

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
April 19, 2013

The regular meeting of the Onondaga County Industrial Development Agency was held on Friday, April 19, 2013 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Donna DeSiato called the meeting to order at 8:00 am with the following:

PRESENT:

Donna DeSiato  
Daniel Queri  
Jessica Crawford  
Janice Herzog  
Mike Allen

ABSENT:

Dale Sweetland  
Victor Ianno

ALSO PRESENT:

Mary Beth Primo, OCIDA, Executive Director  
Kristi Smiley, OCIDA, Secretary & Treasurer  
Karen Doster, Recording Secretary, Agency  
Nora Spillane, Office of Economic Development  
Linda McShane, Office of Economic Development  
Carolyn May, Office of Economic Development  
Tony Rivizzigno, Gilberti Law Firm  
William Marquardt, Trespasz & Marquardt, LLP  
Michael Becker, Noble Health Services, Inc.  
Shawn Ferguson, Indian Springs Mfg.  
Kevin McAuliffe, Hiscock & Barclay  
Joe Goethe, Hinsdale Road Group, LLC  
Kevin Eldred, Hinsdale Road Group, LLC  
Michael Francis, Cameron Group  
Ron Haney, Central and Northern NY Building Trades  
Bob Reap, Insulators Local 30  
Walt Kalina, CHA  
Patrick Heaton, EDR Companies  
Tim Faulkner, CHA  
John Klucsik, Gilberti Law Firm  
Sara Wisnewski, Gilberti Law Firm  
Patrick Mocete, Onondaga County Legislature

### APPROVAL OF SPECIAL MEETING MINUTES – FEBRUARY 21, 2013

Upon a motion by Daniel Queri, seconded by Janice Herzog, the OCIDA Board approved the special minutes of February 21, 2013. Motion was carried.

### APPROVAL OF REGULAR MEETING MINUTES – MARCH 12, 2013

Upon a motion by Mike Allen, seconded by Daniel Queri, the OCIDA Board approved the regular minutes of March 12, 2013. Motion was carried.

### APPROVAL OF SPECIAL MEETING MINUTES – MARCH 27, 2013

Upon a motion by Janice Herzog, seconded by Daniel Queri, the OCIDA Board approved the special minutes of March 27, 2013. Motion was carried.

### TREASURER'S REPORT

Kristi Smiley gave a brief review of the Treasurer's Report for the month of March 2013.

Upon a motion by Mike Allen, seconded by Janice Herzog, the OCIDA Board approved the Treasurer's Report for the month of March 2013. Motion was carried.

### PAYMENT OF BILLS – SCHEDULE #363

Kristi Smiley gave a brief review of the OCIDA Payment of Bills Schedule #363.

Upon a motion by Mike Allen, seconded by Daniel Queri, the OCIDA Board approved the Payment of Bills, Schedule #363 with General Expenses being \$27,256.97 and PILOT payments

to the Town of DeWitt for \$14.37, Town of Onondaga for \$2.92, Jamesville DeWitt Schools for \$94.02, City of Syracuse for \$1,457.62 and Onondaga County for \$937.21. Motion was carried.

#### CONFLICT OF INTEREST DISCLOSURE

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

#### NOBLE HEALTH SERVICES – PROJECT REVIEW AND INDUCEMENT

Michael Becker thanked the Board for the opportunity to be before them. He stated that Noble Health is asking for a tax exemption for their furniture, fixtures, and equipment purchases to help them start out on the right foot so they can start adding jobs to the County.

Daniel Queri asked when they anticipate construction being complete. Michael Becker stated that they are hoping the end of May and occupation to occur in early June.

Donna DeSiato asked if they will be having refrigerated types of prescription products that will be in close proximity to who needs those particular products. Michael Becker stated yes.

Tony Rivizzigno stated that this might have been considered a retail operation from which the IDA is prohibited from providing assistance. He stated that this project does not fall under that restriction because customers do not go to the facility.

Upon a motion by Dan Queri, seconded by Mike Allen, the OCIDA Board approved a resolution describing the proposed Noble Health Services project and the financial assistance the Agency may provide. Motion was carried.

Upon a motion by Janice Herzog, seconded by Jessica Crawford, the OCIDA Board approved a resolution adopting a negative declaration for the Noble Health Services, Inc. project located in the Town of DeWitt as an unlisted action with no significant adverse environmental impact. Motion was carried.



Mary Beth Primo stated that the project can be induced today and no public hearing is required because the benefits will be less than \$100,000.

Daniel Queri asked if they have started the hiring process. Michael Becker stated that they have started the hiring process and it is going quite well so far.

Mike Allen asked how many employees they expect to hire. Michael Becker stated that they are hoping to have over 30 individuals on their team after a few years. He stated that things are going very well so far.

Upon a motion by Daniel Queri, seconded by Janice Herzog, the OCIDA Board approved an inducement resolution for the purchase and installation of furniture, fixtures, and equipment for the rehabilitation/fit up of 16,800 sq. ft. of space in an existing 60,530 sq. ft. building in the Town of DeWitt.

#### INDIAN SPRING MANUFACTURER – PROJECT REVIEW AND INDUCEMENT

Shawn Ferguson stated that he is the President of Indian Springs Manufacturing. He stated that Indian Springs is a fourth generation family owned business in Baldwinsville. He stated that they are a two part company and started off as and still are a contract manufacturing company or machine shop. He stated that the larger part of their business is they also have their own product line. He stated that they are globally in the Hazmat safety solutions industry which means they are a manufacturer and a reseller of safety products that help when Hazmat containers have leaks. He stated that they are going to demolish half of their building and replace it with a 9,000 square foot addition. He stated that one thing that allows them to stay competitive is that they are constantly investing in new technology whether it is with their people, skills or machinery and that is also with the building. He stated that the building is going to be state of the art for manufacturing and then he described some of the new facility's features. He stated that it is really a great project and they are excited about it. He stated that they are getting a lot of great feedback from the community and they would appreciate assistance.

Jessica Crawford asked if there any additional jobs that will come with the expansion. Shawn Ferguson stated that as part of the project they are adding some finishing capabilities that they currently don't do and they are outsourced. He stated that they have a couple of large projects that are in the works right now that would mean additional machinery and equipment. He stated that as a result of their infrastructure investment they are hoping that the result in business is going to end up generating at least two to three jobs. He stated that it doesn't sound like a lot but for a company that only has 13 employees to begin with that would be a good hire for them.

Mike Allen asked who their main customer is. Shawn Ferguson stated that their product side of their business is the brunt of their revenue and is about 85% of their revenue. He stated that of that product business about 40% goes overseas so they literally ship around the world.

Janice Herzog asked if the renovations and the improvements they will be doing will down the road increase the volume of their business. Shawn Ferguson stated that it will. He stated that it sets them up for the ability to achieve the growth that they are going after. He stated that right now their square footage is maximized.

Jessica Crawford asked if there are current contracts that they are seeking or contracts that they would like to pursue. Shawn Ferguson stated that there are both and then explained this point.

Donna DeSiato asked what their workforce needs to be prepared to work with Indian Springs. Shawn Ferguson stated that they need math skills and that this is a hot button issue in their industry right now. He stated that statistics say there are 600,000 manufacturing jobs going unfulfilled in this country because the workforce is simply not skilled enough to fill them. He stated that they find it is true. He stated that lots of people are skilled in machining, they have the mathematics, have some of the sciences, can run the manual machines, can read blue prints and use the measuring equipment but they are really moving toward computer programming driving these machines. He stated that it is a little bit of a balancing act, do you hire experience which requires additional training or do you hire inexperience with skill set but no real world experience to deal with on the job issues that come up.



Upon a motion by Jessica Crawford, seconded by Mike Allen, the OCIDA Board approved a resolution describing the proposed Indian Springs Manufacturing Co., Inc. project and the financial assistance the Agency may provide. Motion was carried.

Upon a motion by Daniel Queri, seconded by Mike Allen, the OCIDA Board approved a resolution adopting a negative declaration for the Indian Springs Manufacturing Co., Inc. project located in the Town of Lysander as an unlisted action with no significant adverse environmental impact. Motion was carried.

Upon a motion by Jessica Crawford, seconded by Mike Allen, the OCIDA Board approved an inducement resolution for the demolition of approximately 4,500 sq ft of space, the addition of 9,000 sq ft of manufacturing space and the renovation of approximately 4,200 sq ft of existing manufacturing at their current facility in the Town of Lysander.

#### HINSDALE ROAD GROUP (TOWNSHIP 5): SEQR AND INDUCEMENT

Kevin McAuliffe stated that he is from Hiscock and Barclay and he is representing Hinsdale Road Group LLC. He stated that also present is Joseph Goethe, Mike Francis and Kevin Eldred and bond counsel for the transaction William Marquardt. He stated that he would like to supplement the record since the last meeting in regard to one aspect. He stated that as Mr. Rivizzigno pointed out, Section 862 of the General Municipal Law was just changed. He stated that the retail limitation for IDA actions is back in play as it was years ago. He stated that one of the exceptions to that is a tourism facility. He stated that a tourism facility is defined under the law as one that will draw customers or clients from outside the economic development region. He stated that the Central New York economic development region is defined in the economic development laws as the counties of Onondaga, Oswego, Cortland, Cayuga and Madison. He stated that at the last meeting as part of the package they included a slide that had an illustration from which they estimated, based on information they obtained from market research and other sources, where they thought Costco would draw. To validate this information, they went back to the company and obtained from them confidential information which demonstrated its market

draw in markets similar and dissimilar to ours so they could compare the two. He stated that they looked at analysis from New Hampshire, Virginia, Vermont and Maryland and based on that information, conservatively concluded this store will draw from a radius of more than 50 miles. He stated that it will probably draw from further until there are other Costcos.

He stated that another interesting point is that in all these areas they drew past other membership clubs. He stated that what does not also seem to be a bar to the draw are lakes or state boundaries. He stated that New Hampshire draws from Massachusetts, Vermont and Maine in addition to the immediate area in New Hampshire. He stated that they reinforce what they put in the record at the public hearing that they believe this facility will draw from outside of the region and its draw will include areas within Wayne, Seneca, Schuyler, Tompkins, Chemung, Tioga, Broome, Chenango, Oneida, Lewis, Jefferson, Herkimer, Otsego, Delaware and Hamilton Counties. He stated that they again submit that this will be a net wealth generator for the region and it will draw substantially from those areas outside of our region bringing business to the area and increasing the sales tax revenue for Onondaga County. He stated that the rest of the project remains the same as discussed previously and is moving forward.

Joe Goethe stated that Costco is a membership club so you have to be a member to shop at Costco. He stated that normally members will do repeat trips so not only are they drawing from 50-60 miles and they are also doing it repeatedly. He stated that the map they created based on information from Costco shows that there will be repeated trips from Binghamton.

Jessica Crawford asked what is the difference or distinction between a Costco and a BJ's or Sam's Club.

Joe Goethe stated that one major difference is that Costco goes to the source and acquires the source. He stated that they have acquired wineries and own vineyards. He stated that they bring great product to their store at a lower price than the others. He stated that they have done the same thing with their nuts. He stated that they bring great quality at great prices to their stores.

Daniel Queri asked if a better serviced store means more employees.



Joe Goethe stated that they have about 275-300 employees. He stated that the interesting thing they have with their employees is that they just voted a couple weeks ago to raise their starting minimum wage from \$11.00 an hour to \$11.50 an hour. He stated that the average 4<sup>th</sup> or 5<sup>th</sup> year average cashier makes \$47,000. He stated that 92% are involved in the 401k program and every employee has full benefits. He stated that it is a great store to work for which means that they retain a lot of employees. He stated that people are very knowledgeable within the facility.

The Board and Hinsdale Road representatives further discussed the project and possible employment opportunities.

Upon a motion by Daniel Queri, seconded by Mike Allen, the OCIDA Board approved a resolution adopting a negative declaration for the Hinsdale Road Group project located in the Town of Camillus as an unlisted action with no significant adverse environmental impact. Motion was carried.

Kristi Smiley stated that the public hearing was held April 9 and there were about 8-10 people who attended that were local residents. She stated that several spoke in favor of the project and there were some general questions about the traffic implications for neighbors.

Upon a motion by Mike Allen, seconded by Daniel Queri, the OCIDA Board approved an inducement resolution for a straight lease/bond transaction for a more than 500,000 square foot mixed-use lifestyle center project including office, retail, entertainment, housing and off site road and infrastructure improvements on an undeveloped 67 acre parcel of land in the Town of Camillus. Motion was carried.

Tony Rivizzigno stated that there is a third resolution and some new language was put into the documents to cover the new sales tax regulations.

Bill Marquardt stated that this is the standard preliminary agreement which includes additional language to reflect the recent statutory changes.



Upon a motion by Daniel Queri, seconded by Janice Herzog, the OCIDA Board approved a resolution accepting the preliminary agreement which includes additional new language to reflect the new sales tax regulations. Motion was carried.

#### AGRANA FRUITS US, INC.: LOCAL ACCESS WAIVER

Mary Beth Primo stated that OCIDA views its support for local labor very seriously and that is why OCIDA has a local labor policy that supports the hiring of our local businesses and local labor on projects that the Agency supports. She explained the circumstances surrounding Agrana's request for a waiver. She stated that it is over a \$40,000,000 project, offering 66 jobs immediately, 120 jobs over five years which will not only offer direct permanent jobs, but will certainly add to and support other local businesses and regional businesses in its supply chain. She stated that Onondaga County was competing with three other communities, one in New York State and two outside New York State. She stated that none of those communities had a policy that required the company use local labor. She stated that the Board was asked during negotiations with Agrana, while the Company was still considering where to locate its new facility, to waive its local access policy. She stated that OCIDA leadership and staff considered how this community would be helped by landing this \$40,000,000+ project and with all the direct job creation as well as temporary jobs, and jobs supported along the local supply chain. She added that waiving this policy does not mean local labor will not be hired. She stated that in fact right now three local companies involved in the project's predevelopment have already been hired. She stated that they fully expect that local businesses will be the most competitive bid on much of this project given the fact that they are local. She stated that these considerations create a compelling circumstance and that is why she is asking the Board to support this request for a waiver.

Ron Haney stated that he is a roofer by trade and secretary/treasurer of the Central Northern New York Building Trades and he is here to represent them, the contractors, the families, the vendors and businesses that their contractors work for. He stated that he welcomes Agrana to Onondaga County and he understands that OCIDA is charged with a hard task. He stated that for his organization all of their jobs are temporary. He stated that they do a job and then they go to the next one. He stated that collectively as a building trades union, they spend about \$5,000,000 a

year for training. He stated that he would love an agreement that is all Union labor but all local labor is an important step. He stated that when the competitors are working, they can only do so many jobs and that leaves more job openings for them. He stated that he would like to see the Agency put more value on the temporary jobs which projects like Agrana create. He said he is going to leave the directory of contractors with the Board.

Mary Beth Primo said she will provide the directory to the Dennis Group.

Donna DeSiato stated that she wants to assure Rom Haney that the Agency values our local labor and we respect and want to support our local labor. She stated that she has been on the Board for four years and this is the first time that the Agency entertained or considered a blanket local access waiver. She stated that it is primarily because the Board really does support the local labor.

The Board discussed the request for a waiver.

Donna DeSiato stated that we really want to be globally competitive in this region and the Board is confident that they can be and people will understand that there is tremendous value in our workforce here in Central New York.

Dan Queri stated that he does have confidence that Agrana and the Dennis Group, as they make their decisions, that it will be proven that our local labor has the skill and the cost and pricing capabilities to maintain their competitiveness.

Jessica Crawford stated that she has been on the Board for about three years and this is the first time she has heard from local labor and she appreciates the information.

Janice Herzog state that it is a difficult decision that the leadership is faced with but at some point you need to decide how to make this work for the overall greater good.

Mary Beth Primo stated that our local labor force is second to none and Agrana is going to see that.



Upon a motion by Daniel Queri, seconded by Janice Herzog, the OCIDA Board approved a resolution waiving the Agency's Local Access Policy for the Agrana Fruits US, Inc. project consisting of construction of an approximately 100,000 sq. ft manufacturing facility in the Town of Lysander. Mike Allen abstained. Motion was carried.

#### WHITE PINE COMMERCE PARK – PHASE 1B ARCHEOLOGICAL SURVEY

Walt Kalina stated that now that spring is here one of the last issues that needs to be dealt with in terms of SEQRA for the White Pine Park is the archeology on the site itself and along proposed sewer line. He stated that has asked Pat Heaton from EDR to attend the meeting this morning in case any of the Board had questions on the scope and fee. He stated that Pat Heaton has been managing all of the historic and archeological sections of the studies for CHA. He stated that archeology as he mentioned really is one of the last remaining issues along with traffic. He stated that both of the studies are being done in response to comments that were received from the agencies back on the traffic EIS and in order for them to adequately answer those agency comments, they need to conduct the studies to gather more information and answer the comments to the agencies in the final EIS that will be prepared in the next few months.

Mary Beth Primo stated that in the resolution we are asking the Board to authorize up \$63,000 for the 1B Archeological survey because right now that would be the maximum cost.

Jessica Crawford asked if this is above and beyond what had been discussed before.

Kristi Smiley stated that the Board had seen one for \$93,000 and it was pulled at the time. She stated that it is less than what the Board saw the first time.

Donna DeSiato asked when the Board will get the update on when the survey takes place.

Pat Heaton stated that he would expect to hear back from the New York State SHPO office next week and if he doesn't hear from them he will call them about trimming the scope down a little more. He stated that he estimated it will take about two weeks to get the schedule in place to begin.



Daniel Queri stated that it wouldn't prevent them from starting and they can start in other areas. Pat Heaton stated that is true and they can leave that end.

Walt Kalina stated that the Phase 1B needs to be done on the sewer line route as well and the topo survey is now done so that all that information on the topo survey on the sewer line will feed into EDR so they can map things in the fields.

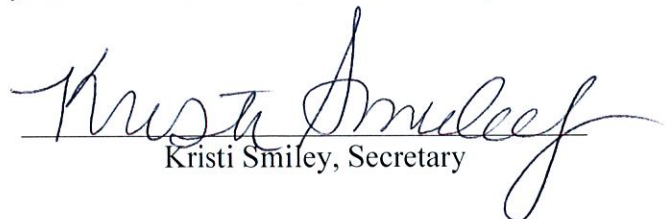
Pat Heaton stated that they will do those as part of the same effort and will be more efficient to be done that way.

Walt Kalina stated that they what they are dealing with now in finalizing SEQRA are just the Agency comments on the traffic and the archeology.

Walt Kalina stated that one of the comments received from Fish and Wildlife and the Corps of Engineers last fall in response to the DEIS said that they know there are Indiana Bats in the area of the site. He stated that they found out this week that the Army Corp and Fish & Wildlife are indicating that the field study doesn't have to be done but we have to still do some calculations on site of the amount of impacts and come up with conservation measures on site in terms of the trees that we might leave to respond to the comments. He stated that the other hurdle is traffic. He stated that the traffic study is pretty much complete and they are doing an internal review of it and it is going to go to the State DOT and hopefully they will be satisfied with the additional work they are doing.

Upon a motion by Jessica Crawford, seconded by Mike Allen, the OCIDA Board approved a resolution authorizing up to \$63,000 for a Phase 1B Archeological Survey. Motion was carried.

Upon a motion by Janice Herzog, seconded by Mike Allen, the OCIDA Board adjourned the meeting at 9:20 am. Motion was carried.

  
Kristi Smiley, Secretary