

Onondaga County Industrial Development Agency
Regular Meeting Minutes
May 14, 2019

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, May 14, 2019 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Patrick Hogan called the meeting to order at 8:11 am with the following:

PRESENT:

Patrick Hogan
Susan Stanczyk
Victor Ianno
Fanny Villarreal
Kevin Ryan

DELAYED:

Janice Herzog
Steve Morgan

ALSO PRESENT:

Robert Petrovich, Executive Director
Genevieve A. Suits, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary, Agency
Tony Rivizzigno, Barclay Damon Law Firm
Amanda Mirabito, Barclay Damon Law Firm
Kelly Wypych, Cryomech
Christine Stevens, VIP Structures
Charlie Wallace, VIP Structures
Vince Raymand, VIP Structures
Richard Sykes, RHS Holdings, LLC
Joanna Carter, Flex-Hose, Co.
Ken Bush, Onondaga County Legislature
Mitch Latimer, Carpenters 277
Del Vargas, Carpenters 277
Lauryn LaBorde, SCSD

APPROVAL OF REGULAR MEETING MINUTES – APRIL 9, 2019

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved the regular meeting minutes of April 9, 2019. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of April 2019.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved the Treasurer's Report for the month of April 2019. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #430.

Upon a motion by Fanny Villarreal, seconded Victor Ianno, the OCIDA Board approved the Payment of Bills Schedule #430 for \$61,499.22 and PILOT Payments to Town of Camillus for \$4,819.85, Town of DeWitt for \$9,788.10, Town of Elbridge for \$1,963.79, Town of Geddes for \$65.33, Town of Onondaga for \$2.67, Village of Camillus for \$833.54, Village of Solvay for \$522.20, East Syracuse Minoa School District for \$50,453.00, Jamesville Dewitt Central School District for \$85.75, Jordan Elbridge Central School District for \$16,624.78, Marcellus Central School District for \$248.84, Solvay Union Central School District for \$3,333.68, West Genesee Central School District for \$11,707.04, City of Syracuse for \$1,329.48 and Onondaga County for \$18,274.77. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

(Willow Brook of Manlius, LLC - Moved to #2 on agenda.)

CRYOMECH

(Janice Herzog arrived at meeting.)

Kelly Wypych stated Cryomech is a manufacturer of cryogenic cooling equipment and their customers are scientific researchers around the world. She stated they develop cryocoolers, liquid helium plants and nitrogen plants. She stated they have systems on all 7 continents and a couple in Antarctica; one for telescope and one for geological and biological research. She stated a lot of their systems are sold to other companies that use their system as part of their product for computer research, medical research, materials research and a wide variety of

scientific applicants worldwide. She state they have been in business since 1963 and started in Syracuse. She stated they have been growing to the point that they have outgrown their current facility and need to expand which is the purpose of this project.

Patrick Hogan asked if initial talks have been held with the Town of DeWitt. Kelly Wypych stated yes.

Victor Ianno asked how big is the currently facility. Kelly Wypych stated it is 42,000 square feet and proposing 76,000 square feet with the ability to expand to 100,000.

Patrick Hogan asked if they are still going to use the old facility. Kelly Wypych stated they will not use it and it was leased. She stated they are working with VIP Structures to build the new building to suit and they will lease.

Fanny Villarreal asked if there will be job opportunities. Kelly Wypych stated yes they are adding jobs now and are about 124-125 people today with 10 open positions. She stated once they are in the new facility they will add at least 20. Nate Stevens stated there is a summary of the jobs and the timeline in the packet.

Charles Wallace stated there is no place for Cryomech to expand at their existing location.

Victor Ianno asked what stage Cryomech is at and are they ready to go. Kelly Wypych stated they are working with VIP Structures on the design of the facility and will be finishing that up in the next couple weeks. She stated they have been meeting with the Planning Board in the Town of DeWitt and that approval process is under way.

Kevin Ryan asked if they anticipate any problems with DeWitt. Kelly Wypych stated no and they are very excited about the project.

Victor Ianno stated Cryomech is a homegrown company. Kelly Wypych agreed.

Upon a motion by Victor Ianno, seconded by Kevin Ryan, the OCIDA Board approved a resolution describing the proposed Cryomech project and the financial assistance the Agency may provide and authoring a public hearing for the project. Motion was carried.

WILLOW BROOK OF MANLIUS, LLC

Robert Petrovich stated last month the Board had the initial meeting and the public hearing was held. He stated there were no issues that manifested themselves and is looking for the project to advance.

Patrick Hogan stated he really likes the deal Willow Brook has with the park and the trail and asked if it has progressed well. Richard Sykes stated yes. He stated it is part of the Village's long term plan connecting the Village to make it a more walkable community but to also connect the parks to allow greater access to the members of the Village.

Patrick Hogan stated he thinks it's great when a development comes in and integrates itself within the community and fulfill a public need. He commends the project.

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

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing sales tax abatement, mortgage recording tax abatement and real property tax abatement.

(Steve Morgan arrived at meeting.)

FLEX-HOSE CO.

Joanna Carter stated Flex-Hose started in Syracuse in 1968 and this year is their 51st anniversary. She stated they manufacture pump connectors and hose expansion joints used in piping systems that absorb thermal growth expansion. She stated they are also used in seismic applications. She stated they sell their products state wide as well as worldwide. She stated they are in large projects like NASA, Pentagon and several hundred airports around the world on the fire protection side. She stated they have grown to the point where they are storing products in their parking lot because they don't have the space. She stated they could easily add on 15 staff members today but they don't have a place to put them or to store raw materials to support what

they are doing. She stated they occupy 22, 000 square feet in two buildings. She stated they are looking to relocate to a building in the Town of Clay with a little over 38,000 square feet. She stated it has high ceilings so there is opportunity for more storage for raw materials to support additional job growth. She stated they project minimally the first year doubling their work staff with the current incoming. She state the following year they should be able to add another 1/3 on to support growth. She stated the building encompasses enough space to maintain current sales force but also an opportunity to expand when they get to the point. She stated it has been a challenge finding a building in the County but this is where they want to stay. She stated they have employees that have been with them for 40 plus years. She stated they are a community involved company and would like to stay here. She stated they have found a building, had conversations with the owner and they are ready to move forward with the process.

Robert Petrovich stated he had the opportunity to visit Flex Hose and it is a local success story similar to a lot of other stories that are hidden gems. He stated they are doing great things and the scope of their market and operations is impressive. He stated given the employment numbers of potentially going from 32 to 82 employees is a real win.

Patrick Hogan asked what kind of skills would the employees need. Joanna Carter stated welders is a skilled trade and is about 1/3 of their production staff. She stated other 2/3 are entry level, general shop help, machinists, sales force, accounting and administrative.

Kevin Ryan asked what is in the building they are moving into. Joanna Carter stated it's empty. She stated wine merchants moved out a year ago and the owner, who owns Emerald Equipment, wanted to lease it. She stated they approached him about selling and he is willing.

Robert Petrovich stated their existing facility is already teed up for someone else to come in and occupy those spaces.

Kevin Ryan stated they will not be using the existing building anymore. Joanna Carter stated they have full asking price on both buildings by a company looking to move into the area from Rochester.

Kevin Ryan asked if the building is move in ready. Joanna Carter stated they have some renovations that need to be done but 90% move in ready.

Patrick Hogan asked if there are government contracts. Joanna Carter stated yes.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution describing the proposed Flex-Hose Co. project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

LAND ACQUISITION

Robert Petrovich stated staff has negotiated the acquisition of additional property adjacent to the White Pine property that the IDA owns. He stated there was a resolution allowing staff to proceed with the negotiations. He stated he has come to terms with the sellers and looking for a resolution to acquire this property in the advancement of a potential project on White Pine.

Steve Morgan asked what the size of the property is and what is existing size. Robert Petrovich stated 106 acres and the existing is 339.

Kevin Ryan asked what is the percentage of occupancy on the land the Agency has now. Robert Petrovich stated zero. He stated this is a strategic acquisition. He stated there are a number of wetlands on the current property. He stated the 106 acres is fairly dry ground and will allow us to further pursue development either high tech manufacturing or another end use that we are currently evaluating.

Steve Morgan if we can subdivide the property if a company wants less acreage. Robert Petrovich stated yes.

Steve Morgan asked what is price on the land. Robert Petrovich stated \$900,000 for 106 acres.

Victor Ianno asked if staff is directly in touch with the owner. Robert Petrovich stated on behalf of the IDA he was involved with the negotiations.

Janice Herzog stated the Board voted on this last month. Robert Petrovich agreed and stated the Board voted on a resolution allowing him to proceed with negotiations.

Kevin Ryan asked who owns it now. Robert Petrovich stated it is in a trust.

Victor Ianno asked if the brokers are involved in bringing prospects to the Agency. Robert Petrovich stated staff went to a Site Selector Conference in Salt Lake City and learned we need to get this land shovel ready. He stated we are working with National Grid and others to evaluate the situation on utilities. He stated what makes this site attractive for a number of different uses is it is located next to a substation. He stated we have to put infrastructure improvements in to make it viable for an end user. He stated we are evaluating a number of possibilities and he believes this land puts us in a position to eliminate numerous wetland issues and also integrate what we already have into a more comprehensive overall plan. He stated it is a strategic move and staff is confident it will be a benefit. He stated the County Executive talks to him often about White Pine.

Kevin Ryan asked if buying the additional land makes it more attractive to potential companies because the existing land isn't as productive as we would like it to be. Robert Petrovich stated yes and we can integrate it into an overall plan. He stated the additional property is dry allowing us to get in there and do something as opposed to the challenges of mitigating wetlands.

Steve Morgan asked what the asking price is. Robert Petrovich stated staff negotiated the price based on the requirements of the seller to put a deal together. He stated there was a competing offer and we arrived at \$900,000 after a lot of back and forth.

Steve Morgan asked if it is zoned industrial now. Robert Petrovich stated he believes so.

Robert Petrovich stated we enlisted the services of a broker but we weren't making progress.

Kevin Ryan asked if the broker gets a commission on the sale. Robert Petrovich stated no.

Robert Petrovich stated he thinks it is a good deal. He stated he has had discussions with the County Executive on numerous occasions, he thinks it is a strategic move and supportive of it. He stated we either sign this agreement or we lose it. He stated there are other people competing for this property.

Kevin Ryan stated buying this piece of land makes White Pine more marketable. Robert Petrovich stated yes.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution to proceed with a purchase and sale agreement. Motion was carried.

RESOLUTION AMENDING THE OCIDA APPLICATION TO INCLUDE LANGUAGE REGARDING PROJECT CLOSINGS

Nate Stevens stated staff wants to put an emphasis on projects that have been approved and induced to close within 6 months form the time of inducement. He stated this effectively adds a clause in the application to say that you have to close within 6 months of being induced.

Amanda Mirabito stated at one meeting a public hearing will be approved then staff holds the public hearing. She stated at the next meeting the Agency approves an approving resolution which will give the applicant 6 months to close on the project.

Robert Petrovich stated it's more of a heads up to our applicants because we have some projects with challenges getting them to close. He stated this would enhance our ability to say you signed the application, you agreed to be bound by it so let's move forward and get it done.

Patrick Hogan asked if there is a mechanism to extend if needed. Nate Stevens stated yes, Board action can be taken to extend it.

Kevin Ryan asked if this is just for future projects. Robert Petrovich stated yes.

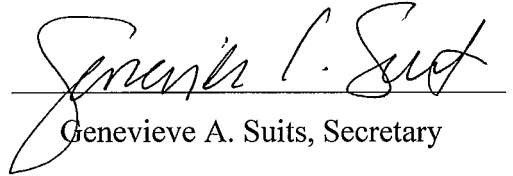
Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved a resolution amending the application to require closing within six months of the final approving resolution. Motion was carried.

EXECUTIVE SESSION

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board went into Executive Session at 8:26 am. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board adjourned Executive Session at 8:47 am. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Steve Morgan, the OCIDA Board adjourned the meeting at 8:47 am. Motion was carried.


Genevieve A. Suits, Secretary