

Onondaga County Industrial Development Agency
Regular Meeting Minutes
March 12, 2013

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, March 12, 2013 at 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Donna DeSiato called the meeting to order at 8:28 am with the following:

PRESENT:

Donna DeSiato
Dale Sweetland
Daniel Queri
Janice Herzog
Mike Allen

ABSENT:

Victor Ianno
Jessica Crawford

ALSO PRESENT:

Mary Beth Primo, OCIDA, Executive Director
Kristi Smiley, OCIDA, Secretary & Treasurer
Karen Doster, Recording Secretary, Agency
Nora Spillane, Office of Economic Development
Linda McShane, Office of Economic Development
Carolyn May, Office of Economic Development
Tony Rivizzigno, Gilberti Law Firm
Sara Wisniewski, Gilberti Law Firm
David Moynihan, Testone, Marshall and Discenza
Matt Uryniak, Testone, Marshall and Discenza
Gary Malfitano, Edgewater/Hancock Park Development
David Miller, Jadak
Karla Corpus, Hiscock & Barclay, LLP
Patrick Mocete, County Legislature

APPROVAL OF MEETING MINUTES – FEBRUARY 12, 2013 REGULAR MEETING

Upon a motion by Mike Allen, seconded by Daniel Queri, the OCIDA Board approved the minutes of the February 12, 2013 regular meeting. Motion was carried.

TREASURER'S REPORT

Kristi Smiley gave a brief review of the Treasurer's Report for the month of February 2013.

Upon a motion by Dale Sweetland, seconded by Daniel Queri, the OCIDA Board approved the Treasurer's Report for the month of February 2013. Motion was carried.

PAYMENT OF BILLS- SCHEDULE #362

Kristi Smiley gave a brief review of the OCIDA Payment of Bills Schedule #362.

Upon a motion by Dale Sweetland, seconded by Daniel Queri, the OCIDA Board approved the Payment of Bills, Schedule #362 with General Expenses being \$23,542.05 and PILOT payments to Town of Elbridge for \$6,053.72, Onondaga County for \$10,336.99 and Berkadia Commercial Mortgage for \$36.00. Motion was carried.

CONFLICT OF INTEREST STATEMENT

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

AGENCY AUDIT

David Moynihan stated that a summary was reviewed with the Audit Committee and accepted by the Audit Committee. He stated that the opinion on the financial statements is clean. He stated that it does state that they feel the financial statements represent the financial position and result of operations. He stated that the organization in this structure is quite liquid with a current ratio, the difference between the current assets and current liability, is 5 to 1 so the ability to meet the Agency's obligations is solid. He stated that the net change in the financial position this year was \$11,500 to the good versus a loss of greater than \$200,000 the prior year. He stated that the largest driving force in the change was an increase in the Agency fees of over approximately \$160,000. He stated that in the course of the audit where they looked not only at the numbers but they looked at the controls that get to the numbers and they did not identify any significant deficiencies or material weaknesses in how the Agency's system operates to properly generate the numbers.

Donna DeSiato stated that there was very thorough review this morning and the Board appreciates that. She stated that the Board also appreciates the timeliness and professional review.

David Moynihan stated that he trusts that everyone received their draft report early enough to review. Donna DeSiato stated yes and it was helpful to have them in advance to review.

Upon a motion by Dale Sweetland, seconded by Janice Herzog, the OCIDA Board approved a resolution adopting the 2012 Audit of the Agency. Motion was carried.

HANCOCK PARK DEVELOPMENT: PROJECT REVIEW AND PUBLIC HEARING

Gary Malfitano stated that he is with Hancock Park Development and Davie Miller stated that he is the CEO of Jadak.

Gary Malfitano stated that in the past 10 years Jadak has enjoyed some tremendous growth and it has facilitated the need to add 40,000 square feet onto the 15,000 square foot building that they originally constructed at Hancock Airpark. He stated that there is a single story 15,000 square foot building and they are going to adjoin to it a two story 40,000 square foot structure with a 20,000 square foot footprint. He stated that they hope to start construction in May and he appears before the Town of Cicero on March 23 for site plan approval.

David Martin stated that Jadak is an engineering company and a lot of them came from the bar code division at Welch Allyn. He stated in 2000 he formed Jadak with people that he worked with at Sensis and at Welch Allyn with the understanding that the whole world was changing with respect to bar code reading. He stated that they have taken that technology and brought it into the medical world. He stated that when you go the doctor and give blood, there is a good chance that a Jadak scanner is going to scan that test tube and give information back to the system about that.

David Martin gave an overview of Jadak's operations and continued to described the need for the expansion of its facility. David Martin stated that their employee base is primarily engineering, manufacturing and sales. He stated that they started with three people in 2000 and they have over 100 people in New York State and worldwide they have about 120. He stated that the good news is business

still looks strong and they are busting out of their space. He stated that they are expanding and plan to hire about 60 new employees over the next 5 years.

The Board members asked the Jadak representatives questions about its business, employee skills, and recruiting.

Mary Beth Primo stated that Hancock Park Development and Jadak are related projects but are separate applications.

Kristi Smiley explained that a public hearing is not required for the Jadak project because the benefit will be less than \$100,000.

Upon a motion by Janice Herzog, seconded by Mike Allen, the OCIDA Board approved a resolution describing the proposed Hancock Park Development Project, the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

JADAK: PROJECT REVIEW AND PUBLIC HEARING

Jadak is asking the Agency to enter into a straight lease transaction for the purchase of furniture and fixtures for a 40,000 square foot addition to an existing 15,000 square foot office and manufacturing facility at 7279 William Berry Blvd in the Town of Cicero. The entire facility is owned by Hancock Park Development, LLC, which will lease the facility to Jadak. Total project cost is estimated to be \$500,000.

Upon a motion by Janice Herzog, seconded by Daniel Queri, the OCIDA Board approved a resolution describing the proposed Jadak project and the financial assistance the Agency may provide. The benefits requested include a sales tax exemption. Motion was carried.

Dale Sweetland asked what the construction time table is. Gary Malfitano stated that they will probably start the first week of May or maybe the end of April. He stated that they hope to have the building enclosed prior to the end of the year and get a portion of things in operation from the existing facility to the new facility so they can start modifying the existing facility. He stated that the total project will be completed in March of 2014.

Upon a motion by Janice Herzog, seconded Mike Allen, the OCIDA Board approved an inducement resolution of the Board for the Jadak project purchase of furniture and fixtures for a 40,000 square foot addition to an existing 15,000 square foot office manufacturing facility at 7279 William Berry Boulevard in the Town of Cicero. Motion was carried.

TARBELL ROAD ASSOCIATES, LLC: CLOSING RESOLUTION

Tony Rivizzigno explained the purpose of the closing resolution. He stated that Tarbell Road Associates has done everything they need to do so far and we just need to adopt a resolution so it can be finalized.

Upon a motion by Dale Sweetland, seconded by Daniel Queri, the OCIDA Board approved a resolution authorizing an officer to execute and deliver certain closing documents with respect to the Tarbell Road Associates Project, LLC. Motion was carried.

SOUTHERN WINE & SPIRITS OF UPSTATE NEW YORK; CLOSING RESOLUTION

Tony Rivizzigno stated that this is similar to the previous resolution's intent.

Upon a motion by Daniel Queri, seconded by Dale Sweetland, the OCIDA Board approved a resolution authorizing an officer to execute an inducement agreement with respect to Southern Wine & Spirits of Upstate New York project. Motion was carried.

Upon a motion by Dale Sweetland, seconded by Daniel Queri, the OCIDA Board approved a resolution authorizing an officer to execute and deliver certain closing documents with respect to the Southern Wine & Spirits of Upstate New York project. Motion was carried.

SYRACUSE PROPERTY PARTNERS: CLOSING RESOLUTION

Upon a motion by Daniel Queri, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing an officer to execute an inducement agreement with respect to Syracuse Property Partners project. Motion was carried.

Upon a motion by Daniel Queri, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing an officer to execute and deliver certain closing documents with respect to the Syracuse Property Partner project. Motion was carried.

GRANTING EASEMENT TO ONONDAGA COUNTY WATER ENVIRONMENT PROTECTION
FOR THE PURPOSES OF INSTALLING A SEWER

Tony Rivizzigno stated that this is property that the Agency owns near Clinton Street railroad tracks and the County is putting in a sewer. He stated that they have to go across the Agency's property.

Upon a motion by Mike Allen, seconded by Dale Sweetland, the OCIDA Board approved a resolution granting an easement to Onondaga County Department of Water Environmental Protection for the installment of a sewer. Motion was carried.

TOPS REFINANCE

Tony Rivizzigno stated that the Agency did a deal with Penn Traffic in 2002 and they have gone bankrupt. He stated that Tops bought the property and it was never really acknowledged, not that the Agency had to, but Tops is seeking to do a new mortgage. He stated that it is straight forward but they just need Agency's consent because we are in title. He stated that when the Agency signs on the mortgages there is no liability to the amount of mortgage or whatever it is to the IDA. He stated that the Agency is getting a ¼% fee on the amount of the mortgage from Tops.

Upon a motion by Dale Sweetland, seconded by Daniel Queri, the OCIDA Board approved a resolution approving the transfer of the former Penn Traffic to Tops, consenting to the mortgages, approving a

mortgage tax exemption and authorizing an officer to sign all necessary documents. Motion was carried.

WPS SYRACUSE GENERATION, LLC: NON-DISTURBANCE AGREEMENT

Karla Corpus stated that she represents Lakeside Energy who is purchasing the property.

Tony Rivizzigno stated that the Hanlon Group owned a piece of property and it is delinquent in taxes to about \$2,000,000. He stated that Lakeside Energy is interested in purchasing a portion of this property which years back was issued a separate tax ID number. He states that this separate, slash parcel, is current on its taxes. He stated that they are now going to sell the property to Lakeside Energy and they want to make sure should the County ever go and try and take a tax deed from the Hanlon Group for the overall parcel that they won't disturb the lease for this parcel. He stated that the County has consented to it.

Karla Corpus stated that she represents the buyer and the buyer would like the agreement signed so that they have some security when they go in and take over the facility. She stated that the closing is tomorrow.

Donna DeSiato asked if there is anything else that the Board should know about the project. Karla Corpus stated that it is a small hydroelectric facility and they have been operating for a while now. She stated that it is a small independent power producer that is coming into New York. She stated that it is only their third closing so they are a little nervous about doing business in New York.

Upon a motion by Mike Allen, seconded by Dale Sweetland, the OCIDA Board approved a resolution authorizing an officer to execute a non-disturbance agreement for a facility owned by WPS Syracuse Generation LLC. Motion was carried.

ANNUAL REPORT OF THE BOARD

Mary Beth Primo stated that all the Board members received a copy of the annual report last week. She stated that the annual report is a compilation of all sorts of information which for the most part this Board reviewed and approved in 2012.

Upon a motion by Dale Sweetland, seconded by Daniel Queri, the OCIDA Board approved a resolution adopting the 2012 Annual Report of the Agency. Motion was carried.

EXECUTIVE SESSION TO DISCUSS POTENTIAL LITIGATION

Upon a motion by Janice Herzog, seconded by Dale Sweetland, the OCIDA Board entered into Executive Session at 9:08. Motion was carried.

Upon a motion by Daniel Queri, seconded by Dale Sweetland, the OCIDA Board adjourned Executive Session at Motion as carried.

Upon a motion by Dale Sweetland, seconded by Daniel Queri, the OCIDA Board adjourned the meeting at 9:28 am. Motion was carried.



Kristi Smiley, Secretary