

Onondaga County Industrial Development Agency
Regular Meeting Minutes
May 13, 2010

The regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, May 13, 2010 at the Eastside Business Center, 1201 East Fayette Street, Syracuse, New York.

Chairperson Karen Kitney called the meeting to order at 8:00 a.m. with the following:

PRESENT:

Karen Kitney
Robert Baldwin
Donna DeSiato
Frank Forte

ABSENT:

David Knapp
Dale Sweetland
Russell Andrews

ALSO PRESENT:

Mary Beth Primo, Executive Director, Agency
Carolyn May, Sr. Economic Development Specialist, Office of Economic Development
Kim Hall, Management Analyst, Office of Economic Development
Linda McShane, Project Development Specialist, Office of Economic Development
Karen Doster, Recording Secretary, Agency
Tony Rivizzigno, Agency Counsel, Gilberti Law Firm
Paul Reichert, Bond Schoeneck & King
Joe Hucko, Jefferson Clinton Commons
Shelli Ryan, Gilberti Law firm

Karen Kitney introduced Frank Forte as a new board member and Jessica Crawford who will be on the board starting next month. She asked everyone to introduce themselves.

APPROVAL OF REGULAR MEETING MINUTES – APRIL 8, 2010

Upon a motion by Robert Baldwin, seconded by Donna DeSiato, the OCIDA Board approved the minutes of April 8, 2010 regular meeting. Motion was carried.

TREASURER'S REPORT

Kim Hall gave a brief review of the OCIDA investments and accounts for the month of April 2010.

Upon a motion by Donna DeSiato, seconded by Robert Baldwin, the OCIDA Board approved the Treasurer's Report for the month of April 2010. Motion was carried.

PAYMENT OF BILLS – SCHEDULE # 332

Kim Hall gave a brief review of the Payment of Bills, Schedule #332.

Upon a motion by Robert Baldwin, seconded by Donna DeSiato, the OCIDA Board approved the Payment of Bills Schedule #332 with General Expenses being \$2,993.17 and Marketing Expenses being \$6,000.58. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

No comments.

SOUTHERN WINE & SPIRITS OF UPSTATE NEW YORK – PROJECT REVIEW

Paul Reichel stated that the Southern Wine & Spirits project is an expansion of Southern's picking, conveyor and racking system. He stated that they have received a new contract from Constellation Brands that will increase their volume by about 15%. He stated that right now they have the capacity in their facility to accommodate that volume increase but they have to install all new rackings and an automated picking and conveyor system where the computer technology has bar code scanners. He stated that they will be expanding that racking and conveyor system. He stated that it is a highly technical system so there are certain vendors that manufacture and install those systems so unfortunately they are not local vendors. He stated that he believes there are three in the country that manufacture those types of systems. He stated that they have contracted with a company called Intelligrated from out West. He stated that most of the work is all integrated as part of this picking, conveyor and racking system so there is not a lot of opportunity for local labor. He stated that a few aspects of the project are going to be done by local labor including sprinkler systems, electrical work, extension of electrical boxes and structural engineering. He stated that the bulk of the project is specialized equipment and need to use vendor and their installers and that is the reason for the request for the waiver.

Robert Baldwin stated he will move to waive the local access policy to the extent that expertise relative to the storage and conveyer systems being installed as required but, in the discretion of the Executive Director, not be waived to those services such as electricians etc that can be obtained locally.

Frank Forte stated that he was reading the application and it states that in anticipation of this process Southern Wine & Spirits has hired some people and are members of the Local 318 Teamsters local. He stated that you have to have the WEA requirements met and asked if you can do that in anticipation or is it discussed later. He stated that they are union members so you have the collective bargaining waiver. He asked if this has been met. Carolyn May stated that in regard to WEA Southern Wine has been a long standing project with the Agency so they would be listing all of their hirings for the life of the project which is ongoing.

Frank Forte asked if those are the retained employees. Carolyn May stated that since they started about 8 years ago, they have had to list all of the vacancies for WEA and the Department of Labor. She stated that her sense is that they have automatically done that for the 12 hires.

Frank Forte stated that WEA gets first shot at the jobs unless there is a collective bargaining agreement in place which there is with Local 318 and asked if that is ok. Tony Rivizzigno stated that he believes it is ok as it is an ongoing project.

Paul Reichel stated that as a result of discussions regarding the local component, they fine tuned the numbers and there is about a \$40,000 increase in the project cost. He stated that the new total project cost including financing charges is \$1,465,996.58.

Mary Beth Primo asked if there is a new sales tax exemption estimation. Paul Reichel stated that it is the same and a good approximation is about \$114,000. He stated that it depends on what components are going to be subject to sales tax.

Upon a motion by Robert Baldwin, seconded by Frank Forte, the OCIDA Board approved a resolution authorizing a waiver to its Local Access Policy for the Southern Wine & Spirits of

Upstate New York project relative to the storage and conveyor systems being installed as required but in the discretion of the Executive Director not be waived with respect to those services that can be obtained locally. Motion was carried.

Upon a motion by Robert Baldwin, seconded by Donna DeSiato, the OCIDA Board approved a resolution describing the proposed Southern Wine & Spirits of Upstate New York project and the financial assistance up to \$114,000 the Agency may provide for a project. Motion was carried.

JEFFERSON CLINTON COMMONS: LEASE AMENDMENT

Joe Hucko stated that he is with Washington Street Partners and they are they are the project developer for the Jefferson Clinton Commons project which is comprised of three buildings and property. He stated that one of the buildings is the train station and they are seeking space that was informally designated for rail passenger service so they can utilize it for office space. He stated that in the event that OCIDA sends them notice they will vacate that portion of the premises and restore it back to its size depicted in the November 4 drawing. He stated that they are hopeful in the event that there is passenger service and they encourage it, that they would be able to work with whoever the train purveyor would be and maybe design a program that could work in an integrated fashion with everything else going on.

Mary Beth Primo asked if the space is going to be leased to one tenant. Joe Hucko stated that the space is going to be leased to one tenant on the first floor. He stated that the tenant is aware of the situation with OICDA so only that portion of the premises would have to be relocated.

Mary Beth Primo stated that since she has been in the position of Executive Director, she has had discussions with the Fingerlakes Railway on several occasions last year, but not in the last six months. She explained that the rail company has expressed an interest in passenger rail service for particular events/seasons like SU basketball season but it didn't have the funds to buy the trains. She stated that when Joe Hucko approached her with this request, it made sense to allow him to utilize the building while protecting the opportunity to use it for passenger rail service if we were ever able to get that effort up and going. To preserve the right to use the station for

passenger rail services, OCIDA could allow Jefferson Clinton Commons to lease out the space with the understanding that upon 60 days notice its tenant would have to vacate and return the space that would accommodate passengers for rail service.

Karen Kitney stated that this is almost 900 square feet and asked if it would effect the ability to lease it because presumably a tenant would have to vacate sooner than 60 days if the space also had to be returned to an open format. Joe Hucko stated that they have the ability because they have other buildings in the immediate adjacent area as well as there will be a penalty to them from the tenant to relocate this portion.

Donna DeSiato stated that her opinion is that occupied space brings in other opportunities to connect with other means of economic development. She stated that a vacated space doesn't do that. She stated that the safeguards are in there if there is ever a future rail. She asked if this is a business that people would visit. Joe Hucko stated that it is a business and has visitors but it is not retail.

Robert Baldwin stated that he would make the motion to approve the sublease but subject to Agency Counsel approval. Joe Hucko stated that he is requesting that the portion of the lease that is relevant to this matter should be approved not the entire lease. Robert Baldwin stated that OCIDA may have an agreement with Jefferson Clinton Commons and may get into later on if the lease created is at odds with what OCIDA has said. Joe Hucko stated that he respects that but perhaps there could be a separate addendum that his tenants are a party too as well.

Upon a motion by Robert Baldwin, seconded by Donna DeSiato, the OCIDA Board approved a resolution providing for the Agency approval of an amendment to the Jefferson Clinton Commons, LLC sublease with the SBNY RR to allow it to utilize space reserved for passenger rail service for a commercial office tenant contingent upon: (1) the commercial office tenant lease being made subject to OCIDA's right to have the premises restored to space appropriate for passenger rail service and such other uses as described in Schedule B of the sublease within 60 days of receipt by Jefferson Clinton Commons LLC, ISAOA of OCIDA's written request and (2) OCIDA's and its Counsel's review and approval of any sublease for this space. Motion was carried.

LETTER OF ENGAGEMENT FOR LEGAL SERVICES: GILBERTI LAW FIRM

Karen Kitney stated that Gilberti, Stinziano, Heintz and Smith have been attorneys for a long time and it was recently noticed that there has been no formal agreement to engage their services.

Mary Beth Primo stated that the agreement is consistent with their response to the IDA's RFP. She stated that there is a change to the provision for the retention of files. She stated that the actual agreement will include additional language stating "retention of files will require retention for the life of the project plus seven years".

Tony Rivizzigno stated that the concern was that some of these projects/files go on for 10 to 15 years and the seven additional years will start at the end of those 10 to 15 years.

Frank Forte asked if there are any changes from the informal. Tony Rivizzigno stated no. Karen Kitney stated that we went through an RFP process late last year and selected this firm. She stated that subsequent to that it was brought to light that there was no formal agreement and this basically is an extension of that process.

Donna DeSiato stated that she does not have a conflict of interest but in the light of full disclosure, her brother is one of the partners in the firm.

Upon a motion by Frank Forte, seconded by Robert Baldwin, the OCIDA Board approved a resolution accepted the letter of engagement for the legal services of Gilberti, Stinziano, Heintz and Smith. Motion was carried.

Karen Kitney stated that Bob Baldwin has been a member of the agency since January 1996, as a member, a vice chair and most recently chair of the Agency. He has asked that his appointment not be renewed. She then read remarks prepared by the Agency to honor Bob's service:

When we think of Bob, he is best described as "calm under pressure". He has brought a measured and respectful approach to the Agency, without regard to the challenge he or the Agency faced. Many will recall his successful navigation of the Agency through the very

difficult waters stirred by the Salina 29 small businesses and the developers of the Destiny Research Park. His masterful command of his project's public hearing signaled to all that the Agency would hear and consider the positions of all who wished to be heard, despite his or her position in this community. The hearing, by the way, was the Agency's largest, held in a gymnasium to accommodate the dozens of attendees.

As a lifelong resident and an untiring advocate of this community, Bob has encouraged the Agency to support transformational programs – particularly those which highlighted and grew this community's economic infrastructure. The remarkably successful WISE program and the nationally recognized Entrepreneurial Bootcamp are but two programs that benefited from his support. In fact, he was so committed to the Bootcamp that he would delay his arrival at his beloved SU Football games to speak to the graduates of the Bootcamp.

Bob encouraged the Agency to become a better, proactive economic development organization. Under his leadership as its chair, the Agency created unique incentives such as the Green PILOT Credit and the Technical Assistance Grant. Last week in fact, the head of business development for the City of Vancouver, Canada called to say he was highlighting the County's Green PILOT at a sustainable community conference.

And, most importantly, Bob recognized that ultimately, people drive a community – and a community is always best if its people have the resources they need to work. As Chairman, he supported the extension of Agency benefits to for-profit daycare centers as well as efforts to help new immigrants find the training needed to succeed in their new homes.

I've not been chair of the Agency long but during my short tenure, I've realized that I cannot replace Bob. The best I can do is to emulate his leadership style and his commitment to this community.

Thank you, Bob, for your service. We will all miss you.

Robert Baldwin stated that it really has been enjoyable. He stated that the thing about this Agency that has struck him over the years is that we hear the success stories in this community

which unfortunately never go beyond this room. He stated that there are a lot of people, particularly the small businesses, on which our community is based that come in and tell us extraordinary success that they have had in the County and in the world. He stated that it has been a pleasure to work with the Agency and to see and help the community grow notwithstanding some of the other struggles that we have faced. He stated it is really with a great deal of sadness that he decided it was about time to retire. He stated that he is glad to see that the Agency is good hands.

Upon a motion by Robert Baldwin, seconded by Donald DeSiato, the OCIDA Board adjourned the regular Agency meeting at 8:32 am. Motion was carried.

Mary Beth Primo, Executive Director