

Onondaga County Industrial Development Agency
Regular Meeting Minutes
June 6, 2017

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, June 6, 2017 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 8:01 am with the following:

PRESENT:

Patrick Hogan
Kevin Ryan
Victor Ianno
Janice Herzog
Steve Morgan

ABSENT:

Susan Stanczyk
Fanny Villarreal

ALSO PRESENT:

Julie Cerio, OCIDA, Executive Director
Isabelle Harris, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary, Agency
Brian Bartlett, Office of Economic Development
Tony Rivizzigno, Gilberti Law Firm
Chris Andreucci, Harris Beach
Randy Wolken, MACNY
Colby Clark, Old Thompson Road, LLC (Feldmeier)
Dave Pollock, Old Thompson Road, LLC (Feldmeier)
Sarah Stephens, Synapse
Greg Sgromo, Dunn & Sgromo
Dan Colantuoni, Cintas Corporation
Kevin McAuliffe, Barclay Damon
Holly Granat, Office of Environment
Travis Glazier, Office of Environment
Lauryn LaBorde, SCSD
David Silverman

APPROVAL OF REGULAR MEETING MINUTES – MAY 9, 2017

Upon a motion by Steve Morgan, seconded by Victor Ianno, the OCIDA Board approved the regular meeting minutes of May 9, 2017. Motion was carried.

TREASURER'S REPORT

Nate Stevens gave a brief review of the Treasurer's Report for the month of May 2017.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board approved the Treasurer's Report for the month of May 2017. Motion was carried.

PAYMENT OF BILLS

Nate Stevens gave a brief review of the Payment of Bills Schedule #407.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved the Payment of Bills Schedule #407 for \$34,236.19 and PILOT payments to Town of Camillus for \$4,332.99, Town of Elbridge for \$1,765.43, Town of Geddes for \$58.73, Village of Camillus for \$749.34, Village of Solvay for \$469.45, Jordan Elbridge Schools for \$14,945.49, Marcellus Schools for \$223.72, Solvay Schools for \$2,996.94, West Genesee Schools for \$10,524.50 and Onondaga County for \$6,078.91. Motion was carried.

CONFLICT OF INTEREST DISCLOSURE

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

MACNY – WORKFORCE DEVELOPMENT DISCUSSION

Randy Wolken stated MACNY's core business is the manufacturer's association which is almost 105 years old and serves over 300 companies throughout a 26 county region serving both large and small companies with about 100,000 employees amongst those member companies. He stated they also have a statewide manufacturing group representing about 2,500 companies across the State. He stated he is seeing a 4th industrial revolution and what you are seeing is an entirely different way to make things and it is all technology driven. He stated it is important to talk about how that impacts employees and workforces and why it is so different for IDAs and other organization across the state today. He stated the most important changes happening right now is robot assisted production that cost about \$35,000 and 5 co-bots will stand next to the production employee. He stated it never takes breaks or vacation and never gets sick. He stated

co-bots or robot assisted production is rapidly advancing because costs have come down dramatically. He stated you can make a customized product for every individual. He stated they have been talking about mass customization for about 30 years and can see it today. He stated the workers don't go away they just do different things. He stated the future for many of the things is the machine will be leased, not bought. He stated when we make investments and when companies ask for investments they are asking for smart machines and smart people. He stated they need employees that will continue to upgrade their skills. He stated we have hundreds of job openings in manufacturing today with middle skills or high skills so every employer is going to be focused on getting people from entry level or minimal skills to high level skills. He stated every company is competing now in a global market. He stated the average manufacturer is about 25 people. He stated there are lots of small manufacturers that want to be 50, 100 and 300. He stated they are calling this industry revolution 4.0. He stated he thought it would be helpful for the Board to have a beginning conversation but would love to have the Board to MACNY to talk in detail about what is going on in the industrial sector and others sectors. He stated manufacturing is leading the rest of the sectors. He stated the whole industry is being disrupted and it causes every company to invest differently. He stated they may come before the board with a proposal for investment in technology so they can maintain their current workforce and plan for future growth into new markets, opportunities and products. He stated the reality is most companies will need to transform their entire business in about 5 to 10 years. He stated in the future every 6 months software updates will be sent and there will be a brand new product with the same equipment. He stated if we get in front of this we can lead the world. He stated US will be the leading advanced manufacturing country again and NY can again be the leading manufacturing State in the US.

Janice Herzog stated the automation is exciting but what does it do to the workforce. She asked if MACNY or local organizations are helping the workforce get up to speed. Randy Wolken stated there are 10 leading job skill sets that are going to be necessary and MACNY will help with all of these. He stated it is something we need to be concerned about but it's not something to fear if we take action.

Julie Cerio stated Randy Wolken was asked to join us because we are seeing a change in applications and we are seeing less jobs and more automation. She stated we are seeing companies coming in and not creating as many jobs but need machinery to stay competitive. She stated we are a member of MACNY and we are going to continue to work with them.

Patrick Hogan stated he would like a meeting set up with MACNY. He stated he would like to learn more about the education aspects of it. Randy Wolken stated they are working a lot with schools today as early as middle school.

OLD THOMPSON ROAD, LLC (FELDMEIER EQUIPMENT)

Sarah Stevens stated the employment numbers presented at the May meeting were incorrect. She stated since then Colby Clark and Dave Pollock have reviewed the numbers. She stated the projected employment needs for the next 5 years is 14 jobs created.

Colby Clark stated Feldmeier started in 1952 by Robert Feldmeier. He stated they are the world's largest sanitary tank manufacturer with 6 facilities throughout the United States with one in Syracuse, 2 in Little Falls, 1 in Alabama, 1 in Iowa and 1 in Nevada. He stated this facility is very important to them because the pharmaceutical industry, which this facility is going to be for, has about a 15 year growth spurt and they want to get on board. He stated their company has grown from a pharmaceutical side 25% in the past 5 years.

Dave Pollock stated the Syracuse facility is exclusively for equipment for the pharmaceutical industry. He stated they have outgrown their current facility on Town Line Road and has become inefficient because they have tried to add on over all these years. He stated they want to keep the facility here and they need to grow it. He stated without this they are going to be in tough shape for the pharmaceutical market and time is of the essence. He stated when doing business with pharmaceutical all you hear is speed to market. He stated the pharmaceutical companies have a 7 to 9 year window to manufacture product before another company goes and makes generic. He stated it is going to be about a \$10,000,000 project and \$13,000,000 with the land. He stated they currently have 119 employees in Syracuse and their average wage for a welder is \$21.00. He stated the Department of Labor statistics average in Onondaga County for that trade is 18.5% so they pay well and have great benefits. He stated Feldmeier is a leader in the industry and they appreciate the time the Board has given them today. .

Steve Morgan stated he will not be able to vote on this because he is a direct vendor with Feldmeier. He asked for an explanation of what Feldmeier produces. Colby Clark stated the simplified version is they take a piece stainless steel bought in the USA, roll it and put caps on it.

He stated all the processes put on the inside wall of that has to have a surface finish of less than 7 roughness average. Dave Pollock stated they are smart tanks where they build the whole system and they plug it in at their facility where it will make a \$2,000,000 batch of drugs.

Steve Morgan asked the average size of the tank. Colby Clark stated they go from 5 liters to 70,000 gallons. He stated the average in the pharmaceutical is about 10,000 liters. He stated also on the high tech side they make all the mixing equipment to blend the products. He stated all of that is done in their facility with engineers. He stated they have 23 engineers on their staff and they are split between the Little Falls facility.

Kevin Ryan stated there are 119 employees locally. Colby Clark stated yes.

Kevin Ryan stated they seek to relocate employees from Little Falls through attrition and asked how many employees they will be increasing over the next several years. Colby Clark stated a conservative number of 14.

Kevin Ryan asked as the pharmaceutical area takes off in the next 15 years does Feldmeier anticipate additional hiring or expansion. Colby Clark stated that is the goal and they will grow the business. Dave Pollock stated they have bought new equipment that does 4:1 what they used to do but they need operators. He stated they are adding employees but they are being conservative with the numbers they are giving.

Colby Clark stated they have been working with MACNY and the local education systems but still had challenges hiring local trained people. He stated they haven't had a problem in Oswego or Little Falls. He stated they are working on getting a curriculum to train people to do the jobs.

Sarah Stevens stated the 14 new jobs are 7 engineering and 7 production floor and other administrative functions. She stated over 30% of the materials they purchase are from vendors in Onondaga County.

Victor Ianno asked if adding 130,000 sq ft will adequately take care of the business growth in the future. Colby Clark stated this will take care of the next 3 to 5 years. Dave Pollock stated they purchased this property because it gives them room for future growth.

Kevin Ryan stated a 15 year window was referenced for the pharmaceutical industry and asked if there is a plan in place beyond that. Dave Pollock stated their products are used in food, dairy, beverage, pharmaceutical, beauty and health care. He stated if the population base keeps growing and he doesn't see it slowing down so they should be ok.

Victor Ianno stated this is the type of industry we want to support and keep here.

Upon a motion Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution describing the proposed Old Thompson Road, LLC (Feldmeier Equipment) project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Steve Morgan abstained. Motion was carried.

Upon a motion by Victor Ianno, 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 Old Thompson Road, LLC (Feldmeier Equipment) project. Steve Morgan abstained. Motion was carried.

CINTAS CORPORATION

Daniel Colantuoni thanked the board for support with the project. He stated the project was completed on time by end of December and officially opened for business on January 9, 2017. He stated they employ 132 full time employees with 62 new full time jobs as a result of the project. He stated they anticipated 44 new jobs and ended up with 62 which is great. He stated they held 10% retainage from the contractor. He stated they moved in January 9 and wanted to make sure everything was up and running and have some money with the contractor in case anything went wrong. He stated the final payment of roughly \$400,000 was made at the end of February so they are asking for an extension of the sales tax exemption into 2017 to account for the 10% retainage of work done in 2016 but wasn't paid until 2017.

Steve Morgan asked if this is a normal course of action. Tony Rivizzigno stated yes because when things start you don't know what is going to happen along the way.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution approving an extension of time to complete the initial Cintas project. Motion was carried.

TESSY PLASTICS

Kevin McAuliffe stated before the Board is an amended SEQRA resolution on the already constructed 246,000 square foot Tessy plant in the Town of Van Buren. He stated somehow SEQRA got screwed up. He stated the size of the building had changed over the course of the year and nobody kept track of it. He stated somehow in 2016 when the Agency took action they voted on it as a Type 2 action. He stated a Type 2 action is one that requires no action by this Agency so technically the Agency has never taken SEQRA action on this project so we need to go back and correct. He stated he is requesting two resolutions with one being passing the amended and restated SEQRA resolution and finding that it is a Type 1 action and adopting all the findings the Town Of Van Buren undertook. He stated also ratifying and reaffirming the inducement resolution of February 9, 2016. He stated technically you can't have an official action of this Board until complied with SEQRA.

Tony Rivizzigno stated when the Town did SEQRA and found a negative declaration. He stated they went through everything they should have done for a Type 1 action but called it Type 2. He stated the Agency adopted their findings and this is just a correction.

Patrick Hogan asked if Tony Rivizzigno and Kevin McAuliffe discussed this. Kevin McAuliffe stated yes and they have worked on the amended and restated resolution. He stated they think this clarifies the record and validates the existence of the building.

Janice Herzog stated how easy it is for them to move their shop. Kevin McAuliffe stated this came up because they are in the process of receiving grant funds from the NYS and they came through for Tessy on this \$246,000 project. He stated they have a plant in the South and the Carolinas went at Tessy tooth and nail. He stated all the fill places for the containers are in the South because we have stronger environmental laws in NY. He stated the companies said to Tessy either we are going to stop paying you for shipping this product or build your plant down here. He stated there was a bundle of incentives from South Carolina. He stated the NYS came

Julie Cerio asked how many sites were there. Travis Glazier stated there were 35 sites. He stated Beachnut and Griffiss were selected so to see Roth Steel being selected among those statewide high profile sites is a good sign that CCLR who are a national organization see this as a good site.

Patrick Hogan asked who is carrying the ball as far as zoning. Travis Glazier stated they have met with SOCPA and others to go over what it is going to look like. He stated there is a very aggressive schedule to get this completed.

Victor Ianno asked why we are worried about zoning until we have a use for it. Julie Cerio stated they are rezoning everything. Isabelle Harris stated it is city wide zoning. Travis Glazier stated the DEC is going to make determinations based on zoning and use purposes. He stated industrial cleanup cost will be on the low end but costs will escalate going towards residential because the level of remediation is much greater.

Patrick Hogan stated as long as we have someone representing us at the table. Julie Cerio stated there are a lot of county representatives at the table. Travis Glazier stated we have a lot of interests and the County has a lot of interests so they are looking at this on a larger scale.

Victor Ianno asked if there has been any interest. Julie Cerio stated there have been a couple people interested but we are in the very early stages of figuring out what's there. She stated we have a great team with Travis Glazier, Holly Granat and John Ciampa from Spectra. She stated it is slow and steady and we have no control over the timing but we have got a lot accomplished in the short amount of time we have owned it.

Travis Glazier stated there are potential investors that will be at the conference. He stated this will give some exposure.

Steve Morgan stated towards the end of the presentation it was stated that there was \$1,500,000 invested by the IDA and he thinks that should be toward the beginning of the presentation. He stated also suggested highlighting the map of the trail making it more visible.

Julie Cerio stated the Board should take a field trip out there and see with the enormity of what we are dealing with. Travis Glazier stated once you get out there you realize how close it is to the water, how beautiful and how much potential actually exists there.

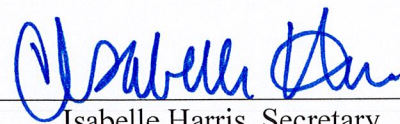
Kevin Ryan asked if the sewage treatment plant have any effect on this. Julie Cerio stated it does.

Victor Ianno asked what is going to happen with the fence company and the other commercial businesses over there. Julie Cerio stated she is not sure and we have no control over that.

Travis Glazier stated the WEP part of things lends itself towards some potential uses. He stated in discussions with SOCPA they have been reminded of the proximity to other industrial assets and what the properties limitations may be in those regards. He stated people need to remember that the Metro Treatment Facility is not going anywhere.

Janice Herzog stated a drone fly over would be cool to incorporate into the presentation. She stated it could be on the website or an email blast to let people know what is going on.

Upon a motion by Steve Morgan, seconded by Victor Ianno, the OCIDA Board adjourned the meeting at 9:08 am. Motion was carried.


Isabelle Harris, Secretary