

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
June 9, 2015

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, June 9, 2015 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Daniel Queri called the meeting to order at 8:00 am with the following:

PRESENT:

Daniel Queri  
Jessica Crawford  
Victor Ianno  
Patrick Hogan  
Janice Herzog  
Lisa Dell  
Steve Morgan

ALSO PRESENT:

Julie Cerio, Executive Director  
Honora Spillane, OCIDA, Secretary & Treasurer  
Karen Doster, Recording Secretary  
Steven Coker, Office of Economic Development  
Tony Riviziggnio, Gilberti Law Firm  
Sara Wisniewski, Gilberti Law Firm

APPROVAL OF REGULAR MEETING MINUTES – MAY 12, 2015

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of May 12, 2015. Motion was carried.

TREASURER'S REPORT

Honora Spillane gave a brief review of the Treasurer's Report for the month of May 2015.

Upon a motion by Jessica Crawford, seconded by Victor Ianno, the OCIDA Board approved the Treasurer's Report for the month of May 2015. Motion was carried.

## PAYMENT OF BILLS

Honora Spillane gave a brief review of the Payment of Bills Schedule # 384.

Steve Morgan asked if the premium is paid once a year. Honora Spillane stated it is annual.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved the Payment of Bills Schedule #384 for \$8,808.36 for General Expenses and PILOT payments to Village of Skaneateles for \$9,210.24 and Basin Associates, LLC for \$76.33. Motion was carried.

## CONFLICT OF INTEREST DISCLOSURE

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

## PROPERTY ACQUISITION – 435/437 NORTH SALINA STREET

Honora Spillane stated that there is an opportunity for the Agency to use some of its fund balance in a way the State allows which is to acquire property. She stated that the proposal is a collaboration between the IDA in terms of the property acquisition, OCC's Economic Development and Workforce Department who has a \$2,500,000 Department of Labor grant and Work Train. She stated that the Agency would purchase the buildings from the Land Bank, lease them to OCC at market rate with a 5 year lease term. She stated that we can help free up capital for later initiatives as part of the grant by acquiring the building on their behalf. She stated that if and when the Land Bank approves the sale they will work out details but it would be essentially a 5 year return on the purchase price.

Victor Ianno stated that the Agency is going to be landlords and what happens at the end of 5 years. Honora Spillane agreed and said as much of that responsibility as possible will be passed off in the lease. She stated that we will have renewal options built into the lease. She stated that this is a long term program for OCC.

Victor Ianno asked what happens if they opt out after the end of 5 years. He stated that we will have a building and we will have to find a way to sell. Honora Spillane agreed or find a new tenant.

Steve Morgan asked what the purchase price is. Honora Spillane stated that \$99,000 for one building and \$40,000 for the second.

Steve Morgan asked if they need renovations. Honora Spillane stated yes and OCC will be covering that out of their Department of Labor grants. Julie Cerio stated that they will use workforce to renovate the building and the workers are training to do rehab.

Victor Ianno asked how we determine what the return is to OCIDA. Honora Spillane stated that the lease terms will be worked out with OCC based on a 5 year payback of the purchase price of 435. She stated that it works out to be about \$1,650 a month as a lease rate.

Tony Rivizzigno stated that the purchase offer has no provision for a title search and we have to do our own. He stated that we have to pay all the expenses which a seller would normally pay. He stated that he thinks it needs to be contingent on the lease because we don't have a lease yet and if we don't get it we are stuck with the building. Honora Spillane stated that she talked with the Director of the Land Bank and until the Agency approves the purchase offer, the lease will not be signed and we will make the contingencies. She stated that it won't be the 20 days and we can put in a clause making it contingent upon a lease agreement with OCC.

Pat Hogan asked if the Land Bank has acquired the property and gone through Common Council. Honora Spillane stated yes.

Pat Hogan stated that in his opinion these are two commercially viable properties and by this decision we are basically taking them off any kind of potential of them being on the tax rolls again. Honora Spillane stated that potentially but we would pay the special districts as part of our ownership which we do with any property the IDA is in the chain of title too. She stated that she understands the concern with the property tax issue but there are other benefits this brings to that community and it has been vacant for a while. Julie Cerio stated that being a member of the Land Bank, part of this is getting it back into use. She stated that Work Train is part of what we do. She stated that this is not training people to work in a restaurant; but restaurant owners.

Pat Hogan stated that when he was on the Council the mission was renovate properties and get it back on the tax rolls or knock down the vacant property. He stated this property was for sale for a long time and he questions why people haven't bought it. He asked what kind of shape it is in. Honora Spillane stated that they have been through and we will do a property inspection. She stated that we are not voting to do this, we are voting for the authority to do this. She stated that it is a valid point but the broader scope of what we are able to do with this program in collaboration with OCC and North Side Up is as productive a use as she thinks any other commercial would be paying taxes. She stated that it will be impacting dozens of students every year.

Victor Ianno asked if we can sell it to an investor. Tony Rivizzigno stated that he doesn't see any reason why we can't sell it other than it is subject to a lease.

Steve Morgan asked if the building is \$99,000 and asked what the \$40,000 was for. Honora Spillane stated that there are 2 buildings one is \$99,000 and the building adjacent is \$40,000.

Steve Morgan stated that \$1,650 a month only adds up to the \$99,000. Honora Spillane stated that the \$40,000 is a separate project and the chance right now is to buy both buildings. She stated that there is a tandem project coming along. She stated that IDA's across the state are often in this workforce incubation business so it's common practice just not something we have done before.

Julie Cerio stated that these funds are restricted and we can't do anything with them except acquire things. She stated that our other board owns the Hancock Airpark and we take in rents all the time, we deal with property issues that come up and we have it streamlined so we have no issues in multiple tenants.

Victor Ianno asked if the real estate taxes are all exempt including the tenant. Tony Rivizzigno stated that it will be when we own it and for the tenant because we don't pay taxes. Honora Spillane stated that it would also be exempt if OCC purchased it.

Victor Ianno stated that it is \$1,650 a month on a 5 year deal but we are spending \$139,000 to buy it. Honora Spillane stated that rent will come from the other building.

Victor Ianno stated that it is going to be a net lease. Honora Spillane stated yes.

Jessica Crawford asked what are the special districts fees and the additional costs. Honora Spillane stated that it is in a lighting district. Julie Cerio stated that there are sewer fees. Honora Spillane stated that she tried to pull them but because the Land Bank owns them right now the bill is not available but they are nominal.

Lisa Dell asked why properties are turned over to the Land Bank. Julie Cerio stated that they used to be foreclosed on by the City and the City had no way of taking the properties in and manage them so they set up a Land Bank. She stated that the Land Bank now takes the tax foreclosed properties and sells them while some need to be torn down. She stated that they hold the mortgage on every property until whoever is going to renovate it does what they said they are going to do. She stated that you have to be completely preapproved and show financing. She stated that this would be considered productive use. She stated that work-train is what we are trying to do.

Daniel Queri asked how time sensitive this is. Honora Spillane stated that the Land Bank application was due yesterday. She stated that it is very time sensitive to OCC and they would like this renovated and up and running for 2015 fall semester.

Julie Cerio stated that this is also jobs for people who will be building it. She stated that MWBE is involved and they have a work-train program for inner city builders who are learning trades. She stated that this is a collaborative effort among a bunch of work train programs. She stated that this is economic development and training people to make a real living wage. She stated that this is training people to own a restaurant. Honora Spillane stated that the wage is a good wage.

Jessica Crawford stated we are approving up to \$200,000 for the acquisition but she thought the acquisition was \$140,000. Honora Spillane stated that it includes the restaurant equipment in the building, which the Land Bank does not own, and will have a separate agreement.

Jessica Crawford asked who owns the equipment. Honora Spillane stated that she thinks the former owner still owns the equipment but he can't take it out of the building. Tony Rivizzigno stated that the equipment was financed so it needs to be checked as well.

Daniel Queri stated that we are a good 30 days out on anything close to resembling a closing. He stated that it is June 9 and school starts the end of August. Honora Spillane stated that the Workforce Program doesn't have a traditional academic year so they wouldn't be looking to start in August but 4<sup>th</sup> quarter.

Tony Rivizzigno stated that under law we need to give the State 90 day notice before closing and that starts when the purchase offer is signed. Honora Spillane stated that we are buying 2 buildings less than \$100,000. Tony Rivizzigno stated that the purchase offer says \$149,000 with 2 addresses.

Daniel Queri stated that he thinks this is something that supports the mission of OCIDA and it makes sense but he also believes the action requested as stated needs to be modified adding a lot of language. He stated that there is information that still needs to be retrieved and brought back for further evaluation. He stated that we can either modify the action or we can table the vote until we get enough information to come back and have information to vote on it once.

Honora Spillane requested the Board give staff the authority to do the application to the Land Bank.

Daniel Queri asked if the application is non-binding. Tony Rivizzigno stated that it is non-binding and it allows you to get into the program. He stated that the application is fine but his thought is to modify it to give us the opportunity to finalize a purchase offer with the contingencies that were discussed rather than wait a month. Julie Cerio stated that it would be with attorney approval.

Pat Hogan stated that he knows the mission of OCIDA but there may be a grander mission as far as the public goes. He stated that he has been a public servant for many years and has always been cognizant of what the true mission of some of the public authorities are.

Dan Queri stated that the people making this offering understand the proposition. Honora Spillane stated yes.

Lisa Dell asked if it is a fair asking price. Honora Spillane stated yes and they have an appraisal.

Daniel Queri asked if we are certain that they are exempt from taxes. Tony Rivizzigno stated that he doesn't think OCIDA is subject to any property taxes.

Tony Rivizzigno stated that he would add to the resolution before the board “contingent upon Attorney approval of a revised contract to purchase and approval of title to the property and equipment”. He stated that the revised contract will be worked out.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution approving up to \$200,000 for the acquisition of real property at 435 and 437 North Salina Street, including equipment, and authorizing the signing of all related documents by an officer of the Agency and contingent upon attorney approval of a revised contract to purchase and approval of title to the property and equipment. Pat Hogan opposed. Motion was carried.

### SYRACUSE LABEL

Kathy Alaimo stated that they chose to partner with VIP and have been working with them and the design build to hit their aggressive time schedule of breaking ground in August. She stated that everything is going as planned and hope to make the zoning meeting with the Town of Cicero on June 23. She stated that they have been reviewing bank proposals and one of the most attractive proposals was based on bond financing.

Honora Spillane stated that bond financing had not been originally requested so we are supplementing our approvals and naming a bond counsel.

Upon a motion by Victor Ianno, seconded by Lisa Dell, the OCIDA Board approved a resolution selecting Hancock & Estabrook as bond counsel for the tax exempt financing for Syracuse Label’s expansion project. Motion was carried.

Upon a motion by Steve Morgan, seconded by Victor Ianno, the OCIDA Board approved a resolution declaring its official intent to reimburse expenditures made in connection with acquiring, constructing and installing a manufacturing project for Syracuse Label, Inc. Motion was carried.

Upon a motion by Janice Herzog, seconded by Jessica Crawford, the OCIDA Board approved a resolution describing the proposed Syracuse Label project and modifying the proposed financial

assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

#### HINSDALE ROAD – LOCAL ACCESS WAIVER

Brenda Collela stated that gunnite pools involve using a concrete type form for a pool rather than a liner. She stated that only certain contractors know how to do it. She stated that Morgan who is part of the Hinsdale Road project is doing a residential component of the project and they have started construction. She stated that they know they are required to comply with the local access policy and they have protections in place to make sure they do it. She stated that they have come to the IDA with a request for a waiver from that policy for this one particular contractor who is going to install the gunnite pool. She stated that this particular contractor has installed gunnite pools in Syracuse for other projects and they have received waivers for those projects as well. She stated that they are located in Fairport which is about 1 mile outside of Wayne County which is within our 10 county area.

Daniel Queri asked how far along Morgan is with the construction. Brenda Collela stated that she is not sure but they have broken ground.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved a resolution waiving the Agency's local access policy for the purchase and installation of a gunnite pool. Motion was carried.

#### MOST EXTENSION AGREEMENT

Tony Rivizzigno stated that MOST has bonds coming due and they have extended the maturity date. He stated that OCIDA has to sign because we are in title. He stated that there is no obligation on our part other than to sign the documents.

Upon a motion by Victor Ianno, seconded by Jessica Crawford, the OCIDA Board approved a resolution extending the maturity date of 1995 civic facility revenue bonds to July 1, 2020. Motion was carried.



### COR ROUTE 5 COMPANY

Tony Rivizzigno stated that COR Route 5 is doing a refinance and OCIDA is in title so we need to sign the mortgage document. He stated that they have a commitment from the bank.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the signing of all related refinancing documents by an officer of the Agency. Motion was carried.

### BARBAGALLO'S TAVERN, INC. – CLOSING RESOLUTION

Tony Rivizzigno stated that the next three resolutions are closing resolutions that allow the Agency to approve the terms of the Agent Agreement which are coming due.

Upon a motion by Victor Ianno, seconded by Lisa Dell, the OCIDA Board approved a resolution approving the terms of the Lease Agreement between the Barbagallo's Tavern, Inc. and the Agency for its 35,000 square foot Sleep Inn hotel in the Town of DeWitt. Motion was carried.

### 7643 EDGECOMB DRIVE INC.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution approving the terms of the Lease Agreement between the 7643 Edgecomb Drive, Inc. and the Agency for the project in the Town of Clay. Motion was carried

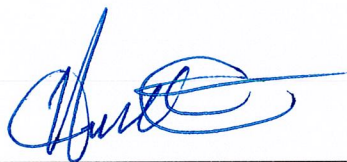
### ULTRA DAIRY

Upon a motion by Lisa Dell, seconded by Victor Ianno, the OCIDA Board approved a resolution approving the terms of the Lease Agreement between Ultra Dairy and the Agency for its project in the Town of DeWitt. Motion was carried.

DISTRIBUTION SUPPORT SYSTEMS INC. (SEKO)

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution approving the terms of the Lease Agreement between Distribution Support Systems Inc. (SEKO) and the Agency for its 105,000 square foot building acquisition and renovation in the Town of Clay. Motion was carried.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 8:36 am. Motion was carried.



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Honora Spillane, Secretary