

Onondaga County Industrial Development Agency
Regular Meeting Minutes
September 12, 2017

A regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, September 12, 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 8:10 am with the following:

PRESENT:

Patrick Hogan
Victor Ianno
Steve Morgan
Susan Stanczyk

ABSENT:

Janice Herzog
Fanny Villarreal
Kevin Ryan

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director
Isabelle Harris, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary, Agency
Brian Bartlett, Office of Economic Development
Tony Rivizzigno, Gilberti Law Firm
Steve Eckler, O'Brien and Gere
Kevin McAuliffe, Barclay Damon
Carmen Emmi, Etna Development
Tony Mangano, Etna Development
Rich Chapman, G & C Foods
Nolan Adams, The Pike Company
William Ketchen, The Pike Company
Brian Sinsabaugh, Curtin Law Firm
Travis Glazier, Onondaga County Office of the Environment
Holly Granat, Onondaga County Office of the Environment
Jeff Murray, Carpenter's Union
David Silverman
Aggie Lane, UJTF
Lauryn LaBorde, SCSD

APPROVAL OF REGULAR MEETING MINUTES – AUGUST 2, 2017

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved the regular meeting minutes of August 2, 2017. Motion was carried.

TREASURER'S REPORT

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

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board approved the Treasurer's Report for the month of August 2017. Motion was carried.

WHITE PINE UPDATE

Julie Cerio stated we hired O'Brien and Gere through an RFP for technical assistance to get the White Pine site more ready. She stated NYS RFP'd to hire consultants to evaluate sites with White Pine being one of them. She stated with little time to get ready, O'Brien and Gere put all the technical information together in a form for a presentation. She stated O'Brien & Gere helped us hit it out of the park but we won't get results for a month. She stated because we needed O'Brien and Gere involved in this, there was an overage in their agreed upon payment amount so they are here to talk about more funding than originally approved.

Steve Eckler stated one of their objectives is to help the IDA market the site and the other is to reduce time to market. He stated initial tasks within the contract are almost completed and the vibration and EMI study was completed by Abby Gregg. He stated advance manufacturing like the semiconductor industry are really sensitive to vibrations and electromagnetic interference and at White Pine there is rail and electrical substation. He stated those are good things from a site development standpoint but you also want to understand what the implications are in trying to attract a semiconductor industry. He stated the results were very good and gave graphic illustrations identifying buffer areas having some interference and vibration on the site coming off the substation and the railroad bed. He stated it doesn't mean don't develop in those areas but just don't put your cleanroom space in those areas. He stated when you're talking about a certain footprint for a semiconductor a small percentage of that is actually clean room space. He stated the other part of their scope was the wetland issue and conversations were held Army Corp of Engineers and the clean room space doesn't overlap with the wetlands. He stated there was opportunity at the SemiCon West Conference where Nate, Isabelle and Julie did a great job. He stated they had coaching sessions where Abby Gregg was brought in and talked about what needed to be done, what they wanted to be done and a presentation was put together. He stated a

lot of good feedback came out of that with Empire State Development and others. He stated the State hired a site selection company out of New York City through an RFP to look at the sites within New York State and see how prepared they are. He stated they had only one week to get ready and often that is how much time you have when you get a call from a site selector or developer, they don't want you to say I will get that information for you. He stated what was really promising was through the IDA's hard work the partnership and the teaming effort to respond not only to the presentation that had to be given to the site selector and ESD but also to do the follow up for the request for information that they had to put together. He stated it was good to see the City, the County, OCWA, National Grid and the infrastructure folks come together and provide good information to show the site readiness. He stated we are ahead of schedule and good information was put together. He stated site selectors dismiss the site on the negatives so it is always about reducing the negatives. He stated the site selectors said the issues needing focus was site access, natural gas and wetland issues and moving forward that is what we want to do. He stated the resolution before the Board is for \$24,000 for an allowance under Miscellaneous Task 4 to do the follow up on the 3 things Empire State Development said we should focus on. He stated part of the effort moving forward is to work with National Grid on the Economic Development funding programs they have available we should apply for which total about \$760,000 if successful in getting the money. He stated they are 1:1 matching local share. He stated expenses already been done or that are going to take place we can count as local share along with some of the CFA effort can be counted as local share. He stated an important effort moving forward in terms of project management, is to figure out what additional money we can bring to the table and work through the next CFA process to see where we can get additional money. He stated it is going to involve doing a supplemental traffic impact study to really evaluate the impacts from this type of industry coming to the site and build on what's been done a few years ago. He stated they want to work with National Grid on plans for electric and natural gas and work with them on putting applications in for funding. He stated they want to continue to work the wetland issue. He stated another part of the ask is for the subservice evaluations because you want to know the information up front and understand the subsurface He stated they would like to get out there before winter to put some borings in.

Steve Morgan asked if the property is on the market with a realtor. Julie Cerio stated no.

Steve Morgan asked if we can recuperate any of these costs. Nate Stevens stated yes.

Steve Morgan stated if we put in \$100,000 for all these studies can we sell the property and recoup the cost. Julie Cerio stated if a company like Amazon were to land there, it could be part of an incentive package. She stated if there are going to be 50,000 employees at that location; we are not going to worry about the price of the land. Steve Morgan stated that it's money well spent.

Victor Ianno stated when he first came on the board he thought White Pine was in pretty good shape with engineering studies as to what is available there. Isabelle Harris stated the studies done were not adequate. Nate Stevens stated that a lot has changed and we started working with NY Loves Nanotech Initiative. He stated any studies that were done 4 to 6 years ago may have been adequate for the time but now we are working with the State on a strategic initiative that has really shown a lot of promise across the state. He stated for that initiative more studies need to be done and we think it is worth it because the ROI is a lot higher.

Victor Ianno asked why we would want to consider doing all the infrastructure work and not just getting it to a point to where it's very attractive. Julie Cerio stated the thing that makes our site unique from all the other in New York is the amount of power. Isabelle Harris stated if the site is not ready, an advanced manufacturing company is not going to wait 2 years for it to be done.

Victor Ianno asked how much it is going to cost to get to that point. Nate Stevens stated roughly \$25,000 for the site selector analysis and data collection and \$65,000 in an allowance for the natural gas, electric, DOT and some soil borings. He stated O'Brien and Gere are also helping the Agency identify grants to try and offset costs.

Victor Ianno asked if once we get the studies done will there be a report that will be kind of an umbrella for any type of development. Julie Cerio stated the site selector that did the evaluation is going to come out with a report in 2 months regarding all the sites in New York and a couple outside of New York. She stated we are now on the radar of these site selectors. She stated these are lots of high paying, high tech jobs that could change the entire area.

Steve Eckler stated you never want to rest and always want to fine tune the information you have for your site. He stated site selectors, developers and manufacturing companies don't want to wait so you need to constantly be proactive in fine tuning and making sure to eliminate as many negatives as you can so they don't walk away.

Steve Eckler stated workforce development is also critical. He stated we had all the right people at the table and all the right messages. He stated they were pleased with the amount of information and the amount of readiness this site had.

Upon a motion by Steve Morgan, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing payment of \$25,000 for site preparations for site selector visit at the White Pines Commerce Park. Motion was carried.

Upon a motion by Steve Morgan, seconded by Susan Stanczyk, the OCIDA Board approved a resolution approving \$65,000 to O'Brien and Gere for additional work completed at the White Pines Commerce Park. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #410.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved the Payment of Bills Schedule #410 for \$133,758.60. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

ETNA DEVELOPMENT COMPANY

Kevin McAuliffe stated he is here with Tony Mangano and Carmen Emmi and this is the project the proposed rebirth of the former Hampton Inn project on 7th North Street turning it into a Tru Hotel. He stated his presentation at the last meeting wasn't saying the IDA shouldn't do hotels but if the Board had a position on doing hotels and still wanted to enhance the occupancy and revenue of the County then this is the kind of project the Agency would do. He stated the employees from the old Hampton moved across the street, retired or went elsewhere. He stated

all the employees at the new Tru Hotel will be all new employees so they are creating jobs at the same time maintaining them. He stated if we want to fix the ADR in the County and increase the quality of what we have then this is the type of project the IDA really should create incentives for because it is taking old outdated products and bringing them back to life. He stated they could have ran it as a lesser quality franchise, run it as a no franchise with lower room rate but it doesn't do anything for the County's ADR. He stated they are looking for just sales and mortgage tax relief but no PILOT.

Patrick Hogan stated Etna Development also has plans to redevelop the four corners. Carmen Emmi stated they are trying to spruce up the whole neighborhood. He stated they have been there for almost 70 years.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution describing the proposed Etna Development Company project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer and Agency for the Etna Development Company project. Motion was carried.

G & C FOODS

Rich Chapman stated G & C Foods is requesting a labor exemption for their floor because they want to go with a specialty floor called a jointless system. He stated in the warehousing business driving your equipment over the joints in the floor causes a lot of problems with equipment and floor itself. He stated it is more money but they think it is going to be a value in the end.

Patrick Hogan stated the information they provided to the Board was extensive. Julie Cerio stated the IDA has a 10 county local labor policy and any time anyone wants to deviate from that they need to provide extensive information. She stated G & C provided all the information and provided to the Board. She stated no one in this area does it and the company that does it requires their own people to install or it voids the warranty.

Travis Glazier stated there is an approval for the testing plan and is in review with the DEC which has been a difficult process. He stated the John Ciampa from Spectra has been doing a great job but the Brownfield Cleanup Program requires we have a characterization of the property and want to know every inch of the property. He stated to make this as cost effective to the public dollar as possible, they are trying to make the case that this characterization is not necessary both for historic knowledge of the property and prior studies on the property. He stated we are saying we have several problem areas which we already know need to be excavated and we will do very narrow nuance study within those areas. He stated there are broad areas throughout the site where little activity took place which would provide the types of exposure and there is plenty of surface testing to verify that historically. He stated the DEC has varying degrees of agreeance on that. He stated the EPA and NYS Department of Health all have an opinion so we have to work through various layers. He stated they had a long meeting yesterday where they worked through prior comments essentially saying that you are going to price everybody out of this and they came back with a compromise to make progress. He stated John Ciampa is going to come back with estimates on what that does for the original testing and with that information we are able to formulate a cleanup plan. He stated this takes a couple months so ideally this will happen in the fall if we get everything lined up. He stated once we get into the development of the cleanup plan is when the interest of the Board and what they want to see done with the property will really become important because the extensiveness of the cleanup will be defined largely by the intended use of the property as defined by the Board.

Isabelle Harris stated John Ciampa will be coming back to the Board. She stated there is substantial dollars beyond what was originally understood and has nothing to do with us and all to do with DEC. She stated John Ciampa is trying to fight what is reasonable and what is not and they are not always reasonable.

Steve Morgan asked if we have already excavated a couple feet off the site. Travis Glazier stated piles of Automotive Shredder Residue left by the prior occupant of the property. He stated that it could have been classified as hazardous waste and the IDA would have been looking at a huge disposal cost but because John Ciampa and Spectra invested a lot of time and effort into working through a plan and a compromise with the DEC, we were able to drive down the cost of that. He stated the disposal cost was 10% of what the estimated cost was for hazardous waste. He stated you have some percentage of cost spent to have John Ciampa working additional hours to tussle

over the details of how to test it responsibly. He stated we are doing the same thing right now with the overall site sampling. He stated we are in agreeance on a series of areas. He stated they are making the case there is historic testing that has been done on the site and there has been monitoring with indication in the past that this is an extensively contaminated area and will likely propose some level of capping. He stated Spectra is out there advocating on behalf of the Board and they are doing a very good job. He stated it has monitory returns for the Board.

Travis Glazier stated it is likely the Board has received a letter from the County Executive indicating the interest from the Canal Corporation for potentially housing dredge material on site.

Patrick Hogan asked if basically they are dredging stuff up and want to put it there. Travis Glazier agreed and said the idea would be to use the back area where there is the highest contamination areas changing the classification of this sub-area to industrial which would have some impacts on the amount of removal excavation that would need to take place leaving an area of roughly 10 acres of developable property on the frontage. He stated they would also use a portion of the area for a 3-5 foot mound and include material that dries over time. He stated the sediment from the Tully mud boils over time has caused the Inner Harbor to be very shallow.

Patrick Hogan stated we want to make the Amphitheater and the Harbor easier for people to dock. Travis Glazier stated yes. He stated the rationale behind this is that the Inner Harbor is an essential economic development opportunity with a tremendous amount of investment and if you are not able to bring boats there it would be defeating the purpose all together.

Steve Morgan asked how often it has to be dredged. Travis Glazier stated it is about an 8 to 10 year cycle. He stated the Tully mud boils vary over time.

Steve Morgan asked if this is considered hazardous. Travis Glazier stated no because the sediment is coming from the earth but they are doing extensive testing on what the nature of the sediment. He stated it comes off as solid waste but as it dries it gets a beneficial use determination that can be used for capping or potential beneficial uses but you have to go through a series of steps. He stated one of the steps is getting a large area where they can bring it in to dry.

Steve Morgan asked how long it takes to dry. Travis Glazier stated about a month.

Victor Ianno asked how much this will cost to get all this done. Isabelle Harris stated John Ciampa is coming back next month with that information.

Patrick Hogan stated the stuff going on top of the site will be removed later on to address the issue. Travis Glazier stated it would be remediated in advance of the dread materials coming in.

Patrick Hogan asked about the Brownfield tax credits. Travis Glazier stated the tax credits on are captured by private industry.

Isabelle Harris stated John Ciampa isn't here today because he has to figure out what they are going to require us to do and then he will have an actual number.

Steve Morgan asked if now that the hot spots have been exposed does it have to be removed. Travis Glazier stated it is in a BCP, as opposed to an order, and is a voluntary cleanup however if the Agency were to withdraw and say you weren't going to, an order would be issued on the site.

Victor Ianno asked if we are under order and we can't afford to do it what happens. Travis Glazier stated the Agency remains within the chain of title and potentially can be sued. He stated the Agency would receive a letter from the Attorney General.

Victor Ianno asked if the Agency is under order do they come in and clean it. Travis Glazier stated they can and they clean it to whatever they think it should be cleaned at then the Attorney General will come after the Agency so we don't want to do that.

Travis Glazier stated that Holly Granat made connections with folks who do these sites on a statewide basis and when they were talking about the developable property they mentioned developers are more interested in a big project. He stated when going out getting solicitations from developers, ask what do you see from this corridor and from a larger concept as a compliment to the Inner Harbor, Franklin Square and Destiny. He stated there is value with that corridor as a larger concept beyond just the property.

Julie Cerio stated the Roth site is gigantic and it might be beneficial if the Board took a walk out there to see the enormity of the site.

Julie Cerio stated there is no action today but staff wanted the Board to be aware of conversations that are happening.

Isabelle Harris stated an RFP will be done to take down the buildings and that is one of the things we have to do. She stated we need to RFP because it is going to be a higher cost.

Travis Glazier stated he appreciates all the effort the Board has put into this and he understands how complicated and difficult it is but they are doing their best. He stated Spectra is doing an excellent job of advocating. He stated progress is being made.

OCIDA AUDITOR APPOINTMENT

Julie Cerio stated the Agency RFP's every 3 years for an auditor and this year we did the same. She stated we received requests back from The Bonadio Group and Grossman St Amour and 1 replying they are not interested. She stated both were reviewed and Grossman St Amour was a little more expensive. She stated Michael Lisson from Grossman St Amour does our audits for OCDC and CRT. She stated Grossman St Amour is staff's recommendation. She stated we work very hard to be separate from the County and The Bonadio Group does the County audit. She stated there have been a couple times where there were questions and there was a conflict involved. She stated it is their responsibility to let us know if there is a conflict but there is also a point where we need information without a conflict.

Upon a motion Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution appointing Grossman St Amour PLLC as OCIDA auditor for 2017- 2019. Motion was carried.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 8:49 am. Motion was carried.


Isabelle Harris, Secretary