

Onondaga County Industrial Development Agency
Regular Meeting Minutes
July 17, 2018

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, July 17, 2018 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 8:08 am with the following:

PRESENT:

Patrick Hogan
Steve Morgan
Victor Ianno
Kevin Ryan
Susan Stanczyk

ABSENT:

Janice Herzog
Fanny Villarreal

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director
Nate Stevens, Treasurer
Karen Doster, Recording Secretary
Brian Bartlett, Office of Economic Development
Quante Wright, Office of Economic Development
Genevieve Suits, Office of Economic Development
Halee Beebe, Office of Economic Development
Andre Douglas, Office of Economic Development
Tony Rivizzigno, Barclay Damon
Amanda Mirabito, Barclay Damon Law Firm
Connie Cahill, Barclay Damon
Jennifer Granzow, Wladis Law Firm
Ken Bush, Onondaga County Legislature
Christopher Bianchi, Syracuse City School District
Rick Moriarty, Post Standard

APPROVAL OF REGULAR MEETING MINUTES – JUNE 12, 2018

Julie Cerio stated there was one correction to the minutes that were sent out. Karen Doster stated the date on first page should be June 12, 2018 not May 21, 2018 and the correction has already been made.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved the regular meeting minutes of June 12, 2018. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of June 2018.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved the Treasurer's Report for the month of June 2018. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #420.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved the Payment of Bills Schedule #420 for \$21,170.66. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

THAT WAS RANDOM, INC. DBA UPSTATE COIN & GOLD

Jennifer Granzow stated she is from the Wladis Law Firm and she is here on behalf of That Was Random Inc. or Upstate Coin and Gold. She stated their current location is in Fayetteville and is about 5,000 square feet. She stated they have grown their business to an excess of \$100,000,000 in annual sales and there is no one like this company in all of CNY. She stated they trade in bullion throughout the US and the world. She stated they are a wholesaler dealing mainly with retail clients. She stated that you can trade broken jewelry for cash but that is the smallest part of their business. She stated the company can't grow any more in the space and they are looking for a suitable location between 25,000 and 30,000 square feet. She stated it has to be a building that can be customized for their unique security needs. She stated it needs to have some visibility but not a lot of attention. She stated they have located a space on Celi Drive in the Town of DeWitt. She stated the goal for the company is to acquire 5761 and 5774 Celi Drive from a common seller using both facilities but one would be the main facility. She stated they have about 16 current employees and will add another 13 full time employees. She stated their

current salaries each year is just under \$900,000. She stated it is a \$9,250,000 private investment with \$2,800,000 in capital, \$2,900,000 in new wages and \$3,500,000 in retained wages. She stated their client is also looking at sites in Delaware and Colorado where there are lucrative incentives to relocate their business so the existing jobs are at risk if he can't pull this project together. She stated the project involves retrofitting the two buildings, one in particular, with security and other facilities that will make it possible for him to connect his business out of the site. She stated also to expand the current business to have a melting facility and depository. She stated there are two other depositories, one in Delaware and one NYC area. She stated there is legislation for gold that requires a certain distance to NYC so it would not be for gold but for other precious metals. She stated Upstate Coin and Gold is seeking assistance from the IDA to help make it happen.

Kevin Ryan asked about the distance requirement from NYC. Jennifer Granzow stated the gold depository has to be within 150 miles of New York City so gold won't be done in the depository but he will work all the other precious metals. She stated for some reason there is not a similar restriction on those metals.

Steve Morgan stated the application says specializes in creating a two way market in wholesale bullion primarily to retailers across the nation while leveraging technology and he asked what that means. Jennifer Granzow stated he is basically a middle man in the wholesale precious metals market. She stated he buys precious metals and then resells them to retailers.

Steve Morgan asked if he is buying from businesses or individuals. Jennifer Granzow stated businesses. She stated the retail component is tiny.

Steve Morgan asked why the owner is not here. Jennifer Granzow stated he is currently traveling in Colorado.

Patrick Hogan asked if 90% of the sales are from outside the country. Jennifer Granzow stated 90% outside the state and about 2% is from outside the country.

Kevin Ryan stated there are two properties on either side of Celi Drive. Jennifer Granzow stated yes. She stated the larger building will be the main facility and they will use the smaller building for ancillary uses but the security in the smaller building are not the same.

Patrick Hogan asked if the building has already been purchased. Jennifer Granzow stated he is under contract to purchase the building.

Patrick Hogan asked if it is dependent on what the Board does today. Jennifer Granzow stated partially yes.

Susan Stanczyk asked what kind of jobs are the skilled professionals. Jennifer Granzow stated it is professional traders following the precious metals market specifically.

Susan Stanczyk stated they will be doing the melting there as well and asked if there will be those types of jobs as well. Jennifer Granzow stated yes.

Susan Stanczyk asked about the expansion jobs. Jennifer Granzow stated that expansion will be additional traders and people to work in the melting part and depository. She stated you could purchase as an investment from Upstate Coin and Gold and store it at his facility. She stated he does that through 3rd parties now at other locations throughout the country and his goal is to bring that under his roof. She stated with the melting aspect he has to outsource that now so he will be able to bring that in-house with more control of the entire process.

Victor Ianno asked what is meant by a depository. Julie Cerio stated if you want to invest in platinum you probably don't want to keep it in your house so you can deposit it at this facility and keep it there while it increases and decreases in value.

Jennifer Granzow stated when the business is able to expand and have a depository they will also be able to back retirement funds with gold. She stated he is committing to 13 new jobs and she it could possibly be a lot more. She stated it is an exciting opportunity and there is no other provider like him.

Susan Stanczyk asked how long he has been in business. Jennifer Granzow stated started in 2004 but has been actively running the business since 2009.

Susan Stanczyk asked if this has been to the town. Jennifer Granzow stated yes and the response initially was unwelcome because of the bike path but when the plan was explained fully they have been very welcoming.

Julie Cerio asked if there are environmental issues on the site. Jennifer Granzow stated there is potential for environmental issues because it is next to a Brownfield that is being cleaned up.

Julie Cerio stated it would be good to have that property back into use and asked who owns the property. Jennifer Granzow stated it is owned by a company related to General Super Plating.

Patrick Hogan asked if the buildings are vacant and taxes are paid. Jennifer Granzow stated they are vacant but not sure about a taxes.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution describing the proposed That Was Random, Inc. dba Upstate Coin & Gold project and the financial assistance the Agency my provide. Motion was carried.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer and Agency for the That Was Random, Inc. dba Upstate Coin & Gold project. Motion was carried.

LOCAL REALTOR RFP

Nate Stevens stated an RFP for real estate has been issued and 6 responded not interested and one response from Bell Cornerstone. He stated Bell Cornerstone is \$90 an hour flat rate for all 6 service specs in the RFP.

Victor Ianno stated his one concern is that it is going to be a real estate real estate firm just for us. Nate Steven stated yes and will work on an as needed and directed basis. He stated this is real estate services for all of OCIDA so anything real estate we wanted to do is covered in the scope.

Kevin Ryan asked what is the parcel being talked about and asked if this being done in regard to a specific parcel. Nate Stevens stated no and the RFP was done generally for anything OCIDA wants to use the vendor for in Onondaga County.

Kevin Ryan stated typically real estate brokers are paid as commission when they negotiate or complete a sale and we are retaining them as a firm on an hourly basis as needed. He asked if there is something we have to insure we are not getting an enormous bill for 100 hours of work at \$90 an hour. Nate Stevens stated we will ask them to do a task and ask for the time estimate. He stated we will ask them to check in with us at the halfway point and let us know how they are doing. He stated it is on staff to manage the relationship and the bills coming in. He stated we have had a good track record of doing it that way.

Victor Ianno asked if we want to buy a piece of property and ask them to do the research are they just getting a fee for the hours or are they going to be entitled to a commission. Nate Stevens stated it is \$90 an hour and it is structured that way because a lot of hour need is based on doing research on things. He stated if there is no guarantee sale in the end so no one is going to choose to the work with no guarantees. He stated this should be a much better set up structure for this kind of relationship.

Patrick Hogan stated he was very impressed by the proposal with multitude of examples and it was concise and informative.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution selecting the Bell Cornerstone firm to represent OCIDA for on-going real estate issues. Motion was carried.

BLUE ROCK ENERGY

Tony Rivizzigno stated back in 2017 there was a Lease Agreement with Blue Rock Energy. He stated they are assigning the lease to the new company, New York Energy, and they will assume all responsibilities of Blue Rock Energy. He stated it is just a change of name.

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board approved a resolution approving the Assignment of Lease for Blue Rock Energy. Motion was carried.

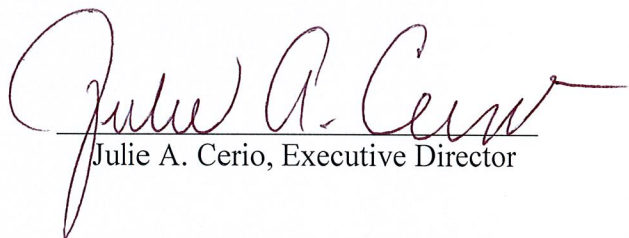
Patrick Hogan read enclosed remarks regarding Inland Port.

Pat Hogan stated he is calling for a meeting within the next couple weeks to discuss this subject and what our proposed role would be. He asked Karen Doster to send out a Doodle to get the Board's availability.

Victor Ianno stated it is a great idea and needs to be talked about.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution to conduct a special meeting to discuss the Inland Port and the proposed role of the Agency. Motion was carried.

Upon a motion by Victor Ianno, the OCIDA Board adjourned the meeting at 8:33 am. Motion was carried.


Julie A. Cerio, Executive Director