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Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on August 16, 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, J. Waters, Sokunthideth Chea, M. Kaucher
Others Present: Rome Mayor Jackie Izzo; Jenna Peppenelli, Levitt & Gordon; Dave Hill, Rome Sentinel; Bill Maxim, Northeast Regional Council of Carpenters; Nick Matt, Matt Brewing Co.; Steve Buck, Heartford Luxury Apartments; Kate Jarosh, B240 LLC/Bonacio Construction.

Chairman Grow called the meeting to order at 8:07 AM.

Chairman Grow stated that there does not appear to be a request for an Executive Session in advance of the meeting, but there appears to be a need later in the meeting. He asked if there was any objection to taking certain agenda items out of their planned order as a means of accommodating guest attendees. There were no objections to doing so.

Matt Brewing Company
Chairman Grow introduced a request from the company for the Agency to consider an extension of the term and value of the sales tax exemption on their project from $550,000 to $850,000. He introduced Mr. Matt and invited him to address the board. Mr. Matt explained that the reason for the request is due entirely to the increased cost of construction, which turned out to be much higher than the original estimates they were provided. As a result, they have opted to phase the project in over two phases to keep in line with their project financing facility. They anticipate completion in the spring of 2020, but still a lot of piping work to do. The building footprint is not changing from plan. The brew house has been completed and is paying high dividends as far as the quality of the product is concerned. They have been winning awards around the country, and just received a Gold Medal in Denver for Utica Club. The new cellars will be phased gradually with technology playing an increasingly larger role. It was noted that Mr. Matt is a member of the Board of Directors for Mohawk Valley EDGE and that the Agency contracts with MVEDGE for staff services. A motion to extend the term of the sales tax exemption status for the Matt Brewing Company, Inc. facility from October 19, 2019 to July 20, 2020; to increase the value of the estimated sales tax exemption from $550,000 to $850,000; and authorizing the Agency to conduct a public hearing on the proposed action, was moved by F. Betrus, seconded by E. Quadraro and carried, 7-0. Mr. Matt thanked the Agency and exited the meeting.

Heartford Luxury Apartments LLC
Chairman Grow introduced a request from the company for the Agency to consider an extension of its sales tax exemption status for the Phase 2 Project for a period of one year. Ms. Papale referred to the letter submitted by the company addressing past Agency questions about the project. Chair Grow introduced Steve Buck, representing the company and invited him to address the board. Mr. Buck explained that the primary problem they encountered on the project, and the main reason for the delay in construction, was due to National Grid’s delay in completing and approving utility service engineering plans and then constructing natural gas and electric lines along a 500 foot access roadway into the facility. Because of this, the project is over 18 months behind the original plan. This has cost them an enormous amount of unplanned financing costs. He said another reason for the delay is slower lease-up activity, which he attributed, somewhat, to non-activity at Marcy. Downsizers in the area are helping in this area. He believes that the slow response by National Grid needs to be addressed as an overall economic development roadblock. They went to the Public Service Commission and got a big run around. Chair Grow asked for an update on their schedule as of today. Mr. Buck explained that they have 36 units done and should have another 14 done by January of 2020. By 2022 they will have another 49 units done. Mr. Betrus
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stated that the original application was for 125 units. Mr. Buck said they reduced the project down to 99 units from 125. The extension to 2022 is a recent change (since the August 8 letter) and is due to National Grid’s timeframe limits. The 36 units have a temporary Certificate of Occupancy. There are two families in right now and another six moving in shortly. The rent on those is $1,800 per month. Mr. Betrus asked if there are any codes issues. Mr. Buck responded that they are currently dealing with the Town who claims that during a recent storm event, in which Hartford’s overflow overwhelmed the Town’s system and flooded a neighboring property. The Town wants them to upgrade the Town’s storm system facility. They are negotiating with the Town on that. He added that due to their retention ponds, the town will actually have 48% less flow into its system from that site (during a storm) than they did before the project. Mr. Betrus asked if they applied for condo status. Mr. Buck said they did a “test the market” exercise, and opted to forego that option. However, if they determine they can get a group of 8 people to buy one building, they can go to a different and easier process (CPS7) than through the NYS Secretary of State condominium process. The one story units are 1,600 square foot and feature two stall garages. They run $2,400 to $2,800 per month. The apartments run $1,800 per month. Mr. Betrus asked if he would have any problem filling out a new application if the board were to require one, based upon the fact that actual construction is so far behind the original two-year status conferred by the Agency. Mr. Buck said he would not have a problem with that. Mr. Betrus asked how they are marketing the facility. Mr. Buck said they do most of their marketing through the internet, as realtors are not that effective in this industry. However, if a realtor does bring a client in, they are compensated. Mr. Grow asked for clarification from Mr. Buck as to whether the main reason for the delay in the project to 2022 was primarily due to the National Grid delay. Mr. Buck responded yes. Mr. Fitzgerald asked about average ages of the new tenants, to which Mr. Buck responded 50-55 years of age. Mr. Fitzgerald asked what their experience was with National Grid on the Delta project in Rome. Mr. Buck said it was not as bad an experience as Hartford Luxury. He went on to explain that economic growth depends on a getting utilities extended in a reasonable time-frame. Mr. Grow explained that he understands the situation. Mr. Betrus asked about the employment commitment. Mr. Buck explained that they have hired a full-time person. Mr. Fitzgerald suggested that due to the circumstances noted today, it may be more efficient for the Agency to go out two years on the extension. A motion to extend the term of the sales tax exemption for the benefit of the Heartford Luxury Apartments, LLC facility, for a period of two years, subject to counsel final approval, was moved by M. Fitzgerald and seconded by K. Hinman. Mr. Zogby asked if we need any checks and balances to determine the schedule is proceeding as planned. Ms. Papale said we will track the progress through our quarterly and annual sales tax reporting process. Mr. Grow wondered if that, through MVEDGE, something needs to be done to notify National Grid of the concerns with their process impeding development. Mr. Fitzgerald said it might be better to contact National Grid’s communications department and ask for a written response to Mr. Buck’s claims. Mr. Fitzgerald complimented Mr. Betrus on the quality and pertinence of his questions about the project. He went on to explain that even with the problems with National Grid, the lease-up time and success of the project will be determined by the market, and if the company ends up doing a smaller project, it will only benefit from the tax exemption on the amount spent. Ms. Papale reiterated that our quarterly reporting will help us track what is going on. Mr. Betrus believes the community needs these projects, but has a problem voting for the extension, and favors requesting a new project application. Chair Grow asked for a vote on the motion: Motion carried, 6-1, with F. Betrus casting the NO vote. Mr. Buck thanked the Agency and exited the meeting.

B240, LLC

- SEQR – B240 LLC

Chair Grow introduced a request for the Agency to consider a SEQRA resolution relating to the B240, LLC Facility. The City of Rome Planning Board is acting as Lead Agency for the SEQRA review and adopted a Negative Declaration on July 2, 2019. A motion to adopt a SEQRA resolution for the B240, LLC Facility was moved by S. Zogby and seconded by M.F. Messenger. Chair Grow introduced Kate Jarosh representing B240, LLC. Ms. Jarosh explained that the Planning Board has approved the project and that they are now going through the bid process with their subs and plan to have a shovel in the ground by September. Eighty-four units still planned. Chair Grow asked for a vote on the motion: Motion carried, 7-0. Ms. Jarosh exited the meeting.
Final Authorizing Resolution – B240 LLC
Chair Grow introduced a request for the Agency to consider a final authorizing resolution relating to the B240, LLC facility. A public hearing was held on July 26, 2019 and no comments were made. A motion to approve a final authorizing resolution relating to the B240, LLC (Phase 1) Facility, granting approval for financial assistance in the form of exemptions from sales tax (estimated value $620,000 but not to exceed $682,000), exemptions from mortgage recording tax (estimated value $119,310 but not to exceed $131,241) and reduction of real property tax for a period of 20 years (estimated value $2,397,783), which is a deviation from the Agency’s Uniform Tax Exemption Policy (Housing Policy), was moved by F. Betrus and seconded by S. Zogby. Mr. Fitzgerald stated that he will vote yes on the motion but expressed his point of view that the 20-year PILOT is too much for too long. Chair Grow responded that it is long, but there has been strong support from the Mayor of Rome, the Rome Common Council, and the need for this type of housing in Rome, as expressed by the employer base at Griffiss Business Park, and especially this being the first one at GBTP. Chair Grow asked for a vote on the motion: Motion carried, 7-0.

GLDC Request for Release of Property for Sale (B240, LLC)
Chair Grow introduced a request from Griffiss Local Development Corporation for the Agency to approve the release of certain property from their lease with the Agency for eventual sale to B240, LLC. A motion to approve releasing certain lands from lease agreements between the Griffiss Local Development Corporation and the Agency, consisting of two parcels totaling 4.3± acres adjacent to St. Rt. 825, for eventual sale to B240, LLC for the construction of a mixed-use facility, and to authorize the form and execution of related documents, was moved by M. Fitzgerald, seconded by M. F. Messenger, and carried 7-0.

GLDC /394 Hangar Road Corporation Facility
Chair Grow introduced a request from Griffiss Local Development Corporation for the Agency to consent to the early termination of the GLDC/394 Hangar Road Corporation Facility. Ms. Papale stated that she is President of 394 Hangar Road Corporation and proceeded to abstain from all discussion related to the matter. A motion for the Agency to consent to the early termination of the GLDC/394 Hangar Road Corporation Facility was moved by M. F. Messenger, seconded by E. Quadraro, and carried 7-0.

126 Business Park Partners/Adjusters International - (Final Authorizing Resolution)
Chair Grow introduced a request for the Agency to consider a final authorizing resolution relating to the 126 Business Park Partners facility. A public hearing was held at which no comments were made. A letter was received from the Utica City School District. Financing will occur at a later date and the Agency will consider an authorizing resolution approving financing documents when appropriate. A motion to approve a final authorizing resolution relating to the 126 Business Park Partners Facility, approving financial assistance in the form of sales tax exemptions (estimated value $152,250 but not to exceed $167,475), mortgage recording tax exemptions (estimated value $22,500 but not to exceed $24,750), and reduction of real property taxes on the increased assessment for 10 years (estimated value $210,000), which financial assistance is consistent with the Agency’s policy, conditioned upon the Company creating 4 FTEs and retaining 48 FTEs, and approving the form and execution of the Agency’s closing documents in the Agency’s customary form, with any changes approved by Counsel, was moved by K. Hinman, seconded by F. Betrus, and carried 7-0.

Booz Allen Hamilton - (Final Authorizing Resolution)
Chair Grow introduced a request for the Agency to consider a final authorizing resolution for the facility at 99 Otis Street. The Agency held a public hearing on August 14, 2019 and no comments were made. A motion to approve a final authorizing resolution relating to the Booz Allen Hamilton facility, providing approval for financial assistance in the form of sales tax exemption (estimated value $200,000 but not to exceed $220,000), which proposed financial assistance is consistent with the Agency’s Uniform Tax Exemption Policy, conditioned upon the Company creating 60 FTEs at the 99 Otis Street facility and retaining 158 FTEs at all of the Company’s other
Rome, NY facilities, and retaining all 218 FTEs in Rome for the entire term of the sublease with the Agency, was moved by K. Hinman, seconded by F. Betrus, and carried 7-0.

ERP Grant Submission Consent - Former Rome Cable
Chair Grow introduced a Mohawk Valley EDGE staff request for the Agency to consent to pursuit of a grant opportunity offered by the NYS DEC under the Environmental Restoration Program to complete remediation at the former Rome Cable Complex 1 & 3 Operable Unit #1 (Owl Wire). Ms. Papale clarified that payments of the expenses incurred by OCIDA will be reimbursed by the Rome Industrial Development Corporation. A motion to provide consent for the Agency to pursue a grant funding opportunity offered by the NYS DEC under the Environmental Restoration Program to compete remediation at the former Rome Cable Complex 1 & 3 Operable Unit #1 (Owl Wire) was moved by M.F. Messenger, seconded by S. Zogby, and carried, 7-0.

June 11, 2019 Minutes
A motion to approve the June 27, 2019 minutes was moved by M. Fitzgerald, seconded by F. Betrus, and carried 7-0.

July 31, 2019 Minutes
M. Fitzgerald noted that the word “completion” on the fifth line in the Heartford Luxury Apartments, LLC discussion should be replaced with “occupancy”. A motion to approve the July 31, 2019 minutes with noted correction, was moved by F. Betrus, seconded by E. Quadraro, and carried 7-0.

Financial Review
M. Carney reviewed the interim financial reports noting that there was no activity within the last month. Work on the budget has started as it needs to be reported in PARIS by September 30th. Staff will review and meet with the finance committee and also Laura Ruberto to see what will most likely close by the end of the year. Chair Grow asked if she thought that our budgeted income was going to be on track. Ms. Carney said she will be discussing that with Laura Ruberto to determine. The Agency received the financials as presented.

At 9:00 AM a motion to suspend the August 16, 2019 Agency meeting and to enter executive session to discuss potential contracts with the Agency was moved by E. Quadraro, seconded by K. Hinman, and carried 7-0.

At 9:42 AM a motion to reconvene the August 16, 2019 Agency meeting was moved by M. Fitzgerald, seconded by M. F. Messenger, and carried, 7-0.

JH Rhodes-Universal Photonics – Job Goal Shortfall Presentation
Ms. Papale introduced Anthony Dirosa, from JH Rhodes to discuss the company’s job shortfall. Mr. Dirosa gave a background on the local operation. In 2011, after they moved from Clinton, cell phone manufacturers switched to only polishing the touch side of the glass. This reduced need for pads so they struggled. They are still the number one pad seller in the Far East. They have just hired an engineer from Phoenix which will bring FTE to 46. He has to keep efficiencies in line but they do want to expand and meet the job goals. The expansion of the curved glass market in projects may allow them to expand into a second shift at some point. No guarantee. They are investing in 3-D cover glass polishing. That may help them grow into a second shift. They are upgrading the facility annually. They would like to request extension of their claw-back time-frame by five years if possible. Mr. Betrus asked about their process and about competition from the Far East. He said they do have some problems with competitors making bad products with their name and logo on them. They have a sales force that is really aggressive at addressing that problem with customers. Some rare earth comes from the Far East. Availability is always a concern, but not currently a problem. Rare earth materials are one of them. China does not charge a tariff on their products yet. It is considered a consumable. They have successfully worked with both BOCES on training and workforce. Discussion took place on the existing Agency PILOT on the facility. Based upon the existing industry challenges, and the potential growth from the 3-D market, it was determined that the Agency would be willing to extend an additional two years on the job requirement, and take another look at the employment
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numbers at that time. **A motion to waive exercise of the Agency’s current benefit clawback option and to extend the JH Rhodes/Universal Photonics job attainment goal for two-years was moved by F. Betrus, seconded by E. Quadraro, and carried 7-0.**

At 9:55 AM, a motion to enter Executive Session to discuss potential contracts with the Agency was moved by E. Quadraro, seconded by M. Fitzgerald, and carried, 7-0.

At 10:35 AM, a motion to exit Executive Session was moved by M. Fitzgerald, seconded by M. F. Messenger, and carried, 7-0.

At 10:35 AM a motion to adjourn the August 16, 2019 Agency meeting was moved by F. Betrus, seconded by M.F. Messenger, and carried, 7-0.

Respectfully Submitted,
Mark Kaucher