

Onondaga County Industrial Development Agency
Regular Meeting Minutes
June 7, 2016

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, June 7, 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 8:01 am with the following:

PRESENT:

Patrick Hogan
Victor Ianno
Janice Herzog
Susan Stanczyk
Jessica Crawford

ABSENT:

Steve Morgan

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director
Nathan Stevens, Office of Economic Development
Isabelle Harris, Secretary
Karen Doster, Recording Secretary, Agency
Tony Rivizzigno, Gilberti Law Firm
Sara Wisniewski, Gilberti Law Firm
Bob Smith, JMA Counsel
David Aitken, Destiny USA Real Estate, LLC
Bruce Darling, Herbert F. Darling, Inc.
Adam Fumarola, Raymour & Flanigan
Jeff Murray, Carpenters Union
Karl Button, IUOE 158
Aggie Lane, UJTF
Joel Porter, UJTF

APPROVAL OF REGULAR MEETING MINUTES – MAY 10, 2016

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved the regular meeting minutes of May 10, 2016. Motion was carried.

TREASURER'S REPORT

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

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

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #396.

Upon a motion by Victor Ianno, seconded by Jessica Crawford, the OCIDA Board approved the Payment of Bills Schedule #396 for \$41,568.76. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

APPOINTMENT OF SUCCESSOR TO VICE CHAIRMAN OF THE BOARD

Tony Rivizzigno stated in the Agency bylaws when the Chairman resigns, as Dan Queri did, the vice chairman takes over. He stated Victor Ianno is the Vice Chairman and has chosen to resign. He stated the Board is voting to make Patrick Hogan Vice Chairman and will then move to Chair of the Board.

Tony Rivizzigno asked if Victor Ianno's resignation letter was received. Julie Cerio stated yes.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution appointing Patrick Hogan as Vice Chairman of the Board. Motion was carried.

JMA WIRELESS

Steve Coker stated there were no comments at public hearing.

Bob Smith stated the JMA project involves the existing location on Henry Clay Blvd together with the building next door that is being renovated. He stated the intent is to create at least 120 new jobs and possibly up to 145 jobs. He stated the inducement would be for purposes of allowing JMA to finance the construction and bring new jobs some being engineering jobs. He stated they appreciate the assistance of OCIDA. He stated they are seeking a PILOT and an agreement with regard to sales tax exemptions but not mortgage recording tax.

Upon a motion by Jessica Crawford, seconded by Victor Ianno, the OCIDA Board approved a resolution of the Board for SEQRA purposes determining that the JMA Wireless project will not have a significant effect on the environment and requires no further environmental review. Motion was carried.

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board approved an inducement resolution of the Board for a straight lease transaction for the JMA Wireless project consisting of the development of manufacturing space in the Town of Clay. Motion was carried.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the terms, execution and delivery of certain payment in lieu of tax agreement related to JMA wireless. Motion was carried.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the execution and delivery of closing documents. Motion was carried.

DESTINY – LOCAL ACCESS WAIVER

David Aitken stated they submitted documentation to the Board specifically the pile driving operation. He stated the geo tech conditions are challenging and bedrock in this area is probably between 80 and 120 feet. He stated Heuber Breuer, the construction manager, scoured all the companies within the 10 county radius. He stated there is documentation from companies that either felt they were not qualified, didn't have the capacity or hadn't done this type of work before. He stated HF Darling based in Williamsville, has done a lot of work in Onondaga County and for Destiny. He stated they have a solid track record of hiring locally. He stated they identified bringing in the superintendent and foreman but hiring all others from the local union hall. He stated for their management personnel they still contribute to the local union hall.

He stated they clearly understand the goals and objectives and they share in them. He stated this is highly specialized work and he thinks HF Darling has a nice balance of bringing in their equipment and their management while hiring the majority from the union halls locally.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the waiver of the Agency's local access policy for pile driving work by Herbert F. Darling, Inc. (Erie County) for the Destiny USA Real Estate Project. Motion was carried.

RAYMOUR & FLANAGAN CAMPUS

Adam Fumarola, Director for Real Estate Development for Raymour and Flanagan, stated the existing financing on the campus is coming due August 1 and requesting OCIDA come to the table with them to execute a mortgage with their new lender. He stated there are no new benefits being requested.

Tony Rivizzigno stated this is a normal situation where OCIDA is in title because of the lease. He stated because the Agency's name is on the mortgage, we have to sign. He stated the mortgage agreements always say that we have no financial liability.

Victor Ianno stated we are signing on their mortgage now and in 2017 it terms out and we are done. Tony Rivizzigno stated yes.

Upon a motion by Victor Ianno, seconded by Jessica Crawford, the OCIDA Board approved a resolution authorizing Julie Cerio to execute certain loan documentation at the closing for the refinancing of the R & F Campus. Motion was carried.

435 NORTH SALINA STREET – OCC FOOD INNOVATION CENTER – REQUEST FOR ADDITIONAL FUNDS AND CHANGE IN THE LEASE TERMS

Tony Rivizzigno stated when the Agency purchased the building, the lease stated OCC was going to put in \$200,000 worth of equipment and we were going to give them the building with no rent. He stated subsequent to that the City and the County said since there is going to be a kitchen in there many things needed to be fixed and changed at a cost of \$280,000. He stated

they went back to OCC and agreed to split the cost with them. He stated the Agency is going to give them \$180,000 and they are going to pay the Agency back by monthly rent of \$750 for 10 years. He stated the lease terms have been changed and the request to the board is authorizing the changes in the lease.

Victor Ianno stated the primary lease is not effective. Tony Rivizzigno stated the Agency leases the building to OCC but the rent terms have changed. He stated it was zero based upon them the \$200,000 in equipment which will become the Agency's at the end of the lease. He stated we have to make an additional investment and will pay the Agency back over time.

Jessica Crawford stated 10 years seems like a long time and asked what happens if they move out. Tony Rivizzigno stated it will be the Agency's and they don't get any money back. He stated it is a risk but OCC is not the type of tenant to just walk away.

Julie Cerio stated the Agency is restricted on what we can do with the money. She stated one of the things we can do is buy things like this where we can turn it around and will attract jobs or training. She stated in this case it is to train students to own and operate their own restaurant.

Victor Ianno asked if it is a note. Tony Rivizzigno stated it is a lease and it is not a separate note.

Victor Ianno asked if they close, do they still have to pay the lease. Tony Rivizzigno stated yes.

Jessica Crawford stated it is a 10 year lease now. Julie Cerio stated it was before. Tony Rivizzigno stated there is a five year option after that negotiated into the lease price.

Patrick Hogan stated with all the talk poverty in the area and viable job skills, this is something we need to push forward. Tony Rivizzigno stated this will be a big benefit for those who are not familiar with the area. He stated it needs some help and this will be a big help down there.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution approving an additional 180,000 in capital and other improvements.

Upon a motion by Jessica Crawford, seconded by Janice Herzog, the OCIDA Board approved a resolution approving the changes in the lease term with Onondaga Community College. Motion was carried.

6006 FAIR LAKES HOTEL, LLC - TERMINATION

Tony Rivizzigno stated Fair Lakes Hotel has decided to terminate their lease agreement with the Agency. He stated they will then go back on the tax rolls.

Victor Ianno asked if this is an existing hotel. Tony Rivizzigno stated yes.

Victor Ianno asked how old the hotel is. Tony Rivizzigno stated 2 – 3 years. He stated once they do their renovation and get their sales tax and mortgage, there is no need to stay with the agency. Julie Cerio stated they will go back on the tax rolls.

Jessica Crawford asked if the only benefits they received were the sales tax. Tony Rivizzigno stated they received sales and mortgage tax benefits. Isabelle Harris stated there was no PILOT, just sales and mortgage recording tax.

Tony Rivizzigno stated this a just a formality authorizing the Agency to sign the documents

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the termination of the 6006 Fair Lakes Project. Motion was carried.

REQUEST FOR AUTHORIZATION FOR RFP TO REDESIGN THE ONONDAGA COUNTY ECONOMIC DEVELOPMENT WEBSITE.

Nate Stevens stated staff has been looking at the operation of the website and the contracts we have with it and he thinks we can get a local vendor for the same service. He stated he is proposing to issue an RFP and see what local vendors have capacity to service us.

Julie Cerio stated there has been a lot of turnover and we are not dealing with the same representative. She stated it was RFP'd way back and the company is not local. She stated there

are a lot of problems when we need something changed. She stated they give us books to figure it out ourselves.

Victor Ianno asked where the existing vendor is from. Isabelle Harris stated Colorado.

Jessica Crawford asked how long ago that was. Isabelle Harris stated 2009.

Nate Stevens stated staff is going to go to the market and issue an RFP. He stated we will hopefully get some great local vendors to submit proposals and then pick one.

Susan Stanczyk asked if this can be done in house. Nate Stevens stated no.

Janice Herzog asked about interns from SU I School or something like that. Tony Rivizzigno stated the problem is they can do a good job but at the end of the year they are gone and that is the problem with the current vendor.

Patrick Hogan asked if a committee will select the firm. Nate Stevens stated yes. He stated staff will issue an RFP and by State law we have to send to at least 3 qualified vendors. Isabelle Harris stated there are about 7 local vendors on the list. He stated the responses will be reviewed and a committee will pick a preferred vendor.

Victor Ianno stated the mission of this project is to have a totally new revamped website. Nate Stevens stated the mission is to have a new vendor.

Victor Ianno asked if we are satisfied with the existing website. Nate Stevens stated no. Isabelle Harris stated she believes the current vendor owns the website. Nate Stevens stated for the term we don't want to commit to saying we want a new websites. He stated we want to have an improved website experience. He stated we just want to say what website services and go from there.

Victor Ianno asked if there is any expertise among staff to write an RFP. Nate Stevens stated he will write the RFP.

Patrick Hogan asked if all the different county departments have different vendors for their website. Nate Stevens stated not all departments because some of the county departments only need basic information like County Legislature which is hosted on Ongov.net platform.

Susan Stanczyk stated the County Legislature has a lot on their website and that is why she asked if the Agency's could be done in house. Julie Cerio stated that the Agency is its own separate agency with our own separate Board so we try to distance ourselves from the County.

Victor Ianno asked if the Agency is on the hook with the current vendor if we terminate. Nate Stevens stated he does not believe so but he will look into it.


Susan Stanczyk asked if there is any anticipation of the cost. Julie Cerio stated it will be comparable or less. Isabelle Harris stated they will come back with their plan and if we think it is unreasonable then we don't have to accept it.

Victor Ianno asked if we are looking to own the website. Nate Stevens stated he believes how he will write it in the RFP is all intellectual property becomes ours.

Jessica Crawford asked if staff will be doing all the research before the RFP will be sent. Nate Stevens stated yes and he is working with Tony Rivizzigno and his team to see what kind of boiler plate that should be put in front of the RFP to best protect ourselves.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing an RFP to seek proposals to redesign the Onondaga County Economic Development website.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 8:32 am. Motion was carried.


Isabelle Harris, Secretary