

Onondaga County Industrial Development Agency
Regular Meeting Minutes
January 14, 2010

The regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, January 14, 2010 at the Eastside Business Center, 1201 East Fayette Street, Syracuse, New York.

Chairperson Karen Kitney called the meeting to order at 8:22 a.m. with the following:

PRESENT:

Karen Kitney
David Knapp
Robert Baldwin
Russell Andrews
Donna DeSiato

ABSENT:

Dale Sweetland
William Towsley

ALSO PRESENT:

Mark Arbon, Agency Counsel, Gilberti Law Firm
Mary Beth Primo, Executive Director, Agency
Carolyn May, Sr. Economic Development Specialist, Office of Economic Development
Kim Hall, Management Analyst, Office of Economic Development
Deanna Hornyak, Administrative Intern, Office of Economic Development
Karen Doster, Recording Secretary, Agency
Melissa Dujnic, Gilberti Law Firm
Chris Belna, Earth Road Inc.
Kathy Campbell, GSBDC
Bob Walsh, Allred & Associates
Pat Benz, The Bell Group
John Hoeschele, Anaren Microwave
Sue Stanczyk, County Legislature

APPROVAL OF REGULAR MEETING MINUTES – DECEMBER 10, 2009

Upon a motion by Russell Andrews, seconded by David Knapp, the OCIDA Board approved the minutes of December 10, 2009 regular meeting. Motion was carried.

APPROVAL OF SPECIAL MEETING MINUTES – DECEMBER 15, 2009

Upon a motion by Robert Baldwin, seconded by David Knapp, the OCIDA Board approved the minutes of December 15, 2009 special meeting with the amendment to Karen Kitney being present. Motion was carried.

TREASURER'S REPORT

Kim Hall gave a brief review of the OCIDA investments and accounts for the month of December 2009.

David Knapp asked what the T-Bill was for. Kim Hall stated that the T-Bill was a \$750,000 principal amount and it yielded about 3.2%. He stated that over the course of several years, the Agency earned about \$12,000 in interest. He stated that when it matured there was \$750,000 in principal and \$12,000 in interest in the account. He stated that rates are much lower now.

Upon a motion by Robert Baldwin, seconded by David Knapp, the OCIDA Board approved the Treasurer's Report for the month of December 2009. Motion was carried.

PAYMENT OF BILLS – SCHEDULE # 328

Kim Hall gave a brief review of the Payment of Bills, Schedule #328.

Russell Andrews asked if the Agency generally pays ahead. Kim Hall stated that Chris Cox, the Agency Assistant Treasurer, had met with the accountants and they recommended that the Agency pay ahead. He stated that this is the first time that our fiscal year will be ending on December 31 and this is based on the six month short year.

Upon a motion by David Knapp, seconded by Robert Baldwin, the OCIDA Board approved the Payment of Bills Schedule #328 with General Expenses being \$53,518.83 and Marketing Expenses being \$12,038.16. Motion was carried.

EARTH ROAD, LLC – SEQRA FINDING AND PROJECT INDUCEMENT

The Company was represented by Chris Belna, Consultant for Earth Road, Inc. Earth Road is a start-up manufacturer of asphalt for private and public customers. The company is purchasing a 42,000 square foot pre-manufactured plant and related manufacturing equipment from Meeker

Equipment, Indiana. Meeker will deliver and assemble the plant on a 42-acre site located at 6900 Van Buren Road, Town of Van Buren.

Karen Kitney asked where on Van Buren Road the project is. Melissa Dujnic stated that the nearest crossroads are Jones and Herman.

The Board was informed that there were no concerns raised at the public hearing.

Melissa Dujnic stated that she has reviewed an EAF that was submitted by Earth Road to the Town of Van Buren along with substantive additional studies. She stated that the Town issued a negative declaration and determined it to be a Type I action. She stated that because they did a coordinated review at that time and the Agency was not a part of it, it is recommended that the Board adopt the Town's findings as they are.

Upon a motion by Russell Andrews, seconded by David Knapp, the OCIDA Board approved a resolution adopting a negative declaration for the Earth Road, LLC project located in the Town of Van Buren as an unlisted action with no significant effect on the environment. Robert Baldwin abstained. Motion was carried.

Upon a motion by David Knapp, seconded by Russell Andrews, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Earth Road, LLC project. Robert Baldwin abstained. Motion was carried.

TITAN STEEL – ADJUSTMENT OF TRANSACTION FEE (QUASI EQUITY LOAN)

Kathy Campbell, GSBDC, gave a review of the request to the Agency from Titan Steel to reduce the transaction fee. She stated that the company has been successful and the Quasi Equity funds helped the company get up and running. She stated that there is a transaction fee due at the end of the loan to compensate everyone for the risk that was taken. She stated that because the risk has been minimized by paying the loan off earlier, Titan Steel has asked that the transaction fee

be reduced. She stated that the Board of the GSBDC and the Regional Planning Board have agreed to the reduction and they are now asking the Agency to agree to the reduction. She stated that the company employed 25 initially and have added nine more positions as of June. She stated that they have done a great job and are terrific to work with.

Upon a motion by Robert Baldwin, seconded by Donna DeSiato, the OCIDA Board approved a resolution reducing the loan transaction fee from \$33,330 to \$25,500, decreasing the Agency share of the transaction fee from \$11,110 to \$8,500. Motion was carried.

ALLRED & ASSOCIATES, INC. – LOCAL ACCESS AGREEMENT WAIVER

Bob Walsh, Vice President of Operations and Pat Benz, Project Manager represented Allred & Associates, Inc. Pat Benz gave a review of the request to the Agency from Allred & Associates in regard to the local access agreement waiver.

Pat Benz stated that the General Contractor is Grey Ledge Enterprises and they built the original project for Allred. He stated that it intended to self perform the insulated concrete form construction which is a very specialized type of construction that hasn't been done often in our County. He stated that they learned how to perform the specialized type of construction on out-of-town hotel projects. He stated that the Allred project start got delayed and due to that delay Grey Ledge didn't self perform the work and had to commit their workers elsewhere. He stated that they have only worked with two other subcontractors that they are aware of that do this type of work with one in Pennsylvania and one in Seneca Falls. He stated that apparently the Seneca Falls group has a variety of people who work for them that are in Cayuga County but not everyone. He stated that not until they were completing the contract reporting for the extension, that they were aware of what had happened. He stated that they realized they needed a waiver. He stated that they hadn't finished the contract with Gray Ledge until December 11 and they are scheduled to be complete February 23. He stated that they thought the labor was local but because the line is 20 miles away they are not all local. He stated that many of the workers are from Cayuga County. He stated that he believes there are only six employees and four are local.

Mary Beth Primo stated that Allred & Associates is asking for a waiver. She stated that the policy states that a wavier should be requested prior to the work being done but in this case it hasn't been. She stated that the board doesn't want to set a precedent for allowing a waiver after the fact but, in this particular case, given that the other company is from Seneca County, most of its employees are from Cayuga County, this is a newer policy and other circumstances described by Allred, she believes that the Board could distinguish giving a waiver here and wouldn't be setting a bad precedent.

Karen Kitney stated that the Board talked about a radius and tried to include the counties within the radius that we mostly work with in terms of labor force distribution. She stated that Seneca Falls is certainly closer than many of the other areas.

Upon a motion by Robert Baldwin, seconded by Russell Andrews, the OCIDA Board approved a resolution accepting Allred & Associates' local access agreement wavier in order to hire Fleur De Lis Construction, LLC, a subcontractor from Seneca Falls, New York. Motion was carried.

ANAREN MICROWAVE, INC. – PAYMENT IN LIEU OF TAX AGREEMENT

Upon a motion by Robert Baldwin, seconded by David Knapp, the OCIDA Board approved a resolution approving the financial terms of a direct Payment in Lieu of Tax Agreement between Anaren Microwave, Inc. and the Agency and authorizing the signature by an officer of the Agency to execute the documents for the project located in the Town of DeWitt. Donna DeSiato abstained. Motion was carried.

(Russell Andrews left meeting.)

SYRACUSE RAIL – MORTGAGE MODIFICATION AND EXTENSION AGREEMENT

Upon a motion by David Knapp, seconded by Robert Baldwin, the OCIDA Board approved a resolution authorizing the signature by an officer of the Agency of the documents necessary to modify Syracuse Rail's mortgage and extension agreement. Motion was carried.

DISCUSSION ITEMS

PAAA AMENDMENTS EXPLANATION

Melissa Dujnic reviewed the PAAA amendments and discussion followed.

Donna DeSiato stated that she is curious how sending documents to another established agency accomplishes trust and transparency. She asked what this does that the Comptroller's office doesn't do. Melissa Dujnic stated that they will be focused precisely on Agency's covered by this act rather as opposed to addressing others. Mark Arbon stated that the Public Authorities Act law covers all public authorities and the IDA got swept in. He stated that the real focus was on the big authorities and some of this stuff doesn't even apply to us and some stuff we have to extrapolate to see how it would apply to the IDA.

Mary Beth Primo stated that she is going to have to call a special meeting before the February meeting with regard to an opportunity that was presented to staff and Bob Baldwin from a firm called Mosaic Federal Affairs. She stated that they are a governmental affairs company.

Upon a motion by Robert Baldwin, seconded by David Knapp, the OCIDA Board adjourned the regular Agency meeting at 9:05 am. Motion was carried.