

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
March 7, 2017

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, March 7, 2017 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  
Janice Herzog  
Steve Morgan  
Kevin Ryan

ABSENT:

Victor Ianno  
Susan Stanczyk  
Fannie Villarreal

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director  
Isabelle Harris, Secretary  
Nate Stevens, Treasurer  
Karen Doster, Recording Secretary, Agency  
Tony Rivizzigno, Gilberti Law Firm  
Sara Wisniewski, Gilberti Law Firm  
Greg Evans, Bonadio Group, CPA's  
Keeley Hines, Bonadio Group, CPA's  
Angela Orlandella, Barclay Damon  
Ed Petruniak, Tessy Plastics  
Dominic Robinson, CenterState CEO  
Jonathan Logan, CenterState CEO  
Martin Jacobs, Allyn Foundation  
Kerry Quaglia, Home Headquarters  
Damian O'Brian  
David Silverman  
Jim Porter, UJTF  
Aggie Lane, UJTF  
Lauryn LaBorde, SCSD

APPROVAL OF REGULAR MEETING MINUTES – FEBRUARY 7, 2017

Upon a motion by Kevin Ryan, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of February 7, 2017. Motion was carried.

## TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of February 2017.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved the Treasurer's Report for the month of February 2017. Motion was carried.

## PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #404.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved the Payment of Bills Schedule #404 for \$100,295.21 and PILOT payments to Town of Cicero for \$669.66, Town of Van Buren for \$33,417.60, Baldwinsville School District for \$194,491.11, North Syracuse Central School District for \$3,475.14 and Onondaga County for \$43,039.95. Motion was carried.

## CONFLICT OF INTEREST DISCLOSURE

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

## REVIEW AND APPROVE 2016 ANNUAL AUDIT

Greg Evans stated 2016 audit was completed unmodified opinion with no findings and no adjustments. He stated the Agency is on track to meet the March 31 reporting deadline with the Public Authority. He stated the Agency gets an A+ this year for the audit and well done.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved the 2016 Annual Audit. Motion was carried.

## G & C FOODS

Julie Cerio stated the Board has already approved this project and they are asking for an extension to complete the project.

Angela Orlandella stated G & C Foods has acquired the property for \$10,000,000. She stated they have implemented their first of 2 new agricultural manufacturing lines and running in October. She stated they have created about 40 jobs as of the end of the year and they are on target to retain 215 and create jobs over the next few years. She stated they are working on renovations this year and additional equipment which were the primary things sales tax exemption would apply to. She stated they are requesting a year extension and no increase in total amount of sales tax exemption being granted.

Steve Morgan asked if one year is standard for an extension. Tony Rivizzigno stated generally it is one year. Angela Orlandella stated she would anticipate it being complete a year from now.

Janice Herzog asked if there are any portions of the renovations done. Angela Orlandella stated they only just begun the renovations of the facility. She stated their first focus was getting the first manufacturing lines and it was more manufacturing equipment which wasn't subject to the sales tax exemption because it was already exempt. She stated they are making the investment, they are creating the jobs.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved an extension of time to complete the initial G & C Foods project.

### TESSY PLASTICS

Julie Cerio stated this project has already been approved. She stated because companies don't always know the exact number of the sales tax and how long the project is going to take they have to come back before the Board if they undershoot.

Ed Petruniak stated he is Vice President of Finance and Administration at Tessy Plastics. He stated the amount of materials subject to sales tax was a higher figure than estimated.

Patrick Hogan asked how much higher. Ed Petruniak stated they are estimating about \$790,000 and \$560,000 was approved.

Tony Rivizzigno stated the overall project cost didn't change. Ed Petruniak agreed. Angela Orlandella stated a new break down was submitted because the building costs were more than anticipated and the machinery and equipment were a little bit less. She stated there was portions of the equipment not specific to manufacturing so therefore not exempt under the tax law.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved an amended resolution describing the proposed Tessy Plastics project and the financial assistance the Agency may provide. Motion was carried.

#### 437 NORTH SALINA STREET (DISCUSSION OF 437)

Julie Cerio stated last month the discussion started with the 437 property and the Board asked staff to get an assessment of the building and to hear from Dominic Robinson about an alternate plan. She stated the Board discussed potentially selling the property. She stated Dominic Robinson has worked very hard in coming up with a plan to present to the Board. She stated the Board advised staff to get the appraisal back and put it on the market while at the same time hear from Dominic Robinson then make a decision.

Dominic Robinson thanked everyone for having them back and stated he is joined here with partners on the project; Kerry Quaglia from Home Headquarters, Martin Jacobs from the Allyn Foundation and Jonathan Logan who is Co-Director of Northside Up. He stated he is the Vice President for Economic Inclusion at CenterState CEO and among the many initiatives they oversee is the Northside Up who works with St. Joe's and neighborhood businesses to revitalize that community. He stated for nearly a decade they have been plugging away on the north side with housing and commercial real estate development, job training and small business development. He stated when they think about revitalizing our inner city neighborhoods in Syracuse he thinks it is important to acknowledge the fact that we need to do this with our residents in ways that actually create economic opportunity for them. He stated the whole 435 North Salina process came with an albatross with a building next door being part of the package deal the Landbank provided. He stated they have been working ever since that time to come up with a plan for the 437 property. He stated they first brought the building to private developers.

He stated they wanted to first test that assumption and they have a few developers they developed relationship with in that neighborhood who know the properties well, know the market well. He stated not surprisingly the consensus was this property is a dog and there is no intrinsic market value given its condition. He stated it is part of a corridor that has potential and has seen investment if the conditions were right and this was not one of those scenarios. He stated others have raised the question does the property need to exist and can it be demolished. He stated the it is in a nationally registered historic district and part of an important fabric to that community's economic development. He stated there are logistical challenges, there are legal challenges and the cost of demolition would far exceed anything we would do alternatively. He stated the plan kind of pivoted based upon those factors. He stated he also took into the account the fact that the Agency's main concern was cost. He stated once you get into one of these old buildings it is anybody's guess. He stated they have gone in and done a preliminary assessment with OCIDA, St Joe's and they hired an architect firm on CenterState's own dime to do some preliminary schematics and understand the fundamental scope of work to get the building back into functional condition. He stated they recognize best they can tell there is a set of costs associated with renovating this building but we still don't fully know what they are. He stated they would like to propose a plan where the Agency were to invest a maximum of \$200,000 in doing some initial renovation and stabilizing the property they would then be able to take the project from there and make it a highly functional project on the market and back on tax rolls. He stated they lined up a buyer who is Home Headquarters. He stated the basic premise of the plan is they want to convert the building into a mixed use project with commercial on the ground floor and residential or possibly some additional commercial and residential on upper floors but they are still tweaking with that based upon the amount of commercial space they will be needing. He stated it is an intensive comprehensive business incubation program that is targeting folks from our neighborhoods in order to create businesses in those neighborhoods, create stability in those neighborhoods. He stated they really believe it is not the panacea but it is a critical ingredient to good neighborhood revitalization to have resident owned businesses in those neighborhoods. He stated this is a program that they have been piloting and growing for the last couple years with a lot of great successes already. He stated Home Headquarters has worked with them to develop a Pro Forma that would allow for the occupancy of that space by one of their businesses at an initial rate that would be favorable to that business that is just getting off the ground or in transition. He stated it would be coupled with residential above and targeted at middle income residents. He stated ideally they would be proposing some sort of live work space so the family that owns the business can live upstairs. He stated they have had a lot

of requests for that so they think it's possible. He stated by them acquiring it, it gives them the freedom to funnel some grant money that they have already be teeing up to help finish stabilizing the property. He stated the balance would most likely be financed through Home Headquarters because they have their own CDFI lending apparatus. He stated there are still answers that need to evolve as the process unfolds. He stated the plan they are bringing before the Board has an impact on the neighborhood that doesn't just give people a hand out but a hand up and is trying to create wealth. He stated they are hoping the Board will entertain the process.

Janice Herzog stated she is impressed with how this was all put together and it is great work they are doing. She stated we know the roof needs replacement and asked if the money that the Agency would provide, up to a cap of \$200,000, for project includes the Agency paying for the roof. Dominic Robinson stated the Agency's investments need to be put into property they own so there would be an initial stabilization the Agency would take on and once we hit the \$200,000 threshold then the Agency sells it as is. He stated at the end of the day it's the Agency's building and will have to deal with this stuff one way or another but they are limiting the Agency's liability in saying if you can invest up to a certain point they will take over from there.

Kevin Ryan stated last meeting it was discussed fixing the roof which was about \$45,000 and now we are being asked \$200,000 to stabilize the building. Tony Rivizzigno stated it would be inclusive. Kevin Ryan stated yes but where would the other \$155,000 come from and asked to see the architects assessment to know exactly what it is we are trying to stabilize. Isabelle Harris stated she will provide the architects assessment to the Board.

Kevin Ryan stated we sell the property to Home Headquarters but we still have another \$200,000 to stabilize it and we have no idea if this is going to be enough. He stated we don't know if these other grants will be there. Dominic Robison stated the grants will be there and are being earmarked for this purpose.

Tony Rivizzigno stated if we were to go down this path we would need legal documents that tie all this in so we don't spend \$200,000 and then it's not enough or things fell through.

Kevin Ryan asked if we can sell it first and then have the buyer spend the \$200,000. Dominic Robinson stated the challenge is we don't have it. He stated the reason they partnered with OCIDA in the first place is because of its function to make these projects attainable. He stated

they believe they are asking the Agency to do something consistent with their mission and they believe it is an extension of a lot of the impact the Agency has already made.

Patrick Hogan stated the OCC project was a homerun. He stated in a situation like this OCIDA is making a definite statement and commitment to North Salina Street where we have had massive success. He stated Dominic has brought an all-star team here today as far as neighborhood and redevelop. He stated this is exactly what the Agency should be doing. He stated this is an outstanding idea and he is in favor.

Steve Morgan stated with an estimated cost of \$665,000 is the property even worth that. Patrick Hogan stated the simple fact is the property is never going to get sold, we have it and we can't demolish because the Landmark Preservation won't allow it so he thinks we go ahead with people who have a proven record of doing stuff. Dominic Robinson stated the property is not worth \$665,000 because it could never generate enough revenues to sustain itself on the private market with that cost. He stated the question is what the alternative is.

Dominic Robinson stated the alternative is continued vacancy which statistically speaking drives property values down. He stated it is going to continue to be off the tax rolls. He stated there is the ultimate benefits but there is also the liabilities of a vacant property on a main commercial corridor that is trying to reinvent itself.

Patrick Hogan stated Julie Cerio what the plan would be if the Board approved this idea. Julie Cerio stated the Board isn't approving anything today and we don't have an action item on. She stated all the information will be available at the next meeting to make a decision on what path the Board wants to take.

Janice Herzog asked how it would work if down the road entrepreneurs are brought in and they live upstairs. She asked if they would pay rent. Dominic Robinson stated that Home Headquarters put together a pro forma and it identifies them as property owner and manager. He stated the expectation is that the commercial space is generating revenue through rent as well as the residential units. He stated they have worked on these types of scenarios before with neighborhood residents who live upstairs and they have helped stabilize those buildings in the past.

Janice Herzog stated she remembers reading at some point one of the measures of urban development when you see grocery stores pop up in certain areas that really is an indication that you have arrived. She asked if anything like that has arose where people can get fresh produce because that might help to revitalize. Dominic Robinson stated they are certainly keen on trying to drive that particular type business.

Kevin Ryan asked if the \$200,000 is inclusive of stabilizing the roof. Dominic Robinson stated their total does not suggest that. He stated it is a preliminary plan and they can work the Agency.

Kevin Ryan stated is says on the cash flow analysis there is a \$235,000 cap. Dominic Robinson stated he was acknowledging the investment was already made.

Steve Morgan stated the grant sources are not in the analysis. Kerry Quaglia agreed and stated they would be willing to take title to the property with OCIDA's investment. He stated they would take their chances to bring other grant sources to the table.

Patrick Hogan stated we should have it put all together and put on the agenda for next meeting.

### TESSY PLASTICS

Angela Orlandella stated Tessy Plastics asked for the increase but Tessy hasn't completed all the improvements. She stated the building is nearly complete and is slated to be CO'd in May. Ed Petruniak stated the existing sales tax exemption certificate expired Monday and they need to have it extended.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution to extend the sales tax exemption certificate for the Tessy Plastics project. Motion was carried.

### 800 HIAWATHA BLVD (ROTH STEEL)

Isabelle Harris stated the Board had approved \$100,000 but when they started doing the work there was a lot more material than anticipated. She stated if they had stopped at that point it



would have been an additional \$8,000. She stated the Board had agreed to this initially and staff had to go either way. She stated after talking to Tony Rivizzigno and Patrick Hogan they decided to move forward to get this finished at an additional cost of \$40,000.

Julie Cerio stated this is the first time something has happened where we had to do something in an emergency. She stated she talked to Tony Rivizzigno about authorization going forward or we can continue to do it like this. She stated there are times retroactively staff is asking the Board to approve things that would have cost a lot more extra money.

Isabelle Harris stated she thinks everybody wants this project to keep moving and the goal is to get it cleaned up so we can turn it around.

Upon a motion by Kevin Ryan, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing retroactively approval for an additional \$50,000 to complete ASR removal on 800 Hiawatha Blvd. Motion was carried.

#### TOPAZ OFFICE, LLC – BANK OF NEW YORK – TERMINATION RESOLUTION

Tony Rivizzigno stated the Topaz Office, LLC project lease expired and they are terminating.

Upon a motion by Kevin Ryan, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the execution and delivery of termination documents with respect to Topaz Office4 LLC (Bank of New York). Motion was carried.

#### 437 ROOF UPDATE

Isabelle Harris stated a county contractor, Josall, was hired to do the roof and they were waiting for a break in the weather. She stated in the meantime the architects show there is asbestos. She stated she had to share that information with roofer and now he has to go to the State and approve it. She stated the roofer is reviewing it and seeing what costs that is going to add to replacing the roof. She stated there is a 10 day period where they have to go to the State for approval.

Steve Morgan stated we went with Josall because they were a county contractor. Julie Cerio stated otherwise we would have to RFP it.

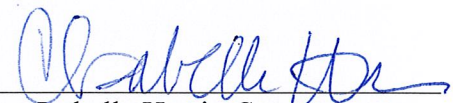
Steve Morgan asked what happens if they come back and say it's going to be \$100,000. Isabelle Harris stated \$35,000 has been approved so if they come back with \$100,000, she will have to bring it before the Board. Nate Stevens stated the Board always has the option to conduct their own bid so if for some reason we don't like Josall's response it we can do that.

Isabelle Harris stated if we let it fall in it could it could damage the building next door that the Agency has invested so much in.

Patrick Hogan stated if we don't fix it we could be in court because of code violations.

Isabelle Harris stated she will have a new roof estimate and an appraisal next meeting.

Upon a motion by Patrick Hogan, seconded by Kevin Ryan, the OCIDA Board adjourned the meeting at 8:49 am. Motion was carried.

  
Isabelle Harris, Secretary