

Onondaga County Industrial Development Agency
Regular Meeting Minutes
August 5, 2020

A regular meeting of the Onondaga County Industrial Development Agency was held on Wednesday, August 5, 2020 via Zoom Teleconference.

Janice Herzog called the meeting to order at 1:00 pm with the following:

PRESENT VIA TELECONFERENCE:

Janice Herzog
Steve Morgan
Susan Stanczyk
Kevin Ryan
Victor Ianno

DELAYED:

Fanny Villarreal

ABSENT:

Patrick Hogan

ALSO PRESENT:

Robert Petrovich, Executive Director
Nancy Lowery, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary
Carolyn Evans-Dean, Office of Economic Development
Jeffrey Davis, Barclay Damon Law Firm
Amanda Mirabito, Barclay Damon Law Firm
Jim Gosier, Ultra Dairy, LLC
Dan Wood, Ultra Dairy, LLC

Janice Herzog shared information as to how the meeting will be conducted as a result of COVID-19.

CONFLICT OF INTEREST DISCLOSURE

The Conflict of Interest was emailed to Board Members present to sign off.

ULTRA DAIRY, LLC

Jim Gosier stated on behalf of Byrne Dairy he wanted to thank the Board for holding this special meeting. He stated they recognize this was at their request to accomplish their construction schedule. He stated at this time of year they are thinking 6 months ahead when it will be snowing and very windy. He stated this gives them the opportunity to complete their construction phase of the project before the bad weather sets in. He stated as mentioned before this is the 4th expansion of the Ultra Dairy facility in East Syracuse. He stated this particular expansion is going to move Byrne into a new phase of production in making products they have never made before but is what they believe is the future of the dairy and the beverage industry. He stated they will be utilizing aseptic packaging and aseptic processing which allows these products to have a shelf life in an unrefrigerated atmosphere for up to one year. He stated as discussed before they have found with many consumers doing basic grocery shopping on line and with the onset with the Covid pandemic not wanting to go to the grocery store that more and more consumers are moving toward this type of product with a shelf life of up to a year. He stated this type of processing and packaging is highly technical. He stated of the \$28,500,000 project, almost \$18,000,000 is for very high tech machinery. He stated this is a new phase for Byrne Dairy and they are very excited.

Janice Herzog stated that is wonderful and she would like to applaud Byrne Dairy for all their contributions in our community and the Central New York region. She stated they have always been steadily moving, changing and ahead of the curve.

Steve Morgan asked for an explanation on the process, how the packaging takes place and how it has the ability to last as long as it does. Dan Wood stated the process is very similar to extended shelf life (ESL) where they are heating it up to a high temperature for a short period of time. He stated the big difference is the packaging machine itself where they are actually providing not a fog of hydrogen peroxide but a bath of hydrogen peroxide. He stated the paper that comes off a reel goes through and within an inert atmosphere gets created into the package; then the product is put in an inert blanket MAP (Modified Atmospheric Packaging) and sealed closed which keeps the oxygen out and keeps the bath of hydrogen peroxide in. He stated that is what gives it its shelf life. He stated the ESL products that they make already are very close to that but that last step that takes it to the shelf stable level.

Steve Morgan asked where the product would be distributed. He asked if it would be all along the east coast and how far will they go with this. Dan Wood stated currently their distribution model has customers that want this all along the east coast and out to about the mid-west. He stated with the aseptic platform they have the ability to distribute all around the world eventually.

Jim Gosier stated they can apply this technology to not only dairy products but nondairy products as well. He stated they are looking forward to expanding their portfolio into additional product lines.

Victor Ianno asked how long Byrne Dairy has been in business. Jim Gosier stated 87 years.

Janice Herzog stated she read as of May 31, 2020 Ultra Dairy has purchased nearly \$48,000,000 in milk and cream from farms in Central New York and the Finger Lakes region. She asked if with the expansion will it expand the purchasing of milk and cream within the region or will the level remain the same. Jim Gosier stated they will certainly need more milk and cream and it makes great business sense and community sense to continue to buy that here locally and in Central New York. He stated on average the farms that they purchase from are about 20 minutes away from their plants so there is a tight radius from where they draw the milk and the cream and that is going to continue.

Janice Herzog asked if the area has enough to provide what they need. Jim Gosier stated yes it does and a number of farms that they work, if the need is there, they will offer them the opportunity to expand their herds. He stated if they aren't able or willing to do that they would find additional sources for milk.

Nancy Lowery stated there were no comments at the public hearing.

Sue Stanczyk asked if the Town of DeWitt is supportive and if there have been an issues with the Town on the expansion. Jim Gosier stated this is the 4th expansion of Ultra Dairy and this has been the smoothest approval process they have had. He stated Ultra Dairy is very thankful to the Town because they put in a lot of hard work under some difficult circumstances but they were able to accommodate their timeline.

Victor Ianno asked if there is room to add on if they need another expansion. Jim Gosier stated he and Dan Wood are working on the final stages of the master plan and they don't have an infinite amount of space. He stated they still have a lot of room left but certainly all good things come to an end and that will include expansions of the facility. He stated they are in the process of determining what that end game looks like and will be moving on that plan in the next 18 months.

Jeff Davis stated there is a SEQR Resolution that was prepared and went through a full review at the Town. He stated counsel reviewed the Town SEQR information and this is an unlisted action under SEQR. He stated based on that review by the Town and by Agency Counsel this action will not have an adverse impact on the environment. He stated in the resolution that is prepared, the Agency is issuing a negative declaration pursuant to SEQR based on upon the materials received by the applicant and the Town's review analysis of the project as well.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the adoption of the SEQR determination for the Ultra Dairy, LLC project. Motion was carried.

(Sue Stanczyk lost connection to meeting.)

(Fanny Villarreal arrived at meeting.)

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the financial assistance the Agency will provide including a Payment in Lieu of Tax Agreement and Sales Tax Abatement for the Ultra Dairy Phase II Expansion project. Motion was carried.

Jim Gosier stated as you can imagine in the Dairy facility there is a huge area that is refrigerated and is an ammonia refrigeration system which presents its own unique challenges for both installation, operation and maintenance of that kind of system. He stated for years they have worked with Mullally Brothers out of Troy and they have been with Ultra Dairy almost the entire time they have been in business. He stated they have had great success with Mullally Brothers particularly in the maintenance and operation of these systems. He stated they are highly technical and highly dangerous in that they are ammonia based systems. He stated there is no

company in Onondaga County that provides that type of service. He stated in the last couple of expansions Ultra Dairy has requested for this type of waiver. He stated it is only for the Mullally Brothers Company and only for this highly specialized ammonia based refrigeration system.

Upon a motion by Kevin Ryan, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing a waiver from the Local Access Policy for the highly specialized ammonia refrigeration systems associated with Ultra Dairy's cooling systems. Motion was carried.

LEGAL ADVISE SESSION

Upon a motion by Fanny Villarreal, seconded by Victor Ianno, the OCIDA Board entered into Legal Advise Session at 1:23 pm.

(Sue Stanczyk reconnected.)

BOARD RE-CONVENED TO REGULAR SESSION UPON CLOSE OF LEGAL ADVISE SESSION.

Janice Herzog stated it is has been proposed to change the September meeting date from September 8 to September 15. The Board agreed.

Upon a motion by Victor Ianno, seconded by Fanny Villarreal, the OCIDA Board adjourned the meeting at 2:04 pm. Motion was carried.



Nancy Lowery, Secretary