Minutes of the Meeting of the
Oneida County Industrial Development Agency
February 12, 2020
Mohawk Valley EDGE, 584 Phoenix Drive, Rome NY

Members Present: David Grow, Michael Fitzgerald, Steve Zogby; Kirk Hinman, Videoconference: Gene Quadraro;
Excused: Mary Faith Messenger, Ferris Betrus
EDGE Staff Present: SJ. DiMeo, S. Papale, M. Carney, W. VanShufflin, J. Waters, M. Kaucher
Others Present: Rome Mayor Jackie Izzo; Jenna Pettinelli, Levitt & Gordon; Bill Maxim, Northeast Regional Council of Carpenters; Deli Vargas, North Atlantic States Regional Council of Carpenters; Linda Romano, Bond, Schoeneck & King; Kate Jarosh, Bonacio Construction; Dave Hill, Rome Sentinel.

Chair Grow called the meeting to order at 8:05 AM.

Chair Grow asked if there was a request for an executive session. M. Fitzgerald requested that an executive session be held in advance of the regular meeting. There were no objections. A motion to enter executive session to discuss potential contracts with the agency was moved by M. Fitzgerald, seconded by S. Zogby, and passed 5-0.

At 9:05 AM a motion to exit executive session was moved by M. Fitzgerald, seconded by S. Zogby, and carried 5-0.

Minutes
The minutes of the January 17, 2020 meeting were reviewed. Jenna Peppinelli stated that she was not present at the January meeting as noted. M. Fitzgerald noted that he has some questions on the draft minutes: (1) in the Financial Report paragraph, he asked “and that it was a balance sheet loss” be struck from the last sentence; (2) in the Orgill Final Authorizing Resolution paragraph (a) he questioned what “facts” at the public hearing were being referred to. D. Grow noted that there were some concerns raised at the public hearing regarding the terms of the PILOT. It was suggested that it be re-stated to say we recognize there were some comments at the public hearing and that we reviewed them and felt that the project merited the benefit given; S. Papale noted that Orgill representatives were at the meeting and addressed the comments; (b) sentence 11 should be more descriptive of the inaccuracy of the newspapers depiction. SJ Dimeo explained that the picture that was used had the wrong portion of the site shown as the development site; (3) in Old Business, Bullet 3, the last sentence be finished to include “stress to the companies that are being charged their share of the ABO audit legal expenses the fact that they didn’t have to pay any additional sales taxes and that we handled the ABO negotiation directly.” A motion to approve the January 17, 2020 meeting minutes, as corrected, was moved S. Zogby, seconded by K. Hinman, and carried 5-0.

Financial Report
M. Carney reviewed the interim financial report and reviewed the notes presented with it. She noted that the balance in accounts receivable was basically due from the LDC as the board had decided at an earlier meeting that the LDC was going cover some IDA costs, including $16k for the video conferencing system and $55k for the additional staff services. She believes those checks have since been cut. In deferred revenue, the Engler commitment fee was received. She is now noting when these fees are received so we can track them better. The income statement showed that we have billed out for the ABO legal services in January. The noted that the IDA and LDC legal bills are all currently being shared evenly but said there may be some discussion about allocating it differently. S. Papale noted that of the $200 it should have been $50 IDA and $150 LDC. M. Carney will reach out to Levitt Gordon to adjust. She then discussed the original IDA/LDC budgets for 2020, which included the costs of the video conference system. It turns out that they were all incurred and paid in 2019. Since she capitalized the expenses, it was suggested that it be a variance on the 2020 budget, rather than amending the budget. John Howard will be coming in tomorrow and has said there will be no increase in the audit cost this year. She has not yet seen and engagement letter, but is expecting him to deliver it. The report was received as presented.
Bonancio Construction Inc. (Project Polaris) - INDUCEMENT RESOLUTION
Chair Grow introduced and recited a proposed inducement resolution related to the proposed Bonancio Construction Inc. Project Polaris. He said we can have either a motion to approve and then discuss, or we can discuss an amended motion if there is interest in that. M. Fitzgerald stated that he thinks it’s great the work MVEDGE staff does to help companies that are growing, and helping them to find homes for bigger numbers of employees, which benefits the area, and he commends the staff for that. But as to this request, these are companies that are already here, and it is great that they are growing, and he also realizes that there is currently no tax revenue generated from the property, but believes we need to be consistent with the benefits we’ve provided to other local companies for their expansions. He recognizes that the proposed project appears to be related to the AFRL, and we need to do all we can to keep it here, but he cannot support approving the PILOT plan proposed by the applicant. M. Fitzgerald moved an amended inducement resolution for the Bonacio Construction Inc. (Project Polaris) facility, granting preliminary approval for financial assistance in the form of sales tax exemptions (value estimated at $225,400 but not to exceed $247,940), exemptions from mortgage recording taxes (value estimated at $52,533 but not to exceed $57,786) and a 10-year PILOT based on the proposed assessment of $2.3 million, with two-thirds exemption during years 1 through 5, and one-third exemption during years 6 through 10 (estimated value TBD), which financial assistance is a deviation from the agency’s Uniform Tax Exemption Policy, but closer to the Agency’s standard back-office PILOT schedule in order to make it fair to similar past Agency-benefit clients, but also to show that this is what we are looking for from similar projects coming in to the Agency in the future, as well as coincide with the lease term with the tenants; also noting that staff notified that there were five construction/developer companies within the greater Mohawk Valley Region given the opportunity to look at this project, but that the prospective tenants had significant input as to which one was ultimately selected; all contingent upon the retention of 90 FTEs and the creation of 22 FTEs, and authorizing the Agency to conduct a public hearing. E. Quadraro seconded the motion on the table. Chair Grow noted the following: significant wage scales related to the project; the fact that the site does not currently generate any property tax revenue; talk about creating a greater critical mass of employees that work at GBTP that have access to modern office space in which to work, in particular as it relates to the AFRL; it will incur new property taxes to the local jurisdictions; support from Rome Mayor Izzo; absence of any objections to the project from the Agency standpoint; believes it’s a good move and fits within our agency policy. Chair Grow asked if the board if it was ready to vote. All agreed. The motion passed 5-0.

Varflex Corporation – FINAL AUTHORIZING RESOLUTION
Chair Grow introduced and recited a proposed final authorizing resolution relating to the Varflex Corporation Facility. A public hearing was held on February 11, 2020, with copies of the minutes from that hearing provided to the board and also posted online. The Varflex Corporation was present at the hearing and there were no negative comments made. A motion authorizing financial assistance in the form of exemptions from sales and use taxes (estimated at $54,600 but not to exceed $60,060) and reduction of real property taxes on the increased assessment relating to the addition (estimated at $225,200), which financial assistance is consistent with the IDA’s Uniform Tax Exemption Policy, all contingent upon the retention of 23 FTEs and the creation of 5 FTEs, and approving the form and execution of related documents, all subject to counsel review, was moved by S. Zogby, seconded by K. Hinman, and carried 5-0.

Old Business
- S. Papale and SJ Dimeo gave a briefing on the CREE public meeting held in the Town of Marcy on Monday evening, February 10. Over 100 people were in attendance. No issues were raised about the benefits, but many spoke in favor of the project. Site work is currently taking place at the MarcyNanocenter/CREE site. The firm is aiming to have the facility ready for tool installation by April 12, 2021. The company is taking advantage of all the training assets within the region in order to prepare staffing the facility. SJ Dimeo noted the various programs that are being tapped to assist with training services and expenses.

At 9:28 AM a motion to adjourn the meeting was moved by M. Fitzgerald, seconded by S. Zogby, and carried 5-0.

Respectfully Submitted,
Mark Kaucher