

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
June 9, 2020

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, June 9, 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  
Kevin Ryan  
Victor Ianno

DELAYED:

Fanny Villarreal

ABSENT:

Steve Morgan

ALSO PRESENT:

Robert Petrovich, Executive Director  
Nancy Lowery, Secretary  
Nate Stevens, Treasurer  
Karen Doster, Recording Secretary  
Carolyn Evans-Dean, Office of Economic Development  
Jeffrey Davis, Barclay Damon Law Firm  
Amanda Mirabito, Barclay Damon Law Firm  
Chris Andreucci, Harris Beach Law Firm  
Frank Murphy, Empire Polymer Solutions, LLC  
Steve Hubert, Empire Polymer Solutions, LLC  
Kevin McAuliffe, Barclay Damon Law Firm  
Andrew Day, Taft Solar, LLC  
Michael Cocquyt, LaBella Associates  
Brian Harper, DG New York CS, LLC  
George Laigaie, TC Syracuse  
Bob Murry, Harris Beach Law Firm  
Mike Lisson, Grossman St. Amour CPAs, PLLC  
Ken Bush, Onondaga County Legislature  
Lauryn LaBorde, SCSD  
Rick Moriarty, Post Standard

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

## APPROVAL OF REGULAR MEETING MINUTES – MAY 12, 2020

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of May 12, 2020. Motion was carried.

(Fanny Villarreal joined meeting)

## TREASURER'S REPORT

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

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

## PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #444.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #444 for \$67,347.82. Motion was carried.

## CONFLICT OF INTEREST DISCLOSURE

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

## EMPIRE POLYMER SOLUTIONS, LLC – INITIAL MEETING

Frank Murphy stated he owns Empire Resource Recycling which is a recycling manufacturing company out of Rochester, NY. He stated he has been looking for a site for their new processing plant between Rochester and Syracuse. He stated he is President of Empire Polymer Solutions and Steve Hubert is his partner.

Steve Hubert stated his background is primarily in development and he will be active in the design, construction and improvements of the project. He stated he is involved in real estate

development with a background in other venture capital type projects which is what led him to this venture with Frank Murphy in the plastic manufacturing reprocessing facility in Syracuse. He stated they looked at some areas in Maryland, Virginia and Maine. He stated they also looked from Rochester to Syracuse and settled on this location as a viable location. He stated it has a lot of the attributes that they want, good quality power, high level of power, railroad siding, good transportation and good proximity to Tessa Plastics which they expect to do some business with. He stated that is the background on how they ended up at the Syroco site. He stated the Syroco site has been abandoned for 10 plus years and they are happy to bring it back to life by making it a viable manufacturing facility. He stated they will grow into it over time and initially will be occupying about 100,000 square feet of the facility primarily the manufacturing area but they will have some office space that they will probably not need for some time.

Frank Murphy stated what they do in Rochester is they take plastics that are basically heading for the landfill. He stated postindustrial plastic is plastic that has never been touched by humans other than a production plant and there is post-consumer, which are plastics that consumers have used and discarded through a recycling program. He stated what they do primarily in Rochester is grind industrial scrap plastic, wash and make it ready to ship to manufacturers to remake products with it. He stated their growth plan is to put together a manufacturing plant with 3 main components; a facility, equipment and people. He stated what they found in Syracuse is a great building with the old Syroco site that has good bones and a site with a number of components they are looking for. He stated it is going to cost a lot of money to put it back in shape and that is the reason it is still available but it is going to fit their needs. He stated they have much of the equipment purchased for the manufacturing and washing. He stated they are going to do very high volume production so they need good people. He stated the fact that this building is on a site that is serviced by the local bus route is going to fit their needs. He stated about 80% of the employees they are looking for are people that can be trainable. He stated they are going to run 3 shifts 24 hours a day, 6 days a week. He stated they will train the employees. He stated their raw stock is recycled plastics. He stated their goal is to prepare it for things like composite decking, lawn furniture and bread trays. He stated down the road if everything works well they have future phases that would include doing their own manufacturing and processing of lumber or their own products inside the building.

Robert Petrovich stated staff has been working with Empire for about 9 to 10 months with initial contact back in September. He stated the County Executive is very enthusiastic about the project

for a number of reasons. He stated these are manufacturing jobs ultimately coming to the area. He stated the cap-ex is about \$7,000,000. He stated it removes a nuisance and brings it back to life. He stated the property is about \$900,000 in arrears on property taxes. He stated as we move forward after this meeting he is going to advance that conversation about solving that problem with this project. He stated this is a win-win.

Victor Ianno asked if Tessy Plastics plant is next door. Robert Petrovich stated yes.

Victor Ianno asked if there are other buildings there. Frank Murphy stated this is the only building on site. He stated there was the manufacturing facility and a large warehouse. He stated the property was split in half. He stated Tessy added on to the warehouse portion and they want to take the existing manufacturing facility.

Victor Ianno stated once Empire Polymer gets operational the campus is full? Frank Murphy stated yes.

Janice Herzog stated this sounds like a great project and she is really excited about it. She asked what we do now with the plastics. She asked if there are facilities in the northeast handling this type of recycling. Frank Murphy stated they are not competing with the Consella's and the Waste Management and they are actually Empire Polymer's clients. He stated the collectors collect the material from the blue bins, take it to their plant, and split it into cardboard, metal and plastics. He stated they buy it from those facilities in the Northeast and will bring it to this facility. He stated currently a lot of it goes overseas or down south to the Carolinas where the other big plastic processing plant is located. He stated the challenge is the high cost to transport it which causes the municipalities to suffer. He stated it is a supply and demand situation. He stated putting this facility in Syracuse gives them a 350 mile radius to the northeast and into Canada. He stated they will be able to make recycling in the northeast viable again.

Victor Ianno asked how many employees they will have at the site. Frank Murphy stated they are committing to 70 employees in Phase 1 but they are expecting much more than that. He stated that is not including the construction jobs. He stated they already have a lot of local contractors that they interviewed and received pricing from them.

Patrick Hogan asked if the project is a \$7,000,000 investment. Steve Huber stated yes.

Patrick Hogan asked if the PILOT is about 15 years. Nate Stevens stated yes.

Patrick Hogan stated even before the County Executive became County Executive he had huge concerns about this site and it was real problem for the neighborhood especially for Tessy. He stated he is pleased to heavily endorse this idea.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing a public hearing for the Empire Polymer Solutions, LLC project. Motion was carried.

#### BALDWINSVILLE SENIOR HOUSING PRESERVATION, LLC

Robert Petrovich stated Barclay Damon is representing the applicant and Chris Andreucci is conflict counsel for the Agency.

Kevin McAuliffe stated the action before the Board today is a ratification of the action took on August 16 of last year. He stated the new piece to the action is increasing the bond amount from \$17,000,000 to \$20,000,000. He stated the project remains the same except the need for the bond amount to increase. He stated it is a 199 unit cost control/rent control low income senior citizen project in the Village of Baldwinsville. He stated the PILOT schedule approved last year is the same and was approved by the Village of Baldwinsville, the Town of Van Buren and the Baldwinsville School District. He stated each unit will be modified and modernized. He stated the project was built in 1978 and a lot of infrastructure and components are at the end of their useful life. He stated the project will be renovated with about \$9,800,000 in fiscal modifications including kitchens, windows and floor coverings. He stated the methodology was the senior citizens will be moved out for a day and several bathrooms or several kitchens will be done in one day. He stated no one is displaced longer than a few hours at a time during the day. He stated no one is physically removed from the premises and there is no need for alternate housing. He stated the entire complex, 199 units, will be systematically renovated in this method.

Nancy Lowery stated a public hearing was held and there were no comments.

Susan Stanczyk asked when construction will begin. Kevin McAuliffe stated it will begin right after the closing and there has been discussion about closing the end of this month or early to mid-July. He stated they are at the point now where they are finalizing the official statement.

Susan Stanczyk asked if the precautions are being made due to Corona virus as this is a very vulnerable population. Kevin McAuliffe stated yes.

Patrick Hogan asked how does this work out as far as logistically and asked if they have issued the bonds. Kevin McAuliffe stated the bonds have not been issued. He stated the bonds will be issued, the loan will close, the bonds are collateralized by the loan and as soon as construction is complete the loan proceeds pay off the bond. He stated the long term debt is the government insured HUD loan.

Patrick Hogan stated it is a change and we did not issue the \$17,000,000. Kevin McAuliffe stated it is not a bond reissuance it is an increase in the bond authorization amount.

Janice Herzog asked how many units are occupied. Kevin McAuliffe stated last he knew they were all filled and there was a waiting list.

Robert Petrovich asked Chris Andreucci if there is anything that needs to be discussed from the IDA perspective on this project. Chris Andreucci stated the Agency receives a volume cap allocation for certain tax exempt bonds from the State each year. He stated the Agency is going to use that allocation in addition to an allocation received from the REDC in order to issue these bonds. He stated that is all in place.

Robert Petrovich asked if to the extent another project were to come before the Board relative to a similar request we would have to go back and seek additional allocation if possible. Chris Andreucci stated yes. He stated he thinks it is very possible because the REDC is sitting on a lot of allocation that they have not distributed. He stated it's not because they won't distribute it but because there isn't a high need right now.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution ratifying certain prior resolutions and findings of the Issuer with respect to the undertaking of the Baldwinsville Senior Housing Preservation, LLC project and describing the

increased financial assistance being contemplated by the Issuer with respect to the project in the form of the issuance of the Bonds. Motion was carried.

### TAFT SOLAR, LLC

Andrew Day stated they have received a special use permit from the Town Board of Manlius and a negative declaration on the SEQR as the Town Board is acting as lead agency. He stated this project is a community solar project and Source Renewables is developing the project. He stated they have updated the system from the original application. He stated when they went through the permitting process they found that switching from a fixed to a tracker would have the best production and create the best opportunity for the land. He stated they have approval from the Town Board and now they are in front of the Planning Board for site plan approval and opening up the public hearing.

Patrick Hogan asked if Taft Solar is asking the Board to approve the SEQR resolution. Andrew Day stated yes.

Patrick Hogan asked if the Agency is lead agency. Nate Stevens stated no the Agency is not lead agency. He stated he wanted to also point out that it is a 3.4 megawatt project and \$4,500 a megawatt in year one and we received a letter of support from the ESM School District.

Patrick Hogan asked who is doing the SEQR. Andrew Day stated the Town is lead agency. Jeff Davis stated the Agency is doing their own SEQR determination and it is an unlisted action. He stated it was a Type I coordinated review and request for the Town to be Lead Agency.

Nancy Lowery stated a public hearing was held and there were no comments.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the adoption of the SEQR determination for the Taft Solar, LLC project. Motion was carried.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing the financial assistance the Agency will provide. Motion was carried.

### DG NEW YORK CS, LLC - INITIAL MEETING

Brian Harper stated DG New York is similar to the other solar projects the Agency has approved. He stated it is going to be a community solar project with 3 megawatts located in the Town of Van Buren. He stated NextEra Energy is the parent company on behalf of the applicant, DG New York CS, LLC. He stated it is a \$427 billion market company and they own Florida Power and Light, the largest electric utility in the United States. He stated they are hoping to get final approval from the Planning Board tonight and that will be their final meeting with them. He stated there was previously a solar project on this parcel two years ago and roughly the same size but the program they had applied to ran out of incentives and went bankrupt for other reasons.

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing a public hearing for the DG New York CS, LLC project. Kevin Ryan abstained. Motion was carried.

### TC SYRACUSE DEVELOPMENT ASSOCIATES, LLC

Robert Petrovich stated we have yet to close on the PILOT but there was a sales tax closing last month. He stated the counsel on the applicant's side needs to review the documents and they are not prepared to do that before the ST-60 currently issued will expire. He stated the expiration is June 30 of this month. He stated they are requesting an extension to July 31. He stated in consideration of that extension of the ST-60 they have agreed to pay the rest residue and the remainder of the IDA fee making the payment of the fee to 100%. He stated the remaining issue would be closing on the PILOT which can happen subsequent to this. He stated the only risk if they don't close on the PILOT is they don't get the PILOT benefits and all the issues that cascade down from that. He stated he thinks they are motivated to close on the PILOT eventually but just need a little extra time and get the books cleaned up on the IDA fee.

Upon a motion by Victor Ianno, seconded by Kevin Ryan, the OCIDA Board approved a resolution granting an interim sales and use tax exemption. Motion was carried.



UPDATE TO THE OCIDA 2019 FINANICAL AUDIT

Mike Lisson stated in October 2012 there was a resolution by the County to allow reimbursement of up to \$2,000,000 for things related to White Pine. He stated Bob's team realized the office was able to get reimbursement from this in the amount of \$1,300,000. He stated when the County reviewed the financial statements and their own financial statements they decided to record liability sometime in May. He stated he had to adjust the financial statement to record a receivable after December 31 and this was not paid from the County until June. He stated he adjusted the IDA financial statement to record the receivable for \$1,336,000 to net assets and revenues to the bottom line. He stated it was a straight forward fix but the reason it had to be done was because the Agency financial statements go along with the County's financial statements so they wanted to make sure the receivables are on our books and the liability is on their book. He stated there are no concerns or issues but had to reissue the financial statements.

Patrick Hogan asked Mike Lisson if OCIDA had to amend the 2012 financial report. Mike Lisson stated no, you make the change in the year you make the error. He stated it impacted the 2019 financials. He stated he was not the auditor at that time and would have to go back to the original auditors. He stated under accounting standards you adjust as you go which is December 2019.

Patrick Hogan asked if this will be amended to the Agency's last audit. Mike Lisson stated the last filing was amended.

Upon a motion by Fanny Villarreal, seconded by Janice Herzog, the OCIDA Board approved a resolution approving a change to the 2019 Audit of the Agency. Kevin Ryan abstained. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board adjourned the meeting at 8:43 am. Motion was carried.

  
Nancy Lowery, Secretary