

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Regular Meeting Minutes
March 19, 2014

The Regular meeting of the Onondaga Civic Development Corporation was held on Thursday, March 19, 2014 at 333 West Washington Street, Syracuse, New York, 13202, in the Adirondack conference room on the 2nd floor.

called the meeting to order at 8:31 am with the following:

PRESENT:

Matt McAnaney
Cydney Johnson
James Farrell
Thomas Bezigian
Len Manfrates

ABSENT:

Scott Koldin

ALSO PRESENT:

Julie Cerio, Office of Economic Development, Director
Honora Spillane, Secretary
Kristi Smiley, Treasurer
Linda McShane, Office of Economic Development
Karen Doster, Office of Economic Development
Christopher Andreucci, Harris Beach

APPROVAL OF REGULAR MEETING MINUTES – FEBRUARY 13, 2014

Upon a motion by Cydney Johnson, seconded by Len Manfrates, the OCDC Board approved the regular meeting minutes of February 13, 2014. Motion was carried unanimously.

TREASURER’S REPORT

Kristi Smiley gave a brief review of the Treasurer’s Report for the month of February 2014.

Upon a motion by Thomas Bezigian, seconded by James Farrell, the OCDC Board approved the Treasurer’s Report for the month of February 2014. Motion was carried unanimously.

PAYMENT OF BILLS

Kristi Smiley gave a brief review of the Payment of Bills Schedule #038.

Upon a motion by Cydney Johnson, seconded by James Farrell, the OCDC Board approved the Payment of Bills, Schedule #038 with General Expenses being \$110,399.16 and Marketing being \$1,551.35. Motion was carried unanimously.

CONFLICT OF INTEREST

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

ST. JOSEPH'S HOSPITAL HEALTH CENTER

Chris Andreucci stated that this is the final authorizing resolution. He stated that last month the Board adopted an inducement resolution. He stated that we had to wait until St. Joseph's structured the financing to do the public hearing. He stated that the public hearing is scheduled for March 25. He stated that they decided to add a taxable series to the 2014 bonds through the indenture but not publically offered. He stated that it will be purchased directly by M & T Bank so that is why he has modified the resolution to have it say tax exempt aggregate in one or more series so the Board gives the authorization. He stated that if the Board approves the resolution today, the public hearing will be held and the County Executive will sign the TEFRA approval then the tax exempt bonds can be put in the public market. He stated that the other thing the Board should consider is the request made with respect to a reduced fee because of the amount they have paid in fees over the last issuances. He stated that they asked for a ½ of 1% instead of the full 1%.

Honora Spillane stated that most everyone seemed to be in agreement with ¾ of 1%.

Matt McAnaney asked if the Board should take action on that at this time. Chis Andreucci stated yes.

Chris Andreucci stated that the Board has a fee policy that says OCDC will consider reduced fees on an individual basis.

Upon a motion by Thomas Bezigian, seconded by James Farrell, the OCDC Board approved a resolution authorizing the issuance, execution, sale and delivery of the Onondaga Civic Development Corporation's tax-exempt and taxable revenue bonds, series 2014 (St. Joseph's Hospital Health Center Project), in one or more series and in an aggregate principal amount not to exceed \$85,000,000 and the execution and delivery of related documents. Motion was carried unanimously.

Matt McAnaney stated that in according with the St. Joe's request at the last meeting for a reduction in the standard OCDC fee from 1% to 50 basis points. He stated that the collective decision which is in front of the Board is whether we want to act on that after the volume that St. Joe's has brought to OCDC which has been significant over the years. He suggested a 75 basis point on this particular issue.

Honora Spillane stated that the Board is well within the policies and the fee structure to do so in this instance based on their continuing service with OCDC.

Chris Andreucci stated that Matt McAnaney identified one of the factors that the Board had considered which is the volume that St. Joe's has provided. He stated some of the other factors the Board might want consider is the fact that St. Joe's has transformed that area, has made significant investment to the community, is a significant employer to the community. He stated that all of those factors allow the Board to make the consideration.

Matt McAnaney stated that in addition to the services St. Joe's provides as a charitable hospital in the area. He stated that all of those indicate to him this makes sense and not setting a precedent for the future.

Upon a motion by Cydney Johnson, seconded by Thomas Bezigian, the OCDC Board authorized a 75 basis point charge on the bonds to St. Joseph's Hospital Health Center Project for the volume that they brought to us over the years and for the transformation of the neighborhood,

providing additional employment and the mission as being a charitable hospital. Motion was carried unanimously.

HANCOCK AIRPARK

Bill Fisher thanked the Board for considering the request. He asked if the Board knows the background of the Hancock airport. Honora Spillane stated that the Board received a draft of the memo that was sent.

Bill Fisher gave a brief history of the Air Park. He stated that there are still are some opportunities and there are some properties that the County leases that generate some revenue but not enough to cover the expenses. He stated that there are 50 plus acres of parcels, 2 of which are really useless and will never get sold.

Kristi Smiley stated that there are 10 acres of wetlands and there is a thin strip in the back of about 8 acres that will be a little more difficult to sell so there is approximately 25 good acres. She stated that there has been a lot of interest in the past year. She stated that Linda McShane markets it and there have been a couple conversations with one being serious in terms of looking at it.

Bill Fisher stated that when the County looked at its options, they knew the land was theirs and the lease was going to be done so they had to figure something out. He described the advantages of having OCDC manage the Airport versus other entities.

Kristi Smiley gave an overview of the Park's current finances and proposed terms of OCDC taking over the management.

Matt McAnaney stated that the County will indemnify OCDC. Chris Andreucci stated yes it was talked about before and he assumes it would stay on. Bill Fisher agreed.

Bill Fisher stated that the in the short run the mission that OCDC has stated and that is on the website is supportive of this. He stated that it may not be way up there on the things that the Board imagines doing but it is within the mission.

James Farrell stated that this makes sense but asked if there has been any conversation on who and how this will be managed. Kristi Smiley stated that our office would do it. She stated that she would continue to do the finances for it through OCDC. She stated that Linda McShane would continue to market it and we would have to hire someone for preventative maintenance and HVAC but it wouldn't be a lot of additional work on our end.

James Farrell asked if the additional part of it would be subcontracted. Kristi Smiley agreed.

Kristi Smiley stated that the other piece besides the preventative maintenance or emergency things is landscaping. She stated that the building that is being sold is also the contractor that does the landscaping now and she is sure they would continue.

Matt McAnaney stated that those expenses would be passed through to the County. Honora Spillane agreed and stated that essentially the revenues from the rents which don't cover the expenses but they anticipate that the sale of the parcels will fill that backlog.

Matt McAnaney stated that it is less a financial decision for OCDC because financially we won't be impacted. Bill Fisher stated that there is some impact on the resources used so OCDC pays a percentage of the salaries for people doing this work. He stated that indirectly OCDC is spending some money to do this.

Chris Andreucci stated that when the sales are completed, some of those costs can be offset by the SRA account as a cost of running this.

Kristi Smiley stated that the resolution requested is to approve OCDC's attorney to work with the County attorney to make sure OCDC is indemnified and no cash expenses.

Matt McAnaney stated that he completely understands that they want to build pieces of two or three other properties to make a marketable park for a goal of ultimately to sell this property as privately owned. Bill Fisher stated that you want to create opportunities for businesses to come in and get some value out of it. He stated that the people in the park found it valuable because it was a good move for them, they could expand, and very easily do what they needed to

do and that is what economic development should be doing, creating those kinds of opportunities. He stated that it is not just about the money but attracting people to make investments and then if they were successful they would create jobs, make profits, and pay taxes.

Honora Spillane stated when land is owned by quasi-public entities that it is much more attractive to site selectors. She stated that it is a selling piece.

Thomas Bezigian asked after this if the Board has to approve the management agreement. Matt McAnaney stated yes. Chris Andreucci stated that there is a delegation of authority resolution so that it can be signed under commercially reasonable terms. He stated that obviously the contract would have to reflect what was discussed here today and would not go outside of it. He stated that if anything deviates from that then we would have to come back and that is how the resolution is written.

Thomas Bezigian asked if we are trusting Chris Andreucci and Julie Cerio to sign the agreement. Chris Andreucci stated yes based upon the conversation.

Kristi Smiley stated that if it is approved today staff will work through the contract things but this also needs to go before the legislature for final approval in April. She stated that the earliest it would transition over would be early April.

Bill Fisher stated that the County Executive would need authorization from the legislature to sign it on behalf of the County.

Chris Andreucci stated that OCDC will be a landlord. He stated that it will be leased to OCDC and it will be subleased. He stated that we will be in that chain but we will be indemnified by the County.

Chris Andreucci stated that the County approval means that OCDC can do the sale of the property and won't have to come back to the County each time a sale is done. Bill Fisher agreed.

Thomas Bezigian asked if there are appraisals out there or would we have to do them. Chris Andreucci stated that if the appraisal is done under the 5 enumerated exceptions which you only

need to give a 90 day notice, he is pretty sure that an appraisal is not necessary. He stated that he will look into it and let the Board know.

Cydney Johnson stated that we all feel protective in what we do and how we do things. She stated that one of the important things is if we are slightly under market in terms of what we are charging, we already have the right precedence. She stated that our goal is never about showing profit or making a lot of money or bringing in tons of revenue. She stated that we want to do what's right for the community. She stated that if we can do something that is short term or long term benefits, workforce development, jobs, development and attractiveness of our market that is what we are here to do. She stated that she thinks OCDC has done well on other projects. She stated that she thinks the Board is very diligent and cautious that we wouldn't enter into something that we didn't have complete comfort in. She stated that she thinks we can get this done.

Upon a motion by James Farrell, seconded by Cydney Johnson, the OCDC Board approved a resolution authorizing an office of the Corporation to enter into a management agreement for Hancock Airpark with Onondaga County. Motion was carried unanimously.

Upon a motion by James Farrell, seconded by Cydney Johnson, the OCDC Board adjourned the meeting at 9:13 am. Motion was carried unanimously.



Honora Spillane, Secretary

