

Onondaga County Industrial Development Agency
Regular Meeting Minutes
October 19, 2017

A regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, October 19, 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 9:30 am with the following:

PRESENT:

Janice Herzog
Victor Ianno
Steve Morgan
Susan Stanczyk
Fanny Villarreal
Kevin Ryan
Patrick Hogan

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
Chris Andreucchi, Harris Beach
Travis Glazier, Office of the Environment
Holly Granat, Office of the Environment
Ryan McMahon, County Legislature

CONFLICT OF INTEREST DISCLOSURE

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

SHINING STARS DAYCARE, INC.

Julie Cerio stated Chris Andreucci is here today because Tony Rivizzigno represents Shining Stars Daycare.

Chris Andreucci stated Shining Stars is looking to close quickly and everything is all set. He stated the project is less than \$100,000 so there is no public hearing needed.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution appointing Shining Stars Day Care, Inc. as its agent to undertake the project, authorizing the execution and delivery of an agent, finance assistance and project agreement, lease agreement, PIOT agreement and related documents with the company with respect to the project, authorizing financial assistance to the company in the form of a sales and use tax exemption for purchases and rentals related to the project and an exemption from mortgage recording taxes as permitted by New York law and authorizing the execution of a mortgage and related documents. Motion was carried.

OCIDA LEGAL APPOINTMENT

Patrick Hogan stated 3 proposals were submitted. Nate Stevens stated they have all been distributed via the drop box.

Julie Cerio stated there was a mix up with FedEx where they delivered the Harris Beach RFP to the building and someone in the building signed for it but never gave it to us for a week. She stated RFPs have very strict standards as to when we can take things in. She stated Harris Beach technically had got the RFP in on time so we put it off for a month to resend the RFP.

Julie Cerio stated we are not stuck with a certain firm but Tony Rivizzigno has always been very receptive, answers our calls immediately and has been nothing but professional. She stated he has done a great job for OCIDA and staff recommendation is to keep Gilberti Law Firm as our counsel.

Kevin Ryan asked what Harris Beach's role is with OCIDA. Julie Cerio stated we also RFP'd for special counsel so we have those coming before the Board at the November meeting. She stated we review the list if we need special counsel when needed for conflicts.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution appointing Gilberti Law Firm as legal counsel for the years 2018-2020. Motion was carried.

FORMER SYROCO PROPERTY DISCUSSION

Ryan McMahon stated the Agency did a project with Tessy Plastics in Van Buren recently and shortly after that the Supervisor in Van Buren approached him about the property next door which is an abandoned Syroco property. He stated Syroco has gone bankrupt and the property is a real problem for the residents of that community. He stated it is a real blight. He stated Supervisor Sykes talked to Roland Beck at Tessy Plastics about what is next. He stated this Board has done many projects with Tessy and they are a tremendous company and asset for our community. He stated after conversations with Mr. Beck and his team they have come to a framework and the Legislature has started a process for the Board to consider where they would take this property that has delinquent taxes off the auction eligibility list and then pass a resolution allowing them to transfer the property to the IDA if they deem fit. He stated the concept would be the IDA would partner with Tessy to take the building down and it would be there for a better use in the immediate near term for Tessy to use for various staging, various parking they need for their facility. He stated Tessy had the intention to have some development there in the future. He stated the property has some small environmental issues but nothing like the Roth site. He stated it fits the modal of what OCIDA has been doing throughout the community by going into blighted properties and get these properties to be or close to be performing assets again. He stated we have a private sector partner who wants to partner with us and has been a tremendous partner for some time. He stated there are no specifics on what their next project will be but with any of their projects there are new property and new jobs. He stated he is excited about it because the property is a real problem and visually very troubling for that community. He stated from a community and economic development standpoint it makes sense.

Victor Ianno asked how big the parcel is. Travis Glazier stated the parcel of several acres.

Victor Ianno asked what responsibilities the IDA will assume taking title. Ryan McMahon stated he believes some is stated in the resolution today and some the lawyers will work out. He stated essentially it depends on how the deal is struck but will most likely be a lease.

Travis Glazier stated in 2011 when Syroco was running into cash issues a major spill was discovered from a leaking hydraulic fluid tank under the sub slab of the facility. He stated it is managed through a series of barriers which are then back trucked out on a biannual basis. He stated it was implemented by the DEC and all the monitoring wells were paid for by the DEC

with no contributions from Syroco. He stated Syroco filed for bankruptcy protection and did an abandonment of the property. He stated they are pursuing payment via the Attorney General's office with Syroco but they don't anticipate ever getting paid. He stated it is an annual cost of about \$10,000 to \$15,000 a year to have a back truck come and take out this deposit area. He stated the spill is making its way through ground sources to an outlet then back trucked out via series of wells. He stated it is monitored on a regular basis. He stated Harry Warner from the spill unit is a regional person and keeps close tabs on this. He stated they don't intend to pursue anything beyond this spill and they want to see the spill managed. He stated there is a wetland adjacent to the spill they are monitoring. He stated it is being managed and maintained currently by the DEC. He stated they have a 5 to 8 year path we can follow for what steps they took to get to where they are at. He stated it is a manageable plan.

Victor Ianno asked if OCIDA acquires the property is there any way they can push that out to us. Ryan McMahon stated we would be working with the DEC and they have already had conversations with the Attorney General's office. He stated there is an outstanding bill for flushing the property so he thinks if the IDA were to take this endeavor on that would be a positive in the eyes of the Attorney General's office who's responsible for trying to recoup these funds. He stated the ongoing maintenance would become an issue for Tessy.

Kevin Ryan stated the reality is it is unlikely we will find any other private sector developer to come in and utilize this property with the space constraints and the environmental issues that exist. He stated if we don't do this and if Tessy doesn't take it over it will likely to continue in its present state. Travis Glazier stated if it goes to a private party the Attorney General will likely try and recoup part of that \$300,000 from whoever takes it.

Ryan McMahon stated there is a basic framework. He stated Tessy is not willing to cover the full deconstruction cost. He stated the framework that has been discussed is that OCIDA would go out and see what it costs to take the property down and the Agency would then enter into a lease with Tessy. He stated as long as the slab exists over where the spill there is no more environmental issues with the exception of draining the current spot on the property. He stated if the slab was removed for development in the future, the Agency would have to deal with those issues at that point and Tessy is aware of that.

Victor Ianno asked who is on the hook with liability if anything happens on the property. Tony Rivizzigno stated the liquid spill is there and that is not going to change but there is no other person or activity to cause any other environmental problems. Julie Cerio stated once we take it over we will have insurance and we have received quotes. Tony Rivizzigno stated there will be lengthy discussions in terms of all these issues so that when we do pull the trigger we will know all the answers.

Patrick Hogan stated he would like to commend the Chairman of the Legislature and recognize Legislator Ryan. He stated in reality we are the vehicle that can make this happen. He stated this is real economic development because we are taking property that no one would probably address except us. He stated Tessy is great company and they generate a lot of jobs.

Janice Herzog asked how big are the hydraulic tanks and how big was the spill. Travis Glazier stated the estimated spill is about 150,000 gallons and they are pulling out between 1,800 and 2,000 gallons a year.

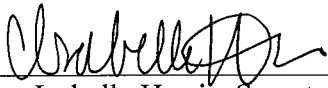
Travis Glazier stated DEC really wants to see progress on this property. He stated they are out money each year on something they will never be able to recoup the costs on. He stated they like the idea of a municipal responsible party they know they can have a relationship-with so they are going to work with us. He stated they expressed they are excited about the potential.

Ryan McMahon stated this was costing the County hundreds of thousands of property taxes. He stated the towns do the assessment and the assessment is what a functional commercial property would be. He stated the County holds towns harmless so the town gives the county an assessment bill and its paid to the towns while we have not been collecting so there is a huge gap. He stated by taking this property on the County taxpayers are going to be saving.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing Gilberti Law Firm to enter into discussions with Onondaga County for the transfer of property being acquired by the County in the Town of Van Buren and to consider development of such property. Motion was carried.

Julie Cerio stated Nate Stevens and Isabelle Harris are going to Munich, Germany to further market White Pine and Isabelle Harris has secured half the funding for the trip from National Grid.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 9:58 am. Motion was carried.



Isabelle Harris, Secretary