

**ONONDAGA CIVIC DEVELOPMENT CORPORATION**  
**Regular Meeting Minutes**  
**October 9, 2014**

The Regular meeting of the Onondaga Civic Development Corporation was held on Thursday, October 9, 2014 at 333 West Washington Street, Syracuse, New York, 13202, in the large conference room on the 1st floor.

Matt McAnaney called the meeting to order at 8:31 am with the following:

**PRESENT:**

Matt McAnaney  
Thomas Bezigian  
Len Manfrates  
Scott Koldin  
James Farrell

**ABSENT:**

Cydney Johnson

**ALSO PRESENT:**

Julie Cerio, President/CEO  
Honora Spillane, Secretary  
Kristi Smiley, Treasurer  
Karen Doster, Recording Secretary  
Linda McShane, Office of Economic Development  
Rachel Endries, Harris Beach, PLLC  
Joseph Magliozzi, Sutherland Global Services  
Ron Quinn, Sutherland Global Services  
Dominic Robinson, CenterState CEO  
Joseph Bryant, Southside Coalition  
Meagan Weatherly, Cooperative Federal  
Ben Walsh, Syracuse Neighborhood and Business Development  
Joseph Frateschi, Harris Beach, PLLC  
Kathy Rapp, Onondaga County Legislature

**APPROVAL OF REGULAR MEETING MINUTES – SEPTEMBER 11, 2014**

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Board approved the regular meeting minutes of September 11, 2014. Motion was carried unanimously.

**TREASURER’S REPORT**

Kristi Smiley gave a brief review of the Treasurer’s Report for the month of September 2014.

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

#### PAYMENT OF BILLS

Kristi Smiley gave a brief review of the Payment of Bills Schedule #043.

Upon a motion by Scott Koldin, seconded by James Farrell, the OCDC Board approved the Payment of Bills, Schedule #043 with General Expenses being \$70,244.57 and Marketing being \$2,487.00. Motion was carried unanimously.

#### CONFLICT OF INTEREST

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

#### SOUTHERNLAND GLOBAL SERVICES-EMPLOYEE PRODUCTIVITY PROGRAM

Joseph Magliozzi stated that he works with Southerland Global in operations and government outreach. He introduced Ron Quinn who is the local site director in Syracuse. He stated that they are here today to talk about the incentives that could potentially help them reduce costs.

Ron Quinn stated that in the past 5 years they have had a steady state of about 500 people working at Sutherland. He stated that they are at 928 individuals right now. He stated that they have had major expansion since June. He stated that he is boarding 65 more individuals on Monday so they will be at 1,000. He stated that on October 16 they partnered with the Department of Labor and will be doing up at the Zoo a major recruiting event to hire another 200 individuals. He stated that they are adding a \$1,500,000 expansion into the galleries. He stated that they are redoing a whole floor to add another 531 seats and they currently have 777 seats. He stated that they are a 24-7 operation in some of their areas supporting the major technology companies. He stated that his average age group is about 34 years old and they are also getting a

lot of retirees because they need health care. He stated that Sutherland Global Services is an outsourcing company and work with some of the major corporations throughout the world.

James Farrell asked what the average pay is. Honora Spillane stated that it is \$11.50 and on page 22 of the application. Ron Quinn stated that a lot of the programs have commissions so those numbers could actually go up \$3-\$5 an hour depending on if they are in sales making commissions.

James Farrell asked on average how long does an employee stay with Sutherland. Joe Magliozzi stated that it is a tough question. He stated that their retention is up and down based upon season as well as the program the individual is working on or the client they are working for through Sutherland. He stated that typically their retention has improved and they are seeing individuals staying with the company over a year up to 2 years. He stated that they are now increasing their recruiting methods and trying to find more talented individuals to help with that attrition.

James Farrell stated that the objective on the business plan says that they want to maintain a steady employment so he assumes they are trying to improve that substantially. He stated that they want to keep their people and it is no longer the seasonal thing which is a positive. Ron Quinn agreed.

James Farrell asked if they are entry level jobs. Ron Quinn stated yes.

James Farrell asked how this helps someone move beyond an entry level job. Ron Quinn stated that they have a lead development program. He stated that lead development has 18 courses. He stated that it usually takes about 6 months after training that you have demonstrated skills for leadership and then they take another survey. He stated that they can be recommended by their manager and they can take the 18 courses paid during company time. He stated that there is some mentoring involved with managers and once they become certified, they can interview for the next supervisor level or account manager level as they open but they have to get to that qualification point. He stated that they have hired over 23 managers last year.

Joseph Magliozzi stated that a majority of their management positions are from within. Ron Quinn stated 99%.



Matt McAnaney asked if this is within OCDC's mission and policies. Rachel Endress stated yes.

Honora Spillane stated that she believes that one of the new clients they are bringing is a well-known company and is a long term not just seasonal. She stated that is part of the reason for the request to OCDC.

Ron Quinn stated that it is a high technology company and they are creating a center of excellence for that Company in Syracuse which will not only drive the positions they have but all the ones that Sutherland has like customer support, chat, voice and level 1, 2 and 3 tech support.

Honora Spillane stated that it is a great city/county partnership.

Thomas Bezigian asked if the amount requested is \$25,000. Honora Spillane stated yes.

Thomas Bezigian stated that \$12,500 is not the limit. Honora Spillane stated that because it is partly a recruitment and retention effort, staff thought it would be ok to go up and above what OCDC normally does given the number of jobs created, the impact and the greater employment base.

Upon a motion by James Farrell, seconded by Leonard Manfrates, the OCDC Board approved a resolution 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. Motion was carried unanimously.

#### CENTERSTATE CEO COMMUNITY PROSPERITY INITIATIVE

Matt McAnaney asked Honora Spillane what they are asking for. Honora Spillane stated that it is a 2 year ask with \$250,000 each year for a total of \$500,000.

Dominic Robinson thanked the Board for having him. He stated that he works with CenterState CEO as the Vice President of Community Prosperity. He stated that he has been working primarily on the North side of Syracuse for about 8 years or so. He stated that with an effort that has been spearheaded by St. Joseph's Hospital, CenterState and several local community groups and nonprofits in the area there is an attempt to revitalize the community but first and foremost based the upon the idea that we have to create economic opportunity and build wealth at the neighborhood level. He stated that in those efforts they have a few platforms have been very successful relative to workforce development, small business development and general community engagement. He stated that as those platforms have become successful they have had the opportunity to take those platforms and scale them at a community wide level. He stated that and they are doing that through CenterState CEO footprint. He stated that they have the network and the infrastructure already to do that. He stated that the first of those platforms is an effort called Work Train which is a collaborative workforce development platform that aligns the local foundations. He stated that they have County and City representation on the governance committee and a number of nonprofit partners. He stated that they are all coming together to basically do a simple but challenging thing which is identifying target industries with growing demand for labor and career opportunities in those jobs and link those opportunities in that labor gap with the low income and underemployed residents of our community. He stated that they do that by listening to employer needs and in building systems that fit their needs. He stated that they work with the local training and education providers like OCC, SUNY EOC, Syracuse City School District and OCM BOCES to deliver training and programs that meet employer needs. He stated that they also work with community groups to provide wrap around services in training and education that help folks that are disconnected from opportunity, overcome barriers and to allow them to have success in training and long term success in their jobs. He stated that they piloted the process in construction, worked quite a bit with Mr. Farrell with a lot of success and also in health care they piloted a project with St. Joseph's hospital. He stated that they are working with St. Joe's and OCC now to expand a north side specific effort to really ramp up a lot of activities to the footprint of St. Joe's relative to this proposal. He stated that in addition to expanding in health care they are now going across all of their employers in the region to service their health care needs and expanding to a much wider population base. He stated that they have already started to work with Loretto to help them fill 100 positions that they needed filled by this fall. He stated that within 2 months they will be able to turn around and get the 42 people hired and they have been really excited about working with them. He stated that they are also working



in manufacturing. He stated that they see a large growing need for all levels of labor manufacturing and real opportunities to bring people in at the entry level and help them work their way up. He stated that in both industries there are gaps in training in terms of what is offered. He stated that a lot of it is based upon movements in the market. He stated that a pilot needs to be developed first and would like to accelerate that process while the market is still fresh.

Dominic Robinson stated that the other major effort that they are focused on is Upstart Syracuse which is a platform for small business development and combines efforts of Onondaga County Small Business Development Center, Syracuse Technology Garden, Cooperative Federal Credit Union and a number of other programs and resources dedicated to serving small businesses coming out of underserved communities. He stated that they aggregate those resources and add some additional innovations to that to help emerging entrepreneurs from our neighborhoods and various communities that are essentially disconnected from a lot of the resources that they typically see entrepreneurs having access too. He stated that they also are seeking to expand that model to support existing businesses. He stated that they actually see a number of small locally owned, often minority owned businesses that are poised for growth and success but lack access to technical assistance, mentorship and additional resources that might help increase their market share and increase efficiencies. He stated that they see a huge opportunity for job creation and growth simply by serving existing businesses as well. He stated that they are seeking an additional set of funds to help support that effort and build that platform. He stated that over the next 2 years they think they can create an infrastructure platform that can be sustainable. He stated that they have been raising dollars and piloting revenue streams across all these efforts but this fund request would really help them take it to the next level of capacity and really help establish a much more robust platform moving forward. He stated that fundamentally what this is all about is figuring out a way to connect economic growth to economic opportunity and building wealth and creating equity in our distressed neighborhoods. He stated that is not just in Syracuse. He stated that they started out on the north side but our suburbs from a physical landscape perspective are looking a lot like our inner city neighborhoods. He stated that being able to apply these methodologies on a broader scale he thinks would be a critical thing for them to be doing in partnership with many of their fellow organizations in the towns in the years to come.

Honora Spillane stated that the Board should keep in mind that OCDC has worked a lot with St. Joe's as well. She stated that there was some discussion after the meeting in June about what more this Board could do to really accelerate change in this community using the funds that we do have. She stated that this not only leverages existing programs and things that are happening rapidly in the community but it also touches on some of the work that has been done at the Regional Council level which is where some seed funding came last year. She stated that this ties well with a number of other things that are happening.

Kristi Smiley stated that it addresses the healthcare manufacturing and the skill gap that she hears continuously from the manufacturers. She stated that it answers the questions manufacturers have and requests that they have for assistance. She stated that there is \$400,000 in the budget in the growth fund for 2014 and if this authorized OCDC would be well within the budget.

Matt McAnaney asked if this helps attract companies to move to Syracuse if our workforce is better trained and educated. Honora Spillane stated yes and it helps businesses that are here.

Dominic Robinson stated that based upon the increased digitization of health care, particularly electronic medical records and billing processes, there is going to be huge increase demand for medical billing and coding. He stated that they have been talking to a company about the pipeline of workers where they are developing a program specifically to meet these emerging needs. He stated that a medical billing and coding training program is probably the top candidate for what those innovation training dollars would look like. He stated that it is a literal example of where they might actually be leaking this effort directly to a company that we are trying to lure to Syracuse.

Julie Cerio stated that particular company is going to India for workers because they cannot find people here and they want to. She stated that they want to locate here.

Kristi Smiley stated that they have reached out to staff and have had several meetings with them. She stated that OCC is working with several other partners to figure out the training.



Scott Koldin stated that the presentation was outstanding. He stated that Work Train is where they get relationships with different businesses and find out what their needs are then they reach out to lower income individuals to try and make the match or facilitate that. Dominic Robinson stated that they service kind of a conduit and facilitator for the different partners that would comprise an effective workforce pipeline. He stated that they start with the employers and based upon their needs they reach out to the training and education providers. He stated that they help them either develop or adapt their existing trainings to fit the needs of employers. He stated that they also reach out to the community based organizations, social service agencies and workforce partners have a talent pool and work with them to identify the candidates that best fit that profile that the employer has identified. He stated that a lot of their work is about knitting together those different partners in the system. He stated that their role is really to identify the opportunity then create a very efficient pipeline to meet it.

Scott Koldin asked if the different businesses reach out to them to let know the needs. Dominic Robinson stated that it is a combination. He stated that they have been going out and trying to focus on industries that they believe are important to the local economy and offer real career opportunities for people so that is where they focus on healthcare and manufacturing. He stated that in that instance they piloted the program with St. Joe's per their request and was successful with over 90% placement rate and dramatically increased their internal retention rates. He stated in the process of scaling it they said let's start talking to the other healthcare institutions. He stated that they started talking to Loretto and they said great. He stated that they wanted it up and running by 2015 but they have no idea how they are going to fill 100 CNA positions by fall and asked for a fast track. He stated that in manufacturing it is a combination of people coming to them and them doing some almost sales work to get people on board. He stated that it is a much more diverse industry with a lot of moving parts. He stated that there is more cultivation going on there in terms of that network of employers. He stated that they are in the beginning stages of that effort.

Scott Koldin stated that they reach out to some people and some people reach out to them. Dominic Robinson stated yes.

Scott Koldin stated that in terms of Upstart there are small businesses that are in underserved communities either a new business starting up or existing business and asked what CenterState



CEO will provide to them. Dominic Robinson stated that they are a CenterState affiliate but they keep an office on the north side where they do most of their work. He stated that they share it with Cooperative Federal Credit Union. He stated that they had brought in a business planner from the SBDC in house to their office waiting for the moments essentially. He stated that they intentionally co-located with the credit union who does financial counseling and offers some capital or financing. He stated that they tell them to talk to the business planner and once you clear that hurdle talk to Cooperative Federal about money and once you clear that hurdle and you are ready to open a business then they will talk to them identify a location, marketing and help them out. He stated that they have seen a number of businesses that in some way, shape or form that they helped establish and didn't last. He stated that what they realized is that for businesses or entrepreneurs that are disconnected from the main street economy, despite good ideas or native talent the world of regulations or the world of SOPs, health codes or employee procedures is very foreign to a number of people. He stated that they realized that there has to be a more intensive stream of services so one of the things they have done is borrowed a template from the Tech Garden that they use for their high tech entrepreneurs that is called an individualized assessment plan. He stated that they have staff that sit down with each entrepreneur and develop a road map for success that deals with everything from marketing, financing to business planning and they provide them with mentors, linked them with community partners to provide services. He stated that one of the things they feel strongly about for emerging entrepreneurs and to some extent some existing businesses is creating experiential opportunities where they get to immerse themselves in experiences that inform on how to run a good business. He stated that it is everything from apprenticeships with other more established businesses to pop up experiences where they do one time shot where they develop a business plan, take out a little financing, and they do experiences where they get to test their business concepts at a low risk confined setting. He stated that those accrue and either help them expand what they are already doing or have confidence and backing to really launch and be successful.

Scott Koldin asked how the businesses get hooked up with CenterState CEO. Dominic Robinson stated that their entire effort and every aspect that they do is predicated on networking. He stated that it is really identifying the organizations and the leaders who are in different communities where these types of businesses and entrepreneurs might exist and letting them know how their processes work and if there are good fits, they refer them. He stated that they are in a place now where he has one staff person coordinating all of this effort and they think they will still be able

to keep it really lean on their end but they need to scale up their program capacity and some of the different things they can contract out for in order to take on more. He stated that right now they are maxed out. He stated that they are working with about 14 merging entrepreneurs or existing businesses that fit this profile.

Matt McAnaney stated that it sounds like James Farrell has had some experience with this. James Farrell stated that for 3 to 4 years he worked with Mr. Robinson and his people with his former employer. He stated that they hired about 15 people through the North Side Up Program. He stated that these are people that are all residents of the City of Syracuse and mostly north side with a majority of them immigrants or refugees. He stated that all of them came to them for one reason or another and were marginally employable. He stated that of that retention rate it was easily doubled and they don't keep the formal statistics but he knows that with the typical entry level people they are lucky to keep 20%. He stated that they were easily at the 60-70% retention rate. He stated that they found that there is a connection of need and opportunity to the supply and the ability to provide feedback to issues.

James Farrell stated that his questions are not about can it be successful but how to ramp it up because now they are talking about scaling this program. He stated that scaling it is about how does it fit into the fabric of workforce development in Syracuse and Onondaga County. He asked how are they playing with the other players in that market place and what are the metrics being used to do this and how are those metrics going to be reported back in. Dominic Robinson stated that taking it to scale is really about better imbedding themselves or integrating themselves into that fabric and to do that they first of all they have a collaborative which serves as a governing committee comprised of the local foundations that gave them the seed money necessary to move forward. He stated that they also asked the Mayor's office and they appointed Ben Walsh, Ann Rooney from the County Executive's office, Janice Main from JOBS Plus, Lenore Sealy from CNY Works and also have people who represent the different types of training, education and services necessary to do the work. He stated that he thinks fundamentally the critical pieces here are taking the core processes that have worked for them which are actually partners from other organizations delivering their specific services. He stated that they have had BOCES, the school district, EOC and other players over the years combining efforts. He stated that they need to work with community based organizations to be more fundamentally supportive of the people they refer and the people they can support through a



training and employment process. He stated that the experience Mr. Farrell had with Danielle, they are trying to train and build capacity inside some of their CDOs to take that burden on with them and prepare them to effectively understand how to community with an employer and worker. He stated that in terms of training and education it has taken that same process and how do they take what it is working whether it is BOCES or somewhere else and adapt it to fit the needs of the community and do it more often. He stated that the bottom line is that he doesn't think anything of this nature can be successful if it is one organization trying to do it and that has never been their approach. He stated that what they need to do is take the processes they have utilized up until this point and formalize them. He stated that they have to bring more resources to the table as well. He stated that they were helpful in OCC apply for the most recent federal grant for \$2.5 million. He stated that they went out and engaged dozens of employers to help form that application and they were written into the grant. He stated that their job is always looking to enhance the efforts of others in the community.

James Farrell asked if they are going to create a formal organization from this premise. Dominic Robinson stated that it is a formal initiative but they don't necessarily think they need another 501-c—3.

James Farrell stated that he means in essence formalization from the standpoint of that they have a group that is well defined and reporting back to the individual organizations. Dominic Robinson stated yes. He stated that they are looking at outputs and outcomes. He stated that some of the big metrics they are looking at the number of people trained, the number of people placed, retention rates, increases in income and decreases in social service costs.

Honora Spillane stated that staff will work with Mr. Robinson to get come up with realistic numbers. She stated that it is built into the service contract to report back to the Board and for staff to able to say to the State what the money was used for and why.

Thomas Bezigian asked what they anticipate the economic impact with a grant of this amount and asked what our return on investment will be for this sum of money. Dominic Robinson stated that he thinks that if you look at things quantifiable, he knows that in the health care industry they look at the cost of turnover per employee and some are between \$3,000 and \$5,000. He stated that with the early cohorts and their pilot programs they have been able to cut

turnover almost in half at St. Joe's. He stated that you think about the cost savings to a major very critical employer to this community located in a distressed neighborhood. He stated that you think about a number of the trainees over the years have gone from being social service recipients to wage earners and home buyers. He stated that you think about the net shift in terms of decrease in cost to social services to increase in taxable income and assets. He stated that you think about on the business side taking empty store fronts in distressed neighborhoods and filling them with businesses that are owned by members of the community that are in residential neighborhoods behind or above.

He stated that you are talking about things that can affect the bottom line of our social service base, employers bottom line but what they are really seeing is a dynamic in Syracuse that while we are growing again so is poverty. He stated that we need to figure out a way to knit growth and opportunity together. He stated that no matter how much wealth we inject into the community, if we are trying to somehow compensate for increased poverty we are paying more into social services, further police work, further property remediation and blight. He stated that we are 23<sup>rd</sup> poorest city in the Country. He stated that a lot of their efforts are about aligning the existing resources and services we already have and making them more effective and efficient. He stated that he thinks that the sustainings are significant and the economic impact is significant.

Matt McAnaney asked if all the NYS ESD funds are currently secured. Dominic Robinson stated yes.

Matt McAnaney stated that the only thing within the budget that is not secured in regard to the income projected is the OCDC grant. Dominic Robinson agreed.

Matt McAnaney asked if they are secured for 2015 and 2016. Dominic Robinson stated yes. He stated that the same figures are reflected out to 2017 as well. He stated that Upstart it is for two years.

Scott Koldin stated that they are seeking funding for 2015 and 2016. He stated that one option the Board has is to fund for 2015 and revisit 2016 after reviewing things. He stated that like Mr. Farrell said, it is a big funding request.



Matt McAnaney asked how that would impact them. Honora Spillane stated that the way we usually write our service contracts, we would not outlay \$500,000 tomorrow. She stated that we would probably do \$125,000 and then another \$125,000 and build into the contract for them to come back and it would be contingent upon further Board approval where another \$125,000 and \$125,000 would be funded. She stated that the Mr. Robinson and the Board would have reassurance.

Scott Koldin stated that he wants to make sure the Board has an out if a year later they come back and nothing has progressed. He stated that we can have the option of pulling the funding if the Board needed to. Matt McAnaney agreed.

James Farrell stated that getting into this stuff he thinks what he would ask if it was coming out of his pocket. He asked if they need \$250,000 to get this going. He asked can we give them \$125,000 in 4 installments with last two being contingent upon Board approval. He asked if there are interim goals that can be established that we can judge. He stated that he absolutely believes in this but what he thinks is critical because of all the moving pieces and we are not taking money and putting into an existing but they are creating and they are creating a within a dynamic situation a very dynamic structure collaboration with a variety groups and scaling it up as brand new. He stated that they are leading edge in the US.

Matt McAnaney asked if some type of metric can be created. Honora Spillane stated yes.

Matt McAnaney stated that he is thinking that we look for an action to approve the service contract with 4 installments of \$125,000 contingent upon bi-annual recording as to the results and that the Board will commit to the first \$250,000 with that reporting but the 2<sup>nd</sup> \$250,000 contingent on a separate Board approval in a year. He asked if that is acceptable to the Board and to CenterState CEO Community Prosperity Initiative. Dominic Robinson stated yes.

Scott Koldin stated that the Board does not look for reasons not to give the money, they look for reasons and they want to do it for the right reasons. He stated that the Board is not going to look for a particular number but we want to have the ability to say we are moving forward and

progress is being made. He stated that he thinks the Board is going to be very realistic and we want to have the assurance that we are following up with it.

Dominic Robinson stated that he was originally a community organizer who is living and breathing this stuff and over time he started to understand that these issues are going to remain an obscurity if we don't start communicating them and getting a broader audience to participate in them. He stated that he welcomes any opportunity to be a part of a dialogue with community leaders on how collectively as community need to do this. He stated that if part of that means that we are keeping a good communication and involving OCDC in the process, he really welcomes that.

Honora Spillane stated that she believes it would be best to draft it from both OCDC's standpoint and from the CenterState CEO Community Prosperity Initiative to leverage the funding opportunity. She suggested approving the \$250,000 and reference the \$500,000 so when they are applying for national grants they can reference that possibility of funding.

Upon a motion by Thomas Bezigian, seconded by James Farrell, the OCDC Board approved a resolution approving a service contract with CenterState CEO for \$500,000 with 4 installments of \$125,000 contingent upon bi-annual reporting as to the results and that the Board will commit to the first \$250,000 with that reporting and the second \$250,000 contingent on a separate Board approval and authorizing the signing of the service contract and all related documents by an officer of the Corporation. Motion was carried unanimously.

#### EAT TO LIVE FOOD CO-OP

Joseph Bryant stated that he is the Board President for Eat to Live Food Cooperative. He stated that it is a community owned grocery store located on South Salina Street and McKinley Avenue. He stated that they have about 150 member owners with most of them from the greater south side area. He stated that this was a project spearheaded about 6 years ago by the Southside Community Coalition which is a not profit and they have a mission to revitalize South Salina Street between Brighton and Colvin. He stated that 6 years ago it started and they had support from the Gifford Foundation and a group of other stakeholders along with Cooperative Federal.



He stated that 6 years forward they had raised about \$1,300,000 for a total budget for the construction of a 3,000 square foot facility and about \$250,000 budgeted in for operational startup costs. He stated that they finished construction last year in September and had a grand opening for the project in October. He stated that they had some challenges with over runs and change orders for the construction and ended up with about \$60,000-\$70,000 to open up on the operational side. He stated that due to some grant deadlines they still tried to open and push the project forward and ended up closing in January. He stated that since that period over the past 9 months they have modified the business plan and added about 3-4 folks to their advisory committee with long term experience in grocery operations, financial investments and some other community folks. He stated that have a \$200,000 loan that they need to carry over for about 7-9 months. He stated that they have a grant that they were approved from 2 years ago by ESD through Regional Economic Development Council that they haven't been reimbursed for. He stated that they have about \$15,000-\$16,000 worth of debt. He stated that they own the building free and clear and they have been conditionally approved through Cooperative Federal for \$150,000 loan. He stated that early on they got a \$75,000 guarantee from SEDCO, which is half of the ask from Cooperative Federal and they are looking for another \$75,000 guarantee from OCDC. He stated that the additional \$50,000 that they need to carry this over for the next 7-9 months. He stated that they are in discussions right now with funding source through the New York Healthy Finance Initiative. He stated that Meghan Weatherby who is a representative of Cooperative Federal has basically spearheaded modifying the business plan.

Meghan Weatherby stated that she works in the Community Development department at Cooperative Federal which is a local credit union that has been around for 30 years. She stated that this is quite a large loan for them and it is a mission they really believe in supporting but being a financial cooperative and being highly federally regulated they can't absorb that much risk on their own. She stated that the loan would be structured in 3 parts, one would be a bridge loan that would only carry through until the ESD grant reimbursement came through which is \$50,000. She stated that there would be a \$75,000 mortgage and a \$25,000 line of credit. She stated that the idea is to step down the amounts of guarantee from both SEDCO and the County as the loan is paid down. She stated that it would give opportunity to get through the 6 months until the grants came through to cover the cash flow deficits and have enough working capital once the grant came through to see them through the point where their sales would reach a sustainable level which would take about 5 years.

Honora Spillane stated that the City's Economic Development Corporation has a more robust revolving loan program and they have already approved the guarantee that came through yesterday.

Matt McAnaney asked if the City guaranteed \$75,000 and we are being asked to guarantee the other \$75,000. Honora Spillane agreed and she stated that OCDC would be doing it by identical terms since they do it more often than we do. She stated that staff talked with counsel and they looked it over

Rachel Endress stated that counsel's recommendation is to mirror the terms of the City and delegate authority to Julie Cerio to work with counsel and to come up with a guarantee substantially similar to the City guarantee. She stated that when they receive final information from the bank they will put the guarantee together.

Julie Cerio stated that one of the parts of the business plan that is different than the last go around is that a lot of people that shop at the store are recipients of public assistance and at the time when they were struggling to get to meet deadlines, they didn't have that system set up. She stated that they were actually at a place where they would accept mostly public assistance and couldn't accept. She stated is now going to be remedied. She stated that the business plan looks like they put a lot of thought and careful consideration into making it work.

Meaghan Weatherby stated that they need a community owned grocery store because then there is accountability. She stated that there are a lot of different players at the table. She stated that Syracuse University has provided financial support. Joseph Bryant stated that as well as the Gifford Foundation, Community Foundation and National Grid.

Matt McAnaney stated that OCDC is guaranteeing the loan. Honora Spillane agreed. Meaghan Weatherby stated that it is going to be collateralized by the property which is more than valuable enough to justify the loan.

Scott Koldin asked how many employees. Joseph Bryant stated that there are 4 FTEs but 7 to 8 starting out over first year.



Scott Koldin stated that in terms of the Board make up is the Board make up the substantially the same as the Board make up when the business didn't make it. Joseph Bryant stated no. He stated that they created an advisory board and all of those folks have experience in either banking or grocery. He stated that the owner of 4 Big M's in the Cayuga County has been a huge help over the past 6 months. He stated that he has helped navigate how to set up the store, what relationships to build and what to look for.

Scott Koldin stated that when it initially failed the plan wasn't there but they have learned from the mistakes before and they have taken the steps to give themselves as chance for success as there can be. Joseph Bryant agreed.

Meaghan Weatherby stated that the Board was relying on the expertise of the manager and it didn't work out as expected. She stated that some now bringing expertise which is the governing body and bringing in some outside expertise along with 2 members of the senior staff from the Syracuse Real Food Cooperative that will be on the council. She stated that they are in touch with consultants from other national cooperative associations. She stated that she is on the advisory council and they have all been working together to provide additional oversight and they will continue to do when the store reopens. She stated that while the closure was concerning it is also giving the opportunity to learn from those mistakes and make specific changes based on that.

James Farrell asked what the term is at the completion of the \$150,000. Meaghan Weatherly stated that the \$75,0000 is a 15 year mortgage. She stated that it would go down with the balance of the loan.

James Farrell stated that it is a 15 year period for the \$75,000. Meaghan Weatherly agreed. She stated that \$25,000 of the \$75,000 will be paid off in about 9 months when the ESD reimbursement comes through. She stated that the remainder would be revolving and part would be mortgage.

James Farrell asked what the minimum sales that would keep the store open. Joseph Bryant stated that if all the financing is in line, the numbers presented are the most conservative. He

stated that over the three month period they looked at what the average sales were and it was really low. He stated that he doesn't have a specific number. Meaghan Weatherly stated that they can't get much lower than \$300,000.

Thomas Bezigian stated that this sounds great and wants to read about it being a great success. He asked what would be OCDC's worst case scenario if those go under. He stated that the bank would foreclose on the loan and would they look to OCDC to make up the deficiency. He stated that it was stated that the building was worth far in excess of \$150,000 so in all likelihood we have minimal risk. Honora Spillane agreed.

Scott Koldin asked if this is in OCDC's mission. Honora Spillane stated yes.

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Board approved a resolution approving a request from the Syracuse Cooperative Federal Credit Union to guarantee up to \$75,000 of its own offer to the Eat to Live Food Cooperative and authorizing the signing of all related documents by an officer of the corporation. Motion was carried unanimously.

#### 2015 BUDGET APPROVAL

Matt McAnaney stated that as the Board can see there is much lower revenue basis and asked if there is a reason. Kristi Smiley stated that based on the projects in the pipeline and the bottleneck in the first couple years where a lot projects were done. She stated that over the past couple years we have stabilized in terms of o the number of fees. She stated that there is a slight decrease to the budget. She stated that the County Contract that was distributed a few months ago was slightly higher and numbers were refined and it was lowered by about \$2,000. She stated that the County contract is based on the time put into the Board and staff is surveyed to see how much time is spent on each.

Matt McAnaney stated that there are less projects but the budgeted time is higher. Honora Spillane stated that a lot of the bond financing project work that comes through is done by counsel. She stated that the overall time isn't necessarily just bonding projects.



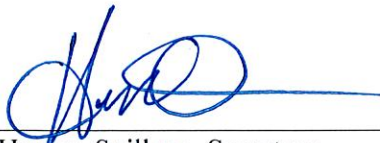
Thomas Bezigian asked if that is why legal fees are anticipated to go down. Kristi Smiley stated yes.

Honora Spillane stated that bond projects are not driving staff time but it is driving counsel's time.

Kristi Smiley stated that in the end of 2014 she anticipating having it just under \$2,600,000 in the bank. She stated that even with the loss in 2015 the Board will still be stable.

Upon a motion by Leonard Manfrates, seconded by Thomas Bezigian, the OCDC Board approved a resolution approving the Corporation's 2015 budget. Motion was carried unanimously.

Upon a motion by Leonard Manfrates, seconded by Thomas Bezigian, the OCDC Board adjourned the meeting at 9:45 am. Motion was carried unanimously.



Honora Spillane, Secretary