Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on March 17, 2017 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

Members Present: M. Fitzgerald, D. Grow, S. Zogby, F. Betrus (via video conference), E. Quadraro (via video conference)

EDGE Staff Present: S. Papale; M. Carney, J. Waters; M. Kaucher; C. Mercurio;

Others Present: L. Ruberto; C. Levitt; M. Levitt; D. Guzewich; Rome Mayor J. Izzo; B. Maxim, NE Regional Council of Carpenters; John Howard, Barone-Howard & Hilton; Mike Fitzgerald and Paul MacEnroe representing Oriskany Manufacturing.

Chairman D. Grow called the meeting to order at 8:04 AM.

D. Grow moved Executive Session to the end of the meeting.

The Agency received the February 16, 2017 Meeting Minutes. M. Fitzgerald noted an apparent typographical error in the last paragraph on the first page. M. Fitzgerald also requested that the recorded discussion pertaining to the “Cooney” project be explained in more detail and be brought back to the board for approval at the next meeting. Motion to approve the February 16, 2017 minutes, subject to the minutes with the requested changes being brought back to the board for review at the next meeting, was made by S. Zogby and seconded by M. Fitzgerald. Motion passed unanimously 5-0.

Agency Interim Financials were reviewed by M. Carney. Several project closings took place in February. Past due rent from Ontario Realty was received. The Hartford and Hampton Inn PILOTS were processed. The Agency accepted the financials as presented.

John Howard presented the OCIDA 2016 Audit. He stated that there was a clean opinion granted with no issues with accounting principles, noting that M. Carney does an impeccable job in preparing the completely unblemished information, with no exceptions. Mr. Howard noted that the Agency’s primary assets are cash and that it acts in a fiduciary manner with certain cash holdings. Statement of financial position was consistent with previous years. Cash was down a bit in 2016, but nothing out of the ordinary. Motion to approve the 2016 OCIDA audit was made by S. Zogby and seconded by F. Betrus. Motion passed unanimously 5-0.

At 8:18 AM Chairman Grow asked for a motion to suspend the OCIDA Meeting for the purpose of bringing the Oneida County Local Development Corporation board meeting to order. Motion to suspend the March 17, 2017 OCIDA board meeting was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 5-0.

At 8:23 AM Chairman Grow brought the March 17, 2017 meeting back to order.

Chairman Grow introduced Michael Fitzgerald from Oriskany Manufacturing (OM) who proceeded to discuss the additional information provided since the February meeting regarding employment projections related to his proposed project. Mr. Fitzgerald explained that the growth in Oneida County jobs will come from the current temp/leased positions at RAM in Syracuse will be moving to Oriskany as employees. The Syracuse RAM operation will continue with existing employees for 3-4 years, but since
there is no room to grow, the operation will need to expand into the Oriskany building. The current OMT facility in Yorkville will close, with operations moving to the Oriskany building. Mr. Fitzgerald said they are entertaining a purchase offer from another manufacturing entity for the Yorkville building. L. Ruberto noted that Yorkville has been notified of the proposed closure, but since there is no abandonment of the Syracuse facility, Syracuse does not need to be officially notified. The IDA will need to make a finding that the proposed action is necessary for OMT to maintain its competitive position. Mr. Fitzgerald noted that he will be expanding the Judd Road building and that he currently pays 100% of taxes on the Wurz Ave facility. M. Fitzgerald suggested the IDA consider a commercial PILOT rather than the manufacturing PILOT on the former Daimler building only, along with mortgage recording and sales tax exemption on all buildings. S. Papale suggested maintaining a manufacturing PILOT, but fixing the annual payment amounts for a 10-year term. Further group discussion resulted.

Motion making a finding that the IDA action for the benefit of Oriskany Manufacturing LLC (OM) is necessary in order for the company to maintain its competitive position in its industry, and to adopt a final authorizing resolution approving financial assistance consisting of a fixed annual PILOT Payment on the Base Road facility only, starting at $66,025 in year one with a 2% annual escalator over 10 years, exemptions from sales tax and exemptions from mortgage recording tax, all subject to 153 FTE OM employees being in existence in Oneida County within 3 years, which financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy, and authorizing the form and execution of related documents, all in the Agency’s customary form and with any changes that are approved by counsel, was made by F. Betrus and Seconded by E. Quadraro. Motion passed unanimously.

Subsequent to the Town of Kirkland’s adoption of a negative declaration as lead agency for the purpose of SEQR relating to the Indium Corporation of America (Water Main Project), a motion to adopt a negative declaration for the purpose of SEQR relating to the Indium Corporation of America (Water Main Project) was made by S. Zogby and seconded by M. Fitzgerald. Motion passed unanimously 5-0.

A request to consider a final authorizing resolution relating to the Indium Corporation of America (Water Main Project) facility, authorizing financial assistance that is a deviation from the Agency’s Uniform Tax Exemption Policy and authorizing the form and execution of related documents, all substantially in the Agency’s standard form and subject to approval by counsel. The Agency conducted a public hearing on December 12, 2016. The Company is requesting a waiver of the IDA’s normal requirement for either a PILOT mortgage or escrow account, by agreeing to pay each year’s PILOT payments one year in advance, provided this can be worked out with the affected municipalities. The board voiced concern that a lender would be able to access funds in the PILOT escrow account to pay delinquent loan payments; L Ruberto indicated there is a PILOT escrow account to pay delinquent loan payments. L. Ruberto indicated there is a PILOT Payment Escrow Account Agreement signed by all parties that restricts those funds to payments of PILOT payments. D. Grow stated that he didn’t like the thought of the Agency collecting PILOT Payments a year in advance and being responsible for holding the funds. The board determined since there is no lender financing this transaction, neither a PILOT Mortgage nor an escrow account would be required. A motion to approve a final authorizing resolution relating to the Indium Corporation of America (Water Main Project) facility for a ten-year fixed-schedule PILOT payment schedule and waiver of PILOT mortgage and escrow requirement sales tax exemptions, assistance that is a deviation from the Agency’s Uniform Tax Exemption Policy and authorizing the form and execution of related documents, subject to review and approval by counsel was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 5-0.
A request to consider a resolution authorizing the Agency to consent to construction by National Grid of a gas easement on lands that are owned by the Agency and leased to Mohawk, Adirondack and Northern Railroad and GVT Railroad, authorizing the form and execution of a Consent Agreement, subject to approval by Agency Council, was presented. The IDA has fee-title interest in the property which is leased to the railroad. A motion to authorize the Agency to consent to construction by National Grid of a gas easement on lands that are owned by the Agency and leased to Mohawk, Adirondack and Northern Railroad and GVT Railroad, authorizing the form and execution of a Consent Agreement, subject to approval by Agency Council, was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 5-0.

Chairman Grow noted that Caroline Levitt will no longer be attending future Agency meetings since will be taking a new position. He said the Agency will miss her and thanked her for service and wished her the best in her new role.

A motion to enter Executive Session at 9:16 AM to discuss pending contracts with the Agency was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously 5-0.

The Agency re-convened the regular meeting upon exiting Executive Session at 9:51 AM.

A request to consider a resolution relating to the financing of the Griffiss Local Development Corporation (Sovena USA Inc./East Coast Olive Oil Corporation) facility, approving the form and execution of related documents, subject to review by counsel was presented. This is related to a portion of the property the IDA holds fee title to, and is used for the railway extension to Sovena. GLDC is refinancing. A motion to approve a resolution relating to the financing of the Griffiss Local Development Corporation (Sovena USA Inc./East Coast Olive Oil Corporation) facility, approving the form and execution of related documents subject to review by counsel was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 5-0.

Old Business
Discussion of the proposed updated Recapture Agreement will be taken up at the next meeting.

There being no further business, the meeting was adjourned at 10:00 AM upon a motion by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 5-0.

Respectfully recorded,
Mark Kaucher