

Onondaga County Industrial Development Agency
Regular Meeting Minutes
May 11, 2023

A regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, May 11, 2023 at 335 Montgomery Street, Syracuse, New York in the large conference room Floor 2M.

Patrick Hogan called the meeting to order at 8:36 am with the following:

PRESENT:

Patrick Hogan
Janice Herzog
Susan Stanczyk
Kevin Ryan
Cydney Johnson
Elizabeth Dreyfuss

ABSENT:

Fanny Villarreal

ALSO PRESENT:

Robert M. Petrovich, Executive Director
Nate Stevens, Treasurer
Nancy Lowery, Secretary
Svetlana Dyer, Assistant Secretary
Karen Doster, Recording Secretary
Alexis Rodriguez, Assistant Treasurer
Len Rauch, Economic Development
Jeff Davis, Barclay Damon Law Firm
Amanda Fitzgerald, Barclay Damon Law Firm
Lisa Pallesthi, Syracuse Habitat for Humanity
Mike Moehringer, Clinton's Ditch
John Dunn, Clinton's Ditch
JonElle Baskin-Kelley, Clinton's Ditch
Noelle Meyer, Clinton's Ditch
Josh Podkaminer, Wallace Group, LLC
John Anderson
Tim Knauss

APPROVAL OF REGULAR MEETING MINUTES – APRIL 13, 2023

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of April 13, 2023. Motion was carried.

TREASURER'S REPORT

Alexis Rodriguez gave a brief review of the Treasurer's Report for the month of April 2023.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the Treasurer's Report for the month of April 2023. Motion was carried.

PAYMENT OF BILLS

Alexis Rodriguez gave a brief review of the Payment of Bills Schedule #481.

Patrick Hogan asked about the payment to Pirro Funeral Cars, LLC. Robert Petrovich stated a car was needed to transport two people down to Albany. He stated because of meetings early the next day they could not stay overnight. He stated as a result of that they avoided the cost of two hotel rooms, meals and mileage.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved the Payment of Bills Schedule #481 for \$25,711.56. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

The Conflict of Interest was circulated and Kevin Ryan reported a conflict with PBFF Drakes LLC.

SYRACUSE HABITAT FOR HUMANITY PROPERTY DISPOSITION

Robert Petrovich stated we are undertaking the design for the razing of the homes that are along Burnet Road that the IDA owns. He stated instead of just demolishing the homes and taking them to a landfill, IDA staff came up with the idea of integrating with Habitat for Humanity to see if they could salvage any of the windows, doors and other items from these houses and repurpose them for their needs and disperse them through the greater community. He stated we think it's a win-win. He stated before any of the houses are taken down we are going to allow Habitat about a month to get in with their crew to be able to repurpose some of the building materials on site.

Amanda Fitzgerald stated under the Public Authority's Law there is a \$15,000 threshold regarding disposal of property. She stated Habitat has provided a appraisal from the 14 houses where they will be taking some of the reusable items that shows it will come in under the

\$15,000 threshold. She stated the disposal of this property will be for what the Agency purpose is, it will promote economic development with the use of this property that would otherwise just be put into a land fill. She stated this is in the best interest of the Agency so it falls appropriately under the disposal in the Public Authority's Law.

Patrick Hogan stated Habitat for Humanity is a great community resource.

Lisa Pallesthi stated Habitat for Humanity is thankful for the opportunity. She stated they love getting volunteers out on any extra projects.

Pat Hogan stated he knows a lot of small landlords that have used the resources and it helps the community at large and the near west side. He stated he really appreciates them being there.

Susan Stanczyk asked if they take just doors and windows or do they take vanities, countertops and things like that. Lisa Pallesthi stated the store takes most reusable building materials. She stated they sell paint through a paint program and they take furniture. She stated their process is that it goes to our restore manager and they approve everything before we it pick up.

Susan Stanczyk asked if it is because of the cap that it is limited to just doors and windows. Lisa Pallesthi stated from viewing of the property that is mostly what they would be able to take. She stated a lot of the cabinets and things have already been removed.

Robert Petrovich stated as part of the transactions struck with prior owners they were allowed to take whatever they wanted out of the interior and even in some cases the exterior of the property.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing a disposition of property. Motion was carried.

CLINTON'S DITCH CO-OPERATIVE COMPANY INC. (3101-23-04A) INITIAL MEETING

Mike Moehringer stated he was the general manager for 11 years and he has just recently retired but is staying engaged on this project as he got it started. He introduced John Dunn who is taking over as general manager and JonElle Baskin-Kelly who is the CFO. Mike Moehringer stated Clinton's Ditch is a franchise owned Pepsi filler. He stated they are owned by Pepsi

franchises throughout New York State and they fill soda and water. He stated they have can lines and fountain lines where they make all kinds of products for the market place. He stated they supply grocery stores and convenient stores which is the nature of their business. He stated it has been there since 1968 and they have grown organically over the years. He stated 11 years ago Clinton's Ditch was doing 17 million cases and they are up to 28 million cases so the business has grown. He stated their workforce is the United Steel Workers and they have had a really good rapport with the USW his entire time at Clinton's Ditch. He stated they are great paying jobs and good benefits. He stated discussion with the ownership, they would like to see that business grow with getting to between 35-40 million cases over time. He stated right now because of their physical constraints they are unable to do that so they are stuck, hence the project. He stated this project needs to be done in phases because they have property with some restrictions, pieces of wetland and so forth. He stated they can't just take the building addition and put it on the building. He stated they have to do some rearranging of how their property is situated. He stated the nature of this project is basically 3 phases. He stated the first phase is relocating the employee parking, locker rooms and all of that to one side of the building and putting in a bulk receiving loop for all the bulk materials that come into their plant like sugars, CO2, Nitrogen and supplies needed. He stated they need to move the parking and bulk receiving loop so they can move their current employee lot into the new area. He stated the old employee parking lot is where the new transportation center and where the new plant division would be. He stated the 2 buildings being built on the property will be for transportation that will be able to service their fleet. He stated they have a fleet that is a competitive advantage for their business. He stated they have 42 tractors and 182 trailers that service this business. He stated they are shipping about 70 loads a day. He stated that fleet is now serviced by two-bit garage built in the 1970s. He stated they need to contract work out because they can no longer support their fleet with this garage. He stated they want to put in a state of the art repair facility and relocate it to their property where it makes more sense. (A map was distributed to the Board Members.) He stated the bulk delivery area would be phase 2 for the truck repair facility and ultimately they would do a facility expansion along the exiting building. He stated the expansion is going to allow them to do 2 things; it will allow them to service a fleet that has been a competitive advantage for a long time and it is going to allow them to build approximately 125,000 square feet onto the building that will allow them to layout lines more effectively, add production capacity so they can grow and will really make the business viable for the next 20-30 years. He stated they are in a business where if you can't grow you are kind of stuck. He stated the soda business is very volume oriented in terms of keeping the costs in check. He stated the business

really needs to continue to grow its volume and that is why this project is so important. He stated he thinks it locks Clinton's Ditch into Central New York for a long time. He stated there is a lot of excitement in town with Micron and that is going to be great for the area so they are probably going to be competing with them for talent down the road. He stated they have been quietly under the radar for long time. He stated they have a promotional campaign for employees as they compete for talent and they just want to grow, the owners want to grow and want to see this to continue to be viable for the next several decades.

Patrick Hogan stated the Board has heard from other builders about the significant cost increases as far as materials. He asked if they are creating 15 more jobs for their expansion. Mike Moehringer stated yes and this will help them expand jobs over time. He stated they are working with C & S Companies.

Robert Petrovich asked what the current employment is. Mike Moehringer stated they have about 280 employees. He stated 60 over the road drivers and the balance is in the plant and salary staff. John Dunn stated they outsource to DeWitt for an outside warehouse. He stated they would like to get back under one roof in Cicero.

Mike Moehringer stated one of the ways they bought themselves some space temporarily was to do a 5-10 year lease at the old New Process Gear property. He stated that is helping but they would love to bring that back on the property. John Dunn stated bringing that back to the property will reduce the traffic. He stated now they take product over there and shipping out of there and if they keep it all in house they will just move it once.

Elizabeth Dreyfuss asked what the square footage of the plant now and how much are they adding. John Dunn stated they are at 279,000 sq ft and adding 120,000 sq ft. Mike Moehringer stated that does not include the garage/transportation center which is 20,000 sq ft.

Mike Moehringer stated this will be the biggest investment in Central New York the owners of Clinton's Ditch have made since they founded the company in 1968.

Janice Herzog stated the application talks about the structure as a cooperative and the customers are the business owners and not a source of funding. She asked if they don't do the project would they find another company that does the bottling. Mike Moehringer stated they have

some owners that have shared ownership with other co-ops in Massachusetts. He stated new opportunities could easily go into Massachusetts as opposed to going with Clinton's Ditch. He stated they all service the northeast. He stated they ship as far south as into Maryland. He stated most of their business is in upstate New York down to New Jersey. He stated if they can't expand someone else is going to get that volume because the business does grow.

Janice Herzog asked if the owners will provide funding for this project. Mike Moehringer stated they would provide funding by retaining some of the profits. JonElle Baskin-Kelley stated the patronage goes back to the owners at the end of the year so they are foregoing that patronage as their part of financing the project. She stated it is primarily going to be a mortgage with M & T bank supported with 3 years of patronage from the owners which is about \$7,000,000. She stated they have also gone to the state for some Empire State Development funding and they are waiting to see if they receive it.

Upon a motion by Kevin Ryan, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing a public hearing for Clinton's Ditch Co-operative Company, Inc. Motion was carried.

WALLACE GROUP, LLC/6808 CROSSBOW DRIVE, LLC (3101-23-04A) INITIAL MEETING

Josh Podkaminer stated he started out as a commercial real estate broker and he continues to work in commercial real estate business on a day to day basis. He stated his main business is JWP Commercial and they are located downtown in Clinton Square. He stated they handle property management, brokerage and also development. He stated there is not a lot of warehouse space, especially modern warehouse space in our marketplace. He stated his involvement with this project started as a listing. He stated there are two parcels that are now owned by the estate of Jack Tobin of JK Tobin Construction. He stated after about a year on the market they had zero offers. He stated part of that was because there was a pocket of wetland and they didn't have anybody ready to build on that land. He stated they came to him and asked to be a bit more creative to figure out a solution. He stated they took it on and tried to develop the property themselves. He stated one of the things they struggle with is the speed to market. He stated they may receive a call looking for 20,000 or 30,000 square feet of warehouse space but the time to market to find a piece of land, have it in title and build is approximately two

years. He stated what they set out to do was shorten the timeframe on a time to market basis and take the risk to have the approvals in place. He stated if they had somebody willing to step up and support new construction pricing for a project they could shorten the timeframe from approximately two years to one year. He stated he funded this and got work through the Town of DeWitt. He stated the parcel is an odd configuration but there was a pocket of wetland they worked through with GZA engineering and the Army Corps of Engineers. He stated that pocket of wetlands was determined to be isolated and non-jurisdictional and once they receive that it helped their planning. He stated in the south portion of the park parcel is National Grid, high voltage power lines. He stated in part of their planning what was recommended by National Grid was to try and stay as far away from those power lines as possible. He stated originally they had a building configuration in the back but they wanted to rotate that to have more distance from the power lines. He stated one of the troubles was the Town of DeWitt determined it to have two front yard setbacks because there's an angle which would limit their site plan. He stated they went to Town of DeWitt and said if that is the determination of the front yard setback, they would like to buy the triangle which is .16 acres of land that they are not using for any purpose but it is part of the road. He stated that would allow the front yard setback to sweep around the Crossbow Drive rather than square around Crossbow Drive which allows them to shift the building away from the high voltage power lines. He stated the Town agreed to do that but they had to pay for all the surveying costs, the appraisal, the valuation and extension of the road and provide a truck turn around or a plow turn around driving up the overall cost of the project. He stated they have a Town of DeWitt approval contingent on finalizing that triangle. He stated one would be a 30,000 square foot building and the other would be a 20,000 square foot building that would have a shared truck court. He stated building A, 6808 Crossbow Drive is why they are before the Board today. He stated they have a letter of intent signed and a lease pending with Johnstone Supply. He stated the actual entity is called Wallace supply LLC. He stated Johnstone Supply is a national cooperative in the HVAC distribution business. He stated Wallace Supply is trying to expand their offerings and just on time delivery.

Patrick Hogan asked if they are located in the city at this time. Josh Podkaminer stated yes.

Patrick Hogan asked who they lease from in the city. Josh Podkaminer stated they lease from the former owner of Johnstone Supply, Ken Livingstone. He stated he was originally on the north side of 690 and his building was taken in 2016 as part of a DOT project through eminent domain forcing him to make a quick decision and bought the old Dellas Graphics building at 835 Canal

Street. He stated the facility is very tight on land, it doesn't have proper docking or ceiling heights. He stated it is a multi-story facility and the bricks are falling off. He stated it is a leased facility and it's been an active search with the current owner of Johnstone Supply to find a more modern facility for their expansion.

Patrick Hogan asked if they had a broker to do that search. Josh Podkaminer stated he assisted them on the front end of the search. He stated they had taken short term space in the city which located at 601 Erie Boulevard West and they are moving things from one facility to the other trying to buy some time until a new facility came up and they have not found any facilities in the city or the county in that timeframe that would meet their needs.

Patrick Hogan asked if Mr. Podkaminer was a broker for Johnstone Supply looking for space and found space for them in his place. Josh Podkaminer stated he couldn't find anything in the marketplace so he shared with Johnstone a project they had been working on and they had continued interest to move it forward.

Patrick Hogan asked if Mr. Podkaminer is a partner in Johnstone Supply or if he is just the broker. Josh Podkaminer stated they were the broker assisting them in a market search and also a partner in the development being built for them.

Patrick Hogan asked if they are partnering them with the space that was acquired from the Tobins. Josh Podkaminer stated yes but they would not be a partner in the actual building but they are partnering with them to build on their behalf and they would be a tenant in the building.

Patrick Hogan asked if it is a 10 year lease. Josh Podkaminer stated there is a termination in there but it is a 10 year lease. Josh Podkaminer stated they have spent a considerable amount of time for over a year working with the Town of Dewitt for approvals and they have the approvals in place with the condition of that road as mentioned. He stated one of the things that Johnstone Supply is looking at is the significant cost difference to support new construction relative to today's construction costs as well as construction materials and market interest rates as opposed to if they found a new facility in the marketplace probably to the tune of 50% to 60% increase of what we might see for standard market rates throughout our area. He stated as they look at that they've been able to step up to a higher price point but they're looking to control their long term

occupancy costs and they have also taken on some of the responsibility for the build out to help manage that overall lease cost.

Patrick Hogan stated two buildings were mentioned and asked what the other building is. Josh Podkaminer stated building B has been approved by the Town of DeWitt and would be a separate project. He stated they are hopeful to continue conversations with another prospective tenants on that. He stated although it is included in their overall planning, it would be separate from this application.

Patrick Hogan asked if there would be another application down the road for that building. Josh Podkaminer stated he hopes so and that would be wonderful progress.

Robert Petrovich asked if they are doing a build to suit project for the tenant. Josh Podkaminer stated yes.

Robert Petrovich asked if the benefits that the IDA potentially may grant for this project will flow to Mr. Podkaminer and then flow through on a lease rate to the tenant. Josh Podkaminer stated yes and originally some of the construction numbers were too high so one of the ways to try to meet their price point would be they took on some of the build out responsibility, manage the lease rate, be responsible for the real estate taxes and all operating expenses on the building other than new construction going forward. He stated they would flow through to them.

Patrick Hogan stated a fee must have been taken to find a place for them and being the developer. Josh Podkaminer stated there would be no fee paid on this on or any lease deal typically until it is done. He stated there would be a developer fee that would be part of the equity rolled into the project. He stated there might be one other pre-approved site in this size range and all Onondaga County. He stated he presented those multiple other sites and did not meet the criteria.

Patrick Hogan stated as far as history with OCIDA, normally a property or a business moving outside the city is something that we haven't traditionally looked at.

Robert Petrovich stated generally speaking the understanding between OCIDA and SIDA is that projects in the city, unless the county or the IDA happens to own the property or conflict of interest, we will leave that with SIDA. He stated in this particular instance, because of that

concern, the applicant has brought forward a letter from the Mayor, indicating that he did not object to the business relocating out of the City and he also supported the IDA benefits for the project.

Patrick Hogan stated he saw the letter and being the Economic Development Chair of City Council he was somewhat mystified by it.

Josh Podkaminer stated they do not want to step on anybody's toes but they have also worked on development projects that have brought projects and tenants from the County to the City, one notable project was 706 North Clinton Street, where One Group Insurance is located. He stated it was a big part of the assistance in the redevelopment of things in the Inner Harbor. Patrick Hogan stated he is more talking about the history between the SIDA and the OCIDA.

Janice Herzog asked if Mr. Podkaminer has a number of other properties that are under development, that he manages or his company owns. Josh Podkaminer stated they do and they typically own them through partnerships. He stated the 706 North Clinton Street, the One Group Insurance building is one of those buildings. He stated he started that development back in 2014 and aligned themselves with Heuber Breuer Construction at the time and they partnered with One Group Insurance to put that development together. He stated they continue to be a partner in that project and we manage that. He stated they a building in the heart of Franklin Square which was a development they started in 2001. He stated they manage a parking lot and building in downtown Syracuse, the 100 Clinton Square building where his office is located. He stated they have a couple different warehouse buildings in the city and University housing.

Patrick Hogan asked who does their work. Josh Podkaminer stated they are working with VIP Structures and VIP Architecture.

Susan Stanczyk asked if this is a 10 year lease they are passing on to Johnstone Supply. Josh Podkaminer stated yes.

Susan Stanczyk stated the PILOT is for 10 years and the lease is up in 10 years. She stated there is no guarantee they will stay. She asked if Mr. Podkaminer is going to come back for another ask. She stated they are probably going to lose that tenant because they are going to have to pay a lot more money. Josh Podkaminer stated that is one of the risks of his business. He stated they

had hoped they could have a 15 or 20 year lease but they weren't willing to commit to that. He stated in today's marketplace it is very difficult to find those long term leases that developers were used to years ago. He stated it is a significant financial commitment he is making, and he is guaranteeing the loan. He stated we are all excited about Micron and other activities in the marketplace but there comes a point in time where you have to either decide I'm going to sit here and twiddle my thumbs or I'm going to try to build. He stated they are in favor of progress and that is one of the reasons they are asking for Agency support. He stated is a lot of risk and they are trying to stick their necks out there. He stated you don't want to always focus on that 10 year point and they are hoping they can pay down on their mortgage and be in a reasonable place in 10 years.

Patrick Hogan stated this project is just sort of confusing.

Upon a motion Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution authorizing a public hearing for Wallace Group, LLC/6808 Crossbow Drive, LLC. Motion was carried.

APPOINTMENT OF BOARD MEMBERS TO FINANCE COMMITTEE

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution appointing Sue Stanczyk as Chairperson of Finance and Elizabeth Dreyfuss as Finance Committee Member to the OCIDA Finance Committee. Motion was carried.

APPOINTMENT OF BOARD MEMBERS TO AUDIT COMMITTEE

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution appointing Cydney Johnson as an Audit Committee Member to the OCIDA Audit Committee. Motion was carried.

EXECUTIVE SESSION

Jeff Davis stated he recommends a motion to go into Executive Session for the purposes of discussing proposed acquisition of land as well as he will be providing legal advice to the Board.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board went into Executive Session at 9:16 am. Motion was carried.

(Cydney Johnson and Kevin Ryan left meeting.)

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board adjourned Executive Session at 9:52 am. Motion was carried.

PURCHASE CONTRACT EXECUTION

Robert Petrovich stated this resolution is to acquire additional land at the White Pine campus as part of the Micron project.


Jeff Davis stated this is a stand-alone SEQR Resolution to purchase lands in the Town of Cicero that are adjacent to the White Pine project and ultimately could become part of White Pine in the future.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the adoption of the SEQR determination. Motion was carried.

Upon a motion by Janie Herzog seconded by Susan Stanczyk, the OCIDA Board approved a resolution authorizing the Executive Director to exercise the option to enter into a purchase contract and any related documents with respect to parcels of property. Motion was carried.

ADJOURN

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 8:56 am. Motion was carried.



Nancy Lowery, Secretary