

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
April 7, 2015

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, April 7, 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  
Patrick Hogan  
Janice Herzog  
Lisa Dell  
Steve Morgan

DELAYED:

Jessica Crawford

ABSENT:

Victor Ianno

ALSO PRESENT:

Julie Cerio, Executive Director  
Honora Spillane, OCIDA, Secretary & Treasurer  
Linda McShane, Office of Economic Development  
Karen Doster, Recording Secretary  
John Klucsik, Gilberti Law Firm  
Kevin McAuliffe, Hiscock & Barclay  
Joe Goethe, Hinsdale Road Group  
Jim Gosier, Ultra Dairy  
Nick Marsalla, Ultra Dairy  
Brenda Coleton, Hiscock & Barclay  
Kathy Alaimo, Syracuse Label  
Jude Story, Syracuse Label  
Rob Simpson, CNY REDC  
Jim Mahaney, County Legislature

APPROVAL OF REGULAR MEETING MINUTES – MARCH 10, 2015

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved the regular meeting minutes of March 10, 2015. Motion was carried.

TREASURER’S REPORT

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

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

#### PAYMENT OF BILLS

Honora Spillane gave a brief review of the Payment of Bills Schedule # 382.

(Jessica Crawford arrived at meeting.)

Upon a motion by Lisa Dell, seconded by Steve Morgan, 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.

#### HINSDALE ROAD GROUP/TOWNSHIP 5 – APPLICATION AMENDMENT

Kevin McAuliffe stated that the application is a change brought about by who is building what aspects of the project. He stated that they still have the same components but now they have different elements as what is included in the application. He stated that they want to amend Phase 1 and 2 because have blended together. He stated that the portion of the site plan was originally identified as big box is now going to be a medical complex but they still have residential, office and retail. He stated that the original application approved by the Agency called for a sales tax exemption of \$1,500,000 and the current application steps that up to \$2,300,000. He stated that the original mortgage amount of \$35,000,000 for the total project is now \$49,500,000. He stated that the original project cost was \$57,000,000 in 2007. He stated that the parts that they are building are now \$26,700,000 and adding Morgan Management's \$15,000,000 so the total cost for the buildings is now \$42,000,000 however the site work is now up to \$17,000,000. He stated that the amended application seeks approval of the increase in sales tax exemption and mortgage tax exemption.

Joe Goethe stated that basically nothing has changed on the project and reviewed a map of the site. He stated that the area with a little bit of change is 57,000 square feet of office with half leased to medical. He stated that there are 3 different practices and 2 share the surgery center. He stated that the site work is pretty much all done. He stated that the medical offices will start construction in May and the theater will be under construction in May or June. He stated that the apartments are 96 total units. He stated that Lan-Co is doing Phase 2 construction for the office park.

Daniel Queri asked what medical facility square footage is. Joe Goethe stated it is about 57,000 square feet.

Daniel Queri asked how much retail was eliminated to support that. Joe Goethe stated about 57,000 square feet plus or minus.

Pat Hogan asked if the antidotal evidence is compiled and is there a way to evaluate it. Kevin McAuliffe stated that Costco maps from other stores was presented to the Board. He stated that Costco compiled that and we will know in the future how far away people come. Joe Goethe stated that the average distance is significant. He stated that the 50% is coming outside of the western trade area.

Jessica Crawford asked what was originally going to be in that space where the medical office is. Joe Goethe stated that it is a pad which was a major retail anchor and a bank.

Jessica Crawford asked about the original job creation projections and what they are today. Kevin McAuliffe stated that it was about 802 and now it is 798 but the salary range is higher now.

Pat Hogan asked if they have to go back to Planning. Joe Goethe stated that it was already approved and it is a POD but they had to go back for the site plan approval.

Jessica Crawford asked if there are tenants already in mind to fill the space. Joe Goethe stated that half is leased with 3 tenants.

Jessica Crawford asked when they anticipate the entire project being complete. Joe Goethe stated that there are two buildings that will probably be done in the next 24 months. He stated that the initial medical tenants want to be operating this fall but the surgery center is longer because it takes 6 months to build. He stated the remaining retail space needs tenants before they can give a date.

Jessica Crawford stated that Phase 1 is not complete because they are lacking a couple of tenants. Joe Goethe stated that Phase 1 has one more building and the theater to build and will be opening in May.

Jessica Crawford stated that Phase 2 could be up to 24 months. Joe Goethe stated yes.

Jessica Crawford asked about the apartments. Joe Goethe stated that a couple will open this fall and should be completed by next summer.

Steve Morgan asked if they are townhomes. Joe Goethe stated that there are 9 buildings with 12 apartment units each.

Pat Hogan asked if we have done this before and asked if we are setting a precedent. Julie Cerio stated that there is no precedent and projects change.

Upon a motion by Patrick Hogan, seconded Jessica Crawford, the OCIDA Board approved a resolution describing the proposed Hinsdale Road Group/Township 5 project and the financial assistance the Agency may provide the authorizing a public hearing for the project. Motion was carried.

### ULTRA DAIRY

Nick Marsella stated that Ultra Dairy was before the Board in 2013 but needed infrastructure in place to move forward and they didn't have enough power to run it. He stated that they had to build their own substation which is a \$2,000,000 expense and a new wastewater treatment plant. He stated that everything has been approved by the Town of DeWitt. He stated that they are hoping to break ground later part of this fall. He stated that the first part of the plant was built in 2003, they

did an expansion in 2007 and 2008 and this will be their third expansion. He stated that they started with 39,000 square feet and they are at 110,000. He stated that the 90% of the product at this plant is shipped out of state. He stated that the chocolate pints are sold in Puerto Rico and in 37 states. He stated that 65% of their cost goes to the farmers and they have 278 farmers. He stated that this plant does about 1,000,000 lbs of milk per day. He stated that the money is coming in from out of state and then distributed in New York State. He stated that right now they have 144 employees and they spun off another business at the old Pioneer Warehouse with 51 employees where the product goes and is then distributed. He stated that they are putting in one more piece of equipment and then they can't grow from there. He stated that they sell products to Costco and from this Costco they have been able to expand to the whole northeast. He stated that they are adding roughly 50 employees.

Jim Gosier stated that the existing building is about 110,000 square feet and depending on final construction drawings they will be adding between 80,000 and 100,000 square feet. He stated that they have to build an electrical substation on site because National Grid cannot handle them. He stated that they will be building a waste water pretreatment facility so the waste water can be treated at Metro. He stated that their existing waste water treatment facility within the plant is maxed and to continue to grow they need to grow their capacity to treat wastewater. He stated that because they are expanding not only physically but within the dairy industry as well, they are taking on more organic products. He stated that they are taking on more specific types of milk that require that they be held or treated separately from other kinds of milks and needs its own storage vessel hence the need for more silos. He stated that they have 9 silos now and will be adding 4 immediately and another 4 in the future. He stated that the cost to the project is going to be between \$30,000,000 and \$40,000,000. He stated that the 2<sup>nd</sup> phase will be the electrical substation and will be done this fall. He stated that they anticipate adding 50 jobs to the existing 144 onsite but there is a positive ripple effect where they will need more people at the warehouse and more supply drivers. He stated that for every job created at Ultra Dairy, they create about 5 jobs on the farm.

Jim Gosier stated that when the site plan was approved by the Town of DeWitt there was a requirement that they obtain a variance for the number of parking spaces. He stated that the Town of DeWitt code requires them to have about 350 parking spaces because of the square footage of the plant but because they run 24/7/365 and the parking needs are staggered according to shift. He stated that they have been told it is not going to be a problem.

Pat Hogan asked if they run 3 shifts. Jim Gosier stated yes and they run 365 days a year.

Pat Hogan asked what the average salary is. Jim Gosier stated that the low end is \$14 an hour up to 6 figure automation engineers.

Daniel Queri asked if that mixes in with new employees coming on. Jim Gosier stated yes.

Steve Morgan asked what Byrne Dairy's footprint and how will the expansion increase the capacity and distribution. He asked who they will be selling to and where will the product be going. Nick Marsella stated that Byrne Dairy has 4 legs which is the store division, the fresh plant, this plant and the Cortland plant. He stated that they have already spent \$78,000,000 on the current existing plant and this will be probably be \$78,000,000 when they are done. He stated that the product here is where they see their future, they have good margins on it and that is why they want to grow this business. He stated that they just came out with a new product and is being distributed in California. He stated that as far as growth, this plant is made to export out of NYS and the milk has a 180 day shelf life on it. He stated that there are no chemicals in it and is a heat treating process with the sanitization of the equipment. He stated that they have a lot more technical people in this plant and they have really good development programs with Syracuse University, OCC, BOCES and they have an internal program also. He stated that their main growth will be in the Northeast and they go down to Florida. He stated that there is a shortage of this product and they have not been able to shut down.

Daniel Queri asked how they recover the 2,000,000 gallons when they shut down. Nick Marsella stated that they are going to struggle to get ahead. He stated that they are hoping the volume drops a little bit so they can build some inventory.

Janice Herzog asked what the Board had approved the last time Ultra Dairy was here. Jim Gosier stated that the footprint is almost identical but there were some tweaks like adding the alcove with additional storage. He stated that they moved the location of the wastewater treatment facility and substation because the town had suggestion it.

Upon a motion by Jessica Crawford, seconded by Janice Herzog, the OCIDA Board approved a resolution describing the proposed Ultra Dairy project and the financial assistance the Agency may provide an authorizing the public hearing for the project. Motion was carried.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer (Ultra Dairy) and the Agency for the project. Motion was carried.

Jim Gosier stated that if any of the Board members would like to tour the existing facility they would be happy to arrange that.

### SYRACUSE LABEL

Kathy Alaimo stated that she is President of Syracuse Label which has evolved over the past 48 years and as they grew at their current location they would buy the neighbors and as that happened they would connect to the existing building and continue to grow that way. She stated that now they are comprised of 9 separate buildings that caused a lot of multiple levels, ramps and stairs which limited them. She stated that in 2013 they added a 17 foot by 68 foot wide addition. She stated that now they are totally landlocked and have no more space.

Daniel Queri asked where Syracuse Label is located. Kathy Alaimo stated that they are located at 110 Luther Avenue which is right off 7<sup>th</sup> North Street.

Kathy Alaimo stated that their equipment has gone from a 13 foot 2 color press to a 50 foot 10 color press. She stated that they have made a commitment to expand their technologies into flexible packaging and also shrink film for beverages. She stated that as their equipment size has increased it has become more difficult to fit into the building. She stated that they like to get as many certifications as they can because they feel that it differentiates them from their competitors. She stated that they just became a certified supplier for the Target digital print program and are 1 of 3 companies in North America and 1 of 6 companies in the whole world that have that certification. She stated that they are 100% employee owned company and every employee is a shareholder of the company so when they retire they will share in the value of the company. She stated that they also offer a 401K. She stated that their goal is to retain their current employees and keep the

Pat Hogan asked who gets the \$229,000 in land acquisition. Honora Spillane stated that Hancock Airpark is owned by the County which has transitioned over to the Onondaga Civic Development Corporation so the sale of the land will go to the County to pay for the maintenance of the park.

Upon a motion by Lisa Dell, seconded by Steve Morgan, the OCIDA Board approved a resolution describing the proposed Syracuse Label project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

Upon a motion by Janice Herzog, seconded by Pat Hogan the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer (Syracuse Label) and Agency for the project. Motion was carried.

#### UPSTATE REVITALIZATION INITIATIVE CONSULTANT REQUEST FOR PROPOSALS AND ENGAGEMENT

Rob Simpson stated that \$1,500,000 was just put in the budget to be split 3 ways. He stated that they are preparing through the CNY Regional Economic Development Council the regions response to the opportunity. He stated that regional councils around the state are going to be putting forward plans that are designed to attract that investment from the State. He stated that will be a highly competitive process and they are anticipating the need for consultant support services over the course of 3 months. He state that they are looking to put a pool of capital together, \$175,000 to \$200,000, that they can deploy as they need for a variety of things such as research, project management support and economic impact modeling. He stated that want to be to ensure they are able to spend a bit of money over the next 3 months to put forward the most competitive application. He stated that right now they have committed support from Oswego County, Cayuga County, SEDCO, CenterState and Madision County has conditional approval. He stated that they have \$130,000 to \$140,000 already committed from partners around the region.

Jessica Crawford asked what time timeline is. Rob Simpson stated that he doesn't know entirely. He stated that originally the Governor's office was saying that they expected submissions due July 1 but many people around the state have pushed back because it is an aggressive timeline. He stated that they are expecting more definition on that by next week where the Governor is holding meeting for regional councils but if he were to guess it is probably no later than the end of August.



Jessica Crawford asked if they have someone in mind. Rob Simpson stated that they have an RFP that they have put out pretty broadly looking for consultant support services and those responses have come in. He stated that he is not happy with the responses that have come in because some are far more expensive than they anticipated and some the cost was more reasonable but the quality was not what they wanted. He stated that they are looking at evaluating the proposals and figuring if there is an a la carte strategy they can take depending on specific needs. He stated that most of the work in preparing the application is going to be done by people in CNY not by an outside consultant but there are certain elements having use of a consultant would be helpful.

Jessica Crawford asked what is eligible for the \$500,000,000. Rob Simpson stated that is State is running is that capital and is mortgage settlement funding so it is very flexible. He stated that they could conceivably invest in education programs, training programs, workforce development, operating money or program money and it is pretty broad. He stated that the Governor is looking for vision and strategy and a series of initiatives that we believe that will move our economy forward over the long run.

Jessica Crawford asked what the plan is with the consultant and do they have existing studies that they are going to supplement this work with. She asked if they have a baseline vision and where they want to go with it. Rob Simpson stated that they do and he thinks there has been broad consensus that the work done with the Brookings Institution is sound and good work done by highly regarded consultants and that is going to be their fundamental framework. He stated that where they think they may need additional support is in updating information and helping to make sure they are putting forward the best economic justification for the proposal they are submitting. He stated that the reality is this is a competitive process with 6 other regions around the State and one of the criteria they are going to be judged on is the ability to leverage capital. He stated that the State has been clear that they expect a minimum of 5 to 1 ratio of leverage. He stated that their goal is to target a 10 to 1 ratio and that is going to require private sector partners and us to demonstrate that investments are not only creating direct economic impact but also indirect.

Janice Herzog asked if they have considered partnering with the University in terms of gathering some of their intellectual power. Rob Simpson stated yes and they are already getting a significant amount of support from SU in a variety of different areas but the reality is that there is a short time

table. He stated that the Chancellor offered help and other institutions around the region have offered support as well and they will take advantage of that when they can.

Daniel Queri asked if the funds will be managed by Rob Simpson and his co-chair. Rob Simpson stated that the funding will go in to a collective pot and would be managed by the Chancellor and himself. He stated that they would deploy that in the way that the Regional Council saw was going to best help us to put forward a competitive application.

Honora Spillane stated that based on the Agency's procurement policy we can participate in joint funding. She stated that there will be a pot of money but we would keep ours in house and invoice it out directly to whomever we select so our funds are aligned.

Jessica Crawford asked if it is a grant. Honora Spillane stated that we are piggy backing on the competitive bidding process and is a procurement pursuant to our procurement policy that we would bill directly. She stated that part of the reason that we are not putting it into a giant fund is to avoid the question, is a grant or not with the State.

Steve Morgan asked how much is the request. Honora Spillane stated that it is up to \$50,000.

Steve Morgan asked if we have any money earmarked in the budget for anything like this. Honora Spillane stated no but we have a pot of money in the budget for various funding opportunities. She stated that at the end of the year we received guidance from the State Comptroller and the Attorney General that we can't do that so this is a great way to use some of those funds.

Pat Hogan stated that the record CenterState has over the years has done good. Rob Simpson stated that the CNY region has done better than any of the other regions around the State in this process. He stated that the competition facing this year is a totally different ball game and the level of resources is going to bring out the best in every region.

Steve Morgan asked what the 6 regions are. Rob Simpson stated that the three excluded were Western NY, Long Island and NYC so we are competing against the Finger Lakes, Southern Tier, North Country, Mohawk Valley, the Capital region and the Hudson Valley. He stated that he

anticipates there will be a number of projects that are cross regional partnerships so we are going to be working with the other 6 on certain initiatives.

Jessica Crawford asked when he will find out. Rob Simpson stated that he doesn't know their intent is in terms of schedule.

Janice Herzog asked if there are areas across the country that would be good to use as examples where there has been significant growth. Rob Simpson stated yes and it is part of the work they did with Brookings

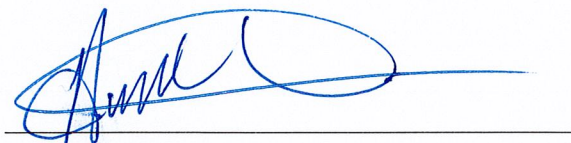
Upon a motion by Pat Hogan, seconded by Janice Herzog, the OCIDA Board approved a resolution approving Agency participating in joint funding of the URI consultant, pursuant to Section 1, E of the Agency's Procurement Policy and authorizing the signing of all related documents by an officer of the Agency. Motion was carried.

#### LANDIS PLASTICS

Honora Spillane stated that the term of the lease ends so it is cleaner for us to get it off our books and back onto the various taxing jurisdictions'.

Upon a motion by Lisa Dell, seconded by Janice Herzog the OCIDA Board approved a resolution to terminate the Agency's interest in the Landis Plastics property. Motion was carried.

Upon a motion by Janice Herzog, seconded by Jessica Crawford, the OCIDA Board adjourned the meeting at 9:07 am. Motion was carried.



Honora Spillane, Secretary