Onondaga County Industrial Development Agency
Regular Meeting Minutes
November 10, 2015

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, November 10, 2015 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Daniel Queri called the meeting to order at 8:03 am with the following:

PRESENT:
Daniel Queri
Victor Ianno
Patrick Hogan
Lisa Dell
Janice Herzog
Steve Morgan

DELAYED
Jessica Crawford

ALSO PRESENT:
Julie Cerio, Executive Director
Honora Spillane, OCIDA, Secretary & Treasurer
Karen Doster, Recording Secretary
Steven Coker, Office of Economic Development
Tony Rivizzigno, Gilberti Law Firm
Sara Wisniewski, Gilberti Law Firm
Tim Garaets, Feldmeier Equipment, Inc.
Sarah Stephens, Synapse/Feldmeier Equipment, Inc.
Sarah Gaffney, OCC
Mike Metzsgai, OCC
Susan Tormey, OCC
Chris Andreucci, Harris Beach (via teleconference)
Kevin McAuliffe, COR Development Company
Joe Gerardi, COR Development Company
Brenda Colella, COR Development Company
Ed Kelly, CP850, LLC

<u>APPROVAL OF REGULAR MEETING MINUTES – OCTOBER 6, 2015</u>

Upon a motion by Patrick Hogan, seconded by Victor Ianno, the OCIDA Board approved the regular meeting minutes of October 6, 2015. Motion was carried.

APPROVAL OF SPECIAL MEETING MINUTES – OCTOBER 13, 2015

Upon a motion by Janice Herzog, seconded by Lisa Dell, the OCIDA Board approved the special meeting minutes of October 13, 2015. Motion was carried.

TREASURER'S REPORT

Honora Spillane gave a brief review of the Treasurer's Report for the month of October 2015.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Treasurer's Report for the month of October 2015. Motion was carried.

PAYMENT OF BILLS

Honora Spillane gave a brief review of the Payment of Bills Schedule #388.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #388 for $892,501.987 and PILOT payments to Town of DeWitt for $9.35, Town of Onondaga for $1.90, Jamesville DeWitt Schools for $61.18, City of Syracuse for $948.58 and Onondaga County for $609.91 Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

FELDMEIER EQUIPMENT, INC.

Tim Garaets stated that Feldmeier has been in the current facility for 25 years and expanded over the years. He stated they are at the point where they can't grow anymore, the land doesn't allow for more growth and need more office space. He stated over the next 5-10 years they plan on moving the Little Falls engineering staff to Syracuse which will be advantageous for the company. He stated Syracuse specializes in the pharmaceutical market and they've been told the next 7 years is going to be a tremendous expansion in that business. He stated they believe they have an opportunity to grow the market in Syracuse and fulfill the needs for various pharmaceutical companies. He stated the existing facility is not laid out properly because of expansions over the years and the new facility needs some renovations so they will be able to lay out perfectly to gain efficiencies with the operation.

Steve Morgan asked if this is an existing building or completely new building. Tim Garaets stated that it is an existing building off Henry Clay Boulevard.

Lisa Dell asked what Feldmeier manufactures. Tim Garaets stated that at the Syracuse location they manufacture stainless steel storage and processing tanks for the pharmaceutical market.

Janice Herzog stated that Feldmeier is retaining jobs but not adding jobs and asked if they expect to add jobs with increased production. Tim Garaets stated they will have to add as business increases. He stated that they do have some automated equipment but pretty much everything is custom.

Steve Morgan asked if there is manufacturing in Little Falls or just engineering. Tim Garaets stated there is manufacturing and they produce tanks for some pharmaceutical but primarily for the dairy, cosmetic and beverage industries. He stated that they specialize in the larger tanks and cosmetic agitation. He stated that the plant has been there for over 100 years.

Janice Herzog asked if Syracuse is the headquarters. Tim Garaets stated yes.

Steve Morgan asked what other states are they in. Tim Garaets stated Iowa, Nevada Alabama and Nevada. He stated that they have 6 plants in 4 states. He stated that because the tanks are quite large they decided they wanted plants scattered throughout the country to get freight advantage.

Pat Hogan asked if a PILOT agreement will come back before the Board. Dan Queri stated yes.

Pat Hogan asked if it will be the standard PILOT. Honora Spillane stated she believes so.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution describing the proposed Feldmeier Equipment, 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 Lisa Dell, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer and the Agency for the Project. Motion was carried.

435 NORTH SALINA STREET

Honora Spillane stated that originally OCIDA was buying the building for $99,000 from the Land Bank which the closing is next week. She stated that as the budget got flushed out for the rehab of the building they met with the CFO, Tony Rivizzigno and the head of OCC's workforce development program to see if there was a possibility the Agency could help OCC with the operating costs year to year. She stated OCC is putting in a significant amount of capital up front to improve our asset and this would help ease their burden over the 5 year lease term.

Julie Cerio stated that one of the things she wants to remind the Board is that the Agency is restricted on what we can fund. She stated that we are not supposed to be building our fund bank but spend it on creating jobs and creating opportunities. She stated that this is going to create ongoing opportunities for years to come.

Victor Ianno asked what happens at the end of 5 years. Honora Spillane stated that the lease has renewal terms and she believes OCC has plans to be in this for the long haul.

Janice Herzog asked if that would come back to the Board. Tony Rivizzigno stated that the options are already included in the lease with one five year term and 2 options for 5 more.

Victor Ianno asked if they will be at the same price. Honora Spillane stated essentially we were going to pay back the purchase price over 5 years. She stated that in this case we are saying thank you for improving our assets.

Jessica Crawford asked what the different in the investment that was initially discussed versus now. Honora Spillane stated the budget originally was somewhere under $100,000 of the investment by OCC and now it is over $250,000.

Jessica Crawford asked if the investment initially was $100,000 flat or over so many years. Honora Spillane stated that it was initially to get the building ready for operations. Julie Cerio stated that rather than taking rent from them we are going to let them improve our asset. She stated that this can open up some of OCC's capital.

Victor Ianno asked if the lease has a provision if they leave the building in five years. Tony Rivizzigno stated that the work that they were going to do was discussed it didn't get much further than the dollars and cents. He stated that it is a lease so it is our building and whatever they put into it stays with the building and they can't take it back.

Dan Queri asked what the annual expense will be on the building. Honora Spillane stated about $40 a year for special district charges and all insurances are covered under our umbrella already. She stated that OCC will be insuring all the activity inside the building, maintenance and utilities.

Dan Queri asked if there is a quote for the roof yet. Honora Spillane stated that the quote is about $26,000. She stated they are going to winterize it and put on a whole new roof in the spring. She stated that it is well within the $200,000 the Agency already allocated.

Daniel Queri stated that in general percentages how much of the investment is towards the shell for capital improvement and how much is towards equipment. Honora Spillane stated that when you look at the line item budget you are talking HVAC, new windows, new doors, masonry, upgrades to the 2nd floor, fire protection and there is a lot they are doing to the building.

Dan Queri stated that we approved $99,000 on the acquisition. Honora Spillane agreed.

Victor Ianno stated that $27,000 is for one roof. Honora Spillane agreed. Tony Rivizzigno stated that we still haven't done anything on 437 yet.

Jessica Crawford stated that she thought there was some discussion about the Agency purchasing some of the older equipment. Dan Queri stated that it didn't work out.

Dan Queri stated that OCC is putting out about $250,000 of their own money into physical improvements, both equipment and physical. He stated that the Agency approved up to $200,000, spending $99,000 to acquire it through the Land Bank, spend $26,000 to put a new roof on it and other than that it is special districts fees are the only expenses. He stated that based on the first approval leaves about $75,000 relative to 437. Julie Cerio agreed. Honora Spillane stated that we incurred some costs for clean out of the building and things like that and it is on payment of bills.

Pat Hogan asked if this will all be done by local folks. Sarah Gaffney stated that they will and these are grant funds so they are required to use local.

Dan Queri asked if the students will get involved in the design piece. Sarah Gaffney stated that the timeline on this project is fairly aggressive and would like to get training happening so she doesn't think there will be time for a connection but typically OCC does when there is an opportunity. Sue Tormey stated that if there is an opportunity or window they will.

Dan Queri asked the timeline. Sarah Gaffney stated they would like to start operating early spring.

Dan Queri asked what cost if any has OCC incurred so far in order to be ready to react. Sarah Gaffney stated that they brought in an architect to look at the space and the 85% is going into substantial building improvements.

Pat Hogan asked how many students are involved in this. Mike Metzsai stated that in terms of shifts the restaurant will hold 14 students. He stated that in a 6 month cycle they will look at about 30 to 35 per year. He stated that they run on a competency based format so people with skills can move along a bit more quickly so that is a conservative estimate.

Julie Cerio stated that OCC is partnering with CenterState CEO who get them into their own restaurant not working for someone else. She stated that 14 new restaurant businesses have started as a result of this training of which OCC is going to join in and partner with. She stated that it is 14 new businesses, not just 14 jobs.

Sue Tormey stated that it's win-win for the neighborhood, the community, the college and employment opportunities. She stated that it's a good partnership and appreciate the opportunity.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution approving the changes in the lease term with Onondaga Community College. Motion was carried.

SYRACUSE APARTMENTS LLC

Honora Spillane stated that she has been in touch with the project counsel and they are moving forward.

Julie Cerio stated that they came and presented at the last Board meeting and the public hearing was held.

Jessica Crawford asked if there was any feedback at the public hearing. Julie Cerio stated that the office received a letter from the City of Syracuse saying they believe they would be the best people to go forward with the project.

Jessica Crawford stated the City IDA believes they would be the better. Julie Cerio stated yes. She stated that the project can go before SIDA or OCIDA.

Jessica Crawford stated that she is not necessarily satisfied with their response the last time as to why they didn't go through the City. She stated that she doesn't feel that they have demonstrated a lot of support. She stated that it was he said-she said, there are no letters of support, there is nothing from the community groups, the University to demonstrate support for the project. She stated them not being here speaks volumes.

Lisa Dell asked if the project can be tabled until we get them here. Julie Cerio stated that they are not required to come. She stated that they came the first time to present and this is the meeting to decide to give them benefits or not. She stated that the Board could table it but they would like to get moving. Honora Spillane stated that the financing is contingent on the Agency voting.

Dan Queri asked for an explanation of the PILOT request. Honora Spillane stated that they asked for a 30 year PILOT which the Agency doesn't do so they would be looking at the 12 year community benefits PILOT since they are investing a significant amount of capital into a less than great corner of the city. She stated the Agency's standard 12 year starting first 3 years with abatement on the improvements and then the sliding down 10% per year.

Victor Ianno asked if this was the organization that had an investor that was looking to sell his equity. Honora Spillane stated that she believes that is ongoing but the majority partner is looking to move forward.

Lisa Dell asked why the project didn't go to the City. Tony Rivizzigno stated that Mr. Terwil said there is more bureaucracy in the City. Julie Cerio stated that is true and we don't go through the Legislature for our projects. She stated that the City process goes through the Common Council and the process can take up to 2 years where OCIDA has a turnaround of about a month.

Jessica Crawford stated that is why she questions why he wouldn't move forward with it regardless and she wasn't satisfied with his response to that either. She stated that if he is so invested than why he hasn't done this already. She stated that she had a lot of questions about it.

Pat Hogan stated that he doesn't think they would get the same financial support from SIDA.

Victor Ianno asked if the subdivision is urgent. Julie Cerio stated yes and everything is tied to the lending institution.

(Chris Andreucci called in)

Jessica Crawford asked about the logic or thought process for not going through City versus the County and asked for clarification on that. Chris Andreucci stated that he did not partake in the decision and he was engaged after the decision was made. He stated that if he recalls last time Sam

Terwil indicated there were a number of factors one being the County process was more streamlined and the need to get through the process quicker because they wanted to start construction this year.

Jessica Crawford asked why the time frame is so critical. Chris Andreucci stated that the construction needs to get going in November or December because winter months they can't do borings or footings.

Pat Hogan stated that he thinks we need to look at the value of the project on its face value and not worry about what SIDA or the City wants to do. He stated that he doesn't think this will be the first project that will come before OCIDA that is located in the city unless we make decision to lock ourselves out of the city.

Jessica Crawford stated that she thinks it is more about the motivation. She stated that her question is why and is there a reason for going specifically where it is not vetted properly meaning community feedback.

Honora Spillane stated that they have been through the SEQRA process. Chris Andreucci agreed and stated that SEQRA and the public hearing have been done so it is not like the projected hasn't been vetted, it was simply that they wanted to get through the IDA as quickly as possible and they felt OCIDA was more streamlined.

Dan Queri asked if the project site review approved through the City. Chris Andreucci stated yes.

Pat Hogan asked if the zoning is all done. Tony Rivizzigno stated yes.

Pat Hogan stated that sometimes the process through the Common Council is long and laborious process.

Victor Ianno stated that at the last meeting there was discussion about selling equity of the project and asked if that is all settled. Chris Andreucci stated that it is settled and the sale will likely take place in mid-December. He stated that the project applicant is the owner and operator of the project and it will remain the same so the application will remain the same.

Steve Morgan asked what percentage will Sam Terwil have after that transaction. Chris Andreucci stated that he is not sure exactly but he can find out and let Julie know.

Jessica Crawford asked since the last time we met is there anything formal in writing, letters of support from community organizations or the University for the project. Chris Andreucci stated that he doesn't but a public hearing was held and nobody showed up and there was no opposition.

Chris Andreucci stated that he is sorry he wasn't there in person and he is happy to answer any questions the Board has. He stated that he hopes this is sufficient to advance the project.

Upon a motion by Janice Herzog, seconded by Pat Hogan, the OCIDA Board approved a resolution for SEQRA purposes concerning the environmental significance of the Syracuse Apartments LLC project as an unlisted action and will result in no significant adverse environmental impact. Motion was carried.

Upon a motion by Pat Hogan, seconded by Lisa Dell, the OCIDA Board approved a resolution for a straight lease transaction for the Syracuse Apartments, LLC project consisting of the development of commercial space in the City of Syracuse. Motion was carried.

Upon a motion by Pat Hogan, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the terms, execution, and delivery of a Payment in Lieu of Tax Agreement for the Syracuse Apartments, LLC project. Jessica Crawford opposed. Motion was carried.

MORGAN B'VILLE APARTMENTS, LLC

Upon a motion by Lisa Dell, seconded by Steve Morgan, the OCIDA Board approved a resolution approving the terms of the Lease Agreement between Morgan B'Ville Apartments, LLC and the Agency for its project in the Town of Van Buren. Motion was carried.

Upon a motion by Victor Ianno, seconded by Jessica Crawford, the OCIDA Board approved a resolution authorizing the terms, execution, and delivery of a Payment in Lieu of Tax Agreement for the Morgan B'Ville Apartments, LLC Project. Motion was carried.

COR INNER HARBOR DEVELOPMENT

Kevin McAuliffe stated that COR Inner Harbor Company LLC has filed an application with OCIDA to seek an inducement. He stated that grossly this is almost 1,500,000 square feet of proposed development in a lot of different categories all of which are consistent with the City of Syracuse Vision 2040. He stated that the idea is to provide a combination of residential, retail, office, hotel, parking facilities all with pedestrian friendly environment. He stated that COR is asking the Agency to induce this as a single project which has to be approved by the City of Syracuse Planning Commission. He stated that as they move forward and identify who the tenants and sizes they would spin them out into projects rather than inducing each one individually. He stated that there will be about 1,000 construction jobs over 5 – 10 years. He stated that COR has the right to pull down the various parcels pursuant to a disposition agreement with the City. He stated that this was all Canal Corp. land at one point and has various states of environmental remediation which has occurred. He stated that corrective measures need to be taken when construction begins but it is all ready to be developed. He stated that the Board was provided a concept plan which identifies the lot areas but no building will ever be finalized until they identify the tenants . He stated that the total investment is roughly $320,000,000 based upon square footage. He stated that COR is going to finance it in pieces as they go along thus the need for subprojects because in today's market you can't finance an entire project like this with one lender in a single financing structure. He stated that you have to break it out and use single purpose entities. He stated that it will have its own LLC, if that is the entity of choice, and they will separately finance, own and operate each one of the buildings all under the COR blanket.

Lisa Dell asked if there are any potential tenants. Joe Gerardi stated that they are working with a number of potential projects but none they are prepared to publically announce.

Steve Morgan asked about the educational building #5. Joe Gerardi stated that is the location of what was the OCC satellite campus and they are continuing to work with SUNY ESF and OCC. He stated that OCC is considering being part of the SUNY facility as well.

Steve Morgan asked if the parking will on the other side of Rennsalaer. Joe Gerardi agreed.

Pat Hogan stated that public access to creek walk was brought up numerous times before the common council. He stated that this project is a vision that is finally realized. Joe Gerardi stated that public access was always a big part of the project even when the Canal Corp had it and then when the City had it. He stated that it was deeded to the City with the understanding that those public access ways would be continued. He stated that the City is going to continue to own the parcel where the parking lot and amphitheater are. He stated that where the Creek Walk continues there is a sliver of land along the water way that will continue to be public.

Victor Ianno asked if they anticipate this to be done in the next 6 to 10 years. Joe Gerardi stated that it is really difficult to put a real hard window on it but within the next 5 – 10 years is a window.

Dan Queri asked what land is remaining to be taken down to a disposition agreement. Joe Gerardi showed on map of breakdown of parcels. He stated that the disposition agreement was divided into 5 basic parcels. He stated that they own 4 out 5 parcels with the parcel on Solar Street being the only one left to take down under the disposition agreement and they have until 2022 to purchase it.

Janice Herzog asked what the rent levels are for the residential area. Joe Gerardi stated that they are all market rate and it will depend on the market when they come out of the ground. He stated that the construction cycle will be about 18 months and at that time they would set the market rent based not only on what is happening around them but based on what kind of amenities they have in the apartments and what kind of finishes.

Janice Herzog asked if their vision is to have them high end. Joe Gerardi stated that in terms of mixed use they will have mixed uses in terms of apartment finishes too.

Steve Morgan stated that he understands there isn't a layout of how this whole thing will unfold based on the demand but what is COR's first 3 to 5 things that they see happening first. Joe Gerardi stated that 1A will be the first one and the SUNY facility will start about the same time. He stated that one of the things they are preparing to do is go back and get some municipal approvals from the City because they have another hotel. He stated that they will be preparing for that probably later next year.

Dan Queri asked if the loft is slated for June 16 and asked how many units are in it. Joe Gerardi stated yes and stated there are about 130 rooms.

Dan Queri asked what services are offered. Joe Gerardi stated that it is limited service. He stated that the concept of the Loft is Life Style brand so there will be beverages, breakfast items and lunch items, a bar but not a full restaurant.

Steve Morgan asked if there are concerns about parking. Joe Gerardi stated that the parking across from the hotel is designed to serve not only the hotel but the uses along solar street as well. He stated that depending on the sizes of the uses as they come online, there certainly will be parking structures that they will need to consider locating at various places throughout the project.

Janice Herzog asked if we can structure the PILOT without having anything set. Honora Spillane stated yes.

Upon a motion by Victor Ianno, seconded by Pat Hogan, the OCIDA Board approved a resolution describing the proposed COR Inner Harbor Development 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 Victor Ianno, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer and Agency for the project. Motion was carried.

CP 850 LLC LOCAL LABOR WAIVER

Ed Kelly stated that the problem is this project is smaller than Morgan Development project and it's having a ripple effect in terms of the contracting work for the project. He stated that bids went out to 13 local firms and 4 gave acceptable proposals. He stated that they awarded the work to one of the local firms and scheduled them to do the work but the day before they backed primarily because the supervisor was injured. He stated that the 3 other firms that gave qualified bids turned it down because they didn't have the time or effort to do it. He stated that the 8 other firms that submitted proposals were all at least 50% more or higher. He stated that there is an urgency in getting the work done so they awarded the work to a firm in Monroe County just outside of our jurisdiction. He stated that they are using their own local forces for site work and bidding out everything else. He stated that so far for balance of the work they have not been having problems.

Julie Cerio stated that she emailed the Board about the various companies they reached out to and it appears they have done their due diligence.

Dan Queri stated that he assumes permits are in place, financing is in place. Ed Kelly stated yes. He stated that they did go ahead and started the masonry work just to keep on it on schedule. He stated that have a series of other contractors lined up with committed dates.

Dan Queri asked if this contract is specifically for Phase 1 so when Phase 2 comes online the goal is to utilize local labor. Ed Kelly stated yes.

Upon a motion by Lisa Dell, seconded by Steve Morgan, the OCIDA Board approved a resolution waiving the Agency's local labor policy for site and masonry work on the CP 850, LLC project. Motion was carried.

TARGET PROJECT TERMINATION

Honora Spillane stated that the lease has expired so we are terminating the lease and will be put back on the regular tax rolls.

Upon a motion by Lisa Dell, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the execution and delivery of certain reconveyance documents as the Project's lease with the Agency has expired. Motion was carried.

WELCH ALLYN

Tony Rivizzigno stated that Welch Allyn has been taken over by another company. He stated that they are reorganizing their real estate holdings and all they are really doing is changing the name of one company to another. He stated that they requested the Agency's approval and there is no obligation to OCIDA to do anything financially.

Upon a motion by Pat Hogan, seconded by Janice Herzog, the OCIDA Board approved a resolution approving the consent for Welch Allyn to change the name of their real estate holdings. Motion was carried.

GAYLORD BROTHERS

Tony Rivizzigno stated that Gaylor Brothers is an Agency project that expires in December 12, 2017 but they are doing some financing. He stated that because the Agency is in title they are requesting a consent to their mortgage because we are on the lease.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved a resolution to approve the financing by Gaylord Brothers with First Niagara. Motion was carried.

BARBAGALLOS

Tony Rivizzigno stated that Barbagallos is doing their financing so the Agency needs to consent to their mortgage. He stated that the Agency is on the lease and we need to approve and sign.

Upon a motion by Steve Morgan, seconded by Lisa Dell the OCIDA Board approved a resolution to approve the financing documents for Barbagallos. Motion was carried.

Upon a motion by Steve Morgan, seconded by Lisa Dell, the OCIDA Board adjourned the meeting at 9:04 am. Motion was carried.

Honora Spillane, Secretary