

Onondaga County Industrial Development Agency
Regular Meeting Minutes
August 20, 2019

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, August 20, 2019 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Steve Morgan called the meeting to order at 8:01 am with the following:

PRESENT:

Steve Morgan
Susan Stanczyk
Victor Ianno
Fanny Villarreal
Kevin Ryan

ABSENT:

Patrick Hogan
Janice Herzog

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
Jeff Davis, Barclay Damon Law Firm
Christopher Andreucci, Special Agency Counsel
Emily Long, Office of Economic Development
Anthony Schaut, Bodycote Syracuse Heat Treating Corporation
Kevin McAuliffe, Barclay Damon
Marco Marzocchi, The Widewaters Group
Ken Bush, County Legislature
Christopher Bianchi, Syracuse City School District
Rick Moriarty, Post Standard

APPROVAL OF REGULAR MEETING MINUTES –JULY 23, 2019

Upon a motion by Victor Ianno, seconded by Steve Morgan, 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 July 2019.

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

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #434.

Steve Morgan asked if the legal bill is associated with Roth. Nate Stevens stated no and it is associated with upcoming projects.

Upon a motion by Victor Ianno, seconded Susan Stanczyk, the OCIDA Board approved the Payment of Bills Schedule #434 for \$1,978.48 and PILOT payments to Town of DeWitt for \$15.93, Town of Onondaga for \$3.24, Jamesville DeWitt Central School District for \$104.23, City of Syracuse for \$1,615.90 and Onondaga County for \$1,038.98. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

BALDWINSVILLE SENIOR HOUSING PRESERVATION, LLC – CONIFER VILLAGE

Kevin McAuliffe stated they have obtained the written support for this project from the Village of Baldwinsville, the Town and the School District. He stated he met with them before coming to the IDA and the deal they were comfortable with was to increase the current tax burden from around \$208,000 to a PILOT that starts at \$215,000 and escalates thereafter at 2% per year. He stated there were no questions about the program and the community was fully familiar with the existence of the project and supported it. He stated they are using tax exempt bonds and low income housing tax credits to obtain a certificate. He stated none of the residents will be displaced for more than a few hours on any given day from their facility and the changes will be

done unit by unit. He stated rents do not change and the rents are controlled on multiple levels, primarily by the new certificate that will be filed at closing which extends the relationship with HUD for another 20 to 30 years. He stated the rents may not escalate more than 2% per year if the market permitted.

Robert Petrovich stated he would like to confirm for the record that there is support from the localities. Kevin McAuliffe stated yes and written confirmation was provided to staff.

Steve Morgan stated this is a much needed project and the property has not been upgraded in a long time.

Susan Stanczyk asked what the difference is between the PILOT payment scheduled on the iPad versus the one handed out. Nate Stevens stated after double checking some formulas they caught a last minute addendum. He stated the handout is the correct one.

Genevieve Suits stated there were no comments at the public hearing.

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

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing sales tax abatement, mortgage recording tax abatement and real property tax abatement. Motion was carried.

BODYCOTE SYRACUSE HEAT TREATING CORPORATION AND BODYCOTE THERMAL PROCESSING INC.

Anthony Schaut stated Bodycote Thermal Processing is by far the largest and most respected provider of thermal processing services in the world. He stated their processes are critical to pretty much every manufacturing process. He stated Bodycote operates in 23 countries with over 180 locations and nearly 6,000 employees worldwide. He stated their net sales in 2018 were just under \$1 billion. He stated Bodycote entered the Syracuse market with the acquisition of a family owned business called Syracuse Heat Treating Corporation. He stated Bodycote bought them January 1, 2017 and by the end of that year they basically doubled their net sales

through their own networks. He stated they were planning an expansion of the operation but they suffered a devastating fire July 6, 2018 for a total loss of the facility. He stated they purchased a building at 8 Dwight Park Drive in the Town of Geddes and have full support of the town. He stated the town is thrilled they are taking over a dilapidated building. He stated they are planning significant investment in the building replacing the roof, outside skin of the walls and investing in curb appeal. He stated they will do some significant investments on the infrastructure of the facility to accommodate specialized equipment. He stated part of Bodycote's plan for the facility is equipment that will allow processing that has never been done in the United States. He stated it will be a true investment in Onondaga County and all of Upstate New York.

Nate Stevens stated the handout is because Agency Counsel emailed him with some new figures and these are these most accurate figures. He stated the budget went up from the original packet that went out.

Steve Morgan asked if Bodycote is coating different products that are shipped to them and then shipping them out. Anthony Schaut stated they are not coating anything. He stated Cote in the name Bodycote is the founders name from the early 20's. He stated they are actually heat treating parts. He stated they are taking customers parts like automotive, engines, aerospace parts, military all the way to screws and nails and putting the raw steel parts through thermal process making them harder, softer or improving their performance. He stated they receive customer parts, heat treat them and send them back with an invoice.

Steve Morgan where is the next closest facility. Anthony Schaut downtown Rochester.

Steve Morgan asked if products are imported from all over the northeast. Anthony Schaut stated they import from throughout the United States. He stated since the time of the fire as part of the contingency plan, they leased a warehouse, kept 8-10 critical employees to keep their sales the best they can. He stated they still have 50% of their sales by moving them to other Bodycote locations using their people and their trucks. He stated they have that commitment of existing customers waiting for them to come back.

Fanny Villarreal asked what kind of jobs they are creating. Anthony Schaut stated the jobs are plant manager, office manager, outside sales associates, quality management, quality engineers

as well as equipment operators and machine operators. He stated they train the employees. He stated it is very skilled labor all the way down to entry level. He stated they use local temp agencies to supply with the entry level and they take over the training from there.

Upon a motion by Victor Ianno, seconded by Kevin Ryan, the OCIDA Board approved a resolution describing the proposed Bodycote Syracuse Heat Treating Corporation and Bodycote Thermal Processing, Inc. project and authorizing a public hearing for the project. Motion was carried.

THE WIDEWATERS GROUP INC.

Kevin McAuliffe stated the proposal is to utilize a piece of property along Widewaters that has sat unused for decades. He stated Widewaters building was sold several years ago and now they have the choice of either paying substantially more in rent or finding another location. He stated Widewaters is in 17 different states and Canada. He stated they have over 1,500 employees in the North America continent. He stated they have chosen to stay here and build 2 new buildings one of which they will occupy about 24,000 square feet as their new international headquarters. He stated they have 88 employees in DeWitt and they see that expanding by 10 at least over the next few years. He stated this space is also needed because of all the diverse operations they need to pull people together and room to have large meetings, an amphitheater type setting. He stated the current space doesn't work so the proposal is to construct 2 buildings and they have the approval already from the Town of DeWitt. He stated each building is almost 41,000 square feet with substantial parking some will be kept in reserve. He stated the balance of the space aside from their 24,000 square feet will be leased to tenants in the market. He stated after multiple iterations with the Town of DeWitt they have found a design that works for everyone.

Steve Morgan asked if one building is going to be for Widewaters headquarters and the other leased property. Kevin McAuliffe stated 24,000 out of the first building would be occupied by Widewaters and the balance would be leased. He stated the 2nd building will come on line as the demand calls for it. He stated it could be as long as 3 years to start the construction on the 2nd building. He stated they are trying to identify tenants to bring to the area. He stated there are not a lot of businesses starting up in CNY but it is good to have more Class A office space available. Marco Marzocchi stated they plan to do the site work for the entire site so it will be shovel ready.

Steve Morgan asked for a description of what Widewaters is. Marco Marzocchi stated Widewaters is a 30 year old local business and always has been. He stated it is a diversified development company with several core businesses primarily the development arm but there is Pyramid Brokerage, Pyramid Network Services (wireless industry), construction and hotels. He stated they have about 27 hotels from Maine to Florida and 5.5 million square feet of retail space in 17 states. He stated they started out as an office developer, diversified to retail, diversified into hospitality and further into warehouse and distribution and some core businesses as well.

Steve Morgan asked if they only work on buildouts within their buildings. Marco Marzocchi stated Widewaters Construction (WCI) not only performs construction services for their own developments but also does 3rd party development.

Kevin McAuliffe stated under the Town of DeWitt Zoning Code this cannot be used for retail.

Kevin Ryan asked what the occupancy rate for Class A space is in this community. He stated it is going to be built in DeWitt but is there an abundance in downtown or other municipalities where this would encourage them to leave Syracuse to go to DeWitt. Kevin McAuliffe stated there is not a glut of Class A office space but there a lot of C and some B.

Kevin Ryan asked when the building was sold. Kevin McAuliffe stated it was sold in 2006. He stated they developed the Widewaters Park and sold it to an investment company. Marco Marzocchi stated they have been a tenant since and have outgrown the space.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved a resolution describing the proposed Widewaters Group Inc. project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

Kevin McAuliffe stated Chris Andreucci will be handling the project as the Agency's conflict counsel.

UNIFORM TAX EXEMPTION POLICY ADOPTION

Robert Petrovich stated the most recent change to the UTEP is driven by the demand the office is seeing for renewable energy projects and we need to have a position to be able to respond to going forward. He stated staff recrafted and added to the UTEP a renewables component that would cover both wind and solar projects. He stated the Board is going to be seeing solar projects coming forward for benefits from the IDA. He stated with the help of counsel that component was added to the UTEP and also cleaned up some minor editorial things but nothing substantive. He stated it was sent to the Board for comment and after the Board provided feedback it was sent to the taxing jurisdictions as required. He stated a couple of comments were received in support and nothing substantive back in terms of localities. He stated he is looking for adoption today so renewable projects can be effectively addressed.

Susan Stanczyk stated several of the municipalities requested a longer notification period and asked if that is included. Nate Stevens stated from this meeting to when the Board approves the project is roughly one month which is what they were asking for. He stated the public hearing is roughly 10 days. He stated the public hearing is a way to share their opinion without having to write a letter. He stated if any municipality ever has a comment they can always provide a written comment between the two meetings. He stated he thinks their concern is addressed. Susan Stanczyk stated there were 2 people that commented on the time frame so she wanted to make sure it was addressed.

Steve Morgan stated a decision can always be tabled. Nate Stevens stated yes.

Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved a resolution adopting the Uniform Tax Exemption Policy. Motion was carried.

TAX EXEMPT BOND POST-ISSUANCE COMPLIANCE POLICY

Amanda Mirabito stated when the YMCA bonds were reissued about a month ago a new IRS form had to be refiled. She stated it requires the Agency to check a box on whether or not there is a post issuance tax compliance policy. She stated it is not a required policy but if you don't check the box it tends to raise eyebrows. She stated a policy was drafted on what the staff has

already been doing. She stated most of the responsibility is on the borrower to prove the correct usage of the tax bond proceeds but it puts it in policy and documents what staff has been doingt.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution adopting the Tax-Exempt Bond Post Issuance Compliance Policy. Motion was carried.

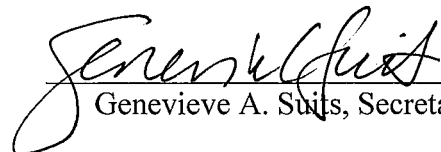
Tony Rivizzigno stated the Board previously approved the State DOT taking some property on Roth Steel for the bridge. He stated it was approved and all the documents were signed but they changed the map. He stated it was a minor change but the documents need to be signed again. He stated the resolution would be authorizing Robert Petrovich to sign the new amended agreement for \$500 that the Agency will get back.

Steve Morgan asked if the change has been verified and the Agency isn't giving anything up. Tony Rivizzigno stated yes and it was a minor change.

Robert Petrovich stated the first one was for \$55,000 and the second was for \$500.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the Executive Director, Robert Petrovich, to sign the agreement for the advanced payment of the Roth Steel Property Bridge project. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board adjourned the meeting at 8:32 am. Motion was carried.


Genevieve A. Suits, Secretary