

SONONDAGA CIVIC DEVELOPMENT CORPORATION
Regular Meeting Minutes
January 23, 2015

The Regular meeting of the Onondaga Civic Development Corporation was held on Thursday, January 23, 2015 at 333 West Washington Street, Syracuse, New York, 13202, in the large conference room on the 1st floor.

Cydney Johnson called the meeting to order at 8:33 am with the following:

PRESENT:

Cydney Johnson
Len Manfrates
James Farrell
Ben Dublin
Matthew Marko
Ravi Raman
Alison Miller

ALSO PRESENT:

Julie Cerio, President/CEO
Honora Spillane, Secretary
Kristi Smiley, Treasurer
Karen Doster, Recording Secretary
Linda McShane, Office of Economic Development
Chris Andreucci, Harris Beach
Ann Rooney, Office of the County Executive
Garth Coviello, Strathmore Huntley Group, LLC
John Lacey, Strathmore Huntley Group, LLC
Sue Kuhns, CNYTDO
James Mahaney, Onondaga County Legislature

APPROVAL OF REGULAR MEETING MINUTES – December 11, 2014

Upon a motion by James Farrell, seconded by Leonard Manfrates, the OCDC Board approved the regular meeting minutes of December 11, 2014. Motion was carried unanimously.

TREASURER'S REPORT

Honora Spillane gave a brief review of the Treasurer's Report for the month of December 2014.

Upon a motion by Leonard Manfrates, seconded by James Farrell, the OCDC Board approved the Treasurer's Report for the month of December 2014. Motion was carried unanimously.

PAYMENT OF BILLS

Honora Spillane gave a brief review of the Payment of Bills Schedule #046.

Upon a motion by James Farrell, seconded by Leonard Manfrates, the OCDC Board approved the Payment of Bills, Schedule #046 with General Expenses being \$153,297.57 and marketing expenses being \$4,207.00. Motion was carried unanimously.

CONFLICT OF INTEREST

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

JAMESVILLE DOG SHELTER

Ann Rooney stated that this is a 20 bed facility for dogs. She stated that this project started in late 2013 with discussions with the County Executive and their team was having regarding the number of euthanized dogs in our County. She stated that they have talked with DeWitt Animal Hospital who shelters these dogs but can only keep them for a certain amount of time in allowing for the adoption process. She stated that during this time they have also been doing some work around the fact that the prevention of recidivism that can come from the rehabilitation of taking care of dogs in a correctional facility. She stated that there are other models for this around the country of the benefit to inmates for caring for dogs in their care when they get out. She stated that the plan in 2013 was to allocate \$350,000 from the County Budget. She stated that that the County Executive's budget contained \$350,000 for that purpose to build a shelter up at Jamesville. She stated that it would be built on the property where it is a 24-7 facility. She stated that the inmates who are in good stead would be taking care of the animals on a daily basis. She stated that at the same time they engaged several volunteer organizations including the Syracuse Pit Crew, the Syracuse Animal Alliance and several veterinarians who are all on board as far as doing the volunteer piece. She stated that they would train the inmates on how to care for the animals. She stated that they originally were allocated \$250,000 in the 2014 budget although all the figures say it was \$350,000. She stated that they spent of the first half of 2014

really trying to make the \$250,000 work. She stated that it was put out to bid, went back to bidders to see if thing could be cut out, they tried to look at it differently. She stated that at the end of the day it is \$350,000 that they need and they have a \$100,000 shortfall. She stated that with the County Executive's 2015 budget it included the shortfall of the \$100,000. She stated that it was never voted on by the County Legislature but it was pulled out with the request that it come to OCDC. She stated that the letter that was sent to the OCDC Board is in terms of requesting the additional \$100,000 so that they can move forward. She stated that all the food and supplies are donated. She stated that this has gotten national attention

James Farrell thanked Ann Rooney for answering a substantial amount of the questions he asked previously. He asked if all groups are actively involved and expect them to be actively involved in this effort going forward. Ann Rooney stated of the groups listed absolutely yes.

James Farrell stated that he believes the reason they are coming before the OCDC Board is to lessen the burden of government. Ann Rooney and Chris Andreucci stated yes.

James Farrell asked if a dog is injured and goes to the vet, who makes the decision on these dogs because it can be costly. Ann Rooney stated that is part of what they are working out with DeWitt Animal Hospital. She stated that there will be vets on call but there will also allow in an unusual instance like that they can be sent back to the DeWitt Animal Hospital for care.

James Farrell asks if the dog becomes somebody else's responsibility. Ann Rooney stated yes.

Cydney Johnson asked if there was a reason given why the Legislature wouldn't cover the \$100,000 and only covered the \$250,000. Ann Rooney stated that there was no reason given and she thinks they believe it could be done for \$250,000.

Cydney Johnson stated that she thinks this is a great thing because she thinks there are very few no kill shelters in our area. She stated that being said she thinks this is a tremendously good reason for OCDC to lessen the burden but she doesn't like the precedent that it sets of a group getting in their mind that there is only so much they want to do and get them to bail you out. She stated that she believes that is not what OCDC is here for and they do a lot of different things and

she thinks the Board does a good job in the community of lessening the burden and helping the workforce. Ann Rooney stated that she agrees.

Matt Marko asked where in the budget sheet the \$100,000 comes out of. Honora Spillane stated that every year OCDC has a reserve set aside for projects like this and the things we do elsewhere in the community called the Economic Growth Fund. She stated that it will come out of that reserve.

Matt Marko stated that this is a new building built on grass outside the fence. Ann Rooney stated yes.

Matt Marko asked if the \$12,000 operating costs include the electricity to the facility. Ann Rooney stated yes and that is the operation part of it.

Matt Marko stated that he thinks this is a great program beyond the benefit to pets but to the penitentiary as well.

Ben Dublin stated that even though there is a small cost to the County, keeping one inmate out of jail again is a far greater savings than the \$12,000 so he thinks it is a very worthy goal and it is a great project.

Matt Marko stated that even the benefit that it is outside the walls of the facility shows a transition period and that is all that we read about is transition from incarceration into society and if this is outside the fence line it is one more step towards that.

Ben Dublin stated that it goes to Jim Farrell's point as well about lessening the burden of government if we can help keep people out of prison which is a significant savings.

Upon a motion by Alison Miller, seconded by Ravi Raman, the OCDC Board approved a resolution approving funding to the Jamesville Dog Shelter up to \$100,000 from the Economic Growth Fund and authorizing an officer of the Corporation to sign the necessary documents. Motion was carried unanimously.

STRATHMORE HUNTLEY GROUP, LLC

John Lacy stated that he is a partner in the Strathmore Huntley Group who is a group of neighbors who are trying to redevelop a dilapidated property in the Strathmore neighborhood.

Honora Spillane asked for a quick project description for the new board members. John Lacy stated that back 2010 HUD foreclosed on 9 properties that were managed by the LJ Company. He stated that at that time a number of neighbors stepped up to try to find a developer for the property. He stated that it is a property that was originally built in 1928 and had fallen on hard times. He stated that it has been 4 years putting together a redevelopment plan which brings them to the Board today.

Garth Coviello stated that the last piece in their financial puzzle is signing and restoring the tax credits. He stated that there is a state portion and a federal portion of the tax credits and the NYS portion passed legislation about a year ago making the State credits a refundable credit for projects that were going into service in 2015 or thereafter. He stated that made it possible for them to take advantage of the NYS refund and use it as leverage to secure the bridge loan that is being presented to the Board. He stated that they would use the money up front and it is similar to selling the tax purchaser.

Honora Spillane stated that this came to the OCDC partly at a request from the City's Economic Development Corporation where they have a revolving loan fund and the entire amount of the bridge loan was a big lift for them. The City's staff asked if OCDC could come in and help out so it is being split 50/50. She stated that there will be identical terms.

Cydney Johnson stated that this is a loan agreement and not a grant so it will be paid back over the terms set.

Jim Farrell asked what the maturity of the loan is. Chris Andreucci stated that it matures in 2017.

Matt Marko asked if OCDC has partnered with SEDCO on things like this before. Honora Spillane stated that OCDC had done one other guarantee on a loan with them. She stated that the Southside Food Coop looked to get funding and there is a \$150,000 guarantee that we are sharing currently.

Matt Marko asked if this is outside the bounds of OCDC's mission or the legal aspects. Chris Andreucci stated that OCDC has the legal authority to make loans and make guarantees. He stated that it is certainly well within the mission because it builds up the community and provides housing for folks to support business in that area.

Matt Marko stated that he is concerned about the fact that we are making a loan and they are making a loan and asked if we are any way tied into their operation. Chris Andreucci stated that OCDC will share security with them but there will be a lender above us. He stated that we will get paid back from the tax credits.

Cydney Johnson stated that one of the questions the Board asks when we talk about anything with construction, are the contractors and workman local. Garth Coviello stated that Rich and Gardner is their contractor and Randy Crawford is the architect to oversee and follow through to make sure they get their tax credits.

Cydney Johnson stated that OCDC urges when they are involved to use local workers and people within our community so that the money is reinvested back into the community that we all live in. She stated that is always a strong suggestion that they like to make as Strathmore Huntley Group takes on this project so that the workforce does benefit within our County.

Ravi Raman asked if this is a non-recourse loan, are we taking a second position on it and are their personal guarantees. Chris Andreucci stated that there are personal guarantees and is recourse against the four guarantors.

Alison Miller asked if SEDCO and OCDC are getting paid back from the credits. Chris Andreucci stated yes.

Alison Miller asked if there may be a residual if it matures in 2017, or when they get their credit, and they only get \$460,000 and they owe \$450,000 and \$100,000 to SEDCO. She stated that there is a deficiency. Chris Andreucci stated that OCDC is doing \$225,000 and SEDCO is doing \$225,000 so it is \$450,000 total. eE stated that the tax credits are estimated to be about \$460,000.

Alison Miller asked how it is going to be managed going forward. She stated that she thinks it is a great and supports it but from the individuals involved is there any property, management or landlord experience. She stated that there are a lot of units. Garth Coviello stated that he has been a landlord since 2000 and owns 3 multifamilies in Binghamton. He stated that he does have experience but they plan to hire a property manager to manage the property as well.

Upon a motion by James Farrell, seconded by Leonard Manfrates, the OCDC Board approved a resolution approving the terms of the Strathmore Huntley Group, LLC loan agreement and authorizing an officer of the Corporation to sign the necessary contracts and documents. Motion was carried unanimously.

EXPORT NY TRAINING PROGRAM

Sue Kuhns stated that first she would like to thank OCDC for the support of the 2014 program. She stated that in the second session they ran 10 companies through and they are all well on their way to developing their export businesses. She stated that TDO is a not for profit organization and their mission is to support manufacturers and technology entrepreneurs in Central New York. She stated that they help them with operational excellence, continuous improvement, lean manufacturing, business growth, technology innovation and commercialization. She stated that they are a part of state and federal network. She stated that federal is Manufacturer Extension Partnership (MEP) and State is the Regional Technology Development Centers.

Sue Kuhns stated that Export New York is a program that has been running since the late 1990's and the County has generously supported that all these years. She stated that they have run over a 100 companies through the program in that time. She stated that it is not just a series of lectures but about helping a company develop and export international business development

plan. She stated that in a very condensed amount of time they support businesses, analyzing target markets, developing a market entry strategy and educating them in all the pitfalls they can get into doing business internationally. She stated that they walk out of the program with a full plan customized to their business to enter international markets and mitigate risks. She stated that it is more than just a series of educational programs because that is relatively easy to put together but they support the businesses with staff who has a lot of expertise and with interns to do the research. She stated that these are business owners, marketing executives, sales executives and sometimes finance executives who are very busy people often with travel schedules so they don't necessarily have time to do that leg work so they put graduate students to work for them to do that market research and to tap into all the resources and data. She stated that it is a program with a huge support network to accelerate the businesses progress that they probably couldn't do certainly in that time frame on their own. She stated that the program is integrated into the Metropolitan Export Initiative and is very supportive by the Initiative but not supported by it.

Sue Kuhns gave examples of companies that went through the Export NY program.

Cydney Johnson asked what Export NY is asking for as it relates to ongoing. Sue Kuhns stated that they Export NY is asking for \$20,000 to support a program with a budget of \$100,000 and that is helpful in keeping the costs down to the participants.

Cydney Johnson asked if OCDC is one of several funders. Sue Kuhns stated yes. She stated that there is a tuition line and one of the other funders who is a workforce development institute and they gave the money directly to the program. She stated that their normal modal of operation is to give the money directly to the company so they asked Export NY to have each individual company apply which is a lot more paperwork. She stated that the tuition had to be raised with the understanding that they would be reimbursed \$2,500 each company.

Julie Cerio stated that we often find that some of our bigger projects come from helping the smaller entities and she asked Sue Kuhns when they do the training are the businesses made aware or part of the curriculum of what OCDC or OCIDA does for companies and if not would she be willing to consider it. Sue Kuhns stated that they had in the past but last session they did

not. She stated that they have opened the meetings to anyone who would like to attend from the County and welcome that.

Julie Cerio asked Sue Kuhns to reach out to Honora Spillane and herself when it is coming up and they will come and speak to the businesses and let them know what our various organizations do. Sue Kuhns stated yes.

Cydney Johnson asked if OCDC has funded this before. Honora Spillane stated that this is OCDC's second funding round and the IDA had previously funded the program for about a decade.

Cydney Johnson stated that there has always been some type of support. Honora Spillane stated yes. She stated that Air Innovations went through the program about 8 to 10 years ago and they are doing great business in China and Mr. Wetzel would say it is due in large part to this program.

Cydney Johnson stated that this is one of those very nicely aligned projects that really fit to the things that OCDC feels strongly about.

Matt Marko asked if they are all Onondaga County based companies that are participating. Sue Kuhns stated that not always because their mission is five counties. She stated that 8 out of the 10 companies last time were.

Matthew Marko stated that it is a regional program. Sue Kuhns stated yes.

Upon a motion by Ravi Raman, seconded by Ben Dublin, the OCDC Board approved a resolution approving funding of up to \$20,000 from the Economic Growth Fund and authorizing an officer of the Corporation to sign the necessary documents. Motion was carried unanimously.

OFFICER APPOINTMENTS

Cydney Johnson stated that she has been on the Board since the beginning and this is a great board. She stated that one of the things she likes about this Board is that they do very good things and they don't always do things in agreement. She stated that they have had some very active discussions and she hopes that continues because that is why we are all here. She stated that we are here to help the community, to lessen the burden, support workforce and community development. She stated that the staff looks out for the Board Members, provide tremendous information, do a lot of leg work and never leave the Board hanging so we always use them as our go to people for anything that comes up.

James Farrell stated that he is very pleased to nominate Cydney Johnson as the Board's chairman moving forward and thinks she will do a great job. He stated that he has stayed on this Board because he truly enjoys the work of this Board. He stated that this morning's discussion is typically the way it happens but the board doesn't always agree. He stated that the Board does a good job and the staff does a superb job. He stated that this is the best staff that he has worked with.

Upon a motion by James Farrell, seconded by Ravi Raman, the OCDC Board approved a resolution appointment Cydney Johnson as Chair. Cydney Johnson abstained. Motion was carried unanimously.

Cydney Johnson stated that Honora Spillane has come on 4 years ago and she has easily come in and has added and added. She stated that she covers all the Boards here and does a tremendous job. She stated that she is happy to see Honora take on this responsibility.

Upon a motion by Leonard Manfrates, seconded by James Farrell, the OCDC Board approved a resolution appointing Honora Spillane as Treasurer and Public Hearing Officer. Motion was carried unanimously.

Julie Cerio stated that there was an email sent out with the dates of the PAAA webinar training that are coming up and it is a required training. She stated that it is incredibly helpful and you will understand the requirements that we have as a Board that we have to meet. She stated we really need to dot our I's and cross our T's which means the Board has to take the PAAA training because at the end of the year they are going to ask if it has been completed

Upon a motion by Ben Dublin, seconded by Matthew Marko, the OCDC Board adjourned the meeting at 9:31 am. Motion was carried unanimously.



Honora Spillane, Secretary

