

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
July 13, 2021

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, July 13, 2021 at 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Patrick Hogan called the meeting to order at 8:03 am with the following:

PRESENT:

Patrick Hogan  
Janice Herzog  
Victor Ianno  
Steve Morgan  
Susan Stanczyk  
Fanny Villarreal

ABSENT:

Kevin Ryan

ALSO PRESENT:

Robert Petrovich, Executive Director  
Nancy Lowery, Secretary  
Nate Stevens, Treasurer  
Karen Doster, Recording Secretary, Agency  
Len Rauch, Office of Economic Development  
Rebecca Shiroff, Office of Economic Development  
Daniel Bonsangue, Office of Economic Development  
Jeff Davis, Barclay Damon Law Firm  
Jim Gosier, Byrne Dairy  
Thomas Chartrand, Byrne Dairy  
Dan Wood, Byrne Dairy

APPROVAL OF REGULAR MEETING MINUTES – JUNE 8, 2021

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board approved the regular meeting minutes of June 8, 2021 meetings. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of June 2021.

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved the Treasurer's Report for the month of June 2021. Motion was carried.

## PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #458.

Upon a motion by Fanny Villarreal, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #458 for \$158,206.37, PILOT payments to the City of Syracuse for \$39,316.64, Onondaga County for \$49,818.26 and Syracuse Central School District for \$72,271.90. Motion was carried.

## CONFLICT OF INTEREST DISCLOSURE

The Conflict of Interest was circulated and there were no conflicts reported.

## ULTRA DAIRY EXPANSION – WASTEWATER TREATMENT PLANT INITIAL MEETING.

Jim Gosier stated Ultra Dairy has been before the Board three of the past four years expanding their facility. He stated before the Board today is part one of a two part expansion and this is the smaller part. He stated they are starting to see the beginning of the end of the expansions of Ultra Dairy simply because they are running out of space. He stated they have before the Town of DeWitt a master plan for the final build out stages. He stated this is the first step in the final build out stage. He stated with the help of Onondaga County they are expanding their ability to treat waste water generated as part of their process. He stated in partnership with the County they are installing a large force main sewer near the facility that will relieve the pressure on the existing system in the Town of DeWitt and provide them the opportunity to grow along with the other businesses in that area. He stated this first step, called Phase 2A, is the construction of a state of the art waste water treatment facility that will treat all of the wastewater generated from the plant and then flow into a new sewer being installed by the County. He stated it will then be transferred to the Metro Wastewater Treatment Facility. He stated they are at their functional capacity now for the treatment of wastewater and cannot continue to expand the facility without expanding their wastewater treatment system. He stated once this wastewater treatment facility is complete they will be in a position to expand processing and filling in the plant itself which will be a lot of money and a larger number of jobs. He stated when you look at this and the size

of the expansions that Ultra Dairy has done to this point, \$6.4 million isn't the biggest project they have done and the same with the job creation. He stated this is just setting up the next and final phases of the Ultra expansion.

Victor Ianno asked if this is just a utility project and Ultra Dairy is not going to make any money. Jim Gosier stated it is more of a cost center than a profit center but again this is setting the stage for the final big expansions of the facility.

Victor Ianno asked how far off that will be. Jim Gosier stated this project will take about 6-8 months once they get started and following behind that is what they call Phase 2B which is a 42,000 square foot expansion of the existing facility. He stated it will be in the next 2-3 years.

Victor Ianno asked if Ultra Dairy will ultimately build out at the facility. Jim Gosier stated before the Board is Phase 2A. He stated Phase 2B is an additional 42,000 square feet of space. He stated Phase 3B is another 39,000 square feet then they are done. He stated they are pleased with the progress they have made so far and their ability to produce. He stated the next 3 steps will maximize the facility not just in space but in the amount of production they can do there.

Steve Morgan asked what products are produced at that plant. Jim Gosier stated the facility was initially built as an extended shelf life facility and what that means is that the processing of dairy products is done at a higher temperature so it has a longer shelf life. He stated when they initially started in 2003-2004 they made a lot of half and half but it had a shelf life of 77 days as opposed to fresh line is 28 to 45 days. He stated they entered into nondairy production particularly the equivalent of coffee creamers. He stated just recently the project that was before the Board was for aseptic expansion which is now up and running. He stated aseptic process is done at an even higher temperature in a totally sterile environment. He stated the product that comes out is shelf stable meaning it doesn't have to be refrigerated and is good for 13 months. He stated with Dan Wood's help and leadership Ultra Dairy has been in that for about 3 months with wonderful results. He stated literally that product can be shipped around the world because it does not have to be refrigerated.

Patrick Hogan asked where the products are shipped. Jim Gosier stated they have a very large customer that distributes the aseptic products all over the country. He stated the primary end user at the moment is the Houston City School District.

Steve Morgan asked if they are contract manufacturing for other business. Jim Gosier stated that is about 85% of their business.

Janice Herzog asked if the extended shelf life products are in our stores. Jim Gosier stated no. He stated those primarily up to this point have been under a private label and somebody else's name is on the package. He stated they will be introducing in the next 3-4 weeks a Byrne label of the aseptic product and if it gets picked up by a Wegmans or a Tops remains to be seen.

Janice Herzog asked if they ship out of the country. Jim Gosier stated currently no and the farthest they go is Puerto Rico. He stated they ship a lot of product to Puerto Rico and have been for a number of years. He stated the aseptic takes them to a whole different level because if you think about the extended shelf life product it still has to be refrigerated. He stated going to Puerto Rico or the Caribbean it has to be on a refrigerated container ship whereas the aseptic product gets loaded onto intermodal containers and off it goes.

Fanny Villarreal asked how many jobs have been created so far. Jim Gosier stated they have a total of 215 people at one Ultra facility. He stated they have about 525 system wide. He stated when he says 215 work at the facility, those folks actually work in the plant. He stated they also have folks that work in the warehouse that support the plant, drivers and farmers that support the drivers. He stated this project will create another 10 full time employees.

Susan Stanczyk asked if the 10 jobs are highly technical and related to the wastewater plant. Jim Gosier stated some are more technical than others and they have dedicated waste water technicians. He stated milk or cream are delivered to the plant in big tanker trucks and the trucks have to be washed before they leave. He stated it isn't like a delta sonic where they just drive thru because the cleaning is on the interior of the tank. He stated the truck pulls in, unloads its milks and currently it sits there then a spray ball system drops down into the tank and washes them. He stated it takes about 45 minutes to wash the tank. He stated they have three side by side tanker bays where they can unload three at a time but creates a traffic jam while tankers are sitting there to be washed. He stated part of the wastewater treatment project has a tanker wash bay adjacent to it. He stated the trucks will come in, unload, leave the receiving bay and go around to the car wash. He stated they will be washed in a separate facility so they can free up the receiving bay to have milk delivered. He stated the long answer to the short question is the

operators of the tanker wash is a lesser technical skilled job but the jobs they anticipate are everything from engineers down to the tanker wash folks.

Patrick Hogan stated he would like Nate Stevens to discuss the PILOT as Ultra has been before the Board regularly which is great because they are expanding and need our help and that is what we are in business for. Nate Stevens stated our numbers show a total investment of almost \$75 million since 2003 just at the Ultra site that has come before this Board. Jim Gosier stated that is about 40% of the total investment they have had. He stated they are at about \$200 million of investment.

Nate Stevens stated he wants to note that the sentence on the bottom saying “the PILOT schedule replaces all previous PILOT Schedules regarding this project site” means that any previous PILOT schedules, specifically the one approved last year by this Board in 2020, will go away and will be replaced by the schedule in the board packet. He stated if you were to compare the PILOT schedule from last year and the PILOT schedule from this year, you will see this one’s total PILOT payments over the exact same length of time is roughly \$200,000 higher, reflecting the increased value of this wastewater treatment plant.

Patrick Hogan asked if in essence we folded one PILOT agreement into another one. Nate Stevens stated yes.

Steve Morgan stated it says 20 jobs in 2022 and 5 jobs in 2023 versus what we talked about early of having 10 new jobs. Nate Stevens stated their expansion last year is still running so he folded it in.

Steve Morgan stated it was talked about that this is leading to a larger project and asked what the estimated time is for the larger expansion project to be for job creation. Dan Wood stated about 140 total. He stated in essence they are doubling the size of the plant.

Steve Morgan asked if the plant runs 24/7. Dan Wood stated yes.

Jeff Davis stated he assumes the plan is before the Town of DeWitt now and asked if they are looking at just the wastewater treatment plant or the multiple phases discussed today. He stated he asks this specifically in regards to the SEQR review they are doing. Jim Gosier stated they

asked the Town of DeWitt to consider both, Phase 2A and 2B, waste water treatment and 42,000 square feet of processing space for a couple reasons. He stated their experience with the Town suggests that the more comprehensive they can be the better off they are. He stated they came to a different conclusion when it comes to the OCIDA Board where it seems more logical to take in smaller bites. He stated they will do the first and come back when they are ready to do phase 2B because it may be a year or two before doing Phase 2B. He stated when they determine to go forward with that then they will come back before the Board. Jeff Davis asked if they will extend the site plan approval with the Town of Dewitt for that work. Jim Gosier stated yes.

Jeff Davis stated for SEQR purposes for this Board we will rely upon the review of the Town of DeWitt as lead agency and the review will only cover Phase 2A and 2B and any third phase is too speculative at this time. Jim Gozier agreed.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing a public hearing for the Ultra Dairy Expansion – Wastewater Treatment plant. Motion was carried.

#### ROTH STEEL AMENDMENT

Jeff Davis stated last year the Board voted for authorization for the Executive Director to execute an application to DEC to amend the Brownfield Cleanup Agreement at Roth Steel where we modified the boundary of the agreement with DEC as to who is responsible for remediating what. He stated that application was approved recently by DEC and they sent us the amended Brownfield Cleanup Agreement application which also requires a vote showing that Robert Petrovich has the authorization to execute the amended Cleanup Agreement. He stated it is performance work but a vote is needed of the Board authorizing Mr. Petrovich to execute that amendment which allows the remediation of Roth to take a step forward and it also defines the responsibilities clearly between what DEC is handling and what OCIDA is handling.

Steve Morgan asked for a synopsis what OCIDA is responsible for. Robert Petrovich stated for simple math we will say the site is 21 acres, although it is a little larger. He stated basically the site was divided with 14 acres closer to Hiawatha and 7 acres closer to lake. He stated that portion of the property has been divided roughly on the lines of what is the less contaminated versus what is most contaminated. He stated the problems we have been having with this site is

it is contaminated, there is so much financial risk and ultimately risk working with the cleanup. He stated everyone that has approached us about potentially developing the site has ultimately backed away because of the risk aversion to conducting the cleanup. He stated the decision was made to get it cleaned up and that will put us in a position to get it redeveloped. He stated the front portion of the property covered under the Brownfield Cleanup Agreement requires spot removal of PCB contamination and some other contaminants that are there. He stated basically we will go in and surgically remove some stuff, dig it out, put in a barrier layer, cap it and be done. He stated part of the capping will also be associated with pavement that we put down or building slab sitting on top of it which constitutes a cap as well. He stated the back 7 acres are the most contaminated and effectively is going to be cleaned up by the DEC. He stated the front part is ultimately going to cost the Agency somewhere between \$1 million and \$1.5 million. He stated the back portion of the site is going to be cleaned up by the State in the agreement we have that is effectively done under superfund. He stated that will probably cost \$5 million, maybe more. He stated that could take 3 to 5 years to get completed. He stated 3 years if they are aggressive and 5 years if they are not. He stated we think we can get it done in about a calendar year so our expectation would be that we would be in a position to start remediation if not this fall, we would certainly be in the ground doing remediation in the spring and at that time be in a better position to market the site for redevelopment. He stated the team recognizes that we are obviously on two schedule tracks but we also think once we are done that will help motivate the state to get going and bring to closure the superfund portion of this. He stated we are working with the County Executive's office on some development ideas for the site but we think this is the most expeditious way to move forward with progress and ultimately the resolution on remediation which will then tee up redevelopment of the property.

Steve Morgan asked if the property can be subdivided. Robert Petrovich stated we don't want to subdivide and we want to retain ownership because of future development plans. He stated we are going to need the space. He stated the state agreed to that but the state also agreed that they are going to fund the cleanup on their nickel.

Victor Ianno asked how much money the Agency will have into this by the time we are done. Robert Petrovich stated between the acquisition and all of the things done to date, somewhere around \$3-3.5 million. He stated we have a couple million into it already and another \$1-\$1.5 million going into it. He stated we are hoping to bring it in under \$4 million.

Janice Herzog asked if the site has been tossed around for a potential target occupant. Robert Petrovich stated yes. He stated there are various clean up levels and residential would be too big a lift because of the human health risk occupancy and the duration of activity on the site. He stated we are cleaning up to a commercial standard. He stated we don't have to take out every molecule of contamination but we have to take out the most obvious sources and locations of contamination. He stated the things that we have looked, in terms of commercial and industrial uses, are ag manufacturing and spent probably 18 months trying to get that project sited there and they backed away because of the uncertainty on contamination. He stated Covid wasn't helping either. He stated we also looked at industrial tire folks that were interested in locating there. He stated there have been a number of commercial and industrial. He stated we haven't looked for any retail or residential because we don't think the end use is appropriate and will be a hard sell to the DEC with human risk assessment factors that would be contributed to that.

Steve Morgan stated there was discussion about paving the whole thing based on the level of contamination on part of the property. Robert Petrovich stated to be commercial you have to have the top foot clean. He stated we are going to remove what we need to remove on the surface and then put a barrier layer down. He stated that is why having a site plan and some idea of what we are putting there is very helpful. He stated to the extent you have pavement and to the extent you have building with a slab that is considered a cap by DEC. He stated where we don't have that we are going to have to have a foot of clean fill over the top of it and that is also considered a cap. He stated paving it and then to go back in and rip it up for development he does not think is a good approach. He stated there have been a lot of different ideas and he thinks we are on the path to success here but we need about 12-16 months to get it done.

Janice Herzog stated if we were to compare the site to where Destiny built in terms of contamination levels, is it similar. Robert Petrovich stated he doesn't remember exactly what Destiny had there but he knows it was a scrap yard once upon time. He stated we don't have ground water users, we have a municipal water supply. He stated we don't have contamination from the studies that we have done that demonstrate the contaminations going anywhere in a meaningful way. He stated it is pretty much isolated on site. He stated PCBs in and of themselves are inert which means they stay put unless there is something pushing them like a solvent or chlorinated organics moving through the ground water and picking this stuff up and taking it with it. He stated at the end of the day we have some hot spots that we have to dig and



then we are effectively done. He stated the risk is once you start digging you can't stop until you are out of the contamination and demonstrate why you can't go further.

Patrick Hogan stated he thinks we need to be cognizant because there is a significant amount of private and public investment in that whole area. He stated the Inner Harbor and the City just widened the trail along Hiawatha Boulevard through state funding and the Creek Walk is right there. He stated there are many new businesses coming.

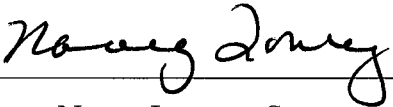
Robert Petrovich stated DOT just put in a nice pedestrian bridge connecting that last section of the lake. He stated we think it is a number of positive factors that come together that drive us ultimately to getting that remediated.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing the Executive Director to execute an amendment to the Brownfield Site Cleanup Agreement in connection with the 800 Hiawatha Boulevard West site. Motion was carried.

Jeff Davis stated Items 3 and 4 are off the agenda. He stated a request is being made to the Board to consider a special meeting on Friday, July 16 at 10:00 am. He stated the meeting will be noticed and will allow us to hold the meeting on Friday.

Upon a motion by Steve Morgan, seconded by Sue Stanczyk, the OCIDA Board approved a resolution to hold a special meeting on Friday, July 16, 2021 at 10:00 am. Motion was carried.

Upon a motion by Janice Herzog, seconded by Susan Stanczyk, the OCIDA Board adjourned the meeting at 8:34 am. Motion was carried.

  
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Nancy Lowery, Secretary