Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on September 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, J. Waters, M. Kaucher
Others Present: Rome Mayor Jackie Izzo; Mark Levitt & Jenna Peppenelli, Levitt & Gordon; Dave Hill, Rome Sentinel; Bill Maxim, Northeast Regional Council of Carpenters; Greg Evans & Mike Lennon, Indium; Michelle Kennedy, White Osterman, representing Orgill; Linda Romano and Laura Ruberto, Bond, Schoeneck & King.

Chairman Grow called the meeting to order at 8:03 AM.

Chairman Grow stated that there is a request for an Executive Session in advance of the meeting to discuss potential contracts. At 8:05 AM motion to enter executive session was moved by E. Quadraro, seconded by F. Betrus, and carried 7-0.

At 8:45 AM the board exited Executive Session and resumed the regular open meeting.

Minutes
M. Fitzgerald asked that “conditioned on the Company creating 47 FTE employees” be struck from the paragraph pertaining to the B240 LLC facility in the August 16 minutes. A motion to approve the August 16, 2019 meeting minutes as corrected was moved by M. Fitzgerald, seconded by Mr. Zogby, and carried 7-0.

A motion to approve the September 13, 2019 meeting minutes was moved by M. Fitzgerald, seconded by E. Quadraro, and carried 7-0.

Indium Corporation of America
Chairman Grow introduced a request from the Indium Corporation of America for the Agency to consider an inducement resolution relating to the construction of a water line and facility renovations at their Clinton facility and also the equipping of leased space in New Hartford. He noted that a representative of the company is in attendance. M. Fitzgerald noted that the estimated sales tax exemption amount stated in the application appeared to be much higher than what the total project amount would indicate. Staff re-calculated the estimated sales tax benefit, which would indicate that a more accurate amount would be somewhere between $150,000 to $180,000 rather than $330,000. M. Fitzgerald questioned whether or not the affected taxing jurisdictions had concurred with the PILOT plan. It was noted that when the original application was considered in 2016, the Town sent a written letter of support and the School District expressed support at the public hearing. A new public hearing is planned related to this new application and all taxing jurisdictions will be notified. A motion to approve an inducement resolution granting preliminary approval for financial assistance for the Indium Corporation of America in the form of sales tax exemptions (estimated value between $150,000 and $180,000) and a PILOT arrangement that is a deviation from the Agency’s Uniform Tax Exemption Policy (estimated value at $300,000), subject to the Agency receiving support from the Town and School District, and authorizing the Agency to conduct a public hearing was moved by M. Fitzgerald, seconded by E. Quadraro, and carried 6-0, with F. Betrus abstaining.

Indium SEQR
(a) Chairman Grow introduced a request for the Agency to consider a SEQR resolution relating to the Indium Corporation water main facility. A motion to adopt a SEQR resolution for the Indium Corporation water main facility was moved by F. Betrus, seconded by M. Fitzgerald, and carried 6-0, with F. Betrus abstaining.
Chairman Grow introduced a request for the Agency to consider a SEQR resolution relating to the Indium Corporation Kirkland renovation facility. A motion to adopt a SEQR resolution for the Indium Corporation Kirkland renovation facility was moved by S. Zogby, seconded by E. Quadraro, and carried 6-0, with F. Betrus abstaining.

Chairman Grow introduced a request for the Agency to consider a SEQR resolution relating to the Indium Corporation equipment facility. A motion to adopt a SEQR resolution for the Indium Corporation equipment facility was moved by M.F. Messenger, seconded by E. Quadraro, and carried 6-0, with F. Betrus abstaining.

Economic Development Growth Enterprises/CREE Inc.
Chairman Grow introduced a request from the applicants for the Agency to consider an inducement resolution related to the development of a silicon carbide manufacturing facility in the Town of Marcy. S. Papale directed attention to an updated cost benefit analysis document. It was also noted that the $352,000 Agency fee will not adhere to the usual fee schedule. A motion to approve an inducement resolution for the benefit of Economic Development Growth Enterprises/CREE Inc. facility, granting preliminary approval for assistance in the form of sales tax exemptions (value estimated at $32,812,500 but not to exceed $36,093,750), mortgage recording tax exemptions (value estimated at $115,000 but not to exceed $126,500) and payment of PILOT payments in accordance with the Agreement Approving Essential PILOT Terms and Allocating PILOT Payments (payments over 49 years with an estimated value at $69,947,356), which is a deviation from the Agency’s Uniform Tax Exemption Policy, and approving a project fee that is a deviation from the Agency’s customary fee schedule (in the amount of $352,000) and authorizing the Agency to conduct a public hearing, was moved by M. Fitzgerald, and seconded by F. Betrus. M. Fitzgerald noted that the sales tax exemption estimate seemed high as many of the items in the application would not likely be subject to sales tax. The board agreed a more reasonable estimate for the low end was probably $22,000,000 but did not want to change the maximum amount of $36,093,750 in case items turn out to be taxable. S. Papale made changes to the cost benefit document as discussed. M. Fitzgerald stated that he would like to go on record thanking EDGE staff, in particular Steve DiMeo and Shawna Papale for their work in bringing this project to this point. Chairman Grow added that, in addition to thanking the MVEDGE staff, he would like to thank the County, the Town of Marcy (and its affiliated special district jurisdictions), and the Whitesboro School District for their cooperation in creating the PIF and PILOT for the site. Coming to an agreement in advance of a project was instrumental in creating the site for such development. M. Fitzgerald requested that, due to the complexity of the PIF plan, legal counsel be engaged to draft a memo that makes administration of the PIF plan explicitly clear for all the affected jurisdictions. Chairman Grow asked for a vote on the motion on the table, with an amendment that the estimated sales tax exemption amount be changed to $22,000,000 but not to exceed $36,093,750: the amended motion carried, 7-0.

Economic Development Growth Enterprises/CREE Inc. - SEQR
Chairman Grow introduced a request for the Agency to consider a SEQR resolution relating to the Economic Development Growth Enterprises/CREE Inc. facility. A motion to adopt a SEQR resolution for the Economic Development Growth Enterprises/CREE Inc. facility was moved by E. Quadraro, seconded by S. Zogby, and carried 7-0.

Orgill Inc. – Supplemental Inducement Agreement and SEQR
Chairman Grow introduced a request for the Agency to consider a SEQR resolution related to the Orgill Inc. facility and also a supplemental inducement resolution appointing the Company an agent of the Agency. He noted that there is a representative of the company in attendance. A public hearing was held on July 23, 2019. A motion to adopt a SEQR resolution for the Orgill Inc. facility, appointing Orgill Inc. as agent of the Agency, and authorizing the form and execution of related documents was moved by F. Betrus, seconded by E. Quadraro, and carried 7-0.
B240 LLC

Chairman Grow introduced a request from B240 LLC to extend a partial sales tax exemption. A motion to extend a partial sales tax exemption to B240 LLC, subject to clarification of sales tax was moved by E. Quadraro and seconded by K. Hinman. S. Papale noted that the company has already closed on the purchase of the real estate ahead of closing with the Agency and its financing facility. Discussion on the number of jobs that the Company was committing to ensued. It was determined that we need to go back to the company and clarify specifically the number they, and not the tenants, will be committing to before the project closed with the Agency. Chairman Grow asked for a vote on the motion on the table: motion carried, 7-0.

Matt Brewing Company, Inc. – Final Authorizing Resolution and Extension and increase in Sales Tax Exemption

Chairman Grow introduced a request from the Company for a final authorizing resolution and increase in the amount of its sales tax exemption. A public hearing was held on September 23, 2019. A motion to authorize a final authorizing resolution related to the Matt Brewing Company, Inc. facility, and approving an extension of the sales tax exemption date to July 20, 2020, and to increase the sales tax exemption value from $550,000 to $850,000 relating to the 2017 Project and authorizing the form and execution of related documents was moved by M. F. Messenger, seconded by E. Quadraro, and carried, 7-0.

Old Business

E. Quadraro commented that he was disheartened to see some of the negative slant given to reporting on the financial incentives being offered to CREE in the news media and wondered if something we should be done to respond to it. S. Papale explained that staff is working on a document that should help clarify the PILOT PIF and the overall CREE project in general. She referred to our cost benefit analysis document which does a good job in showing the anticipated economic activity created by projects we assist with. Discussion on the various parameters of the Agency’s cost benefit analysis document ensued. The subject of construction costs and the number of construction jobs was noted. This will be a huge economic boost for the construction workforce and will require a huge number of skilled labor. Chairman Grow noted that due to many years of economic stagnation, a lot of people left for work elsewhere, or took other types of work. Mr. Maxim noted that his organization has been working to promote apprenticeship and mentoring programs in the local high schools. S. Papale mentioned the upcoming Trades Day event that is being organized. Mr. Maxim said they were participating in that event.

Varflex

Ms. Papale explained that the IDA has we have been working with the Company and the City Planning Department to determine which entity should act as Lead Agent for SEQRA. Mayor Izzo explained that the City is not able to act as lead agent, since site plan review was not required in order to issue a building permit. Mayor Izzo stated the City Planning Department did look at the project and believe it is an Unlisted Action. The IDA agreed to act as lead agent and the motion was tabled to allow the IDA to perform its environmental review.

Interim Financials

M. Carney reviewed the interim financial reports noting that there was no significant activity within the last month. She noted that MGS has closed with the Agency, but the check did not arrive until September so it does not reflect in this review. The Agency received the financials as presented.

2020 Budget Draft

M. Carney presented a proposed budget. A motion to approve the proposed 2020 budget as presented was moved by Mr. Fitzgerald, seconded by Mr. Zogby, and carried 7-0.

At 9:39 AM a motion to adjourn the meeting was moved by Mr. Fitzgerald and seconded by Mr. Quadraro.

Respectfully Submitted,
Mark Kaucher