Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on October 18, 2019 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

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; Linda Romano and Laura Ruberto, Bond, Schoeneck & King; Bill Guglielmo, Rome Area Chamber of Commerce; WKTV Videographer.

Chairman Grow called the meeting to order at 8:09 AM.

Chairman Grow stated that there is a request for an Executive Session. Due to guests in attendance pertaining directly to this matter, he asked if there was consensus from the directors for taking the agenda out of order, and proceeding directly to Agenda Item # 7 (CREE/MVEDGE) before the Executive Session. The general consensus among directors was to address Agenda Item # 7 before entering an executive session.

MVEDGE/Cree Inc. Facility
Chair Grow read the final authorizing resolution approving the proposed financial assistance that is a deviation from the Agency’s Uniform Tax Exemption policy. A public hearing was held at the Town of Marcy Municipal Building on October 15, 2019 at which speakers in support of the Agency’s involvement with the project included, Bill Guglielmo from the Rome Area Chamber of Commerce, Brian Scala, Supervisor for the Town of Marcy, and Jason Jenny representing Cree. F. Betrus and representatives from the Maynard Fire Department were also in attendance. Letters in support of the Agency’s involvement with the project were received from the Rome Area Chamber of Commerce, the Genesis Group, the Greater Utica Chamber of Commerce, and the Chamber Alliance of the Mohawk Valley. Deviation notices were mailed to the affected taxing jurisdictions on October 11, 2019. A motion to approve a final authorizing resolution for the benefit of the MVEDGE/Cree, Inc. Facility, approving financial assistance that is a deviation from the Agency’s Uniform Tax Exemption Policy, consisting of exemptions from sales tax (estimated at $22,000,000.00 but not to exceed $36,093,750.00), mortgage recording tax exemptions (estimated at $115,000.00 but not to exceed $126,500,000) and PILOT payments (estimated at $74,879,362.88 over 39 years) to be billed and allocated pursuant to the terms contained in the Agreement Approving Essential PILOT Terms and Allocating PILOT Payments, all contingent upon Cree creating 614 full-time equivalent positions at the facility over a 10-year time frame as follows: Year 1-37; Year 2-270; Year 3-321; Year 4-350; Year 5-414; Year 6-488; Year 7-564; Year 8 and thereafter-614, and maintaining the employment obligation for ten (10) years, and authorizing the form and execution of related documents, all in substantially the form presented to the Agency together with any changes approved by counsel, was moved by F. Betrus and seconded by E. Quadraro.

M. Fitzgerald asked if the highlighted areas on the Board Memo were the only changes to the original memo, to which S. Papale responded yes. He also questioned as how the amounts were calculated. SJ Dimeo explained that it was based upon the anticipated square footage of the various building areas comprising the overall footprint of the facility, outlined in the original design plans. Those are currently being refined and Cree is preparing to go out for bid. M. Fitzgerald also asked how the joint benefit status will work. L. Ruberto explained that the Agency will receive the PILOT payments from Cree and allocate proceeds to MVEDGE and the taxing jurisdictions. Cree will benefit directly from the sales and mortgage recording tax exemption. M. Fitzgerald asked what mechanism will be in place to make sure that Cree, not MVEDGE, will be the entity that the recapture of benefits clause ties back to. L. Ruberto explained that this is outlined in the documentation that will be signed by the pertinent parties to the various agreements. Mr. Fitzgerald asked how long before the debt tied to the PIF is retired. SJ Dimeo responded that most of it was in the 10-15 year range, but there were several tranches in the 25 year range. Chair Grow introduced Bill Guglielmo, President of the Rome Area Chamber of Commerce. Mr. Guglielmo stated that the RACC has consistently publicly supported all of the efforts taken
Approved Nov 22, 2019

through the years to prepare for development of the Marcy NanoCenter site and encouraged the Board to
approve the proposed action on the table. Chair Grow asked if there were any additional comments, and there
were none. Chair Grow called for a vote on the motion on the floor: **Motion on the floor carried 6-0.**

At 8:16 AM motion to enter executive session to discuss potential contracts with the Agency was moved by M. F.
Messenger, seconded by S, Zogby, and carried 6-0.

At 9:07 AM a motion to exit Executive Session and resumed the regular open meeting was made by E. Quadraro,
seconded by M.F. Fitzgerald, and carried 6-0.

**Minutes**

*A motion to approve the September 27, 2019 meeting minutes was moved by S. Zogby, seconded by E.
Quadraro, and carried 6-0.*

**Interim Financials**

M. Carney reviewed the September 30th, 2019 financial Statements. She made note of the deferred revenue figure
which appears high due to the number of projects that have not closed with the Agency as of September 30th.
The board received the statements as presented.

**Varflex Corporation - SEQRA**

Chair Grow introduced a SEQR resolution relating to the Varflex Corporation facility. *A motion to approve a
SEQR resolution relating to the Varflex was moved by M. F. Messenger, seconded by E. Quadraro and carried 6-0.*

**Rome Community Brownfield Restoration Corporation (RCBRC)**

Chair Grow introduced a request from RCBRC for the Agency consent to RCBRC granting early access to Cold Point
to conduct preliminary site work at its proposed new facility location in downtown Rome. *A motion to approve a
request from the Rome Community Brownfield Restoration Corporation, relating to the Cold Point Corporation
Facility, consenting to RCBRC granting early access to Cold Point to conduct preliminary site work, and
authorizing the form and execution of related documents, all in the Agency’s standard form, subject to counsel
review was moved by F. Betrus and seconded by S. Zogby.* M. Fitzgerald referred to the third paragraph of the
proposed agreement. He questioned whether the wording reflected in it signaled a lapse in the indemnification of
the Agency by the City. L. Ruberto responded that was not the case, but merely RCBRC confirming that the IDA’s
standard indemnification language and insurance requirements would be incorporated in this new agreement.
Chair Grow asked Mayor Izzo if she would check to make sure everything was still in order on that
indemnification. She noted that this current action is a step in the direction of direct sale of the property to Cold
Point for the project. Chair Grow asked for a vote on the motion on the floor: **Motion carried 6-0.**

**Booz Allen Hamilton**

Chair Grow introduced a request from Booz Allen Hamilton for a pre-Agency-closing partial sales tax exemption
certificate. *A motion approve a request from Booz Allen Hamilton for a pre-Agency-closing partial sales tax
exemption certificate was moved by F. Betrus, seconded by E Quadraro and carried 6-0.*

**H.J. Brandeles**

Chair Grow introduced a request from H. J. Brandeles for an increase of its sales tax exemption status. *A motion
to approve a request from H. J. Brandeles to increase the value of its sales tax exemption from $56,700 to
$72,432.50 (an increase of $15,732.50) was moved by M. Fitzgerald, seconded by S. Zogby.* M. Fitzgerald stated
that approving this is in keeping with the Agency’s existing policy in support of businesses affected by the MVHS
project. Chair Grow asked for a vote on the motion: **Motion carried 6-0.**
Old Business

- **Real Property in the Agency’s Name:** M. Fitzgerald inquired as to the status of the study of properties still in the Agency’s name. M. Levitt asked if Leatherstocking Abstract had finished the abstract update. L. Ruberto responded that they did follow up with Leatherstocking Abstract last month who informed that they are struggling with the effort as when properties come in to the Agency don’t necessarily go out to the same name, as sometimes entities change names, so it is very hard to match up the transaction. She asked for an initial draft of the abstract so that she can cross-reference with BS&K’s transaction records in order to move the process along. So far the title company has identified three areas of focus: properties in GBTP, properties in Oriskany Airport Park and properties outside of those areas. We have asked them to focus on properties outside of the business parks, as we know the IDA owns properties in GBTP and we can easily identify the properties within Oriskany Airport Park. Our bigger priority is to identify miscellaneous properties throughout the County. S. Papale mentioned that a lot of times the Agency’s name gets attached to properties at the county record level when they shouldn’t. She said the railroads are also a concern. M. Levitt and Chair Grow stated that all of the abstract companies are backed up with work. M. Fitzgerald stressed that we urgently need to get verification as to what properties are clearly in the Agency’s name. Chair Grow agreed and stressed that we need a process to monitor the list so that so we don’t have to go back and re-construct it.

- **B240:** S. Papale stated that she needs to follow up with them to clarify the jobs to be created by the housing project, not the commercial tenant space.

- **Audio-Visual System Budget** - Chair Grow stated that he wants the Agency to understand, and staff to keep in mind, that while shopping for the needed technology facilities, that even if it exceeds the budgeted amount, they must come in to get the increase ratified as we need to have a system in place by January. S. Papale said we may have the system in place by the November meeting.

- **Collins Aerospace Jobs Non Compliance:** S. Papale introduced Gianfranco Barbuto, General Manager of Collins Aerospace, Rome. He gave a briefing on the background of the company, and informed that United Technologies will become Raytheon by the end of the year. He explained that they are a growing and investing in modernization in Rome, but that they have not had 240 employees since 2014. Commercial business is about 40% of their revenue and 60% is defense. Reduction in defense spending affects their ability to grow jobs. They are in a good position to benefit from potential defense related aircraft upgrades that are currently being considered. Bell, Boeing and Sikorsky are all potential partnerships on this. The first capital investment in over five years was recently made: $2.5 million. They are also planning to become more involved in the local community. Today, 20 SUNY students visiting the facility and they are also attending Manufacturing Day at MVCC. Trying to get people a better understanding of what they do, but are somewhat limited by the defense nature of the business. They anticipate employment being 203 by the end of the year, and 210 by mid-2020. Community engagement is going to be very important going forward. They are hosting a Rome Area Chamber Business After Hours on November 14, but that it will be held at Griffiss Institute. Entire leadership team will be there and they will show product and future programs. Budding partnership with NYSTEC. United States Government is their biggest customer. Growth opportunities have started to present themselves and both revenues and job numbers have been going up over the last few months. M. Fitzgerald asked where we stood in the PILOT program (Year 7). S. Papale urged him to talk to MVCC or Working Solutions regarding assistance with apprenticeship efforts. There is $11 million available through MVCC and they want to get as much of it in the Mohawk Valley as possible. He stressed that they have a very good relationship with the union. They have been working with BOCES and would like to work together with the union to proceed further with apprenticeship efforts. The average age of the manufacturing employee at the facility is in the mid-50’s. More recent hires are under 30. They need to ensure that the skills get transferred before people retire. Manual machinists are a challenge (CNC/manual hybrid machines). The lathes are more robotic/auto and operators is not such a challenge, as the local schools are pumping them out, but theirs are a bit ahead of where the local schools are in their preparation. Inspection technicians are like white unicorns. They have been hiring and training (800 hr. program). They have very rigorous and time consuming training and are not getting the output
they need. Wages are in the $25-$30 per hour range. They are currently behind on deliveries. They have an imbalance of skills available vs skills needed for the sales trajectory they are at. It’s a balancing act of job carried vs skills needed. They have four postings and some are a bear to hire. Working with all the sources of recruiting but it’s a challenge. Six people retiring at the end of the year. Discussion on resetting of the employee job goals for another 1 year or 18 month timeframe ensued. He has been directed to keep the business in Rome and to modernize it. An additional $2 million in capital investment in Rome is anticipated for 2020. They are modernizing chunk by chunk. To that end, they have worked with EDGE on submitting an application to the ESD Regional Council grant program. SJ Dimeo stated that the application did receive Priority designation. He said he would be glad to welcome the board members in to see what they do. Both recent congressional representatives have visited. Based upon the presentation by Mr. Barbuto, a motion to accept his report and allow for the shortfall in jobs with the understanding that we will revisit the status in April of 2020, was moved by M. Fitzgerald, seconded by F. Betrus, and carried 6-0. Mr. Barbuto thanked the board and exited the meeting.

At 9:47 AM, a motion to enter executive session to discuss Agency internal policy, without MV EDGE staff, and to adjourn the regular meeting upon exiting executive session, was moved by M. Fitzgerald, seconded by F. Betrus, and carried 6-0.

Respectfully Submitted,
Mark Kaucher