



Onondaga County Legislature

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WAYS AND MEANS COMMITTEE – 2012 BUDGET REVIEW OF PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENTS– SEPTEMBER 22, 2011 CHAIRMAN CASEY JORDAN

MEMBERS PRESENT: Mr. Lesniak, Mr. Kinne, Mr. Holmquist, Mr. Buckel, Mr. Kilmartin, Mr. Stanczyk

MEMBERS ABSENT: Mr. Corbett, Mr. Warner

ALSO PRESENT: Ms. Williams, Mr. Rhinehart, Mrs. Rapp, Mrs. Tassone, Mrs. Ervin and see attached list

Chairman Jordan called the meeting to order at 9:06 a.m.

SOCPA (pg. 5-118) - Don Jordan, Director; David Bottar, Executive Director of Central NY Regional Planning and Development Board; Megan Costa, Planning Services Program Manager; Tracy Waldron, Fiscal Officer; Edith Williams, Budget Analyst

Director Jordan presented the following:

With today's presentation I would like to quickly go over our some 2011 accomplishments, point out some of the highlights of our proposed 2012 Budget and then quickly talk about some of the things we plan to do in 2012 and beyond. Then David Bottar will talk about the Central New York Regional Planning and Development Board.

Really the main message I would like to try to make this morning, although we are a small agency, we feel that we provide a lot of very valuable services and strive to provide them in a fiscally responsible way.

2012 ANNUAL BUDGET
Ways & Means Committee Report

SYRACUSE-ONONDAGA COUNTY PLANNING AGENCY

JOANNE M. MAHONEY, COUNTY EXECUTIVE
DON M. JORDAN, JR., DIRECTOR






Table of Contents

Section 1:
2011 Accomplishments


Section 2:
2012 Budget Overview
Appropriations
Personnel, Salaries, and Other Expenses
Contract Services

Section 3:
2012 Strategic Priorities

Section 4:
2013-2015 Strategic Priorities

Section 5:
Central New York Regional Planning and
Development Board

TABLE OF CONTENTS





Key Accomplishments – Planning Services

Our mission is to provide and promote effective planning throughout the County to ensure a high quality built environment, cost effective infrastructure, stewardship of natural resources, and economic growth, within the County's fiscal ability.

In 2011 we made significant progress on the Onondaga County Sustainable Development Plan, including:

1. Hired a Plan consultant using Energy Efficiency and Conservation Block Grant and Syracuse Metropolitan Transportation Council Unified Planning Work Program funds.
2. Formed a Plan Steering Committee, which met periodically to oversee creation of the Plan.
3. Held an Envision Our Future Public Workshop to seek public input.
4. Met with the city, towns, and villages to get municipal input.
5. Held four Choose Our Future Public Open Houses to display the results of scenario modeling and solicit public feedback.
6. Conducted several stakeholder focus group meetings.
7. Created a robust Plan website - future.ongov.net.



2011 KEY ACCOMPLISHMENTS – Planning Services

Key Accomplishments – Planning Services

Our mission is to provide and promote effective planning throughout the County to ensure a high quality built environment, cost effective infrastructure, stewardship of natural resources, and economic growth, within the County's fiscal ability.

In 2011, Planning Services staff also:

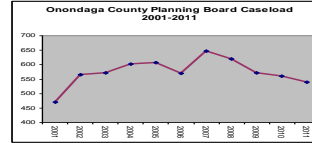
1. Organized the Onondaga County Planning Federation's Annual Planning Symposium to provide state mandated training to hundreds of planning and zoning board members throughout the region.



Onondaga County Planning Federation Annual Planning Symposium
 August 18, 2011 9:30 am - 4:30 pm
 Hyattsville, Pennsylvania
 Keynote Address: Rick Fedrizzi, U.S. Green Building Council
 For program and registration materials, visit: <http://onondaga.net/online/ocpf.html>
 Also stop by the Choose Our Future public open houses

"...While I could never get to such meetings in all 62 counties, I picked Onondaga because I am impressed by the County Executive's commitment to sustainability, planning, and working with Syracuse, the County's largest city... I was not disappointed."
 Peter B. Falscher, Exec. Dir. Empire State Future

2. Provided staff services to the Onondaga County Planning Board to review over 500 municipal referrals. Conducted coordinated reviews with County and State departments every three weeks to review OCPB cases and met with municipal officials upon request to review projects.



3. Worked collaboratively with municipal governments to complete a final Multi-Jurisdictional Hazard Mitigation Plan for submittal to NYS and FEMA on behalf of Onondaga County and 35 local jurisdictions, making them eligible to apply for mitigation grant funds.



4. Completed the annual addition of property to certified Agricultural Districts per NYS regulations and County Legislature resolution 71-2004.



5. Conducted environmental reviews for CDBG projects for the Community Development department to meet State Environmental Quality Review Act (SEQRA) and National Environmental Policy Act (NEPA) requirements.



Key Accomplishments – Geographic Information Systems

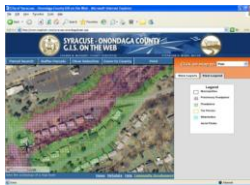
SOCPA's GIS division is responsible for building and maintaining the County's GIS. We create, acquire, and maintain a wide array of spatial datasets, maps, and applications that support government functions. The GIS has become an essential tool that is used by most County departments to maximize effectiveness and efficiency and improve decision-making. The GIS division also provides extensive spatial data support to the City of Syracuse and towns and villages in the County. GIS staff also manages, distributes, and supports the County's digital aerial photography program (Pictometry).

In 2011, GIS staff:

1. Provided spatial data support and mapping to more than 25 County departments, including the Legislature's Reapportionment Commission, municipalities, and other government entities.



2. Continued to maintain the County-City GIS website that provides the public worldwide with access to 28 layers of County and City spatial data. Since the site went live in 2005, over 560,000 visitors from more than 80 countries have spent over 53,000 hours learning about Onondaga County. The site has saved the County over \$2.6 million if GIS staff had to handle the requests satisfied by the website.



3. Continued to manage and support the Pictometry air photo application which is used by over 100 county employees in 18 departments, the City, all 19 towns, and more than 10 other government entities in the County. The software and high resolution aerial images result in time and fuel savings from reduced need for field trips and site visits.

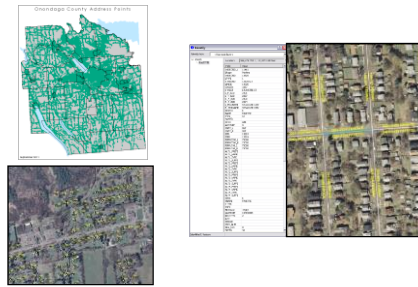


Key Accomplishments – 911 Address Administration

SOCPA's 911 Address Administration division supports the County's 911 system through three major activities: telephone data base quality control, address administration, and development and enhancement of digital geographic resources.

In 2011, Address Administration staff:

1. Continued to provide critical mapping and spatial data support for the implementation of 911's new Computer Aided Dispatch (CAD) system. The spatial component of the new system provides 911 call takers with a great deal of information that can be critical in emergency response and can lead to improved response times and a safer community.

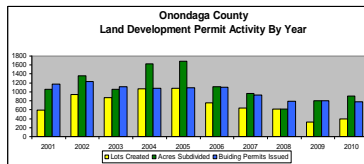


2. Assigned new addresses and corrected existing addresses that don't work properly in the 911 system through agreements with 27 municipalities in the County and upon request for other municipalities. Staff also review proposed street names under Local Law 5-1972. Staff also performed quality control of telephone databases to increase the accuracy of the telephone location information that is supplied by the telephone companies to the County 911 system.

New Addresses Assigned	900
Addresses Corrected	500
Proposed Street Names Reviewed	30
Street Name Letters of Compliance Issued for Filed Subdivision Maps	180
Telephone Database Problems Corrected	500



3. Continued to build the Agency's Land Development Monitoring system that tracks subdivisions, building lots, and municipal building permit and demolition data to help keep the emergency services address databases current.

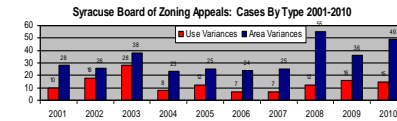
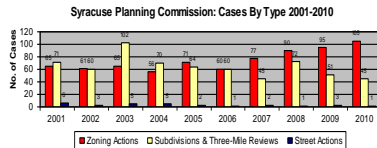


Key Accomplishments – City of Syracuse Zoning Administration

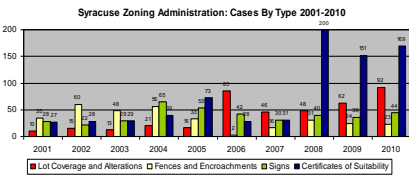
SOCPA's City of Syracuse Zoning Administration division processes a large volume of inquiries and applications regarding City zoning and subdivision matters.

In 2011, Zoning Administration staff:

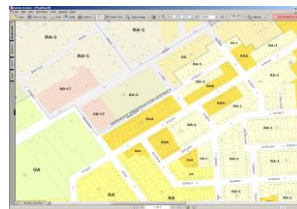
1. Provided staff services to the Syracuse City Planning Commission and the Board of Zoning Appeals.



2. Conducted administrative reviews of requests for sign permits, lot alterations, waivers of building and yard restrictions, fence restriction waivers, project site plans, and Certificates of Suitability, as authorized by the City Zoning Ordinance.

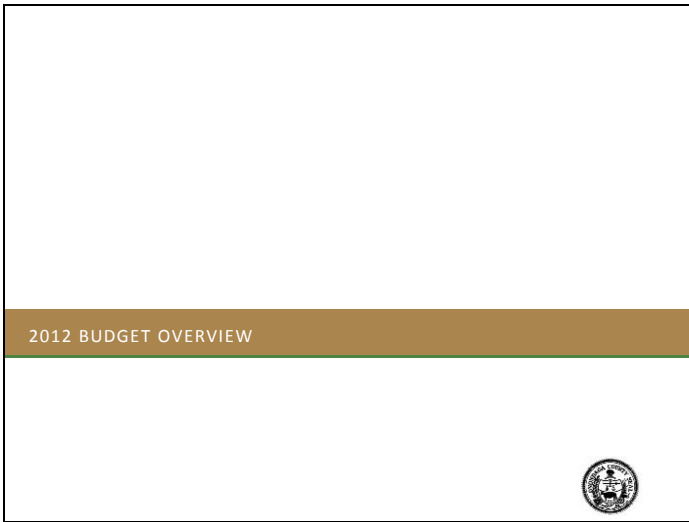


3. Continued to work with SOCPA GIS staff to maintain the City Zoning Atlas.



4. Worked closely with the City's Department of Neighborhood and Business Development, the Bureau of Planning and Sustainability, and the Law Department to streamline the processes for review of proposed projects within the City and to make revisions to the Zoning ordinance in an effort to assist applicants in their review process.



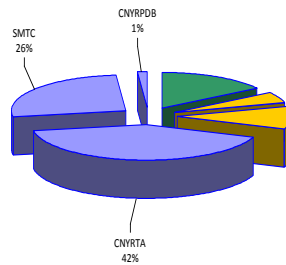


570 Account Contract Services – 69% of 2012 Appropriations

Syracuse Metropolitan Transportation Council (SMTC) - \$1.5 million
 SMTC is a Metropolitan Planning Organization required under Federal Transportation Law as a prerequisite to the allocation of over \$300 million in federal capital funds over the next 5 years. The County advances the SMTC operating budget with 100% federal reimbursement.

Central New York Regional Transportation Authority (CNYRTA) - \$2.4 million
 New York State mandated match for transit services.

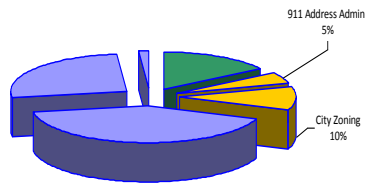
Central New York Regional Planning and Development Board (CNYRPDB) - \$86,027
 A five county (Cayuga, Cortland, Madison, Onondaga, Oswego) planning organization funded by 1/3 land area and 2/3 population formula.



SOCPA Programs – 15% of 2012 Appropriations Funds SOCPA programs fully reimbursed.

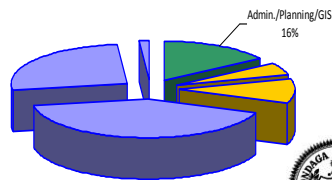
Address Administration - \$292,130
 Funded by 911 Emergency Communications.

City Zoning Administration - \$594,403
 Funded by the City of Syracuse.



SOCPA Programs – 16% of 2012 Appropriations Funds Administration, Planning, & GIS

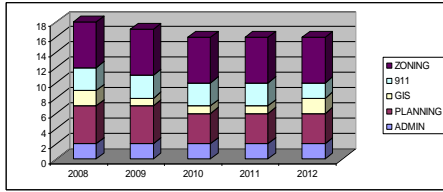
Administration, Planning, and GIS - \$902,645



2012 BUDGET OVERVIEW - APPROPRIATIONS

2012 BUDGET OVERVIEW – PERSONNEL, SALARIES, AND OTHER EXPENSES

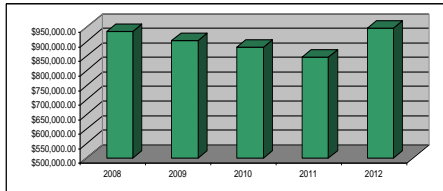
PERSONNEL



Notes:

1. Funded positions remains at 16 in 2012.

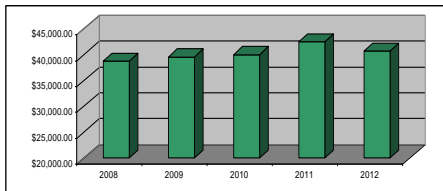
SALARIES



Notes:

1. Salaries up from 2011 due to ERI retirement savings requirements being met in 2011 and standard salary increases in 2012.

OTHER EXPENSES (300, 401, 408, 410, 413)

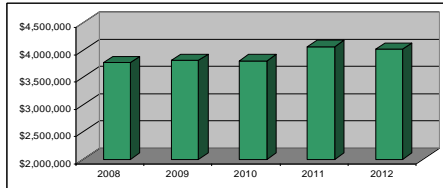


Notes:

1. All other expenses (300, 401, 408, 410, and 413 accounts) decreased from the 2011 BAM.



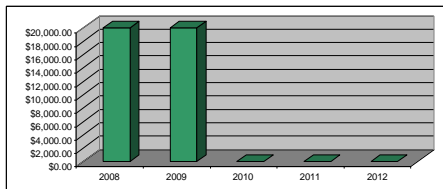
570 ACCOUNT CONTRACT SERVICES



Notes:

1. 570 Contracted Services decreased from the 2011 BAM due to a decrease in the estimated SMTC pass through funds.
2. CNYRTA and CNYRPDB funds remain the same as in 2011.

CONTRACTED AGRICULTURAL DISTRICT SERVICES



Notes:

1. Agricultural District services previously contracted to Cornell Cooperative Extension will continue to be done in-house. In 2012, SOCPA staff will complete the eight-year renewal of Agricultural District 2 and the annual addition of properties to agricultural districts.



2012 BUDGET OVERVIEW – CONTRACT SERVICES

2012 Strategic Priorities

- Complete and begin implementing the Sustainable Development Plan.
- Provide planning assistance to municipalities in the County.
- Continue to organize the Planning Federation's Annual Planning Symposium as a service to municipalities.
- Conduct the eight year renewal of Agricultural District 2.
- Participate in Centerstate CEO's Metropolitan Business Plan.
- Participate in the Otisco Lake Watershed Management Plan.
- Continue to develop the County's Enterprise GIS to support County applications.
- Seek grant funding for an aerial photography re-fly of the County.
- Continue to support the address and spatial data needs of the 911 department.
- Continue to staff the City of Syracuse Office of Zoning Administration.
- Continue to work closely with the City's Bureau of Planning & Sustainability on the City's Land Use Plan and Comprehensive Plan, which will be the guiding documents for major revisions to the City of Syracuse Zoning Rules and Regulations.
- Continue to collaborate with the SMTC and CNYRPDB on planning, GIS, and other initiatives.



2012 STRATEGIC PRIORITIES

2013-2015 Strategic Priorities

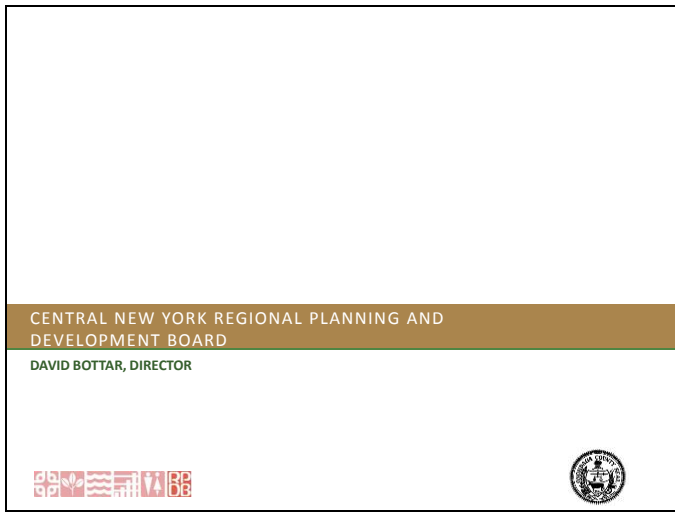
- Continue implementing and updating, as necessary, the Sustainable Development Plan.
- Seek additional resources to provide enhanced planning assistance to municipalities in the County.
- Participate in the County's efforts regarding future use of Onondaga Lake and its shoreline properties.
- Continue to promote farmland protection in the County through the agricultural district program.
- Seek additional resources to enable the GIS program to meet the growing technological needs of County departments, municipalities, and the public.
- Continue to support the address and spatial data needs of the 911 department.
- Continue to staff the City of Syracuse Office of Zoning Administration.
- Continue to work closely with the City's Bureau of Planning & Sustainability on the City's Land Use Plan and Comprehensive Plan, which will be the guiding documents for major revisions to the City of Syracuse Zoning Rules and Regulations.
- Continue to collaborate with the SMTC and CNYRPDB on planning, GIS, and other initiatives.



2013-2015 STRATEGIC PRIORITIES

Director Jordan turned the presentation over to Mr. Bottar.

Mr. Bottar presented the following:



Central New York Regional Planning and Development Board


The Central New York Regional Planning and Development Board (CNY RPDB) is a public planning agency that was established in 1966 by a joint resolution of Cayuga, Cortland, Madison, Onondaga, and Oswego Counties under the provisions of Article 12B of the New York State General Municipal Law.

The CNY RPDB is governed by a 35 member board of directors that is appointed by its five member counties. Members currently serving from Onondaga County include Brian Donnelly, David Elleman, William Meyer, Kathleen Rapp, James Rhinehart, Clarence Rycraft, and William Southern.

Financial support for the agency is provided by member county resources, state and federal grants, and contract service revenue. The agency's proposed budget in 2012 totals \$1,723,470 and includes operating expenses of \$1,251,851 . Financial contributions from member counties are expected total \$185,401. These operating funds will support a professional staff of 13 full-time employees.

The CNY RPDB's 2012 budget request to Onondaga County totals \$86,027. Funds from this level funding request will be used to leverage federal and state resources to support the implementation of a comprehensive regional planning program with a focus in the following program areas :

- Economic Development
- Environmental Management
- Land Use and Transportation Planning
- Energy Conservation and Alternative Energy Development
- Information and Research Services
- Regional Collaboration



Board
Central New York Regional Planning and Development

- *Funding request for Onondaga County has remained at the same level for well over 10 years*
- *Funds are leveraged to tap into over 30 different federal and state sources*
- *13 full time staff members*

Central New York Regional Planning and Development Board

Major program initiatives that will be sponsored by the CNY RPDB in 2012 include:

- The annual update of the CNY Comprehensive Economic Development Strategy
- Assisting the OCIDA with development of the Clay Business Park
- Management of the CNY Enterprise Development Small Business Loan Fund
- Management of the NYSERDA Regional Energy Smart Coordinator Program
- Management of EPA Climate Communities Showcase Program
- Participation in the SMTC Rt. 81 Corridor Planning Initiative
- Administration of an inter-municipal Stormwater Management Program
- Administration of an EPA Green Infrastructure Design Program
- Maintaining a census-based regional information data and research program
- Advocating local and regional interest at the federal and state level
- Sponsoring bi-monthly regional board meetings and information forums



Central New York Regional Planning and Development Board

- *Completing the pass through of discretionary grant funds for Hancock Airpark, just over \$500,000*
- *Discretionary grant of over \$700,000 for green roof to support the expansion at St. Joseph's Hospital*
- *Inter-municipal Stormwater Management Program primarily focused on Onondaga County, working with over 25 municipalities in a joint effort to address federal and state regulations imposed on counties*
- *Working with Mr. Jordan to pursue NYSERDA Regional Energy Planning Grant, would allow the entire region to work together to come up with a regional energy plan*
- *Pursuing funds at the federal level to expand the sustainability plan Onondaga County is working on, providing better coordination in the five county region*

Mr. Lesniak questioned the role Onondaga County plays in the federal government floodplain and qualification for flood issuance. Mr. Jordan:

- No role, County does not administer floodplains, done locally at the municipal level
- Tried to play a supportive role when time maps came out, put together a couple public workshops with FEMA
- New floodplain boundaries added to the GIS website providing people with a resource

Mr. Lesniak asked if our GIS maps provide a topographical map. Mr. Jordan:

- Some elevation data, only Countywide data set is 10 meter digital elevation model that is a fairly coarse look at topography
- Detailed layered data for certain parts of the County as part of the floodplains update, more accurate

Mr. Lesniak explained that if you live by a river you are in a floodplain. He has a couple places that are so high up on the river that it is impossible for them to flood, yet they are included in the floodplain. Topographical maps would differentiate this. Mr. Jordan responded that FEMA has processes to challenge the maps. He knows that some municipalities have done this.

Mr. Lesniak asked where we were with getting grants and what the costs for the flyover would be. Mr. Jordan:

- Flyover done in a similar fashion as the past would be \$200,000
- Have some money secured, did seek CFB funds that could be used as a match if they find other grants
- Asking users of the imagery to contribute to the costs; assessors have an interest in updated photography and are interested in contributing to periodic flights

Mr. Lesniak asked if there was any interest in expanding the transfer of development rights as Lysander did, rather than a onetime buy into farmland protection. Mr. Jordan:

- Lysander has talked about their program at the Planning Federations Training Conference; not sure if other municipalities are interested in pursuing this
- State hasn't had a proposal for a couple of years due to budget constraints; if the program gets funded in the future it may be something that gets more popular
- Believes Lysander to be the only one in the state with a TDR program, really ahead of the curve on this

Mr. Millea stated this was a great question and something that he has spoken to the County Executive about. The Sustainable Development Plan currently being worked on by Mr. Jordan and his staff will speak to this as well. Working out a specific agricultural agenda will be a priority for the second term. They have meet with a number of groups representing the farming communities and would welcome Mr. Lesniak's involvement as well. Mr. Lesniak responded that the TDR program is unique. It takes repeated government money out of the process, the developer keeps rolling over and refilling the bank; not continually coming back to the troth for a onetime buy to protect farmland.

Mr. Millea stated that this was certainly a creative way to do this. He will follow up with Mr. Jordan and make sure that this is addressed in the development plan. He would like to follow up with Mr. Lesniak specifically; doesn't know much about Lysander's program. It is certainly on the table as an option and probably much more attractive than the state having a program that they aren't funding anymore. Mr. Lesniak responded initial funds are needed to establish the fund and then the developer will reestablish the fund, so this keeps moving.

Chair Jordan asked why the entire cost for operating the City of Syracuse Zoning Administration was not being charged to the City on the abstract. Mr. Jordan:

- 2 year reconciliation of abstract charges
- 2010 estimated costs \$59,000 more than actual costs; credit back to the City

Chair Jordan asked for information on the Clay Business Park. Mr. Bottar:

- CHA obtained by the IDA to complete the generic environmental impact statement, work is almost complete
- Next focus, determining the key projects they need to undertake to advance the project; need for public sewer service is the most obvious
- Development of a national, regional and local marketing plan is a key next step, currently no documents in place to do this in a professional way, needs to be done if the park is going to get the attention it deserves
- It is a resource with so many assets they offset some of the liability, does have some issues primarily with traffic

Chair Jordan stated since coming to this legislature he has been told what an asset this park is, yet it doesn't appear to be advancing. Each time he asks about the park he receives the same response or marketing pitch. If this is such a unique parcel of land nationwide, why are we not making substantive moves. He is frustrated that this seems to be moving along at a snail's pace. Mr. Bottar:

- Can only speak to the efforts this year, where they began working with the IDA to advance the project
- Asset to this county and region, 300 acres with rail and electric substation
- To compete in the market place requires a lot of attention and focus; believes that IDA has made a decision to focus additional attention, technical assistance and resources
- Potential, very few 300 acres parcels in NYS under control by one entity with the public services in place; not the only one, large site in Albany and Utica, 1,000 acre site outside of Buffalo

Mr. Kinne asked what was special about the flyover and why couldn't it be done by the helicopter. Mr. Jordan:

- Application they have now is a sophisticated oblique imagery software package, access the imagery through the software, measurements can be made, heights of buildings, areas and distances, not the traditional straight down photography
- Looking for someone that has the software, similar to what we have now; delivering the whole application
- Have been using this type of image for 10 year, not many oblique imagery providers; when they started using this imagery there was only provider for Onondaga County; unsure if others are now providing this service

Mr. Kinne asked what was so unique about the Clay Business Park property. Mr. Bottar:

- Single ownership of 300 acres; if a business has to assemble parcels it creates a level of uncertainty
- Public water supply across the front of the property, rail line on the corner of the property, and a National Grid substation; unique assets that are very expensive to put in are already in place

Mrs. Rapp stated she feels as if we have been dealing with the Clay Business Park since she came into the Legislature. She asked if the Governor's new Regional Economic Development Group was also on board as she believes this is the kind of cumulative muscle it will take to get this site off the ground and developed. Mr. Bottar responded that it is clearly one of the projects being advanced by Onondaga County for funding. If the council is successful with its competition and \$25 million is awarded to Central NY, this project would receive funding directed toward the sewer line. Mrs. Rapp added that this has been the big hold up.

Community Development (pg. 3-115) – Robert DeMore, Director; Nina Andon-McLane, Administrative Planning and Funding Coordinator; Edith Williams, Budget Analyst

Director DeMore presented the following:

*Let me start off by saying, Community Development is self-supporting. This year, **our budget will not receive any local dollars** – not even to cover the Full Cost portion of the Indirect Costs, which are not eligible for reimbursement under federal regulations (This was budgeted at \$49,456 in 2011). The Comptroller's Office has determined the amount this year for the Full Cost Portion is zero.*

*Our budget request includes only the **3 HUD Entitlement Grants** which provides us with our **base budget** and the **bulk of our administrative costs**. These 3 grants are just being approved now by HUD. These are the Community Development Block Grant (CDBG), Home and Emergency Shelter Grants (ESG).*

*We recently learned that we have been awarded a **\$600,000 grant** from the **NYS Affordable Housing Corp** for housing rehab. This is not included in our recommended budget because it was recently approved by the NYS Office of Homes & Community Renewal.*

*2011 budget request of **\$3.9M** is just about **half** of what our final Budget as Modified will be.*

*Please see the **“Funds Awarded to Community Development”** handout. (See attachment No. 1)*

- Last year (2010), we were awarded nearly \$8 M in grants
- Over last 5 years, we have averaged nearly \$9 M in grants
- 2011 column: amounts in gray = applications pending
 - \$3.8 M approved (3 HUD Grants plus 1 NYS grant just mentioned)
 - \$3.2 M pending applications
 - Should they all be approved, this year's budget will be about \$7M

*We have five grant applications pending which total about **\$3.2 M**. Just yesterday we received notice that our \$2 M Healthy Homes Grant was unfortunately not approved. We knew this was a long-shot. HUD was expected to approve only 7 nation-wide. In fact, they approved only 9 nation-wide. In anticipation for next year, I have been talking with Paul Driscoll from the City. We are looking at doing a joint application with the City and with the help of the Maxwell School. We will be ready for this application when it comes out in the spring.*

- **\$2,000,000 Health Homes Grant** from HUD for housing rehab. This program is takes a comprehensive approach to eliminating household hazards and we would be **targeting elderly homeowners**. This one is a long-shot; HUD is expected to approve only about 7 nation-wide;

The other grant applications still pending are:

- Another **\$300,000 grant** for home improvement from the Affordable Housing Corp;
- **\$300,000 grant for homeowner subsidies** (ten \$30,000 subsidies) from the Affordable Housing Corp;
- **\$300,000 Access to Home Grant** – expanded Ramp Program for the handicapped; allows for more accessibility modifications; \$15,000 cap (vs. \$5,000 w/Ramp);
- **\$75,000 Restore Grant** – emergency repairs for the elderly (\$5,000 cap); and
- **\$229,400 NYS Main Street Grant** – commercial and mixed-used building rehab in a target area from the NYS Housing Trust Fund. (Village of North Syracuse renovation of buildings on Main Street)

*The **total revenue** from all sources since the beginning of our program is over **\$182M** (see bottom of left column).*

We will pursue other grants which are consistent with our mission of improving the quality of life for the County's low and moderate income people, by

- rebuilding neighborhoods,
- improving the County's housing stock, and
- upgrading the County's infrastructure and upgrading community facilities.

We will return to the Legislature with budget resolutions as additional grants are approved.

Ms. Andon-McLane presented the following:

We have 3 Program Areas:

1) Admin & Capital Projects

- *2010 – spent \$4.6M on construction (\$1.2 M CDBG and \$3.4 M non-County local share)*
- *2011 – 38 capital projects underway*
- *CD Steering Committee & Co Leg have approved our annual Action Plan in July, before it was submitted to HUD*
- *2011 Action Plan Included 15 capital projects plus 4 contingent projects; a sampling of these are:*
 - *Cicero - Riverfront Park Imp.Ph 2*
 - *Dewitt – Park Hill Streetscape, Ph 4*
 - *Liverpool - Enriched Housing,The House at 807, Ph 2*
 - *N.Syracuse - North Main St Improvement, Ph 2*
 - *Clay - Road Improvements Gaskin Road South & Jackson Road*

This program area includes Aid to the Homeless through our ESG (\$94,693).

2) Housing Rehabilitation (includes Homeownership Program)

2010 – Completed 255 cases; spent \$3.5M on rehab construction

2011 - Completed 184 Housing Rehab cases y-t-d; \$2.5 M spent

- *Includes: 30 Ramp cases, 16 Shape-Up (elderly); 16 emergency cases with funds from the NYS Restore Program; 135 cases included lead based paint reduction work.*
- *Goal: 250/year*

Homeownerships

2010 – 17 vacant houses rehabbed and sold; spent \$1.5 M on construction

2011 – 10 closed y-t-d; 5 more closings pending; and we have purchase offers pending or accepted on 3 other homes

Goal: 10 houses/year

Starting in 2011, the Fund Company has moved to exempt a number of the homes as we are allowed by the Real Property Tax Law.

3) Commercial Rehabilitation

2010 – completed 14; spent \$891,000 on construction

2011 – completed 6 y-t-d; spent \$90,600 on construction so far

On the budget side, you can review a one-page summary of the budget allocations from our 3 entitlement grants (see last page of handout). (See attachment No. 1) This was also presented to this Committee in June when you authorized the HUD Action Plan.

We spend almost all of our money on construction, providing jobs for smaller contractors, adding to sales tax revenue, increasing property values, and improving neighborhoods.

We will be glad to answer any questions you may have.

Chair Jordan stated that he has seen some of the homes that have been rehabbed by Community Development, they are outstanding. They have done a wonderful job and should be very proud of their efforts. Mr. Lesniak agreed.

Mr. Lesniak asked the process for home rehabs. Mr. DeMore responded the project is bid to private contracts, they rehab and then we sell.

Mr. Lesniak asked if we could expand our dollars by selling the home first and granting the homeowner the funds for rehab. Ms. Andon-McLane responded that the homes are being sold to low income people who qualify for a homeowner subsidy generally around \$30,000. She does not believe that they would have the wherewithal to do this. Some of the houses are in really bad shape and require a lot of work. They have a professional staff, with an experienced instructor. Control of the construction would be an issue. Mr. DeMore

added they act as the GC on these rehabs. These people would not be used to bidding out contacts and acting as a GC for the work. He feels that this would be difficult but does understand the thought.

In answer to Mr. Kinne, Ms. Andon-McLane responded that their inspectors closely monitor every step of the construction making adjustments as needed. Mr. Kinne added that if this was given to a private contractor you would not know if the work was actually performed. He believes it is much easier for one group to handle the construction rather than 4 or 5 individual contractors not knowing what the others are doing.

Ms. Andon-McLane stated that most people are looking for a house in move-in condition. They do not have the capacity or ability to deal with this. We working on getting them used to mowing the lawn.

Mr. Buckel stated that Community Development is under review in Washington and asked what they foresee in the near future. Mr. DeMore responded that it is unclear as what is going to happen in Washington. They have some emails from HUD indicating that there is actually more money in the pipeline this year than they thought. If there were cutbacks they would have to reduce their staff and fewer homes would be fixed up within the community. Mr. Buckel stated that Mr. DeMore had been on both sides of government and asked if there were places within government structure where the slack could be picked up. Mr. DeMore responded that he doubted it.

In answer to Mr. Buckel, Mr. DeMore stated he is not familiar with the land bank. He has looked at it but is not involved in it and is not ready to speak on it.

Mr. Buckel asked about consolidation and his agenda. Mr. DeMore responded that he meets with Paul Driscoll on a regular basis and plans to work more with the City. He has been in government for a long time and is a big person on consolidation; he is open to all avenues. Mr. Buckel encouraged that he not just to be open to consolidation but to push for it.

Chair Jordan asked if rehabbed houses come back. Mr. DeMore:

- Tracked, not many come back
- Bank holding the mortgage for sold homes will send them a notice of any delinquency, can't remember any foreclosures; if someone buys a \$90,000 house, we give them \$30,000 they only borrow \$60,000
- His experience has been they care of the homes

Ms. Andon-McLane:

- Homeowner are provided counseling before taking ownership, paid for by Community Development
- Financial management included as part of the counseling, this helps to guide them

Chair Jordan stated that he was led to believe that we were able to leverage more funding by having both City and County Community Development departments. Mr. DeMore responded that was probably correct, but if the funds are shrinking, HUD is going to look to some form of consolidation. Our basic entitlements are what they are but with the grants, we are in competition with the City. This program is very well run and has been over the years. When he meets with HUD staff they always say what a good department we have and use us as a model department. He believes that they have been more successful than the City at getting grants over the years.

Economic Development (pg. 3-106) - Mary Beth Primo, Director; Kristi Smiley, Program Analyst; Tara Venditti, Budget Analyst

Director Primo presented the following:

Good morning and thank you for the opportunity to present the Office of Economic Development's 2012 budget request.

The purpose of the Office of Economic Development is to identify, develop, recognize and pursue opportunities for capital investment and job creation with the goal of increasing the net wealth of the county. The Office has four primary functions: the retention and growth of existing businesses, the promotion and marketing of the county, the attraction of new business to the county, and the management of the county's three economic development organizations and their incentive programs. The Office accomplishes its purpose by providing services and incentives to businesses, professional service firms, and health care and higher education institutions.

Business Retention & Growth Services

Most of the business & retention team's effort is spent helping businesses identify available resources and growth opportunities. In 2011, our office counseled more than 70 businesses and led the fulfillment of business incentive packages to over a dozen. The retention team also maintains its relationship with over 350 businesses and institutions it has worked with through an ongoing electronic dialogue.

This year, the Office held its third series of annual Roadshows, which are outreach seminars that familiarize businesses and institutions with economic development incentives and services. The first seminar, co-hosted with the CNY Technology Development Organization, provided an overview of economic development incentives and services available to the manufacturing community. The second event, co-hosted with the Greater Syracuse Business Development Corporation and the Central New York Regional Planning and Development Board, presented capital investment incentives available to companies considering a significant capital investment in the county. The Office co-hosted the third event with the South Side Innovation Center and the NYS Small Business Development Center. That seminar highlighted the services and assistance available to small businesses and entrepreneurs. Together, more than 200 businesses and business service providers attended the seminar series.

Our Business Retention and Growth work also served local businesses by coordinating retention and growth incentive packages with our economic development partners and by guiding companies and other entities through the county's three economic development organizations – OCIDA, OCDC and the CRT - which provide financing incentives to businesses and/or nonprofit organizations.

Since last October, the Onondaga County Industrial Development Agency offered capital investment incentives to four companies: Sysco Foods, Aspen Dental, Tessy Plastics, and Welch Allyn. Together these projects will create 139 jobs, retain 1,877 jobs, and create private investment of over \$33,000,000. OCIDA also approved eight employee-training grants for small to large companies for a total of approximately \$75,000.

As you know, Onondaga Civic Development Corporation (OCDC) offers a local, convenient, and economical financing opportunity to the County's not-for-profit organizations, and as of earlier this month, to local businesses, too. This year, the Corporation provided financial assistance to the Onondaga Community College Housing Development Corporation for the creation of new student housing and it recently committed to bond for SUNY Upstate's Townsend Tower renovation. These projects will inject more than \$41 million of capital investment into the community. The Corporation also granted approximately \$173,000 to support economic growth in Onondaga County, including funding support for the Brookings Institution's Metropolitan Business Plan and the Export Initiative.

To facilitate the co-location of our office with the City of Syracuse's Business Development Office, OCDC agreed to pay the rent for the entire term of the current lease on the shared space at Washington Station in Armory Square. The co-location of these two offices is the culmination of a nearly decade long effort to provide a more cohesive and comprehensive vehicle to drive governmental economic development work in Onondaga County. Benefits of the shared location are already being realized as city and county economic development professionals are able to conveniently, frequently, and substantially collaborate on projects that impact both the City of Syracuse and Onondaga County.

The Trust for Cultural Resources of the County of Onondaga (CRT) issues bonds to support the growth of our non-profit arts and cultural organizations. In July 2011, the Trust provided financing assistance to Syracuse University to support the institution's multi-year capital investment and maintenance plans. The fees earned by the Trust assist with the development of the county's arts and cultural priorities. Since mid – 2010, with grants or grant commitments of over \$490,000 the Trust has supported many arts and cultural organizations directly and indirectly through the IDEAS collaborative.

For those of you unfamiliar with the IDEAS Collaborative, an initiative which draws significant financial support from the CRT as well as staff support from the Office of Economic Development, I think it is important that you are briefly introduced to its work. IDEAS is a consortium of six local funding organizations committed to assisting the 43 participating arts and cultural organizations in becoming financially stable and self-sustaining. As you know, over the last several years, the local arts community has struggled to find paths to prosperity amid the loss of its traditional large corporate supporters. At the same time, government is struggling to maintain a commitment to the arts while it also works to maintain or reduce taxes. This disruption to past funding patterns demands a paradigm shift. Such a transformation is the goal of the IDEAS Collaborative. The Trust for Cultural Resources will continue to support this important work in 2012.

Business Attraction Services

Introducing Central New York to potential investors not familiar with the region's assets is the primary responsibility of our business attraction program. The Office's business attraction program addresses this by developing marketing strategies targeting the industries most likely to invest and thrive in Onondaga County.

This year, the Office promoted Onondaga County to more than 210 companies, site selectors and real estate executives. The Office directly marketed the county to 32 site selectors representing companies located as near as Massachusetts and as distant as India; and presented more than 30 sites and buildings to 10 projects seriously considering a location in Onondaga County.

The Office also completed the restructuring of one of its key marketing tools, the SyracuseCentral website. The redesigned SyracuseCentral.com provides industry standard data, highlights available business incentives and promotes the county's quality of life on a platform that recognizes and responds to the "electronic divide" by presenting information in new communication formats. Most importantly, the new website will remain current by being easily updated by Office staff through advanced content management software. In 2012 the Office will further enhance the website by integrating a GIS module to deliver a comprehensive survey of available sites, buildings and community assets.

Next year, the Office will continue to focus and build on its past work while exploring and embarking on new opportunities to help our companies compete in the global economy and attract new business to the area. The County Foreign Trade Zone (FTZ) has not been operational in over a decade. FTZs provide special customs procedures to businesses engaged in international trade-related activities. The Zone's duty-free treatment of goods, including manufacturing component parts, gives advantages to domestic industry that compete with overseas producers. In 2012, Onondaga County's FTZ will be restructured and reactivated to provide support for companies engaged in global business.

While the Office works to make operational an improved FTZ, it also joins other Central New York economic development organizations in partnering with the Brookings Institution to develop a Metropolitan Export Initiative. This plan will present another opportunity to promote our local businesses in international markets. The Initiative, which is associated with the Brookings-Rockefeller Project on State and Metropolitan Innovation, is a ground-up collaborative effort to help regional civic, business, and political leaders create and implement a customized export strategy. The plan will integrate market intelligence, export-related services, and policy reforms to help the region better connect its firms to global customers, thereby helping the area fulfill its export goals.

The Export Initiative is a component of the larger Brookings Metropolitan Business Plan. The Business Plan will provide community stakeholders with a detailed economic development strategy for the entire Central New York region. The outcome will depend on the critical and analytical input from regional stakeholders to ensure the work will succeed in the short-term and live beyond the tenure of those who drafted it.

As you know, the Governor has called for a regional economic development plan for each region of the state. The work of the Brookings' project will support the development of the Central New York Regional Economic Development Plan. This plan will guide the community's use of New York State economic and community development funding by creating actionable development strategies and the metrics necessary to evaluate and amend the strategies. The Office of Economic Development is dedicating staff and resources to each of these three regional planning efforts to ensure the interests of Onondaga County are represented throughout the planning processes.

2012 Budget Request

The Office of Economic Development's 2012 budget request includes a \$14,025 reduction in direct appropriations – the costs controlled by the ED office – and again requires zero (0) local dollars. The Office is primarily supported by the administrative fees paid to the County by the Onondaga Civic Development Corporation (OCDC), the Trust for Cultural Resources of Onondaga County (CRT), and the Onondaga County Industrial Development Agency (OCIDA), with the balance of the Office's budget funded by the multi-year SIDA grant.

The Office's proposed budget includes a change in personnel requiring funding for a Senior Economic Development Specialist and the unfunding of a Management Analyst position. This results in a reduction in 101 costs as personnel is replaced at a lower step.

As proposed in the County Executive's budget, the economic development office's dedicated marketing budget for 2012 is reduced from \$80,791 to \$73,600. Staff continues to examine marketing activities in terms of each activity's return on investment. Those with the lowest return per invested resources have been reduced or deleted from the department's marketing plan.

The final cost reduction in the 2012 budget is a \$7,228 decrease in the Maintenance, Utilities, and Rents budget load. As you know, last year's budget included one-time capital costs associated with the relocation of the Economic Development Office.

Projected 2012 revenues are from four sources:

- \$288,306 (approximately 34% of 2012 budget) from the Onondaga County Industrial Development Agency, shown on line 036;
- \$176,129 (approximately 21% of 2012 budget) from the Onondaga Civic Development Corporation, shown on line 036;
- \$50,474 (approximately 6% of 2012 budget) from the Trust for Cultural Resources of Onondaga County, shown on line 036;
- \$338,000 (approximately 39% of the 2012 budget), from a portion of the county share of the Destiny fees paid to the Syracuse Industrial Development Agency, shown on line 057.

The local dollars requested for 2012 are \$0.

Thank you for your time. I would be pleased to answer any questions.

Chair Jordan stated 39% of their budget was being paid by a multi-year OCIDA Grant and questioned how long this would last. Ms. Primo responded that her understanding is that the grant will continue through 2018.

Mr. Lesniak asked if there was any reason they couldn't abolish the unfunded Management Analyst position.

Ms. Primo:

- Won't be using this position for 2012
- Feels position is not appropriate for her office
- May need another position in the future; would require coming before the committee to request a new title

Mr. Lesniak requested a list of businesses they maintain a relationship with and those counseled for 2011.

Mr. Lesniak asked the term of the current lease on the shared space at Washington Station. Ms. Primo:

- 10 year lease, OCDC has agreed to pay
- After 5 years lease can be terminated with a penalty

Mr. Lesniak asked about the 139 jobs that were created. Ms. Primo:

- Projects indicated 139 jobs would be created once the projects are complete
- Generally over a 1-3 year period
- Some may have been created in 2011; actual numbers will not be available until the end of the year
- Companies are required to get the numbers to them for state reporting

Mr. Lesniak asked about the Clay Business Park and its marketing, adding that Anheuser Busch needs a bottling plant and this is something we should be pursuing. Ms. Primo:

- They are pursuing a bottling plant
- Difficult to market this project when it is not shovel ready, can't say it is shovel ready when it is not; companies walk away from it
- 2012 goals: funding for the sewer project, complete the Clough Harbour work, move forward with marketing campaign knowing that we have the money for the sewer project
- Regional Planning Board was brought in for additional resources
- 1 ½ years ago they picked up the last 85 acres including the rail access, project has been progressing just not as fast as they would like
- Working with SMTC to improve interchange for Routes 81 and 31; could be a real drawback to this site; seems as if some progress will be made soon

Mr. Lesniak state that they have probably seen emails from a company in Madison County that is trying to locate in the Lysander area, over the last few days. The culture of NYS and their Empire State Development Core is probably the worst environment that you could ever work in. Someone gets lied off and all this stuff

just sits on someone's desk because no one will pick it up. This man is extremely frustrated with the system. How are we going to get these things coordinated; it's hard enough to bring anyone here with the taxes we have. Ms. Primo agreed adding everyone is hoping once the regional plan is complete, things might be a little more streamlined; doesn't know how this will work. Her office was working with this company prior to the emails they are referring to. She knows that this company was working with the state and has some frustration. They tried to move this along but there is only so much noise that they can make. She shares his frustration.

Mr. Lesniak stated in 2009 Ms. Primo provided goals that she wanted to meet; some of them were touched on in the presentation. One of the goals mentioned was, "*analyze our past marketing activities to determine how our efforts can be more effective and then make any necessary changes*", he asked what they have done. Ms. Primo:

- Determined they were spending money and not getting a lot of return on trade shows and conventions, didn't advance their agenda though they might win some awards
- Cut out the fat, believe they are as low as they can go
- Created state-of the art website; will be adding a GIS module; need quick access to information for site selectors
- Getting Clay Business Park up on-line opens the door for conversations, may see others sites in our area that will work for them

Mr. Lesniak responded that this is good if someone is looking at Syracuse, but how do we get them to look. Ms. Primo:

- Meeting with site selectors, letting them know we are here and the assets we have to offer
- Keeping our name out in front of the people making decisions for growing and relocating companies

Mr. Lesniak asked if we have anyone that identifies and has contact with businesses outside of our area that are looking to expand or move. Ms. Primo:

- They work closely with CenterState CEO.
- Mike Novakowski was hired by CenterState CEO 1 ½ yrs ago for this purpose
- Linda McShane of her office, has traveled with him on a couple of occasions, together they have meet with, held and hosted dinners and receptions for corporate executives, site selectors, and people making decisions for relocating and growth companies
- Piggybacked on their work, don't have the resources to do this on their own
- With their resources, they target site selectors, those hired by companies to find suitable locations

Mr. Lesniak asked what they had done to "*strengthen their workforce*", another goal from 2009. Ms. Primo:

- Goals were written before she took office, her role in this matter is much smaller than she had hoped
- Works with companies and listens to their needs, able to provide training grants

Mr. Lesniak asked about the requirements for training grants. Ms. Primo:

- IDA training grants are given pretty freely
- Match required, believes it to be 25%
- Training must come from outside the company

Mr. Lesniak asked about two additional goals from 2009, "*Improve air service and transform our airport into an exceptional marketing venue*". Ms. Primo:

- Has been working on this dating back to when Mr. Kochian was here
- With the experience she now believes role should be assisting in driving down the fees, making a more economical airport for airlines to do business with
- Developing land around the airport would help to drive down these costs; large amount of land being maintained by the airport adds additional costs; working with the City to develop the property

In response to Mr. Lesniak, Ms. Primo stated that she has been working on financing for a convention center hotel since day one and she continues to do so.

Mr. Lesniak stated even though there are no local dollars, there is still an \$83,000 increase over last year's budget. Ms. Smiley stated this was due in part to the \$68,000 used last year from fund balance; money that had been accumulated over time in their marketing fund. They are on target with their current budget, and the fund balance has been exhausted. Ms. Primo added that the marketing budget was \$250,000 for a number of years in the past. There is also an increase in employee benefits.

Chair Jordan asked if they had tried to get a developer to put in the sewer line for the Clay Business Park. Ms. Primo:

- No this would be a hard sell, would kill the deal
- They mention Clay site, just aren't aggressively marketing it as shovel ready as was done in the past
- Site selector advised not marketing as shovel ready unless it is; need to get the sewer installed to make it an attractive site

Mr. Buckel commended Ms. Primo, sees a much stronger focus on what is being done in Economic Development. He wants to encourage her to take a leadership role and pound on state door's if needed to advance projects that are stalled in Albany; referencing her reply to Mr. Lesniak and the company from Madison County looking to relocate to Lysander. Ms. Primo stated there are times when she has had to do this. This has been an ongoing thing. The local office has been receptive to this issue and that is whom they are talking to. This project came from the State. They were asking for our help, and now it seems to be stalled with them.

Mr. Buckel commented that he believes we may be in at a point where we are in a perfect storm; CenterState CEO's alignment, combined with what the region has done, the Governors Counsel and the projector that she is on. He believes the stars are aligned so that she should have a great opportunity ahead of her. He is rooting for her.

In answer to Mr. Kinne, Ms. Primo stated the IDA is trying to make the Clay Business Park property ready to roll should someone decide that they want to relocate their business there. To do this, a sewer line needs to be installed to Oak Orchard, two miles away. Oak Orchard has plenty of capacity. They are currently working on getting the funding together for the sewer line.

Mrs. Rapp stated it was a pleasure to see the new offices last month and believes this is a real win for everyone.

Mrs. Rapp stated that OCDC agreed to pay the rent for the joint office building before the City had a local Development office, in direct completion with us. She asked if there was an opportunity to change the written lease agreement. Ms. Primo:

- OCDC Board knew the City had a Local Development Corp. before voting to take on the lease debt, this was already considered
- City LDC has not done any projects, don't know when it will; if it does, doesn't know if they will make any changes
- OCDC fees have been from projects that were not only important to the County but also the City
- Everyone is fine with the situation at this time

Ms. Primo stated that she believes the board has done away with the us versus them idea. Mrs. Rapp responded that this was her point. We don't need two Development offices in the same building serving the same County. Companies coming in should not be choosing between these same organizations. She encourages her to see what she can do about creating a single OCDC. She believes the two offices will be detrimental for everyone down the road. Ms. Primo agreed.

Mrs. Rapp stated that she was so happy to hear that the FTZ is going to be reactivated. Ms. Primo responded that she thinks everything is coming together; partnering with Brookings export plan and their business plan. We have to increase our exports for us to grow. Mrs. Rapp added that this is a unique value that we have never made us of. Ms. Primo commented that Clay will be a magnet site for this.

Mrs. Rapp stated that Ms. Primo has spoken about the IDEAS Collaborative and their efforts in helping the arts become self sustaining. Funding the arts is something that the Legislature has always struggled with. She

would like to get the funding of the arts out of the Legislature, and into an entity that is more familiar with those that are really producing. She asked if Ms. Primo had given any thought to this. Ms. Primo:

- IDEAS Collaborative is administered by the Gifford Foundation; 5 founders directing it
- CRC should be the agency to administer funds, doesn't have the capacity to do so at this time
- IDEAS is working to help the CRC become the Arts Agency for this area; providing it with the resources necessary to do this

Mrs. Rapp asked what CRC was missing. Ms. Smiley:

- Need additional staffing and management; current staff of 3
- Building their capacity and setting a management structure that would eventually allow for this


Mrs. Rapp stated that she would support this; try to create something that is more stable for the arts and a little less taxing.

Chair Jordan took the agenda out of order.

CenterState CEO/CVB (pg. 3-52 Line 570) – Robert Simpson, President; Tom Blanchard, SVP & Chief Economic Development Officer; David Holder, CVB President


Mr. Holder presented the following:

Good morning. My name is David Holder with the Syracuse Convention and Visitors Bureau we are a division of CenterState Corporation for Economic Opportunity (CEO). I am joined here today by Rob Simpson and Tom Blanchard, both with CenterState CEO. We are very, very pleased to bring before you some great results from 2011 as well as some very strong and very innovative plans for 2012.



2012 Budget Presentation



Onondaga County Legislature



Mission

Strengthen the positive awareness of the City of Syracuse and Onondaga County as a convention and visitor destination, to increase revenues and stimulate economic development and growth for the community.

1

No other organization in Onondaga County has this mission. Our function completely revolves around marketing, sales and services.



Let me take you on a little tour with these photos:

Our headline this year was all about bowling. The US Women's Bowling Conference was here from April to July. The ladies and their friends and families contributed significant dollars to our local economy. The transformation at the Oncenter was incredible. The service that went through both at the convention center level, the CVB level and at the Individual and community level was exceptional and second to none. It really, really opened the eyes of the US Bowling Congress as to how a community can make feel welcome when they come in.

The picture in the top middle is of a famous travel media person, Peter Greenberg; he is the gentleman in the blue shirt. He came in just a couple of months ago to Skaneateles for a big media day. He is a syndicated radio columnist and his show is followed around the world. He is also the CBS travel correspondent. Having him in our area was a big coup for the CVB and our regional partners.

At the top right we have our mobile website, at least the screen shot from that. I was launched prior to bowling coming on board and we are very pleased with the results we have seen from that.

Right below that, is a picture of Bill Adams, the Convention Development Director that was collaboratively hired by the Oncenter and managed by the CVB. He is already off to a raging start in terms of generating results in the Washington DC major association meeting market.

You also have put some money into a new event this year and for the future called King of Trucks. That event got off to a great start over Memorial Weekend, traditionally a very slow weekend for our area. Now we are looking forward to seeing how that event is going to grow and become a very solid part of our tourism environment.

Finally something's that we are doing on a text messaging side. We start off with Iron Main integrating barcodes and text messaging of event updates to a lot of participants coming in for Iron Man. Our text messaging service was used by about 10% of the athletes that came in for that event. We are looking at other events we can expand this service to, specifically to Super Dirt Week will be the next event that falls into that mix.

2011 Results - Sales

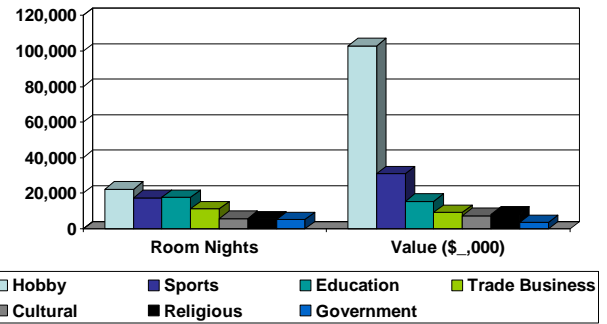
	Jan-Aug 2011 Total	Jan-Aug 2011 Multi-property	Jan-Aug 2010 Total	Jan-Aug 2010 Multi-property
RFPs	105	45	96	23
RFP Room Nights	66,669	47,497	70,755	53,817
RFP Value	\$120,507,887	\$74,424,018	\$60,796,990	\$46,927,952
Bookings	55	14	48	17
Booked Room Nights	26,765	19,360	13,645	9,230
Bookings Value	\$28,637,382	\$23,633,160	\$37,345,840	\$29,776,580
Lost	11	4	29	10
Lost Room Nights	6,082	3,334	32,337	26,780
Lost Value	\$4,098,528	\$2,681,280	\$34,843,158	\$31,537,800
Tentative (as of 8/31)	66	41	49	12
Tentative Room Nights	57,291	49,909	44,453	27,808
Tentative Value	\$137,368,098	\$133,122,150	\$44,975,700	\$17,143,560

Washington, DC representation: 7 leads generated totaling 12,535 room nights and a value of \$13,334,580

3

Market Segment Performance

2010 Year End Bookings + 2011 Jan-June Tentatives & Bookings



SYRACUSE CORPORATION FOR ECONOMIC OPPORTUNITY

4

2011 Results - Marketing

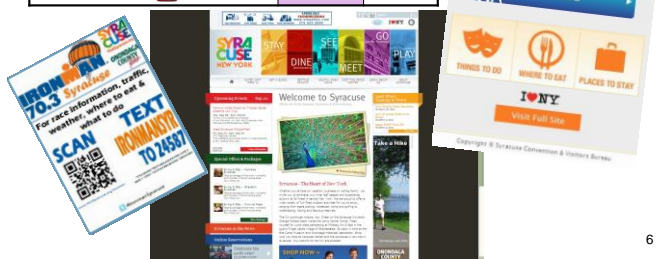
(Jan. - Aug.)	2010	2011
Fulfilled Inquiries	2,488	3,358
Travel/Trade Media Leads	72	83
Travel/Trade Media Hosted	9	12
Media Placements	44	57



5

2011 Results - Online

(Jan. - Aug.)	2010	2011
Visits to www.VisitSyracuse.org	81,915	106,814
Facebook Fans	6,966	9,300
Twitter Followers	1,193	2,642
YouTube Views	2,333	3,238



6

2011 Results - Services

(Jan. - Aug.)	2010	2011
Groups Serviced	84	68
Number of Delegates	119,740	144,249
Estimated Travel Spending	\$66 million	\$97.6 million
Housing Reservation Services	1 group	2 groups



On behalf of the entire reunion group, I would like to thank you and your staff for helping make this years reunion a big success!! You folks are one of the top visitors bureaus that we have worked with. Thanks again,
Bill Wilson (Muncie, IN)
USS TOPEKA CL 67 Reunion Group



7

Overall Budget

	2012 Req.
REVENUE	
Onondaga County Room Occupancy Tax	\$1,450,000
ROT - Right Coast Assoc.	\$22,500
Special Projects (Onondaga County)	\$436,500
Special Projects (Partners)	\$301,500
State Support/I Love NY Matching Grant	\$50,000
Cooperative Marketing Programs	\$95,000
TOTAL INCOME	\$2,355,500
EXPENSES	
Personnel	\$913,974
Operations	\$145,000
Sales Programs	\$311,296
Marketing Programs	\$121,947
Services Programs	\$125,283
Special Projects	\$738,000
TOTAL EXPENSES	\$2,355,500

SYRACUSE CORPORATION FOR ECONOMIC OPPORTUNITY

8

Services with the US Bowling Conferences being here, was a big focus for 2011. It is all about customer service. In fact, the customer service we were able to provide as a community, lead by the CVB helps us generate future sales. It brings visitors back and it brings these

Special projects are really tied to the fund balance request. I will go into some specifics of this in just a few minutes. If you look at it in terms of 2012, we need to be more aggressive, more assertive. We have to recognize that Syracuse, Onondaga County competes with the rest of

Projected Results

2011	2012
Room Nights Booked: 48,000	Room Nights Booked: 64,000
Room Nights Pursued: 130,000	Room Nights Pursued: 175,000
Destination Media Placements: 69	Destination Media Placements: 105
Social Media Audiences: 13,500	Social Media Audiences: 20,250
Return on Investment: 42 to 1	Return on Investment: 50 to 1

2010 Actual Results

Room Nights Booked: 33,329
Room Nights Pursued: 89,943
Destination Media Placements: 67
Social Media Audiences: 9,784
Return on Investment: 54 to 1



9



Comparative Set



10

We anticipated the return on investment might go down a bit for 2011, but are now anticipating that it will go up a great deal. We want to see this grow even more substantially looking ahead to 2012. We will talk about that but before we do I want to give you a little since of how this stacks up against some of the other Convention Visitor's Bureaus out there. We pulled some information this year, looking at a comparative set of other destinations and how they matched up with us from hotel room supply, room tax collections, convention center visitor's size, key industry mixes; like we have the University, education is really big here, health care is really big, other industries that might cluster well with this competitive set, CVB budget size, as well as lost business reports. If you look down at slide 11, it goes into a comparative summary and shows you how we stack up.

Comparative Set Summary

	Onondaga County	Comparative Set (Avg.)
Population	646,084	721,722
Number of Hotel Rooms	6,500	10,527
Room Tax Collections	\$5,504,185 (proj.)	\$6,897,500
% of Room Tax to CVB	27%	46%
Total CVB Funding	\$2,355,500 (req.)	\$3,163,967
% from Public Sources	83%	88%
CVB Budget – Personnel	39%	45%
Full Time Equivalents	13.6	20.7
CVB Budget - Operations	6%	12%
CVB Budget - Programs	55%	43%
Accredited CVB	Yes	14 of 22

11

Sales Program Plans

- Attend more appointment based tradeshows
- Provide significantly more destination support for DC efforts
 - Sales mission
 - Fam tour
 - Sales events
 - Marketing placement
- Strengthen local *Meet Syracuse* program
- Increase direct sales initiatives
- Collaborate more thoroughly with Oncenter
 - Establish revenue goals
 - Create combined marketing/sales plan
 - Explore market segmentation strategies



12



It's all about getting our sales force out there more; in more cost effective and sales effective ways. We've seen trade shows delivered with the results that traditional trade shows can't deliver now days. We have seen the presence in DC really start to pay off. We want to get in there with some more marketing support for that presence. We see continually how our local connections, local people with connections to the trade associations, membership associations; how they help us drive business to this area. We want to devise programs to really reach into this population in a more systematic way. And we want to get out there with more direct sales initiatives.

Marketing Program Plans

- Enhance destination web site capabilities
- Expand destination social media audiences
- Extend partnership with Post Standard to include video blogging
- Upgrade SCVB visitor center presence at Preble Rest Area (I-81 N)
- Sustain regional marketing initiatives
- Integrate cohesive destination design elements across all initiatives



13



Services Program Plans

- Extend complimentary hospitality services
- Measure planner and delegate satisfaction
- Enhance services to exceed industry standards
- Provide customized services as a sales tool
 - Shuttling
 - Hosted events
 - Attendance building
- Convert satisfied customers into repeat business



14



Social media is really taking off and driving interest in our area. We are very synergized with the IDEA's effort. We are actually providing a great deal of the marketing support for that. Our marketing team is already in gear with CRC to look at ways we can help support that effort.

Remember services really bring people back. This is a repeat business that we are driving. Syracuse is really known for its services. We have to continue to make certain that is the case. We have a lot of groups in here that are going to require in-depth services for 2012.

Services Program Plans

- Extend complimentary hospitality services
- Measure planner and delegate satisfaction
- Enhance services to exceed industry standards
- Provide customized services as a sales tool
 - Shuttling
 - Hosted events
 - Attendance building
- Convert satisfied customers into repeat business



14



Special Projects Plans

- Perform a destination market analysis
- Build social media strategies targeted for convention sales
- Communicate destination image across multiple geographic and niche marketplaces
- Collaborate with Carousel Center to more effectively pursue travel trade marketplace
- Provide direct marketing support for convention and event sales
- Construct an events-based corporate sponsorship portfolio program



15



6 programs proposed in terms of either one time needs or special project pilot funding needs. Let me walk through these very quickly. The first one is a onetime need for a destination market analysis. Our destination has changed immensely in the past 20 years, from new convention projects coming online to new facilities coming online, to obviously the development out at Carousel Center beginning to really take shape. We need to get out there and do some understanding of where does our market fit, are we resourced the right way to go after the market that we need to drive and are we out there with the best programs, the best structure to make this happen. We proposed doing this market analysis to do that.

Again social networking is really taking off. We want a onetime investment in hiring a social networking consultant to help us look at ways to bring social networking into our convention sales program as well as look at ways we can more effectively use social media as an outreach mechanism.

We have seen success from public relations; we want to grow that public relations program in a more targeted manner. We are asking for \$155,000 to start a pilot program to really brand this area and deliver destination awareness to our meeting planners and to our travelers so that people in cities like Philadelphia, Washington DC, Ottawa, and Toronto are talking about what is going on in Syracuse. We have seen success from a similar advertising program like this in the past. We have seen continuous success from public relations investments. We want to grow that investment.

We have talked with the Carousel Center and the Destiny USA folks about doing some collaborative programming to really push travel trade sales. We are going to have a product in a few months that is going to put us on an international level. We need to be out there in front of that population to get them to start traveling to Syracuse as they go from NYC to Niagara Falls. We can grab that now. We haven't necessarily been able to grab that in the past. We are going to be able to grab that in the future, but we need some targeted sales to do this. We have had conversations and have presented to the Destiny USA executive's; they are interested in a partnership taking this fund balance proposal and put it together with private investments that they would come forward with .

Additional we are looking for some pilot investments into convention marketing to really push that program. To push getting our destination out there more succinctly to convention planners both in Washington DC and in other market places. You've seen the markets that produce for our area. We want to go after their meeting planners with some marketing materials above and beyond what we are doing in sales.

Finally we know that events are often coming to the County for funding. We want to create a portfolio of sponsorships and have actually had conversations with a sponsorship expert, who can go out and start presenting a number of events, out there across a whole portfolio and pursue sponsorships for them in this way. This is not necessarily a Convention and Visitor's Bureau direct program. We would actually be driving, using \$50,000 of onetime investment to get this program started, and to drive sponsorships for some of the events that you currently support through room tax.

Budget Detail – Special Projects

INCOME

Fund Balance (Onondaga County)	\$436,500
Collaborative Travel Trade (Industry Partners)	\$91,500
Event Sponsorship Coordination (Corporate Sponsors)	\$210,000
TOTAL	\$738,000

EXPENSES

Destination Market Analysis	\$98,000
Social Networking Consultant	\$12,000
Image Awareness (PR)	\$155,000
Collaborative Travel Trade	\$183,000
Convention Planner Direct Marketing	\$30,000
Event Sponsorship Coordination	\$260,000
TOTAL	\$738,000

16

Some details in terms of how the budget is spread out and the private investment that we are looking to trigger from this and leverage from the fund balance investment.

This is the Convention Visitor's Bureau budget in a nutshell. I don't know Rob, if you want to add anything from that prospective.

Mr. Simpson:

Just two quick things; first of all and I think maybe most importantly from my standpoint, the relationship we have formed with David and the folks at the CVB as part of our integration process has been really remarkable. I give large credit to David's leadership. He's jumped right in and looked for opportunities to leverage the relationships with the business community and also the economic development apparatuses that Tom runs to try to bring in new industry oriented and economic development oriented conferences, events and associations; which has been a synergy that we hoped for. One that we figured we would find over the long term, but we found very quickly and I think that is really due to David and his team's willingness to try new things. Along that line, the most important slide on here from my prospective; beyond the results which I think are impressive, is the comparative analysis. This is something that we emphasis consistently. My goal for CenterState CEO is for us to be the most efficient and effective business leadership organization in the entire state. That drills down to David's level and with his peer group we are really talking about peer associations across the country. We want to be as efficient, we want to be as effective; we want to learn from those peers to make sure we incorporate best practices. Obviously we know there have been some discussions amongst members of the Legislature who have brought some really good ideas to our attention this year that we are eager to pursue in collaboration with the Oncenter and with others. I am really pleased with the performance and am looking forward to doing even more next year.

Mr. Lesniak stated that he disagreed with Mr. Holder. He believes that they are not the only team doing marketing and sales. This is why he was trying to get some collaboration with the move to the Oncenter. He believes they are both working on some of the same things. It is time to get the teams working together. He heard some movement has gone in that direction. He thinks it needs to go a little further but this is government and it is going to move at its own pace.

Mr. Lesniak stated that some of these things have been moved to county general. Over all there is a \$2 million dollar increase to local appropriations; a lot of the proposal is going on the tax dollar. This is taking all the authorized agencies and moving some of this stuff into this budget line.

Mr. Lesniak requested more information on the proposals requested out of fund balance; including where they are looking to market and where they will be studying to see what we are marketing for.

Mr. Holder responded that their job as a CVB is to do the marketing across the entire destination. They work with multiple facilities and multiple businesses in making certain that the visitors we are able to attract here, are looking at all the different options that we have. One reason they feel this market analysis is so important for

our area at this time; they have a different product than they have had in the past. They have some of the similar challenges. The Metropolitan Development Corporation did a study in 1999.; a quick quote from that, *“While the Oncenter is an excellent convention facility the majority of the events held there are strongly local. The local events are appropriately booked within the 18 month booking window per center policy and high economic impact convention center businesses is not turned away in favor of local businesses”*. This is still true. This other statement is still true as well, *“The ability of the Syracuse Convention Visitor’s Bureau and the Oncenter to secure non local business is significantly hampered by a CVB budget that is not competitive, a downtown hotel product that does not include a modern convention hotel and a limited number of committable rooms within walking distance and noncompetitive airfares”*. We still have all of those problems. He knows that they have had numerous conversations within these walls about how to get these problems solved. This is a 1999 study; our destination is still challenged by some of those things. They have got to keep pushing to get those things resolved.

Mr. Simpson added that he agrees with Mr. Holder on the fundamentals and some of the challenges of the market place. Ms. Toennies, Mr. Holder, Mr. Blanchard, Mr. Fisher and himself have had a couple of very productive conversations on this front. Add to that list of challenges, the fact that we all understand in this community, we are looking at deficits for the Oncenter. They understand the pressure that puts on this body, and if there are things that they can do either structurally, programically or through increased cooperation to improve the performance and fill that Oncenter and cut that deficit, they’re going to find those and do those. The only area where he’s raised any concerns about the proposal that came before you is that they have found some great synergies with the folks at the CVB through their merger that he wants to make sure don’t get lost in any future merger, consolidation, collaboration and so on and so further. He thinks the conversation that they had earlier this week or late last week, was really productive in identifying some very specific things that they can do in the immediate term to create more accountability around revenue streams to the Oncenter. He believes this is the Legislature’s concern; clearly that’s their concern and part of Mr. Holder’s charge and certainly part of Ms. Toennies’ as well. He offered their unequivocal commitment to work with the Legislature on this and find a solution that is going to work.

Mr. Lesniak asked for a detailed breakdown on the ROT; where does the \$1,450,000 go.

In answer to Mr. Lesniak, Mr. Holder stated \$22,500 ROT is for Syracuse Nationals. King of Trucks asked for funding in this fiscal year, 2011. They looked at the funds as seed funding, and are not requesting any funding for King of Trucks moving forward. The \$22,500 is specifically for Syracuse Nationals.

Mr. Lesniak asked for a breakdown of the Special Projects.

Mr. Lesniak asked what Special Projects Partners was referring to. Mr. Holder responded this refers to businesses that they have already had some conversations with in terms of stepping up and being a partner; outside private industry businesses coming on board and putting some dollars into this program. They have heard from a number of facets including Mr. Stanczyk that CVB needs to continue to look for ways to get private investments up. They have really pushed this over the last few years; really driving new private investments in their programs.

Mr. Lesniak asked where the Cooperative Marketing Program revenues were coming from. Mr. Holder responded that this was the same situation. If you look at the Special Projects Partners, it’s partner investment into those programs specifically. The Cooperative Marketing Program is private investment into our sales programs, our traditional operations. Some specific examples would be a hotel goes to a trade show with us, a restaurant like Dinosaur BBQ, advertises on our website, an attraction puts a brochure at the Preble rest area; those types of collaborative cooperative marketing expenses come out of this.

Mr. Lesniak stated one of his pet peeves for Syracuse; any small City has some type of tourism tour within the City confines, our tours for the bowlers where wine tours, tours to the casino, things outside of Onondaga County. As he mentioned before, Portland Maine, a much smaller City than ours has this little foodie tours within the confines of their City. Some of the bowlers ask, “Where did Adam go on his food tour through Syracuse”. He really thinks we have to look at doing something that keeps the tour in Onondaga County. Mr.

Holder responded that one of the synergies they have with CenterState is their relationship with the Downtown Committee. The Downtown Committee just put out a downtown walking tour. It is a very well done piece. They ordered extra copies so that they would actually have something to give out to convention attendees that come in this area. It was just released back in June. They are collaborating with the Downtown Committee to get this on line and pushed out, as much as they possibly can. They've taken the concept for the Adam Richman food tour and started integrating this from a PR standpoint; pushing this out to get other media interested. Once they have those kinds of thoughts, they actually embrace them as part of their mobile website. If you go to their website you will see different itinerary concepts. He agrees entirely; need to take this to the next level and start actually turning it into real tours. One of the things that we will see as part of the investment that they have proposed for travel trade, is this will become a reality. They worked with a receptive operator who was working with a tour company out of Minnesota, to put together local options for bowlers to tour our area while they were here. Those tours went well, the ladies had great feedback and they spent a lot of money in the area. They are right on the same page with this and are certainly looking at making more investments in that area.

Chair Jordan asked what the marketing plan was to bring visitors to Syracuse in the winter. Mr. Holder:

- Winter is our biggest celebrity, the more we can capitalize on this the better
- Sports Development Director targeted winter events to go after, 2 yrs ago had success with US Snowshoeing Championships competing at Highland Forest; said it was one of the best facilities they had ever used and in fact are looking to comeback to Syracuse in the future; rotate around the country
- Take our skiing, cross country skiing, snowshoeing and snowmobiling messaging and hit some of our target markets with it; may not be as glamorous or have as deep of powder as Colorado or Utah but we are closer
- One reason strongly feel that PR is the way to go, travel media can do a great job of selling our story for us, need to arm them with the right stories to sell; part of that is working with a PR relations firm with contacts in place, can utilize our legs on the street to put the right stories together, the right site visits in place and get them here to sell that story for us
- Inside product doesn't change, shopping, dining, museums, and cultural attractions stand out in the winter, the more we emphasis that as not being closed, the more we'll see visitation come here during the winter months
- Winter months are some of the strongest convention months in the area because it is indoors

Mr. Stanczyk stated he wanted to follow up on what Mr. Lesniak was saying. It is disconcerting to have visitors from outside the community, instructed to go to the Finger Lakes, the Casino, Niagara Falls or any number of locations out of town. He recently had out of town guests and they wanted to see the things they see on TV. They wanted to go where the Adam guy from TV went and to the Carrier Dome. He called up to get a tour for 45 minutes and they were gracious enough to do it because I asked, but if Syracuse University could be engaged to give a tour, even if it included a fee and they gave some little SU memento. People have a vision of Syracuse and we need to promote the assets we have. He took them to up to see the Stone Throwers Park, things that are unique to Syracuse. He wants the visitors to say they saw things that are significant to Syracuse. If he was conducting something he would even take people to the Erie Canal Museum. He thinks there should be more focus on keeping people here, investing in the things that are important here. Unfortunately not enough of that has been done.

Mr. Holder responded that under no circumstances were they pushing visitors to go outside the area verses inside the area and he will give you some great indicators of this. During the months that the bowling conference was here, the Erie Canal Museum saw their highest visitation levels ever, because the bowlers would engage with the Visitor's Center and Oncenter staff, and they would ask what they had in store for them that day. They would go through a list of things, asking if they had done various things and would hit item number 5 before they actually got to one. One of the reasons they are so excited about their relationship with the Post Standard and producing their Visitor's Guide is that it has given them a great deal of opportunity. They have gone from producing 1 Visitor's Guide every 18 months to producing 4 different volumes per year. They are able to go into the specifics of what this area has to offer and what truly makes us unique and compelling against other destinations. If you pull out the Visitor's Guide or go to our website we really try to focus on what makes us different for every other place out there. It's the things that make us special, and the things that make us special, are those things that we need to be proud of and we need to show off. If there is anything that we need to do in this regard it is definitely, to take those things and make them easier to access for our visitors.

Mr. Stanczyk stated that we should be proactive enough to work with SU to set up a tour. They could charge \$10 for the tour and SU could keep the revenues. He just wants them to see something so that when they go back home, they can say that they saw the Dome and were actually inside the dome. It's different, and it's certainly different than saying we are putting stuff in front of them and some are choosing to go to the Erie Canal Museum. If someone packaged tours of the museums and things that are special to Syracuse, and made them convenient for people to do, you would get a lot more attendance than just the people who stumble in. Mr. Holder agreed.

Mrs. Rapp referenced slide number 9 and asked where they were in terms of meeting the goal of 48,000 room nights booked. Mr. Holder responded through the end of August they are at 26,765. They have a lot of work, but they have an advantage with their existing book of pending business. They have a lot of decisions that come up in October, November and December. The sales team knows that they have a focus for the fall and it is getting that pending business converted. Their book of tentative pending business is the highest that it's been in the past 5 years.

Mrs. Rapp asked if these would come in before January 1st. Mr. Holder responded yes not necessarily all of that, but a good piece is slated to be converted, or to make their decision between now and the end of the year. The sales team is focused; they need to keep getting things into that pipeline but they also need to get the pending business closed.

Mrs. Rapp asked if the ROT figures were based on 48,000 units. Mr. Holder responded no, there is not necessarily a synergy there. 48,000 room nights could be for 2012, 2013, 2014, and 2015. There is business that they convert in a year and there is business that is 3-4 years down the line. The more results they see out of the DC marketplace, the longer term some of that business will be.

Mrs. Rapp stated that when you look at the 2010 actual results and the projected results for 2012 which are almost doubling, it seems aggressive. Mr. Holder responded that it may on paper but they will have a full year of a DC sales rep in place. They have proposed significantly more programming within this budget. Those goals are based on full funding of this budget. If they don't see that, they are going to have to go back and revisit those goals. Based on what they have proposed, he has always been up front with this body; they are going to tell you what they are going to do and how they propose to spend the investment. They are also going to tell you what they anticipate seeing as an outcome, and then they will come back later and show you what the actual outcome was.

Mrs. Rapp asked Mr. Holders thoughts on the proposed idea of for funding the arts. Mr. Holder responded that if you look at the structure and in fact one of the reasons this comparative information is so important for us to have, if you look at the way other cities have structured their hotel or occupancy tax they usually have it structured in a 3 way system. There is a convention center, a CVB and usually an arts and cultural product in that mix; not always but usually. They have to have a product to market, they have to have a convention center to sell at the same time those products need a CVB to help sell and market the area. They do this from a destination standpoint. Having a dedicated form of funding for arts and cultural organizations helps make certain that they also have an understanding of their role in tourism. It also helps generate greater synergy, helps them be focused on having the best operation possible. This is what he believes they need to be striving for, so they are not out there struggling for funds, they can concentrate on making their performing arts organization the best that it can be. There is stability in having a dedicated amount of funding for that. Hoteliers want to see marketing, want to see an investment going out there to drive new opportunities. When something comes along like Turner Cezanne and all of a sudden that museum is able to put forth a program that really drives economic development opportunities that is marketing. That's a case where the product becomes the marketing. Our job is to really push this from a packaging standpoint; this is exactly the role that they played in Turner Cezanne.

Mr. Simpson added that he would go even a step further than that. The proposal as it relates to the arts is exactly the right direction we need to move in. He has been a strong supporter for a longtime, of having a dedicated funding stream for the arts. He thinks it could still be larger but is thrilled at the fact that there is a

move in that direction. Mr. Holder is correct; there is something to be said for the assets that are unique to Syracuse. Arts and cultural organizations are critical components of that. Moreover he thinks the way that the County Executive and the Legislature talked about structuring this will allow them to engage the private sector in the work of funding the arts and cultural event and activities. He has been having conversations with a number of the major corporate funders in town, the Community Foundation, the County Executive and Mr. Fisher about trying to create a sense of collective purpose in funding the arts and cultural organizations. Historically it has been his perspective that many of these organizations, very well intended with very strong programming have sort of made a circuit from the County Legislature to the philanthropic community to the corporate community and if one body was unable to provide funding in any given year they were able to fund it elsewhere. The end result of this has been that we have consistently had strong revenue streams for our arts and cultural organizations, but it hasn't necessarily been that the spending was leveraged in a way that it made large investments in the best products. He thinks all of us as a community are guilty sometimes of not making the most strategic investments; investing in products that weren't as well managed or well run as was necessary. This kind of collaboration, requiring the arts and cultural organizations to take the public funding they receive from the County and match and leverage this with private institutions and philanthropy will encourage a higher level dialog. Ultimately, he hopes that the County driven funding and the philanthropic funding will be done in a coordinated and strategic fashion.

Mrs. Rapp asked for confirmation that they were supporting the proposal for the CRC to fund the arts and cultural organizations. Mr. Simpson responded absolutely, this community needs a strong arts and cultural representative. CRC is in a very good position to do that. They certainly have CenterState CEO's vote of confidence to do this. He add that he believes many of the corporate donors are looking for an entity like the CRC to provide some guidance about which investments, in which organizations, are well managed, with strong budgets, are consistently audited and where they know and have confidence that the programs are sound.

Mr. Rhinehart agreed, adding this Legislature was very clear last year when it decided that we really aren't the best deciders of which arts and cultural agencies deserve priority. This 3 tiered proposed system has meet with a lot of criticism from individual Legislators wanting to know how and why different organizations made different tiers. He is not sure how this will play out, but he does agree that the CRC is a better way to fund the arts and cultural organizations. Per the suggestions of Mrs. Rapp, Mr. Jordan and Mr. Simpson, he thinks that the Legislature will take a hard look at moving the funding over to the CRC and letting them handle this.

Mr. Rhinehart asked if the City of Syracuse contributes to the CVB. Mr. Holder responded that they do not. Mr. Rhinehart stated he was looking at the mission statement, about the awareness of the City and the County. We are linked; anyone that comes to visit the City looks at us as one.

Mr. Rhinehart asked if CenterState CEO received funding from the City. Mr. Simpson responded that they receive funding from the City for the management of the Downtown Committee, which is in the Business Improvement District. The City collects a special assessment and passes it through via annual contract for the Downtown Committee to administer on its behalf; so no direct financial contributions to the larger corporation.

Mr. Rhinehart asked if they got all the money and then administered it. Mr. Simpson responded that the special assessment is collected and the entire special assessment is passed on annually through the City's budget process to the Downtown Committee. The Downtown Committee administers this; around \$900,000 per year with another \$340,000 in private funds that the Downtown Committee raises to round out their budget. The relationship between the Downtown Committee and the CVB has been a remarkable success story from their prospective, both for downtown and their broader marketing efforts. Mr. Holder added this has created a lot of synergy in so many different ways; information sharing, updating websites, getting marketing messages out there and in terms of general support. We are able to provide some tourism data to help them pursue some of the business they are going after. They have been able to give us some inside opportunities on how to become better engaged with some of the businesses.

Mr. Rinehart stated he agreed with the public, private partnership. They are trying to get away from the past practice, when money was pretty loose and plentiful. A number of our authorized agencies would come in

each year with the expectation that they were going to get their chunk and perhaps a little more. . The original intent with this proposal was that agencies requesting funding would come in with pledged funding to match any request for County funds, not as Mr. Simpson has suggested whereby they would receive County funds and then try to match it with private contributions. Too many times in the past people weren't motivated when they came in and the money was very easily coming from the legislature on behalf of the taxpayers.

Mr. Rhinehart asked where they would rate the zoo on the list of attractions, arts and cultural events and things to do in Onondaga County. Mr. Holder responded that there are a couple different dimensions to this. As a visitors attraction he would rate it very highly. The visitors that come through the zoo are wowed. We have a zoo that we should be very proud of. For a City of our size to have a zoo of this caliber really says a lot about how strategic we have been with our investments, to try to encourage those types of visitor assets. The zoo was actually the cover shot for the summer Visitor's Guide. It's that powerful of a product. In terms of how it stacks up against the arts and cultural organizations he is not sure. Mr. Rhinehart added that he was not just referring to the arts and cultural events, there is also the MOST, Jazz Fest; he's speaking of everything. Mr. Holder responded that it defiantly has to be in the mix somewhere. It is a very, very valuable destination asset. Mr. Rhinehart asked for a number. Mr. Holder responded that it would have to be in the top 5 or 6 if not even higher. If you look at it in terms of actual visitation numbers, it is really high.

Mr. Holder added that he believes one of the dimensions they have to look at is the actual visitation numbers. Mr. Rhinehart responded that they are going to.

Mr. Fisher asked to add the following in reference to the question of funding the CVB and CenterState CEO. The county collects all the room occupancy tax and doesn't share any of it with the City. They feel it is appropriate to fund things such as the CVB or the arts and cultural agencies out of room occupancy tax since we keep all of the ROT funds. If we shared any of that money with the City their office would probably see this differently.

Convention Center- (pg. 3-52 Line 825) – Terri Toennies, President and CEO; Peter Casper, Chief Financial Officer; Steve Cambareri, Board President, Jack Cushman, Finance Committee Chair

Mr. Cambareri presented the following:

Good morning everyone.

I will try to make this as brief as I can since our 10:15 a.m. time slot usually ends up at noon every year. This is my 4th year being here and so I have the drill down pretty well. My name is Steve Cambareri. I am the Chair of the Oncenter Board of Directors, to my left is Terri Toennies, she is the President and the CEO of the Oncenter, to my immediate right Peter Casper, who is the Chief Financial Officer of the Oncenter and to my far right is Jack Cushman. Jack is one of the Vice President's of the Nice and Easy Grocery Shops and the Chair of our finance committee.

Thank you all for having us.

Just a couple of things I wanted to say at the outset. First of all, we as a Board have the utmost confidence in the management team that it has been in place for a couple of years now at the Oncenter. It is clear based on things like the bowling tournament that they not only understand our facilities now, but they understand our market and are clearly headed in the right direction. They understand what it is that they need to do to market each of the facilities here and we as a board have the utmost confidence in them. I only see positive things going forward. There still are challenges as alluded to earlier, the lack of a convention center hotel certainly hampers the ability to book conventions, a Landmark Theatre that has in part been funded by this body, we are going to find out whether or not that is going to have a major impact on the Famous Artist Broadway Series that counts for a great deal of revenue in the Civic Center, an OCC arena that has also again been funded by the taxpayers and has already taken events that had been traditionally going to the War Memorial and would have been a revenue stream to the Oncenter. So those are challenges that we will continue to face just exactly to what extent is still yet to be seen but again we have the utmost confidence in our management team and quite frankly we could not find a better Chair of our Finance Committee for our board than what we have in Jack Cushman. He is evaluating our finances and all of our data like never before and will be evaluating it and showing us the benchmarks and whether or not management is actually meeting those.

I will turn it over to Terri Toennies now, to provide the presentation for the 2012 budget.

Ms. Toennies presented the following:

As Mr. Cambareri said, we have a rather abbreviated agenda for you today because I understand there is a lot of information to absorb. What we passed out and will go through is the overview of 2011 and budget review for 2012.

You also have the Budget Presentation Exhibits that back up our numbers. **(On file with the Clerk)** It actually gives you the P&L by building so that you can totally understand what the War Memorial, the Civic Center Theatre and the Oncenter Convention Center brings to the table and then the last piece is the Strategic Marketing Plan Sponsorship Marketing which is what we use to drive where we are going to find our business and where we are going to get out business.

Anytime you have any questions throughout please feel free to ask.



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Revenue	\$7,768,531
Expenses	\$9,596,405
Subsidy	\$2,084,743*

*2011 original subsidy was \$1,229,742. In July the Oncenter received an additional funding of \$1,850,000 to strengthen the accounts payable and cash reserves balance sheet

Of the \$1,850,000, \$855,000 was applied to the subsidy, \$900,000 is a loan to be paid back beginning in June 2013 and \$95,000 paid off the Syracuse Symphony Orchestra accounts receivable balance from the 2010-2011 season.

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We are going to start with the 2011 overview of where we are going to end the year. This was completed in August and as of September we are actually looking a little bit better than what was forecasted here. Our anticipated year end will now be up about another \$331,000 over the \$7,768,000 in revenue bringing us to about \$8,100,000 year end budget. The main factors of these are 5 additional concerts that have actually come to fruition with signed contracts as well as additional social local catering contracts signed at the end of the summer. As you know in business it is hard to get a hold of people in July and August, but as soon as August changed to September, we started getting signed contracts.

We have been very cautious, since we learned over the last 2 years to make sure that anything we put in numbers is definite. We don't forecast tentative, we don't forecast historical at this point because our venues are changing. As Steve alluded to, there will be a different venue next year with SRC and the Landmark Theatre taking or maybe displacing a significant amount of our theater business. We will get into that in a minute.

When we look at the 2011 overview, what this basically means is at the end of the year, and I am glad you're all sitting because we will probably see a profit somewhere around \$250,000 to \$275,000 at the Oncenter Complex. This money will be earmarked to pay back the \$900,000 loan that we took from the County in June of last year.

One other thing with the annual year end for 2011 is that we have a facility fee; as many of you were involved in. This was installed in October of 2009 and since October 2009 through current we have actually accumulated \$306,000 in that fund. We do have a breakdown of how that has been spent. The majority of it has gone against the scoreboard at the War Memorial which we committed to the Legislature that we would pay back through the facility fee and we have done that, even with our lack of funding last year. We still kept up on our scoreboard payments. We also added some carpeting, some pipe and drapes, some very basic things we needed over in the War Memorial in order to convert that War Memorial to an exhibit style hall during the bowling, when we moved groups from the exhibit hall into the War Memorial and also did a number of theater upgrades. Some of those upgrades were pertinent to the Lion King show. All of that came out of facility fee money. It did not come out of tax dollar money. It came right from the facility fee that we put on top of tickets, ranging anywhere from \$1 to \$2, depending on the show or event. The concerts have been a big factor of this, where we get a significant amount.

Consolidated Income Statement	
Revenues	\$7,637,872
Expenses	\$9,276,297
Subsidy request	\$1,638,425
Capital Reserve	\$ 250,000
See Exhibit A	

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Your 2012 Consolidated Income Statement shows the revenue forecast for 2012. As many of you know the capital reserve is pretty much the same since 1992. That is something that we are just keeping consistent. With the changeover the County has taken over our facilities management and maintenance. The \$250,000 really goes for soft goods as in kitchen equipment, linens, and things like this that are needed to operate the venue.

In the separate exhibit packet it shows the consolidated income statement. If you go through the exhibits you will have the overview as a P&L showing line by line revenues, costs of sales, direct labor, direct expenses, indirect labor, other direct cost, operating income, subsidy and net income. Behind all of that is exhibit by building.

If no one has any questions I am going to go into the building by building at this time.

Budget Assumptions	
Budget for 2012 has been created in accordance with the request from the Oncenter Finance Committee, the County Comptroller and the County Chief Fiscal Officer	
Sales: Sales are based on definitive sales as of 7/5/11 and historical trends. Sales are forecast by building: Convention Center, Civic Center Theaters and War Memorial (Crunch, Soccer, and Non Crunch/Soccer) and by activity: Parking and Other	
Sales for the 2012 budget are \$100k more than the 2011 forecast: <u>Convention Center</u> -Sales are \$906,755 more than the 2011 forecast. This is due to a full year of experienced catering and convention sales personnel, an increase in convention business, an aggressive stance on no more discounting and the raising of prices to current competitive values in the community, as well as accountability of the sales people to their numbers. This also takes into consideration the displacement of business during the United States Bowling Congress in 2011	
<u>War Memorial</u> -Budget sales are \$391,271 over 2011 forecast. This is due to the addition of Soccer (\$132,000) and increase in concert and family shows (Cirque Soleil and others- \$196,915) as well as Crunch increases in Concession sales (\$63,858)	
<u>Civic Center Theaters</u> -Budget sales are \$1,196,000 under 2011 forecasted sales. At the time of the budget process, there is no guarantee from Famous Artists (Broadway shows) in the theater for the 2012-2013 season due to the opportunity for the promoter to use the Landmark instead. There is no historical Syracuse Symphony to forecast and it is too early to have other live entertainment booked (concerts, comedy, dance competitions, etc)	

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The budget assumption for 2012 assumes sales based on definitive sales as of July 5th. As David alluded to, we are a moving target. We only sell 18 months in as a sales team, per our management agreement with the County. Everything that we are selling currently is going through December of 2012, which means you always have a lot of revenue continuing to come on board.

Our base truly is our convention business which drives from the Convention and Visitor's Bureau. That base is what starts conversations for what we need to get to fill up the rest of the space. As David also mentioned, we are trying to work closely with the CVB to put some revenue quotes on their sales team to actually fill in the space at the Convention Center with convention business that means something to the Convention Center.

About \$400,000 of the revenue forecast for the Convention Center is displaced business that was moved for the bowling tournament and is coming back. The other \$500,000 is new business that we have on the books. This again, is all social local trade show business for the most part. One or two of those groups is convention driven business from the CVB.

War Memorial - We have been working closely with a company called Venue Coalition which represents 55 arenas across the United States and Canada. They have been instrumental in booking some concerts for us this past year; large concerts that generated a good net profit. We are confident that they will bring some money to the table again next year. Crunch concession sales will show an increase as we have changed our pricing structure.

The SRC arena is affecting the 2012 budget in that they have already booked \$112,000 worth of revenue on business that is normally at the Oncenter.

Civic Center Theaters - Shows like the Lion King bring in close to \$700,000 in revenue, the Symphony was \$120,000 top line sales. At this point the owner and operator of the Famous Artists series have not decided where the shows will be held. We are working with the Symphony Syracuse and are also working with the Philharmonic Symphony to see what will come to the table on that. At this point, it is still in the very, very early planning stages.

Budget Assumptions (continued)

Cost of Sales:

Food and Beverage expenses are budgeted to be 25% and 21% of direct sales respectively
 Direct Labor specifically for IATSE (production) and Ushers is under forecast 7.3% due to lack of budgeted theater events
 Other direct costs are slightly under forecast due to concession split in 2011 of \$100k due to USBC

Indirect Labor:

The budget assumes a 3% pay increase for non union employees.
 Workers Compensation and NYS Unemployment are budgeted for a total of \$546k
 Headcount is up 2 employees due to moving a part time Security Manager into indirect labor and adding two new concession supervisor positions

Other Indirect Costs:

\$55,330 over 2011 forecast primarily due to increases in taxes, business insurance, and county share on open lot revenue

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Cost of Sales - food and beverage is a pretty good number. We have been running slightly higher than this in the years past so it is showing real Due diligence on the part of our management to control expenses. We are getting ready to send out an RFP to food and beverage people in the world of Sysco and national food companies to work more on what they can give back to us in cost controls on expenses of food.

Direct Labor for IASTE our production team, which is one of our unions and ushers is under forecast right now because we can't budget labor against no theater events in place. You will see that in the costs of sales and the overview is significantly lower. Other direct costs that are slightly under forecast, concession split from the USBC, we had to give them \$100,000 in revenue per the contract signed with the CVB, so that \$100,000 that was in 2011 is not in 2012.

Indirect Labor - 3% pay increase across the board for non union employees may change after performance review; may be less than that, may be none of that or slightly higher, but 3% on average. Our management team across the board has received no increase since 2008. The headcount sheet is included on the last page. Moving hourly employees into supervisor positions is actually saving us money in the long run.

Balance Sheet

	Forecasted Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Assets													
Current Assets:													
Cash - Working Capita	(4,571)	198,199	102,357	432,923	345,495	329,429	764,864	718,756	382,061	565,511	453,683	380,194	53,053
Cash - Non Working (Vaults, Petty Cash)	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Accounts Receivable	77,461	251,478	227,085	211,380	213,404	285,742	200,891	47,992	36,120	146,185	260,536	129,700	128,092
Other Receivables													
Inventory	120,000	130,229	117,597	109,465	110,513	147,974	104,033	24,853	18,705	75,703	134,921	67,166	66,333
Deferred Event Cost													
Other Current Assets	44,957	125,739	113,542	105,690	106,702	142,871	100,446	23,996	18,060	73,092	130,268	64,850	64,046
Total Current Assets	304,847	772,645	627,580	926,456	843,114	973,016	1,237,233	882,597	521,945	927,491	1,046,408	708,911	378,523
Capital Assets													
Smallwares & Equip	481,105	481,105	481,105	481,105	481,105	481,105	481,105	481,105	481,105	481,105	481,105	481,105	481,105
Software & Computers	280,129	280,129	280,129	280,129	280,129	280,129	280,129	280,129	280,129	280,129	280,129	280,129	280,129
Leasehold Improvements	52,886	52,886	52,886	52,886	52,886	52,886	52,886	52,886	52,886	52,886	52,886	52,886	52,886
Decorations	137,736	137,736	137,736	137,736	137,736	137,736	137,736	137,736	137,736	137,736	137,736	137,736	137,736
Accum Depreciation	(589,871)	(599,035)	(608,199)	(617,364)	(626,528)	(635,692)	(644,856)	(654,020)	(663,184)	(672,349)	(681,513)	(690,677)	(699,841)
Net Capital Assets	361,985	352,821	343,657	334,492	325,328	316,164	307,000	297,836	288,672	279,507	270,343	261,179	252,015
Other Assets													
Cash Box Office	500,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Cash Capital Reserve		248,056	189,444	187,500	185,556	126,944	125,000	123,056	64,444	62,500	60,556	1,944	-
Cash Advanced Customer Deposits	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275
Cash Facility Fees	117,793	62,534	84,404	96,494	83,307	86,827	105,307	70,160	88,640	70,160	86,323	58,713	98,673
Total Assets	1,513,900	1,915,331	1,724,360	2,024,218	1,916,580	1,982,226	2,253,815	1,852,924	1,442,976	1,818,933	1,942,906	1,510,022	1,208,486
Liabilities & Net Assets													
Current Liabilities:													
Accounts Payable and Accrued Exp	258,862	442,034	365,109	388,100	371,748	365,192	279,922	193,512	163,784	270,257	438,847	329,666	329,433
Accrued Expense	90,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Accrued Payroll and Related Exp	130,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Total AP, Accrued Exp	478,862	552,034	475,109	498,100	481,748	475,192	389,922	303,512	273,784	380,257	548,847	439,666	439,433
Advance Tickets Sales	500,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Deposits	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275	229,275
Due to Onondaga County	112,046	112,046	112,046	112,046	112,046	112,046	112,046	112,046	112,046	112,046	112,046	112,046	112,046
Current Portion of Long-Term Deb	20,543	20,605	20,716	20,826	20,938	21,047	21,160	21,270	21,385	21,500	21,612	21,728	21,841
Deferred Revenue	(4,510)												
Total Other Current Liability:	857,354	611,926	612,037	612,146	612,258	612,367	612,481	612,591	612,705	612,820	612,932	613,049	613,162
Total Current Liability	1,336,216	1,163,960	1,087,146	1,110,246	1,094,006	1,087,559	1,002,403	916,102	886,489	993,077	1,161,779	1,052,715	1,052,595
Long-Term Debt													
Total Liability:	2,269,494	2,095,522	2,016,934	2,038,236	2,020,203	2,011,948	1,924,979	1,836,853	1,805,407	1,910,153	2,077,000	1,966,074	1,964,080
Net Assets:													
Contributed Capital	-	248,056	189,444	187,500	185,556	126,944	125,000	123,056	64,444	62,500	60,556	1,944	-
Def Room Ope Tax Subsidies	-	327,346	273,576	554,077	466,416	598,928	959,430	648,609	328,719	601,874	560,944	297,598	-
Invested In Capital Assets	(857,462)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)	(755,594)
Unrestricted/2009 YTD Income/(Loss)	101,868	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets	(755,594)	(180,192)	(292,574)	(14,018)	(103,622)	(29,722)	328,836	16,071	(362,432)	(91,220)	(134,094)	(456,053)	(755,594)
Total Liabilities and Net Assets	1,513,900	1,915,331	1,724,360	2,024,218	1,916,580	1,982,226	2,253,815	1,852,924	1,442,976	1,818,933	1,942,906	1,510,022	1,208,486
	0.00	-	-	-	-	-	-	-	-	-	-	-	-

This is the 2012 balance sheet which I will not go through. Many of you have asked for it, so it is there for you to see.

Cash Flow

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
CASH FLOWS FROM OPERATING ACTIVITIES:												
Reconciliation of deficiency from operation of net cash utilized in operating activities:	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Allowance												
Deficiency from operations												
Depreciation Expense	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164	9,164
Bad Debt												
ROTS subsidy revenue	(82,260)	(53,770)	(129,106)	(87,661)	132,512	(49,104)	(310,821)	(319,890)	(136,451)	(40,931)	(263,346)	(297,598)
Change in assets and liabilities:												
Account Receivable	(174,017)	24,393	15,705	(2,024)	(72,338)	84,851	152,899	11,873	(110,065)	(114,352)	130,836	1,609
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	(10,229)	12,632	8,133	(1,048)	(37,461)	43,941	79,180	6,148	(56,998)	(59,218)	67,754	833
Deferred Event Cost	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	(80,782)	12,196	7,852	(1,012)	(36,169)	42,425	76,449	5,936	(55,033)	(57,176)	65,418	804
Account Payable and Accrued Expense	183,172	(76,925)	22,991	(16,352)	(6,556)	(85,270)	(86,411)	(29,728)	106,473	168,590	(109,180)	(233)
Accrued Expense	(60,000)	-	-	-	-	-	-	-	-	-	-	-
Accrued Payroll and Related Expense	(50,000)	-	-	-	-	-	-	-	-	-	-	-
Advanced Ticket Sales	(250,000)	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Due to County of Onondaga	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	4,510	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used in Operating Activities	(510,441)	(72,310)	(65,261)	(98,934)	(10,847)	46,007	(79,539)	(316,497)	(242,909)	(93,922)	(99,354)	(285,421)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:												
Operating Subsidy/Net Cash Provided by Noncapital	409,606	-	409,606	-	-	409,606	-	-	409,606	-	-	-
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:												
Cash Received for Capital Reserve Projects	250,000	-	-	-	-	-	-	-	-	-	-	-
Payments from Capital Reserve for Projects and Combi	(1,944)	(58,612)	(1,944)	(1,944)	(58,612)	(1,944)	(1,944)	(58,612)	(1,944)	(1,944)	(58,612)	(1,944)
Purchase of Capital Assets												
Payments on Long-Term Debt	(1,654)	(1,663)	(1,689)	(1,681)	(1,698)	(1,699)	(1,716)	(1,718)	(1,727)	(1,743)	(1,746)	(1,761)
Proceeds from Capital Reserve to Fund Loan												
Proceeds from From Loans												
Purchase of Capital Assets												
Net Cash Utilized in Capital and Related Financing Activities	246,402	(60,275)	(3,633)	(3,625)	(60,311)	(3,643)	(3,660)	(60,330)	(3,671)	(3,687)	(60,358)	(3,705)
CASH FLOWS FROM INVESTING ACTIVITIES:												
Interest Received/Net Cash Provided by Investment Activities												
Cash non working - Facility Fees	55,259	(21,870)	(12,090)	13,187	(3,520)	(18,480)	35,147	(18,480)	18,480	(16,163)	27,610	(39,960)
Cash non working - Capital Reserve	(248,056)	58,612	1,944	1,944	58,612	1,944	1,944	58,612	1,944	1,944	58,612	1,944
Cash non working - Advanced Cust. Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Cash non working - (Vaults, Petty Cash)	-	0	-	-	-	-	-	-	-	-	-	-
Cash non working - Advance Tickets Sales	250,000	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by investing activities	57,203	36,743	(10,146)	15,131	55,092	(16,536)	37,091	40,132	20,424	(14,219)	86,222	(38,016)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	202,770	(95,842)	330,566	(87,428)	(16,066)	435,434	(46,108)	(336,694)	183,450	(111,828)	(73,489)	(327,142)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	(4,571)	198,199	102,357	432,923	345,495	329,429	764,864	718,756	382,061	565,511	453,683	380,194
CASH AND CASH EQUIVALENTS -	(4,571)	198,199	102,357	432,923	345,495	329,429	764,864	718,756	382,061	565,511	453,683	380,194

2012 Cash Flow – the infusion of funding that we received in 2011 is allowing us to actually operate with the money we have coming in and pay our bills with the events we have and we are not that carrying that million dollar deficit that had been there for year, after year, after year.

Income Statement per Building

Convention Center (See Exhibit B)	
Revenues	\$ 3,776,447
Expenses	\$ 3,284,401
Operating Income	\$ 492,046
War Memorial (See Exhibit C)	
Revenues	\$ 1,942,032
Expenses	\$ 2,435,715
Operating Income	(\$ 493,683)
Civic Center Theaters (Exhibit D)	
Revenues	\$ 668,817
Expenses	\$ 663,700
Operating Income	\$ 5,117

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When we look at the 2012 Income Statement per building, I think it will show you where we are generating revenue and where we are generating expenses. About 60% of our revenue is food, beverage, service, production, etc. and comes out of our Convention Center. About 25% of our revenue in those same categories comes out of the War Memorial. Its revenues are forecast slightly higher than last

year by about \$400,000. The expenses are very high in the War Memorial with a negative operating income. The Civic Center Theater is doing a revenue forecast of \$668,817 versus a projected of this year of \$1,864,000. As I mentioned before Lion King, the Symphony, there is also 2 other shows, the Jersey Boys and Wicked that will be 3 and 4 week run shows at the Landmark that would significantly impact this to be upwards of the \$1.8 million this year, but we can't forecast it.

Income Statement	
Parking (See Exhibit E)	
Revenues	\$ 1,105,000
Expenses	\$ 692,720*
Operating Income	\$ 412,280
*includes \$208,228 back to County	
Other (See Exhibit F)	
Revenues	\$ 145,575
Expenses	\$2,199,762
Operating Income	(\$2,054,187)

Parking includes our open lot and we do split money with the County on it as profit. The parking garage is actually owned by the City and we split revenues for the garage with the City. The forecast is slightly higher than 2011 due to the increase in catering, tradeshow and banquet event business. Expenses are about the same.

Under the other category, I am going to let Peter talk about this. Most of this is the County treatment of ticket rebates; how we put them in and take them out, etc. Rebates come from using a source like Ticketmaster where we actually get a percentage of money back for every ticket that we sell. This is very interesting because again, when you talk about cohesion in the City, every single venue seems to use a different ticketing source. That is probably not the smartest way for the County to be getting some money back. Symphony used their own ticketing, Opera used their own ticketing, SRC arena is going with a different ticketing company; this is food for thought. The Landmark does us Ticket master.

Center Staff Headcount						
* Full time equivalents based on standard season staffing.						
Department	2007	2008	2009	2010	2011	2012 Budget
Administration						
Administrative	3	3	1	1	0	1
Finance	4	4	4	4	4	4
Human Resources	1	1	2	2	2	2
IT	0	0	1	1	1	1
Payroll	1	1	1	1	1	1
Purchasing	1	1	1	1	1	1
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>10</u>
Executive						
CEO/President	1	1	1	1	1	1
Sales						
VP of Sales	0	1	1	1	0	0
Sales and Marketing	7	6	6	4	3	5
Convention Development Director	0	0	0	0	1	1
Administration	0	0	1	1	1	0
Box Office Sales	2	2	3	3	2	3
	<u>9</u>	<u>9</u>	<u>11</u>	<u>9</u>	<u>7</u>	<u>9</u>
Facilities						
Director of Ops	1	1	1	1	1	1
Setup, Cleaning and Repairs	17	18	14	11	12	10
Mechanics	8	8	5	8	9	9
Audio Visual	2	2	2	2	2	1
	<u>28</u>	<u>29</u>	<u>22</u>	<u>22</u>	<u>15</u>	<u>12</u>
Security						
Public Safety	6	6	5	5	5	5
Food & Beverage						
Director of Food and Bev.	1	1	1	1	1	1
Chefs & Food Services	4	4	2	3	3	3
Banquet Manager	2	3	3	3	0	2
Catering Sales Manager	1	1	0	2	2	0
Administrator	0	1	1	1	2	1
Director of Concession	0	0	0	0	1	1
Concession Manager	1	1	2	2	1	1
Concession Supervisors	0	0	0	0	0	2
	<u>9</u>	<u>11</u>	<u>9</u>	<u>12</u>	<u>10</u>	<u>11</u>
Parking						
Garage/Lot	3	3	4	4	4	4
Catering						
Cashiers	2	2	2	2	0	0
Line Cooks & Servers	6	6	5	5	0	0
	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>0</u>	<u>0</u>
Madison Café						
Cashier	2	2	2	2	0	0
Total Regular/Indirect Employees	<u>76</u>	<u>79</u>	<u>71</u>	<u>72</u>	<u>51</u>	<u>52</u>

*The last page is the Oncenter staff head count. We thought it was very important because we have all lived through this for the last 3 years, showing you the 2007 – 2012 budgeted number of people. Most of this is management staff. Where you see *'s those are employees that in the past were fulltime guaranteed hourly employees. We went through a union negation with our operations union this past year and we got the word guaranteed taken out of the union contract. We no longer have 10 fulltime guaranteed employees; we staff them on an event by event basis, which is how it should be in the hospitality world. The only other thing that varies, is the concession supervisors are actually 10 month positions; they are not employed in June and July.*

That is basically the budget overview in comparison to 2011. You have all your exhibits attached and I can either go on into the Strategic Marketing Plan or I can take questions on the budget.

Mr. Lesniak referenced pg 7 of the budget presentation and asked why the expenses for the War Memorial were so high in comparison. Mr. Casper responded that this takes into account all of your expenses both direct and indirect costs. The costs are high because we share our concession revenues with the Crunch and soccer teams. Also as part of the indirect cost, we have electric costs and for this building he believes it is over \$300,000. They also pay the water fees for all the ice, and gas for the chillers.

Mr. Lesniak asked how the expenses run for the Civic Center if we were able to book the Famous Artists series into the Civic Center Theaters. Mr. Casper responded that for the Famous Artist series they run from the mid 30's to a 40% margin. This would be the contribution drop that we are losing from our gross margin before indirect overhead expenses. Ms. Toennies added that their community theater group rates are significantly lower which they should be, because it should be open to the community theaters but a Famous Artist series pretty much pays the rack rate for rental. Most of these expenses you see in revenue and then taken back out in expenses are what we refer to in our business as past through charges. If you have \$12,000 worth of production fees we charge it and then they expense it back out again.

Mr. Lesniak referenced pg. 9 of the budget presentation, asking the number of Sales and Marketing personnel on staff. Ms. Toennies responded that the only real addition to staff this year was the Bill Adams position, and taking the 2 concession supervisors in. Everything else stayed flat. They did eliminate 1 technical person. Mr. Lesniak added that this is the one he is looking at. He believes that the Oncenter and CVB are somewhat doing the same service; looking for business to come to Syracuse. He believes there could be some kind of consolidation here.

Ms. Toennies continued on with the 2012 Strategic Marketing Plan and Sponsorship Marketing:

This year I split this so that it would be really easy to see what we are doing and how we are targeting.



2012 Oncenter Smart* Strategic Marketing Plan

**Specific, Measurable, Achievable, Rewarding, Traceable*

The Oncenter is a highly attractive, multi-venue exhibition, convention, and entertainment facility. Centrally located in the Northeast, The Oncenter is committed to providing value to its users through customer-focused management and service throughout the three separate venues within a single physical and management environment.

The sales efforts of The Oncenter are dedicated to the details of providing superior service in sales and production, through maximization of space and revenues through proper facility management. The sales effort is divided into four distinctive areas:

Conference & Convention Sales (National and Regional Conventions affiliated with hotel group overnight rooms in conjunction with the SCVB)

Catering Sales & Services (business driven by local community organizations to include clientele affiliated with corporate, social, regional corporate day meetings, tradeshows, consumer shows, and management of all sales contracted events)

Booking and Entertainment (National and Regional touring theater groups, community theater, National and Regional concerts, family entertainment, sporting events) – often including overnight guest rooms from cast, crew, team, etc.

Sponsorship, Marketing, and Promotions (solicitation and contracting of sponsors for advertising and sponsorship throughout the Convention Center, the War Memorial and the Civic Center Theaters and Overall Venue Marketing)

The strategic plan of The Oncenter will ensure the continued growth of business through the attraction of local, regional, and national events contributing to the economic and cultural development of Onondaga County. The Oncenter business will assist the local economy by increased tourism dollars, increased hotel room nights, additional restaurant and parking activity, and increased employment relative to this business.

We need to understand that when we have booking and entertainment booked, overnight guest rooms might not be in the Convention and Visitor's Bureau head count but they are definitely a direct relation to room occupancy tax. This is really important for us to remember, if we end up going head to head with SRC arena, we need to make sure that we are making ourselves accountable back to those tax dollars.

We have really changed sponsorship; we were selling sponsorships for little return on investments. The very last page of this packet is probably what you will be most interested in, it shows sponsorship marketing revenues. We are working in conjunction with Mooney Marketing. None of this was budgeted for 2012. We are sitting right now, somewhere between \$50,000 and \$80,000 that we will probably confirm within the next 30 days. This is a nice start for pure sponsorship dollars; people being able to advertising amongst our 3 venues.

The Strategic Plan itself does categorize group by group, what the different managers will be responsible for throughout the year, targeted by date, show, and objective. That is all there for you to read as well. I will be happy to answer any questions on any of that.

2012 Marketing & Position Statement Overview

The Oncenter is located in downtown Syracuse, in close proximity to the city's major medical centers, hotels and Syracuse University. Additionally, it is located near many prominent businesses, cultural venues, and restaurants and bars. The facility offers strong architectural characteristics and complements the downtown landscape through the vibrancy of the events that take place throughout the various venues. Syracuse is an easily accessible, friendly, and convenient market with a National identity due to the University.

Sales Department Overviews/Goals & Objectives

Director of Convention Development & Oncenter Director of Sales: Conventions, Tradeshows, & Consumer Shows

- The Oncenter Sales Department is firmly committed to the promotion of citywide conventions and tradeshows that will generate revenues for all of its facilities and drive revenues into the area hotels and businesses. Key feeder markets are: Albany, Buffalo, Rochester, New York, Boston, Massachusetts, Philadelphia, Washington, D.C., Toronto, Chicago, Providence (RI), and Cincinnati (OH).

To position Syracuse, NY as a destination for Meeting Planners looking for a secondary market through continued involvement and partnership with the following entities:

- Participation in industry conventions, exhibitions and trade shows (as noted in above information) that allow for Syracuse and the Oncenter to interface with organizations and groups that hold annual conventions, conferences and trade/consumer shows. Continue to create a strong working relationship with industry partners (Conferon, Helms Briscoe, C'Vent, Smith Bucklin, and Conference Direct) to expand our client bases.

Promotion of citywide conference/conventions & tradeshows that will result in a significant increase of revenues for years 2013 and beyond.

- Work closely with CVB to ensure that all applicable RFP's are completed and submitted for consideration.
- Host quarterly FAM Trips, Site Visits, and Sales Blitzes of Planners/Organizations identified & qualified by Director of Convention Development.
- The Oncenter Director of Sales & Director of Convention Development (CVB) attend conventions, conferences, and make sales calls when possible to groups and or organizations that will be seeking venues and cities for convention business.

Maintain constant communication with repeat sales clients

- Develop and maintain a client database that will allow us to include them in holiday mailings, marketing blitzes and other additional information that ensures we remain on their consideration for future events. This database will be comprised of:

1. History from Reserve (The Oncenter Property Management System)
 2. The Business Journal's "Book of Lists"
 3. Center State CEO Member Directory
 4. ESSAE Member Directory
 5. SCVB Last Business Report
 6. Like City Convention Center Calendars (Rochester, Buffalo, Albany, Cleveland, etc.)
 7. Regional Arenas & Stadiums Event Calendars
- Post Conference Recap and thank you letter will be required for all Oncenter business, from the President of The Oncenter. This will allow a client to give valuable feedback on their experience at The Oncenter. A tracking system will be developed to ensure a quality experience is being delivered to all guests.

Conference & Convention Sales Market Segment

- **Target Audience:** National, Regional, and State Associations. Traditionally such organizations prefer convenient (downtown) locations that are able to accommodate their conference needs, and are located within a short walk or shuttle distance to the area hotels. Easy access to local attractions (museums, sporting venues, restaurants and bars) are of added value to the convention attendee.
- **Positioning:** The Oncenter is comprised of facilities that understand the client's needs, and offer superior levels of service at a pricing structure that is competitive in the market. Complimentary shuttle service, discount or complimentary convention space rental, and competitive hotel pricing add value to our outreach to these markets. Airline and major interstate accessibility are key components of our city versus other State and Regional **Solicitation:** Sean O'Key-Oncenter Director of Sales, Bill Adams-Director of Convention Development, Charlene Hart-Catering & Convention Services Manager

Convention Center / Convention & Visitors Bureau:

Date	Strategy/Event	Target Market	Marketing/Sales Objective	Person(s) Responsible
January	PCMA	Marketing/Association Executives & Planners	Participate/collaborate in this annual event. Solicit the above referenced audience in order to capture their events for 2013 and beyond.	BA
February	Destination Showcase	National/Regional Associations, Government organizations, etc.	Participate/Exhibit in this annual event. Solicit the above referenced audience in order to capture their events for 2013 and beyond.	SD
March	March Madness Event	D.C. Based Meeting Planners	In conjunction with hotel partners & SCVB, host an event surrounding the NCAA Basketball Tournament. Known for its prominence in university sports, this will be a great platform to showcase the energy and excitement Syracuse has to offer. This will be part of the quarterly familiarization & solicitation efforts toward this audience.	SD, BA
May	SGMP-Society for Government Meeting Planners	National/State Government Meeting Planners	To solicit Government organizations (State & National) in an effort to capture their conferences, conventions, and training sessions. The emphasis will be put on Syracuse's location, ease of transportation access, and ability to work within government per diems.	BA

Conference & Convention Sales (Continued) Market Segment

Date	Strategy/Event	Target Market	Marketing/Sales Objective	Person(s) Responsible
June	AIBTM Conference	Incentive Travel & Meeting Planners	This participant base effectively designs, plans, and implements corporate incentive travel, meeting & conference programs to fit client budgeted parameters and increase event attendance.	BA
June	ESSAE Empire State Society of Association Executives) Tradeshaw	NYS Association Meeting Planners & Executive Directors	This annual event allows us to showcase/solicit state conferences and conventions in a traditional tradeshaw format. This is a collaborative effort that involves The Oncenter, SCVB, and convention hotel partners. Many repeat clients, as well as new potential organizations, are	

			in attendance.	SD
August	ASAE-American Society of Association Executives	Association Executives, Planners & Industry Partners	With a membership of more than 22,000, representing more than 11,000 organizations, this event allows for the solicitation of large scale conference/conventions new to the Syracuse market	BA, SD
September	The Business Council Annual Meeting & Tradeshow	Corporate, Association, Government Leaders, Presidents, CEO's	A week-long conference/tradeshow allowing The Oncenter to meet, solicit, and establish working relationships with some of the most prominent Executives/Leaders in NYS.	SD, CH
November	CVB Reps Holiday Luncheon	CVB Partners w/ satellite offices in the D.C. Market	Partner/collaborate with other destination CVB Reps to maximize our exposure. Establish working relationships with these cities in an effort to exchange ideas, possible client needs, and contract their groups on "off years" when they are not in their markets.	BA

Catering Sales & Services Market Segment

Local Corporate/Social/Non-Profit Catering Sales/Convention Services Managers

- **Target Audience:** Local Corporate/Social/Not for profit fundraising events, primarily food & beverage functions
- **Positioning:** The Oncenter is able to provide event space to accommodate silent auction tables, reception space and the meal function (sometimes with dancing and live entertainment). Client is looking for a "one stop shop"- one location that can provide tables, chairs, food, beverage and service, with easy and professional coordination. Accessibility to all neighborhoods and easy parking are important to this client, as well as the ability to stay within budgetary parameters.
- **Solicitation:** Jody Harris-Director of Catering, Charlene Hart-Catering & Convention Services Manager, Amanda Card-Catering & Convention Services Manager, Jackie Kiechle-Catering & Convention Services Coordinator

CATERING SALES & SERVICES:

Month	Marketing Strategy/Event	Target Market	Marketing/Sales Objectives	Person(s) Responsible
January/February	Client Skating event	Corporate Holiday Parties	Invite local corporate clients of larger companies that have annual parties this would include new and previous (lost business) clients. Promotion as a family event with a Crunch tie in, would encourage attendance as some planners are reluctant to allocate a night away from their family. Holiday party information and gift would be given as a take way. Food stations would feature some signature holiday options.	JH, CH, AC
March	Email Blast	Local/Social Galas	Email to existing and desired clients to promote spring menus and creative decor options available	JH, JK
April	Sales Blitz	New Corporate/Social clients	Prepare event information to distribute to new or lost business clients. Focus on menus, décor and variety of venues for events.	JH, CH, AC
May	Famous Artists Reception	Corporate Clients	Invite local corporate clients who may have annual meetings or large symposiums, we would host a reception prior to the show and then escort guests to the Civic Center where they would see the show with a guest. This would be a targeted event looking at clients that had event in the past or future events with qualified revenue potential.	JH, CH, AC, JK

Catering Sales & Services (Continued)

Market Segment

Month	Marketing Strategy/Event	Target Market	Marketing/Sales Objectives	Person(s) Responsible
June	Syracuse Partner Cocktail Event	The Crowne Plaza Genesee Grande Sheraton Embassy Suites Doubletree Holiday Inn - Liverpool	Meet with area hotel partners to exchange ideas on how to get business to the downtown area and how we can better work together as a team in the downtown area. One focus would be hotel groups that have rooms only clients that have large functions that the hotels can't accommodate so they use other venues outside of our market.	JH, CH, AC
August	Email Blast	Corporate Clients	Email to existing and desired clients to promote fall events and variety of venues for corporate meetings and capture last minute holiday parties.	JH, JK
November	Sales Blitz	New Corporate/Social clients	Prepare event information to distribute to new or lost business clients. Focus on menus, décor versatility, and creativity.	JH, CH, AC

Booking & Entertainment

Market Segment

- **Target Audience:** National/Regional Concerts, National/Regional Performing Arts Companies, Sporting Events, Touring Theater Groups, Community Theater, & Family Entertainment
- **Positioning:** The Oncenter Booking and Entertainment Department is firmly committed to the promotion of concerts, theatrical, sporting, cultural, and community events that make use of the Theaters, the Arena and the Convention Center. These events generate revenue for area restaurants, bars, and parking facilities, as well as add to the vibrancy of an occupied downtown space. Some hotel room usage is affiliated with this business through touring artists and production crews.
- **Solicitation:** Mike Spaulding-Director of Ticketing & Events, John Lorence-Event Manager, Jackie Kiechle-Catering & Convention Services Coordinator

Date	Strategy/Event	Target Market	Marketing/Sales Objective	Person(s) Responsible
February	PollStar Event Live Expo-2012	Leading Producers/Suppliers of Concerts, Sporting Events, Musical Festivals, and Venue Technology	To solicit/collaborate with industry partners, while showcasing the versatility and creativity of The War Memorial Arena, Civic Center Theaters, and Convention Center. Educational sessions offer insight on cost-effective & efficient operations, marketing, and operating profitably.	MS
Quarterly	PollStar Publication	National/Regional Concert Promoters, Travel Managers, and Venues	This platform will allow The Oncenter facilities to be showcased in a vibrant/highly regarded publication. Efforts will be focused on The War Memorial's history as Upstate New York's Historical Rock N' Roll Venue.	MS, JK
November	Billboard Touring Conference-2012	Promoters, Agents, Managers, Venues, Sponsors, and Touring related businesses	This conference allows for the 1-on-1 collaboration with industry partners, and solicitation of desired clientele, while discussing the industries latest opportunities and current challenges	MS, JL

January, June, & August	Research/Solicit Niche' Athletic Events	Travel Managers, Regional/State Association Planners	To solicit sporting events that will generate revenues during "non-demand" times. Examples are Curling, Junior Wrestling, and Broomball. These events are currently being held in similar tier cities, with similar weather conditions.	MS, JL
February, April, July, & December	Competitive Set Analysis	Competitive Arenas, Theaters, and Convention Centers	Review the Event Calendars of competitive venues to strategically solicit clients currently doing business in our region. These include, but are not limited to Saratoga, Albany, Rochester, Darien Lake, Turning Stone, The Landmark Theater, SRC Arena, etc.	MS, JL

**Sponsorship Marketing
in collaboration with
The Mooney Marketing Group**



**Sponsorship Marketing in collaboration with
The Mooney Marketing Group**

Overview

The Mooney Marketing Group is partnering with The Oncenter to help identify and market on-site advertising opportunities to local businesses and corporations. This partnership will help create a unique revenue stream for The Oncenter through the sales on on-site static graphics, sponsorships, window decals and other visual advertising presentations.



The Mooney Marketing Group specializes in creative, effective and cost efficient ways to help clients reach their customers. They analyze customer's needs and create comprehensive marketing solutions. Their services include: Media Strategy & Placement, Business to Business, Sales Promotions, Public Relations, Graphic/Web Design, Event Management

**Sponsorship Marketing in collaboration with
The Mooney Marketing Group**

Every year hundreds of conventions, concerts, athletic games, theater performances, meetings and high-profile events are hosted at the Oncenter Complex that attract over 600,000 attendees. This creates a unique opportunity to reach a highly desirable audience at a very affordable cost.



HIGHLIGHTS:

- 200,000 square feet of meeting, theater, arena and exhibition space
- Versatile exhibit, ballroom and breakout meeting space
- Multi functional theater space including a black box theater, a 458-seat theater, and a 2100-seat theater
- Flexible-use arena with ice/basketball/turf and concert capabilities
- Historic Veteran's Memorial
- In-house box office management, Ticketmaster vendor
- In-house accredited catering and convention management staff
- Interior connective corridors from Convention Center to the Oncenter War Memorial Arena

Sample of Bridge Windows Decal



- Adjacent covered and open parking

Sponsorship Marketing *in collaboration with* The Mooney Marketing Group

Sponsorship Levels:

Platinum: \$50,000 (4 Available)

- Includes Premier Onsite Advertising Opportunities in all 3 sites at The Oncenter: War Memorial, Convention Center, and Civic Center



Gold: \$25,000 (4 Available)

- Includes Premier Onsite Advertising Opportunities in 2 sites at The Oncenter: War Memorial, or the Convention Center, or the Civic Center

Silver: \$15,000 (4 Available)

- Includes Premier Onsite Advertising Opportunities in 1 site at The Oncenter: War Memorial, or the Convention Center, or the Civic Center

*Other Sponsorship Levels can be customized based on specific needs of the corporate sponsor.

Sponsorship Marketing *in collaboration with* The Mooney Marketing Group

2012 Revenue Projections:

- At 50% Sellout sponsorships would generate \$200,000
- At 75% Sellout sponsorships would generate \$300,000
- At 100% Sellout sponsorships would generate \$400,000

Possible Advertising Displays: Circular Windows/Harrison St., Archway Entry- Sandstone Panels, Lower Large Pane Windows 4 sets of 4, South Entrance- 2 side panels of doors 2- 43" x 102" panes, South Dr. Left Panes- Doors, White Poles State St, Curved Bay Windows Main Entry, Entry Doors Main, Upper Front Large Panes, Upper Rail Glass Panels, Upper Window facing west (roof), Bridge Windows, Upper Square Column along walkway, White area above escalators, Upper Columns along the walkway above Ballroom, Exhibit Hall A Right Doors, Exhibit Hall A Main Entry, Exhibit Hall B, Stairways to Meeting Rooms, Granit Columns, Recycling, Trash Receptacles, Panels Below Ticket Booth, Large White Area Main Foyer, ATM Area, Floor Graphics, Exterior Sidewalk Granite Blocks, Rail Glass panels along the lower Atrium, Large Glass Panels lower level, Escalators, Elevator Doors, Ticket Booth, WM Will Call Booth

Chair Jordan stated that he has been advised that certain artists that coming in for Jazz Fest receive an exemption from room tax. He asked if there was a similar arrangement for exemptions to teams coming in to play the Crunch. Ms. Toennies responded that she believes that it would depend on where their home office is and what the tax categorization is. When they looked at the Crunch to see what they were bringing to the table, they did have tax on top of their rooms. **Chair Jordan asked Ms. Toennies to look into this and let him know if bookings and entertainment were paying room tax or receiving an exemption for rooms used during their stay.**

Mr. Rhinehart stated they had talked during the course of the year and he had asked what the breakeven point was, at that time it was \$10 million dollars. Ms. Toennies confirmed it is still the same. If a majority of the business was theater driven, which is a higher margin, they might be able to do it on \$9 million. Convention business has food costs and labor attached to it.

Mr. Rhinehart added this is what concerns him. He brought this up repeatedly when this Legislature decided to back the arena at OCC. This Legislature has also funded the renovation of the Landmark Theater. We have created a rock here that might be so heavy we can't lift ourselves. Going forward he will not be here, but this is going to be a situation that is just going to come back over and over again. He certainly is not blaming Ms. Toennies; just pointing this out for the record. The numbers are all here and this presentation is very well

done. He just wanted to point this out, for those who will be here next year. This will be an ongoing situation. It is not any different for other community convention centers. He just hates to see us in competition for the same convention dollar. Everyone is competing for this now and the demand has not increased to this point.

Mr. Rhinehart asked if there was anything new on the horizon, adding that he knows that we lost some things such as the big trucks which went to the Carrier Dome. They are now competing as well, so there will be 4 arenas all competing for the same stuff. Ms. Toennies responded that it was interesting because Mike Spaulding has done a great job building those relationships, Funding Coalition, Live Nation, AEG, all the top concert promoters that there are. If they have a show that they want to bring through, Syracuse is a good market. She thinks people continue to discount the War Memorial as old and antiquated, but it is a great place to see a show. You can see from where ever your seats are. They have worked very hard this last year with the Syracuse Police to enable festival style seating. This was a category where they had lost 4 or 5 shows, because they weren't allowing people to do festival style seating; standing instead of sitting. They have done 3 shows now and are on the path to continue to book more of them. This is crucial; all have been 3,500 – 5,000 people. All have been very profitable for us. They plan on aggressively working this market. Mr. Dolgan of the Crunch has been really great; working with her on play dates when she has the ability to book a profitable show. In the past she does not believe this was happening.

Mr. Rhinehart stated that if either of the hotels were to come into play within a year or two they would have a big influence on what happens downtown at both the War Memorial and the Convention Center. Ms. Toennies agreed adding as she looks at the lost business reports that come out of the CVB a number of them are not so much that you don't have a Convention Center Hotel; it's that you don't have enough hotel rooms in a concentrated area to accommodate the group. They are bidding on one right now for 7000 total room nights, 1000 per night for 7 days. This is a women's group and they don't want to be spread all around the County, they want to be consolidated and we really can't offer more than 300 or 400 per night in a downtown area. A hotel will be really important and could change their whole strategy, as to what they book.

Mr. Lesniak asked if the concerts they were looking at are similar to the one they had the other night. He believes that everyone at SU was coming down for the concert. Ms. Toennies responded that the concert was DJ Tiesto, and had a profit margin in the high \$50's. American Idol was in the War Memorial a couple of weeks before. They intentionally moved Tiesto into the convention center because the kids wanted to be on the floor, they did not want to be up in the stands. Because they had the flexibility to do this, they were able to sell more floor tickets. The War Memorial floor tickets sold out very quickly. American Idol sold out at 5,000 people and the net profit was about \$50,000. There is great concert business out there. It may not be what you want to see, but there is a genre for everybody, and that is what they want to keep in mind.

In response to Mr. Lesniak, Ms. Toennies stated if she had to prioritize the fund balance items she would choose the War Memorial in order to get the box type area done. Making some windows and extending out an area where you can sell corporate parties or upgraded tickets. SRC area is going to have some box seating available, that is something that is important to people and we don't have that ability in the War Memorial. For the Civic Center Theater they did a lot of upgrades for Lion King, some curtains that they needed and actually took out about 124 seats. This allowed aisle ways that were not there before. They will be going back in, but it showed us that we can be more flexible with space. The acoustic panels are the big item in the Civic Center that needs to be replaced. They have been there since the 70's and can no longer be repaired.

Mrs. Rapp stated what a pleasure it was to get this report. She recently had an opportunity to tour all the facilities. The War Memorial looks fabulous. It's such a change from 3 or 4 years ago.

Mrs. Rapp stated that the theater business is such a money maker for us. She asked if we lost the Famous Artist group, if there was another theater group that could come in. Ms. Toennies responded that there are actually a couple of Broadway tour groups, one is out of Chicago and she believes the other is from the east coast. Mike Spaulding has reached out to them as well. They have been hesitant to go to strong after them because they don't want to make it look like they are putting competition in there, whether they book or not. At the end of the day people are not going to go to a show because of whom it is presented by, they are going to go to the show because it is a show they want to see. She thinks that there is some opportunity there.

Ms. Toennies' added that in the past the Landmark played host to national comedy acts and one off nights. This is something that the Civic Center may be able to pick up. They are all in a wait and see pattern.

Mrs. Rapp stated that no matter where the shows go in Onondaga County they continue to get the sales and ROT money. The more we become an entertainment destination, the better off everyone will be.

Information Technologies (pg. 3-79) – Kenneth Beam, Chief Information Officer; Michele Clark, Deputy Chief Information Officer; Tara Venditti, Management and Budget Analyst

Mr. Beam presented the following:

Handouts were sent over for this year's budget (PC replacement plan – See attachment No. 2). What I will try to do is summarize, so that we don't have to go through every slide one by one, and then we will take your questions.

2012 ANNUAL BUDGET

Information Technology

JOANNE M. MAHONEY, COUNTY EXECUTIVE
KENNETH R. BEAM, JR., CHIEF INFORMATION OFFICER



Table of Contents


Section 1:
IT Reorganization
2011 Update
2012 Forward Plan

Section 2:
PeopleSoft Project Update

Section 3:
PC Centralization

Section 4:
2012 Budget

2012 Information Technology

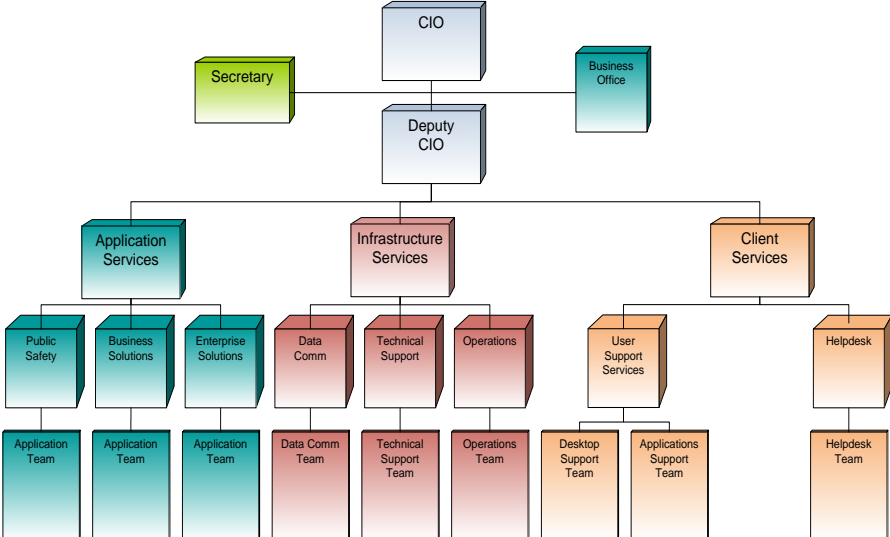


2011 Reorganization

The County Information Technology Department began a major reorganization in order to:


- Enhance customer service and satisfaction
- Provide clear and simple communication channels with IT for any project or support issue
- Provide and support a stable, secure and flexible standards-based technology infrastructure
- Provide centralized technology, security, oversight and direction where appropriate, while enabling County departments to operate efficiently within the IT framework established by senior management

Overview - Current



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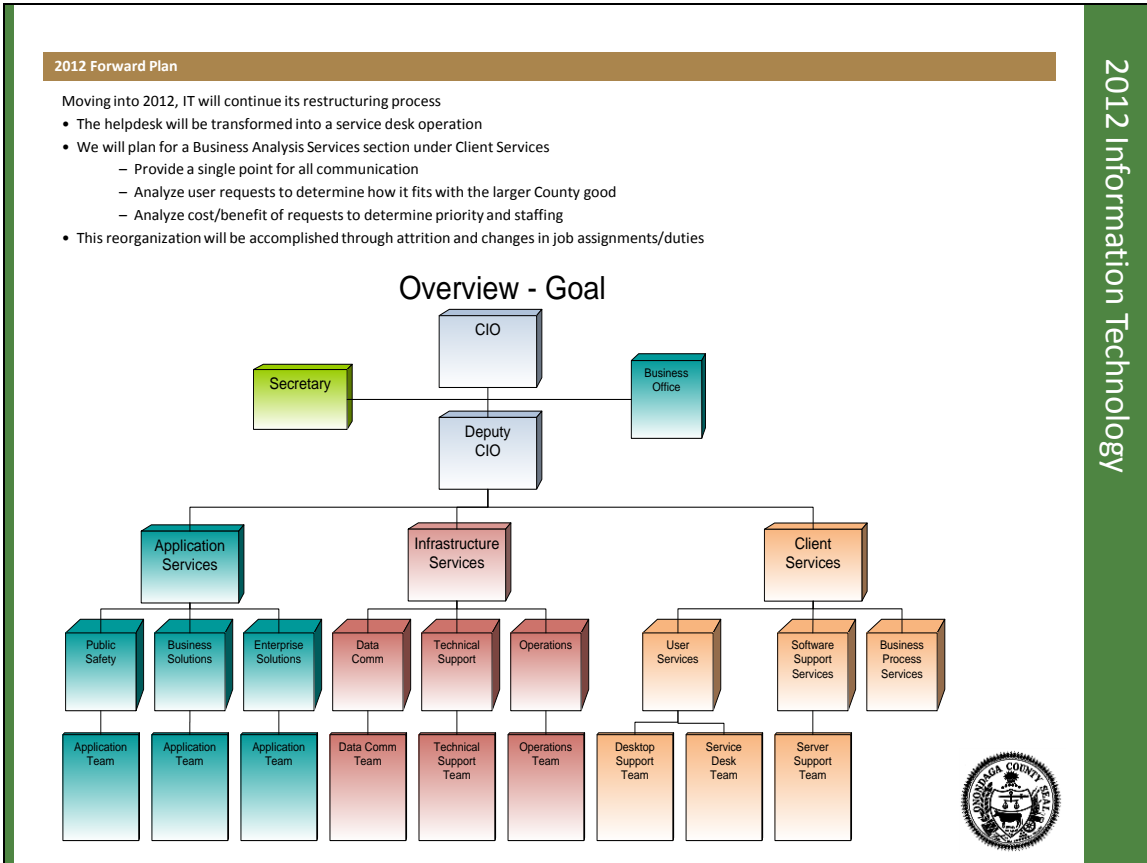
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      DeputyCIO --- ClientServices[Client Services]
      ApplicationServices --- PublicSafety[Public Safety]
      ApplicationServices --- BusinessSolutions[Business Solutions]
      ApplicationServices --- EnterpriseSolutions[Enterprise Solutions]
      PublicSafety --- AppTeam1[Application Team]
      BusinessSolutions --- AppTeam2[Application Team]
      EnterpriseSolutions --- AppTeam3[Application Team]
      InfrastructureServices --- DataComm[Data Comm]
      InfrastructureServices --- TechnicalSupport[Technical Support]
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      UserSupport --- AppsSupport[Applications Support Team]
      Helpdesk --- HelpdeskTeam[Helpdesk Team]
  
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2012 Information Technology

County IT continues to consolidate the counties technology into one umbrella in IT. This will allow us to provide departments with more efficient services, we can standardize on equipment and software, all resulting in lower costs when we go to buy that hardware and software. The IT reorganization continues to streamline our department. We have been able to provide better service to the end users.

One example of that is through our new helpdesk where the end users are now able to call our helpdesk which is staffed by 2 experienced hardware great fix guys. We are resolving most issues within 10 minutes while that caller is on the phone. There is not a day that goes by that we don't receive some type of comment from the end users of this.



Peoplesoft Project Update

The PeopleSoft Project continues on target and within budget. Financials will be productional in 2012. Human Resources and Payroll will follow in 2013. The system will be available for use by all Towns and Villages who wish to participate.

Item desc	PPU	Budgeted Bond Amount	Paid to Date
Peoplesoft Application modules (Financials + HR/Payroll + Budget + eProcurement application software + CRM)	5	1,097,756	1,079,310
Oracle for z/Linux (database)	5	89,760	89,760
Subtotal		1,187,516	1,169,070
Contingency	5	7,964	0
Storage Disk & Tape	10	460,000	445,155
z10 Processor	10	383,154	380,623
z10 Processor Upgrade (2013)	10	150,000	0
Subtotal		993,154	825,778
IBM Blade Servers (application & Web servers)	10	126,284	108,354
CMA system integration services, including design, implementation, and data conversion	10	5,950,000	1,870,000
Outsource database administration, system administration and software development services	10	1,381,341	0
Contingency	10	233,192	0
TOTAL:		9,879,452	3,973,202



We have several projects going on in the department. The most important is the Peoplesoft Project. I am happy to inform all of you right now that, that project is on schedule and slightly under budget which is a good thing for all of us.

The equipment is in place and installed, the software is in place, the system is configured. Right now, we are converting data and working with various departments to test that data; to make sure it is accurate.

PC Centralization

In order to reduce the costs to purchase and support personal computers, laptops, other computer systems and communication devices, we are centralizing the purchase and deployment of these devices within the County.


The 2012 recommended budget includes funding to support a plan to standardize all PC's and laptops beginning in fall 2011 and continuing through the 2016 budget year.

Implementation will be accomplished on a departmental basis, completely refreshing all equipment within each department

- Standardization of equipment within each department
- Technology delivery becomes more efficient
- Base software licensing becomes consistent throughout the County

The full deployment plan is included in your backup material

2012	Risk Management County Clerk	Community Development Aging & Youth	Law Legislature	Board of Elections Parks
	District Attorney	Hillbrook	Metro-Water	Probation
2013	Health	Center for Forensic Sciences	Sheriff Jail	Information Technology
2014	WEP E-911	Veterans	Sheriff Administration	County Executive
2015	DSS Planning	Mental Health Management & Budget	Corrections	Transportation

 Pending Fund Balance Approval



2012 Budget

Information Technology's 2012 operating budget is supplemented by the following proposed appropriations of fund balance.

- **Offset Press (\$67,500 fund balance)**
The offset press processes long running print jobs, letterhead and envelopes. The equipment is very old and is in need of an overhaul. Estimates have shown it is much more cost effective to purchase a new piece of equipment than refurbish the old equipment.
- **PC Replacement (\$262,500 fund balance & \$262,500 operating budget)**
IT's plan to centralize PC purchases and deployment was to be implemented starting in the 2011 budget year. Due to very difficult budgetary times, this fund was cut. Fund balance and our operating budget will put the project back on schedule. The District Attorney's Office, Hillbrook, Metro Water and Probation are dependant on fund balance.
- **Microsoft Office Licensing (\$67,448 fund balance & \$67,448 operating budget)**
The County will be standardizing on Microsoft Office 2010 Standard Edition. This licensing is a necessary component of the PC Replacement plan.
- **Technology Venture Capital (TVC) Fund (\$250,000 fund balance)**
This fund is for projects that can be implemented as pilot projects for a single department, with the ability to grow enterprise wide.

The TVC fund has been used very successfully to bring innovative technology solutions into County departments. For example, Enterprise Content Management was initially built for the Health department to protect its Vital Statistics at risk paper records. Once digitized, the records will be secure and readily available electronically. The system was configured to support enterprise wide services, enabling other departments to benefit from this investment. Knowledge transfer to internal staff will eliminate the reliance on costly vendors as we further implement the solution. The potential also exists for shared services with town & village agencies.



Finally we talk about the tech venture capital a little bit in our presentation. We used that money this year to buy an Enterprise Contact Management System for the Health department. That system has been installed for a week now. The Health department is scanning in documents and is very happy with it. This is just an example of where we can pilot a small project within the County that has the ability to grow by having this funding in place.

With that, I will take on whatever questions you have.

Chair Jordan stated there is a concern that as a result of the Peoplesoft Program travel and training has increased for all the departments. This was not included in the original costs of implementing the Peoplesoft program. Mr. Beam:

- No other departments should be going out for any type of training for Peoplesoft
- IT staff will need to be trained on the new equipment, system and database administration
- Training provided in-house, consultant will train the trainer as part of the contract; those County employees would then train other County employees
- Contract in place for a consultant to come in and help train our end users

Mr. Lesniak questioned the PC replacement plan and the 104 devices for the Park's department. Mr. Beam:

- A number of departments have PC's for people coming into the facilities, not just for their employees
- Beaver Lake has a number of PC's and technical equipment that are used by students and other people coming into the facility
- Laptops provide mobility for workers, department head or supervisor
- These are today's numbers from the departments, could change once IT evaluates how the department is operating

Mr. Lesniak asked if any of the 268 devices within the Health department would receive state reimbursement if they were purchased by the Health Department. Mr. Beam:

- IT would purchase and bill the Health department
- Health department will be reimbursed from the State

Mr. Lesniak asked why they wouldn't revise the plan to update the Health department in 2012 as they would receive state reimbursement to help offset the costs. Mr. Beam responded that for 2012 they will receive reimbursement for Probation and probably some of Hillbrook.

Mr. Lesniak requested a listing of PC's qualifying for State reimbursement.

Mr. Lesniak stated there is a significant increase in the 300 - Supplies and Materials (pg. 3-82); what was the reason for the increase from 2010 -2011. Mr. Beam:

- Combination of the County portion (not fund balance portion) for purchasing the 2011 PC's and the office licenses
- Last year's PC replacement request was for 400 to 500, reduced down to about 180 PC's
- Trying to catch up from 2011 reduction in 2012

In answer to Mr. Lesniak, Mr. Beam confirmed that the 413 – Maintenance, Utilities, Rents (pg. 3-82) would not be increasing in any of these areas for Peoplesoft.

Mr. Lesniak asked for an explanation of the 495 - Tax Anticipation Notes (pg. 3-82). Mr. Beam:

- Funding approved for purchase of new VOIP System
- Purchased via Key Bank installment program
- Money was transferred from account used to pay Verizon to this account for the 2012 installment payment
- First payment has not been made, six month grace period before first installment payment is due

Chair Jordan asked for information on the different items listed under the 401 line, Travel/Training (pg.3-83). Mr. Beam:

- Z/Linux new system running Peoplesoft; reducing the use of the mainframe with eventual illumination; new technology requiring training to maintain lower costs, no need to call in consultants for repairs
- Oracle is new for the County and part of the Peoplesoft implementation; have been using DD2 which is an IBM database product, applications will be shifting from DD2 to Oracle, need to gather the expertise in Oracle once again to keep things in-house

- Virtualization started a couple of years ago, consolidated servers into a virtual machine rather than a physical box, reduces overall operating costs

Chair Jordan asked what he meant by virtual machine. Mr. Beam responded it was basically like replacing 200 stand alone physical boxes with 1 server. It reduces our operating costs and expenditures for more equipment.

Chair Jordan asked why they were paying someone out of the 408 – Fees For Services line \$90,000 for disaster recovery and another \$105,000 for network support. Adding, it seems like IT should be able to handle this. Mr. Beam:

- Disaster recovery is business continuance; something in place that provides a duplicate of all of our systems offsite
- Large expense if we do this ourselves, trying to do small pieces at a time, working on a backup center for the 911 center, right now we don't have this ability
- For \$90,000 per year contract with a company to hold all of our existing equipment in an offsite location; allowing for county functions to continue in the event that something happens to the data center or the building had to be shut down and we didn't have access
- Network support augments existing staff, something they have had for years, not bringing on another employee, use this person on an as needed basis

Mr. Rhinehart asked the total number for PC's and total expenditure over the 5 years for the PC replacement plan. Adding some are in the budget, some are grant funded and some are under fund balance.

Mr. Rhinehart stated some of the departments have desktops and laptops and asked if there was any duplication. Mr. Beam responded that whenever a laptop is required, they make sure that the laptop can be used as a desktop for that person.

Mr. Rhinehart asked who would be doing the maintenance for all of this hardware. Mr. Beam:

- Purchased with 5 year warranty through Dell
- Dell has a program where internal staff can make repairs and they will reimburse the County
- All done through State contract, started this year with a couple hundred PC's, Emergency Management and Economic Development are currently being worked on

Mr. Rhinehart asked if we could get anything for the old PC's. Mr. Beam:

- Will recycle whatever they can
- Have some PC's that are 10 years or older, will replace with 3 and 4 year old computers to keep them running until they get to their department for upgrades
- Some equipment is too old and will go to Purchasing for action

The meeting was recessed until 1:30 p.m.

Respectfully submitted,



KATHERINE M. FRENCH, Deputy Clerk
Onondaga County Legislature