

Onondaga County Industrial Development Agency
Regular Meeting Minutes
April 14, 2020

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, April 14, 2020 via Zoom Teleconference.

Patrick Hogan called the meeting to order at 8:00 am with the following:

PRESENT VIA TELECONFERENCE:

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

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
George Laigaie, TC Syracuse Development Associates, LLC
Paul Reichel, Bond Schoeneck & King
Brian Gerling, Bond Schoeneck & King
Kevin McAuliffe, Barclay Damon Law Firm
Bob Murray, Harris Beach Law Firm
Andrew Israelson, Convergent Energy & Power
Becky Koze, Convergent Energy & Power

Patrick Hogan shared information as to how the meeting will be conducted in light of COVID-19.

APPROVAL OF REGULAR MEETING MINUTES – MARCH 17, 2020

Upon a motion by Fanny Villarreal, seconded by Kevin Ryan, the OCIDA Board approved the regular meeting minutes of March 17, 2020. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of March 2020.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Treasurer's Report for the month of March 2020. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #442.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #442 for \$162,506.84 and PILOT payments to City of Syracuse for \$8,604.73, Syracuse City School District for \$15,358.48 and Onondaga County for \$10,813.24. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

The Conflict of Interest will be emailed to Board Members present to sign off.

TC SYRACUSE DEVELOPMENT ASSOCIATES, LLC-LOCAL ACCESS POLICY

Robert Petrovich stated TC Syracuse submitted a local labor waiver request for the project in Clay, New York. He stated there were a number of conversations on this topic relevant to our local labor policy and the amount of local labor on this project. He stated the project is approximately \$350,000,000 in total project costs and of that \$67,600,000 in labor. He stated the information he has is there is \$47,500,000 in local labor out of the \$67,600,000 total and that is about 70.2% local labor and 29.8% non-local labor. He stated there are a number of reasons and factors that go into that. He stated primarily some folks locally have chosen not to bid on the project because the size of its scope; they have other existing business they want to make sure they service and other folks could not meet pricing or schedule constraints. He stated with a project of this size it is not unusual to fall short of the total 100% goal that have. He stated in addition to that there are some specialized services, specialized installations, and specialized engineering because of the nature of the potential end user of the project that requires labor coming in outside the area. He stated even with the businesses we have locally, because of other commitments, have not provided 100% of their existing labor to the project. He stated as a result of that the cumulative effect of all that gets us to 70.2% local labor and a local labor waiver

request of 29.8%. He stated he has been told by Trammel Crow directly via Mr. Laigaie that they agree with setting 70-30 as the minimum amount of local labor and it may get better as they progress.

Susan Stanczyk asked to expand on the specialized labor that is not available locally. Robert Petrovich stated being a highly automated facility there are specialized engineering and installations. He stated a lot of the pick and pull will be done by robotics and those providers that work in this industry are specialists coming from out of the area. He stated his understanding is we don't have that skill set locally and readily available.

Patrick Hogan stated many of these companies were reluctant to commit their workforce because of the size of the project and preexisting contracts. Robert Petrovich stated that is true. He stated he reached out to local labor both the Carpenters Union, Mitch Latimer, and the Plumber's & Steamfitters Union, Greg Lancette. He stated his understanding and feedback from those gentlemen is certainly they would like more but they are not unhappy with where we are in the terms of balance of the dollars coming into the economy from local labor on the project.

Patrick Hogan stated it is almost \$50,000,000 in local labor and certainly an economic boost in this current economic climate. He asked if 90% of the work is union labor. Robert Petrovich stated yes almost 90% is union labor. Patrick Hogan stated that is a good wage.

Jeff Davis stated he thinks it is consistent with a project this size with this schedule. He stated he thinks there were several local companies that responded and their response was they could not dedicate their entire workforce and some of the workforce to support their response would come from outside the local area. He stated it shows the size of the project and the schedule is such that a waiver of the policy was anticipated. He stated the applicants spoke to that early on in the process that there was going to be a need given the schedule and the size that the project would require this.

Patrick Hogan asked if the time frame is 18 months. Jeff Davis stated yes.

Jeff Davis stated from a SEQR standpoint the project was already looked at and any decision here would not change the SEQR determination as presented so that determination would still stand.

Victor Ianno stated they have given it the effort and the publicity has made people aware this opportunity and if they can't fill it they can't be a part of it. He stated the Board has done their due.

Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved a resolution approving the request for waiver to the Local Access Policy for the TC Syracuse Development Associates, LLC project. Motion was carried.

TC SYRACUSE DEVELOPMENT ASSOCIATES, LLC-INTERIM SALES AND USE TAX EXEMPTION

Robert Petrovich stated TC Syracuse is requesting interim sales and use tax exemption at sales tax closing projected to be on or about April 27 and a subsequent closing on a PILOT and mortgage recording tax abatement he believes in June. He stated we understand the project is underway and no construction is happening. He stated the applicant has requested that the Agency grant this request so the applicant can receive an ST-60 and take advantage of the benefits that were previously approved for sales and use tax exemption on the materials being purchased. He stated there is a balance of the IDA fee outstanding totaling \$875,000 which was to be paid at closing. He stated since we are bifurcating the closing the applicant has agreed when we close for the sales tax they will make a payment of \$500,000 to the IDA and the remaining \$375,000 will be paid in June when we close on the PILOT and the mortgage recording tax benefits.

Jeff Davis stated this is a Type 2 Action under SEQR so there are no environmental impact statement and no determination procedure required.

Upon a motion by Victor Ianno, seconded Susan Stanczyk, the OCIDA Board approved a resolution granting an interim sales and use tax exemption for the TC Syracuse Development Associates, LLC project. Motion was carried.

George Laigaie stated he would like to take the opportunity to thank the Board and Patrick Hogan for the continued help, cooperation and assistance with the project. He stated it has been very challenging project as you would guess. He stated with the COVID-19 the challenges with that have really stretched their imagination on how to get the project done. He stated they

certainly appreciate the help and cooperation of OCIDA and the Board in helping them with the fundamental pieces of the project. He stated he wants to thank Bob. He stated he talks daily with Bob and he is always in assistance and right hand. He stated he is always pushing the project and when required he gets County Executive McMahon involved. He stated the County Executive has helped them get their designation correct. He stated they appreciate the help of Mitch Latimer and Greg Lancette for all the local labor that they were able to incur on the project. He stated they will push to up the numbers but it is a very trying time. He stated many of the good quality contractors in the local area have closed their shop either for the period or forever because of these conditions. He stated several are concerned about being too much of a commitment on a singular job and having to forgo other daily relationships they have incurred over the years. He stated it has been a trying time for all and he wanted to make sure the Board understood with Bob and Ryan that we have a team that is working with them every day trying to help them to do the best they can for local community and for the project.

Patrick Hogan thanked George Laigaie for his decision and investment in this community and that we really appreciate it. He stated he knows Mr. Petrovich and he knows he probably talks to Mr. Laigaie every day and that is a great relationship. He stated welcome to Onondaga County and all they have done for us pushing forward on this.

TESSY PLASTICS CORPORATION – SEQR AND FINAL RESOLUTION RATIFICATION

Robert Petrovich stated as the Board recalls at the last meeting Tessy came before the Board and the project was approved. He stated this is a cleanup resolution. He stated we want to make a SEQR approving resolution first and then a final resolution approving the project making sure everything is in the correct order.

Brian Gerling stated the Board went through this the last meeting but we went out of order. He stated the Board has the SEQR resolution which the Town of Elbridge was the lead agency and also the final approving resolution. He stated it is just a matter of crossing the t's and dotting the i's at this juncture. He stated it was prior approved but want to put in proper order.

Robert Petrovich stated Kevin McAuliffe from Barclay Damon is representing the applicant so conflict counsel on this has been Bond Schoeneck & King, Brian Gerling and Paul Reichel. He stated any questions should be directed to them.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution ratifying the SEQR Resolution for the Tessy Plastics Corporation project. Motion was carried.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution ratifying the Final Approving resolution for the Tessy Plastics Corporation project. Motion was carried.

CICERO ENERGY STORAGE I, LLC (CES I) – PUBLIC HEARING

Robert Petrovich stated Barclay and Damon is representing the applicant and staff has reached out to Bond Schoeneck and King to represent the Agency as conflict counsel, He stated Bond Schoeneck and King will be representing the Agency for CES I and CES II.

Kevin McAuliffe stated he would like to address both projects at the same time because of the similarity of the construction and application. He stated these are companion applications from Cicero Energy Storage I, LLC and Cicero Energy Storage II, LLC by Convergent Energy, the parent corporation of each of the LLCs. He stated these projects are a result of an RFP issued by National Grid because of a distribution and energy shortfall in the Town of Cicero in association with the Pine Grove substation. He stated the Public Service Commission has been asking for what they call non wire alternatives. He stated where there is a shortage of power in an area, rather than causing all the rate payers to pay for new lines, substations, upgrades etc., they are looking for developers to bring in an energy source in that immediate area that can supplement that which National Grid can supply in peak times. He stated National Grid identified peak hours, peaks days and volume that they needed. He stated these two projects together provide that response for National Grid. He stated each one of the two projects consists of 5 mw of solar panels together with 20 mw of battery energy storage system (BESS). He stated during the day these will charge the batteries assuming there is sunlight. He stated when necessary the batteries will be called upon to provide power into the Grid.

Andrew Israelson stated Convergent is an energy storage focused developer and owner/operator of energy facilities around the US and also in Canada. He stated they have been around for approximately a decade and founded in 2011 by the CEO and CFO. He stated over the years they have grown from a two man team to almost 40 people all based in New York City and their

control center is also located in New York. He stated they have about 240 megawatt hours of assets which is a little over \$150,000,000 worth of assets operating or in construction around the country. He stated some of those incorporate solar as well. He stated the decision to jump into solar was due to the fact that some of their clients be it corporations or other utilities are looking for a green source of generation to basically charge those batteries as well as the investment tax credit which helps offset the cost of the project. He stated the client could be utility or large corporation that has a large power need.

Andrew Israelson stated they developed this project in response to an RFP that was put out by National Grid under the New York State Department of Public Service Program called Non Wires Alternatives. He stated these are projects designed to help defray or completely avoid a large capital investment in traditional infrastructure. He stated that can usually be a new substation which was envisioned at the Pine Grove Substation in Cicero, it could be the rebuilding of a transmission or distribution line or really any sort rate based type expenditure by the utility. He stated the way these projects come about is when the utility submits their capital expenditure plan and distribution system integration planning each year to the Public Service Commission, if it is over a certain threshold, they have to do a study to see whether or not a non-wires alternative or other mechanism would save the ratepayers money. He stated an acceptable alternative would be to defer or completely avoid that capital expenditure. He stated he has worked on these at Conversion and one or two in New York State with his prior company. He stated there is a large roster of experience in working in New York State with these opportunities. He stated they view them as being beneficial both to local economy in saving rate payers' money but also generate local economic benefit. He stated they tried to partner with local firms in the development process and their engineer of records is Iannuzzi and Roman and interconnection which is the electrical diagrams and forms they fill out for National Grid they are using Green Spark. He stated for some environmental work they are using EDR located in Syracuse. He stated for the archeology studies which are usually required on sites of this size they are using the Paleontology and Archeology facility at Binghamton University which has been a fantastic experience. He stated they are a not for profit that provides the services. He stated landowner associated with CES I is Rich Ricelli of Ricelli Enterprises and they will be leasing it from him. He stated Tarky Lombardi is the owner of the northern site. He stated they are working with the Department of Public Service and the Joint Utilities of New York. He stated he can't legally comment on the relationship with National Grid at this juncture until certain disclosures have been filed with the Public Service Commission. He stated these projects

will also be participating in the value stack mechanism so the power not utilized from the non-wires alternative will be available to be subscription the same way the Board has seen some of the projects like Abundant Solar. He stated local businesses and residences will be able to subscribe to get credits from this facility to offset their bills. He stated this will lower the cost to the rate payers.

Victor Ianno asked where the property is. Andrew Israelson stated the northern site is on the corner of Island Road and Northern Boulevard and the other site is directly to the South.

Andrew Israelson stated there are two separate LLC's with two separate sites because in the RFP it was requested to provide relief for a transformer bank and in New York State you can only have 5 mw per project and this is a 10 mw solution. He stated they have two separate projects with two separate LLCs per New York State interconnection standards.

Victor Ianno asked if the company has purchased the land. Andrew Israelson stated they are under a long term lease with the landowners.

Victor Ianno asked if it is typical when the lease is over they would tear it down and it goes back to vacant land. Andrew Israelson stated yes and both as a condition of the lease and condition of the site plan approval unlikely there will be a decommissioning bond which was presented as part of their decommissioning plan. He stated the land is restored to how it was when they first got there and seed it.

Victor Ianno asked if they have ever had to take a solar farm down. Andrew Israelson stated since Conversion has only existed for a decade and these usually have 30 year life spans, they personally have not. He stated they have acquired farms where they had to take everything out and put in new equipment. He stated his previous company and as an industry overall it has occurred mainly from mechanical failures or tornadoes or hurricanes where it doesn't make since to rebuild.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution describing the proposed Cicero Energy Storage I, LLC (CES I) project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Kevin Ryan abstained. Motion was carried.

CICERO ENERGY STORAGE I, LLC (CES II) – PUBLIC HEARING

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution describing the proposed Cicero Energy Storage II, LLC (CES II) project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Kevin Ryan abstained. Motion was carried.

CENTRAL NEW YORK INTERNATIONAL BUSIENSS ASSOCIATION (CNYIBA CONTRACT)

Robert Petrovich stated at the last meeting there was discussion from the Board about an interest in looking at the contract and the contract has been distributed to the Board members for their review. He stated it has been discussed at prior meetings in terms of the general business terms between OCIDA and CNYIBA. He stated staff is looking to work through 2020 with the IBA and its executive director to assist us with our FTZ activities and to help enhance the services we offer to the constituency as part of import export activities. He stated the contract has been out there and he is asking the Board if there are any questions to the contract and then asking to execute the agreement.

Victor Ianno asked if this contract is only when we need them. Robert Petrovich stated yes and it is on demand services for activities related to FTZ. He stated it is a part time engagement that will take us through the course of the year.

Victor Ianno asked if no one applies for benefits then there is no work done. Robert Petrovich stated we are looking to expand that activity within the office. He stated it is an area that staff thinks can enhance the services that we provide to companies like PPC and others that are located within FTZ 90. He stated it is really an activity assessing whether or not we can develop this service or maintain it at its current level.

Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing the Execution of a Consulting Services Agreement. Motion was carried.

BARBAGALLO'S TAVERN, INC.

Jeff Davis stated Barbagallo's has an existing mortgage and they are getting a second mortgage and consolidating those together. He stated the Agency has a lease with them and the Board has to agree to the existing mortgage consolidation with the second mortgage. He stated there is no mortgage recording tax and really just the Board's consent because they are in the chain of title.

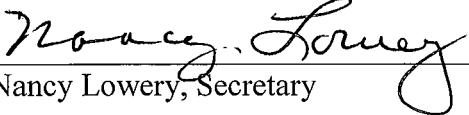
Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution authorizing the execution of lender documents. Motion was carried.

Jeff Davis stated from a SEQR perspective Barbagallo's is a Type II action and no environmental review determination or environmental impact statement are needed. He stated he was on mute when the previous vote took place and was unable to get that in time before the vote. He asked procedurally if the Board would redo the vote noting that it is a Type II action.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution authorizing the execution of lender documents for Barbagallo's and is a Type II action. Motion was carried.

Patrick Hogan thanked everyone and said this is the new norm. He stated he appreciates everyone's efforts today especially from staff and all the Board members who were able to participate today as well as everyone from the community. He stated as our County Executive says we are part of the County's government and we continue to act but with a new normal we are acting.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board adjourned the meeting at 8:52 am. Motion was carried.


Nancy Lowery, Secretary