

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
April 12, 2016

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, April 12, 2016 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 8:00 am with the following:

PRESENT:

Patrick Hogan  
Janice Herzog  
Susan Stanczyk  
Steve Morgan

ABSENT:

Daniel Queri  
Jessica Crawford  
Victor Ianno

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director  
Nathan Stevens, Office of Economic Development  
Isabelle Harris, Secretary  
Steve Coker, Office of Economic Development  
Karen Doster, Recording Secretary, Agency  
Tony Rivizzigno, Gilberti Law Firm  
Barry Carrigan, Nixon Peabody  
David Aitken, Destiny USA Real Estate, LLC  
Robert Smith, Destiny USA Real Estate, LLC  
Don Coon, O'Connell Electric  
Joe Frateschi, Harris Beach  
Sara Wisniewski, Gilberti Law Firm  
Rich Puchalski  
Aggie Lane  
Joe Porter

APPROVAL OF REGULAR MEETING MINUTES – MARCH 8, 2016

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the regular meeting minutes of February 9, 2016. Motion was carried.

APPOINTMENT OF TREASURER AND PUBLIC HEARING OFFICER OF THE AGENCY

Julie Cerio stated Nate Stevens has joined the Office of Economic Development. Nate Stevens stated he is excited to be here and this is a terrific board with a great mission.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved Nathaniel Stevens as Treasurer and Steven Coker as Public Hearing Officer of the Agency. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of March 2016.

Upon a motion by Steve Morgan, seconded by Janice Herzog, the OCIDA Board approved the Treasurer's Report for the month of March 2016. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #394.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #394 for \$141,116.19. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

DESTINY USA REAL ESTATE, LLC

Julie Cerio stated a public hearing was held and the crowd was overwhelmingly positive. She stated many local businesses came and showed support. She stated we received about 15 positive

letters and received 3 negative letters during the public hearing. She stated the major negativity was regarding Destiny itself but more in the process regarding OCIDA versus SIDA.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution declaring OCIDA as Lead Agency for SEQR purposes, determining that the Destiny USA Real Estate, LLC project will not have a significant effect on the environment and adopting a negative declaration for purposes of SEQR. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Steve Morgan, the OCIDA Board approved an inducement resolution of the Board for a straight lease transaction for a 209-key all suites hotel project in the City of Syracuse. Motion was carried.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the terms, execution and delivery of a certain payment in lieu of tax agreement related to the Destiny USA Real Estate, LLC. Motion was carried.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution of the Board authorizing the execution and delivery of straight lease documents. Motion was carried.

#### O'CONNELL ELECTRIC COMPANY, INC.

Julie Cerio stated the building has sat vacant for a long time and staff has been working with Mr. Coon and his team. She stated they are a great local company looking to grow and going into a great spot. She stated she is excited to see them expand.

Don Coon stated O'Connell Electric has been in the area for just over 25 years. He stated the business is electrical construction and they are a local division of O'Connell Electric. He stated O'Connell Electric's corporate offices are in Victor, New York and they have 5 offices across New York State. He stated they employ just under 500 employees throughout and 100 people here in the Central New York area. He stated they are an IBEW Local 43 contractor with a lot of their employees being electrician tradesmen. He stated the local sales range from \$22 million to \$28

million annually. He stated they have a service electrical testing and commissioning department and do communications, security and infrastructure type work. He stated they have a power group which is pretty much utility based and they are in the renewable energy for commercial wind and solar. He stated currently right now they have been leasing a 20,000 square foot facility in East Syracuse and the new building will give them the opportunity to grow their businesses.

Joe Frateschi stated O'Connell is a company with a major local presence providing electrical infrastructure for major Onondaga County institutions including SU and the amphitheater. He stated the facility has sat vacant and they are looking to acquire the facility and to renovate it. He stated O'Connell is making this move to maintain its local workforce and make room to grow.

Steve Morgan asked what percentage of work is public work versus private work. Don Coon stated for his division it averages 60% private and 40% public. He stated the construction industry is probably one of the difficult markets to get handle on.

Steve Morgan asked if they have a non-union shop or is it all union. Don Coon stated that the tradesmen are union and all the admin and project managers are non-union.

Steve Morgan asked how large the footprint is and asked if they expand outside of New York State. Don Coon stated they are in Pennsylvania a little on the gas work but other than that their foothold is in New York State.

Steve Morgan stated the owners are from Rochester and asked if that was where the company started. Don Coon stated yes. He stated O'Connell Electric acquired Syracuse Merit Electric, a local company, about 15 years ago.

Janice Herzog asked where O'Connell will find the 8 additional project managers and what is the education or qualifications are for a project manager. Don Coon stated they have been looking into the trade colleges and they have 2 or 3 junior project managers from ESF. He stated they find that they are training current graduates. He stated some come out of the IBEW apprenticeship program.

Steve Morgan stated a lot of the jobs are based upon the construction industry and if the bottom falls out of the construction industry and they don't meet the goals of employment how does that

impact the inducement of the project. Julie Cerio stated we have claw back provisions so we can take benefits if they don't meet their goals. She stated each year we check their employment. She stated we have yet to have a company that hasn't met their goals. She stated if it does fall out because the economy crashed we can come back to the board and reconfigure PILOTs. She stated it depends on the circumstances.

Janice Herzog asked if the skilled trade positions are employees of O'Connell or they come from the Union. Don Coon stated the Union is a labor pool and they are O'Connell Electric employees.

Patrick Hogan stated he has only heard positive things about O'Connell Electric and asked if they work with the Hall as far as training goes. Don Coon stated yes.

Patrick Hogan asked who is doing the work for O'Connell building the project and doing renovations. Don Coon stated they had pre meetings yesterday and all local contractors who employ local people who they work with them every day on many projects.

Patrick Hogan asked where are the employees now as far as projects currently going on. Don Coon stated a substantial amount of work at SU, COR Development and many small contract projects going on locally. Don Coon stated their work footprint is pretty much in Central New York for this office.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution describing the proposed O'Connell Electric Company, Inc. project and the financial assistance the Agency may provide and authorizing a public hearing for project. Motion was carried.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer and the Agency for the O'Connell Electric Company, Inc. project. Motion was carried.

800 HIAWATHA BLVD NYS DEC BROWNFIELD CLEANUP PROGRAM REMEDIATION PLAN

Travis Glazier stated with the help of an intern who is a graduate student at ESF and Maxwell they did a technical review of the proposals to get an idea of what the different firms were proposing in regard to the technical aspects of their mediation and site preparation.

Steve Morgan asked Travis Glazier who he works for. Travis Glazier stated he is the Director for the Office of Environment for Onondaga County. He stated the deals with any County related SEQR issues and amphitheater and the liaison for DEC. He stated he is familiar with the Roth property.

Travis Glazier stated the summary documents were broke down on what they thought were sensical components whether it was a cost, proposal or particular plan. He stated he saw 4 approaches from a high level planning prospective. He stated one of them proposed transfer of the property to the company's ownership so they can capture the Brownfield cleanup tax benefits, utilize that and then sell it back to OCIDA once cleanup was completed and leveraged all of the tax benefits. He stated another proposed a strategic staged approach and their proposal was working essentially from the road way back getting interim remedial measures in on parts of the property to show progress on the property. He stated the 3<sup>rd</sup> one was to have it be light use commercial primarily on all areas except for the trail and an example they used was to put in a solar array. He stated if you are going to do industrial commercial type of use like a parking lot, you can just cap a lot of problems as long as there aren't issues with ground water infiltration. He stated the 4<sup>th</sup> proposal was really a general BCP approach. He stated several firms proposed different iterations of what is essentially the same thing. He stated they will go through the process of submitting a remedial investigation work plan, getting a remedy in place, getting the remedy approved, work with the DEC, work with hiring a contractor, work to get the construction completion report and get the ongoing interim site management plan in place. He stated the Board would be essentially hiring somebody to be the holder of all the documents and guide the documentation process. He stated the Board then would look at pricing differences on what each individual firm is offering. He stated he talked with Karen Cahill, DEC representative in charge of the site, and she shared a report through Spectra during BCP process which involved the unclassified material, barrels and drums on the site and the concerns the DEC has in regards to those. He stated Ms. Cahill didn't feel as though the RFP

included those but the Board can reach out to the preferred vendor and ensure that is part of the negotiation the Agency would actually engage in and shouldn't require to go back out to RFP. He stated it is a measure that should be included in the next step.

Travis Glazier stated regarding the lake trail and the County's interest, there is a railroad spur in the back of the property near the Metro Treatment facility and the area is where there will be a bridge which will go over the CSX railroad and land in that particular area. He stated on the area there are two known ASR cells, Automotive Shredder Residue cells, which are known to have PCB levels above 50 parts per million making it hazardous waste. He stated the County Department of Transportation secured a Federal Highway Administration grant to build the bridge and the trail area. He stated the Federal Government passed Fast Act which bumped up their deadlines for getting all the plans in and the whole process has been bumped up about 4 months. He stated they received notification about 6 weeks ago from New York State DOT that they need to have all their plans and approvals in place by September 2016 with all the funds expended by September 2017. He stated their first initial thought everything was going to be January 1, 2017 and January 1, 2018. He stated on behalf DOT and Office of the Environment he is asking the Board to consider working with whoever the firm is to get an interim remedial measure approved from the DEC for the 2 ASR cells which is the primary area of concern for the area where the bridge will be interacting. He stated it will ensure not losing its Federal Highway Administration funding. He stated from a whole site perspective, the ASR cells are one of the 3 major areas of concern so he would submit to the Board that any remedial investigation work plan was going to include the ASR cells, it is just asking the inter remedial measure expeditiously ahead of the full site plan to ensure they can secure the funding. He stated that once they have an IRM in place and figure out what the costs are they can actually address it and the County can get its own firm and take care of things but for now they are in a bit of a pickle to try and make sure the IRM is in place. He stated usually you go to the DEC get comments but they think they can skip through a lot of that by having Karen Cahill and some of their technical folks actually working with the firm.

Julie Cerio asked how Spectra has been and have they been working well with DEC. She stated they are one of the contenders here today. Travis Glazier stated they have been working well with DEC and Karen Cahill has received all of the documentation necessary. He stated we are all trying to work towards the end but they do think once a firm is in place it will move much more smoothly. He stated Spectra has done a great job. He stated the Board was approved for its Brownfield

Cleanup Program and all appropriate documents were submitted. He stated they have had a very positive dialogue with DEC throughout the process.

Patrick Hogan asked Travis Glazier if he is comfortable with Spectra and all the other applicants. Travis Glazier stated these are all highly qualified applicants.

Patrick Hogan stated he thinks the Board wants to make sure we are set with DEC, get the money for Brownfield remediation, the vision of the County as far as the property goes and OCIDA and being comfortable with the management aspect. Travis Glazier stated the firms that applied are well known and highly respected firms in the community with exceptional reputations. He stated a lot of them have done work on the lake area, have done work with the County and DEC.

Julie Cerio stated that we want this to be used for the highest and best use but we don't know what that is yet and that is why we are looking into what is there.

Steve Morgan asked why there is such a wide range of pricing. Travis Glazier stated it did not appear as though there was anything to create that placement as an outlier from a technical perspective so he can't speak to it. He stated he didn't look at the hourly rate and he's not sure what that equates to.

Steve Morgan stated Spectra is the lowest bidder but they had noted 1486 hours and asked if that a reasonable amount of time or should be concerned a getting hit with add ons. Travis Glazier stated there were a couple of aspects in all the proposals where they missed 2 key components. He stated all the proposal said they would look at the ASR cells and he thinks they are going to require more work and a little more investigation but nothing that is going to blow the budget out of the water. He stated the other thing is the onsite drums could increase the costs. He stated a lot of the cost variations are going to come on the other side but the way to think about this is the work being done now with the intermedial work plan is really laying out the cost structure for what the future will be. He stated they are going to go in and do an investigation, create a plan and get that plan approved by the DEC. He stated once the plan is approved then you can go to potential developers for the property saying here is the cost structure of getting this property up to a particular set of uses, what do you propose doing and how do you propose addressing those costs. He stated right now one of the big red flags of that property are the many unknowns about it. He stated you are going to put



the pieces of the puzzle together to answer all those unknowns and get approval from the DEC to satisfy all those unknowns. He stated the cost laid out could have a 15-20% fluctuation. He stated there is a good body of information about this property already, the DEC is familiar and they are willing to work. He stated it is going to come down to the highest and best use.

Patrick Hogan asked how the management structure works and who is the point person. Travis Glazier stated it will be the firm. Julie Cerio stated she and Isabelle Harris will handle it as far as the bills coming in, making sure the hours are correct and making sure they are doing what they are supposed to be doing. Travis Glazier stated he has been acting as a liaison between Transportation, Parks and folks trying to do the trail side of things. He stated he thinks it is fantastic the Board took on this challenge but in the end this is going to be a major asset to the community and can be a productive piece of property.

Tony Rivizzigno stated he looked at the proposals and responses. He stated Spectra has extensive experience there and are the lowest bidder. He stated his feeling with the continuity standpoint it makes sense to go with Spectra. He stated they get along well with Karen Cahill and the folks there. He stated the solar panels are not the best use of the property. He stated it is in a commercially located area that should be a nice project for both commercial as well as tourism.

Susan Stanczyk stated that with everything that Travis Glazier said about the unknowns, what could happen and what is in that property, it is important that we have someone who is very familiar and has already done work on it. She stated she thinks we are less likely to end up with a giant surprise which could be a very costly surprise in the end so for that reason she leans toward Spectra.

Upon a motion by Steve Morgan, seconded by Janice Herzog, the OCIDA Board approved a resolution selecting Spectra Engineering firm for the 800 Hiawatha Boulevard NYS DEC Brownfield Cleanup Program Remediation Plan. Motion was carried.

#### ALBANY MOLECULAR TERMINATION

Tony Rivizzigno stated Albany Molecular is selling their property to O'Connell Electric. He stated there is a little bit of time left on the lease but once it is terminated it goes back on the tax roll and then will switch to O'Connell with maybe different terms and dollar amounts.

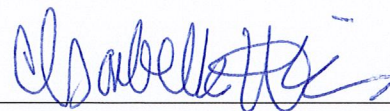
Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the execution and delivery of termination documents with respect to the Albany Molecular project. Motion was carried.

COMMERCIAL INSURANCE FOR 800 HIAWATHA BLVD PROPERTY

Julie Cerio stated we need insurance for Roth and our insurance company, Brown and Brown, who holds the insurance for the rest of the properties the Agency owns is giving us quotes. She stated we don't have an exact number so we are going to get that insurance in place as soon as we get something that is reasonable for what it is. She stated it will be run by counsel so the Board is being asked for authorization in allowing her to insure one of our assets.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution approving the purchase of additional insurance for 800 Hiawatha property. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Steve Morgan, the OCIDA Board adjourned the meeting at 8:43 am. Motion was carried.



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Isabelle Harris, Secretary