

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
October 11, 2016

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, October 11, 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  
Victor Ianno  
Steve Morgan  
Kevin Ryan

DELAYED:

Fannie Villarreal

ABSENT:

Susan Stanczyk

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director  
Nate Stevens, Treasurer  
Isabelle Harris, Secretary  
Steve Coker, Office of Economic Development  
Karen Doster, Recording Secretary, Agency  
Tony Rivizzigno, Gilberti Law Firm  
Sara Wisniewski, Gilberti Law Firm  
Kevin McAuliffe, Barclay Damon  
Robert Poyer, Hancock Estabrook  
Vincent Anthony, National Grid  
Frank Sciortino, National Grid  
Chuck Andrew, National Grid  
Karla Corpus, National Grid  
Brian Anderson, National Grid

APPROVAL OF REGULAR MEETING MINUTES – AUGUST 23, 2016

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of August 23, 2016. Motion was carried.

(Fanny Villareal arrived at meeting)

## TREASURER'S REPORT

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

Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved the Treasurer's Report for the month of September 2016. Motion was carried.

Patrick Hogan introduced Fanny Villareal and welcomed her to the Board.

## PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #399.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #399 for \$503,155.85 and PILOT payments to Town of Camillus for \$78,624.47, Village of East Syracuse for \$29,479.20, Baldwinsville Central School District for \$1,529,954.00, East Syracuse Minoa School District for \$351,500.78, Fayetteville Manlius Central School District for \$131,982.68, Syracuse City School District for \$12,618.30, West Genesee Central School District for \$273,116.58, City of Syracuse for \$6,737.68 and Onondaga County for \$70,903.10. Motion was carried.

## CONFLICT OF INTEREST DISCLOSURE

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

## HINSDALE ROAD GROUP, LLC

Kevin McAuliffe stated Hinsdale Road Group is requesting modification of their inducement agreement with the Agency because there have been modifications since 2007. He stated the original plan to construct a hotel is back on the table. He stated the hotel is estimated to be \$8,500,000 but they are only increasing the project cost by \$500,000 because some things they

previously estimated 7 or 8 years ago cost less. He stated they are asking the sales tax exemption be increased from \$2,300,000 to \$2,800,000 to cover the completion. He stated he believes there was only one comment at the public hearing from the West Genesee School District asking how this modification would impact the PILOT. He stated he thinks it will impact the PILOT positively because the way the PILOT is constructed is tied off to how many square feet of facility they build. He stated between now and 2018 the PILOT is going to go up by about \$250,000 a year of which about 70% will go to the West Genesee School District. He stated there was no negative to the application and it is putting 85,000 square feet more on this parcel of land. He stated they are seeking the \$500,000 increase in the sales tax exemption and no change in the mortgage tax exemption.

Patrick Hogan stated a public hearing was held on September 6. Nate Stevens stated one person attended the public hearing and it was a representative of West Genesee School District. He stated his questions mainly centered on the actual mechanics of the PILOT and he and Mr. McAuliffe worked together to get his questions answered.

Joe Goethe stated they sit down with them at least twice a year and go through the PILOT. He stated they understand the numbers clearly but the issue is its complicated for them to get state aid because it impacts their formula.

Patrick Hogan asked if there is a vehicle to determine how much money comes from outside the County to judge where the revenue comes from. Joe Goethe stated that it can be done anecdotally. He stated one of the things they can do is a license plate survey but it needs to be run for a period of time not just one day.

Janice Herzog asked what the time line is. Joe Goethe stated they have one more trip before the Planning Board to make the modification in a couple weeks. He stated they are starting in March and hope to finish by next November but that is aggressive.

Victor Ianno asked for the hotel name. Joe Goethe stated it is a new Hilton flag called Tru.

Upon a motion by Victor Ianno, seconded by Kevin Ryan, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Hinsdale Road Group, LLC project

consisting of the development of commercial space in the Town of Camillus. Motion was carried.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved an amended resolution authorizing the execution and delivery of closing documents for the Hinsdale Road Group, LLC project. Motion was carried.

### SYRACUSE LABEL

Robert Poyer stated Syracuse Label is about 90% complete and were expecting to complete it this month but the last few construction draws will be made in December. He stated they are requesting a slight modification to the bonds. He stated M & T Bank holds the bonds and they decided to change the allocation of the bond proceeds to reallocate between the building and the equipment. He stated more money will be allocated to the equipment which changes the amortization and the yield on the bonds. He stated that triggers a reissue which is essentially a new series of bonds that are exchanged for the old series although the entire transaction has very little economic substance. He stated they are basically asking for the Agency's action to reissue the bonds.

Tony Rivizzigno stated the IDA is the issuer of the bonds so the Agency needs to approve. He stated the documents have been reviewed and seem to be in order. He stated it's a formality.

Robert Poyer stated in terms of timing they are asking the State waive the bond issuance charge. He stated the company paid the fee and don't want to pay it. He stated he is working with the State to get that charge waived so they are trying to get documents out for execution by the end of this week and close next week assuming they can get the State to waive.

Patrick Hogan stated a public hearing was held on October 10. Steven Coker stated no one attended the public hearing.

Julie Cerio asked if they have a plan yet to when they are going to start operations in the facility. Robert Poyer stated he believes they are going to start in mid-December.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the issuance and sale of the tax-exempt multi-modal revenue bonds. Motion was carried.

#### BLUE ROCK ENERGY, INC.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Blue Rock project consisting of an upgrade and remodel of 13,828 square feet of leased office space on the eighth floor of the Onondaga Towers building in the City of Syracuse. Motion was carried.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution authorizing the execution and delivery of closing documents. Motion was carried.

#### WHITE PINE BUSINESS PARK UPDATE – NATIONAL GRID EASEMENT REQUEST

Tony Vincent stated National Grid maintains its infrastructure and it is all high voltage 150kv system. He stated over time they do maintenance to try to upgrade the facility but occasionally they have to go in and rebuild and refurbish their system to accommodate any new growth. He stated some of the lines were built in the 1940's and need to be upgraded. He stated they have identified two lines in their system that originates out of the Clay substation off Caughdenoy Road adjacent to the Agency's property they need upgrade and rebuild. He stated it strengthens the system and accommodates any additional load. He stated this is an approximately \$50,000,000 investment to totally upgrade these lines. He stated back in May 2015 they submitted their application to the commission with information and discussed alternatives then it was reviewed. He stated the commission comes out and walks the lines which is about 15 mile project. He stated it originates out of the Clay substation and currently the lines head to Brewerton, go across route 11, come down parallel on 81 and goes across 81 and 481 into the Teall Street station in Salina. He stated they have identified that there is an opportunity for an alternative that they were given positive feedback. He stated they are proposing to install a line on the southern part of the existing right of way which requires some additional land rights. He stated of the land rights they are requesting from the IDA is approximately 14 acres of which 13 are wetlands. He stated once they get to this point they are close to getting a certificate from the

Department of Public Service. He stated this alternative would remove 30 properties including possibly taking some homes and this one has 12 properties. He stated this would also give them another alternative to possibly serve the Agency's potential customer on the property.

Victor Ianno asked what part of the property they will be encumbering. Tony Vincent stated it is the northern piece by the railroad tracks.

Victor Ianno asked what is on the other side of where their easement goes. Tony Vincent stated the other side is the NYPA lines.

Victor Ianno asked if this will affect any Agency development. Tony Rivizzigno stated no.

Victor Ianno asked if the line is just a transmission line taking energy someplace else. Tony Vincent stated it is basically helping out the infrastructure of the entire area including Onondaga County. He stated they are upgrading by putting in bigger wire and better towers.

Victor Ianno stated nothing feeds off this and it is just a transmission line. Tony Vincent stated yes.

Kevin Ryan asked if these wires are going where there are already power wires. Tony Vincent stated yes.

Kevin Ryan asked what happens to the existing lines. Tony Vincent stated there are 3 sets of lines that head north and they will remove 2 and leave 1 to continue serving some load further north.

Patrick Hogan asked Tony Rivizzigno if he is ok with this. Tony Rivizzigno stated yes. He stated he worked with National Grid in terms of dollars and cents and they came up with 80% of our appraised value and the amount is \$125,000.

Janice Herzog stated the towers and lines are already there and they would just be adding lines. She asked if they are all above ground. Tony Vincent stated it is all above ground. He stated there are some existing towers in the right of way that have lines and they will be installing new towers and new lines.

Janice Herzog asked how long the project will take. Tony Vincent stated they are hoping to get the certificate in November or December and start construction in late spring. He stated the line will be being built for at least a year maybe 16 months.

Janice Herzog asked if this project be done by existing staff or will National Grid have to hire. Tony Vincent stated they will hire contractors.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing easement to Niagara Mohawk Power Corporation D/B/A National Grid for the purposes of constructing, maintaining and operating facilities within the easement area and agreement on compensation amount. Motion was carried.

#### WHITE PINE- DISCUSSION REGARDING RFP FOR REAL ESTATE SERVICES

Nate Stevens stated they have been dealing with different issues and situations over the past few months and staff thinks it would be a great idea to have somebody that we can access quickly to answer real estate type questions. He stated we have to go through our purchasing policy which is anything over \$5,000 and need 3 quotes which takes time. He stated if we have a question and need an answer in the same week it is kind of impossible to get answers and turned around. He stated he has it written as an hourly rate. He stated he has the different services listed and everything we would possibly want to do. He stated it will make things go smoother and we would have one contact to always go to. He stated he included in the RFP if there is an alternative pricing structure they recommend they can propose that as an option. He stated he wanted an apples to apples comparison hourly rate.

Julie Cerio stated many times we are asked questions by site selectors and different agencies and they need the answer next day. She stated the applications they want completed are very lengthy. She stated we need somebody we can hand over the request to and they can complete it.

Victor Ianno stated that basically staff is requesting an exclusive broker. Nate Stevens stated we are going to hire a broker but we are not paying them unless we use their services.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved resolution to issue and RFP for general real estate services for the White Pine Commerce Park site. Motion was carried.

#### WHITE PINE – DISCUSSION REGARDING RFP FOR ENGINEERING SERVICES

Nate Stevens stated staff has been looking at everything generated for the White Pine Commerce Park site. He stated what he wants to focus on is actually getting everything they want completed. He stated there are a couple of tests that need to be done: the vibration test, magnetic test and the question about the wetlands on the site. He stated staff would like to hire one engineering services firm to run point on the whole operation. He stated we would give them everything that is not done, figure out how to get these final studies done, help us go through DEC and Army Corp for a packet to present to people. He stated currently we have a document from 2012 that we are using which is great and answers 90% of the question asked but in order to really work with companies that are ready to invest millions of dollars we really need to have everything ready. He stated they want to know when they can actually get shovels in the ground to get things moving and right now we are a couple steps away.

Victor Ianno asked how much this will cost. Nate Stevens stated anywhere between \$100,000 and \$500,000.

Tony Rivizzigno stated these are tests are more specific to chip fab manufacturing. He stated if a company just wanted to put a building there we won't need that. He stated if we get them done it gets us one step closer to being shovel ready from the company's standpoint.

Victor Ianno stated we are getting prepared to have this stuff done. Tony Rivizzigno stated yes.

Janice Herzog stated it would be more attractive to a chip manufacturer to have one package.

Isabelle Harris stated these are the things that a company is looking to have done and if they are not done they move onto the site that has them done.


Tony Rivizzigno stated one advantage we have is power and water.



Victor Ianno asked if we are shovel ready. Tony Rivizzigno stated by New York State standards we are. Isabelle Harris stated but not necessarily by industry standards.

Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved a resolution to issue an RFP for engineering services for the White Pine Commerce Park site. Motion was carried.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 8:59 am. Motion was carried.



---

Isabelle Harris, Secretary