

Onondaga County Legislature

J. RYAN McMAHON, II

Chairman

KATHERINE FRENCH

Deputy Clerk

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PLANNING & ECONOMIC DEVELOPMENT COMMITTEE MINUTES May 12, 2016 KATHLEEN A. RAPP, CHAIR

MEMBERS PRESENT: Mr. Jordan, Mr. Ryan, Mr. Plochocki, *Mr. Knapp

ALSO PRESENT: Dr. Chase, Mr. Fisher, see attached list

Chair Rapp called the meeting to order at 10:35 a.m.

A motion was made by Mr. Jordan, seconded by Mr. Ryan, to waive the reading and approve the proceedings of the previous committee. AYES: 4; NOES: 0; ABSENT: 1 (Knapp); MOTION CARRIED.

1. TRUST FOR CULTURAL RESOURCES:

a. Confirming Appointment to the Trust for Cultural Resources of the County of Onondaga (Dennis DuVal)

Mr. Fisher introduced the item; a resume is on file.

A motion was made by Mr. Ryan, seconded by Mr. Jordan, to approve this item. AYES: 4; NOES: 0; ABSENT: 1 (Knapp); MOTION CARRIED.

2. ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY:

a. Confirming Reappointments and Appointment to the Onondaga County Industrial Development Agency (Susan Stanczyk, Steven R. Morgan, Kevin P. Ryan, Esq.)

Chairman Rapp noted that these are the Chairman's appointments; Ms. Stanczyk and Mr. Morgan are reappointments, Mr. Ryan is a new appointment.

A motion was made by Mr. Plochocki, seconded by Mr. Jordan, to approve this item. AYES: 4; NOES: 0; ABSENT: 1 (KNAPP); MOTION CARRIED.

3. SYRACUSE-ONONDAGA COUNTY PLANNING AGENCY: Don Jordan, Deputy Director

- a. Calling for a Public Hearing for Renewal of Agricultural District No. 4, Towns of Dewitt, Fabius, LaFayette, Onondaga, Pompey, and Tully
- Each ag district is reviewed every 8 years
- Notices sent to landowners and municipalities asking if they want to make any changes
- This is the only time property can be removed from and ag district
- Agriculture Farmland Protection Board has reviewed the requests and recommends making the modifications
- A public hearing has to be held to consider those requests
- Will come back with the resolutions approving the changes

*Mr. Knapp arrived at the meeting.

In answer to Chair Rapp, this review has been straight forward.

Mr. Plochocki made a motion, seconded by Mr. Ryan, to approve this item. Passed unanimously; MOTION CARRIED.

b. Calling for a Public Hearing on the Proposed Inclusion of Viable Agricultural Lands within Certified Agricultural Districts Pursuant to Section 303-B of the NYS Agriculture and Markets Law

- Annual addition of land to an ag district each year a property owner can request to be included
- Reviewed by Agriculture and Farmland Protection Board, which recommends that the properties be added

In answer to Chair Rapp, Mr. Jordan said that there are 4 agricultural districts. These are additions to Districts 1, 2, and 3; District 4 is reviewed separately this year.

A motion was made by Mr. Plochocki, seconded by Mr. Jordan, to approve this item. Passed unanimously; MOTION CARRIED.

4. COMMUNITY DEVELOPMENT: Robert DeMore, Director

- a. Authorizing the Cancellation and Discharge of Real Property Taxes on Property Owned by the Onondaga Housing Development Fund Company (\$12,211)
- Get properties for \$1, County pays taxes when January bill comes out (county tax bill, school arrears, village arrears)
- Pay approx. \$40,000 \$50,000 in taxes
- Solvay last year an apartment building on 200 block was taken down; taxes were waived approx. \$18,000
- Would be paying the County back with the County's money would rather put that money towards the 120 Charles Ave. property to fix it up
- Taxes going forward are over \$12,000

In answer to Chair Rapp, Mr. DeMore said that \$12,211 is one-year of taxes – the Village of Solvay taxes were over \$7,000. The village was maintaining the property.

- Will tear off porch and addition
- Houses around it are nice; the Village Mayor, Chairman McMahon, and neighbors want to save the house
- Will put the \$12,000 back into the building to fix it
- Estimate to fix it was \$122,000; first bid came in at \$160,000, which was rejected
- Will rebid it \$20,000 is lead money; will cost about \$100 to fix it, can sell for approximately \$110,000

Chair Rapp said that when this goes back on the tax rolls, it won't be taxed in the \$12,000. Mr. DeMore agreed – there were charges, as the Village was maintaining it.

Chair Rapp said that this is a departure from other policy and won't happen on a regular basis. Mr. DeMore said that the county typically pays the taxes when the bill comes out in January, but this bill was so much and the building needs so much work. Chair Rapp asked if it is worth taking it down and building a new house. Mr. DeMore said that it be done couldn't for the value. They are looking at putting up three houses on the 200 block of Charles Ave., and they will be \$200,000 each – really can't build much of a house for under \$200,000. He said they should be able to break even on this house.

In answer to Mr. Ryan, Mr. DeMore said the Village will be made whole by the County; it is the same with the school tax – already paid. Chair Rapp said that the County is taking the hit.

Mr. DeMore said that the building is a 2 family, 3 bedrooms in each apartment. It will be owner occupied.

Mr. Jordan said that the contrarian argument is that Community Development funding is grant funding that comes in; it is not money that the residents are taxed for. It is not really using our money to pay ourselves back. The only exception in this case, is that it is already a loss. Mr. DeMore agreed -- would have to make up the loss. Mr. Ryan said that the loss would have to be made up and would have to charge more than what the house was going to sell for. Mr. DeMore said that they can only charge what the appraisal is. Mr. Ryan said if you keep raising the price to offset the debt, you might price yourself out of the market and the property will sit there.

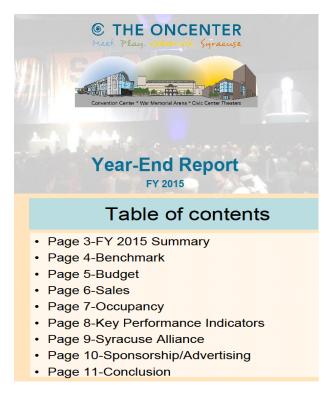
Chair Rapp said it is out of the boundaries of what is normally done, but with all of the money being put into the the area in Solvay, it is creating a critical mass there. Mr. DeMore said that they are working on 15 store fronts on Milton Ave, build a new building on the corner of Milton and Cogswell Ave. – the State is putting in the money. It will be 3 storefronts downstairs and 3 apartments upstairs. Chair Rapp asked if the storefronts are all state money. Mr. DeMore said that they are.

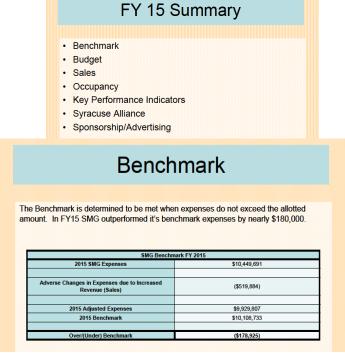
A motion was made by Mr. Knapp, seconded by Mr. Plochocki, to approve this item. Passed unanimously; MOTION CARRIED.

5. ONCENTER: Kelly Carr, General Manager

a. Quarterly Report

Mr. Carr said that he will report on FY 2015 and provide a snap shot of FY 2016, and he provided the following:





• Adjustment in expenses due to increased sales

	Buc	lget		
		oter - SMG		
	Rolling Forecast for Fiscal Ye	ar Ending December 31, 2		
	Based on Actuals Results t	nrough December 31, 201	9	
	Actual	2015	Over/(Under)	Last Year
	thru 12/31/15	Budget	Variance	Actua
Attendance	470,383	471,969	-101,201	421,053
# of Events	508	275	206	594
Total Direct Event Net Income	337,103	799,169	(460,891)	331,468
Total Ancillary Net Income	2,706,277	2,358,034	347,069	2,551,845
Total Other Event Income	301,617	198,553	103067	239,240
Total Event Net Income	3,344,997	3,355,756	(10,755)	3,122,561
Other Income	1,220,275	1,112,000	108,275	1,182,466
Adjusted Gross Income	4,565,272	4,487,758	97,250	4,305,028
Indirect Expense				
Total Other Direct Expenses	5,612,174	5,767,756	155,582	5,512,862
Net Income Before Other Income &				
Expenses	(1,046,901)	(1,300,000)	253,099	(1,207,834)
Total Other Income/(Expenses)	1,300,000	1,300,000	(0)	1,402,830
Net Income	253,098	Ó	253,099	194.996

- Reduced subsidy from \$1.5 to \$1.3 million
- Came in \$243k as result of increased sales, savings plans, consolidation, better ways to manage things

Chair Rapp asked for an explanation of what happens when SMG goes under budget, and how they get paid. Mr. Carr explained that SMG is paid a management fee; there are incentives based off the management fee, not to exceed the management fee, which include:

- Occupancy reports and percentages of occupancy reports
- Whether or not they meet the benchmark number
- Key performance indicators 10 reviewed by the county and judged by a 3 member panel (CFO, Deputy County Executive, Facilities Commissioner)

Chair Rapp asked what percentage of the \$253k was received. Mr. Carr explained that they don't keep the \$253,000. The management fee for the year was \$199,000. They have a base number from when they were hired and it goes up by the CPI each year. The incentive that they get cannot exceed the \$199,000--the full incentive was received this year. Each year they are measured and have been able to increase the incentive each year based on performance. Mrs. Rapp added that it decreases the amount from the taxpayers.

Mr. Ryan said that every year the budget is an estimate. Mr. Carr said that they never exceed the amount allocated to them; \$1.3 million was allocated in subsidy, and \$250,000 million in capital improvements. They are judged because of bonds, tax, etc.; their incentive is based on the expense and not the subsidy. The budget preparation is done to never exceed the amount of revenue the county gives them, and they have not.

Mr. Carr said that the reasons their sales were higher last year was because there was some unexpected business that fell into their lap, which was not budget for. Mr. Ryan said there are other instances in the county budget where there are estimates for the next year, i.e. the Amphitheater. Mr. Knapp said that sales tax is.



- 2 shows of Kevin Hart first one sold out, 2nd show nearly sold out
- American Quilters is an annual event booked for the next 2 years
- Eastern Winery is every other year have them in 2015 and 2017 they are going to alternative location in 2016 and in 2018 Oncenter has bowling, which takes them out of the building
- Created a food court for American Quilters, across the street from the Oncenter, which is a standard practice they use, as they don't buy food and beverage because of the amount of people; generated over \$40,000 in food/beverage revenue
- Quilters over 5,000 people, substantial amount of hotel rooms, substantial amount downtown here for 3-4 days

Mr. Knapp referred to the bowlers coming in. He asked how are groups kept, how do we get them to come back and not lose them long-term when they are unable to have their function here in 2018. Mr. Carr said that they are already having conversations with partners to keep them in Onondaga County. They are talking to partners at the NYS Fair, Holiday Inn, and hotels in downtown Syracuse. Bowling will run from Dec. 2017 and end July 31st, 2018. The quilter are OK; it won't affect them. They are trying to work with those that are in the 6-month window. SMG will go out and become an event planner for them, so that the relationship is maintained as they move forward. It will be a challenge. They are hopeful with the new hotel coming on board, and the way the Oncenter should be utilized less as a civic center and more as a true convention center, that in the 2nd half of 2018 the model will change – looking more at conventions, room night pieces of business.

Chair Rapp asked about the Hotel and what ramifications it has had on bookings, etc. Mr. Carr said they knew it would have some adverse effect on the Oncenter – there would be a loss of some local, social business. They have seen it already and it was expected; 2017 will be more challenging, but are trying to figure out ways to combat it. In a lot of markets, when a new big property comes on, events that the convention center has typically done, move to that property. You may see an increase in funding for a short period of time to make up that gap. A gap may needed to be fill in for 2017; 2018 is bowling; after 2018 they should be able to go forward because conventions aren't typically booked in an 18 month period. They are typically booked 18 – 36 months and out. Weddings are going to go to the hotel, which is where they should be. The Oncenter went after weddings of 250

people or more because they couldn't fit anywhere else is Syracuse, and were going out of the county. There are some events that were in the budget for the end of this year that have decided to try the new property.

Mr. Jordan asked if some of the events can be added to SRC Arena when the bowlers are here. Mr. Carr said that they can be, and are working with them. They are working to keep events in Onondaga County to keep the ROT where it is.

Mr. Ryan said that it is probably a good problem - in a sense the Oncenter is shifting its business model. At the end of the day the Oncenter is getting bigger events, and there is a ROT where people are overflowed to the other hotels. Chair Rapp said that there were groups that would not come here because of not having a hotel, and now we can actively go after them. Mr. Carr said that they are able to pursue business that they haven't been able to for a decade.

In answer to the Mr. Jordan, Mr. Carr said the bowlers are all in the convention center, not the War Memorial. They will utilize the War Memorial where they can, but it is a very big expense because of the ice in there. They are looking at maximizing any space that they can.

Mr. Plochocki asked about the tunnel that exists between the War Memorial and the Hotel Syracuse. Mr. Carr said that it is really not a viable option – it is taking people through a parking lot. It is not in great shape, it is not conducive to bringing people into the community. The conversation has been about looking at a way to tie the block between Montgomery and Warren Streets, on Harrison Street, to create a convention district there. Doing things around the Tech Garden, upgrades on sidewalks, traffic calming, new lighting, awnings, plantings, etc. - to enhance that walk. There is a plan that is going to be fine-tuned. Chairman Knapp referred to two examples: Louisville - has a similar district near the Young Center - has a roof over it with a block shut off; Kansas City is similar – a roofed over walk, blocked area, with big screen televisions.

Chair Rapp asked about the Amphitheater – 22 concerts booked, \$100,000 lost on first concert. She asked how it stands today, how will the losses on concerts be handled. She asked about the partnerships and contracts. Mr. Carr said that they received their management agreement a couple of weeks ago and are in full blown preparation mode for the upcoming season. Live Nation was named the promoter, and there are negotiations ongoing with Aramark to provide food and beverage for the amphitheater. Mrs. Rapp asked how that will work for proceeds. Mr. Carr said that he hasn't seen all of the details yet. SMG is the venue manager and oversees the venue – Live Nation is a client, and Aramark is a vendor. SMG is an agent for the county. They get it set up, get equipment in place, hire security, get ushers, ticket takers. Mr. Fisher said that unlike the Oncenter, it is a county park. County Parks Dept. turns the key over to SMG when there is a live event there. Parks Dept. mows the lawn and takes care of it as a park. Chair Rapp asked that Mr. Fisher come in next month to talk about the amphitheater and plan.

Mr. Knapp said compliments SMG on the Miranda Lambert concert – they had lots of people, the ushers were great; it was well run.

Mr. Fisher said that when this was presented, SMG predicted there would be a \$100,000 loss the first year. It was explained to the State that this would benefit them and we asked if they could help. A commitment was procured from the State to cover the loss. The State no longer has to lose money on grand stand events; we see it as a win-win, not a loss to county taxpayers. Chair Rapp agreed, but said that a plan is needed going forward that is in the black and not the red.

Mr. Carr said that that extreme importance of having the Miranda Lambert concert was that it announced to the music industry, to the agents of the artists, that the Lakeview Amphitheater was open for business. Had that not been done, there would not be the line-up that we have this summer. It was critical that we did it.

Occupancy

Occupancy is determined by dividing the amount of space occupied in the Exhibit Halls throughout the year by total amount of space available.

Square Footage Occupied (Contracted Days)/Total Space Available (23,816,250 sq. ft.)

Occupancy	FY13	FY14	FY15
Conventions & Trade Shows	2,657,750-11.2%	2,973,000-12.4%	4,184,250-18%
Consumer/Public Shows, Sporting Events, Large Business Groups	3,487,750-14.6%	3,830,500-16%	4,2,75,250-18%

Contributing Events

- Eastern Winery Expo
- American Quilters Society
- PLC Institute-Solution Tree
- At 18% for both this year have increased every year in conjunction with partner at Visit Syracuse

Key Performance Indicators

SMG is also measured on its Key Performance Indicators outlined and approved by the County's Contract Administrator at the beginning of each year. Listed below are some highlights from FY 15:

- 66 of 72 Event evaluations rated SMG's performance as "Excellent" or "Very Good" in the areas of Sales, Event Services, Building Operations/Services, Food & Beverage, Audio/Visual and guest services
- In conjunction with the County Facilities Department, SMG provided leadership on the following projects:
 - War Memorial Ice Expansion
 - War Memorial Laundry Facilities
 - War Memorial Surge Area upgrades
 - Parking Lot restriping
 - Convention Center carpet replacement
- SMG created a new employee committee called "SMG CARES" (Community Service & Communication, Activities, Recognition, Engagement and Standards). This group worked in conjunction with the County Executive's Office and Department of Veterans Affairs on the "Keep the Spirit of '45 Alive Celebration", the 70th Anniversary of the end of WWII. SMG donated \$5,000 in sponsorship funds to the organization on behalf of Onondaga County.



• 10 key performance indicators

Mr. Jordan asked about the other 6 event evaluations. Mr. Carr said that two were listed as poor – one was due to temperature in the building. They work with the County steam station, and the Oncenter can't necessarily control it. They did their best to adjust it as soon as they could. The other evaluation had to do with the internet, but the internet was done by a third party. Most of them are a miscommunication – they think it's the building. He said that when you come to an event and there is something wrong with the microphone, that it not SMG, it is a third party doing it.

Syracuse Alliance

In conjunction with Visit Syracuse, SMG was able to maintain a majority of its current convention business, adding 3,600 new room nights to the calendar with a total of over 17,000 booked within the year. New events include:

- NYS Green Building Conference
- · Women's Conference
- · Alter Reality Games
- RTI at Work Conference
- PBL-MarkerSpace Conference
- Vital Signs 2016



SMG also worked in conjunction with Visit Syracuse and Onondaga County on implementing a room block agreement with the Marriott Syracuse Downtown to assist in driving new conventions to the region.

• Room block agreement will give Visit Syracuse and the Oncenter a block of rooms to utilize when placing bids to bring conventions here. The language is there, but are still working on how it gets sorted out.

Sponsorship/Advertising						
Product/Company	Value	Frequency	Term	Effective Dates		
Pepsi	\$25,000	per year	7-уг	Oct 2013-Sept 2020		
Next Generation Vending (now AF&V)	\$4,500	per year	5-yr	Oct 2013-Sept 2018		
Amtrak	\$15,000	per year	1-yr	Oct 2015-Oct 2016		
Gifford's Ice Cream	\$3,000	per year	2-yr	April 2016-August 2016		
Solvay Bank	\$15,000	per year	1-уг.	May 2015-May 2016		
Allen Associates w/ Ricos Nacho Cheese	\$3,300	per year	2-yr	Oct 2014-Sept 2016		
Peppinos	\$15,000	per year	1-yr	Oct 2014 - Sept 2015		
Beak and Skiff	\$5,000	per year	1-yr	Nov 2015-Nov 2016		
Pole Position	\$2,000	per year	1-yr	April 2015-March 2016		
Lakeview Amphitheater	\$42,250	per year	1-time	September 3, 2015		
Total	\$130,050					

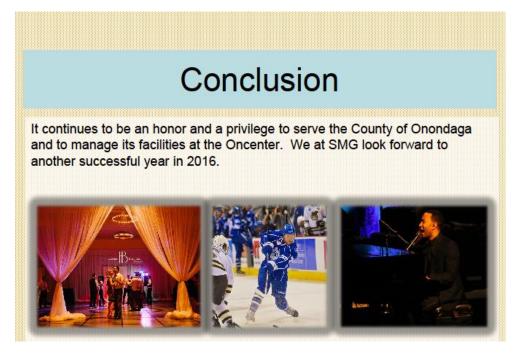
- New ones last year: Pole Position, Gifford's Ice Cream
- For Miranda Lambert concert the sales team, in working with leads from the county, was able to generate \$42,000 in sponsorship money

Mr. Jordan asked where the money came from. Mr. Carr said that it was from donations from businesses. Toyota came in a put out some cars, and they were charged to do that.

Chair Rapp asked about a name sponsor for the amphitheater. Mr. Carr said that it is an effort between the county and Live Nation, but the Live Nation Sponsorship Department is taking the lead.

Chair Rapp referred to discussion from the County Facilities Committee regarding capital improvements - \$250,000 is allocated for the Oncenter complex each year. The county does a lot of the maintenance. Several projects are coming up: new ballroom lighting, which is needed, and the marquee on the War Memorial. The cost exceeds the capital improvements fund and facilities use fund. It was her understanding that the allocation would pay for all of these types of improvements, but that is not the case. Mr. Carr said that when you buy a

house, the lights, windows and doors are all included and that it capital. Anything they do which is bricks and mortar, is a capital improvement; i.e. an extension to the floor for the ice is capital. The facilities money is for tables, chairs, equipment, projectors, etc. The other money allocated is to augment the building, as the count is the landlord. He said that they work in conjunction with Commissioner Owens and Deputy County Executive Fisher to come up with the capital plan each year – identify biggest needs, and/or ways to generate revenue. Chair Rapp asked if the marquee is a capital expense; Mr. Carr said that it is – it is attached to the facility. Mr. Knapp asked how the scoreboard was done. Mr. Fisher said that some ROT was put in, the Crunch pays \$500/game until \$200,000 of their money is put in, and facilities use fees help pay for it. Chair Rapp said that the marquee exceed the \$250,000, and now we are going back to the taxpayers. She asked about the policy. Mr. Fisher said the county needs to keep up the buildings it owns – roofs, heating and cooling, etc. The county hired a business manager for the Oncenter complex and looks to them to say what they need in capital because of leasing to a hockey team, going after Cirgue du Soleil, and other specific business. Things that aren't needed to have the building, but need to go after a type of business, would come out of the capital reserve. Typically bond counsel won't let the county borrow for things that aren't long term or the responsibility of the owner. The marguee is seen as an integral part of the building. Mr. Knapp referenced an example when FFA was in the building, and people didn't know what all of the people wearing blue jackets was about. The marquee would could be changed to show exactly what was going on inside. Chair Rapp said that it has been discussed for 20 years, and is excited about it.



Mr. Knapp referred to FFA, 1500 people, in town last week and asked how it went. Mr. Carr said that he thinks they were very happy with everything. It was a positive experience and were very happy to have them. Mr. Knapp said it was a radical change for them – they always meet at places like high schools or Morrisville College. He thanked Mr. Fisher and Mr. Sexton, who helped out with some things to make it a good experience for them.

6. VISIT SYRACUSE:

- a. Update David Holder, President
- \$250,000 contingency fund will ask next month for it to be released
- Partnerships in place; partnership with SMG has never been stronger
- With Hotel have seen significant uptick with amount of business being bid and the amount being lost
 - When Syracuse is packaged as a convention destination, it is not packaged by itself packaging against other communities that have been very aggressive in pursuing conventions
 - o Taking major steps to address how to make new product as competitive as it can be
 - May involve looking at renovations, not just capital improvements; look at exact number of rooms to do a competitive bid
 - Comparing to communities along the Thruway: Rochester has 600 connected rooms, most with renovations in last two years; Albany – brand new convention center opening next year with hotel attached
 - Making certain the Syracuse package is put together in the right way

- Seeing it pay off-going after more business, will see loss of some, but will have wins along the way
- Work heavily in promotions, marketing, business development, sales in a lot of different market places
- Held Syracuse Showcase in Albany took product, set up in an event space Julie Taboulie performed producing new site visits from connections associated with it
- Work closely with SMG have access to trade shows that we wouldn't have without them
- National Association of Sports Commissions -made sports contacts lacrosse, rowing are strengths
- Relationship with County parks helps bring sporting events in
- Leisure events going after different market places; still heavily in Canada dropped off because of Canadian dollars, we haven't seen as big of a drop off as other NY designations because haven't stopped going after it
- Took great advantage of the NCAA tournament men's and women's purchased advertising in NYC market on CBS during the tournament – produced enormous hits to website
- Ran an entire campaign once the Final Four came out: Busted Bracket Bargains Syracuse is the place to go to shake off the woes of busted brackets; commercial relators took advantage of it; convention center incentives were a part of the deal
- Launched new website
- Heavy events in April and May, i.e. FFA; New York State Skills Competition 50th anniversary here event outgrew Oncenter and moved to NYS Fairgrounds – producing 2,600 competitors and over 1,500 room nights for the area
- Will be back In June to talk about summer/fall wrapping up strategic plan based fully on consumer research
- Because of strength of DestiNY USA, Syracuse as emerged as a leisure destination it is really a 5 county region, not just Syracuse, Onondaga County

Mr. Plochocki referenced meetings with Mr. Holder in conjunction with Julie Taboulie and other matters; he is a fantastic means of support.

The meeting was adjourned at 11:50 a.m.

Respectfully submitted,

Deboral R. Masuro

DEBORAH L. MATURO, Clerk

Onondaga County Legislature

ATTENDANCE

COMMITTEE: PLANNING & ECONOMIC DEVELOPMENT

DATE: MAY 12, 2016

NAME	DEPARTMENT/AGENCY
PLEASE PRINT	
Nina Andry . Mchane	Community Development
Dan Jordan	11 11
Dun Judun	SUCPA
Darcie Lagricak	Leg
David Tkeval	CCE onondaga
Kelly Com	Smb
Roter Paspa	Smb
BILL KINNE	LEL