Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on October 16, 2015 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY


EDGE Staff Present: S. Papale, M. Carney, J. Waters

Others Present: M. Levitt, D. Guzewich, L. Ruberto, J. Saunders

D. Grow called the meeting to order at 8:00 AM.

A motion to enter into Executive Session at 8:00 AM to discuss contracts and personnel was made by E. Quadraro and seconded by F. Betrus. Motion passed unanimously 6-0.

A motion to exit Executive Session at 8:36 AM was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously 6-0.

The Agency received the September 18, 2015 Meeting Minutes. A motion to approve the September 18, 2015 minutes was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously 6-0.

Financials were distributed to the Agency. Agency accepted the financials as presented. The 2016 budget will be presented at the next meeting.

A request to consider an inducement resolution relating to the Bonide Products, Inc. facility, granting preliminary approval for financial assistance in the form of abatement of real property taxes, and authorizing the Agency to conduct a public hearing. The Company is currently paying 2/3 of taxes under its existing PILOT Agreement and is requesting the PILOT be extended for an additional five years, during which time the company would continue the 2/3 payment, which is a deviation from the Agency’s Uniform Tax Exemption Policy. Agency discussed possible ways to level up the PILOT so that at five-years Bonide would be paying 100%. A motion to approve consider an inducement resolution relating to the Bonide Products, Inc. facility, granting preliminary approval for financial assistance in the form of abatement of real property taxes for five years increasing by an equal percentage every year from 2/3 to 100%, and authorizing the Agency to conduct a public hearing was made by N. Brown and seconded by M.F. Messenger. Motion passed unanimously 6-0. E. Quadraro noted that he sits on the Oneida County Business Park Stakeholders group with members of Bonide.

A request to consider a final authorizing resolution relating to the Lewiston at Clinton Street, L.L.C. Phase IV Facility, approving financial assistance and authorizing the form and execution of related documents. The IDA conducted a public hearing on October 8th regarding the project. No comments were made at the public hearing. A motion to approve a final authorizing resolution relating to the Lewiston at Clinton Street, L.L.C. Phase IV Facility, approving financial assistance and authorizing the form and execution of related documents was made by S. Zogby and seconded by N. Brown. Motion passed 6-0-1 with F. Betrus abstaining.
A request to consider a final authorizing resolution relating to the Owl Wire and Cable LLC facility, approving financial assistance that is a deviation from the Agency’s Uniform Tax Exemption Policy, and authorizing the form and execution of related documents. The IDA conducted a public hearing on October 14th regarding the project. The Rome City School District attending the public hearing, but no comments were made. A motion to approve a final authorizing resolution relating to the Owl Wire and Cable LLC facility, approving financial assistance that is a deviation from the Agency’s Uniform Tax Exemption Policy, and authorizing the form and execution of related documents was made by S. Zogby and seconded by E. Quadraro. Motion passed unanimously 6-0.

A request to consider a resolution to amend the IDA’s Uniform Tax Exemption Policy. The IDA sent notice to all affected taxing jurisdictions on September 29, 2015 requesting comments. Agency requested to defer this action until November.

A request to consider a resolution to amend the PILOT Agreement relating to the 394 Hangar Road Corporation Facility, and authorizing the IDA to conduct a public hearing. Jef Saunders addressed the Agency and stated 394 Hangar Road Corporation is requesting a proposed PILOT schedule outlined in the memo attached. The FAA would like the facility in County ownership by 2018, Agency requested that Jef Saunders have a conversation with the County to see if they would take ownership of the building early. A motion to approve a resolution to amend the PILOT Agreement relating to the 394 Hangar Road Corporation Facility, and authorizing the IDA to conduct a public hearing was made by F. Betrus and seconded by D. Grow. Motion passed unanimously 6-0.

A request to consider a resolution consenting to the refinance of the Sovena USA (East Coast Olive Oil) facility, and authorizing the form and execution of related documents. No financial assistance is being requested. A motion to approve a resolution consenting to the refinance of the Sovena USA (East Coast Olive Oil) facility, and authorizing the form and execution of related documents was made by M.F. Messenger and seconded by E. Quadraro. Motion passed unanimously 6-0.

A request to consider a resolution consenting to the refinance of the Rome Hospitality Group, LLC (Hampton Inn – Rome) facility, and authorizing the form and execution of related documents. The IDA is party to a Mortgage held by Berkshire Bank, and the bank and the company wish to close an interest rate swap. No financial assistance is being requested. A motion to approve a resolution consenting to the refinance of the Rome Hospitality Group, LLC (Hampton Inn – Rome) facility, and authorizing the form and execution of related documents was made by M.F. Messenger and seconded by F. Betrus. Motion passed unanimously 6-0.

A request to consider a resolution relating to a request by Griffiss Local Development Corporation to enter into a License Agreement (or other similar arrangement) with Mohawk Valley Community College relating to a parcel of land on Ellsworth Road, and authorizing the form and execution of related documents, subject to approval by counsel. MVCC would like to include the subject land in the Start-Up New York program; to do so, New York State requires that the College have an interest in the land. A motion to approve a resolution relating to a request by Griffiss Local Development Corporation to enter into a License Agreement (or other similar arrangement) with Mohawk Valley Community College relating to a parcel of land on Ellsworth Road, and authorizing the form and execution of related
A request to consider a resolution relating to a request by EDGE to grant an easement to National Grid relating to the Marcy Nanocenter Project, and authorizing the form and execution of related documents, in form acceptable to counsel. In order to install gas lines to service the Nanocenter, National Grid needs to access certain lands that are on record as being in the name of the IDA. A motion to approve a resolution relating to a request by EDGE to grant an easement to National Grid relating to the Marcy Nanocenter Project, and authorizing the form and execution of related documents, in form acceptable to counsel was made by N. Brown and seconded by S. Zogby. Motion passed unanimously 6-0.

A motion was made by D. Grow to add $40,000 to the Mohawk Valley EDGE contract to continue to support the Marcy Nanocenter project and the associated increased workflow, seconded by F. Betrus. Motion passed unanimously 6-0.

There being no further business, the meeting was adjourned at 9:34 AM upon a motion by F. Betrus and seconded by D. Grow.

Respectfully recorded,
Jennifer Waters
Project Summary Sheet

The OCIDA is being asked to consider a modification to the current PILOT agreement with 394 Hangar Road Corporation Facility.

On August 31, 2015 394 Hangar Road Corporation received a letter from New York State Department of Taxation and Finance regarding an audit of the New York State tax return for the tax period 1/1/2013-12/31/2013. The audit resulted in an increase to the tax liability in the amount of $141,741 plus $17,316 in interest. After receiving the letter staff reviewed the 2013 return and discovered that it was calculated using the Qualified Empire Zone Enterprise (QEZE) tax credit benefit period 10 with a 100% benefit factor which was incorrect. The correct QEZE benefit period was year 11 with an 80% benefit factor causing the tax liability referenced above. In addition, the 2014 tax return was also incorrect, causing an additional tax liability of $92,493. This also affects the expected 2015-2017 QEZE refunds. Due to the miscalculation, anticipated revenue from the QEZE refunds will decrease by $258,481.

The miscalculation of the QEZE refunds has put a financial hardship on 394 Hangar Road Corporation. The Corporation will not be able to continue operations at the current PILOT payment.

For the years 2003-2014 approximately $7,832,880 has been generated in tax revenue and fully remitted to the County. For the years 2015-2017 based on the proposed PILOT agreement an additional $450,000 in tax revenue will be generated, totaling $8,282,880.

APPLICANT’S REQUEST - In order to continue operations, applicant requests that the Agency amend the amount of the existing IDA PILOT Payments (see Column 3 below), 100% of which would continue to be allocated to the County.

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<th>3</th>
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<th>5</th>
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<td>Year</td>
<td>Current PILOT Payment</td>
<td>Proposed PILOT Payment</td>
<td>QEZE RPT Phase-Out</td>
<td>Possible QEZE Refund Payments</td>
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<td>2015</td>
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<td>2018 and thereafter</td>
<td>$0</td>
<td>$0</td>
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Applicant requests that the Existing PILOT Agreement be adjusted to provide for PILOT Payments as per Column 3 of the above schedule. These adjusted PILOT payments are reflective of the maximum amount of taxes 394 Hangar Road Corporation can withstand and maintain operations. The above proposed PILOT payments would remain in effect from 2015 through 2017, inclusive, and then would drop to $0 in 2018 and thereafter. As shown in Column 5 the above schedule, the QEZE RPT is less than the proposed PILOT obligation, which is a direct cost to Applicant (and cannot be passed along to Premier Aviation).

Applicant submits that the Agency’s grant of the relief sought is necessary to ensure the continued operation of the Building 101 Facility which, in turn, is critical to the viability and overall success of the
Griffiss International Airport. Applicant further submits that Griffiss International Airport, as a public airport, is a key component of the Mohawk Valley Region’s infrastructure. Having a public airport not only contributes to the Mohawk Valley Region’s positive self-image, but is also necessary in order to foster our area’s economic development and retention efforts. Without a nearby public airport, projects such as the Marcy Nanocenter at SUNY Poly project would not be possible.