

Onondaga County Industrial Development Agency
Regular Meeting Minutes
August 2, 2018

A regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, August 2, 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 7:59 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
Andre Douglas, Office of Economic Development
Tony Rivizzigno, Barclay Damon
Amanda Mirabito, Barclay Damon Law Firm
Connie Cahill, Barclay Damon
Ken Bush, Onondaga County Legislature

Julie Cerio stated the Payment of Bills is not on the agenda because the Board is meeting in two weeks and we will approve those then.

CONFLICT OF INTEREST DISCLOSURE

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

JMA WIRELESS – TIME EXTENSION TO COMPLETE PROJECT, INCREASE SALES TAX ABATEMENT

Nate Stevens stated the JMA project was approved in 2016. He stated there was a PILOT approved and it's in the board packet. He stated the request is to move the sales tax from \$441,000 to \$912,000.

Gail Cawley stated the project is continuing and they are now moving into security mode. She stated they are wrapping up and looking for an increase of the sales tax.

Patrick Hogan stated nothing else has changed and they are still creating jobs. Gail Cawley agreed.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing a public hearing regarding the increased tax abatement benefits associated with JMA Wireless. Kevin Ryan abstained. Motion was carried.

TOWNE CENTER RETIREMENT COMMUNITY LLC – INCREASE MORTGAGE RECORDING TAX ABATEMENT, CONSENT TO REFINANCE, INCREASE SALES TAX ABATEMENT

Mandy Monson stated Towne Center were last here in 2016 and asked for a PILOT, mortgage recording tax and sales and use tax exemption. She stated the mortgage recording and sales and use tax was approved on the construction of the building. She stated they are through the construction process, completed the building and opened in August 2017 with almost 90% occupancy. She stated Resort Lifestyle Communities is a Nebraska based company and build senior independent retirement living communities across the country. She stated they came to Syracuse because they saw a need for their product. She stated when building they initially take out a construction mini permanent loan and did so with M&T Bank. She stated once the building is stabilized they refinance with a subsidiary, in this case M&T RCC with Freddy Mack. She stated they are requesting mortgage tax exemption on a loan amount of about \$40,000,000. She stated the project costs didn't change and it actually came in a little under budget. She stated that when the building is constructed there is a 3rd party appraisal and when it was being constructed the value was \$48,800,000 and now it is valued on \$54,300,000 based on the market data and rents. She stated they essentially refinanced the debt and they have to return the investor

principal back to them at a 75% loan to cost. She stated they are paying off the loan from M & T Bank, returning principal back to their investors and deferred equity returned to the owners.

Mandy Monson stated their 2nd request today is for sales and use tax exemptions. She stated when they initially applied for the project they wanted to be conservative. She stated they estimated the value and goods of services that would be exempt from sales and use tax would be about \$9,600,000 which equated into a benefit of \$770,000. She stated using local subs and material suppliers in this area brought great success to the project and was a well maintained project. She stated in 2016 they filed a ST-340 in the amount of \$813,701 and in 2017 filed one for \$754,849. She stated they are asking for an additional request of \$797,890.06 of sales and use tax exemption. She stated in the success of being able to use local subs and materials supplies on the project, they now have a number of subs that travel with them across the country to do work for them. She stated they found very high quality subs in companies in this area and was a success for this project and a success ongoing.

Patrick Hogan asked if they found local contractors that they are going to use on other projects. Mandy Monson stated yes. She stated they are so pleased coming into this community, hiring local subs and the fantastic job they did. She stated they hired a Syracuse resident to be the site project manager of Towne Center and they have promoted him to Senior Project Manager for all of their communities in the northeast part of the country. She stated they have 34 employees at Town Center and they hire from the local community. She stated they have leased space to 3 local businesses and continue to do business on a local level. She stated they couldn't be more pleased with this project.

Steve Morgan asked if there is a list of local investors. Mandy Monson stated there are not any local investors and a majority of their investors are out of Lincoln Nebraska.

Steve Morgan asked if Jim Breuer was involved. Mandy Monson stated Heuber Breuer did quite a bit of the site development work and was a huge assistance to help to know the community better. She stated they looked at Heuber Breuer GC'ing the project but fortunately for them they found Jim Orlando who was the project manager on the site and had a variety of contacts within the community so they decided to move forward and GC it on their own.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing a public hearing regarding the increased tax abatement benefits associated with this project. Motion was carried.

INLAND PORT – DISCUSS WHAT ROLE, IF ANY, OCIDA CAN PLAY TO MOVE THIS PROJECT FORWARD

Patrick Hogan stated he feels it is incumbent that OCIDA takes a roll in this and at the request of the Chairman of the Legislature we will look into what role, if any, we can play. He stated they spoke with one company and they have reported that their plan is almost complete. He stated they were asked to come to next month's meeting with a report and signed agreements with all the necessary entities. He stated we will check on the options to the necessary land and make sure they are locked in and who has them. He stated we will speak to other companies that could possibly become involved. He stated we are open to any suggestions the Board members might have. He stated this is just informational and opening up for discussion to make sure the board is supportive of this. He stated we are on some time restraints.

Tony Rivizzigno stated a few years ago this local area was awarded \$500,000,000 for economic development and of that \$40,000,000 was set aside for the inland port. He stated it has been sitting there and nothing has happened. He stated it is at a point that something has to be done and after a while state money disappears. He stated the money is set aside for this project and he thinks we need to take a look at it. He stated there are others trying to do the same thing.

Victor Ianno stated we are going to take control of the port, all RFPs will be filtered through us and we will manage it. Tony Rivizzigno stated that could be the end result but the problem is at this point in time we don't know what the whole thing involves. He stated we are just looking into it and nobody has approached the IDA at this point.

Victor Ianno stated this is great and it is just a matter of putting it together and doing it. He asked if there is going to be more land acquisition to accomplish it. Patrick Hogan stated we don't know at this point. Tony Rivizzigno stated there is tremendous job creation because you have things delivered and they have to be put someplace so you have warehousing and that results in trucking it to another location. He stated we don't know the extent of it and we are

trying to figure that out. He stated in our world ultimately we spur economic development so we want to do anything to help that.

Steve Morgan asked why there is a push for the inland port. Tony Rivizzigno stated about a year ago the Panama Canal was widened to fit bigger ships. He stated now the ships can carry a lot more containers and when they come to the United States there are not many ports that can handle them because of depths of the water so they come to New York and New Jersey. He stated they unload the containers and those containers have to go someplace for they mostly go by rail. He stated when they go back they go back empty and one of the benefits to have it here is our people who export stuff can put their exports on at a much lower cost than by shipping by truck. He stated the whole spur was the Panama Canal expansion.

Patrick Hogan stated the stuff comes in but they have limited space in New York and New Jersey so it is easier to put containers on a train and ship inland. He stated the possibility of other business going up around this area is unbelievable.

Victor Ianno stated the biggest problem will be the truck traffic. Tony Rivizzigno stated whoever does this is going to look into that and the SEQR process.

Victor Ianno asked what the first step is. Patrick Hogan stated we have asked 3GI who has been working on this for several years to give us what they have done and the options on the land. He stated 3GI said that they have an agreement with CSX.

Victor Ianno stated there are operating companies out there that can come in here to make a deal with us, the County or CSX and they will operate it. He stated they will come to us for help and that's where we come in. Patrick Hogan agreed.

Victor Ianno asked what the downside is. Patrick Hogan stated there is no downside but we may have to take some more aggressive steps in order to spur this.

Victor Ianno asked if we are just going to be a conduit and a pusher. Tony Rivizzigno stated yes. He stated if nobody else comes forward saying they want to do this then we may want to take the roll and come forward and get it set up. He stated by law we are prohibited to run it.

Victor Ianno asked how they are running it now. Julie Cerio stated CSX just has a rail yard there and an inland port is being considering.

Kevin Ryan asked if there was discussion about putting this someplace else in the County. Julie Cerio stated she believes there were two other potential sites and this looks to be the chosen site.

Kevin Ryan stated the money allocated by the State is for this site and this site alone. Julie Cerio stated that she believes so.

Kevin Ryan asked how this site was chosen. Julie Cerio stated that she believes a feasibility study was done.

Upon a motion by Steve Morgan, seconded by Susan Stanczyk, the OCIDA Board adjourned the meeting at 8:24 am. Motion was carried.



Julie A. Cerio, Executive Director