

Onondaga County Industrial Development Agency
Regular Meeting Minutes
September 11, 2018

A regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, September 11, 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 7:59 am with the following:

PRESENT:

Patrick Hogan
Victor Ianno
Kevin Ryan
Susan Stanczyk
Janice Herzog
Fanny Villarreal

DELAYED:

Steve Morgan

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director
Genevieve Suits, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary
Brian Bartlett, Office of Economic Development
Genevieve Suits, Office of Economic Development
Tony Rivizzigno, Barclay Damon
Amanda Mirabito, Barclay Damon Law Firm
Jeff Davis, Barclay Damon
Nathan Andrews, Morse Manufacturing Co., Inc.
Christopher Andreucci, Harris Beach
Jennifer Granzow, Wladis Law Firm
Rich Chapman, G & C Foods
Terry Stevens, The Pike Co.
Tom Czyz, Armoured One LLC
Anthony Delia, Lynn Delia Temes Stanczyk
Jim Mason, Carpenter's Union
Lauryn LaBorde, SCSD

APPROVAL OF REGULAR MEETING MINUTES – AUGUST 14, 2018

Upon a motion by Susan Stanczyk, seconded by Victor Ianno, the OCIDA Board approved the regular meeting minutes of June 12, 2018. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of August 2018.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Treasurer's Report for the month of August 2018. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #422.

Kevin Ryan asked what the real estate services have done so far. Nate Stevens stated they helped in responding to site selector inquiries especially from Empire State Development.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved the Payment of Bills Schedule #420 for \$21,988.01. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

MORSE MANUFACTURING - INCREASE SALES TAX ABATEMENT

Jeff Davis stated this is an amendment to the action the Board previously took for the Morse Manufacturing project. He stated after the project went to bid the cost increased significantly. He stated the original application was \$2.5 million and after the GC was hired it came back in at \$5 million so an application was made to the Agency to adjust the sales tax from \$100,000 to \$240,000 and mortgage tax from \$18,750 to \$28,125 based upon the formulas and calculations. He stated Nate Stevens prepared a revised PILOT schedule which reflects that.

(Steve Morgan arrived at meeting.)

Nate Stevens stated the PILOT schedule is the same as before but the summary sheet was revised to reflect the revised tax abatement they are requesting and described today.

Patrick Hogan asked if the facility is vacant. Jeff Davis stated yes.

Janice Herzog asked where they are located now. Nathan Andrews stated they are located in the Village of East Syracuse, behind Wegmans on James Street. He stated they have been there for over 65 years and have expanded several times.

Kevin Ryan asked how the estimate is so wildly off. Nathan Andrews stated the original estimates were costs to make sure they could afford the project and make it happen at a reasonable budget point. He stated they did a cost analysis and realized it was worth spending more to get the facility up to speed where they want it. He stated a big part of it is raising the roof in a section and quite a few individual things that have significantly increased the scope. He stated there is always scope increase in any project and this was significant but justifiable.

Janice Herzog asked if construction started. Nathan Andrews stated they are 6 weeks into the demolition process.

Upon a motion by Victor Ianno, seconded by Kevin Ryan, the OCIDA Board approved a resolution authorizing an increase in sale tax abatement. Motion was carried.

OLD THOMPSON ROAD – ALTERATION OF TAX EXEMPT BOND

Chris Andreucci stated the Agency approved the bonds up to \$10,000,000 last year for Old Thompson Road (Feldmeier). He stated they closed December 21 with \$7,000,000 in tax exempt bonds and \$3,000,000 in taxable bonds. He stated they are doing so well they made capital expenditures close to the limit the tax law requires so they need to take out a tax exempt bond and make it taxable so we are going to decrease the tax exempt by \$7,000,000 and increase the taxable by \$7,000,000 making them all taxable.

Upon a motion by Kevin Ryan, seconded by Janice Herzog, the OCIDA Board approved a resolution terminating the tax exempt bonds and replacing with taxable bonds. Motion was carried.

COR INNER HARBOR COMPANY LLC

Tony Rivizzigno stated this is an application by COR. He stated COR is asking us to switch a parcel line because they need more parking area for the apartments. He stated that the property we are switching was already included in the PILOT and they have to amend their mortgage because the description does not include that parcel. He stated we are the signatory to the mortgage sale so we need to need to sign the amended document. He stated there is no change in dollars or financial benefit.

Patrick Hogan asked if they have to go through the City Planning and Zoning. Tony Rivizzigno stated no because they have already done that and just switching lot lines. He stated the way it was configured originally didn't include enough parking.

Upon a motion by Victor Ianno, seconded by Susan Stanczyk, the OCIDA Board approved a resolution modifying board documents to expand parking for the Iron Pier mixed use building. Motion was carried.

THAT WAS RANDOM, INC., DBA UPSTATE COIN & GOLD

Jennifer Granzow stated That Was random, Inc. also known as Upstate Coin & Gold is refurbishing some buildings on Seely Drive in the Town of DeWitt. She stated they are seeking a waiver from the local labor requirements for one specific piece of equipment that is unique to their use. She stated this item only has 3 or 4 manufacturers in the United States and they are buying directly from one of them. She stated there is no local labor and it takes 7 years to get certified to do the installation. She stated it will be manufactured in another state and delivered here. She stated the team from the manufacturer will do the installation to meet the requirements for the client's certifications.

Patrick Hogan asked if all due diligence was done. Jennifer Granzow stated yes. She stated there is a letter from Zausmer who is the contractor that details that they can't get local labor to do this work.

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved a resolution for a waiver of OCIDA's local labor policy. Motion was carried.

G&C FOODS DISTRIBUTORS – PAYMENT IN LIEU OF TAX AGREEMENT, SALES TAX ABATEMENT, MORTGAGE RECORDING TAX ABATEMENT

Julie Cerio stated when G & C came to the IDA 2 years ago they had 215 employees and they promised employment numbers with the tax exemptions the Agency provided would be up to 300 over 5 years. She stated they are currently at 413 jobs and doing another 100,000 square foot addition with 562 jobs at the end of a 5 year period. She stated this is one of the biggest projects as far as job counts the IDA has done. She stated when we have a project that has an existing PILOT we bake those numbers into the new PILOT otherwise they are paying 2 payments and gets too confusing.

Rich Chapman stated G & C is before the board for assistance and a waiver. He stated the waiver is around a refrigeration contract which is a big part of the expansion. He stated an ammonia based refrigeration system is needed for their size facility. He stated there is only one person in the area that does this and they are not local and the next closest is in North Carolina. He stated they do all their work for them. He stated there are letters attached from local people that do not do this type of work so they have no choice for the ammonia system.

Julie Cerio stated generally if they need a local labor waiver we ask for it at the 2nd meeting after the public hearing was held and benefits were granted however the lead time for this particular piece of equipment is up to 12 weeks. She stated if the Board allows them to use the local labor waiver they will order it and then if the Board decides for some reason not to give them benefits they just won't get the sales tax exemption.

Steve Morgan asked what spurred the growth because he thought the last time G & C was before the board there was going to be a lot of automation. He asked if they are mostly driving jobs. Rich Chapman stated a little bit of everything. He stated they put in the manufacturing line which is new to them and that added people. He stated they could hire 40 people tomorrow and half are drivers. He stated their claim to fame is next day delivery and most of their competitors

do 3 to 4 days. He stated they were always ahead of the curve and ready. He stated they have been fortunate to have a lot of good people and a lot of good growth.

Steve Morgan asked how far they distribute. Rich Chapman stated they ship to Miami to Wisconsin to Maine and to New Orleans.

Steve Morgan asked if they find back hauls on that. Rich Chapman stated yes, usually. He stated freights become a big part of what they do. He stated not only do they freight back hauls on their own products but they also try to do it for their customers as well.

Victor Ianno asked what their main food products are. Rich Chapman stated mostly meat. He stated they ship between 8,000,000 to 9,000,000 pounds a week and half of that is beef chicken and pork. He stated the other half could be dairy, frozen fruits and vegetables, French fries, ketchup, pickles, peppers or mayonnaise. He stated anything in food.

Patrick Hogan asked if the problem is getting drivers with a CDL classification. Rich Chapman stated a CDL is a nationwide issue and seems to be getting worse.

Patrick Hogan asked if they connect with local employment agencies. Rich Chapman stated yes they try all the time and they are constantly recruiting on the air, social media and billboards.

Patrick Hogan asked if they are mostly full time employees. Rich Chapman stated that they are all full time, no part time.

Fanny Villarreal asked what kind of jobs are available. Rich Chapman stated a lot of them are warehouse entry level but they constantly hire at all different levels. He stated once they got into manufacturing they had quality assurance manager and production manager but as they continue to grow drivers are always at the top of the list. He stated they have benefits and they don't have any part time. He stated they have paid a 3 to 4 week bonus every year for the last 10 years.

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

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved a resolution for a waiver of OCIDA's local labor policy. Motion was carried.

ARMOURED ONE LLC – PAYMENT IN LIEU OF TAX AGREEMENT, SALES TAX ABATEMENT, MORTGAGE RECORDING TAX ABATEMENT

Tom Czyz stated Armoured One is a Central New York founded company. He stated he was a homicide detective/swat team operator and started the company to protect schools against active shooters like at Sandy Hook when a shooter walked into a school basically by shooting the glass at the front door. He stated they have developed products and services to keep schools safe. He stated they met with the President of the United States and some of his staff. He stated his company hires retirees from the FBI and Homeland Security. He stated they train schools and staff on what to do during a shooting. He stated they have security assessments breaking down buildings on what to do so they have the best in the nation for active shooter experts that work for them. He stated they also create product, mainly glass products, that slow down attackers. He stated they have a partnership with Avery Denison and Masonite. He stated they bought the 382 – 386 North Midler buildings which are in bad shape filled with a lot of trash. He stated to date they have 27 employees and plan to hire 10 more. He stated he is working with Quante Wright to get those in place. He stated their goal over the next 5 years is to hire another 70 employees. He stated they acquired the property for \$175,000 and they are looking to invest \$2,800,000 into the property. He stated they partnered with Syracuse Glass to make a part of their product. He stated another part of their product is made by Avery Denison. He stated when it comes to Armoured One everything goes through the cleanrooms and the final manufacturing is done there. He stated they work nationwide and they have contracts that are starting worldwide. He stated they are the only ones in the world with this product. He stated they have exploded to headache conditions where they have told their sales people to slow down and stop selling because they can't keep up. He stated they went from about \$1,000,000 in sales last year and they are going to hit at least \$10,000,000. He stated they are looking to invest in Central New York heavily and into their properties. He stated they will keep expanding building to building as they grow.

Steve Morgan asked if this is just manufacturing of the glass. Tom Czyz stated it will be their corporate offices as well so a lot of the training and assessments will come out of this office but a majority of it is manufacturing.

Steve Morgan asked if they take the glass from Syracuse Glass and make changes to fit the application they are selling. Tom Czyz stated the Syracuse Glass sandwiches Armoured One's products in their glass, send to Armoured One and then they put the final film application on the back of the glass.

Susan Stanczyk asked if they do just schools. Tom Czyz stated 90% is schools. He stated their focus and passion is protecting children. He stated they will get government buildings and businesses that want their products but they go on the back burner until they can get there. He stated schools are their priority especially K – 12 and some colleges.

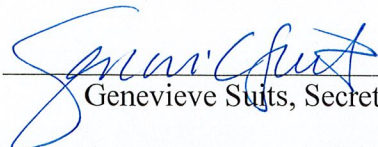
Patrick Hogan stated the property is split between Syracuse and DeWitt. Tom Czyz stated yes. Nate Stevens stated there are 7 parcels total with 3 in DeWitt and 4 in the City of Syracuse. He stated it is all adjacent to each other and that is why it is an OCIDA project.

Upon a motion by Janice Herzog, seconded by Steven Morgan, the OCIDA Board approved a resolution describing the proposed Armoured One LLC project, the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried

Nate Stevens stated there was an error earlier on Item 1, Morse Manufacturing, where the mortgage recording tax was increasing \$28,125. He stated it was noted correctly on the application but it was not changed on the summary sheet so he suggested a Board action to correct that.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution increasing the mortgage recording tax for Morse Manufacturing to \$28,125. Motion was carried.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 8:31 am. Motion was carried.


Genevieve Suits, Secretary