



8/4/2020

Southern Tier Central Regional Planning & Development Board
8 Denison Parkway East, Suite 310
Corning, NY 14830

Dear Southern Tier Central Regional Planning & Development Board,

Please accept this response regarding your inquiry into specifics relative to Tyoga Container and Southern Tier Logistics business relationship, STL operations, lease parameters, and Tyoga Container's history of being stewards to the community.

Tyoga Container and Southern Tier Logistics Business Relationship

Tyoga Container and Southern Tier Logistics have had a business relationship for over a decade. Tyoga Container and Southern Tier Logistics serve common customers located in the Northern Tier of Pennsylvania and the Southern Tier of New York. Tyoga Container currently supplies product to Southern Tier Logistics for shared customers and within the newly configured warehouse space Tyoga Container and Southern Tier Logistics will gain efficiencies for all shared customers by moving product back and forth within the warehouse space as needed resulting in no transportation costs to and from other facilities. Product will literally be moved across the curtain that separates the spaces and then shipped to customers. As a result of co-locating our warehousing and distribution spaces, efficiencies and synergies will be gained as we serve the supply chain needs of our local and regional clients.

Southern Tier Logistics Operations

Southern Tier Logistics will be a client of Tyoga Container leasing warehouse and office space in the facility. Southern Tier Logistics has a history of success. Founded in 1988, and after 32 years in business, Ohio Logistics (dba Southern Tier Logistics), a subsidiary of Findlay Tall Timbers LLC located in Findlay Ohio, maintains 23 locations serving 6 states. With over 5 million square feet of state-of-the-art warehouse space, they are one of the largest privately held logistics firms in the Midwest. Southern Tier Logistics administers contract warehousing, inventory control management, serial and date control, scheduling and replenishment, fulfillment, and reverse logistics. Southern Tier Logistics interest in the site at Painted Post is proximity to customers, consolidation from 3 older inefficient distribution sites to 1 state-of-the-art warehouse and distribution center gaining efficiencies of operation.

Lease Parameters

From the onset of discussions with Southern Tier Logistics, a term of 15 years has been a cornerstone of the agreement. Specific components within the lease agreement that is important to both entities has been term, modified triple net lease, proration of costs, fair market renewal, taxes and assessment, personal property taxes, utilities, insurance, repairs and maintenance, government requirements and compliance with laws, and lessor's right to inspect. Each of these components within the lease agreement are indicative of a long-term lessor/lessee relationship and have been agreed upon in principle. With the terms of the lease agreed upon in principle it has allowed us to proceed with discussions with multiple banking partners to finalize financing for total project costs in excess of \$30M. Items submitted to our banking partners have included project narrative, project scope, project budget, and proposed lease agreement. Most important to Tyoga Container as we evaluate each bank proposal has been amortization over 20 years since our lease agreement is a 15 year term with 5 year escalators and renewable every 5 years.

Stewards of the Community

Tyoga Container has a history of giving back to the communities that we serve and understand what it means to be Stewards of the Community. Tyoga Container has our own Charitable Contribution and Sponsorship Policy and Committee which meets regularly to support local charities and community requests. Tyoga Container donates truckloads of boxes on an annual basis to Food Bank of the Southern Tier, Boy Scouts of America, Regional K-12 Schools, and Tioga County Food Bank. Additional projects in which Tyoga Container has participated with monetary contributions have included Borough of Tioga, Pa Park Project, donation of land to build Little League Fields in Tioga, Pa, Haven House Gala for support of abused women and children, and numerous other community projects.

In prior discussions with the Southern Tier Central Planning Board, Village of Painted Post and Community Residents, Tyoga Container has been asked if we would be willing to pay for installation of crosswalks on West Water Street as recommended by the traffic study. Our initial response was that we would be willing to participate in assisting with this initiative but needed to better understand the costs associated with installing traffic signals. Upon researching traffic signals, traffic lights and related costs, we more clearly understand costs associated with the recommendations and are willing to commit up to \$15,000 towards the installation of traffic signals as recommended within the traffic study that comply with the standards set forth by the Southern Tier Central Planning Board and Village of Painted Post.

We are hopeful the above information provides clarification in the areas of your concern. If you would like to have a phone call or video conference to further discuss and clarify any of these issues we would welcome the opportunity.

Respectfully,



Charlie Frysinger
Tyoga Container Inc.