

Onondaga County Industrial Development Agency
Regular Meeting Minutes
May 12, 2015

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, May 12, 2015 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Daniel Queri called the meeting to order at 8:00 am with the following:

PRESENT:

Daniel Queri
Victor Ianno
Patrick Hogan
Janice Herzog
Lisa Dell
Steve Morgan

DELAYED:

Jessica Crawford

ALSO PRESENT:

Julie Cerio, Executive Director
Honora Spillane, OCIDA, Secretary & Treasurer
Linda McShane, Office of Economic Development
Karen Doster, Recording Secretary
Linda McShane, Office of Economic Development
Steven Coker, Office of Economic Development
Tony Riviziggnio, Gilberti Law Firm
Rod Bush, Ansen (via phone)
JB Werner, GA Braun
Joel Grahm, GA Braun
Paul Reichel, Bond Schoeneck & King
Kathy Aliamo, Syracuse Label
Jude Story, Syracuse Label
James Duffy, Distribution Support System/SEKO
David Bottar, CNYRPDB
Sara Wisniewski, Gilberti Law Firm

APPROVAL OF REGULAR MEETING MINUTES – APRIL 7, 2015

Upon a motion by Victor Ianno, seconded by Lisa Dell, the OCIDA Board approved the regular meeting minutes of April 7, 2015. Motion was carried.

APPROVAL OF SPECIAL MEETING MINUTES – APRIL 22, 2015

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved the special meeting minutes of April 22, 2015. Motion was carried.

TREASURER'S REPORT

Honora Spillane gave a brief review of the Treasurer's Report for the month of April 2015.

Upon a motion by Janice Herzog, seconded by Lisa Dell, the OCIDA Board approved the Treasurer's Report for the month of April 2015. Motion was carried.

PAYMENT OF BILLS

Honora Spillane gave a brief review of the Payment of Bills Schedule # 383.

(Jessica Crawford arrived at meeting.)

Upon a motion by Janice Herzog, seconded by Lisa Dell, the OCIDA Board approved the Payment of Bills Schedule #382 for \$54,596.65. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

ANSEN CORPORATION

Rod Bush stated that Ansen Corporation is an electronics manufacturing company and been in Ogdensburg for 33 years. He stated that about 4 years ago they started a relationship with Emphesus in Syracuse for LED lighting and have expanded business to other LED lighting customers. He stated that a year ago when Ephesus came out with a new stadium light they did not

have the space or the capacity to build so that business went to Ohio. He stated that they are anxious to get the business back so they came up with a scenario where they could potentially stay in Ogdensburg or in Syracuse in order to make space available to build the lights and also an opportunity to expand the rest of their business with new customers. He stated that they researched locations in Syracuse, did feasibility studies, identified a building and have submitted an application for assistance.

Steve Morgan asked if Ansen is owned by the parent company out of Pittsburgh or just a working relationship. Rod Bush stated that it is owned by the parent company.

Dan Queri asked about the 60 employees and the types of positions. Rod Bush stated that they have invested \$1,000,000 in equipment and would be mostly assemblers with some management, supervisory and engineering.

Pat Hogan asked what is the pay. Rod Bush stated that assemblers would start at \$10.50 and there is a benefits package. Steve Morgan stated that looking at the full time occupations and it starts at \$22,000 in year 1 and goes to \$45,000 in year 3.

Upon a motion by Pat Hogan, seconded by Victor Ianno, the OCIDA Board approved a resolution describing the proposed Ansen Corporation project and the financial assistance the Agency may provide and authorizing a public hearing of the project. Motion was carried.

Upon a motion by Lisa Dell, seconded by Victor Ianno, the OCIDA Board approved a resolution authorizing the execution of the Agency Agreement outlining the responsibilities of the Developer (Ansen Corporation) and Agency for the project. Motion was carried.

G.A. BRAUN

JB Werner stated that GA Braun has been in business since 1902 and manufactures industrial laundry equipment for hospitals and hotels. He stated that they came before the Board about 7 years ago and in 2008 they constructed a new 155,000 square foot manufacturing facility and moved to the new facility. He stated they moved the Fort Lauderdale plant to Syracuse and maxed

out the current manufacturing capability. He stated that they are looking to expand another 100,000 square feet specifically for vertical integration fabrication. He stated that another reason for expanding is the pursuit to get into the international business, mostly the far east, middle east and south American but their intent is to manufacture here.

Jessica Crawford asked if they are doing any international work now. JB Garner stated that they are doing it now and always have done it through agents but have taken that on direct now.

Dan Queri asked for back ground on where the IDA is currently with the initial project, the introduction of the 2nd project and what we are trying to accomplish with the new project. Tony Rivizzigno stated that the original project has a PILOT agreement that expires in 4-5 years. He stated that they are looking for a second PILOT on the addition. He stated that they are trying to figure out how to combine the two but have not reached an agreement yet as to the numbers but hopefully within the next week there will be a firm number to give to the company.

Pat Hogan asked what the original PILOT was for. Tony Rivizzigno stated that the original was a 10 year and the thought would be the new would be 12 years with combining the two. Honora Spillane stated that it would be on our standard 12 year PILOT schedule instead of two different schedules.

Victor Ianno stated that if they don't consolidate then the old PILOT would be left alone and get a new one. Tony Rivizzigno agreed and the new one would be 12 years.

Janice Herzog asked what the amount of the original PILOT. Honora Spillane said \$6,900,000.

Daniel Queri stated that the request is to contemplate terminating the old PILOT and putting the expansion on it which would make the facility 255,000 square feet, coming to an agreement with the proper assessment of the new facility and putting a new PILOT in place as a whole 255,000 square foot manufacturing facility as opposed to letting the initial PILOT run and putting a second PILOT on it and working through 2 separate assessments. He stated that there seems to be a logic to terminating the original PILOT if we can come to an agreed upon assessment value for the new facility and enter into a longer term deal with the applicant to ensure another 12 years of high end manufacturing in Central New York.

Pat Hogan asked if Cicero is aware of this. Julie Cerio stated that they will be aware of it when the public hearing is held. JB Werner stated that they have not had any discussions yet.

Victor Ianno asked how many current employees there are. JB Werner stated that there are 140 at the facility and there will be 30 new. Joe Grahm stated that there are 165 total.

Steve Morgan asked what type of parts they would manufacture. JB Werner stated that it would be anything. He stated that they could even start building products that are complimentary to their products.

Dan Queri asked about the skill sets of the employees. JB Werner stated that they are mostly welders, fabricators, a couple engineers and some management folks.

Upon a motion by Victor Ianno, seconded by Lisa Dell, the OCIDA Board approved a resolution selecting Bond, Schoeneck & King as bond counsel or the tax exempt financing for G.A. Braun's expansion project.

Upon a motion by Lisa Dell seconded by Steve Morgan, the OCIDA Board approved a resolution declaring its official intent to reimburse expenditures made in connection with acquiring constructing and installing a manufacturing project for G.A. Braun, Inc. Motion was carried.

Upon a motion by Janice Herzog, seconded by Lisa Dell, the OCIDA Board approved a resolution describing the proposed G.A. Braun project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer (G.A. Braun) and the Agency for the project. Motion was carried.

ULTRA DAIRY

Honora Spillane stated that there were no comments at the public hearing.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved a resolution for SEQRA purposes concerning the environmental significance of the Ultra Dairy project as an unlisted action. Motion was carried.

Upon a motion by Steve Morgan, seconded by Victor Ianno, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Ultra Dairy project consisting of the construction of 100,000 square foot improvements to its existing facility in the Town of DeWitt. Motion was carried.

SYRACUSE LABEL

Kathy Alaimo stated that Syracuse Label decided to go with the design build approach because of a short time frame. She stated that they have been interviewing builders in the area and should be making a decision by the end of this week. She stated that they will be going to the Town of Cicero to apply for all the permits. She stated that they still intend to break ground in August to have the structure up before winter and move in April 2016.

Upon a motion by Lisa Dell, seconded by Victor Ianno, the OCIDA Board approved a resolution for SEQRA purposes concerning the environmental significance of the Syracuse Label project as an unlisted action. Motion was carried.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Syracuse Label project consisting of 50,000 square foot of new construction in the Town Cicero. Motion was carried.

Daniel Queri asked if there has been any progress on the sale. Kathy Alaimo stated that they have had a few people in and they are going through the process now.

SEKO

James Duffy stated that SEKO Worldwide is a global logistics company and they are in 40 different countries with 80 offices in the US. He stated that they manage all exports and imports throughout the US consumption and they do a lot of domestic freight. He stated in this project they are going to manage a VMI for several companies and that means they are managing all their imports. He stated that SEKO will hold their product until they take possession.

Pat Hogan asked if they handle the transportation. James Duffy stated that they do and they have their own global network with their own equipment throughout the US.

Steve Morgan asked if they are small components or big parts. James Duffy stated that they range from 5 lbs. to 2200 lbs.

Jessica Crawford asked if they are leaving the facility to expand. James Duffy stated yes.

Dan Queri asked where the location of the building. James Duffy stated that it is at Crossroads Park.

Steve Morgan stated that SEKO has its own airplanes and networks of transportation and they pick it up from the airport, store it at the facility and when the manufacturer calls they would pull the inventory and bring the product to them. James Duffy stated that it is all managed through the IT platform. He stated that the vendors have full visibility to the levels and the range. He stated that they contract through a PO and then the system will manage it

Steve Morgan stated that SEKO is a franchise. James Duffy stated that they are sort of like a franchise. He stated that they only represent SEKO Worldwide and they want to be non-asset based.

Jessica Crawford asked if they are retaining jobs. James Duffy stated that they are growing jobs. He stated that with the VMI they will gain 4 new jobs, 1 manager and 3 distribution. He stated that with the Foreign Trade Zone there will be 2 more people.

Jessica Crawford asked what the salary range is. James Duffy stated that the dock employee will be \$17 - \$19, drivers are \$19-\$21, managers are \$60,000 and the FTZ compliance individual will probably be about \$75,000.

Upon a motion by Victor Ianno, seconded by Jessica Crawford, the OCIDA Board approved a resolution for SEQRA purposes concerning the environmental significance of the SEKO Logistics project as an unlisted action. Motion was carried.

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved an inducement resolution for a straight lease transaction for the SEKO Logistics project consisting of the acquisition of 105,000 square foot of space in Town of Clay. Motion was carried.

WETLAND MITIGATION BANK

David Bottar stated that he is the Executive Director of the Regional Planning Board in Syracuse which is a public planning and development agency that services a 5 county area in CNY. He stated that they are based in Syracuse and the other member counties are Cayuga, Cortland, Madison, Onondaga and Oswego. He stated that the concept of a wetland bank has been kicking around in the development community for a number of years. He stated that developers are faced with a real burden with trying to comply with federal and state regulations when it comes to wetlands mitigation. He stated that that idea of a wetland mitigation bank is to for a community or region to be proactive and try to get out in front of this challenge. He stated that in essence it is to develop a wetland bank, a resource for developers to draw on so that they don't have to do the mitigation on their individual site. He stated that this has been done proactive in other parts of the country. He stated that the Army Corp of Engineers has now recognized this as an approach to wetlands mitigation and wetlands protection. He stated that they saw an opportunity to establish a wetland bank here in CNY if they could put together the financial resources and apply to the state to get an almost \$250,000 grant which has to be matched. He stated that they reached out to Working Lands Investment Partners, an investment group who build wetlands or banks around the country. He stated that Applied Ecologic Services does the technical study and actually builds and maintains the wetland. He stated that they identified them as two partners, made the proposal to the State and they were successful in getting the grant award so now they are in the process of getting the local

match. He stated that they are requesting the IDA help them with that. He stated that once they have all the funds together they will engage on a contract with Working Lands and Applied Ecologic to go ahead and do the technical study.

Victor Ianno asked if the customer will be a small developer with 2 acres of wetland on his site who will pay a fee to use his two acres and reserve their two acres. David Bottar stated yes.

Daniel Queri asked what kind of acreage they are looking for to assemble a wetland bank. David Bottar stated that in his mind 100 acres plus or minus.

Victor Ianno asked if there is an existing large parcels of wetland that can be acquired without having to create. David Bottar stated that there is and he thinks that will be part of the front end analysis.

Steve Morgan asked if there has been a need for this land and are we at a shortage of industrial space within the County now. Honora Spillane stated yes.

Lisa Dell stated that if a small developer wants to build 60 houses and he has wetlands, basically he could get rid of the wetland and build. David Bottar agreed. He stated that for every acre taken out, you have to replace with 2 acres of wetland. He stated that the revenue helps maintain the wetland.

Steve Morgan asked if we are only talking about industrial zoned land or any. David Bottar stated any but an interest from an economic development standpoint and the whole shovel ready concept.

Daniel Queri asked if they are looking at all the counties that they represent. David Bottar stated that if they can establish the bank, the idea is go do additional banks around the region.

Jessica Crawford asked if this bank is just for Onondaga County. David Bottar stated that is where they are going to focus initially.

Victor Ianno asked if this is going to be priced so the developers can afford it. David Bottar stated that they haven't done any pricing and will be part of the work that Working Lands will focus on. He stated that you have to get the pricing right.

Jessica Crawford asked if they are doing the study before knowing that there is a demand for it. David Bottar stated that they know there is a demand from the developer standpoint and is frustrated with having to mitigate the 2 acres of wetland. Honora Spillane stated that it's a proactive stance. She stated that it's less about the market and more about the regulatory certainty provided to developers. She stated that anecdotally we have an acute shortage of large sites.

Jessica Crawford asked if this is a factor from keeping them from shovel ready. Honora Spillane stated that it's a major factor in terms of size of parcels that we can assemble in this County.

Jessica Crawford asked how many projects because of the wetland mitigation are preventing from projects moving forward. Linda McShane stated 5 a year out of 10. She stated that the wetlands bank sends a huge message to the rest of the country and site selectors that we are pro development.

Victor Ianno asked if the Regional Planning Board will own the wetland and the developer will come to them. David Bottar stated yes.

Jessica Crawford asked about the remaining \$50,000. David Bottar stated that in terms of the \$50,000 balance, they have a proposal into the Federal Economic Development. He stated that they won't go ahead with the project until they have money in place.

Victor Ianno asked what the timeframe is on the whole thing. David Bottar stated that in the outline in the proposal is June 1 but looks like July 1 to have all financing in place and can take 1.5 years.

Lisa Dell stated that this concept exists in other states. David Bottar stated that it has been done very successfully in Texas and Wisconsin. He stated that Massachusetts is getting ahead of them with this concept and are very aggressive.

Steve Morgan asked if there are any New York cities or counties that have a wetland bank now. David Bottar stated that one outside of Albany and Seneca Meadows.

Pat Hogan asked if this is for residential developments too. David Bottar stated that they certainly could but you get into pricing.

Upon a motion by Janice Herzog, seconded by Lisa Dell, the OCIDA Board approved a resolution approving Agency participation in join funding of up to \$34,000 for the Wetlands Mitigation Bank study, pursuant to Section 1, E of the Agency's Procurement Policy and authorizing the signing of all related documents by an officer of the Agency. Motion was carried.

6593 WEIGHLOCK, LLC –CLOSING RESOLUTION

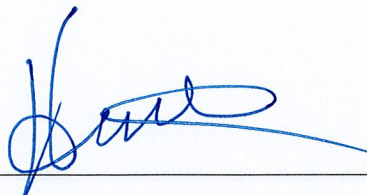
Tony Rivizzigno stated that this project closing and this is just a closing resolution authorizing the documents to be signed.

Upon a motion by Victor Ianno, seconded by Lisa Dell, the OCIDA Board approved a resolution approving the terms of the Lease Agreement between 6593 Weighlock, LLC project and the Agency for its 108 room Marriott Fairfield Inn & Suites in the Town of DeWitt. Motion was carried.

6006 FAIR LAKES HOTEL, LLC – CLOSING RESOLUTION

Upon a motion by Victor Ianno, seconded by Steve Morgan, the OCIDA Board approved a resolution approving the terms of the Lease Agreement between 6006 Fair Lakes Hotel, LLC and the Agency for its 101 room Homewood Suites in the Town of DeWitt. Motion was carried.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 9:06 am. Motion was carried.



Honora Spillane, Secretary

