

Onondaga County Industrial Development Agency
Regular Meeting Minutes
November 6, 2018

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, November 6, 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 8:05 am with the following:

PRESENT:

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

ABSENT:

Victor Ianno

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director
Genevieve Suits, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary
Tony Rivizzigno, Barclay Damon Law Firm
Amanda Mirabito, Barclay Damon Law Firm
Joe Little, DOT Foods, Inc.
Connor Head, DOT Foods, Inc.
Kathy Alaimo, Syracuse Label & Surround Printing
Judy Story, Syracuse Label & Surround Printing
Mike Lisson, Grossman St. Amour
John Ciampa, JMT (via conf call)

Patrick Hogan introduced County Legislature Chairman David Knapp.

David Knapp stated he wanted to stop by and say hello. He stated he just became Chairman of the Legislature. He stated he sat on OCIDA for many years before he became a county legislator and was Vice Chairman before he had to leave. He stated he knows what the Board does and he knows a lot of the decisions are not easy with a lot of second guessing. He stated he really appreciates what the Board does and taking the hard votes. He stated he just wanted to say hello and thank you for everything the board does. He stated also thank you to all our local businesses who are expanding and doing the right thing. He stated that was the one big thing that he often

thinks about when he was a member was all the great world class companies in our county that nobody knows about doing amazing things and growing.

APPROVAL OF REGULAR MEETING MINUTES – OCTOBER 9, 2018

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the regular meeting minutes of October 9, 2018. Motion was carried.

TREASURER’S REPORT

Nate Stevens gave a brief review of the Treasurer’s Report for the month of October 2018.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved the Treasurer’s Report for the month of October 2018. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #424.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #424 for \$591,134.31 and PILOT payments to Town of DeWitt for \$14.12, Town of Onondaga for \$2.87, Jamesville DeWitt School District for \$92.40, City of Syracuse for \$1,432.56 and Onondaga County for \$921.10. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

DOT FOODS, INC. – SALES TAX ABATEMENT

Julie Cerio stated DOT Foods is not adding jobs at this point but they are attempting to upgrade their facility. She stated the new generation is looking for flashy places to land and their current breakroom certainly needs upgrading to bring the property into the new era to attract younger talent. She stated they are anticipating making it a more pleasant atmosphere for their current employees and hoping to attract the new generation.

Joe Little stated he is the General Manager at the DOT facility in Liverpool. He thanked the Board Members for inviting them and letting them be a part of this process. He stated DOT Foods has been a family owned business for over 55 years. He stated they are an international distribution company with 12 facilities nationwide. He stated they acquired the old Drescher Corporation facility in Liverpool in 2002. He stated the facility is 60+ years old and it does a good job for them but needs a serious facelift. He stated they have about 300 employees and the business is very healthy. He stated they are a \$7 billion company nationally and growing about 8% annually, a little bit faster in the northeast region. He stated they would be 400 employees today if they could find the workforce. He stated the facility is old and the breakroom is a converted freezer. He stated they are remodeling about 10,000 sq ft and converting it into an apple or google type breakroom. He stated it will be an open concept with an environment for employees and will include lockers, showers and laundry facilities. He stated half of the employees are truck drivers so when they come to the facility they need to do laundry and those type of things. He stated they are doing a little more than a breakroom and is a substantial investment for them of just over \$2 million. He asked the Board if they had any questions.

Patrick Hogan stated the truck driving business has a lot of competition. Joe Little stated yes extremely and nationally the industry is about 300,000 positions short. He stated the need is high and the supply is low. He stated it is incumbent upon them to retain the good people they have. He stated the facilities, equipment, compensation, pay package and benefits goes into it and this renovation is part of it.

Janice Herzog asked if the 100 employees would be truck drivers. Joe Little stated 65% of that would be truck drivers and 35% would be warehouse and administrative support.

Joe Little stated if anyone would like to come by and see the facility they would love to show it and the plans of what they want to do with this investment.

Steve Morgan stated should the application read 300 jobs as job retention because it says zero. Nate Stevens stated it is scored if there is an actual threat of leaving but that can be changed.

Janice Herzog stated she applauds their efforts to try and attract people by these sorts of means because this is what companies are doing all over the country. Joe Little stated we spend a lot more time at our jobs during our waking hours and they want an environment where they can get half hour to ramp up or ramp down and this will help provide that for them.

Fanny Villarreal asked if DOT Foods is working with any organizations to try to fill those jobs. Joe Little stated they are and they have a human resources department that is responsible for that. He stated they have outreach in a number of areas. He stated the bulk of their recruiting efforts they house themselves but through their corporate office they have a healthy budget in terms of recruiting. He stated they are working locally, regionally and even nationally to recruit.

Upon a motion by Kevin Ryan, seconded by Fanny Villarreal, the OCIDA Board approved a resolution describing the proposed DOT Foods, Inc. project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

SYRACUSE LABEL & SURROUND PRINTING – MORTGAGE RECORDING TAX ABATEMENT, SALES TAX ABATEMENT, PILOT AGREEMENT)

Kathy Alaimo showed some samples of what the Syracuse Label does. She stated they are concentrating on flexible packaging and shrink sleeves locally and internationally. She stated they've been in business for about 50 years and 100% employee owned since 2007. She stated they have 89 employees with 2 shifts. She stated they have had employment growth of about 17% since 2015. She stated they have had a hard time finding workforce but recently they have had a good flow although it is difficult to find people to run presses and do manufacturing. She stated the \$10 million project was completed in 2016 included the 6.9 acres of property at the airpark. She stated they also built a new 60,000 square foot facility and bought a 13 inch flexographic press. She stated they moved their plant from Liverpool to North Syracuse. She thanked the Board for that because they would not have been able to do it without Agency assistance. She stated this year they have spent over \$2.5 million and purchased another 22 inch flexographic press and a seamer with a turret which will improve their efficiency by about one-third on the shrink sleeves and I3 inspection equipment. She stated it is important that they

constantly buy new equipment so they can stay relevant in their industry. She stated they are out of space in their current facility so this project is a \$3 million and includes the purchase of some surrounding properties. She stated the property will protect the area around them so they can continue to grow there. She stated they were landlocked in Liverpool so they couldn't grow any longer. She stated they have 2 retention ponds that they will have to move and expand as they continue to grow and that is also why they need to increase their property. She stated the project includes a 23,000 square foot addition to their current facility for warehouse and production capabilities. She stated they will also get some supporting equipment for their flexible packaging and shrink sleeves which are the markets that continue to grow in the industry. She stated they have found a niche to do the smaller runs for the flexible packaging and shrink sleeves. She stated conservatively they intend to grow 10 jobs over next 3 years. She stated this will also incorporate a new skill set because their industry is moving to being more intuitive. She stated the new press they just bought is 11 colors, 22 inches wide and runs from an Ipad. She stated they are requesting a PILOT, mortgage recording tax exemption, sales and use tax exemption and assistance in acquiring the surrounding properties. She stated she welcomes anyone who would like to come visit them.

Steve Morgan asked if it shrinks right to the container. Kathy Alaimo stated yes. She stated it is printed flat and a film that settles over the top of the container and shrinks on. She stated it is 360 degree decoration.

Julie Cerio stated their facility has a display room with all the products they print on.

Patrick Hogan stated he visited the old plant with 7 buildings put together and he was stunned they were able to produce so much out of there. He stated now they are back before the Board after a few short years and it says a lot about the management team and how the company is run.

Janice Herzog asked what size jobs they do. Kathy Alaimo stated they will take on any jobs. She stated their customers go from a \$100 customer to millions.

Patrick Hogan asked about in-house training. Kathy Alaimo stated they do in-house training and they look for high school diploma or GED for background. She stated they have to be drug free and that is sometimes where they run into the issue. She stated they are trained from the bottom up. She stated they learn by being an apprentice and learn the trade.

Janice Herzog asked if most of the customers are in New York State. Kathy Alaimo stated most are out of state. She stated they are on the east coast but out of New York State.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved a resolution describing the proposed Syracuse Label & Surround Printing proposed project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

ADDITIONAL SIGNATORIES

Julie Cerio stated that she is going to be out for a couple weeks in December so she is looking for two additional signatories for checks, ST-60's and all the things requiring a signature. She requested Janice Herzog, Vice Chair, and Genevieve Suits, Secretary, be additional signatories for the month of December and January. She stated Patrick Hogan is also a signatory.

Upon a motion by Susan Stanczyk, seconded by Steve Morgan, the OCIDA Board approved a resolution adding Janice Herzog, Vice Chair, and Genevieve Suits, Secretary, as a signatories for the months of December and January. Motion was carried.

UPDATE ON 800 HIAWATHA BOULEVARD

Nate Stevens stated he has John Ciampa's slide show on the screen.

John Ciampa asked if there are any general questions on the site before he gets into the demolition summary. He gave a description of each picture on the slide show.

Patrick Hogan asked if at some point there will be an outline of the site that will determine what it can be used for and what can be used for the trail. John Ciampa stated yes and there will be discussions in the next few weeks about that with DEC.

Patrick Hogan stated there is already interest in the site for development. John Ciampa stated we can certainly sit down and have those discussions and have a meeting with staff and the Board in the future.

John Ciampa stated there are 8 buildings subject to demolition. He stated most of the demolition activity will be completed next week and anticipates everything being wrapped up by the end of November. He stated ERSI is the company doing the demolition and things have gone smoothly. He stated virtually all the buildings had asbestos and PCBs. He stated there was a lot of sampling and a lot of discussion with EPA and DEC. He stated the Department of Labor had to be brought in because of the asbestos work. He stated all of the demolition is control demolition where they go slow and apply water with an independent contractor doing the asbestos monitoring and oversight which increased the price. He stated the waste goes to different areas depending on what is found. He stated material without asbestos will eventually get crushed and can be used on site for fill. He stated to reduce costs they are leaving the slabs in place. He stated it generally takes about a week to do a building because they have to do a lot of handpicking to separate the material.

Steve Morgan asked if the asbestos is friable or non-friable. John Ciampa stated it was a combination. He stated the friable was removed first. He stated the non-friable you are allowed to demo and did it under the water spray. He stated the friable material was picked out by hand prior to demolition. He stated the non-friable is mixed in with the waste and went to High Acres Landfill which is a waste management facility in Rochester.

Steve Morgan asked if that was predetermined by the contractor where it was going to go or was it an additional cost. John Ciampa stated it was predetermined and the disposal cost was what they anticipated. He stated having to deal with the asbestos and being a little bit slower and the air monitoring was not in the original bid but we anticipated some amount of change orders for that type of work.

Patrick Hogan asked who is in charge of getting the lake trail together. Susan Stanczyk stated the Executive Office and the Legislature work hand in hand making sure it is complete. She stated DOT and the Parks Department are working with DEC and the plan is to have the second portion of Phase 2 to start. She stated she believes the RFP is out for bid now.

Julie Cerio stated for our portion, the State is going to come in and buy it. She stated they looked at it last week to come up with a price and that price will come to the Board. She stated they are going to come in and give us a proposal.

Patrick Hogan asked if there is someone logistically in charge of it. Susan Stanczyk stated Travis Glazier from the Office of the Environment.

David Knapp stated the last section is being figured out now because the railroad track is really close. He stated there is long term thoughts about what to do with Onondaga Lake Parkway which is a State road. He stated the last section is going to be trickier.

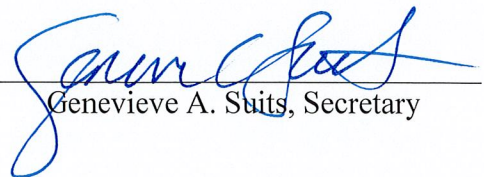
Patrick Hogan stated the December meeting is going to be held on Thursday, November 29.

Julie Cerio stated the Board is not having a meeting in December because both her and Nate Stevens will be out so the public hearings from this meeting are being planned so they will be completed by Thursday, November 29.

Patrick Hogan stated Julie Cerio is leaving Economic Development to go work in Law Department.

Steve Morgan asked if there has been a new executive appointed yet. Julie Cerio stated no.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board adjourned the meeting at 8:51 am. Motion was carried.


Genevieve A. Suits, Secretary