



ECONOMIC DEVELOPMENT CORPORATION

Tuesday, August 13, 2019

Board Members Present	Board Members Excused
Robert Solenne, Chair	Supervisor Fred Lightfoote
Karen Parkhurst	Supervisor Fred Wille
Supervisor Dan Marshall	Karen Springmeier
David Bunnell, Secretary	Walt Matyjas
Kevin Hill, Treasurer	
Erica Wright	Guests
Joseph Bridgeford, Vice Chair	Brian Young, Deputy County Administrator
	Michael Allen, Z-Axis
	Brian McGratten, Z-Axis
Non-Board Members Present	
Mike Manikowski, Executive Director	
Suzanne Vary, Staff	Contract Staff
Michael Wojcik, CFO	James Coniglio, Underberg & Kessler
Jessica Kazmark, Staff	Harry Sicherman, Harrison Studio
Brigitte Larson, Staff	
Bob Mincer, Staff	

CALL TO ORDER: Robert Solenne called the meeting to order at 8:28 a.m. A quorum was present.

NEW BUSINESS:

Z-Axis:

Mike Manikowski introduced Michael Allen, owner of Z-Axis to the Board. Mike stated that Z-Axis is a manufacturing company located in Phelps that the OCEDC has worked with in the past. The Company is in need of modernizing their equipment, which is critical for the future of Z-Axis.

Erica Wright entered the meeting at 8:31 a.m.

Michael Allen gave the Board a brief summary about his company. Z-Axis has been in business for 29 years and their facility is located on Route 96 in Phelps. The Company has two sides of business; one is contract manufacturing, where the Company designs and builds circuit boards for various companies. The other side of the business involves custom power supplies, with 75% in the medical field. Michael explained that the Company has been growing quite a bit over the last two years and that the equipment needs to be updated in order to maintain contract deadlines.

The Company will be purchasing four new machines, which paired with their six existing machines will close to double their capacity. Z-Axis is currently on track to meet \$13 million in sales for the year and their payroll is estimated at \$4 million. Michael shared that the Company currently has 90 employees and revealed that every time a machine or robot is purchased, additional employees are hired. Robotics is used at Z-Axis to put coatings or adhesives on circuit boards, soldering and other various tasks. The Company does subcontract in defense. Most employees are from Ontario County, with others from Syracuse, Gates and all over. Michael stated that his largest obstacle in the last five years has been finding technical employees. Tariffs were discussed.

Kevin Hill made a motion to refer the Z-Axis loan to the Finance Committee. Joe Bridgeford seconded the motion. Unanimously approved. Motion carried.

Michael Allen and Brian McGratten exited the meeting at 8:49 a.m.

Harry Sicherman stated that Z-Axis is heavily leveraged, some of which occurred during the buyout. Harry explained that the application date will be September 6th. August 22nd is the Board of Supervisors meeting where there will be a public hearing held and a resolution presented for the County to request the CDBG funds from the OCR. Harry explained that there would be \$375,000 in CDBG funds, leaving a gap of about \$450,000 for the Company's \$1 million project. The OCR has indicated that they are starting to look at the specifics of where the other funding is coming from. Harry indicated that the OCR may wait to fund the grant until the other funding is present. Harry again stated that the application will be submitted by September 6th. The OCEDC will consider a supplemental loan of \$100,000 through our program income to help close the gap.

OLD BUSINESS:

Harrison Studio Update on CDBG:

Harry Sicherman gave the Board a brief update on Real Eats and Pactiv.

Real Eats overall story has not changed, will need a significant equity infusion, no word of it yet. Harry stated that the Company had planned to do some capital improvements but could possibly be waiting until the fall. This fall he believes Real Eats will be coming out with a new marketing campaign and new branding, most likely new recipes as well. Michael Wojcik informed the Board that the Company has been making timely payments. The original agreement was for 30 new jobs to be added to sustain the \$450,000 from OCR. Michael also commented that the website has been updated to a more mobile friendly version.

Harry stated that the grant application for Pactiv was approved in late July. The project included \$5 million worth of equipment purchases. Bathroom and cafeteria upgrades have been included on the application to OCR. Pactiv has not gone public yet and most likely will not until there is an agreement. The funds will be granted to Pactiv, it will not be a loan. Harry stated that an RFP will need to go out for consulting services.

Budget amendment for Harrison Studio:

Michael Wojcik explained that due to the Z-Axis project there would need to be a line item added to the budget in the amount of \$7500 for The Harrison Studio.

Supervisor Dan Marshall made a motion to approve the budget amendment. Karen Parkhurst seconded the motion. Unanimously approved. Motion carried.

Extend Operator Agreement with Velocity Outdoor for FTZ289-A:

Bob Mincer and Jim Coniglio explained that the operator agreement with Velocity Outdoor, formerly known as Crosmans, expires on September 1st of this year. The Company has indicated that they would like to extend the Foreign Trade Zone Operator Agreement for five years. Mike Manikowski commented on how well the arrangement has worked in the past. Suzanne Vary added that with both of the Company's locations, jobs have been brought to the County. *Karen Parkhurst made a motion to extend the Operator Agreement with Velocity Outdoor for five (5) years. Supervisor Dan Marshall seconded the motion. Unanimously approved. Motion carried.*

Vertex Optics:

Jim Coniglio stated that the amendment is not necessary to the commitment made by the OCEDC. Jim explained to the Board that Vertex Optics purchased the necessary equipment and found that it was not as efficient as they needed for their products. The Company will need to upgrade their machines and have taken appropriate measures to seek additional funding from Canandaigua National Bank as well as the NYBDC.

Dave Bunnell made a motion to accept the project amendment for Vertex Optics. Kevin Hill seconded the motion. Unanimously approved. Motion carried.

ADMINISTRATION:

July 9, 2019 Minutes:

Rob Sollenne presented the July 9, 2019 minutes for approval as presented.

Invoices for payment:

Michael Wojcik reviewed and submitted the invoices for payment for approval, which included 4 invoices totaling \$29,564.54.

Supervisor Dan Marshall made a motion to approve both the July 9, 2019 minutes as presented and the invoices for payment. Kevin Hill seconded the motion. Motion unanimously carried.

July Financial Statements:

Michael Wojcik presented the July Financial Statements to the Board.

Joe Bridgeford made a motion to approve the July Financials, seconded by Karen Parkhurst. Unanimously approved. Motion carried.

September Meeting Date:

Mike Manikowski explained to the Board that he, Sue and Michael will be at a conference on September 10th and would like to change the date of the September Board Meeting. Brigitte will send out a Doodle Poll to help determine the date change.

ADJOURNMENT:

Supervisor Dan Marshall made the motion to adjourn the meeting at 9:21 a.m. Dave Bunnell seconded the motion. Motion unanimously carried.

Respectfully submitted,

Brigitte Larson, Staff