



**ONONDAGA CIVIC DEVELOPMENT CORPORATION**  
333 WEST WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202  
PHONE: 315.435.3770 • FAX: 315.435.3669 • SYRACUSECENTRAL.COM

**MEETING AGENDA**  
**OCDC Regular Meeting**  
**8:30am Economic Development Conference Room**  
**October 9, 2014**

**8:30am Call to Order**

- A. Approval of September 11, 2014 Meeting Minutes**
- B. Treasurer's Report**
- C. Payment of Bills**
- D. Conflict of Interest**

Action Items

- 1. Sutherland Global Services Employee Productivity Program**  
Sutherland Global Services, Inc., a business process outsourcing company with over 900 employees located in downtown Syracuse is requesting assistance for the training of 200 new employees.  
**Board Action Requested:** A Resolution of the Board approving an Employee Productivity Program service contract to fund up to \$25,000 of the cost of training 200 new employees and authorizing the signing of the service contract and all other related documents by an officer of the Corporation.  
**Representative:** Joseph Magliozzi, Sr. Account Manager Sutherland Global Service, Inc.
- 2. CenterState CEO Community Prosperity Initiative**  
CenterState CEO is embarking on a new county-wide initiative designed to create job and entrepreneurial opportunities for low income residents.  
**Board Action Requested:** A Resolution of the Board approving a service contract with CenterState CEO and authorizing the signing of the service contract and all other related documents by an officer of the Corporation.  
**Representative:** Dominic Robinson, Vice President of Community Prosperity, CenterState CEO
- 3. Eat to Live Food Co-Op**  
The Eat to Live Food Cooperative and Syracuse Cooperative Federal Credit Union are requesting Corporation assistance in the form of a \$75,000 guarantee on a \$150,000 Cooperative Federal Credit Union loan to the ETL Food Co-op.  
**Board Action Requested:** A Resolution of the Board approving a request from the Syracuse Cooperative Federal Credit Union to guarantee up to \$75,000 of its loan offer to the East to Live Food Cooperative and authorizing the signing of all related documents by an officer of the corporation.  
**Representatives:** Joseph Bryant, ETL Food Co-op and Meagan Weatherby, SCFCU
- 4. 2015 Budget Approval**  
**Board Action Requested:** A Resolution of the Board approving the Corporation's 2015 Budget.  
**Representative:** Kristi Smiley, Treasurer

ADJOURN

**ONONDAGA CIVIC DEVELOPMENT CORPORATION**  
**Regular Meeting Minutes**  
**September 11, 2014**

The Regular meeting of the Onondaga Civic Development Corporation was held on Thursday, September 11, 2014 at 333 West Washington Street, Syracuse, New York, 13202, in the large conference room on the first floor.

Matt McAnaney called the meeting to order at 8:32 am with the following:

**PRESENT:**

Cydney Johnson  
Thomas Bezigian  
Len Manfrates  
Scott Koldin  
Matt McAnaney

**ABSENT:**

James Farrell

**ALSO PRESENT:**

Julie Cerio, Office of Economic Development, Director  
Honora Spillane, Secretary  
Kristi Smiley, Treasurer  
Linda McShane, Office of Economic Development  
Karen Doster, Office of Economic Development  
Christopher Andreucci, Harris Beach  
Troy Evans, Syracuse CoWorks  
John Talarico, Syracuse CoWorks  
Moirra Grimes, Schneider Packaging  
Bob Kocik, CNY TDO  
James Mahaney, County Legislature

**APPROVAL OF REGULAR MEETING MINUTES – June 12, 2014**

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Board approved the regular meeting minutes of June 12, 2014. Motion was carried unanimously.

**APPROVAL OF SPECIAL MEETING MINUTES – JUNE 17, 2014**

Upon a motion by Cydney Johnson, seconded by Leonard Manfrates, the OCDC Board approved the special meeting minutes of June 17, 2014. Motion was carried unanimously.

## TREASURER'S REPORT

Kristi Smiley gave a brief review of the Treasurer's Report for the months of July and August 2014.

Upon a motion by Scott Koldin, seconded by Leonard Manfrates, the OCDC Board approved the Treasurer's Report for the months of July and August 2014. Motion was carried unanimously.

## PAYMENT OF BILLS

Kristi Smiley gave a brief review of the Payment of Bills Schedule #042.

Cydney Johnson asked if July was the last payment for Item #2. Kristi Smiley stated yes because they paid out early.

Matt McAnaney asked if it is a pass through. Kristi Smiley stated yes so it never hits the books. She stated that they have paid in full to the County.

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Board approved the Payment of Bills, Schedule #042 with General Expenses being \$237,621.74 and Marketing being \$15,576.00. Motion was carried unanimously.

## CONFLICT OF INTEREST

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

## SYRACUSE COWORKS

Troy Evans stated that Syracuse CoWorks kicked off two years ago and was a 40 Below initiative. He stated that it is a worldwide concept where they thought bringing one to Syracuse would be a cool idea. He stated that there is space rented out in the back of the Tech Garden with almost a cafeteria type of feel to it. He stated that it is a small room that fits about 10

people and going in they didn't know if there would be a demand for it or not. He stated that it started two year, instantly 10 people signed up, basically filled the space and has maintained that for the past two years. He stated that he started sitting there when it opened and it changed his business completely. He stated that he was introduced to people through the connections he has met there, through John Talarico and other folks that had a diverse background. He stated that it complete changed his business sand got him introduced to 200-300 people through the tree of connections that these 10 people introduced him to over the past two years. He stated as he was going through the learning experience of working in the Co Work space he was fascinated by it and wanted to replicate this for other people. He stated that they came together and decided it needed to take it to the next level. He stated that New York City and Chicago have 50 to 60 Co Working spaces and they are decked out like Google offices. He stated that they are inspiring places that make you want to sit down and work. He stated that they have very affordable memberships being \$50 up to \$1,000 in Manhattan can get a seat in these places. He stated that there are waiting lists and there is a huge demand for it in those markets. He stated that it hasn't been done that well in an upstate city yet. He stated that Buffalo, Rochester and Albany all have Co Work spaces similar to ours but no one has taken it to the next level.

Troy Evans stated that himself, John Talarico and another gentleman wanted to get together and find a way to take this to the next level and that is why they are here today. He stated that the new space is block down from the Tech Garden and they are partnering with the Tech Garden and 40 Below. He stated that they are forming a new nonprofit just around Syracuse CoWorks. He stated that they wanted to make it nonprofit to keep the culture and it is not a money making grab but a way to create space in downtown Syracuse where anybody can come get connected. He stated that they want to make it the connection hub of Syracuse. He stated that if you work 9 to 5 and want to start a business or you are a freelancer, there are 14,000 freelancers in Syracuse area which is a little under the worldwide average, they want to get those people out of their homes that are working in solitude and get them into the new space. He stated that the new space can hold 50 to 100 members. He stated that they want to get those people together and work together to create that culture that has helped himself and Mr. Talarico so much.

Matt McAnaney asked if there are any committed grants and/or contracts from other entities. Troy Evans stated that he is the landlord of the space and is donating the space very cheap at \$6.00 a square foot and putting in \$50,000 for build out. He stated that they have a Main Street

grant from Downtown Committee for \$20,000. He stated that they have a \$190,000 budget. He stated that Ben Sio who is head of 40 Below has been a huge part of this and has been committing 40 Below money up to \$50,000 but he is out getting commitments for that money as well. He stated that they are slowly progressing. He stated that they are supposed to hear back from the Gifford Foundation soon as well. He stated that those are the definites right now.

Scott Koldin stated that the concept is fascinating. He asked when people come, is it a temporary place for them or potentially a permanent place where they will be working. Troy Evans stated that it is whatever they want it to be. He stated that if they want to grow their business it can be just temporary space where they graduate into the Tech Garden or a place like that. He stated that they don't want to solely focus on tech because labeling it tech turns a lot of people off that don't think they would belong there. He stated that they want to gear it towards everybody. He stated that there will be people that will stay for 3 months and some that may stay for 10 years.

Scott Koldin asked if people will be sharing support staff. Troy Evans stated that it will not be a secretary. He stated that it is not so much focused on the office space as much as creating this community. He stated that they are going to create technology to manufacture connections to people. He stated that there will be an app that will tell who is in the space, who they are and a red light green light thing where you can say what you want to talk about like permits or starting their own business. He stated that it is an ice breaker kind of thing.

Scott Koldin asked if it is a place to network with other people or a place to get out of your house or both. Troy Evans stated that it is both. John Talarico stated that he has a software company. He stated that there are three people and he is located in Syracuse, his coworker is in Indiana and an employee in Indiana. He stated that they have a virtual company and he does not want to work at his home so he goes to the space to make connections. He stated that all of his business leads and connections are through Co Working spaces. He stated that they don't spend any money on marketing anymore because it is all word of mouth. He stated that they use Skype connections, go to meetings and have a virtual office in the Co Work space. He stated that it is not just about starting a business. He stated that his business has been going for 3 years.

Cydney Johnson asked if this fits into OCDC's guidelines. Honora Spillane stated yes.

Scott Koldin asked if when someone walks in are there tables, does everyone have cubicles. Troy Evans stated that there will mostly be single person tables set out in circles, there will be 3 glass partitioned conference rooms, 4 break out phone booths to take private calls and not a lot of long tables.

Honora Spillane stated that it allows for a lot of flexibility in terms of space, creating space, conference space and the privacy of the phone booths. She stated that the vision for the space is quite interesting.

Troy Evans stated that they want to make it an events space for events. He stated that he is flying to Kansas City for a meeting and he is going to run it with another coworker where every Wednesday morning at 9:00 the business community is invited and anyone else that wants to come and two local businesses pitch to the community about anything that is challenging to them, what they are working on or wanting to take their business to the next level. He stated that it is a huge feedback session that a business can use to get better or whatever they want to use the feedback session for. He stated that it has been hugely successful in other cities. He stated that up to 100 people come to Kansas City every week. He stated that they want to bring a chapter of that here and run it out of the new space and other events like that.

Matt McAnaney asked Julie Cerio what her perspective of this request from the Economic Development Office. Julie Cerio stated that it fits well within our mission and it is a great addition to what is going on downtown in moving things that way and starting up new businesses. She stated that it is a great way for young entrepreneurs to get their foot in the door and go on to do bigger and better things and hire more people. She stated that she thinks it fits well in OCDC's mission.

Matt McAnaney stated that if OCDC signs a service contract and is off and running and successful how do they self-sustain. Troy Evan stated that is why they went with the nonprofit route. He stated that they established a 9 person board that will be rotating. He stated that there will always be five Co Workers on the board and some other representatives of the Tech Garden or 40 Below. He stated that the Board is in charge in sustaining the space so they are confident. He stated that he and Mr. Talarico want to kick this off but he is sure they won't want to run it for 20 years so they created the sustainable model that will be a rotating group that runs it.

Matt McAnaney stated that financially they will continue to look for funding. Troy Evans stated that they will charge for membership. He stated that all projections lead to them being self-sustainable and hopefully getting extra money to continuously invest in the space.

Scott Koldin stated that if they are at full membership they will self-sustain. Troy Evans agreed and said that full membership is only about 22 people and right now they have 12.

Honora Spillane stated that the co-working space at the Tech Garden started out very small and has already expanded within the past year. She stated that it is at capacity and there definitely is a demand.

Cydney Johnson stated that the nice thing is since the Tech Garden has moved out of the University realm it is really starting to percolate. She stated that it is finally its place where it was meant to be which is a place for incubator and gathering. She stated that this is nicely aligned to them.

Chris Andreucci stated that it sounded that all the grants are not committed yet. Troy Evans agreed.

Chris Andreucci asked if they want the money to go in only when those grants are committed or anytime. Troy Evans stated that the grants are all at different cycles. He stated that the Gifford one will be this week and National Grid will probably be another month. He stated by end of October they should hear.

Chris Andreucci asked if half upon execution of the agreement and the other half upon showing commitment. Troy Evans agreed.

Upon a motion by Cydney Johnson, seconded by Scott Koldin, the OCDC Board approved a resolution authorizing the signing by an office of the Corporation of the service contract and all other related documents with Syracuse CoWorks. Motion was carried unanimously.

## SCHNEIDER PACKAGING EMPLOYEE PRODUCTIVITY PROGRAM

Moira Grimes stated that Schneider Packaging has been in business for more than 40 years and they are located in Brewerton, NY. She stated that they design and build packaging machinery. She stated that whatever manufacturing that's needs to get out the door, Schneider designs and builds machines for that. She stated that they have been successful for more than 40 years but they are looking to continue the success through the TWI program for their employees as well as Leadership training for their employees. She stated that they believe very strongly that by going through and really implementing the TWI process they will improve their efficiencies, be able to bring in more business and be more successful with their processes.

Matt McAnaney asked Bob Kocik if CNY TDO will be doing the training. Bob Kocik stated that CNY TDO is the training provider. He stated that TWI is actually a DBA of TDO. He stated that the TWI Institute is located in Liverpool.

Honora Spillane stated that CNY TDO is not profit. Bob Kocik stated that they are a nonprofit MEP which is a Manufacturing Extension Partnership. He stated that they are part government funded and part sale of services funded. He stated that they are tied to NIST which is the National Institute of Standards Technology at the federal government level.

Matt McAnaney stated that the 23 employees are current employees that they are going to ramp up for new. Moira Grimes stated that the 23 employees are leaders in the organization, not necessarily managers but leaders of the organization. She stated that they are also asking for funding for train the trainer so that they will have a core group of people go through the TWI, have one individual trained and implement throughout the organization so that they are all on board and implementing the TWI processes. She stated that they hosted a group going through the training from TWI and they were able to sit in. She stated that they use some of their processes as examples in the TWI training and could definitely see how it will make an impact for their people and their processes.

Scott Koldin asked if the training will potentially cause Schneider Packaging to hire new employees or will it make them so efficient it will cause them to reduce the number of employees. Moira Grimes stated that it will not cause them to reduce the number of employees



but it will enable them to be more efficient and run things smoother, faster with quality in mind which will allow them to take on potentially more business. She stated that they did look at where implementing TWI can improve the key performance indicators. She stated that they will have more labor time to be able to accept more business.

Scott Koldin asked if they could result in more employees. Moira Grimes stated yes. She stated that Schneider Packaging owns additional land and if they are able to take on further business they have the land to build further capacity space if needed.

Scott Koldin asked if this meets with our mission because this is a private company and getting training to make that private company more efficient. Chris Andreucci stated that this is retaining jobs. Matt McAnaney stated that we want to retain the company that is here.

Scott Koldin stated that there is no question that this is within OCDC's mission. Chris Andreucci stated that there is no question that this is with the mission.

Thomas Bezigian stated that on the Proposed Method of Success Measurement has a lot of numbers and asked if savings is \$263,000 anticipated from implementing the training. Bob Kocik stated that it is the estimated savings based on those categories. He stated that they are aiming for a certain percentage of savings, then calculating that into dollars and bringing that down to \$263,000.

Thomas Bezigian asked if the total cost for training is \$43,000. Bob Kocik stated yes for all elements. He stated that this has been funded through WDI and it was split out. He stated that the other part is through OCDC.

Thomas Bezigian stated that it makes good business sense with or without OCDC. He stated that if it was \$200,000 savings it would still make good business sense. Bob Kocik stated yes.

Thomas Bezigian asked what Economic Development thinks about this. Julie Cerio stated that this is good and it is a good use of our resources. She stated that it is going to keep jobs here and hopefully grow some jobs. She stated that she thinks it fits within our mission.

Honora Spillane stated that point in fact is there is a gap in the market for training programs like this. She stated that they happen to be successful in getting WDI funding but the Employee Productivity Program as a whole is a unique program that fills the needs for these kinds of training opportunities. She stated that it is not available really anywhere around the State and is unique to Onondaga County.

Matt McAnaney stated that OCIDA used to fund these types of things. Kristi Smiley stated that both OCIDA and OCDC do this type of funding. Matt McAnaney stated that from his perspective supporting local manufacturing, training and retention of employees is good.

Honora Spillane stated that these dollars are usually a very small number and is never more than \$12,500 but the ROI goes in terms of the actual impacts to the companies is very large. She stated that to the business community as a whole to know these resources are available is incredible.

Scott Koldin asked how many employees are employed by Schneider. Moira Grimes stated that there are 163 full time.

Scott Koldin asked if this training is going to give the ability for future training and they are training people to train. Moira Grimes agreed and said they will be going through train the trainer and without continuing with all of their employees it won't be as impactful. She stated that they fully intend to roll out fully so that everyone is on board and implementing in their own particular field.

Kristi Smiley stated that this is one of the few tools that we have for our local companies. She stated that there are a lot of tools from the State for attraction projects and working with new companies. She stated that this is one of the few things we are able to do to help and assist our local companies for expansion. She stated that staff a lot of times has seen through OCIDA that a lot of companies that come with training request like this, are looking to expand a couple years later. She stated that it seems to be a trend that once we work with them on training we see expansions and further growth. She stated that it seems to be very helpful with companies and growth within our community.

Upon a motion by Scott Koldin, seconded by Leonard Manfrates, the OCDC Board approved a resolution accepting the Employee Productivity Service Contract for \$9,610 to Schneider Packaging to fund up to 50% of the cost of training 23 employees. Motion was carried unanimously.

#### ONONDAGA COMMUNITY COLLEGE BOND MODIFICATION

Chris Andreucci stated that OCDC did a transaction for OCC in 2011 for \$11,000,000 for the dorm project. He stated that the banker has come back and said they will reduce their interest rate. He stated that they are getting about 20 basis points dropped and to do that OCDC has to modify the definition of the bank purchase rate in the indenture. He stated that it will be done by drafting a supplemental indenture and modify the bonds to show the spread is now 2.3. He stated that it is simple and straight forward but the Board needs to approve it because it is the execution and delivery of the bonds. He stated that there are no other changes to the underlying transaction.

Scott Koldin asked if there is a downside. Chris Andreucci stated that there is no downside and it helps OCC.

Upon a motion by Leonard Manfrates, seconded by Thomas Bezigian, the OCDC Board approved a resolution authorizing the execution and delivery of first supplemental trust indenture and related documents with respect to the Onondaga Civic Development Corporation multi modal revenue bonds (Onondaga Community College Housing Development Corporation Project), Series 2011. Motion was carried unanimously.

Upon a motion by Scott Koldin, seconded by Thomas Bezigian, the OCDC Board adjourned the meeting at 9:06 am. Motion was carried unanimously.

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Honora Spillane, Secretary



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September 30, 2014

Revenue / Expense / Income	Current Period	Current YTD	2014 Budget Amount	Current YTD Change to Budget
Operating Revenue	1,448	782,668	311,412	471,256
County Contract Expense	13,220	100,059	170,967	(70,908)
Operating/Program Exp.	10,052	211,766	563,964	(352,198)
<b>Net Ordinary Income</b>	<b>(21,825)</b>	<b>470,843</b>	<b>(423,519)</b>	<b>894,362</b>

Current Assets	Current YTD	Prior YTD
Total Cash	1,959,909	1,826,111
Less Pass Through Received	-	-
Available Cash	1,959,909	1,826,111
Receivables (less pass through rec.)	269,632	91,582
Other	-	-
<b>Total</b>	<b>2,229,540</b>	<b>1,917,693</b>

Reserve for Contracts	
County Operations	70,908
Marketing	8,303
Economic Growth Fund	400,000
Furniture & Equipment	1,974
OCC Foundation	40,000
Micro Loan Loss Fund	54,200
Schneider EPP	9,610
Syracuse Co-Work Service Contract	22,225
<b>Total</b>	<b>607,220</b>

Receivables	
0-120 days	99,632
> 120 days	170,000
<b>Total</b>	<b>269,632</b>

**Onondaga Civic Development Corporation**  
**Balance Sheet Prev Year Comparison**  
**As of September 30, 2014**

	Sep 30, 14	Sep 30, 13	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
100 · M&T Checking	0.00	89,324.18	-89,324.18	-100.0%
100.5 · M&T M-M Savings	1,872,935.15	956,458.38	916,476.77	95.8%
101 · Petty Cash	9.13	9.13	0.00	0.0%
102 · First Niagara Checking	86,964.53	780,319.34	-693,354.81	-88.9%
<b>Total Checking/Savings</b>	<b>1,959,908.81</b>	<b>1,826,111.03</b>	<b>133,797.78</b>	<b>7.3%</b>
<b>Accounts Receivable</b>				
300 · A/R General	81,666.66	0.00	81,666.66	100.0%
<b>Total Accounts Receivable</b>	<b>81,666.66</b>	<b>0.00</b>	<b>81,666.66</b>	<b>100.0%</b>
<b>Other Current Assets</b>				
400 · County Copier Reimbursement	-0.01	166.83	-166.84	-100.0%
401 · City Copier Reimbursement	-0.02	181.01	-181.03	-100.0%
401.5 · GSPDC Copier	49.65	0.00	49.65	100.0%
402 · County Internet Reimbursement	188.86	245.54	-56.68	-23.1%
402.5 · GSPDC Internet	12.59	0.00	12.59	100.0%
403 · City Internet Reimbursement	126.49	182.49	-56.00	-30.7%
405 · OCIDA Marketing due	8,793.68	0.00	8,793.68	100.0%
406 · OC Marketing due	8,793.68	806.25	7,987.43	990.7%
450 · Loans Rec.	169,999.94	89,999.98	79,999.96	88.9%
<b>Total Other Current Assets</b>	<b>187,964.86</b>	<b>91,582.10</b>	<b>96,382.76</b>	<b>105.2%</b>
<b>Total Current Assets</b>	<b>2,229,540.33</b>	<b>1,917,693.13</b>	<b>311,847.20</b>	<b>16.3%</b>
<b>Fixed Assets</b>				
15000 · Furniture and Equipment	32,752.08	50,628.08	-17,876.00	-35.3%
<b>Total Fixed Assets</b>	<b>32,752.08</b>	<b>50,628.08</b>	<b>-17,876.00</b>	<b>-35.3%</b>
<b>TOTAL ASSETS</b>	<b><u>2,262,292.41</u></b>	<b><u>1,968,321.21</u></b>	<b><u>293,971.20</u></b>	<b><u>14.9%</u></b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
600 · Accounts Payable	89,605.53	36,755.90	52,849.63	143.8%
<b>Total Accounts Payable</b>	<b>89,605.53</b>	<b>36,755.90</b>	<b>52,849.63</b>	<b>143.8%</b>
<b>Other Current Liabilities</b>				
601 · Marketing Payable	3,206.50	0.00	3,206.50	100.0%
620 · Refundable EPP app fee	0.00	250.00	-250.00	-100.0%
<b>Total Other Current Liabilities</b>	<b>3,206.50</b>	<b>250.00</b>	<b>2,956.50</b>	<b>1,182.6%</b>
<b>Total Current Liabilities</b>	<b>92,812.03</b>	<b>37,005.90</b>	<b>55,806.13</b>	<b>150.8%</b>
<b>Total Liabilities</b>	<b>92,812.03</b>	<b>37,005.90</b>	<b>55,806.13</b>	<b>150.8%</b>
<b>Equity</b>				
31500 · Reserve for Contracts	607,220.00	491,989.00	115,231.00	23.4%
31600 · Equity - Unreserved	-553,019.77	-437,788.77	-115,231.00	-26.3%
32000 · Unrestricted Net Assets	1,644,436.92	2,288,417.16	-643,980.24	-28.1%
Net Income	470,843.23	-411,302.08	882,145.31	214.5%
<b>Total Equity</b>	<b>2,169,480.38</b>	<b>1,931,315.31</b>	<b>238,165.07</b>	<b>12.3%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>2,262,292.41</u></b>	<b><u>1,968,321.21</u></b>	<b><u>293,971.20</u></b>	<b><u>14.9%</u></b>

1:51 PM  
10/02/14  
Accrual Basis

**Onondaga Civic Development Corporation**  
**Profit & Loss YTD Comparison**  
**September 2014**

	<u>Sep 14</u>	<u>Jan - Sep 14</u>
Ordinary Income/Expense		
Income		
45000 · Investments	1,447.69	6,075.66
46400 · Project Income	0.00	776,592.51
Total Income	<u>1,447.69</u>	<u>782,668.17</u>
Expense		
62890 · Rent, Parking, Utilities	9,810.58	97,248.17
63000 · OED Contract	13,220.05	100,058.52
64000 · Service Contract Exp	0.00	90,000.00
65000 · Operations	241.71	24,518.25
Total Expense	<u>23,272.34</u>	<u>311,824.94</u>
Net Ordinary Income	<u>-21,824.65</u>	<u>470,843.23</u>
Net Income	<u><u>-21,824.65</u></u>	<u><u>470,843.23</u></u>

**ONONDAGA CIVIC DEVELOPMENT CORPORATION  
PAYMENT OF BILL - SCHEDULE #043  
October 9, 2014**

**GENERAL EXPENSES**

1.	<u>WASHINGTON/WALTON COMPANY LLC *</u> October 2014 Rent	\$	9,810.58
2.	<u>TOSHIBA BUSINESS SOLUTIONS *</u> Inv#11234267, September 2014 Copier Service	\$	335.74
3.	<u>REPUBLIC PARKING SYSTEM</u> Inv#14-10-108-01, September Meeting Parking	\$	4.50
4.	<u>SYRACUSE CO-WORKS</u> 1st Service Contract Payment	\$	11,112.50
5.	<u>WASHINGTON/WALTON COMPANY LLC</u> November 2014 Rent	\$	9,810.58
6.	<u>ONONDAGA COUNTY</u> 3rd Quarter 2014 OED Contract Payment	\$	38,389.99
7.	<u>HARRIS BEACH PLLC</u> Inv#2068028, General Legal thru August 31, 2014	\$	528.78
8.	<u>TIME WARNER CABLE**</u> September & October 2014 Internet Service	\$	<u>251.90</u>
	<b>Total</b>	<b>\$</b>	<b>70,244.57</b>

\* Ratification of Checks dated September 15, 2014

\*\* Ratification of Check dated October 2, 2014

**ONONDAGA CIVIC DEVELOPMENT CORPORATION  
PAYMENT OF BILL - SCHEDULE #043  
October 9, 2014**

**MARKETING**

1. <u>CARDMEMBER SERVICE*</u>	\$	432.00
Subscription for Quickbase		
2. <u>FOUNTAINS SPATIAL, INC.</u>	\$	1,680.00
Inv#IN022127, Hosting for FastGIS		
3. <u>DATAMYNE</u>	\$	<u>375.00</u>
Inv#51408, September Subscription & Profiles		
	<b>Total</b>	<b>\$ 2,487.00</b>

\* Ratification of Payment dated September 19, 2014



**ONONDAGA CIVIC DEVELOPMENT CORPORATION**  
**INDIVIDUAL MEMBER CERTIFICATE REGARDING**  
**NO CONFLICT OF INTEREST**  
**MEETING DATE: October 9, 2014**

I, the undersigned Member of the Onondaga Civic Development Corporation (the "Corporation"),  
**DO HEREBY CERTIFY**, as follows:

1. The Corporation has considered undertaking projects for the following companies (each a "Company"):
  1. Sutherland Global Services, Inc.
  2. CenterState CEO
  3. Eat to Live Food Co-Op
  
2. I **do not** have an "interest" (as defined pursuant to Article 18 of the General Municipal Law of the State of New York) in the company or in any lease or installment sale agreement that may be entered into between the Corporation and a Company identified in paragraph 1.  
"Interest" as defined in Article 18 of the General Municipal Law means
  - (a) a direct or indirect pecuniary or material benefit accruing to a member of the Corporation as the result of a contract with the Corporation or
  - (b) a contract between the Corporation and
    - (i) a member's spouse, minor children and dependents,
    - (ii) a firm, partnership or association of which such member is a member or employee,
    - (iii) a corporation of which such member is an officer, director or employee or
    - (iv) any entity which is owned or controlled directly or indirectly by such member.
  
3. I **do not** directly or indirectly own stock of or have an ownership interest in a Company identified in paragraph 1.
  
4. I **am not** an officer or employee of a Company identified in paragraph 1.
  
5. I **am not** a member of the board of directors of a Company identified in paragraph 1.
  
6. The nature and extent of any interest I may have is described in Exhibit A annexed hereto.

**BOARD OF DIRECTORS:**

Thomas Bezigian \_\_\_\_\_

James Farrell \_\_\_\_\_

Cydney Johnson \_\_\_\_\_

Scott Koldin \_\_\_\_\_

Leonard Manfretes \_\_\_\_\_

Matthew McAnaney \_\_\_\_\_

**STAFF:**

Christopher Cox \_\_\_\_\_

Karen Doster \_\_\_\_\_

Julie Cerio \_\_\_\_\_

Kristi Smiley \_\_\_\_\_

Honora Spillane \_\_\_\_\_

Chris Andreucci \_\_\_\_\_

Harris Beach, PLLC

**EXHIBIT "A"**

**DESCRIPTION OF INTEREST**

**FOR PROJECT(S):**

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**SIGNED:** \_\_\_\_\_

**FOR PROJECT(S):**

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**SIGNED:** \_\_\_\_\_

**FOR PROJECT(S):**

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**SIGNED:** \_\_\_\_\_

Employee Productivity Program  
Sutherland Global Services,  
Inc.

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1. Applicant/Contact: Joseph Magliozzi, Sr. Account Manager
2. Date Started: 10/15/14
3. Product Description: Business Process Outsourcing
4. Number of Current Employees (FT & PT): 908 FT
5. Future Employment: Add 200 - 250
6. Training Objective: Improve customer satisfaction, strengthen employee retention, and overall improve best practices.
7. Indicator of Effectiveness: Customer business reviews and employee metrics
8. Training Source: Sutherland Global Services, Inc.
9. Training Period: October 2014 - November 2015
10. Number of Employees to Train: 200
11. Number of Training Hours: 160/employee
12. Total Training Cost: \$ 336,000
- Other Grant Funding: \$ 0
- EPP Funding Proposed: \$ 25,000
- Total cost per trainee hour: \$ 2100
- EPP cost per trainee hour: \$ 156.25
- Total cost per trainee: \$ 1680
- Total EPP cost per trainee \$ 125
13. Cost Analysis: Costs fall within range of similar training.
14. Related Issues: Sutherland Global is undertaking a significant expansion of its downtown Syracuse location and committing to hire at least 200 new employees ther

## Employee Productivity Program

The Employee Productivity Program (EPP) helps companies in Onondaga County move forward by funding training that improves employee skills, provides certifications to enable the business to open new markets, or training on new equipment acquisitions. It will not fund the training of senior management, in most cases.

The EPP service contract applies to training conducted by third-party training providers, including required training materials for each trainee. The EPP does not fund a trainee's release time or travel, lodging or meal costs for a trainee or a trainer.

The Office of Economic Development will enter into a contract based on the availability of funds and at the sole discretion of the Board of Directors. The Office reserves the right to access training materials, evaluations or financial records relevant to the funded training. The EPP Program may award up to 50% of total training cost, but not more than \$12,500.

Companies may only receive EPP funding once in any twelve-month period.

### Application Procedure:

1. Return a completed application and a \$250 application fee to:

Onondaga County Office of Economic Development 333 West Washington Street,  
Suite 130 Syracuse, NY 13202

**Please make checks payable to *Employee Productivity Program***

**The FEE is returned after the applicant satisfactorily performs under the terms of the service contract.**

2. Staff will meet with the applicant to discuss the proposed training program.
3. The funding Board will generally consider the application at its next public meeting, typically the second week of the month. *The applicant must be represented at the meeting.*
4. The Company will enter into a contract for services that will establish the terms under which the program funds will be paid to the Company. Training must be completed within one year of the date that the contract is signed by both parties.
5. The program cannot contract or reimburse for training which occurs before approval.
6. Applicants must be companies in Onondaga County that are either net-wealth generators<sup>1</sup> or produce a value-added product or service<sup>2</sup>.
7. The Applicant must provide the following items in order to satisfy the contract for services and receive payment:
  - a. a copy of the agreement(s) between the Company and the 3rd party training provider,
  - b. the training provider(s) invoices marked paid or other proof of payment,
  - c. training sign-in sheets or evidence the employee(s) attended the training sessions, and
  - d. the name, last four digits of the social security number and position (titles) of each employee who completed the training.

**Please call the Office of Economic Development at 315-435-3770 if you need assistance with this application.**

1. **Net-wealth generating businesses** are companies that sell 51% or more of its products or services to, or derive 51% or more of its sales from customers located outside Onondaga County.
2. A **value-added** product is one necessary to or supporting a manufacturing or other net-wealth generating operation.

## Employee Productivity Program Application

### Applicant Information:

1. Company Name: Sutherland Global Services Inc.
2. Industry/Sector: Business Process Outsourcing
3. Address: 441 South Salina Street Syracuse , NY 13202
4. Contact Person/Title: Joseph Magliozzi/ Sr. Account Manager
5. Contact Person's Phone: 585-260-9089
6. Contact Person's Email Address: Joseph.Magliozzi@SutherlandGlobal.Com

### Training Cost Information :

1. Total Training Cost: \$336,000.00
2. Amount of Funding requested from EPP:  
(a request can range from \$1,500 to \$12,500) \$25,000
3. Are you asking any other organization to help pay for the cost of this training?  Yes  No
- a. From what program have you requested funding?
- b. How much money are you requesting from the other organization?
- c. By when do you expect to receive the funding from the other organization?
- d. How much is the Applicant contributing to the total cost of funding?
- e. Is any portion of the Applicant's contribution being reimbursed by a third party?  Yes  No

**Schedule A: Company Overview**

What product or service is made, assembled, distributed or delivered in this facility? Customer Lifecycle Management

How many full-time employees work at this facility? 908

How many part-time employees work at this facility?

Will the company add, retain or eliminate employees as a result of the training? Add

If so, how many employees will be added, retained or eliminated as a result of this training? 250

What is the average hourly wage of the employees who will attend this training? \$11.00 per Hour

Does the company sell 51% or more of its project to customers located outside of Onondaga County? Yes

How will this training benefit the company ? Ultimately the training will improve our Customer Satisfaction, Strengthen Employee Retention and overall improve best practices.

How will the company determine if the training is effective? What measures will the company use to measure skill improvement? Customer Business Reviews and Employee Metrics

**Schedule B: Training Provider(s):** Please attach the same information about any additional trainers to this application

**First Training Provider**

Name of the Training Company: Internal

Street Address of the Training Company:

City, State, Zip Code of the Training Company:

Name of the Training Company Contact:

Email Address of the Training Company Contact:

**Second Training Provider**

Name of the Training Company:

Street Address of the Training Company:

City, State, Zip Code of the Training Company:

Name of the Training Company Contact:

Email Address of the Training Company Contact:

**Schedule C: Description of Training**

\*If more space is needed for Program Descriptions, please attach to the application.

Training Activity/Course	Training Start & End Dates	Training Provider	Number of Trainees	Positions(s) of Employee(s) to be Trained	Total Training Hours/Day	Total Training Hours	Total Course Cost
Client "M" New Hire Training	11/1/2015	Sutherland Global Services Inc.	200	Technical Support Consultants	8	160	\$1680/per Trainee \$336,000.00

**Conflict of Interest Statement:**

To the best of your knowledge, does any OCIDA or OCDC Board member or Staff person have a direct financial interest in the applicant company? (Names of the current Corporation Board members and Staff persons can be found at [www.syracusecentral.com](http://www.syracusecentral.com))

If so, which Board member or Staff person has an interest in the Applicant company?

Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Office of Economic Development (with certain limited exceptions) are open to public inspection and copying. If the Applicant feels that there are elements of the Project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, this Applicant may identify such elements in writing, request that such elements be kept confidential, and provide an explanation as to the possible injury to the Applicant. In accordance with Article 6 of the Public Officers Law, OED may also redact personal, private, and/or proprietary information from publicly disseminated documents.

I have read the paragraph above and understand that the applicant must identify in writing to OCDC any information it deems proprietary and requests not be made publicly available.

Please check here if you have marked information as confidential/proprietary

**Company Affirmation:**

I affirm I have read this application and the information contained herein is true and accurate.

Signature:   
Company Representative

Title:

Print Name:

Print Title:

## Economic Growth Fund Application

**To apply applicants should submit:**

1. A signed application.
2. A project description of no more than three (3) pages including:
  - a. Description of the project, its core activities and goals
  - b. Number of persons and geographic distribution to be served directly by the project.
  - c. Detailed description of all sources and uses of funding required to complete the project as well as identifying funds that have already been committed.

*\*Applicants may be required to submit additional information that the Office of Economic Development deems necessary*

Organization Name:	CenterState CEO		
Mailing Address:	115 West Fayette Street		
City:	Syracuse	State:	New York
		Zip:	13202
Phone:	(315) 470-1800	Fax:	(315) 422-8284
Contact Person:	Dominic Robinson		
Email Address:	drobinson@centerstateceo.com		
Executive Director/ President:	Robert M. Simpson		
Executive Director/ President's Email:	rsimpson@centerstateceo.com		
Title of Proposed Project:	The Community Prosperity Initiative		
Primary Purpose of Proposed Project:	Create job and entrepreneurial opportunities for low income residents of Onondaga County		
Estimated Project Start Date:	1/1/2014	Estimated End Date:	12/31/2016
Total Project Budget:	1,600,000		
Amount of Funding Requested:	500,000		
Primary Purpose of Requested Funds:	Training funds and business development services		
Type of Funding Requested:	Economic Growth Fund		

I have read paragraph 4.2 of the instructions and understand that the applicant must identify in writing and  state the reasons for withholding information it deems proprietary and is requesting not be made publicly available.

Please check here if you have marked information as confidential/proprietary.

Title   Date:



## **The Community Prosperity Initiative**

### **Overview and Background**

Onondaga County has seen promising evidence of economic growth in recent years. Unfortunately, our community's overall poverty rate is also on the rise. Residents within inner city neighborhoods and, increasingly, inner ring suburbs are struggling to access jobs and build wealth. The dynamics of increased poverty are unsustainable and pose serious long-term threats to our economy-as a whole. Whether it is increased demand for social services, spikes in crime, or continued property deterioration and blight in our neighborhoods, we cannot afford to sit idle. We must rise to the challenge by translating economic growth into economic opportunity, increased wealth, and improved quality of life within our distressed communities.

This challenge cannot be met with a single solution; it requires a diverse array of innovative strategies, undertaken by a broad collaboration of organizations and leaders. Since 2008, this dynamic has been cultivated within Syracuse's Northside neighborhood through an innovative partnership among unlikely collaborators. The Northside Urban Partnership (Northside UP) has brought together CenterState CEO, St. Joseph's Hospital Health Center, Catholic Charities of Onondaga County, and a number of neighborhood groups, businesses, and organizations, to radically improve quality of life within the neighborhood. Northside UP has piloted an integrated array of programs within the realms of workforce, business, and neighborhood development. Northside UP's work now serves as a template for developing a larger partnership, with a broader reach, committed to furthering prosperity within distressed communities throughout Onondaga County. This effort, housed within CenterState CEO, will scale piloted platforms and make them available to residents and organizations throughout Syracuse and Onondaga County.

The partnership structure and brand is currently being defined through a strategic planning effort, which will be completed in late 2014. Meanwhile, two of its large-scale initiatives have been established and are in the process of scaling up to a countywide level. Work Train and UP Start Syracuse, respectively, are platforms that bring together disparate partners and resources to advance critical strategies:

- Linking low-income job seekers to career opportunities with local employers in emerging industries; and
- Accelerating and expanding underserved and non-traditional businesses in distressed communities.

These strategies are predicated on tapping into the talent and potential that's often obscured within our community by the forces of poverty and geographic isolation. By unlocking the potential within underserved populations, we can spur economic development from the ground up and enhance our community's capacity to benefit from and amplify larger scale investments. This will ultimately make for a stronger, more resilient community and local economy.

### **About Work Train**

Work Train is a countywide platform dedicated to fostering career opportunities for un-and-underemployed community residents within target industries. Building off the pilot Green Train and Health Train programs, the initiative is driven by a diverse collaborative of leaders from business, economic development, philanthropy, workforce development, local government, training and education, and grassroots organizations. With the support of the National Fund for Workforce Solutions, Work Train seeks to establish a “dual client” workforce development platform in the region – serving the needs of employers and job seekers, alike. The platform is designed to be adaptable within different industries, across different skill levels. Work Train is currently developing industry partnerships in Health Care and Manufacturing, where industry leaders are driving workforce strategies. Between 2009-2013, the Green Train and Health Train programs trained over 200 low-income individuals and maintained nearly an 85% job placement rate. Work Train, utilizing a scaled platform, has kicked off its initial efforts in the Health Care industry by assisting Loretto Health Systems fill a significant need for Certified Nursing Assistants. Since July of this year, Work Train has helped recruit, assess, prepare and refer 40 candidates that have been hired by Loretto.

### **About UP Start Syracuse**

UP Start Syracuse is a collaborative platform dedicated to growing the next generation of locally owned businesses within the greater Syracuse community. Targeting businesses that face barriers to success, UP Start builds upon existing innovation and service platforms within CenterState CEO – while adding additional resources that address their specific challenges. In its pilot phase, UP Start is incubating seven local entrepreneurs, including a gourmet food truck, landscaping business, boutique retail store, and an artisan coffee roaster/retail shop. Additionally, UP Start Syracuse has encountered significant demand for business services and assistance from small, underserved, and non-traditional businesses, and is preparing to more formally expand its services to these existing entrepreneurs. UP Start Syracuse is now embedded within the Syracuse Tech Garden in order to scale the platform to accommodate a significantly larger number of businesses.

### **Project Goals and Deliverables**

CenterState CEO and its partners seek to advance the Community Prosperity Initiative by building upon and broadening the impact of Work Train and UP Start Syracuse. Leveraging existing resources, we will pursue the following outcomes:

- *Workforce Innovations:* Develop and implement employer-driven health care training programs that link low-income residents to emerging opportunities within local health care and advanced manufacturing employers. These programs will respond to contemporary staffing challenges and new jobs that exist based upon federal and state changes within the health care system and technology innovations within manufacturing, particularly food production. Developing curricula and training strategies with employers and educational

partners will enable our community to be ready for opportunities as they emerge.

- 2 pilot trainings developed
- 50-75 individuals trained with 80% or higher job placement rate
- *Emerging Entrepreneur Fund*: launch an enhanced suite of resources and services for emerging, entrepreneurs from underserved communities – including training, internships/apprenticeships, acceleration services, technical assistance, and mentorship. This program will build upon existing pilot functions of UP Start Syracuse while adding innovative elements, gleaned from best practices.
  - 10 entrepreneurs to complete apprenticeships, training, and consulting
  - 6-8 businesses launched, incubated, and growing
- *Underserved Business Support*: stabilize and expand small, underserved, and non-traditional existing businesses by creating and linking them to business networks, and providing them access to customized technical assistance, training, business services, and marketing. This will build upon existing platforms, but customize services based upon the specific needs and challenges.
  - Robust platform of business services developed and piloted
  - 50-75 businesses served
  - 25-35 businesses increasing revenues/adding jobs/earning investment

### Project Budget

<b>Total Income</b>	<b>2015</b>	<b>2016</b>
Work Train Funders Collaborative	\$300,000	\$300,000
NYS ESD - Manufacturing Training Grant	\$200,000	\$200,000
Deferred Revenues	\$25,000	\$-
NYS Hot Spot	\$25,000	\$25,000
Syracuse Tech Garden Funds	\$37,000	\$37,000
OCDC Community Prosperity Initiative Contract	\$250,000	\$250,000
<b>Total Income</b>	<b>\$837,000</b>	<b>\$812,000</b>
<b>Operating Expense</b>	<b>2015</b>	<b>2016</b>
WT Employer and Community Engagement	\$200,000	\$200,000
WT Communications, Evaluation and Administration	\$50,000	\$50,000
WT Program Costs	\$250,000	\$250,000
WT: New Program Development and Implementation	\$50,000	\$50,000
UP Start Program Costs	\$62,000	\$62,000
UP Start Capital Costs	\$25,000	-
UP Start Entrepreneurial Apprenticeships and Training	\$50,000	\$100,000
Underserved Biz - TA, Business Services, Networking	\$150,000	\$100,000
<b>Total Expenses</b>	<b>\$837,000</b>	<b>\$812,000</b>

## **Budget Narrative**

CenterState CEO is leveraging existing funds that cover operations and programming within Work Train and UP Start Syracuse. Work Train has a three-year budget, comprised of local foundations and NY State money. OCDC funds will be utilized to supplement these dollars by providing flexible capital necessary to develop and pilot trainings based upon emerging opportunities. The intent is for these trainings to be regularized and integrated into standard training offerings within local educational institutions (e.g OCC, SUNY EOC, BOCES, etc.).

UP Start Syracuse, meanwhile, was piloted via an initial \$85,000 grant from the CNY Community Foundation in 2013 and through a partnership with Pro Literacy. It is currently funded, in part, under the NYS Hot Spots grant and through other program revenues of the Syracuse Tech Garden. Being embedded in the Syracuse Tech Garden allows UP Start to share core operations at minimal costs. OCDC funds will be utilized to pilot innovative enhancements, demonstrate proof of concept, and be positioned for larger funding opportunities down the road. In developing a more robust business services platform, CenterState CEO will also build in revenue generating strategies that can offset ongoing program costs.

## Economic Growth Fund Application

**To apply applicants should submit:**

1. A signed application.
2. A project description of no more than three (3) pages including:
  - a. Description of the project, its core activities and goals
  - b. Number of persons and geographic distribution to be served directly by the project.
  - c. Detailed description of all sources and uses of funding required to complete the project as well as identifying funds that have already been committed.

*\*Applicants may be required to submit additional information that the Office of Economic Development deems necessary*

Organization Name:	Eat to Live Food Cooperative		
Mailing Address:	2327 S. Salina Street		
City:	Syracuse	State:	New York
		Zip:	13205
Phone:	(315) 882-3244	Fax:	
Contact Person:	Joseph Bryant II		
Email Address:	jobryant2009@gmail.com		
Executive Director/ President:	Joseph Bryant II		
Executive Director/ President's Email:	jobryant2009@gmail.com		
Title of Proposed Project:	Eat to Live Food Cooperative		
Primary Purpose of Proposed Project:	Re-open the food co-op		
Estimated Project Start Date:	November 1, 2014	Estimated End Date:	on-going
Total Project Budget:	200,000		
Amount of Funding Requested:	75,000		
Primary Purpose of Requested Funds:	To assist with re-opeing the south side food co-op		
Type of Funding Requested:	Economic Growth Fund		

I have read paragraph 4.2 of the instructions and understand that the applicant must identify in writing and  
 state the reasons for withholding information it deems proprietary and is requesting not be made publicly available.

Please check here if you have marked information as confidential/proprietary.

Title    Date:



**PROPOSAL TO RE-OPEN**

**September 16, 2014**

Eat to Live Food Cooperative (ETL) is dedicated to bringing fresh, healthy, fairly priced foods and household products to county residents while fostering community nutrition, cooperative ownership, and sustainable economic growth in the Greater South Side neighborhood. Although the store is open to all shoppers, the location of the store serves to address the nutritional needs of local residents living in a designated food desert area, and to help support area farmers and distributors by purchasing all of its produce and products from the local market.

Unfortunately, the co-op had a false start in October 2013. Grants and bridge loans to the Southside Community Coalition (Coalition) were used to build and furnish the store, acquire equipment, and hire a General Manager and store staff. Thus the Coalition was only able to provide part of their planned funding to the Eat to Live Food Cooperative (board of directors) as working capital. This, coupled with the store being slow in applying for state approval to accept SNAP benefits, resulted in the majority of local residents unable to shop at the store.

After several months of planning, working with consultants, and negotiating with funders, ETL is now positioned to recover from our “false start,” implement changes based on lessons learned from our initial failure, and get the store re-opened. The tentative re-open date as stated in our business plan is November 1, 2014. (Although, now we are realistically closer to a December 1 re-open. We will have an updated business plan by October 1 reflecting this change).

Several private and government entities are willing to assist us with securing the needed funds to re-open the store: Syracuse University has conditionally agreed to forgive over \$300,000 of their bridge loan, the SCFCU has conditionally approved a \$150,000 loan to ETL, and SEDCO has agreed to guarantee \$75,000 of the \$150,000 loan from Cooperative Federal credit union (SCFCU). Additionally, we have received a small \$6,000 grant from Mercy Works which was used to pay down some of ETL debts.

However, in order to re-open the store, ETL needs to secure a \$50,000 grant AND a guarantor for \$75,000 - the remaining half of the SCFCU loan amount. Our request is that Onondaga County Office of Economic Development serve as the guarantor for \$75,000 - half of the Cooperative Federal Credit Union a loan.

## History

Eat to Live Food Cooperative (ETL) initially started in 2006 as a group of residents, community leaders, and Syracuse University faculty seeking to foster access to fresh foods on the South Side of Syracuse, New York. The project was later adopted by the **Southside Community Coalition**<sup>1</sup> in partnership with the Syracuse University Southside Initiative Office, the Syracuse University Community Development Law Clinic, and the Groundworks Capital Coalition (a working group of various local stakeholders, coordinated by the Gifford Foundation and representing Southside residents, foundation staff, Home Headquarters, Cooperative Federal, and M&T bank). The Southside Community Coalition developed a steering committee to conduct research on community support, feasibility and potential options.

By 2007, this steering committee had settled on the idea of creating a food co-op in order to address the food-access problem while simultaneously creating a sustainable engine for community-owned, democratically-controlled, neighborhood economic development.

### *Phase One: Store for a Day Campaign*

The steering committee began testing the food co-op concept in summer 2008, through the “Store for a Day” initiative. Similar to a small farmers’ market, the Stores were stationed in the heart of the South Salina business corridor.

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<sup>1</sup> Southside Community Coalition, Inc. is a 501c3 non-profit. Their mission is to develop a cultural and business district along South Salina Street in the City of Syracuse. The Coalition serves as the “developer” of the building and passed along the building to the Eat to Live Food Cooperative Board of Directors.

The initiative saw instant success: with each event the initiative's revenues, patronage, and product variety grew, allowing the frequency to increase from periodic events, to monthly events, and finally to weekly events in 2009. These events were not only a research success but a financial success, growing a customer base of approximately 300 area residents-- many of whom returned each week-- and generating over \$7,000 in gross sales and \$3,000 in net income. The "Store For a Day" campaign therefore validated four assumptions for the steering committee:

- 1) There is a need for a fresh food in the area;
- 2) There is a demand for certain types of food, particularly fruits and vegetables traditionally favored in an African American cultural context;
- 3) There is potential for an economically sustainable business in the fresh foods market; and
- 4) There is an enthusiastic initial customer base of several hundred South Side residents.

#### *Phase Two: Living Room Meeting Initiative*

In August 2010, the steering committee concluded the Store for a Day initiative and moved on to the next phase: conducting informal community presentations in the form of *Living Room Meetings*. Through this initiative, volunteers host a dinner party with at least 10 friends and neighbors, sponsored by the food co-op organizing group. Over refreshments, a steering committee representative facilitates a discussion on the idea a Food Cooperative, explains the benefits that such an operation would bring to the South Side community, and surveys attendees regarding whether they would join a South Side food co-op.

The committee conducted 10 of these Living Room Meetings, with overwhelming success: nearly 100% of attendees indicated that they would support a South Side community food co-op, resulting in a potential membership base of over 100 individuals.

#### *Phase 3: False Start*

Eat to Live originally opened its doors on October 17, 2013. Grants and bridge loans to the Southside Community Coalition, combined with a small amount of member equity, were used to build and furnish the store, acquire equipment, and hire a General Manager and store staff. These funding sources were also supposed to supply working capital for the initial operating term, to be replenished by a small (approximately \$50,000) business loan to be obtained during year 1. However, the first round of bids on site construction came in far above budget; a second round of proposals turned out a bid that was closer to budget, but still resulted in significant overruns. The board was compelled to move forward with opening the store despite having a shortage of operating capital in order to obtain grant reimbursements which were only available after 4 FTE staff on payroll for six months. Unfortunately, the board and GM were unable to complete a revised plan and obtain additional financing before cash-on-hand was depleted. The situation was exacerbated by a very low sales volume: initial projections were not achieved due to inadequate outreach and promotions, failure to get EBT processing systems in place, lack of a café/deli department (bypassed due to construction cost overruns), poor product selection and merchandizing, and weak management controls. The GM was terminated for poor performance late in November, and by year-end the board had no choice but to close the business for restructuring.

#### *Phase 4: Re-Launch*

After several months of planning, working with consultants, and negotiating with funders, ETL is positioned to recover from our "false start," implement changes based on lessons learned from our initial failure, and get the store re-opened. The tentative re-open date is October 1, 2014.

### **Re-Start Strategy**

The road before us is neither easy nor tested. As an organization whose core target market is a low to moderate-income food desert, ETL deviates from the traditional food cooperative model both in terms of product mix (the vast majority of food cooperatives are natural food specialty stores) and financing structure (food co-ops traditionally fund about 60% of their start-up or expansion costs with member equity and member loans, and the remainder from traditional business financing). At the same time, we differ from typical grocery markets in our cooperative ownership, democratic governance structure, grassroots origins, and our mandate



to align our operations with our unique mission – all of which are critical elements for ensuring accountability to the community, gaining resident buy-in, and conferring long-term benefits to our members and our community.

Learning how to successfully operate ETL in the intersection of these two industries is pivotal. **Our revised business plan is about learning from our mistakes and adapting from our experiences.** ETL will successfully reopen using the following strategies:

- **Accepting SNAP benefits with EBT processing at Point of Sale.** Due to unforeseen complications and staff turnover, our Electronic Benefits Transfer (EBT) system was not in place during our initial operation in Q4 2013. Without EBT processing, we were unable to accept Supplemental Nutrition Assistance Program (SNAP) benefits from customers. Given that 26% of households in Syracuse – and a much higher per cent in the area immediately surrounding the food co-op - receive SNAP benefits<sup>2</sup>, this was a significant barrier to attracting customers. ETL's EBT processing contract is now in place.
- **Driving up sales with a café/deli department.** The business district in which ETL is located has no amenities that provide freshly prepared “grab and go” meals or quality coffee, and just a couple fast food franchises. Our original business plan incorporated a café space in the front section of the store to help us attract passerby traffic, but this build-out has not yet been completed due to cost over-runs in other areas.

### **Summary of Financial Needs**

ETL has an excellent facility and all of the equipment needed to operate a grocery store. These are owned wholly by ETL and do not currently serve as collateral against any financing. Eat to Live Food Cooperative requires \$466,800 to support operating costs until the store reaches the break-even point. We have identified the following sources of funds to meet these needs:

#### ***\$150,000 Financing Package***

Cooperative Federal, a community development credit union in Syracuse with a history of lending to cooperative businesses, has conditionally approved 3 different loans: \$50,000 Re-Start Bridge Loan (9 months, with interest only payments for months 1-8 and a balloon payment in month 9); \$75,000 Installment Loan (180 month mortgage); and, \$25,000 Line of Credit for ongoing cash-flow coverage

#### ***\$264,511 State Grant Reimbursements***

Once ETL opens its doors, and has 4 FTE on staff for 6 months, we will be eligible for a total of \$394,000 in grant reimbursements from Empire State Development (New York State's economic development agency). These dollars were awarded to cover capital expenses associated with the build-out, and will be used to repay bridge loans extended to the South Side Community Coalition (sponsor of ETL) as well as the Cooperative Federal bridge loan and credit line described above. The balance, \$264,511, will be used for working capital until ETL achieves positive cash flow from operations. The reimbursement request can take 3 months to be processed and paid out, so we have budgeted for grant reimbursement in month 9, hence the 9-month bridge loan.

Combined with the funding sources described above, ETL has a remaining cash deficit of \$50,000 up through the ESD grant reimbursement, and also needs an organizational entity to guarantee the remaining \$75,000 (of the \$150,000) Cooperative Federal credit union loan package. The ETL board is applying to the Onondaga County Office of Economic Development for the \$75,000 loan guarantee.

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<sup>2</sup> US Census Bureau, 2008-2012 American Community Survey 5-Year Estimates

Eat To Live Food Cooperative

Sources & Uses

8/27/2014

Key Assumptions	New Store
Retail sq.ft.	2,180
Total sq.ft.	3,300
Lease Rate, Triple Net, Year 1	\$0
Real Estate Taxes, Insurance	\$15,002
Total Lease Rate Year-1	\$15,002

(See Scenario Planning for Lease Rate-Schedule)

	Total Annual Sales	Sales/sq.ft.retail	Utilities/sq.ft.
Yr 1	\$16,350	\$8	\$ 1.09
Yr 2	\$298,750	\$ 137.04	\$ 6.66
Yr 3	\$459,600	\$ 210.83	\$ 7.00
Yr 4			
Yr 5			
Yr 6			
Yr 7			
Yr 8			
Yr 9			
Yr 10			

Available Parking	11
Lease signing	n/a
Co-op takes possession	n/a
Open for Business	11/1/2014

Depreciation Assumptions	Years
Building	39
Building Improvements	15
Equipment	5 to 10
Organization Development Costs	0

SOURCES

Benefits & Donations		52,302.71	11.20%
Grants [Net]	<i>effective after 4/1/15</i>	264,510.87	56.66%
Member Equity		0.00	0.00%
Member Loans		0.00	0.00%
<b>Owners Contribution</b>		<b>316,813.58</b>	<b>67.87%</b>
City/Community Loan	<i>Bridge Loan</i>	50,000.00	10.71%
Landlord Contribution		0.00	0.00%
Vendor Credit		0.00	0.00%
Free Fill		0.00	0.00%
<b>External, subordinated</b>		<b>50,000.00</b>	<b>10.71%</b>

	Installment Loan	75,000.00	16.07%
	LOC	25,000.00	5.36%
<b>1st Position Debt</b>		<b>100,000.00</b>	<b>21.42%</b>
<b>Total Sources</b>		<b>466,814.00</b>	<b>100.00%</b>
<b>USES</b>			
	Land	0.00	0.00%
	Building Acquisition	0.00	0.00%
	Leasehold Improvements	0.00	0.00%
	Re-Start Equipment	13,106.06	2.81%
	Re-Start Inventory	35,000.00	7.50%
	Fees	0.00	0.00%
	Pre-start promotion	500.00	0.11%
	Pre-start staffing	2,165.82	0.46%
	Operating/Admin prior to opening Taxes, Insurance and Debt Service	5,687.59	1.22%
	Holding/Site Costs Accounts Payable	22,071.61	4.73%
	Interest during project Loan closing costs	2,500.00	0.54%
	Pre-opening professional support	6,400.00	1.37%
	Working Capital allowance	379,382.92	81.27%
<b>Subtotal Uses</b>		<b>466,814.00</b>	<b>100.00%</b>
	Overrun Allocation	0.00	0.00%
<b>Total Uses</b>		<b>466,814.00</b>	<b>100.00%</b>

Pre-start cash out - Operations	\$ (17,253.41)
Pre-start cash out - Bal Sheet entries	\$ (70,177.67)
Pre-start cash in	\$ 177,302.71
<b>CASH ON HAND @ RESTART</b>	<b>\$ 89,871.63</b>

39,871.63

**RE OPEN: TWO MONTHS OPERATING IN FY 1 (Nov-Dec 2014)**

**New Construction. Build to suit by landlord/ownership transferred.**

80% of total space

12 months (Y2) property taxes, commercial liability ins, RE taxes, BOD insurance\*\*

2 months only

**Includes**

Building Acquisition  
Construction/Site Development, Fees, Holding Site Costs, Interest During Project

**\*\*see Asset Purchase & Depreciation schedule**

~~Startup Staffing, Startup Promotion, Business Disruption~~

Approximate balance of Mercy Works interim expense grant remaining after back-taxes paid. To be used toward A/P or insurance activation ("Uses" below); plus \$40,000 in pending grant requests

**\*\*see Grants Schedule**

none on hand

TRUE

6000

50000

**\*see Debt Schedule**

**\*see Debt Schedule**

**\*see Debt Schedule**

done

done

done

Cafe build out + walk-in cooler (used)

COGS for 1 month

N/A for Re Start

mailing and print materials re: grand reopening

2 weeks of labor incl. fringe

Oct-Dec 2014 prop taxes; property + commercial liability insurance: down payment + 1 mo (Sept-Oct); 2 mo pre-opening BOD insurance premium (Sept-Oct); October debt service on installment loans

**\*\*see Prop Tax Schedule**

**\*\*see Accounts Payable schedule**

"guestimate"

4 weeks IGM

Maintain acceptable cash balance. Includes limit on revolving credit line.

**\$141.46** sq.ft.

\$

**466,814.00**

TRUE

excludes grants (available 6+ months after restart) and LOC (cash flow coverage only)



existing mini grant  
GAP



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**OCDC Budget**

<b>A. Corporation/OED Operational Expenses</b>	<b>2014</b>	<b>2015</b>
Onondaga County Contract	\$170,967	\$173,193
Marketing	\$20,000	\$23,333
Legal Services	\$12,000	\$10,000
Accounting Services	\$250	\$250
Annual Audit	\$4,600	\$4,750
Office/Public Hearing Expenses	\$1,000	\$1,000
Meeting Expenses	\$1,200	\$1,000
Rent	\$121,000	\$119,000
Insurance (D&O and Business Owner Policy)	\$3,914	\$4,031
<b>Sub-Total Operational Expenses</b>	<b>\$334,931</b>	<b>\$336,557</b>
<b>B. Corporation Program Expenses</b>		
Economic Growth Program	\$400,000	\$400,000
<b>Sub-Total Program Expenses</b>	<b>\$400,000</b>	<b>\$400,000</b>
<b>Total Operational and Program Expenses</b>	<b>\$734,931</b>	<b>\$736,557</b>
<b>II. Revenue</b>		
Project Fees	\$300,000	\$100,000
Interest Income	\$11,412	\$10,280
<b>Total Revenue</b>	<b>\$311,412</b>	<b>\$110,280</b>
<b>Projected Gain or Loss</b>	<b>(\$423,519)</b>	<b>(\$626,277)</b>