Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on June 11, 2019 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

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

EDGE Staff Present: SJ DiMeo, S. Papale, M. Carney, J. Waters, M. Kaucher.
Others Present: Laura Ruberto, Bond, Schoeneck & King; Rome Mayor Jackie Izzo; Mark Levitt and Jenna Peppenelli, Levitt & Gordon; Steve and Chris Buck, Delta Luxury Apartments; Brian Moore, Research Associates of Syracuse; Dave Hill, The Rome Sentinel.

Chairman Grow called the meeting to order at 8:06 AM.

He noted that representatives of two local companies would be in attendance this morning. One to address the board regarding their request for a sales tax exemption extension and job non-compliance status, and the other to solely discuss its job non-compliance status. If there was concurrence from the board, he asked, they would be granted the floor in advance of the remaining agenda items. The board concurred.

**Delta Luxury Apartments – Sales Tax Exemption Extension**

Chair Grow introduced Steven Buck, who gave a brief history of the company’s relationship with the Agency since 2014. The extremely wet weather has hindered their ability to get moving on Phase 4 of the project, so they are requesting an additional year of sales tax exemption. F. Betrus stated that we have already given five years of exemption, which is our standard exemption period for housing projects. Mr. Buck added that the absorption rate for the project is not where they had hoped it would be. It is currently between 2 and 3, and that they had planned for it to be between 8 and 10. They are currently at 94% capacity but should be at 100% in July. They are trying to bring a higher-end, market-rate rental-housing product to Rome, which there was very little of before. He stated that this was the main reason they were granted Agency benefits, not necessarily the number of jobs to be created. It was more of creating better living conditions for people working in Rome. D. Grow concurred with that statement. M. Fitzgerald stated that maybe it would be a good compromise to merely extend the exemption for one final time. L Ruberto stated that this would also require that the lease be extended as well. **A motion to extend the sales tax exemption period and the associated lease term to July 15, 2020, with the understanding that this would be the final extension, was moved by M. Fitzgerald, seconded by F. Betrus, and carried unanimously, 6-0.**

**Delta Luxury Apartments – Job Non-compliance**

M. F. Messenger asked for clarification on how they defined “seasonal” meant in this particular situation. S. Zogby also questioned this. M. Levitt noted that summer typically demands more jobs than winter does. Discussion ensued regarding the difference of a direct, leased and indirect jobs. M. Fitzgerald reiterated Mr. Buck’s claim stated that jobs were not the overriding factor for providing Agency benefits to the project (or any of our housing projects as per our Housing policy), rather they are offered to increase the desirable housing stock for the workforce we are trying to build locally. He also stated that he would be comfortable amending the job requirement to one (1) new FTE. Mr. Buck further explained that they have every intention of continuing the housing development in Rome, as long as the absorption rate substantiates it and that it is not challenged by other projects. **A motion to amend Delta Luxury Apartment’s job to be created requirement to one (1) full-time equivalent, either by leased or direct employee, was moved by M. Fitzgerald, seconded by M.F. Messenger, and carried unanimously 6-0.** S. Papale looked at their application from 2014. It stated creating one job but retaining three company employees elsewhere within the county. The question of where the number two came up. It was stated that it was when the Agency gave them an extension. We are amending the extension.
Research Associates of Rome (RAS) – Job Non-Compliance

Chair Grow introduced Brian Moore, President & CEO, who described some of the challenges the company has faced over the last few years. It has been very difficult as some of their best leads either got delayed or evaporated. RAS, as tenant didn’t set-up the Agency arrangement. The landlord, Michael Baldwin, did. He explained the relationship to contracts and keeping people on payroll if there aren’t contracts to support them. Lost one person who set up his own firm, who they now contract with. There are some contracts that they have picked up which will hopefully lead to increased jobs. Sales are still down 40%. The lease they have with Mike Baldwin runs until May of 2020. They do sub-lease a portion of the facility to Black River Systems who has 6 people. Most of the employees are local. Currently they have 5 FTE, 3 PT and I contractor. Only two or three come from distant areas. They have no presence in Syracuse, despite the name. They do have challenges attracting talent, stating that two-career family situations influences on job decisions. Just lost an engineer to DC for that. Since they are not either cyber or communications. There is also a certain amount of competition for talent in Rome now. The government shut down did affect their ability to get one contract. Based upon the Agency’s determination that the company’s ability to meet its projected employment goals was beyond it’s control due to market forces, a motion to waive the Agency’s benefit clawback provisions for the Research Associates of Rome facility, for one-year, with the plan to revisit the company’s employment status then, and as long as all of the company’s employees work out of the facility, was moved by M. Fitzgerald, seconded by F. Betrus, and carried, 5-0, with D. Grow abstaining. D. Grow informed that he represents the Michael Baldwin, the landlord, and has not had any conversations with Mr. Baldwin related to this matter.

GLDC to BRV

Chair Grow introduced a request from Griffiss Local Development Corporation for the Agency to release property from the Master Lease for eventual sale to BRV Properties, LLC, along with an associated Agency resolution document for this purpose. The land is on Floyd Ave and will be used for a new eye-care facility. The sale price is $75,000. A motion to adopt the resolution authorizing the Agency to release the subject property to GLDC for eventual sale to BRV Properties, LLC was moved by F. Betrus, seconded by S. Zogby, and carried unanimously, 6-0.

99 Otis Street, LLC

Chair Grow introduced a request from Otis Street, LLC to extend the sales tax exemption on the facility for a period of one year. SJ DiMeo explained that the project got delayed a bit as an underlying electrical conduit had to be addressed, but other than that all is going smoothly. A motion to extend the sales tax exemption status for the 99 Otis Street, LLC facility for one-year was moved by M.F. Messenger, seconded by K. Hinman, and carried unanimously, 6-0.

RCBRC-Cold Point Corporation

Chair Grow introduced a request from Rome Community Brownfields-Rome Cable Corporation to extend the sales tax exemption on the facility for one year. The project has been very complicated due to a number of factors (out of state bank financing intricacies, NYS brownfields redevelopment intricacies, etc.), but it is all coming along, but slower than anticipated. A motion to extend the sales tax exemption status for the RCBRC-Cold Point Corporation facility for one-year was moved by S. Zogby, seconded by M. Fitzgerald, and carried unanimously, 6-0.

Cardinal Griffiss Realty, LLC/Assured Information Security, Inc. Server Room Project (CRG-AIS)/

Chair Grow introduced a request from Cardinal Griffiss Realty, LLC/AIS for the Agency to consider a final authorizing resolution for the facility. A motion to approve a final authorizing resolution for the CGR/AIS Server Room facility providing financial assistance in the form of exemption from sales tax (value estimated to be $43,800, but no more than $48,180) and authorizing the form and execution of final documents was moved by S. Zogby, and seconded by F. Betrus. M. Fitzgerald stated that he would be abstaining and thinks that it is terrible idea to grant the sales tax exemption for the project. Additional discussion from several other board members, both in varying degrees of agreement and opposition to Mr. Fitzgerald’s statement. Generally accepted
accounting practices were discussed as were the efforts to assist local companies grow, and how far the Agency should go to do that. Mr. Fitzgerald believes if real estate were involved with the project he would think differently about it. The number of jobs involved was also discussed. AIS has already surpassed the number of jobs it has promised in this application. The terms of the current lease and AIS’s job commitment were discussed. Under the terms of the current lease, Cardinal Griffiss Realty has committed to the jobs, but not AIS. This new application/project lease would provide for AIS to provide the jobs commitment. The actual status of AIS jobs and what was stated on previous CGR applications was discussed. L. Ruberto noted that the current PILOT on CGR was done before recapture agreements were incorporated into all project documentation and that we are in year 9 of a 16 year PILOT. In summation of the entire discussion, Chair Grow made the assessment that what needs to be determined is whether we can conditionally approve the action to confer benefits to the CGR-AIS project based upon amending earlier agreements in order to secure the direct commitment from AIS for the jobs. The new recapture would relate to all of the past benefits conferred on the project. Bases upon the concerns of the board, that needs to be answered before any further discussion or decisions are made. The general consensus of the Board was to table the motion on the floor until the next meeting, which is planned for June 27th.

126 Business Park Partners (Adjusters International)
Chair Grow introduced a request from 126 Business Park Partners for the Agency to amend its earlier inducement resolution, thereby increasing the value of the sales tax exemption and the mortgage recording tax exemption. S. Papale explained that the contractor has encountered significant shale in the building footprint which is increasing its building construction cost estimates, as well as the need for additional fixtures for the building. The increased costs have also increased the financing amounts and costs. The Company submitted amended pages to its application detailing these costs. L. Ruberto verified that the project will require an additional public hearing. It was also verified that this will be an incremental industrial (back office) PILOT. A motion to approve an amended inducement resolution relating to the 126 Business Park Partners Facility, granting preliminary approval for amended financial assistance in the form of sales tax exemptions (value estimated at $241,500 but not to exceed $265,600) and mortgage recording tax exemptions (value estimated $30,000 but not too exceed $33,000) and reduced PILOT payments for a period of ten years (valued at $210,000 which remains unchanged) was moved by F. Betrus, seconded by M. F. Messenger, and unanimously carried, 6-0

Old Business
S. Papale informed that Collins Aerospace will be attending the July 12 meeting to address job requirement deficits.

Meeting Minutes
A motion to approve the May 17, 2019 minutes, with four typographical errors corrected, was moved by M. Fitzgerald, seconded by M. F. Messenger, and carried unanimously, 6-0.

Financial Review
M. Carney reviewed the interim financial information. She noted a couple recent and planned project closings. The Agency received the financials as presented.

At 9:35 a motion to enter executive session to discuss a release of information request and potential contracts with the Agency was moved by F. Betrus, seconded by M. Fitzgerald, and carried unanimously, 6-0.

At 10:16 AM, a motion to exit Executive Session was moved by M. Fitzgerald, seconded by EF. Betrus, and carried unanimously, 6-0.

At 10:16 AM a motion to adjourn the June 11th, 2019 Agency meeting was made by M. Fitzgerald, seconded by F, Betrus, and carried unanimously, 6-0.

Respectfully Submitted,