

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
January 9, 2018

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, January 9, 2018 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  
Fanny Villarreal

DELAYED:

Steve Morgan

ABSENT:

Victor Ianno  
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  
Dinesh Ramanathan, NexGen Power Systems  
Victoria Frankenburg, NexGen Power Systems  
Narayanan Karu, NexGen Power Systems  
Jennifer Granzow, Wladis Law Firm  
Bruce Smith, Wood and Smith  
Bruce Van Schaick  
Ken Bush, Onondaga County Legislature  
Mitch Latimor, Carpenters Union  
Jim Mason, Carpenters Union  
Aggie Lane, UJTF

APPROVAL OF REGULAR MEETING MINUTES – DECEMBER 12, 2017

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the regular meeting minutes of December 12, 2017 with change. Motion was carried.

## TREASURER'S REPORT

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

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

## PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #414 totaling \$26,204.00.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the Payment of Bills Schedule #414 for \$32,361.94. Motion was carried.

## CONFLICT OF INTEREST DISCLOSURE

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

Patrick Hogan welcomed County Legislator Ken Bush.

## NEXGEN POWER SYSTEMS, INC.

(Steve Morgan arrived at meeting)

Dinesh Ramanathan stated NexGen is a company that builds power semiconductors out of gallium nitrate. He stated gallium nitrate is a compound semiconductor with 2 semiconductors mixed into it. He stated they address a large market with about \$3.1 billion to begin with and going to \$9.4 billion total. He stated they have about 78 patents all of which have been issued or allowed. He stated there is a significant amount of intellectual property they have created around this particular space and it is in process engineering which is how they work with gallium nitrate; how to attach metals to it and how do they make it so it functions like a transistor or a switch. He stated the switches can switch high voltages at very high switching frequency. He stated if you can switch high voltages at high frequency you can make power supplies very small and

significantly more efficient for their customers. He stated their target applications are power supplies for data centers which is a growing market. He stated motor drives for just about every application is a huge value with the technology and solar emergers. He stated solar emergers convert DC power into AC power. He stated they can optimize and make that conversion more efficient than it happens today. He stated those are the 3 areas they are focused on to begin with and as the company grows they will expand and adapt the \$9.4 billion market they have in place. He stated the facility is a state of the art manufacturing facility. He stated there is always a power supply that comes with a computer that plugs into the wall to charge your battery. He stated that is a switch mode power supply and converts AC power coming out of the wall socket into DC power which is what all electronics work on. He stated every system in the world has this type of conversion because AC is used to supply power to everybody in the Country. He stated the converters are between 85-90% efficient which means 15 watts is actually getting dissipated in heat. He stated part of what they bring to the table is the ability to increase the efficiency of these power supplies significantly and being much more efficient and dissipating less heat so they can shrink the size too. He stated the same thing that applies to the laptops applies to motor drives and solar conversation. He stated solar does the exact opposite by taking DC power from the sun and converts it to AC so you can feed it into the grid. He stated they actually plan on making that conversion more efficient so you get more energy from the sun converted into energy to the grid. He stated they will do their R & D and manufacturing at this facility with this brand new material. He stated the facility in Syracuse is going to be a place where they will do a significant amount of R & D as well as manufacturing to satisfy their customer needs. He stated the mix of jobs is going to be both R & D and manufacturing.

Patrick Hogan stated we are talking about 230 jobs. Dinesh Ramanathan stated 290 jobs total at the end of 5 years.

Patrick Hogan stated they are asking for a 15 year PILOT. Nate Stevens stated yes and the details are in the packet.

Patrick Hogan stated they are also receiving money from the State of New York. Dinesh Ramanathan agreed and said they are receiving money from the State of New York to buy the equipment and the equipment is the basis that they would do R & D and manufacturing.

Steve Morgan asked who the main competitors are. Dinesh Ramanathan stated there are smaller companies which are competitors and there are bigger companies looking at the smaller companies playing themselves out. He stated there are a slew of companies in that market.

Steve Morgan asked if the big computer companies like Intel make their own semiconductors or do they contract with companies like NexGen to make them. Dinesh Ramanathan stated Intel does something very different and they make their own semiconductors in their manufacturing facility, which are mostly in the United States.

Fanny Villarreal asked if there is opportunity for local members of the community. Dinesh Ramanathan stated there will be and they are thinking about jobs in 2 ways. He stated there are R & D jobs and technical manufacturing jobs. He stated they will have jobs for college grads that come in that know how the machines work and the chemistry that goes into the machine. He stated there are also technical operator jobs that know how the machine works and can come in and run the machine on a regular basis.

Fanny Villarreal asked how much more or less will those jobs be paid. Dinesh Ramanathan stated they are relatively balanced. He stated there are more operator jobs than technical jobs because operator jobs run on a shift whereas the technical jobs are 8 to 6. He stated it depends on what machine people are working at but these are high paying jobs and not minimum wage jobs.

Janice Herzog asked what level of education is NexGen looking for. Dinesh Ramanathan stated they expect to have electrical engineering graduates that will be their R & D engineers and technical operators who operate machines which will be high school plus. He stated they are willing to train people on the machines.

Patrick Hogan stated NexGen will do outreach to the various educational institutions. Dinesh Ramanathan stated yes. He stated they are big believers in making sure that 1/3 of their organization is new college graduates because those are the people who are easiest to influence from culture perspective.

Susan Stanczyk stated in the application it says zero sales in Onondaga County and asked if they see any potential customers here. Dinesh Ramanathan stated not at this point in time.

Susan Stanczyk stated it was mentioned there might be something in the electric cars industry. Dinesh Ramanathan stated there is but he does not know who is setting up shop in Onondaga County from electric car company at this time. He stated if there are contacts they would be happy to go and talk to them but he doesn't know of any today.

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

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Project Applicant and Agency for the NexGen Power Systems, Inc. project. Motion was carried.

#### UNITED RADIO

Patrick Hogan stated a public hearing was held on January 4. Isabelle Harris stated the assessor attended but there were no comments.

Jennifer Ganzow stated she works for Wladis Law Firm and represents United Radio. She stated the company has been in the Syracuse and Central New York area for about 100 years founded originally as a one man repair shop downtown and still family owned and operated. She stated it is located on Enterprise Parkway in DeWitt. She stated there are 4 buildings on the property and they own 2 and occupy 3 so the project involves purchasing the additional 2 buildings and renovating the one they don't currently occupy. She stated United Radio does business here in CNY and they also have a facility in Georgia but ¾ of their workforce is here in the Syracuse area. She stated they employ about 550 people total and 430 in CNY. She stated the average wage is in excess of \$41,000. She stated they work in the consumer and automotive electronics business as well as drone repairs.

Jennifer Ganzow stated there is a discrepancy in the application between the taxable expenses and the actual figure and the correct number is \$51,000. She stated the breakdown is security

and access materials is \$18,000, furniture and fixtures is \$8,000, equipment is \$15,000 and phones is \$10,000 for a total of \$51,000. She stated it is a difference of \$26,000.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution for SEQR purposes determining that the United Radio 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 Janice Herzog, the OCIDA Board approved an inducement resolution for a straight lease transaction for the United Radio project consisting of the renovation of manufacturing space in the Town of DeWitt. Motion was carried

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

#### SPECIALISTS' ONE-DAY SURGERY, LLC

Patrick Hogan stated a public hearing was held and he is sure the Board received the comments.

Julie Cerio stated Specialists' One Day Surgery, LLC has withdrawn their request for a PILOT and are only requesting sales tax relief.

Patrick Hogan stated Specialists' One-Day Surgery, LLC is spending \$13,000,000. Bruce Smith stated yes.

Tony Rivizzigno stated there was a piracy comment at the public hearing about moving something from one place to another. He stated the statue that was referred to in the minutes is not what the statute says. He stated the statute refers to industrial manufacturing and this is obviously not an industrial manufacturing situation. He stated in addition the statute was designed to prevent removal from one IDA in the state to another IDA in the state, not within a county. He stated he would like to bring to the Board's attention to Tessy Plastics which is a perfect example of a company that is in Onondaga County but in 3 different towns because they

have expanded each time. He stated Tessy is obviously a very successful company. He stated the referral that we were stealing from one place and moving it to another does not apply at all.

Bruce Smith stated they are located on maybe 1/3 of an acre on Intrepid Lane, they have a 16,000 square foot facility, and they are a busiest by a factor of 20% of outpatient orthopedic surgery centers in the State of New York. He stated they are completely out of space and the new facility which will handle just orthopedics is 3 times the size so even if they wanted to expand on the current site it would be physically impossible. He stated they are going to be renovating the current space to be used as a pain center.

Tony Rivizzigno stated the point is they are not closing the current facility and it is going to stay open. Bruce Smith agreed and said they have no choice but to move out of an overcrowded 1989 built surgery center.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution for SEQR purposes determining that the Specialists' One-Day Surgery, LLC project will not have a significant effect on the environment and requires no further environmental review. Motion was carried.

Upon a motion by Fanny Villarreal, seconded by Janice Herzog, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Specialists' One-Day Surgery, LLC project consisting of the development of surgical space in the Town of Cicero. Motion was carried

Upon a motion by Fanny Villarreal, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the execution and delivery of closing documents. Motion was carried.

Bruce Smith stated this is going to be a great project and they appreciate the Agency's support.

#### L & JG STICKLEY COMPANY

Tony Rivizzigno stated the lease has expired and we are just doing a termination.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution terminating the lease and PILOT for L and JG Stickle Company. Motion was carried.

Julie Cerio stated she is not sure if everyone has read the statute but she wanted to clarify for everyone that we are called the industrial development agency and the statute specifically lists the kinds of projects we can do. She stated commercial projects are on the list and they give a running list with about 15 projects that the Agency can help with. She stated she would be happy to give the Board a copy of the statute.

Tony Rivizzigno stated the list of these projects has been in existence for at least 20 years so there are a lot more than industrial. He stated some people think that is all the Agency can do but that is not true.

Patrick Hogan stated Isabelle Harris put together a list of projects the Agency has approved and many are industrial.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board adjourned the meeting at 8:34 am. Motion was carried.



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Isabelle Harris, Secretary