

Onondaga County Industrial Development Agency
Regular Meeting Minutes
February 6, 2018

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, February 6, 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 8:01 am with the following:

PRESENT:

Patrick Hogan
Susan Stanczyk
Fanny Villarreal
Steve Morgan
Kevin Ryan

ABSENT:

Victor Ianno
Janice Herzog

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director
Isabelle Harris, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary, Agency
Tony Rivizzigno, Barclay Damon Law Firm
Amanda Mirabito, Barclay Damon Law Firm
Dinesh Ramanathan, NexGen Power Systems (via conf call)
Narayanan Karuvapatantha, NexGen Power Systems (via conf call)
Rich Chapman, G & C Foods
Mitch Latimor, Carpenters Union
Fred Sawyer, Carpenters Union
Athena West, UJTF
Lauryn LaBorde, Syracuse City School District
Charles McChesney, The Business Journal

APPROVAL OF REGULAR MEETING MINUTES – JANUARY 9, 2018

Kevin Ryan stated the Specialists One Day Surgery references Manlius. Nate Stevens stated it should be Cicero.

Kevin Ryan asked if the Agency only granted sales tax benefits to the Specialists One Day Surgery. Isabelle Harris stated yes.

Upon a motion by Susan Stanczyk, seconded by Steve Morgan, the OCIDA Board approved the regular meeting minutes of January 9, 2018 with change. Motion was carried.

TREASURER'S REPORT

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

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

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #415 totaling \$447,059.51 and PILOT payments.

Upon a motion by Susan Stanczyk, seconded by Fanny Villarreal, the OCIDA Board approved the Payment of Bills Schedule #415 for \$447,735.28 and PILOT payments to the Town of Cicero for \$24,650.92, Town of Clay for \$102,076.54, Town of DeWitt for \$250,262.36, Town of Elbridge for \$74,212.28, Town of Geddes for \$185.27, Town of Lysander for \$86,063.00, Town of Manlius for \$22,220.11, Town of Onondaga for \$2.31, Town of Salina for \$144,396.26, Town of Skaneateles for \$40,904.04, Town of Van Buren for \$55,357.00, Village of Solvay for \$1,474.06, Baldwinsville Central School District for \$115,628.00, East Syracuse Minoa Central School District for \$1,034,445.63, Jamesville DeWitt Central School District for \$72.24, Jordan Elbridge Central School District for \$419,764.70, Liverpool Central School District for \$1,210,369.02, Lyncourt Union School District for \$567,504.23, North Syracuse Central School District for \$144,497.56, Skaneateles Central School District for \$239,111.29, Solvay Union School District for \$3,098.94, Syracuse Central School District for \$12,463.47, West Genesee Central School District for \$209,202.00, City of Syracuse for \$7,806.03 and Onondaga County for \$1,164,867.33. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

NEXGEN POWER SYSTEMS, INC. (PILOT, SALES AND USE TAX)

Isabelle Harris stated the public hearing was held and there were no comments. She stated Nate Stevens and Sue Stanczyk attended the hearing.

Steve Morgan asked Dinesh Ramanathan to describe how the \$3.2 million will be allocated. Dinesh Ramanathan stated the manufacturing facility has a clean room where air gets circulated in a very particular way and the particles in the air are taken away. He stated the \$3.2 million is used to upgrade from a class 1000 cleanroom to a class 100 cleanroom which means there will be less particles in the air and is what their manufacturing specs require.

Patrick Hogan stated the reason the facility is so attractive to NexGen is because it was formerly fitted for gallium nitrate and that is part of their process. Dinesh Ramanathan stated that is correct.

Kevin Ryan asked what is the status of the NYSEDC grant application. Dinesh Ramanathan stated they are getting \$15,000,000 and they are in the final phases of approval through ESD. He stated the ESD Board has approved the application and they are waiting for the next Public Authorities Control Board meeting.

Kevin Ryan asked if the approval of the grant came with any restrictions or guarantees. Dinesh Ramanathan stated it comes with claw back restrictions and other terms.

Kevin Ryan asked what the claw backs consist of and what happens if unforeseen circumstances arise and this doesn't go forward. Dinesh Ramanathan stated there is a clause saying they have to get certain job numbers that they signed up for and if they don't hit those jobs numbers the State has the ability to pull the grants for that facility.

Kevin Ryan asked who has title to the property right now. Dinesh Ramanathan stated he believes it is owned by Fort Schuyler Management.

Kevin Ryan asked if the application is approved by the Board does title stay with Fort Schuyler. Julie Cerio stated it is a lease leaseback so the Agency is in title. Tony Rivizzigno stated we are in title for the terms of the tax benefits being provided.

Kevin Ryan asked if we have any guarantees on our lease or the other benefits they are asking for if the project doesn't go forward. Julie Cerio stated we have claw backs on everything we do for the Board for every project. Tony Rivizzigno stated they are mandated by State law. Julie Cerio stated we have never had to use them.

Upon a motion by Susan Stanczyk, seconded by Steve Morgan, the OCIDA Board approved a resolution for SEQR purposes determining that the NexGen Power Systems, Inc. project will not have a significant effect on the environment and requires no further environmental review.

Motion was carried.

Upon a motion by Fanny Villarreal, seconded by Steve Morgan, the OCIDA Board approved an inducement resolution for NexGen Power Systems, Inc. project consisting of the development of manufacturing space in the Town of DeWitt. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing the execution and delivery of closing documents. Motion was carried.

G & C FOODS (EXTENSION)

Julie Cerio stated when the Agency induces a project a timeline is given to when they need to complete the project and sometimes based on things outside of their control they need to extend the time. She stated that is why G & C is here today.

Rich Chapman stated the project is almost complete on the construction part and the timeframe for that is February 19. He stated they need stop for 2 months and wait for the weather to get better for landscaping and the entrance to the facility. He stated they are very excited about it almost being done.

Upon a motion by Fanny Villarreal, seconded by Steve Morgan, the OCIDA Board approved a resolution granting an extension of time to complete the G & C Foods project. Motion was carried.

800 HIAWATHA BOULEVARD – ROTH STEEL

Isabelle Harris stated John Ciampa has been doing a great job trying to keep the DEC in check but they want more testing done on Task 1, which is a lot of investigative stuff. She stated her first request is an additional \$50,000. She stated the additional \$50,000 for Task 1 will hopefully bring us to the finish line so the Board can make a decision what to do with the property. She stated they will be meeting with DEC again this week to try to come to final terms.

Steve Morgan asked if the \$50,000 is for more borings and removal. Isabelle Harris stated it is for testing and John Ciampa's time but not removal. She stated John Ciampa comes a lot to oversee things and he is coming again to talk with DEC.

Steve Morgan asked if Travis Glazier is still involved. Isabelle Harris stated yes and she talks frequently with Travis and John. Tony Rivizzigno stated there is a conference call every 2 weeks regarding this so it is an ongoing conversation.

Upon a motion by Susan Stanczyk, seconded by Fanny Villarreal, the OCIDA Board approved a resolution approving \$50,000 in additional funds for continued investigation at the Roth Steel site. Motion was carried.

Nate Stevens stated staff has completed an RFP for building demolition and preliminary site work to take down 8 buildings and getting rid of the garbage. He stated the Board was provided with the 4 RFP submissions with a separate pricing page. He stated it was broke down by different tasks and added a time and material task. He stated the supervisor rates only apply when and if something unexpected comes up.

Isabelle Harris stated they are going to have to get preapproval. She stated regardless of who the Board chooses John Ciampa will be making sure whether or not we need a supervisor there. She stated John Ciampa's fees will be covered under what we are doing here as well because it is not covered under the original RFP. Julie Cerio stated we are going to continue to have oversight so the prices don't go beyond what they should be.

Julie Cerio stated John Ciampa has looked over the RFPs.

Nate Stevens stated ERSI, out of Syracuse, is the staff recommendation. He stated staff was very impressed with their technical experience and their fee schedule was lowest. Isabelle Harris stated John Ciampa checked references and they are excellent with no negative comments.

Susan Stanczyk asked what the time line is. Nate Stevens stated we asked to be done by August 1. He stated ESRI is one month longer than the rest but they are within the time and bounds we set. Julie Cerio stated there may be a lot of starts and stops because the DEC is involved.

Steve Morgan stated when looking at the supplemental fees, the Paragon quote appears more competitive. Nate Stevens stated Paragon is a little cheaper for that one piece but we are hoping we don't have to do that scope. Isabelle Harris stated we prefer to leave the slabs because it takes on a whole other cost. Tony Rivizzigno stated once you take the slabs out you have to worry about what's underneath.

Patrick Hogan stated Kevin Ryan has a recusal because of a possible conflict.

Upon a motion by Susan Stanczyk, seconded by Fanny Villarreal, the OCIDA Board approved a resolution awarding the RFP to ERSI for demolition of buildings at the 800 Hiawatha Boulevard-Roth Steel site and funding authorization. Kevin Ryan recused. Motion was carried.

437 NORTH SALINA STREET

Julie Cerio stated about 2 months ago we had an offer and the offer has since fallen through. She stated then we thought we had a contingent offer and that also fell through. She stated the offer was for \$25,000, they were going to spend \$12,500 to clean it up and we were going to take that off the purchase price so basically they were going to give us \$12,500. She stated we now don't have the offer and we need to clean it up. She stated bids were sent out and realized we need to do some asbestos testing first. She stated we are looking at about \$25,000 to clean it out with the asbestos testing and permitting. She stated we can give it back to the Landbank. She stated we can give it back to the Landbank and it would probably be prudent to clean it up before giving it back or we can give it back with the amount of money we think it will cost to clean up and let them clean it up. She stated we could clean it up and put it back on the market but there is a lot

that goes along with keeping it because we have to continually remove snow, insurance and clean up. She stated it is an ongoing issue but she thinks we did something great by taking the 2 properties. She stated we put a new roof on it and we cleaned out all the garbage.

Steve Morgan asked if the Landbank will take it back. Julie Cerio stated yes.

Patrick Hogan stated those buildings were dilapidated for years and years. Isabelle Harris stated they are better than when we took it on because we put the roof on it and cleaned it out.

Fanny Villarreal asked if anyone talked to Dominic Robinson. Julie Cerio stated Dominic Robinson's proposal was that the Agency pay \$250,000 toward the cleanup and the entities he is associated with pays \$250,000 and they want title. She stated it is probably in that range to get it back to something someone would rent. She stated he doesn't have an end user. She stated we could pay \$250,000 and give it to him. She stated when we originally took the project on there was an end tenant but it fell through. She stated she is on the Landbank Board.

Kevin Ryan asked if we can give the property back as is. Julie Cerio stated we could but we have had it for a few years so she thinks it would be prudent and good neighbors giving it back in better shape.

Kevin Ryan stated it is already in better shape than it was when we took it over. Julie Cerio stated there has been deterioration since that time because the roof was bad so there are big problems. She stated she thinks it would be the right thing to do.

Patrick Hogan stated he agrees. He stated the revitalization is a tough deal anyway and we were very successful with one of the buildings. He stated it not only opened as a restaurant but OCC trains people to get productive jobs. He stated he thinks we should clean it up and give it back to the Landbank. He stated the Landbank can do something with Dominic Robinson too. Julie Cerio stated Dominic Robinson's plan could change and he could work with the Landbank. She stated we really did try but it's been a year.

Julie Cerio stated the options are we can clean it up and give it back to the Landbank, we can give it back to the Landbank with the amount of money we likely would pay to clean it up, we could give it back having done nothing or we could continue to hang on to it but eventually we

need to do something with it. She stated we could also clean it up and try to sell it but it is an ongoing maintenance issue.

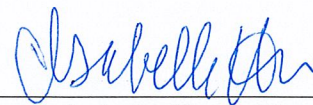
Fanny Villarreal asked how much we are asking for the building. Nate Stevens stated \$24,000. Julie Cerio stated we had to have it appraised. She stated it needs \$500,000 worth of work to get it back up.

Patrick Hogan stated he would like to give it back to the Landbank with \$25,000. Steve Morgan stated he is not opposed to that.

Fanny Villarreal stated if we decide to fix it we would have to take the risk that the cleanup may be more than \$25,000. Julie Cerio agreed.

Upon a motion by Patrick Hogan, seconded by Kevin Ryan, the OCIDA Board is giving 437 North Salina Street back to the Landbank with \$25,000 for cleanup. Motion was carried. \

Upon a motion by Patrick Hogan, seconded by Steve Morgan, the OCIDA Board adjourned the meeting at 8:47 am. Motion was carried.



Isabelle Harris, Secretary