Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on May 18, 2018 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

Members Present: Ferris Betrus, Michael Fitzgerald, David Grow, Mary Faith Messenger, Eugene Quadraro, Steve Zogby
EDGE Staff Present: SJ Dimeo, S. Papale, M. Carney, A. Gerardo, J. Waters, F. Arcuri, C. Mercurio, P. Zawko
Others Present: Linda Romano & Laura Ruberto, Bond, Schoeneck & King; Rome Mayor Jackie Izzo; Mark Levitt, Levitt & Gordon; Bill Maxon, NE Regional Council of Carpenters.

Chairman D. Grow called the meeting to order at 8:05 AM.

At 8:06 AM a motion to enter Executive Session to discuss potential contracts was made by M. Fitzgerald, seconded by D. Grow and passed unanimously 6-0.

At 8:21 AM a motion to exit Executive Session was made by M. Fitzgerald, seconded by F. Betrus, and passed unanimously 6-0.

The Agency reviewed the April 20, 2018 Meeting Minutes. It was noted that Steve Zogby was not in attendance, so his name should be removed from the minutes and the number “6” referenced in the voting should be changed to “5”, where applicable. Motion to approve the April 20, 2018 minutes with noted corrections was made by M. Fitzgerald, seconded by F. Betrus and passed unanimously, 6-0.

Agency Financials were reviewed by M. Carney. She made note that there are four outstanding 2018 rents receivable; nine open projects; $9k in deferred revenue; note on Lewiston; annual rents revised on next meeting. The Agency received the financials as presented.

Chairman Grow introduced a proposal for an inducement resolution related to the Griffiss Local Development Corporation (GLDC) Building 776-778 facility, providing preliminary approval for financial assistance that is a deviation from the Agency’s policy (fixed payment real property tax abatement, sales tax exemption and mortgage recording tax exemption) and authorizing the Agency to conduct a public hearing. MF Messenger asked why the PILOT was proposed for 20 years. The response being that it coincides with the lease term and extensions. M. Fitzgerald asked why cut taxes if they are paying market rate. It was noted that there is going to be $1 million in renovations over 5 years; this PILOT amounts to $2 psf in taxes, out of the rental rate, which is at the current market rate. The building is currently vacant so it is not generating any income for the municipalities. D. Grow stated that it is important to get these buildings occupied and generating tax revenues. A motion to adopt an inducement resolution providing preliminary financial assistance to Griffiss Local Development Corporation (GLDC) Building 776-778 facility, in the form of sales tax exemption, mortgage recording tax exemption and a fixed payment real property tax abatement, which is a deviation from the Agency’s policy, conditioned upon the company retaining jobs and creating jobs by year 3, and authorizing a public hearing, was made by S. Zogby, seconded by E. Quadraro, and passed unanimously, 6-0.

A motion to adopt a negative declaration (Unlisted Action) for the purpose of SEQRA relating to the GLDC Building 776-778 facility was made by F. Betrus, seconded by M. Fitzgerald, and passed unanimously, 6-0.

Chairman Grow introduced a request for an inducement resolution relating to the Rome Community Brownfield Restoration Corporation/Rome Industrial Development Corporation (Rome Cable) facility, providing preliminary approval for financial assistance that is a deviation from Agency Policy (real property tax abatement to be allocated according to a PIF Agreement) and authorizing the Agency to conduct a public hearing. RCBRC is requesting the Agency consider PILOT Increment Financing to reimburse RIDC some of its costs of developing the site, and agree to essential PILOT terms that will apply to the four individual sites to be developed within the
facility. All affected taxing jurisdictions will be asked to consent to the PIF allocation structure. SJ Dimeo explained that this is a partnership between the applicants and the City of Rome, Phase 1 consisting of the creation of an industrial access road and preparation of the site for a building; and Phase 2 on Complex 4, which needs brownfield cleanup under a $1 million Restore project, and additional infrastructure improvements in order to develop additional industrial sites. The PILOT INCREMENT FINANCING (PIF) plan will create a revenue stream to finance the improvements. D Grow asked how the budget was developed. SJ Dimeo answered that engineering firms were consulted. One of the main benefits will be taking trucks off Henry Street, to the benefit of the neighbors. M. Fitzgerald asked who is getting the benefit. Only current tenant gets the benefit of the PILOT. The project is to apply the proceeds of a fixed PILOT with Cold Point($1.6 mil) to a PIF to improve the area and create new roadways. Future tenants/companies will need to apply for their own PILOT but the intent will be to have a similar PIF arrangement. The City of Rome is dedicating $900k from its Downtown Revitalization Initiative to the site. The site currently generates no tax revenues. M. Fitzgerald asked if the IDA is being requested to waive the agency fee. Yes. A motion to adopt an inducement resolution relating to the Rome Community Brownfield Restoration Corporation/Rome Industrial Development Corporation (Rome Cable) facility, providing preliminary approval for financial assistance that is a deviation from Agency Policy (real property tax abatement to be allocated according to a PIF Agreement) and authorizing the Agency to conduct a public hearing was made by F. Betrus, seconded by M. Fitzgerald and passed unanimously, 6-0.

Chairman Grow introduced a request for an inducement resolution relating to the Rome Community Brownfield Restoration Corporation/Rome Industrial Development Corporation-Phase 1 (Cold Point) facility, providing preliminary approval for financial assistance that is a deviation from Agency Policy (real property tax abatement to be allocated pursuant to a PIF, sales tax exemption and mortgage recording tax exemption) and authorizing the Agency to conduct a public hearing. The Cold Point facility is the first facility to be developed within the RCBRC/Rome Cable Development project. It was noted that this is not a manufacturing schedule PILOT. This is a fixed PILOT payment schedule. There will be the usual agency fee paid. M.F. Messenger noted a lot of sales tax exemption; M Fitzgerald noted that the purchases are exempt for Cold Point but not for the contractors. The 15 jobs will be created over 3 years. A motion to adopt an inducement resolution relating to the Rome Community Brownfield Restoration Corporation/Rome Industrial Development Corporation-Phase 1 (Cold Point) facility, providing preliminary approval for financial assistance that is a deviation from Agency Policy (real property tax abatement to be allocated pursuant to a PIF, sales tax exemption and mortgage recording tax exemption) conditioned upon retaining 37 jobs and creating 15 jobs by year 3 and authorizing the Agency to conduct a public hearing, was made by M.F. Messenger, seconded by E. Quadraro, and passed 5-0, with D. Grow abstaining.

A motion to designate the City of Rome Planning Board as lead agency for the SEQRA review was made by M. Fitzgerald, seconded by F. Betrus, and passed unanimously, 6-0.

Chairman Grow introduced a request for an inducement resolution relating to the Kris-Tech Wire Company, Inc.(2018 Expansion) Facility, providing preliminary approval for financial assistance that is a deviation from the Agency Policy(fixed payment real property tax abatement, sales tax exemption and mortgage recording tax exemption) and authorizing the Agency to conduct a public hearing. This is an amendment to the larger fixed-payment PILOT due to the building addition, which will increase the assessment. A motion to adopt an inducement resolution relating to the Kris-Tech Wire Company, Inc. (2018 Expansion) facility, providing preliminary approval for financial assistance that is a deviation from the Agency Policy (fixed payment real property tax abatement, sales tax exemption and mortgage recording tax exemption) conditioned upon retaining 58 jobs and creating 10 jobs by year 3, and authorizing the Agency to conduct a public hearing, was made by S. Zogby, seconded by M.F. Messenger, and approved 5-0, with M. Fitzgerald abstaining.

A motion to adopt a negative declaration (Unlisted Action) for the purpose of SEQRA relating to the Kris-Tech Wire Company, Inc. (2018 Expansion) was made by S. Zogby, seconded by F. Betrus, and approved 5-0, with M. Fitzgerald abstaining.
Agenda Item #8, Jobs Report, will be deferred to the June meeting agenda. Staff is reaching out to companies to get information on employment obligations and will provide a report in June.

Agenda Item #9, 99 Otis Street, LLC will be moved to Executive Session.

OLD BUSINESS

Gutchess Vernon, Inc. facility: Applicant provided the additional information and clarification that was requested by the board at the April 20, 2018 meeting, before holding a public hearing. D. Grow and S. Zogby noted, respectively, that the response from the company was well done and transparent as to the number of independent contractors. A motion to accept the information and clarification submitted by Gutchess Vernon, Inc. as acceptable, based upon the company retaining 12 jobs and creating 8 jobs by year 3, and to arrange for a public hearing as authorized in the April 20th, 2018 inducement resolution, was made by M. Fitzgerald, seconded by S. Zogby and passed unanimously, 6-0.

A motion to adopt a negative declaration (Unlisted Action) for the purpose of SEQRA relating to the Gutchess Vernon, Inc. Facility was made by M. Fitzgerald, seconded by F. Betrus, and passed unanimously, 6-0.

Chairman Grow introduced two requests from ONX3, LLC facility. The first request is for the Agency to increase the mortgage recording tax exemption amount to reflect a mortgage amount of $15 million. The original mortgage amount was anticipated to be $9.8 million. F. Betrus asked if this will increase the IDA’s fee. This can be handled at the final closing on the project. A question on what the current job numbers was asked, but it was not known as the company has not been required to submit an annual report yet. A motion to adopt a resolution related to the financing of the ONX3, LLC facility, authorizing the form and execution of loan documents subject to counsel review, and increasing the mortgage recording tax exemption authorized on June, 2017 to cover a mortgage in the amount of $15 million, was made by F. Betrus, seconded by M. Fitzgerald, and passed unanimously. The second request is for the Agency to extend the sales tax exemption ending date from April 25, 2018 to August 31, 2018, as construction work is anticipated to continue into August. A motion to adopt a resolution related to the ONX3, LLC facility, extending the sales tax exemption ending period to August 31, 2018 was made by M.F. Messenger, seconded by F. Betrus, and passed unanimously, 6-0.

Chairman Grow introduced a request from Griffiss EC, LLC to increase its mortgage recording tax exemption amount to reflect the increased mortgage amount of $1,448,700. A motion to adopt a resolution relating to the Griffiss EC, LLC facility, amending the final authorizing resolution adopted on December 15, 2017 to increase the value of the mortgage recording tax exemption authorized by the Agency from $8,415.23 to $10,865.25, was made by F. Betrus, seconded by M. Fitzgerald, and passed unanimously, 6-0.

Deployed Resources, LLC’s purchase of the GLDC property has been delayed due to a hold-up on FAA concurrence. The company is also anticipating the need to request an increase and extension of its sales tax exemption status as a result of the delay. S. Papale advised it has been the IDA’s policy to issue the full value of the sales tax exemption at the closing of a lease transaction; however, since the closing delay is not caused by the company, she would like to issue a sales tax exemption letter in the full amount of the exemption authorized prior to closing. The board concurred.

At 9:34 AM a motion to enter Executive Session to discuss potential contracts was made by M. Fitzgerald, seconded by S. Zogby and passed unanimously 6-0.

At 10:12 AM a motion to exit Executive Session was made by S. Zogby, seconded by M.F. Messenger, and passed unanimously 6-0.

It was noted that the existing Lease Agreement between the IDA and RCBRC is scheduled to expire on July 31, 2018, and should be extended now to preserve the leasehold interest until a closing can be scheduled, at which
time an Amended and Restated Lease Agreement will be prepared. A motion to extend the Rome Community Brownfield Restoration Corporation 2008 Lease 2 more years was made by M.F. Messenger, seconded by S. Zogby, and passed unanimously, 6-0.

L. Romano requested clarification from the board members on the changes requested to the Housing Policy at the April board meeting with respect to obtaining LEEDS certification. It was stated that the IDA would recalculate points when a project is completed; if they obtained a LEEDS certification then the PILOT will commence. If they did not obtain LEEDS certification then they would only receive the benefits at the level, under the policy, attributable to their revised score without the points from the LEED certification.

At 10:15 a motion to adjourn the OCIDA Meeting was made by S. Zogby, seconded by M.F. Messenger, and passed unanimously 6-0.

Respectfully recorded,
Jennifer Waters