking for a report.

Matthew Marko stated this is a much better process for accountability and he thinks we will just continue going forward to improve the process. He stated let's give this a try and if we want to manage this going forward we will continue to do so. He stated this is a great first step.

Upon a motion by Alison Miller, seconded by Matthew Marko, the meeting was adjourned at 9:33 am. Motion was carried unanimously.

A handwritten signature in black ink, appearing to read 'R. M. Petrovich', written in a cursive style.

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Robert M. Petrovich, President/CEO