Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on July 21, 2011 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

Members Present: S. Zogby, N. Brown, M. Valentine, F. Betrus (Via teleconference)
Absent: M. Fitzgerald, D. Grow, E. Quadraro,
EDGE Staff Present: S. DiMeo, J. Waters, P. Zawko, M. Bonney, M. Kaucher, J. Cardone
Press: D. Guzewich

Ms. Brown called the meeting to order at 8:08 AM.

June 28, 2011 minutes were approved with changes on a motion made by S. Zogby seconded by M. Valentine, the motion was passed unanimously.

In other Agency business:

- A request to consider a final authorizing resolution relating to the Matt Brewery Co., Inc facility project. Matt Brewery Co., Inc will be constructing/installing an anaerobic digester which will treat their waste water (making it easier for the sewer system to handle) and generate methane gas which they will use to generate 30-40 percent of their electrical requirements. **A motion to approve the final authorizing resolution, relating to the Matt Brewing Co., Inc. facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exempt Policy and approving the form and execution of related documents was made by F. Betrus and seconded by M. Valentine, the motion was passed unanimously.**

- A request to consider an inducement resolution relating to the Indium Corporation facility. Indium Corporation will be purchasing another property and will be expanding. **A motion to approve an inducement resolution relating to the Indium Corporation facility was made by F. Betrus and seconded by M. Valentine, the motion was passed unanimously.**

- A request to consider a final authorizing resolution relating to the Griffiss Utility Services Corporation facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exemption Policy and approving the form and execution of related documents.
  - Joe Shields, Legal Counsel to the Rome City School District submitted a letter to the Agency for their review. He stated that the School District opposes the 100% PILOT, while they encourage and support economic development, the District feels that the GUSC Project does not warrant a deviation from standard Agency policy. He stated that the District feels that the GUSC facility should be put on the tax rolls, especially since the District is facing a 2% tax cap.
  - Fred Tillman, Board Chair of GLDC and Board Member of GUSC stated that GUSC has never been on the tax rolls, so the District is wrong in stating that it should “go back” on the tax rolls. He also stated that GUSC has always been 100% tax exempt and a successful operation. By being able to complete this project GUSC will be able to offer their customers energy efficient, cost effective and stable energy costs. If the project was taxed it would make the margins so small that the project would not be feasible.
  - Mayor Jim Brown stated that he was not in favor of the PILOT and that the District did not have time to evaluate the project. He stated that the new GUSC office building and land should be on the tax rolls. He is concerned that the City must start to look at PILOT's in a
different manner due to the 2% tax cap. He is looking for a win-win and wants more time to look at the details of the project and PILOT. He stated that this would not pass the Common Council vote.

- Mark Levitt, Agency Counsel stated that the Agency is within its authority to pass this deviation and would not need to go to the Common Council for approval.
- Joe Surace, City Assessor stated that a portion of GUSC’s real estate should be taxed. He feels that the whole property should be brought on the rolls as taxable and then exempt some of it. He feels that GUSC is trying to hide behind a veil and is not doing what’s fair in order to run a business; they did not need to build a new building.
- S. Zogby and M. Valentine stated that it was difficult to address the items that were in the letter from Rome School District Counsel because in was given to them minutes before the vote.
- Dan Maneen, President of GUSC stated that is the Agency waited until the tax status date to make a decision that it would set the project back at least one-year and jeopardize a 30% US Treasury grant.
- Linda Romano suggested that the Agency present the project as-is and if approved the PILOT can be amended with changes in the future.
- S. DiMeo stated that the biggest obstacle in economic development is energy costs. Griffiss needs a more reliable power source to stabilize costs for existing tenants, and stable energy costs are important to maintain those companies viability and their ability to expand. It will also help to market parcels and developments and is needed to support growth. He stated that the Department of Defense has a mandate to look at green energy, and by GUSC utilizing green energy it will help to strengthen that employment base.

- A motion to approve a final authorizing resolution relating to the Griffiss Utility Services Corporation facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exemption Policy and approving the form and execution of related documents, subject to further negotiations between the School District and City of Rome was made by S. Zogby and seconded by M. Valentine, the motion was passed unanimously.
- A request to consider a final authorizing resolution relating to the New Hartford office Group (Hampton Inn Project), approving benefits which are a deviation from the Agency’s Uniform Tax Exempt Policy, approving the form and execution on related documents including a PILOT Allocation Agreement with the taxing jurisdictions- subject to legal counsel review and consent. A motion to approve a final authorizing resolution relating to the New Hartford office Group (Hampton Inn Project), approving benefits which are a deviation from the Agency’s Uniform Tax Exempt Policy, approving the form and execution on related documents including a PILOT Allocation Agreement with the taxing jurisdictions- subject to legal counsel review and consent was made by S. Zogby and seconded by M. Valentine, the motion was passed unanimously.
- A request to consider a final authorizing resolution relating to the Burrstone Energy facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exemption Policy and approving the form and execution of related documents.
  - Paul Goldman, Burrstone Energy Legal Counsel stated that his comments were made at the public hearing. He stated that the Burrstone Energy provides low cost and reliable energy to St. Lukes Hospital, St. Lukes Home and Utica College. The PILOT has 15-years of benefits passed on to their clients.
  - Herb Cully, Legal Counsel to the Town of New Hartford stated that they are opposed to the project and have submitted it in writing.
  - Kathy Houghton, Superintendent of NY Mills stated that she is happy that the 2010 assessment has been paid in full by Burrstone Energy and that because of the 2% tax cap the loss of tax revenue will affect the very small school district. It will cause her to either get rid of a teacher or raise the class size to 30 students.
S. Zogby stated that Burrstone is paying the maximum amount of taxes on their building value, and that any increase in taxes on the building will not be passed on to their clients.

- A motion to approve a final authorizing resolution relating to the Burrstone Energy facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exemption Policy and approving the form and execution of related documents was made by S. Zogby and seconded by F. Betrus with M. Valentine abstaining, the motion was passed.

The financials were presented to the Agency. J. Cardone stated that the Agency will be ok for the year end and that there are six project closings coming up and that will improve the Agency’s financials.

Old Business:

- A request by Griffiss Utility Services Corporation/ GUSC Energy Inc. for sales tax exemption. The application to the OCIDA by GUSC did not originally request sales tax exemption. For the 30% US Treasury grant, they must be a for-profit energy company. GUSC will lease a portion of the facility back to the for-profit GUSC Energy Inc. A motion to approve an initial authorizing resolution granting GUSC sales tax exemption was made by M. Valentine and seconded by S. Zogby, the motion was passed unanimously.

A motion to enter Executive Session for the purpose of discussing potential contracts was made by M. Valentine seconded by S. Zogby, the motion was passed unanimously. Consensus to exit was achieved at 8:52 AM.

There being no further business, the meeting was adjourned at 9:03 AM upon a motion made by S. Zogby and seconded by M. Valentine, the motion was passed unanimously.

Respectfully submitted,

Jennifer Waters  
Assistant Secretary