Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on March 29, 2019 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

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

EDGE Staff Present: SJ DiMeo (telephone), 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; Camille Kahler, Kahler & Saunders, Steven Surace, 126 Business Park Partners/Adjusters International; David Hill, The Rome Sentinel.

Chairman Grow called the meeting to order at 7:35 AM.

Chairman Grow stated that there is a request for an Executive Session to discuss potential contracts with the Agency. Board consensus was to enter executive session before proceeding with the remainder of the Agenda. At 7:37 AM, a motion to enter Executive Session for the purpose of discussing potential contracts with the Agency was moved by M. Fitzgerald, seconded by M.F. Messenger, and carried, 6-0. At 7:55 AM a motion to re-enter Public Session was moved by M. Fitzgerald, seconded by E. Quadraro, and carried, 6-0.

Minutes
The Agency reviewed the draft February 13, 2019 Meeting Minutes. M. Fitzgerald suggested that the Baggs Square Resolution reference the Agency’s Tier 1 Housing PILOT Schedule rather than abatement term. A motion to approve the February 13, 2019 minutes, with noted correction, was moved by S. Zogby, seconded by M. Fitzgerald, and carried, 6-0.

Financials
a) Interim Financials: M. Carney reviewed. The Agency received the financials as presented.
b) 2018 Audit: M. Carney reviewed the 2018 Audit and the associated letters from the auditor that accompany it, noting that there were no audit adjustments made, nor concerns expressed regarding internal control. The audit committee met and reviewed the audit with John Howard of Barone, Howard & Hilton (through telephone conference and recommends its approval by the Board. A motion to approve the 2018 OCIDA audit and acknowledge receipt of its associated letters from the auditor was moved by F. Betrus, and seconded by M.F. Messenger. DISCUSSION: S. Zogby questioned why the audit firm did not personally present at the full board meeting. Mr. Howard was unavailable to personally attend (he did offer to change his schedule, but the Audit Committee, based upon their review with him and their resultant decision to recommend its approval, declined his offer. The motion to approve the 2018 Audit carried, 6-0.
c) Capitalization Increase: Another outcome of the Audit Committee’s review is a recommendation that the Agency’s amount of capitalization related to purchases be increased from $1,000 to $5,000. A motion to increase the capitalization of purchases of equipment be increased from $1,000 to $5,000 was moved by D. Grow, seconded by M. Fitzgerald, and carried, 6-0.

PAAA Submission Ratification and Confirmation
The Agency reviewed its annual Public Authorities Accountability Act (PAAA) submissions. A motion to ratify and confirm the current PAAA submissions was moved by F. Betrus, seconded by E. Quadraro, and carried, 6-0.

The Agency reviewed its 2019 Mission Statement and Performance Measurements for 2018. A motion to ratify the Agency Mission Statement for 2019 and approve its Performance Measurements for 2018 was made by M. F. Messenger, seconded by S. Zogby, and carried, 6-0.
New Confidential Board Performance documentation will be e-mailed out to all board members. The board members need to return to staff by the next meeting.

S. Papale noted that the 12/31/2018 PAAA Project List is attached to the Audit, but at the next meeting we will provided a legible Project List for their files.

126 Business Park Partners/Adjusters International
Chairman Grow introduced a request to approve an inducement resolution from the company as it pertains to a plan to expand its facility at the Utica Business Park. S. Papale explained that the company is currently under an Agency PILOT for their second building addition. Mr. Surace summarized the history of the company at its current site since 1996. They undertook a 15,000 sq. ft. addition in 2006, and need the space to consolidate operations currently located at leased facilities around the area. It will be approximately 16,000 sq. ft. over three floors. They are splitting at the seams. Most of their revenue is from outside of the area, but they contract with local service providers for nearly all operational needs, including for their related, nationwide affiliate companies. They operate eight facilities around the country and this expansion could have taken place at any of those. It was clarified that the Agency UTEP treats back-office projects as industrial/manufacturing PILOT. (A motion to approve an inducement resolution relating to the 126 Business Partners/Adjusters International Facility, granting preliminary approval for financial assistance in the form of exemptions from sales tax valued at $152,250 (not to exceed $167,475), exemptions from mortgage recording tax valued at $22,500 (not to exceed $24,750) and a PILOT providing a reduction of real property taxes with an estimated value at $210,000 (standard 10-year incremental PILOT) and authorizing the Agency to conduct a public hearing, was moved by S. Zogby and seconded by E. Quadraro. Discussion: F. Betrus asked for clarification on the estimated sales tax exemption. Mr. Surace cited the cost of furniture and A&E as two factors. S. Papale noted that since last year’s ABO audit, we are now advising applicants to give very careful consideration to their sales tax exemption estimates. F. Betrus also asked if the applicant was one the companies who had not met their job commitments. S. Papale explained that the discrepancy turned out to be an entry issue and that they are in compliance. M. Fitzgerald asked for clarification on the PILOT. L. Ruberto explained that it is an incremental, 10-year, back office PILOT. The motion on the floor, carried, 6-0. Mr. Surace exited the meeting.

Baggs Square Partners, LLC Facility
Chairman Grow introduced a request from the applicant to amend its original application and for the Agency to amend its original inducement resolution, increasing the value of the mortgage recording tax exemption and adding a second mortgage. A motion to amend the original February 13, 2019 inducement resolution relating to the Baggs Square Partners, LLC Facility, to increase the value of the mortgage recording tax exemption from $26,428 to $44,812.50, and to add and include a second mortgage in the amount of $2,400,000, was moved by M. Fitzgerald, and seconded by E. Quadraro. Discussion: A letter from the Utica City School Board has been received by the Agency. Current taxes on the facility are in the low teens. After, the first five years of the PILOT (zero PILOT payments made), the facility will gradually generate a significant amount of tax revenue for all jurisdictions. F. Betrus asked for clarification on the sales tax exemption estimates. S. Papale explained that we are now tracking sales tax exemption values on a quarterly basis and are asking applicants to be much more specific on what the estimated values of the sales tax exemption will be. The motion on the floor carried, 6-0.

Baggs Square Partners, LLC Facility
A motion to approve a SEQR resolution related to the Baggs Square Partners, LLC Facility was moved by M. Fitzgerald, seconded by S. Zogby, and carried, 6-0.

Baggs Square Partners, LLC Facility
Chairman Grow introduced a final authorizing resolution for the benefit of the Baggs Square Partners, LLC Facility. The project is within the parameters of the Agency’s UTEP Housing Policy. The Agency received a letter from the Utica City School Board. Discussion centered on the fact that the building currently pays very low real property taxes, and after five years of the PILOT, it will pay a great deal more to all taxing jurisdictions. The Agency
held a public hearing on March 21, 2019. **A motion to approve a final authorizing resolution for the benefit of the Baggs Square Partners, LLC Facility, authorizing financial assistance in the form of exemptions from sales tax (not to exceed $294,250), exemptions from mortgage recording taxes (not to exceed $49,293.75) and a PILOT providing a reduction in real property taxes for a period of ten years (value estimated at approximately $1,252,347.00) consistent with the Agency’s Uniform Tax Exemption Policy (Tier 1 Housing Policy), all contingent upon the creation of one FTE job and construction of the project as originally presented to the Agency in its Project Scoring Criteria Form, and authorizing the form and execution of related documents, all in the Agency’s customary form and subject to review by counsel, was moved by S. Zogby, seconded by M. F. Messenger, and carried 6-0.**

**Oneida County Rural Telephone Co. (Northland Communications)**

a) Chairman Grow introduced a resolution for Agency to consider a resolution that confirms the SEQR resolution approved by the Agency for the original project sufficiently addresses the supplemental project undertaken by the Company. The Company has submitted a Short Form EAF for the supplemental project, with the representation that the Village of Holland Patent Planning Board determined, with guidance from the Town Zoning Officer, that it does not need to move forward with a new SEQR process for the supplemental project. **A motion to confirm that the SEQR resolution adopted by the Agency for the original Oneida County Rural Telephone Co. (Northland Communications) Facility, sufficiently addresses the Company’s supplemental project was moved by F. Betrus, seconded by E. Quadraro, and carried, 6-0.**

b) Chairman Grow introduced a **final authorizing resolution** for the Oneida County Rural Telephone Co. (Northland Communications) Facility. **A motion to approve a final authorizing resolution for the benefit of the Oneida County Rural Telephone Co. (Northland Communications) Facility, approving financial assistance in the form of sales tax exemptions (value estimated at $57,946 but not to exceed $63,740) and a PILOT providing a reduction in real property taxes (benefit value estimated at $25,765), consistent with the Agency’s Uniform Tax Exemption Policy (5-year incremental commercial PILOT), all contingent upon the company retaining 75 current FTE employees and creating 2 additional FTE employees, was moved by F. Betrus, seconded by M. Fitzgerald, and carried, 6-0.**

**H.J. Brandeles Corp.**

Chairman Grow introduced a request from the Company for the Agency to extend a partial sales tax exemption, (not to exceed 50 percent of the Agency’s previously-authorized sales tax exemption amount of $62,310) prior to project closing with the Agency. **A motion to approve a partial sales tax exemption for the H. J. Brandeles Corp. Facility (not to exceed $31,155) before project closing with the Agency, was moved by M. Fitzgerald, seconded by S. Zogby, and carried, 6-0.**

**Cardinal Griffiss Realty, LLC/AIS Facility**

Chairman Grow introduced a request from Cardinal Griffiss Realty, LLC/AIS Facility for the Agency to consider an inducement resolution granting financial assistance in the form of sales tax exemption related to improvements being made by the AIS (sub-lessee) made to the building owned by CGR, LLC (sub-lessor). The estimated value of the exemption is $43,800 but would not exceed $48,180. S. Papale explained that many of the Griffiss Local Development Corporation building tenants at Griffiss Business & Technology Park are undertaking building fixture improvements at their own expense. The AIS project involves upgrading of the server room, including HVAC and fire protection system upgrades. This is an estimated $500,000 project. She added that this particular action would also allow the Agency to rectify a situation with the Agency/GLDC/Tenant relationship that has been a hindrance to securing annual job reports. The requirement by the tenant to provide such reports to GLDC has not always been included in the leases. Consensus of the Board, was that under the existing circumstance, this type of expense should not be considered for sales tax exemption by the Agency, unless strong evidence is presented that substantiates it is within the Agency’s mission to provide such assistance. If such evidence can be provided, the board is willing to consider the proposal. **A motion to table the request was moved by S. Zogby, seconded by E. Quadraro, and carried, 6-0.**
Hale’s Bus Garage, LLC Facility - F. Betrus removed himself from all discussion and voting on this Project

a) Chairman Grow introduced a request from the Company for the Agency to amend its previous inducement resolution, increasing the value of the mortgage recording tax exemption and increasing project costs, as documented in its March 20, 2019 Amended Application Request. L. Ruberto noted that while in the process of drafting document draft, it came to light that the actual amount being mortgaged by the company was much higher than the application listed, as debt incurred earlier by the company was being refinanced along with the new debt and covered under the new mortgage. It was clarified that that the Agency’s mortgage recording tax exemption status would not be extended to the earlier debt amount, and that this was to be verified through listing of the actual exempted mortgage recording tax amount be documented on the affidavit of mortgage. A motion to approve a request to amend the earlier inducement resolution for the benefit of Hale’s Bus Garage, LLC Facility, increasing the mortgage recording tax exemption value from $13,906.27 to $17,819.92, was moved by S. Zogby, seconded by E. Quadraro, and carried, 5-0, with F. Betrus abstaining.

b) Chairman Grow introduced a final authorizing resolution for the benefit of the Hale’s Bus Garage, LLC Facility. A motion to approve a final authorizing resolution for the benefit of Hale’s Bus Garage, LLC Facility, authorizing financial assistance in the form of exemptions from sales tax (value estimated at $113,750 but not to exceed $125,125), exemptions from mortgage recording tax (not to exceed $17,819.92) and a PILOT providing a reduction of real property taxes on the incremental assessment resulting from the Project (estimated benefit value of $26,250), all contingent upon the retention of 29 FTEs and the creation of 13 FTEs at the Facility and authorizing the form and execution of related documents, all in the Agency’s customary form and subject to review by counsel, was moved by M. F. Messenger, seconded by E. Quadraro, and carried, 5-0, with F. Betrus abstaining.

Rome Community Brownfield Restoration Corporation (Rome Cable Complex 3/Cold Point) Facility

a) Chairman Grow introduced a request by RCBRC for the Agency to consider a resolution to authorize the Agency’s consent to the sub-division of the subject property into three parcels. A motion to consent to the RCBRC’s request for the Agency to consent to the subdivision of the RCBRC (Rome Cable Complex 3 Parcel) into three parcels (one each for the planned Cold Point Corporation Facility, the planned access road, and the existing tower (TBD), was moved by M. Fitzgerald, seconded by B. Betrus, and carried, 6-0.

b) Chairman Grow introduced a request from RCBRC for the Agency to execute the “Change of Use” notification to the NYS Department of Environmental Conservation for the Cold Point Project. Camille Kahler explained that under the terms of the DEC Environmental Remediation Program/NYWORKS II Agreement, there are certain parties that need to be formally notified of the Cold Point Project and this action formalizes the notification procedure. All the remediation needed to ready the site for the proposed use has been carried out (with ongoing cooperation with DEC) and the Cold Point project has been accepted by DEC and the building project can proceed. This is to approve formal notification for the subdivision and the remediation and to certify that it has all been done in full compliance with the terms of the agreement. A motion to approve a resolution authorizing the Agency to execute the “Change of Use” notification to the NYS DEC, as required to proceed with the Cold Point Project in compliance with the ERP/NYWORKS II Agreement, was moved by S. Zogby, seconded by D. Grow, and carried, 6-0.

Rome Community Brownfield Restoration Corporation (Rome Cable Complex 4) Facility

a) Chairman Grow introduced a resolution to authorize final payment of $14,000 to NYS DEC, pursuant to a 2015 NYWORKS II contract. Through its agreement with RCBRC, the Agency is obligated to make such payments, subject to the condition it receives immediate reimbursement from RCBRC. Mayor Izzo explained that this parcel was originally placed under the NYS DEC ERP program, but last summer the DEC decided that it would be best to transfer it into the NYS Superfund program, based upon all that had been done locally to move the remediation project forward. This will allow all future remediation costs to be funded through that program, including demolition. The $14,000 is required to close out and terminate the ERP program so that the site can them be accepted into the Superfund program. The Agency has the right to terminate the ERP if costs to remediate exceed
the original project estimates, which is the case. Costs have far exceeded original estimates. D. Grow explained this will make sure there is no gap in protections from liability related offered by either program. He added that when this project started the City of Rome indemnified both the Agency and RCBRC from any environmental claims that came out of the remediation efforts. The Agency holds underlying title to all of the property. This indemnification covers all of the former Rome Cable property. A memo dated March 28 from Linda Romano was cited. It was also discussed that BS&K will confer with DEC regarding the terms of the Consent Order. **A motion to authorize the final payment of $14,000 to the NYS DEC, pursuant to the 2015 NYWORKS II contract was moved by F. Betrus, seconded by S. Zogby, and carried 6-0.**

**b)** Chairman Grow introduced a resolution for the Agency to consent to termination of the 2015 NYWORKS II program under the NYS ERP, and to authorize referral of the property into the NYS Superfund Program. **A motion to approve a resolution authorizing the Agency to consent to the termination of the Rome Community Brownfield Restoration Corporation (Rome Cable Complex 4) from the 2015 NYWORKS II program under the NYS Environmental Remediation Program and to authorize referral of the same property to the NYS Superfund Program, conditioned upon (i) the Termination Letter is in a form approved by counsel; (ii) the Consent Order contains substantially the terms presented to the Agency, and specifically contains an indemnification for the benefit of the Agency, was moved by M. F. Messenger, seconded by E. Quadraro, and carried. 6-0.**

**c)** Chairman Grow introduced a resolution for the Agency to authorize grant site control to NYS DEC for the duration of the Superfund remediation project. **A motion to approve a resolution granting site control of the Rome Community Brownfield Restoration Corporation (Rome Cable Complex 4) property for the duration of the remediation project, all subject to approval by counsel, was moved by M. Fitzgerald, seconded by E. Quadraro, and carried, 6-0.**

**Old Business**

D. Grow explained that we notified the companies that are not in compliance with their job commitments and requested that they reply in writing the circumstances that are affecting their ability to comply and that we do have a recapture policy, but that we do have the option to waive it. Board consensus was that we should invite Research Associates and Collins/UTC to attend an upcoming board meeting to explain their case in person and to make it is an early item in the agenda.

E. Quadraro exited the meeting.

**b.) Deployed Resources Update.**
They have revised their earlier reported sales tax exemption figures due to the fact that they reported sales tax exemption on items that would have been tax exempt outside of the Agency-conferred tax exemption status. They have changed some of the scope of their projects, but are not requesting any additional benefits. This information is presented for the Board’s information only.

**c.) Finance Committee Cash Investment Interest Rate Review**
Chairman Grow reported that the Finance Committee met with M. Carney and investigated options to maximize interest income returns on the Agency’s cash accounts. **A motion to authorize the Finance Committee to make a decision as to where to best place the Agency’s cash investments in a CD for the best return was moved by M. Fitzgerald, co-seconded by S. Zogby and M. F. Messenger, and carried 5-0.**

At 10:10 AM a motion to adjourn the March 29 Agency meeting was moved by F. Betrus, seconded by D. Grow, and carried, 5-0.

Respectfully Submitted,

Mark Kaucher