Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on February 13, 2019 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

Members Present: Michael Fitzgerald, David Grow, Steve Zogby; Kirk Hinman; Teleconference: Ferris Betrus, Mary Faith Messenger, Eugene Quadraro.

EDGE Staff Present: SJ DiMeo, S. Papale, M. Carney, G. Zyskowski, J. Waters, M. Kaucher.

Others Present: Laura Ruberto, Bond, Schoeneck & King; Rome Mayor Jackie Izzo; Mark Levitt and Jenna Peppenelli, Levitt & Gordon, Bill Maxon, NE Regional Council of Carpenters; James McCarthy and Heather Kirkland, Oneida County Rural Telephone, Dave Bonacci & Phil Sbarra representing Baggs Square Partners.

Chairman Grow called the meeting to order at 9:05 AM.

Chairman Grow stated that there is need for Executive Session. Board consensus was to defer until later in the meeting.

Minutes
The Agency reviewed the draft January 18, 2019 Meeting Minutes. M. Fitzgerald suggested that the chart of the MGS PILOT on the final page be modified to delete the Lease Year column. The board would like to see the draft letter to companies underperforming on job commitments. A motion to approve the January 18, 2019 minutes, with corrections, was made by F. Betrus, seconded by M. Fitzgerald, and carried, 7-0.

Baggs Square Partners LLC
Chairman Grow introduced a request to approve an inducement resolution from the company. This is the former ConMed building at 310 Broad Street in Utica. This project was originally proposed several years back and now that the area it is located in has been designated a Historic District, the owner is ready to move forward. Staff have scored the project under the UTEP Housing Policy (attached to application). F. Betrus requested clarification on the one job to be created. S. Papale said that the job will most likely be an on-site private contractor with the company. E. Quadraro asked about the timing of construction. The owner, Gary Thurston, also owns Hayner-Hoyt Construction, and is ready to start as soon as possible. E. Quadraro went on record to say that he serves on the Utica College Board of Trustees with Gary Thurston’s son. Board consensus was that this is not a conflict of interest. M. F. Messenger questioned the sales tax exemption amount. S. Papale explained that we typically use 40% of construction costs to estimate, but that we ultimately ask the applicant to determine what is taxable. It is not an exact science, depending on how much of a project is considered a capital improvement. Property tax savings estimates were discussed. The applicant consulted with a certified real estate appraiser and looked at existing comparisons in the City. Annual taxes on the property are currently under $15,000. Project architects, Phil Sbarra and Dave Bonacci gave a presentation. The current market demand for this type of housing was discussed. L. Ruberto noted that before the Agency can approve the request, a finding needs to be made that it will promote employment opportunities and prevents economic deterioration. She asked if the board would like to reference a 2015 market study of the area to base its finding. Board consensus was that the potential for economic deterioration in that area have not changed and this project will definitely address economic deterioration and promote employment opportunities in the area. Chair Grow stated that by awarding nearly all the possible points available in our project evaluation, those factors were taken into consideration and resulted in our finding that the project will promote employment opportunities and prevents economic deterioration. A motion to approve an inducement resolution relating to the Baggs Square Partners LLC Facility, granting preliminary approval for financial assistance in the form of exemptions from sales tax, exemptions from mortgage recording tax and a PILOT consistent with Tier One benefits under the Agency’s Uniform Tax Exemption Policy (Housing Policy), and authorizing the Agency to conduct a public hearing, was moved by M. Fitzgerald, seconded by S. Zogby, and carried, 7-0.
Oneida County Rural Telephone Co. (Northland Comm.)
Chairman Grow introduced a request from the company to amend its previously submitted application, which has not yet closed with the Agency, to include a 3,000 sq. ft. addition. Construction is complete on the original project, but they have since determined that they need additional space. The company has already surpassed the job goals from the initial application and has pledged to create even more. This is an incremental PILOT project. S. Papale referred to the revised budget figures in the Request to Amend application and explained the differences. Despite that some of the originally estimated project cost turned out to be less than anticipated, the company has not requested a decrease in the Agency fee related to them. The project (and the PILOT) has not yet closed with the Agency, so it makes sense to amend the existing application. Heather Kirkland spoke on behalf of the company. L. Ruberto will confer with L. Romano as to whether an additional public hearing is needed. A motion to amend the original application from Oneida County Rural Telephone (Northland Communications) to include the construction of a 3,000 square foot building addition, and to grant additional financial assistance in the form of increased exemptions from sales tax (now estimated to total $172,653) and abatement from real property taxes (now estimated to total $25,765 in the form of an incremental commercial PILOT), both of which are consistent with the Agency’s Uniform Tax Exemption Policy, all contingent upon the company retaining 75 current FTE employees and creating 2 additional FTE employees, and authorizing the conduct of an Agency public hearing, should Agency counsel determine one necessary, was moved by F. Betrus, seconded by E. Quadraro, and carried, 7-0.

Griffiss Real Estate Group, LLC & Griffiss EC, LLC (Dr. Costello)
Chairman Grow introduced a request from the company for the Agency to execute certain financing documents related to the company’s project financing. There are no additional Agency benefits being requested and this is merely due to the lease/leaseback arrangement with the Agency. A motion to approve the request by Griffiss Real Estate Group, LLC for the agency to execute financing consolidation documents that will perfect Griffiss Real Estate Group, LLC’s bank mortgage lien related to the project construction loan, along with a separate and prior loan to the Company, and authorizing the form and execution of related documents, all in the Agency’s customary form subject to review by counsel, was moved by F. Betrus, seconded by S. Zogby and carried, 7-0.

Special Metals Corporation
Chairman Grow introduced a request from the company whom has acquired a residential property adjacent to their facility (covered under an IDA lease) and is requesting it be incorporated into their PILOT Agreement. A lot line adjustment is pending approval by the Town of New Hartford, which will formally incorporate it into the parcel covered under the PILOT. A motion to approve a request from Special Metals Corporation for the Agency accept a leasehold interest in a parcel of land adjacent to the Facility, measuring .40 Acres, and incorporating the parcel into the PILOT Agreement, and approving the form and execution of related documents, all subject to counsel review, was made by M. Fitzgerald, seconded by K. Hinman, and carried, 7-0.

BHB Properties, LLC (Accelerate Sports Complex Facility)
Chairman Grow introduced a request from the company to release a 17± acre parcel of vacant land from its lease agreement with the Agency. When the Accelerate project was originally built, the property upon which it was built it was intended to be separated out of a then- 66± acre parcel, but this subdivision was never completed. Now that the HJ Brandeles project (5± acres) is preparing to close, the subdivision must be finalized. This act will result in about 12± acres returned to the taxable rolls. A motion to approve a request from BHB Properties, LLC (Accelerate Sports Complex Facility) to release a 17± acre parcel of vacant land from the Lease Agreement, and authorizing the form and execution of related documents, subject to approval by counsel, was moved by M. Fitzgerald, seconded by S. Zogby, and carried, 7-0.
Clover Communities New Hartford, LLC (Affordable Senior Housing Opportunities of NY sub-lessee)
Chairman Grow introduced a request from the company for the Agency to consent to the restructuring and partial transfer of equity interest to Welltower Inc. This is related to an Agency lease project located at 4752-4756 Middle Settlement Road (also known as New Hartford Square). The Leaseback Agreement requires the Agency provide prior consent to any transfer of equity interest in the Company. This is merely a change in ownership structure. **A motion to approve a request from Clover Communities New Hartford, LLC for the Agency to consent to the restructuring and partial transfer of equity interest in the project at 4752-4756 Middle Settlement Road (also known as New Hartford Square), to Welltower, Inc. was moved by M. Fitzgerald, seconded by M. F. Messenger, and carried, 7-0.**

Interim Financials
M. Carney reviewed the Agency’s interim financials. Several projects that we have been carrying on the books are proposed to be taken off, and L. Ruberto has crafted letters to the applicants notifying them. We will hold onto the fees we collected at the time of the application in case there are outstanding legal fees to pay related to the projects. S. Papale explained that we keep the $500 fee, but the $1,000 is reserved for related legal fees. The time-frame that we hold onto applications (and how we carry them on our books), and how we charge for extensions was discussed. Board consensus was that an updated proposal for such a process be presented to the Agency for consideration at the next meeting. We received an application and fee from MGS. The Hampton PILOT funds were dispersed and we are waiting for The Hartford Oneida County PILOT bills to come in. Existing bank demand account balances were discussed and it was suggested that we look at possibly putting some of it in higher interest bearing instruments. The Finance Committee will work with staff to explore options. **The Agency received the financial review as presented.**

LEED Certified Housing Project Verification – OFF AGENDA
Off agenda, but related to our Housing Policy (including the Baggs Square project addressed earlier), M. Fitzgerald questioned how we would monitor “Green” or LEED certified projects that we’ve awarded UTEP Housing scoring points to. It was clarified that the Baggs Square project is not a LEED certified project. L. Ruberto explained that our closing documentation will require the company to certify to the Agency that they are in fact LEED certified. To date, the Agency has not approved any Housing projects that are LEED certified. Chairman Grow asked counsel to provide the Agency with a memo describing how this process will work in practice.

At 10:10 AM, a motion to Suspend Open Session in order to hold the Oneida County Local Development Corporation meeting, was moved by M. Fitzgerald, seconded by E. Quadraro, and carried, 7-0. W. Maxon exited the meeting.

At 10:13 AM a motion to re-enter Open Session was moved by S. Zogby, seconded by F. Betrus, and carried, 7-0.

At 10:14 AM, a motion to enter Executive Session for the purpose of discussing potential contracts with the Agency was made by M.F. Messenger, seconded by E. Quadraro, and carried unanimously, 7-0.

At 11:06 AM a motion to adjourn the February 13 Agency meeting was moved by S. Zogby, seconded by E. Quadraro, and carried, 7-0.

Respectfully Submitted,

Mark Kaucher