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


EDGE Staff Present: S. J. Dimeo; S. Papale; J. Waters; M. Carney; M. Kaucher;

Others Present: Laura Ruberto, Mark Levitt; City of Rome Mayor J. Izzo; D. Guzewich, Rome Sentinel;  
Don Carbone, Lithia Motors/Carbone(entered after Executive Session ended)

Chairman D. Grow called the meeting to order at 8:01 AM.

At 8:02 AM a motion to enter Executive Session for the purpose of discussing potential contracts with the Agency was made by F. Betrus, seconded by E. Quadraro and passed unanimously, 5-0.

At 8:30 AM a motion to exit Executive Session was made by E. Quadraro, seconded by F. Betrus and passed unanimously, 5-0.

Agenda Item #7: A request to consider an inducement resolution relating to The Lithia Motors, Inc. Facility. Chairman D. Grow invited Don Carbone to speak about the proposed project.

D.Grow: We received application, IDA members have questions, but please describe project.

D.Carbone: Greatest challenge has been filling the employment space of mechanical techs and body shop people. We have 150 positions in tech field that we need to fill. At any given time, we are lacking 10%. At 130 now. About 80 are in Oneida County, the rest are in Albany or Bennington, VT. It’s a challenge trying to get people to get into the auto mechanical or body/paint field. Our audience is primarily rural youth, from farm backgrounds who are familiar with equipment but no opportunity to go to college. They typically love machines and are more mechanically inclined. They are excellent workers, tend to stay where they start, which makes hiring experienced techs difficult because they tend not to move. Especially in fields of heavy duty truck service. Carbone offers $10K signing bonus for diesel mechanics but still can’t attract enough candidates. The success we have had in retaining and developing technicians is people that we have actually hired and brought up ourselves. Takes dozens of years to make a good team. High paying jobs; $70K and up for experienced technician.

• We will be eastern platform office of Lithia. We will be managing all dealerships in NE sector. Presently scouting for other dealerships to join platform. This will open up need for a lot more technicians.

• We have been in the apprenticeship business a long time, worked with BOCES, SUNY, MVCC, Morrisville and Oswego to bring people into our program. Work with all manufacturers, all have apprenticeship program. We pay to send to BMW in SC and NJ to become certified technicians. Main purpose of this new program – building new state of the art, body and paint facility. Two paint booths, one of which will be able to accommodate heavy trucks. We will move our current body shop into that facility, which will open up that space for the heavy duty service facility. Will open up several positions – only have 3 diesel techs but will need more. Will put apprentice program into place to train, send them to BOCES, etc., as we have done in the past. It can take up to 10 years to fill job and fully train them. Apprentices work alongside a skilled person.

• Carbone is now affiliated with a public organization (Lithia), and they have commissioned Carbone to spend $18M, $15M of that in Oneida County. Body shop is the beginning – 6 other projects at other dealerships. We are going to have a lot of people from other dealerships to train technicians and train body and paint people. Big opportunity for us, big for area, big for Lithia. If we are able to get assistance they will take a kind look at our area and invest a lot more.
D. Grow: You have regional headquarters, you have back office people?
D. Carbone: We are the management office for the NE region. For most of the rest of the country, head-
quartes(Medford, OR) administers. We convinced them this is best place for NE headquarters.

D. Grow: As part of this office would back office remain here? Or could they go somewhere else?
D. Carbone: If I was the IDA, I would make that part of the commitment. That’s what I would do if I sat in your side of the table.

D. Grow: Will back office space be expanded as part of Commercial Drive extension?
D. Carbone: The detailing/reconditioning and auction is going to stay there. However, we have 1/3 of that building leased to out Vicks Lithograph, which is about to expire, so that space will be available to us to expand into.

D. Grow: So your discussion about potential growth will include growth of back office?
D. Carbone: Yes.

D. Grow: We assume you are aware that we have limitations under the law in granting benefits to “retail” operations? This is a close call. Clearly you market your services to customers. That means if we are going to move ahead we need to make findings that support that you are providing services that are not currently available, or that attracts people from outside the county. The application that has been submitted does not go into much detail about those kinds of things. Before we can act on it, we would have to have supporting documentation that shows it. IDA is excited about the apprenticeship portion of project. We want to see those programs grow and help younger people. IDA Inducement starts process, receive additional information, have public hearing, then move to a final authorization. If we induce it, it doesn’t guarantee you will get the benefits, but we will move forward with process. If you use sales tax exemption and it is not approved, you would have to pay it back. Very supportive of project but we need to ensure this fills the statutory requirements.

D. Carbone: I was able to read material and I understand this is in a gray area, but I think that because of the audience we play to, the rural young people we play to, they don’t have a lot of opportunity. If we can attract them into programs like this, the result is high paying jobs. Great opportunity for our area.

S. Zogby: Projects 10 people over 3 year period, hope to create 4 jobs?
D. Carbone: Didn’t mean to infer that those would be the only 10 people.

S. Zogby: Could you elaborate on how many people you think you could bring through? How many and how long to fill?
D. Carbone: I would like to, but we’ve had a hard time attracting people. I’d like to bring 100 people through but the challenge is finding people. We could bring people from out of the area here, train them, then send them back to their dealerships.

S. Zogby: What would make me feel better is to see the potential of how many jobs here.
D. Grow: Can you explain how a state of the art facility would enhance your ability to attract apprentices?
D. Carbone: I don’t know anywhere else in the county or the state where a person can go to learn Lean Processing or water painting technology – we’ll be able to do that. If a person graduates from Morrisville, learns this new technology but has nowhere to apply it locally, it’s disappointing. We’ll be able to put them in a facility that employs these methods. This is what makes Carbone unique.
S. Papale: There are no paint booths in the area large enough to handle a truck?
D. Carbone: No, the closest is in Albany.

D. Carbone: Send a lot of our new hires to schools outside area. We pay wages and expenses to go to schools to learn technology then bring them back and put them to work in our facility.
F. Betrus: Will they be using a curriculum and will there be evaluation of students?
D. Carbone: No curriculum, but they will be paired with a mentor and there will be ongoing monitoring

E. Quadraro: Have you looked into funding for training for displaced workers?
D. Carbone: Minimal. Most of it has been on our dime.

D. Grow: Do you have any outside, independent information that as you open this facility you anticipate apprenticeship market is beyond Oneida County?
D. Carbone: Our market is statewide right now, but I think it will get bigger as people become more aware of what we have to offer. A trucker today has to be willing to travel a long ways to get quality service, especially in body or paint area, or has to be able to accept a lesser quality service in this area.

S. Papale: Is there a market analysis that supports that?
D. Carbone: Not that I know of.

D. Grow: Is it possible to analyze, by zip codes, to see where heavy duty truck customers are coming from outside Oneida County?
D. Carbone: Yes. We have customers that have to travel to other parts of the state to get service.

S. Zogby: I’d like to make a motion to induce this resolution based on the fact that I know we need more information, which Shawna will work with. It might not be approved but it has the potential for being approved. A motion to approve an inducement resolution related to the Lithia Motors, Inc. Facility, granting preliminary authorization for financial assistance consisting of exemptions from sales tax and abatement of real property tax, which is consistent with the IDA’s uniform Tax Exemption Policy, and authorizing the IDA to conduct a public hearing was made by S. Zogby, seconded by F. Betrus, and passed 4-0, with M. Fitzgerald abstaining.

At 9:05 AM a motion to enter Executive Session for the purpose of discussing potential contracts with the Agency was made by F. Betrus, seconded by E. Quadraro and passed unanimously, 5-0.

At 9:53 AM a motion to exit Executive Session was made by F. Betrus, seconded by E. Quadraro and passed unanimously, 5-0.

A request to consider a final authorizing resolution relating to the Lewiston at Clinton Street, LLC (Phase V) Facility was presented. S. Papale reported that the company intends to submit supplemental information for consideration, so it is recommended that the board table the final resolution action until the IDA is able to evaluate the forthcoming information. A sales tax exemption letter, limiting exemption value to $100,000, can still be executed, and updated later to reflect the new information. A motion to table consideration of a Final Authorizing Resolution relating to the Clinton Street, LLC (Phase V) Facility was made by E. Quadraro, seconded by M. Fitzgerald, and passed 4-0, with F. Betrus abstaining.

A request to consider an inducement resolution relating to the Deployed Resources, LLC Facility, granting preliminary authorization for financial assistance consisting of exemptions from sales tax and abatement of real property tax, which is consistent with the IDA’s Uniform Tax Exemption Policy, and authorizing the IDA to conduct a public hearing, was presented. M. Fitzgerald asked for clarification on
the actual real estate and existing building costs, which were not exactly clear in the application. He also asked if it was true that there are currently no real property taxes levied on the property, so that any new PILOT revenues would be 100% above what is paid there now. This is true. A motion to approve an inducement relating to the Deployed Resources, LLC Facility, granting preliminary authorization for financial assistance consisting of exemptions from sales tax and abatement of real property tax, which is consistent with the IDA’s Uniform Tax Exemption Policy, and authorizing the IDA to conduct a public hearing, subject to cleaning up of the application, was made by F. Betrus, seconded by E. Quadraro, and passed unanimously, 5-0.

A request to consider a SEQRA resolution relating to the Deployed Resources, LLC Facility was tabled.

The Agency reviewed the July 13, 2017 Board Meeting Minutes. M. Fitzgerald noted that we have not yet received any answers from the City of Oneida Housing Authority (Jason Gwilt Memorial Senior Housing Apartments) to the questions we had regarding fees and PILOTs. A motion to approve the July 13, 2017 meeting minutes was made by S. Zogby, seconded by M. Fitzgerald, and passed unanimously, 5-0.

Agency Interim Financials were reviewed by M. Carney. Due to the recent closing on the Heartford Luxury Apartments project, the budget is now in line with projections. The Agency accepted the interim financials as presented.

New/Old Business:

A request from Runnings LLC to extend their sales tax exemption status from May 31, 2017 to June 30th, 2017, and increasing the value of the exemption from $27,500 maximum to $36,350 maximum was presented. Runnings has experienced higher than anticipated costs, primarily because at the time they submitted their application, they only had a rough estimate on what the equipment would cost. It has also taken a bit longer than anticipated. A motion to approve the extension of Runnings LLC Facility sales tax exemption through June 20, 2017 and increasing the value of the exemption to $36,350 was made by M. Fitzgerald, seconded by F. Betrus, and passed unanimously, 5-0.

There being no further business, the meeting was adjourned by consensus of the board at 10:10 AM.

Respectfully recorded,

Mark Kaucher