

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
November 8, 2016

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, November 8, 2016 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Patrick Hogan called the meeting to order at 8:00 am with the following:

PRESENT:

Patrick Hogan  
Janice Herzog  
Steve Morgan  
Kevin Ryan  
Fannie Villarreal  
Susan Stanczyk

ABSENT:

Victor Ianno

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director  
Nate Stevens, Treasurer  
Isabelle Harris, Secretary  
Steve Coker, Office of Economic Development  
Karen Doster, Recording Secretary, Agency  
Tony Rivizzigno, Gilberti Law Firm  
Sara Wisniewski, Gilberti Law Firm

APPROVAL OF REGULAR MEETING MINUTES – OCTOBER 11, 2016

Upon a motion by Janice Herzog, seconded by Kevin Ryan, the OCIDA Board approved the regular meeting minutes of October 11, 2016. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of October 2016.

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved the Treasurer's Report for the month of October 2016. Motion was carried.

## PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #400.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #400 for \$64,676.31. Motion was carried.

## CONFLICT OF INTEREST DISCLOSURE

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

## WELCH ALLYN, INC. (HILL ROM)

Nathan LaComb stated Welch Allyn is a leading global medical device manufacturer headquartered in Skaneateles Falls, New York. He stated they employ about 2,500 people globally in 26 countries with 900 employees currently at the Skaneateles Falls facility. He stated Hill-Rom, Welch Allyn's parent company, is also a leading global medical technology company employing about 10,000 employees worldwide and doing business in over 100 countries across the globe. He stated in September 2015 Hill-Rom acquired Welch Allyn following 100 years of private family ownership. He stated they plan to add over 100 jobs at the Skaneateles Falls site over the next 18-24 months. He stated the new jobs are going to be primarily manufacturing, marketing and R & D. He stated they also plan to make some modifications to the existing facility to accommodate job and operations growth. He stated in addition they are considering an approximate 110,000 square foot addition to the existing facility to house additional distribution warehouse and lab space adjoin their existing footprint. He stated it will allow them to centralize some warehousing and distribution currently in temporary leased facilities into a permanent location at the site. He stated it is going to house new R & D labs and accommodate for the distribution and warehouse needs for the new growth they are going to have which will position them for potential future growth. He stated the internal decision to do that actual building expansion has not been made and is contingent upon the appropriate level of economic incentives and internal board approval but it is their current plan. He stated the jobs growth, the addition and the retro fit is a key project to stabilizing operations at the Skaneateles Falls site.

He stated it will establish them as a Hill-Rom Center of Excellence across the entire larger organization. He stated the project costs are significant and the right level of economic incentives are critical for the project moving forward. He stated they submitted the application respectfully requesting the incentives as proposed in the application.

Kevin McAuliffe stated part of the request is that this Agency declare itself lead agency. He stated it is a Type I action under SEQR because the building is larger than 100,000 square feet and it occurs in a town with less than 150,000. He stated when you put those two factors together it automatically becomes Type I which is why they filed the long form EAF and it requires a coordinated review. He stated they are asking this Agency to take the status of lead agency in the SEQR review and send the designation to the Town of Skaneateles Planning Board which is the only other involved agency. He stated they listed DEC as an interested agency but we do not need any permits from DEC. He stated there won't be different water emissions or air emissions. He stated the existing sewage treatment plant does not need to be modified. He stated the placement for the building is on what is currently a parking lot so there is only 6/10 of an acre of raw land that would be disturbed.

Patrick Hogan asked if there was any discussion with Town or Village officials. Nathan LaComb stated they have had ongoing discussions. He stated they show some openness to OCIDA being lead agency on this project.

Janice Herzog stated there are 900 employees in the Skaneateles Falls facility and asked if there is 500 for job retention and adding 109. Nathan LaComb agreed.

Janice Herzog asked if the new employees will be new to both companies. Nathan LaComb stated it will be a mix. He stated they will be all new to the facility and net new to the State. He stated it is part of the Hill-Rom consolidation effort to go from 15 manufacturing facilities down to a lower number.

Janice Herzog asked if Hill-Rom employees would relocate to this area. Nathan LaComb stated yes and would be permanent positions in Skaneateles.

Kevin Ryan stated it is something they are considering doing and also mentioned it is TBD. He asked if what the Agency does here today impact their decision to go forward with the project.

Nathan LaComb stated yes and both the State and local incentives are critical to the project moving forward.

Kevin Ryan stated there are 15 Hill-Rom Center of Excellence buildings. Nathan LaComb stated there are roughly 15 manufacturing facilities. He stated there is a consolidation effort to get that number down and focus on key centers of excellence so this would position them extremely to be one of those top centers of excellence.

Kevin Ryan stated because there is always the fear of jobs leaving the area when a company like Welch Allyn is acquired by a multi-national company, it is important to maintain this areas job development and growth. Nathan LaComb stated they feel the same way.

Patrick Hogan asked for more information on the state grant. Kevin McAuliffe stated when Hill-Rom acquisition was announced the State proactively went to both Welch Allyn and Hill-Rom and said you have facilities all over the place, consolidations always occur and we don't want this consolidated out of New York. He stated negotiations and discussions occurred. He stated it resulted in a proposal from the State and acceptance of that proposal by Hill-Rom and Welch Allyn. He stated the jobs will be retained but we are building something more that makes this a better center, more reason to stay here and expand this facility.

Patrick Hogan asked if we know what the grant is. Nathan LaComb stated they were awarded a \$6,000,000 URI grant and Excelsior participation.

Patrick Hogan asked the median salary. Nathan LaComb stated manufacturing would be roughly \$30,000-\$35,000, marketing roughly \$90,000 and R & D over \$100,000.

Patrick Hogan asked if this is an amended PILOT. Nate Stevens stated yes. He stated we have an existing PILOT with Welch Allyn before being acquired by Hill-Rom and was set to expire in 2022. He stated we are not creating a new PILOT, we are amending the current PILOT to expire in 2033 instead of 2023. He stated the municipalities will not have a diminished PILOT payment.

Patrick Hogan stated they are remaining the same and not losing any money. Nate Stevens agreed. He stated it was important to us and Welch Allyn that no one worse off.

Upon a motion by Susan Stanczyk, seconded by Janice Herzog, the OCIDA Board approved a resolution describing the proposed Welch Allyn, Inc. (Hill Rom) 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 Kevin Ryan, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer and Agency for the Welch Allyn, Inc. (Hill Rom) project. Motion was carried.

Upon a motion by Steve Morgan, seconded by Kevin Ryan, the OCIDA Board approved a resolution declaring the intent of the Onondaga County Industrial Development Agency to be lead agency for the purposes of a coordinated review pursuant tot the State Environmental quality Review Act. Motion was carried.

Janice Herzog asked when they will make the decision to expand or not. Nathan LaComb stated they anticipate within the next couple weeks to decide.

#### 800 HIAWATHA BOULEVARD (ROTH STEEL PROPERTY)

Isabelle Harris stated John Ciampa from Spectra has been great and gives updates all the time. She stated he has been working with DEC in conjunction with Travis Glazier from the County to try and get the piles off the site. She stated we received a letter from DEC saying we can move the piles and it is not as bad as they thought so it will be cheaper. She stated after discussions with John and Travis they think now is the time to do it before winter. She stated John is getting 3 quotes and thinks it will be roughly around \$100,000. She stated she is looking for the Board's authority. She stated it wasn't part of the RFP initially but has to be done.

Steve Morgan asked if it is contaminated soil. Isabelle Harris stated yes and it is removal of shredder residue. She stated there are 5 major things that need to be done on the property and this will be one off the plate

Julie Cerio stated Isabelle Harris has gone above and beyond.

Isabelle Harris stated the DEC has been really great with us. She stated they want it cleaned up and they are helping us move it along. She stated this is major step for us because it is one of the big things that has to go.

Sue Stanczyk asked what the time frame is. Isabelle Harris stated we need to get 3 quotes and then take it from there.

Janice Herzog asked with looking to the future and spending this money does it fit in with projections. Nate Stevens stated yes. Isabelle Harris stated there are going to be more things that come up with this property not included in the RFP and there are things we have to do.

Upon a motion by Janice Herzog, seconded by Fanny Villarreal, the OCIDA Board approved a resolution approving an additional \$100,000 for the removal and disposal of ASR (Automotive Shredder Residue) piles from the property. Motion was carried.

Steve Morgan asked how the website and marketing is going. Nate Stevens stated staff has met with the website vendor, Syracuse Design Group, several times and we have a site map that has been agreed upon. He stated a couple of proofs have been sent and the concept we are going for is simplicity, functionality and making it easy to use. He stated we are still on track for the beginning of the year.

Upon a motion by Kevin Ryan, seconded by Steve Morgan, the OCIDA Board adjourned the meeting at 8:29 am. Motion was carried.

  
Isabelle Harris, Secretary