Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on June 27, 2019 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

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

EDGE Staff Present: S. DiMeo, S. Papale, M. Carney, T. Fitzgerald.
Others Present: Linda Romano, Bond, Schoeneck & King; Rome Mayor Jackie Izzo; Mark Levitt and Jenna Peppenelli, Levitt & Gordon; David Hill, The Rome Sentinel; Tom Halstead, IBOE Local 158; Teresa Lynch and Tracy Coffman, Booz Allen Hamilton; Alex Figueras, Arthur Wood, Melissa Hudson, Wendy Schrader, Emily Keeney, and Charlie Otto, Mid-State Development Corporation/Vernon Downs; Michael Mullis, JM Mullis, Inc; Georges Bahri, Arco Design/Build; Teresa Bakner and Michelle Kennedy, Whiteman Osterman & Hanna; Steve Flint, Assured Information Security.

Chairman Grow called the meeting to order at 8:05 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 the open meeting. At 8:05 a motion to enter executive session to discuss potential contracts with the Agency was moved by F. Betrus, seconded by S. Zogby, and carried 7-0.

At 8:37 AM, a motion to exit Executive Session was moved by F. Betrus, seconded by E. Quadraro, and carried 7-0.

Minutes
F. Betrus noted that in the Cardinal Griffiss Realty section, his name was written as “B. Betrus.” M. Fitzgerald noted that in the Delta Luxury Apartments Job Non-Compliance section, there was an erroneous line of text: “Mr. Buck disc.” A motion to approve the June 11, 2019 meeting minutes as corrected was moved by M. F. Messenger, seconded by F. Betrus, and carried, 7-0.

Financials
M. Carney stated that no new interim financial documents had been drafted since the June 11 meeting.

Orgill, Inc.
Chairman Grow introduced a request from the company for the Agency to consider an inducement resolution relating to the Orgill, Inc. distribution facility. A motion to bring the request from Orgill, Inc. for an inducement resolution granting preliminary approval for financial assistance in the form of exemptions from sales tax (estimated value $4,200,000), exemptions from mortgage recording tax (estimated value $253,125) and a twenty-five (25) year payment in lieu of real property tax plan (estimated value $12,389,590), which is a deviation from the Agency’s Uniform Tax Exemption Policy, and authorizing the Agency to conduct a public hearing was moved by S. Zogby and seconded by E. Quadraro. Chairman Grow introduced Michael Mullis, from JM Mullis, Inc. and representing Orgill Inc. Mr. Mullis provided a brief description of the company, and stated that the proposed distribution center on the Griffiss Business and Technology Park will be the company’s 8th distribution facility in North America. As the company’s site selector, JM Mullis convinced Orgill to expand their site search further west, potentially to include Rome, due to a better labor environment and economic development environment. To that end, he also noted that the JM Mullis Inc. site selection group has a history of remembering communities that know how to do business. He continued that, at this point in the project timeline, they are working on the wetlands delineation, environmental testing, and a traffic study. When Mr. Grow asked about Orgill’s expectations on finding the employees needed to staff this facility, Mr. Mullis responded that Orgill would not be locating here if it was not comfortable with the labor market. Mr. Mullis explained that Orgill owns its distribution equipment, but Ryder provides maintenance services. The new facility will facilitate approximately...
100 trucks per day, which encompasses both inbound and outbound shipments. These shipments will serve all of Orgill’s New York and New England customers. When asked by Mr. Quadraro, Mr. Mullis explained the project timeline, which includes a start of construction in Spring 2020, and becoming operational by January 2022. After Mr. Mullis’s presentation, Mr. Grow explained that this inducement is the beginning the process to receive OCIDA benefits. The next step will be a public hearing, followed by a final resolution. The proposed PILOT will also require the approval of the City of Rome, Oneida County, and the Rome City School District. Mr. DiMeo explained that EDGE staff and Orgill representatives have a meeting scheduled with City of Rome Planning Department staff in July, with Planning Board review occurring later that month. Anticipated Planning Board approval will be in September. This would allow for the project to begin site preparation this coming fall. Mr. Grow stated that the land where this project will occur is currently tax exempt, and that this project will allow this site to start generating tax dollars. Mr. Fitzgerald stated that the sale of this parcel of land will result in funds being made available for future development on the Griffiss Park. Mayor Izzo voiced her strong support and approval of the proposed project, saying that it will add good jobs and additional tax base to the community. Ms. Kennedy from Whiteman Osterman & Hanna requested that the Agency waive the application fee. Mr. Grow explained that the money generated from application fees is used to further the activities of Mohawk Valley EDGE for local economic development, and that this request will not be acted on today. With no further discussion, Chairman Grow called for a vote on the motion on the table. The motion carried, 7-0.

Booz Allen Hamilton.
Chairman Grow introduced a request from the company for the Agency to consider an inducement resolution relating to the Booz Allen Hamilton facility at 99 Otis St. A motion to bring the request from Booz Allen Hamilton for an inducement resolution granting preliminary approval for financial assistance in the form of exemptions from sales tax (estimated value $200,000), contingent upon the Company retaining 158 existing FTEs at all its other facilities in Rome; creating 60 FTE at the 99 Otis Street facility; retaining all 218 FTEs in Rome for the entire term of the sublease with Agency, and authorizing the Agency to conduct a public hearing was moved by F. Betrus and seconded by M. F. Messenger. Chairman Grow introduced Teresa Lynch and Tracy Hoffman, from Booz Allen Hamilton (BAH). Ms. Lynch explained that BAH has had a location in Rome for 30 years, but has outgrown its current facility on the Griffiss Business & Technology Park. BAH has decided to invest more resources in its Rome location. To that end, the presence of secure space in a new facility is important to its clients, including the Air Force Research Lab. Ms. Lynch also explained that the jobs that they are creating are high-tech and high paying (average wage of over $80,000), and that 30% of their new hires are veterans. The company looks forward to steady continued growth locally, and has been pleased with the availability of local talent, local interns, and local colleges. The company stated that it needs to continue to work with local colleges to develop a stronger talent pipeline. Ms. Messenger asked what the hiring timeline would be for this project. Ms. Lynch explained that the 60 new employees identified is a conservative estimate, and that all 60 new employees would be brought on within the first three years of being in the new facility. The company intends to be operational in its new space in early 2020, and will start hiring new employees in the fall of 2020. She continued that the company sees this project as “phase one” of its local growth plan. The company will be placing a vice president in the new location, which is a good sign for the local presence. Mr. Fitzgerald asked for clarification that the base jobs number will be 158, which Ms. Lynch confirmed. Mr. Fitzgerald then stated that it would be appropriate for the term of benefit claw-back should coincide with the lease term of 7.5 years. Ms. Lynch responded by requesting that the claw-back be ramped down over this term. Mr. Grow confirmed that that would be the case. With no further discussion, Chairman Grow called for a vote on the motion. The motion carried, 7-0.

A motion to approve a SEQR resolution related to the Booz Allen Hamilton Facility was moved by M. F. Messenger, seconded by F. Betrus, and carried, 7-0.

Cardinal Griffiss Realty
Chairman Grow introduced a resolution from the company for the Agency to consider a final authorizing resolution relating to the Cardinal Griffiss, LLC/Assured Information Security, Inc. A motion to approve a final authorizing resolution related to the Cardinal Griffiss, LLC/Assured Information Security, Inc. facility, authorizing financial assistance in the form of sales tax exemptions (estimated value $43,800), which financial assistance is
consistent with the Agency’s Uniform Tax Exemption Policy, contingent upon the Company retaining 185 existing FTE jobs; creating 5.5 new FTE jobs; retaining all 190.5 jobs for 12 years; and approving the form and execution of related documents, subject to counsel approval, was moved by F. Betrus, seconded by E. Quadraro. Chairman Grow introduced Steve Flint from Assured Information Security. Mr. Flint explained that the improvements to the current facility will lead to increased capacity of its server room. This server room is central to all company operations, both locally and across the country, making these improvements critical. Mr. Flint explained that facilities like this are often targets of foreign espionage. Ms. Messenger asked for a clarification of job creation, and Mr. Flint stated that this project would lead to the creation of 5.5 new jobs and the retention of 185 jobs. He further stated that the average employee salary is $105,000, and as such, the requested benefit from the Agency on a per-employee basis does not justify the jobs retention requirement for a full 12 years. Instead, he proposed a jobs retention requirement for a 2 year period. Chairman Grow proposed an amendment to the resolution, which would establish a 5 year job retention requirement. This amendment was moved by E. Quadraro and seconded by D. Grow. The amendment failed 3-4, with F. Betrus, D. Grow, and G. Quadraro voting in favor and K. Hinman, M.F. Messenger, M. Fitzgerald, and S. Zogby voting against. Chairman Grow called for a vote on the original motion. The motion carried 4-3, with K. Hinman, M.F. Messenger, M. Fitzgerald, and S. Zogby voting in favor and F. Betrus, D. Grow, and G. Quadraro voting against.

Old Business

Several employees from Mid-State Development Corporation presented to discuss why the company has not met its job commitment number. Reasons include increased competition in upstate NY due to the new Del Lago Casino as well as new casino locations opened by the Oneida Indian Nation, state regulations that limit bonuses and rewards to potential customers, and a very competitive and tight labor market across the region that makes hiring and retention difficult. However, the company has maintained employment at 90% of its commitment, has begun new initiatives to bring in new customers and retain loyal patrons, and has implemented practices to aid in hiring, including referral bonuses and paying for licensing fees. The company requested continued benefit from the Agency while it works to address items within its control. Chairman Grow proposed an amendment to the company’s job commitment, to reduce the number to 220 FTE for the remaining 2 years of Agency benefits. This is contingent on the company supplying supporting material describing hiring and retention issues. A motion to approve this amendment, contingent on the Company supplying material describing hiring and retention issues, was made by M. Fitzgerald and seconded by F. Betrus, and carried 7-0.

- S. Papale explained that the Varflex Corporation building expansion project will not be as big as expected, but the overall project budget has grown. S. Papale will request company representative to provide an amended project budget to the Agency. She stated that since the overall budget has grown, a resolution is needed to increase sales tax exemption benefit by roughly $25,000. A motion to authorize Ms. Papale to provide an updated sales tax certificate prior to closing the amended lease transaction, conditioned upon the Agency adopting a supplemental inducement resolution and completion of the SEQR review, was moved by F. Betrus, seconded by E. Quadraro, and carried 7-0.
- S. Papale stated that there will be a forthcoming project from Indium Corporation. The company is expected to provide to the Agency additional information about existing incentives on a proposed sewer line expansion, and upcoming office expansion needs.

At 10:42 AM a motion to adjourn the June 27, 2019 Agency meeting was made by F. Betrus, seconded by D. Grow, and carried, 7-0.

Respectfully Submitted,

Tim Fitzgerald