Minutes of the Meeting of the Oneida County Industrial Development Agency Held on March 23, 2018 at Mohawk Valley EDGE 584 Phoenix Drive, Rome NY

EDGE Staff Present: SJ Dimeo, S. Papale, M. Carney, A. Gerardo, M. Kaucher, J. Waters, F. Arcuri
Others Present: Laura Ruberto, Bond, Schoeneck & King; Rome Mayor Jackie Izzo; Mark Levitt, Levitt & Gordon; Dave Gymburch, Rome Sentinel; John Howard, Barone Howard & Hilton

Chairman D. Grow called the meeting to order at 8:09 AM and explained that an Executive Session would be necessary, as will an Oneida County Local Development Corporation (OCLDC) meeting. He asked for consensus that the 2017 Audit agenda item be addressed first, and the board concurred.

John Howard presented the OCIDA 2017 Audit. He reported that there were no issues thanks to the very good accounting records provided by staff. He noted there was some net asset shrinkage. **Motion to approve the 2017 OCIDA audit was made by S. Zogby and seconded by E. Quadraro, and unanimously passed, 6-0.**

Chairman Grow asked for a motion to recess the OCIDA meeting in order to convene the OCLDC meeting. **A motion to recess the OCIDA meeting at 8:15 AM was made by F. Betrus, seconded by M.F. Messenger and unanimously passed, 6-0.**

Chairman D. Grow re-convened the OCIDA meeting to order at 8:22 AM.

The Agency reviewed the February 15, 2018 Meeting Minutes. F. Betrus and M. Fitzgerald noted some grammatical and content errors on page 3. **Motion to approve the February 15, 2018 minutes, with discussed changes, was made by M. Fitzgerald, seconded by S. Zogby and passed unanimously, 6-0.**

Agency Financials were reviewed by M. Carney. She made note of the amount in receivables and stated that ONX3, SMC and JGV had all closed. L. Ruberto noted that two applicants have withdrawn applications: Oriskany Mfg. and Northstar Dev/Oneida Housing Authority. The Agency received the financials as presented.

Chairman Grow introduced a request by Griffiss Local Development Corporation for consent to modification to sublease agreements with BAE Systems and Peraton, Inc., subject to approval by Agency counsel of the final documents. SJ Dimeo explained that it was merely a lease extension. **A motion to consent to modification to sublease agreements with BAE Systems and Peraton, Inc., subject to approval by Agency counsel of the final documents, was made by F. Betrus, seconded by E. Quadraro, and unanimously passed, 6-0.**

Old Business

D. Grow opened discussion pertaining to the proposed amendments to the Housing Policy portion of the Uniform Tax Exemption Policy (UTEP). As was requested by the board, S. Papale and L. Ruberto worked on adding a new section into the policy related to the consideration for Green Energy in awarding points (10 point value). The intent was to make “green” as inclusive as possible, but narrow enough where someone just putting up a solar panel on a house wouldn’t be awarded points. Since LEED certification is a measurable qualifier it was used in the description. M. Fitzgerald stated that he believes that the benefits of the green project must significantly go to the development project. D. Grow mentioned that we could require that both energy project and the development be in Oneida County. M. Fitzgerald suggested, and the board concurred that both projects must be located in Oneida County; more than 50% of the energy generated must be used in Oneida County; and the energy project must provide at least 50% of the energy needs of the housing project. M. Fitzgerald also said that
the wording for the LEEDS certification should be changed from “projects that have received (or are seeking) LEEDS certification” to “projects with plans that qualify for LEEDS certification”, so they will be able to get the points whether they obtain it or not. F. Betrus questioned the taxable status of energy projects. Mayor Izzo said that it is up to the existing communities to decide whether or not to opt out of existing laws that give extremely generous tax breaks and adopt their own PILOT plans. City of Rome is in the process of doing so. L. Ruberto mentioned that they have been working with R. Meier on the issue. Looking at examples around NYS. She continued that the total available points have now come up to “100” and might want to re-consider tier levels. Concurrence of board was to leave it at “100” and leave the tiers as they are. The board concurred that with the discussed changes, the proposed policy should be updated by L. Ruberto, sent out to the board with a 48-hour window for comment before it is sent to the municipalities for comment.

D. Grow opened discussion pertaining to the proposed amendments to the proposed MVHS Business Relocation Policy. S.Papale referred to the “what if” scenarios that M. Fitzgerald requested. The question of what a true moving cost is was discussed. F. Arcuri described a formula that has been developed by logistics expert. It is a very hard number to discern because of so many variables. We might need to revise our application to be more descriptive. Cost of renovations are also hard to determine at this point because there have been no firm moving decisions made. Discussion took place on what an overall per square foot moving cost would be, and it was determined that a mid-point would probably be in the $30-$33 psf range. Renovation costs can be extremely variable. There was discussion on the existing proposed PILOT plan. D. Grow and M. Fitzgerald stated that they believe it is a reasonable balance between assisting the businesses and not negatively affecting the municipalities. SJ Dimeo stated that he doesn’t think it works for everybody, adding that he believes it goes too far for new construction, but not far enough for existing building renovations. D. Grow stated that it is best for the smaller businesses. He added that the larger projects always have the option of asking the IDA for a plan that is a deviation from the policy. M. Fitzgerald agreed with D. Grow. M. Fitzgerald stated if a company is moving into a building with relocation expenses only, this is the PILOT. However, he added we should make it clear that if an application shows that a company is making an investment over and above mere relocation costs, the Agency will process it under our UTEP and Agency policies. The Agency would still waive the application/commitment fee and closing fee if processed under the UTEP. J Dimeo believes that it would be better to have a clear policy right up front so nobody is confused. D. Grow mentioned that this policy doesn’t really do anything for not for profits. S. Papale mentioned that businesses have their offer letters and are trying to decide what to do. E. Quadraro asked if some of the former commercial buildings downtown are being considered. F. Betrus mentioned that it is a relatively small number of businesses affected. S. Zogby stated that we need to emphasize to those businesses that we are here to help and are willing to work with them. E. Quadraro asked if we needed to go back to the Utica IDA with any changes. L. Ruberto said they approved language from our first draft, but were waiting to see where we ended up before taking final action. General discussion on the importance of solidarity with the Utica IDA, and a comment that the UIDA policy is more aggressive than the OCIDA’s, which the board believes is appropriate. The OCIDA intention is not to encourage any businesses to move out of the City, but that the Agency’s mission is to encourage growth. General consensus was that the OCIDA and UIDA policies should encourage businesses to stay in the City. Comment was made to change the definition of “Project Zone” to be the map that was attached to the MVHS application for Financial Assistance that delineated the affected businesses. Suggestion was made to call the document a “guideline” rather than a “policy”. L. Ruberto will research if that is viable as it relates to notice requirements. D. Grow asked who would be communicating with the City on this. S. Papale said she would continue to communicate with Jack Spaeth and would supply him with our latest draft. M. Fitzgerald stated that he hopes that Utica goes further with their PILOT. S. J. Dimeo said that we’re trying to give these businesses the maximum opportunity possible since this is a disruption to their operations. It was stated that if you are moving into a building with relocation expenses only, here is your PILOT. The IDA will accept applications from companies, and if there are increased costs the Agency will aggressively assist. Waive application fee. A motion to adopt the plan as presented(with no changes to the proposed PILOT formula, which applies to new construction and buying existing buildings,) with a substitution for the definition of the
“project area” to be the map provided in the MVHS application) as a guiding policy, but direct staff to communicate to Project Zone businesses that the IDA is also willing to entertain deviation requests under our existing UTEP policy, and to still waive application/commitment/closing fees if processed through the UTEP, was made by M. Fitzgerald, seconded by M. F. Messenger, and unanimously approved, 6-0.

McDonough Hardwoods PILOT
S. Papale reported that the company has agreed to a payment arrangement with the School District, which was in arrears. No action is needed at this time.

ONX3
M. Fitzgerald questioned if Briggs & Stratton were in operation at the site. S. Papale responded that they are. However, there are still some operations in Munnsville.

GLDC
L. Ruberto reported that GLDC is ready to term out its mortgage loan related to the former building 240 property and are required to notify the Agency, which is fee owner. There is no additional assistance, just notification.

At 9:35 AM a motion to enter Executive Session to discuss proposed, pending or current litigation was made by M. Fitzgerald, seconded by M. F. Messenger and passed unanimously 6-0.

At 10:26 AM a motion to exit Executive Session was made by M. Fitzgerald, seconded by F. Betrus, and passed unanimously 6-0.

At 10:27 a motion to adjourn the OCIDA Meeting was made by M. Fitzgerald, seconded by E. Quadraro and passed unanimously 6-0.

Respectfully recorded,
Mark Kaucher