

Onondaga County Industrial Development Agency
Regular Meeting Minutes
June 11, 2019

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, June 11, 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 7:59 am with the following:

PRESENT:

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

ABSENT:

Susan Stanczyk

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
Emily Long, Office of Economic Development
Theodore Burtis, Office of Economic Development
Charles Wallace Jr., VIP Development Associates/Quantum Cool, LLC
Christine Stevens, VIP Development Associates/Quantum Cool LLC
Joanna Carter, Flex-Hose Co.
Richard C. Pietrafesa Jr. , RPS Hotel Holdings
Steven Infanti, St. Joseph's Health
John Bartolotti, Dalpos Architects
Richard Sykes, Willow Brook of Manlius
Sarah Huber, Propel Pharmacy LLC
Lauryn LaBorde, SCSD

APPROVAL OF REGULAR MEETING MINUTES – MAY 14, 2019

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of May 14, 2019. Motion was carried.

TREASURER'S REPORT

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

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

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #431.

Upon a motion by Fanny Villarreal, seconded Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #431 for \$98,023.92. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

CRYOMECH

Robert Petrovich stated the Board was going to vote to induce the project today but SEQR has not been approved yet. He stated it will be approved Thursday night. He stated he would like to call a special meeting next Wednesday to vote to induce. He stated in researching with counsel the Board cannot conditionally approve. Amanda Mirabito stated SEQR is one thing that cannot let slide.

Robert Petrovich asked if there are any issues anticipated. Charlie Wallace stated no.

Genevieve Suits stated the public hearing was held and there was no opposition.

Charlie Wallace asked if the special meeting will be next Wednesday. Robert Petrovich stated staff will try to schedule as quickly as we can after the SEQR determination is done.

Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved a resolution to table the Cryomech project and schedule a special meeting for Wednesday, June 19 at 8:00 am. Motion was carried.

FLEX-HOSE CO.

Joanna Carter stated Flex-Hose is looking to relocate their current facility in East Syracuse from a roughly 18,000 to 19,000 square feet facility to a new 38,311 square foot facility on Buckley Road. She stated they have the ability to add on staff right now but they are out of capacity at their 2 current buildings. She stated by moving into the new space it gives them the ability to add on additional hires and to start bridging for the next 5 year forecast which they plan to add on another 50 employees. She stated they can't move forward without the support of the County.

Joanna Carter stated Flex Hose is going through a State request to help with support in funding. She stated she believes their request went to vote last week but Ray Lawrence anticipates she should hear something within the next week or two.

Fanny Villarreal asked what kind of jobs. Joanna Carter stated probably 60% are manufacturing jobs from skilled welders to entry level production staff as well as support staff, sales and administrative support.

Fanny Villarreal asked what the rate of pay is. Nate Stevens stated it is on page 84 of the meeting materials.

Genevieve Suits stated the public hearing was held and there was no opposition.

Robert Petrovich stated they are expanding, creating manufacturing jobs and relocating. He stated one of the existing structures is under contract and the other one is soon to be under contract with out of area firms looking to locate in Onondaga County. He stated it is rare that the synergies of that came together.

Fanny Villarreal asked if Flex Hose is working with organizations to find employees. Joanna Carter stated she has been contacted by members of the County to help out with recruitment and

labor assistance. She stated they have not started the process because they are not officially in the building and they don't have a way to bring them on board until they get to the new place.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing the adoption of the SEQR determination for the Flex-Hose Co project. Motion was carried.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing sales tax abatement, mortgage recording tax abatement, and real property tax abatement for the Flex-Hose Co. project. Motion was carried.

WILLOW BROOK OF MANLIUS, LLC

Richard Sykes stated at the time of the application Willow Brook was not in the Brownfield Program but during that process they were accepted into the program. He stated they realized a portion of the UTEP allowed for a community PILOT which would benefit the project better. He stated the Community Benefit Initiative has multiple different options and one is Brownfield.

Genevieve Suits stated nothing the Board approved previously has changed and it is just a 2 year addition to the PILOT.

Upon a motion by Victor Ianno, seconded by Kevin Ryan, the OCIDA Board approved a resolution to amend the Willow Brook of Manlius, LLC application as per OCIDA's UTEP. Motion was carried.

BWI HOTEL ACQUISITIONS I, INC.

Patrick Hogan stated this project would normally go to SIDA but the City has asked OCIDA to consider it. He stated the Agency is working in cooperation with the City.

Nate Stevens stated the PILOT schedule aligns with the SIDA UTEP.

Richard Pietrafesa stated they are going to take 5 abandoned houses on Prospect Avenue and replace them with a small hotel flagged by Marriott. He stated the top floor will have 26 market rate apartments which will be attached to the hospital's new wing via sky bridge. He stated there will be structured parking underneath and a small retail component. He stated it is a mixed use project for the neighborhood. He stated it will attract people from further away because it will be easier for them to come and be with their families. He stated patients scheduled for early surgeries, can spend the night in an inexpensive hotel instead of expensive hospital room.

Patrick Hogan asked if they worked with St. Joseph's on the plan. Richard Pietrafesa stated yes. Steve Infanti stated they have been working on this for 7 years and are in total support of this.

Patrick Hogan asked how many people are employed at St. Joseph's. Steve Infanti stated 4,500.

Patrick Hogan asked how many patients per year. Steve Infanti stated he doesn't know the number off the top of his head.

Patrick Hogan stated obviously there is a need for this. Richard Pietrafesa stated yes.

Patrick Hogan stated the City is in full support of this. Richard Pietrafesa stated yes.

Victor Ianno asked if the project is already under construction. Richard Pietrafesa stated no.

Patrick Hogan asked if all the properties are owned by St. Joseph's. Steve Infanti stated over the past 7 years the hospital has acquired them along with BWI.

Patrick Hogan stated when St. Joseph's owned the properties there were nonprofits so no taxes were paid and now they will have a PILOT agreement at first but there will be some income to the City and County where as before they didn't.

Fanny Villarreal asked about the number of jobs. Rich Pietrafesa stated there will be 14 full time and about 20 total full time equivalents. He stated it is a small hotel.

Janice Herzog asked if the accommodations and the housing are strictly for people associated with the hospital or is it open to the general public. Richard Pietrafesa stated it will be open to

the general public. He stated they believe there will be a lot of unique aspects to the apartments with one being structured parking. He stated because they are attached to the hotel they will be able to offer housekeeping services and partially furnish them.

Janice Herzog asked if the Marriott Corporation employees will manage the housing. Richard Pietrafesa stated BWI has a license with Marriott and will be the owner/manager of the property under Marriott standards. He stated Marriott is fully approving the plans and the interaction between the hospital and the apartments.

Janice Herzog asked how it compares to other hotel rates in the area. Richard Pietrafesa stated they chose TownPlace Suites which is an affordable option in Marriott's range of hotels. He stated it is an extended stay. He stated it is probably the most affordable extended stay brand.

Janice Herzog asked if there will be a restaurant. Richard Pietrafesa stated there is one retail space in the lower level and they are not sure what it will be.

John Bartoloti presented a power point of the project.

Janice Herzog asked if the parking is for the public or just for residents. Rich Pietrafesa stated the number of spaces will accommodate employees, the apartments and the hotel.

Patrick Hogan asked what the total investment is. Richard Pietrafesa stated \$23,000,000. He stated one of the reasons they are before the board is because the structured parking is expensive and difficult to finance.

Patrick Hogan stated he loves the idea of creating jobs in the urban sector. Richard Pietrafesa stated this is perfect for the neighborhood.

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

BUCKEYE CORRUGATED INC.

Genevieve Suits stated the Buckeye Corrugated project is a sales tax deal only. She stated an empty building is being put to very good use. She stated it is a recycling facility.

Nate Stevens stated staff met with Buckeye Corrugated Inc. a couple times and they are growing here in Syracuse. He stated they have been here for a while and we are excited to help them grow into a new adaptive reuse space.

Robert Petrovich stated it is a repurposing of the Carrier Campus. He stated Carrier is trying to repurpose a lot of their inventory so they can generate some income but also not have a bunch of abandoned spaces. He stated this is a project that he thinks is tailored made for this. He stated Buckeye is out of space at their existing location and looking to relocate here. He stated it is a straight forward sales tax deal.

Kevin Ryan asked where they are now. Genevieve Suits stated Midler Park Drive. Victor Ianno stated they have outgrown their facility and need to move.

Steve Morgan asked what they do. Victor Ianno stated they do corrugated packaging boxes.

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

PROPEL PHARMACY LLC

Sarah Huber stated Propel is owned by the telemedicine company, Nurx which does contraceptive prep, HIV prevention, STI testing and HPV testing direct to patients. She stated the doctors have a consult with the patient and send the prescription to Propel to fill it. She stated they were formally located in East Syracuse on East Malloy Road in about a 1,700 square foot facility. She stated they could not operate out of that facility any longer so they just moved into the new location in Cicero. She stated last year they had about 12 employees and now they have 61. She stated they have 2 full shifts running from 7:00 am until midnight. She stated last

week they shipped almost 14,000 orders. She stated the website has about 200,000 active users. She stated they are working with a lean consultant who formerly worked in Amazon to help make them a best in class mail order efficient pharmacy. She stated it is the only pharmacy the website owns at this point.

Nate Stevens stated he met with one of Propel Pharmacy's colleagues and it is really exciting the different kinds of applications this can be used for in the future. Sarah Huber stated it takes the stigma out of it. She stated being a gay male in the Midwest, they don't have to go to the primary care physician and have that interaction that might be judgmental. She stated they are able to fill that very real need for the patients.

Patrick Hogan asked if a license is required for every state. Sarah Huber stated Massachusetts is one of the only ones that currently doesn't require a nonresident pharmacy application. She stated the states differ depending on their requirements.

Patrick Hogan asked how many more people they will grow to. Sarah Huber stated they are hoping to hit 80.

Victor Ianno asked if Propel is independently owned or a corporation. Sarah Huber stated Nurx Inc. owns and operates the website so they are owned by a corporation. Nate Stevens stated Nurx is the parent corporation and Propel Pharmacy fills all the pharmacy needs for Nurx. He stated the customer care management is in Miami and the headquarters is in San Francisco.

Steve Morgan asked how Propel Pharmacy ended up in Syracuse. Sarah Huber stated she used to work at Target and her technician got a job with Propel and told her she was going to love it. She stated she started working in operations on the website and then opened the pharmacy here in Syracuse in January 2017 because she is tied to this area.

Kevin Ryan asked if there is anticipation to growing beyond current location. Sarah Huber stated yes but they need to prove that it is a real necessity and they are already on track to do that. She stated she anticipates more volume than they can handle. She stated she wants to prove they will need Propel so they will make more investments here.

Genevieve Suits stated the pay rate is quite healthy. She stated the salary and jobs being brought are huge for the area.

Janice Herzog asked if Propel is the only pharmacy portion of Nurx. Sarah Huber stated yes.

Steve Morgan asked if Propel utilizes any automation to fill the orders. Sarah Huber stated at this time no. She stated the website is being built as they go and they are building a Pharmacy Management System. She stated there will be automation but making Propel more efficient but not replacing jobs.

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

YMCA OCIDA BOND RATE MODIFICATION

Robert Petrovich stated there was a request received from Matt Wells at Bond Schoeneck & King regarding M & T and YMCA seeking a modification to bonds placed with OCIDA. He stated there was another bond deal with OCDC that is being taken care of. He stated specific to the IDA there were bonds in 2002 and they are looking to do a modification for a rate adjustment required by changes in the tax code. He stated they have asked the Agency to move that forward and we are going to do that. He stated Barclay Damon will be handling the OCIDA bond rate modification. He stated it is not a reissuance, there is no new debt or old debt and is basically a minor interest rate modification. He stated they technically call it a reissuance but it is not. He stated there is a minor administrative fee and YMCA is asking for some cost savings on legal and on IDA fees and we are accommodating them in that regard.

Patrick Hogan asked how this started. Tony Rivizzigno stated he does not recall the YMCA Bonds.

Matt Wells stated it was in most bond deals that if there was a corporate interest rate change that it would trigger and no one thought it would happen. He stated M & T has agreed to waive the trigger but they are required to do a reissuance. He stated M & T as part of the deal with YMCA

has agreed to not go as far as they could in terms of the rate change. He stated he understands Barclay Damon has agreed to a reduction in their fee and the IDA as well. He stated they are required to do this because of the corporate interest rate change.

Robert Petrovich stated Barclay Damon is working with Bond Schoeneck and King, the YMCA and M & T to move this forward. He stated when ready he will report back to the Board.

Patrick Hogan asked if there is a motion to be voted on today. Robert Petrovich stated no and it is just informing the Board what is happening.

Patrick Hogan stated he would like to know a little more about the history and how we got into it for next time. Robert Petrovich stated he will see what staff can pull together.

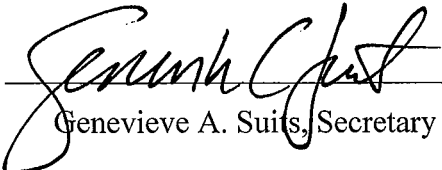
EXECUTIVE SESSION

Robert Petrovich asked the Board to vote to go into executive session to discuss contemplation of litigation.

Upon a motion by Victor Ianno, seconded by Kevin Ryan, the OCIDA Board went into Executive Session at 8:43 am. Motion was carried.

Upon a motion by Steve Morgan, seconded by Victor Ianno, the OCIDA Board adjourned Executive Session at 9:19 am. Motion was carried.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board adjourned the meeting at 9:21 am. Motion was carried.


Genevieve A. Suits, Secretary