

Onondaga County Industrial Development Agency
Regular Meeting Minutes
July 23, 2019

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, July 23, 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
Janice Herzog
Susan Stanczyk
Victor Ianno
Steve Morgan

ABSENT:

Fanny Villarreal
Kevin Ryan

ALSO PRESENT:

Robert Petrovich, Interim 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
Chris Andreucci, Harris Beach Law Firm
Emily Long, Office of Economic Development
Theodore Burtis, Office of Economic Development
Kevin McAuliffe, Barclay Damon
Jeff Davis, Barclay Damon
Eliot Reid, Baldwinsville Senior Housing Preservation LLC-Conifer Village
Christopher Bianchi, Syracuse City School District
Mitch Latimer, Carpenter's Union
Del Vargar, Carpenter's Union
Rick Moriarty, Post Standard

APPROVAL OF REGULAR MEETING MINUTES – JUNE 11, 2019 AND JUNE 19, 2019

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved the regular meeting minutes of June 11, 2019 and June 19, 2019. Motion was carried.

TREASURER'S REPORT

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

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

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #433.

Upon a motion by Victor Ianno, seconded Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #433 for \$140,050.26. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

Patrick Hogan welcomed Carolyn Evans-Dean, Deputy Director of Economic Development.

BWI HOTEL ACQUISITIONS I, LLC

Patrick Hogan stated BWI Hotel is going to be tabled. Robert Petrovich stated the conversation yesterday with the applicant was their SEQR information is just being submitted to the City for review. He stated their counsel has advised we cannot move the project forward until the SEQR process is complete and a determination has been made so the project will be tabled until the next meeting.

BALDWINSVILLE SENIOR HOUSING PRESERVATION, LLC – CONIFER VILLAGE

Robert Petrovich stated Chris Andreucci from Harris Beach is stepping in to represent the Agency because Barclay Damon is representing the applicant.

Kevin McAuliffe stated the application is regarding the existing Conifer Housing/low income senior housing project in Baldwinsville. He stated the proposal before the Board is acquisition and renovation of the units using a number of different methodologies to fund it including tax exempt bonds, low income housing tax credits and long term Fannie Mae debt. He stated while the proposal shows a \$38,000,000 budget, the actual cost of renovation is slightly less than \$9,000,000. He stated the before and after pro forma for the operation of this facility will remain basically the same. He stated right now the gross receipts are about \$1,300,000 and after \$8,000,000 to \$9,000,000 is spent, the gross receipts will still be about \$1,300,000. He stated there is no modification in the rent but a gross modification in the living environment. He stated this is controlled by a contract with the federal government which limits the rent. He stated by virtue of selling the low income tax credits and obtaining the long term Fannie Mae debt, they are able to come in and renovate the facility and completely redo the units without displacing people. He stated they are asking for authorization to issue \$17,000,000 in tax exempt bonds which will be there just during the construction period which is a mechanism to go out and obtain the credit capability. He stated there will be a commitment from Fannie Mae for the long term debt. He stated in addition to the bonds they are looking for the standard mortgage and sales tax exemptions and a PILOT. He stated with regard to the PILOT they have had meetings with the supervisor, the mayor and the assistant superintendent of Baldwinsville. He stated current taxes on the facility for county, school, town and village are about \$208,000 per year and it was explained this was a modification of the facility without a modification on the bottom line and the rents will remain the same, they understood the proposed concept of the PILOT. He stated they bumped the \$208,000 up slightly to \$215,000 in the first year then increases 2% per year thereafter. He stated they have a response from the school district anticipating OCIDA approving the application and authorizing a public hearing. He stated he will make sure the Board has documentation from the other taxing jurisdictions that they are in agreement with the proposed PILOT. He stated ordinarily you would look at someone spending this kind of money on a facility you would think there would be a drastic increase in taxes over time subject to the normal IDA scheduled of exemptions but that is not the case here because there isn't an increase in revenues.

Eliot Reid stated the Tenant in Place Renovation Project based Section 8 Housing was developed over the last 10-15 years when people use low income housing tax credits to renovate projects. He stated they want them to age in a place they have lived for 10-15 years so disruption of their lives is anathema to the process. He stated there is an existing clubhouse they expect to expand

by about 2,000 sq ft so they can accommodate more residents and build more amenities into that space. He stated while they are in the renovation period to the residential buildings on site, they will have a hospitality suite, café set up, movies and excursions. He stated they will have 3 kitchen crews on site and those crews will do 3 kitchens per day. He stated if it is your day, they will get the resident out of the unit at 8:00 am and will come back at 4:30 to a brand new kitchen. He stated residents will be disrupted about 4 times through the life of the cycle and the renovation will disturb people as minimally as possible. He stated over 6-8 months there will be 4 days the residents will be asked to leave their unit. He stated the key is not to have to displace any of the residents overnight involuntarily or displace the residents over the long term. He stated this property has always been low income housing for seniors making at or below 50% of area median income and will remain that indefinitely under their ownership.

Patrick Hogan stated none of the municipalities lose money with the PILOT. He stated it's predicated on a 2% increase which is in essence the tax cap anyway. Kevin McAuliffe stated when meeting with the municipalities, they recognized the value of Conifer in the community and are excited about the renovations. He stated there will be new roofing, new entryway doors and campus wide Wi-Fi. He stated this will extend the useful life well past the 30 year Fannie Mae debt on it.

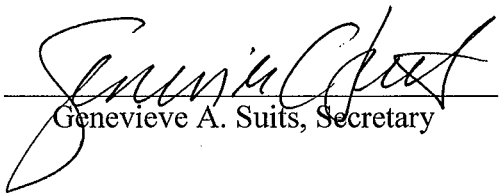
Susan Stanczyk stated she is familiar with the area and spoke to town board members who are supportive of the project. She stated she is very pleased to hear the rent is going stay the same with all the upgrades and it does need a facelift. She stated it is an important part of the community, a nice area and the people who live there are very proud of it.

Patrick Hogan asked if the Board will have the support letters. Kevin McAuliffe stated yes he will get them to the Board before the next meeting.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution describing the proposed Baldwinsville Senior Housing Preservation, LLC – Conifer Village project and the financial assistance the Agency may provide and authorize a public hearing for the project, Agency benefits requested include a payment in lieu of tax agreement, sales and use tax abatement and IDA tax exempt bonding. Motion was carried.

Robert Petrovich stated there is a revised UTEP that staff thinks is ready. He stated he believes everyone has had the opportunity to review it. He stated Kevin McAuliffe suggested adding AC to the renewable energy UTEP formula which has been added. Kevin McAuliffe stated not having has caused confusion in other communities.

Upon a motion by Patrick Hogan, seconded by Victor Ianno, the OCIDA Board adjourned the meeting at 8:21 am. Motion was carried.



Genevieve A. Suits, Secretary