

Onondaga County Industrial Development Agency
Special Meeting Minutes
April 22, 2015

The regular meeting of the Onondaga County Industrial Development Agency was held on Wednesday, April 22, 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 8:30 am with the following:

PRESENT:

Daniel Queri
Victor Ianno
Patrick Hogan
Janice Herzog
Steve Morgan

ABSENT:

Jessica Crawford
Lisa Dell

ALSO PRESENT:

Julie Cerio, Executive Director
Honora Spillane, OCIDA, Secretary & Treasurer
Linda McShane, Office of Economic Development
Karen Doster, Recording Secretary
Tony Rivizzigno, Gilberti Law Firm
Brenda Collela, Hiscock & Barclay
Erin Zacholl, SEKO Logistics
Sara Wisniewski, Gilberti Law Firm
Daniel Fitzpatrick, County Legislature

CONFLICT OF INTEREST DISCLOSURE

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

HINSDALE ROAD GROUP/TOWNSHIP 5 – APPLICATION AMENDMENT

Brenda Collela stated that since last meeting questions were posed to the Agency about the local access policy and whether folks would be required to comply with that policy. She stated that conversations were held explaining the policy and making them well aware of the requirements. She stated that they have put together lease language for Hinsdale and will be put into the lease with Morgan requiring compliance with the policy and there are penalties if they don't.

Daniel Queri stated that the original mortgage was about \$54,000,000. Brenda Collela stated that the original mortgage was \$26,000,000 and now they are adding an additional \$23,500,000 for Hinsdale and \$12,375,000 mortgage for the Morgan piece. She stated that the total new mortgage amount is \$61,875,000.

Daniel Queri stated that there is an additional \$35,000,000 in mortgage from what was initially anticipated. Brenda Collela agreed.

Daniel Queri stated that the request today is for sales tax exemption and mortgage recording tax on the \$35,000,000 differential and there is an IDA fee for that differential. Brenda Collela agreed. She stated that the additional \$191,000 will be paid by Morgan in the next few weeks and the additional amount coming from Hinsdale will be paid when they close on their financing which looks like within the next 60 days. She stated that the total IDA fee is \$885,164 and the amount that has already been paid is \$460,000 so \$125,164 is going to be paid to IDA.

Upon a motion by Steve Morgan, seconded by Victor Ianno, the OCIDA Board approved a resolution for the Hinsdale Road Group/Township 5 project as an unlisted action pursuant to SEQRA and will result in no significant adverse environmental impact. Motion was carried

Honora Spillane stated that the public hearing was held on April 20, 2015 and there were no attendees or comments.

Upon a motion by Janice Herzog, seconded by Steve Morgan, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Hinsdale Road Group/Township 5 project consisting of the development of 500,000 square feet of mixed use commercial space in the Town of Camillus. Motion as carried.

SEKO

Erin Zacholl stated that currently SEKO is working out of a modest facility in East Syracuse and they are growing very subtly. She stated that they had some opportunities to increase the local business and introduce warehouse management and vendor management inventory to the facility

and need a larger facility. She stated that they identified a facility at 4616 Crossroads in Liverpool that meets their needs. She stated that it will bring employment opportunities and revenue to the area. She stated that SEKO considered this particular business in some of the southern states but wanted to stay local. She stated it is a wonderful opportunity for them and the area.

Daniel Queri asked who SEKO is and what they do. Erin Zacholl stated that SEKO is a logistics company supply chain management and is one of the leaders in technology when it comes to logistics. She stated that they like to say that they are a technology company who specializes in logistics. She stated that the corporate headquarters is in Chicago and they have been operating out of Syracuse for 20 years. She stated that they have grown steadily with an increase the past few years. She stated that one of their advantages is having a licensed custom broker in house. She stated that they are able to have direct communication with US Customs and they are able to do a lot of importing as well as exporting. She stated that it is larger freight logistics.

Victor Ianno asked if James Duffy is the owner and the main office is in Chicago. Erin Zacholl stated that Jim Duffy is the owner. She stated that Distribution Support Systems is the company that Mr. Duffy owns and they are affiliated with SEKO which is the logistics corporation headquartered in Chicago.

Daniel Queri asked how big the current facility is. Erin Zacholl stated that the warehouse ceiling height is about 14 feet and about 10,000 square foot. She stated that they are looking to get into a facility 10 times the size.

Steve Morgan asked if SEKO is a franchise. Erin Zacholl stated that it is a little confusing but it kind of works like a franchise.

Steve Morgan asked how many trucks the organization supports. Erin Zacholl stated that they have 2 full time drivers in the Syracuse area and 2 vehicles which are double from what they had last year and anticipate increasing when they get into the larger building. She stated that they work with other transportation companies they use their yard on a daily basis.

Patrick Hogan asked if they lease or own the current facility. Erin Zacholl stated that they own it and they are looking to own new facility as well. She stated that they will probably sell old facility.

Tony Rivizzigno asked when they anticipate closing. Erin Zacholl stated that they anticipate late May and are in the process of interviewing a host of contractors at every level which are all local.

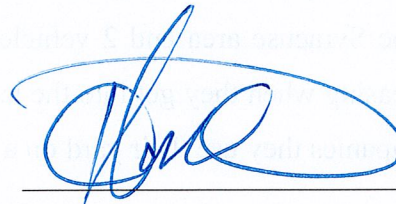
Steve Morgan asked how many customers they have and are they individual or recurring customers. Erin Zacholl stated that most of them are recurring customers but there are some that may be a one time type thing. She stated that they have accounts and one of the largest is ITT in Seneca Falls. She stated that ITT is planning to utilize their vendor management inventory services.

Daniel Queri asked about the employment plan going from 10,000 square feet to 100,000 square feet. Erin Zacholl stated that right now they have 14 full time equivalent employees. She stated that when the new building they are going to add a whole new dimension of warehouse so they will be hiring full time warehouse employees immediately which includes a warehouse manager and 4 full time warehouse employees will probably double in the next 5 years. She stated that their sales force will possibly increase as well.

Upon a motion by Victor Ianno, seconded by Janice Herzog, the OCIDA Board approved a resolution describing the proposed SEKO 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, SEKO, and Agency for the project. Motion was carried.

Upon a motion by Janice Herzog, seconded by Victor Ianno, the OCIDA Board adjourned the meeting at 8:44 am. Motion was carried.



Honora Spillane, Secretary