Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on September 15, 2017 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY


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

Others Present: Laura Ruberto, Mark Levitt; City of Rome Mayor J. Izzo; D. Guzewich, Rome Sentinel; Don Carbone, Lithia Motors/Carbone; Rich Stapleton, Deployed Resources.

Chairman D. Grow called the meeting to order at 8:10 AM.

The board concurred to move a request for Executive Session to later in the meeting.

The Agency reviewed the August 17, 2017 Board Meeting Minutes. In Agenda Item 7, F. Betrus noted that during the presentation by Don Carbone, he asked if Lithia will be using a curriculum, and whether there will be evaluation of students, to which Mr. Carbone responded “no”, but that they will be paired with a mentor and there will be ongoing monitoring. Mr. Betrus asked that this should be added to the minutes. Also, in Agenda Item 3, M. Fitzgerald noted that the word “exemption” should be added after the word “tax” in the next to last sentence of the fourth question asked by D. Grow. In a reference to the minutes noting that we still had not received requested information from the City of Oneida Housing Authority, M Fitzgerald questioned if anything had come in yet. Staff reported that it had not been received.

A motion to approve the August 17, 2017 meeting minutes was made by E. Quadraro, seconded by M. Fitzgerald, and passed unanimously, 6-0.

Agency Interim Financials were reviewed by M. Carney. Two application/commitment fees were received. No closed projects. Admin fees under budget. The agency received the interim financials as presented.

The proposed 2018 budget was presented by M. Carney. Cisco WebX will be an additional budget item in 2018. A motion to adopt the 2018 budget as presented was made by F. Betrus, seconded by M. F. Messenger, and passed unanimously, 6-0.

A request by Mohawk Valley EDGE for the IDA to acquire an access/conservation easement relating to the Sauquoit Creek Offsite Stream Bank Stabilization Project, and authorizing the IDA to conduct a public hearing was introduced. S. J. Dimeo explained that this property, which is in the Town of Paris, is one of the three sites upon which bank stabilizing projects were created as a condition for the issuance of a wetlands permit by the Army Corps of Engineers for Marcy Nanocenter. The ACoE requires a conservation easement on the site so that the work that was done is not compromised, but the current owner is not cooperating. Discussion took place as to how this would be in the public interest, and it was determined that as long as the action is related to the development of the Marcy Nanocenter site, and that a condemnation was in the public interest, it would be legal. The board consensus was that it in order to undertake a condemnation on the property, it would need to make a formal detailed connection. D. Grow requested that S. J. Dimeo submit a letter to the IDA explaining the project and its tie to the public interest. A motion to acquire an access/conservation easement relating to the Sauquoit Creek Offsite Stream Bank Stabilization Project and authorizing the IDA to conduct a public hearing was made by F. Betrus, seconded by E. Quadraro, and passed unanimously, 6-0.

A motion to consider a SEQR resolution relating to the Lithia Motor Co., Inc. facility was made by S. Zogby, seconded by M. F. Messenger, and passed 5-0, with M. Fitzgerald abstained.
A request to consider a Statement of Findings related to the Lithia Motor Co., Inc. facility, and request the Oneida County Executive confirm financial assistance. The IDA conducted a public hearing on September 14, 2017. The Company submitted to the IDA, as an addendum to their application, numerous written statements by local businesses pertaining to the lack of accessible services for the service and painting of large commercial vehicles. A motion to accept the Statement of Findings related to the Lithia Motor Co., Inc. facility, was made by F. Betrus, and seconded by S. Zogby. Chair Grow opened the floor for discussion: F. Betrus mentioned that the facility was already in the process of being constructed. The inducement resolution was adopted on August 17th. F. Betrus asked Mr. Carbone if there was a formal training and an end. Mr. Carbone responded that there really wasn’t an end. Some trainees leave and some stay and proceed through their organization. F. Betrus asked about past training experiences and what was the success rate. Mr. Carbone responded that they have been doing training it for years and maybe two out of 10 applicants stayed, but that doesn’t mean they all weren’t successful. Some move away and some move to other employers, like the bus company at Griffiss Business & Tech Park. There may not be room for every applicant. F. Betrus asked how many positions would need be filled with the training. S. Papale said she thought it was around 30. Mr. Carbone thought it was somewhere between 20 and 30, including body/paint and truck technicians. F. Betrus asked if there was an attrition rate. Mr. Carbone said not a real problem. Just recently a man, 75 years of age, and who started with Carbone in 1972, retired. These people generally stay put. Some people who start training in one discipline are found to have more aptitude for other roles in the organization. Chair Grow asked if there was a process for evaluating the progress of trainees, to which Mr. Carbone affirmed there was, and that they have people who start in their program who they determine are better suited to other jobs within the organization. They are good employees but may be better at jobs apart from what they originally trained for. Chair Grow mentioned that Mr. Carbone previously mentioned the facility might be used as a training facility for other Lithia facilities. Mr. Carbone said they certainly are going to promote that with Lithia to service the 170 other dealerships. S. Papale mentioned that this is related back to the commitment to retain the support jobs at Yorkville. She worked with Enessa Carbone, and determined the actually number to be 90 jobs, down from the original 120 estimate. This is a critical component of the incentive structure. Mr. Carbone said that since they merged with Lithia, some of the people they used to classify as support people have actually been shifted to the individual local dealerships. He included all the support people in the auction, renovation and recondition. S. Papale said we are using 90 retained jobs. Mr. Grow thanked Mr. Carbone and asked if there were any other questions. S. Zogby had a question for L. Ruberto regarding Bond, Schoeneck & Kings opinion letter as it pertains to our ability to provide assistance. L. Ruberto clarified how NYS IDA law allows exceptions to assist with retail. The Statement of Findings refers to these exceptions and will need to be confirmed by the County Executive. He has been made aware of it. He will need to certify the action. S. Papale said the key things here are the apprenticeship program, the job retentions and the heavy duty truck service. The support letters from the users made it clear there is a need. S. Zogby says he believes the heavy duty truck issue is the key, especially after reading the support letters that were provided. Chair Grow said the job retention aspect is important too, as the support jobs could go away too. He also thinks this shows IDA thinking going forward, philosophically, we want to encourage the apprentice type, training programs that create opportunities for high school and two-year college grads. M Fitzgerald abstained from the entire discussion. There being no further discussion, Chair Grow asked for a vote on the motion on the table: motion carried 5-0, with M. Fitzgerald, abstaining.

A motion to consider a final authorizing resolution relating to the Lithia Motor Co., Inc. facility, approving financial assistance that is consistent with the IDA’s Uniform Tax Exemption Policy, and approving the form and execution of related documents, all in the IDA’s standard forms with changes approved by counsel, along with changes to the application submitted by the applicant as an addendum which reduced the back office support jobs to be retained number from 129 to 90, and all conditioned upon approval from the Oneida County Executive was made by S. Zogby, seconded by E. Quadraro, and
passed 5-0, with M. Fitzgerald abstaining. Subsequent to the vote, clarification was made that the Lithia Motors PILOT will be based the standard Commercial PILOT (which is also applicable to retail) and will also be only applicable on the increase in assessment as a result of the improvements.

A motion to consider a SEQR resolution relating to the Deployed Resources, LLC facility was made by S. Zogby, seconded by M. Fitzgerald, seconded by F. Betrus, and unanimously passed, 6-0.

A request to consider a final authorizing resolution relating to the Deployed Resources, LLC facility, approving financial assistance that is consistent with the IDA’s Uniform Tax Exemption Policy, and approving the form and execution of related documents, all in the IDA’s standard forms with changes approved by counsel was introduced. A public hearing was held. Subsequent to the last meeting, a revised application to more accurately reflect the estimated sales tax savings and real property tax abatement values was discussed. Discussion of what the values of the building might end being. Discussion turned to jobs to be created number. Starting numbers are 24 full time jobs and 12 part time jobs. In three years Deployed will commit to having 36 full time jobs and 18 part time positions. The discussion returned to the manufacturing based PILOT. Since this is all new assessment, the consensus was that we adopt a PILOT where the annual payments would not exceed a certain amount each year. Staff will calculate the payments using a $1 million dollar full market value amount for the real estate, apply the current 74.45% equalization rate, and calculate the fixed payments during the 10-year term using existing tax rates with a 2% annual increase. A motion to amend the August 17, 2017 inducement resolution for the benefit of the Deployed Resources, LLC facility that authorized assistance that was consistent with the Agency’s standard benefit policy, but is now a deviation due to the Agency amending the PILOT by making the payments fixed for the ten-year term by using a calculation that used a $1 million dollar full value amount for the real estate and applying the current 74.45% equalization rate, and calculating the fixed payment amount during the 10-year term using the existing tax rates with a 2% annual increase, and authorizing a public hearing, was made by M. Fitzgerald, seconded by F. Betrus, and unanimously passed, 6-0.

At 9:10 AM a motion to enter Executive Session for the purpose of discussing potential contracts with the Agency was made by F. Betrus, seconded by M. Fitzgerald and passed unanimously, 6-0.

At 9:54 AM a motion to exit Executive Session was made by E. Quadraro, seconded by S. Zogby and passed unanimously, 6-0.

There being no further business, the meeting was adjourned by consensus of the board at 10:00 AM.

Respectfully recorded,

Mark Kaucher