Minutes of the Meeting of the
Oneida County Industrial Development Agency
March 25, 2020
WebX Video/Teleconference Due to COVID-19 Emergency

Members Present: David Grow, Michael Fitzgerald, Ferris Betrus, Kirk Hinman, Steve Zogby, Gene Quadraro, 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; Mark Levitt, Levitt & Gordon; Linda Romano & Laura Ruberto, Bond, Schoeneck & King; Andrew Day and Michael Cocquyt, Whaling Solar/Source Renewables; John Howard, Dermody, Burke & Brown, CPA.

Chair Grow called the meeting to order at 8:00 AM.

Minutes
The minutes of the February 12, 2020 meeting were reviewed. F. Betrus noted that he had spoken with Mark Kaucher with regard to the fact that Kirk Hinman was at the meeting, and that all of the motions approved should be corrected to 5-0. A motion to approve the February 12, 2020 meeting minutes, as corrected, was moved S. Zogby, seconded by F. Betrus, and carried 7-0.

Financial Report
a) Interim Financials: M. Carney reviewed the interim financial report noting that an application fee was received from Bonacio Construction in February. No projects closed in February, but so far in March, Indium and Whalen closed. The Agency received the interim financials as presented, subject to audit.

b) 2019 Audit: Chair Grow invited John Howard to present the 2019 audit. Mr. Howard noted that, starting from the top, the Auditors Opinion, which as in other years, is unmodified, meaning there are no blemishes or issues that are highlighted or brought out in the report He added that it’s a good report. What follows is the Management’s Discussion and Analysis, which is an executive summary produced by M. Carney and accompanies the Audited Financial Statements. Next, on Page 8, the Balance Sheet/Statement of Net Position is found. He noted that there was some cash held-over from 2018, which was expended in 2019. These were primarily PILOT funds that got paid. Revenue & Expenses on Page 9 shows a $52,000-$53,000 loss/change of net position. Page 10 is a Statement of Cash Flows. That is followed by Notes to the Financial Statements. There is nothing new in them this year this year that wasn’t there last year, noting that they remain quite consistent year to year. Following the footnote disclosures, there is another report that relates to Internal Control and Compliance matters. There were no findings or nothing that gets flushed out in this letter, noting that it is a positive letter. Lastly, the Supplemental Schedule of Agency Bond Status, showing any activity on those bonds during the year. M. Carney noted that the board should also have the Internal Controls Letter and the Management Correspondence Letter. Chair Grow asked if the Agency is able to act on the DRAFT document as a final report. Mr. Howard said yes if there are no changes, and that there are none. M. Carney explained that, if the Agency approves this DRAFT document, Mr. Howard will send a final, signed document which will be posted on the Agency website and uploaded to the NYS PARIS system. Chair Grow stated that the Agency should act on this and approve it as we receive it, subject to receiving the final signed and printed document from Mr. Howard. M. Carney noted that the Audit Committee met last week to review the DRAFT report. A motion to approve the 2019 OCIDA audit, subject to receiving the final signed and printed document from Mr. Howard, and acknowledge receipt of its associated letters from the auditor was moved by M.F. Messenger, seconded by K. Hinman and carried 7-0.

Chair Grow noted that there appears to be an omission in the minutes from the December Audit & Finance Committee meeting. K. Hinman was approved to be a member of the committee but the minutes do not reflect that. M. Levitt opined that there should not be four members of the board on a committee. A motion to amend the December minutes to reflect that M. Fitzgerald be removed and K. Hinman be approved as a member of the Audit & Finance Committee was moved by M. Fitzgerald, seconded by F. Betrus, and carried 7-0. M. Levitt noted the minutes of the Audit & Finance committee will be need to be corrected as well to reflect this.
M. Carney noted that John Howard was waiting on the phone for the OCLDC meeting audit presentation. Chair Grow asked if the directors had any questions with regards to that audit. It was the consensus of the board that he could leave the meeting, and if needed to be spoken to later, he would be called.

**Whaling Solar**

Chair Grow introduced a request from Whaling Solar LLC for an inducement resolution providing preliminary approval for financial assistance in the form of exemptions from sales tax and exemption from real property taxes, and authorizing the Agency to conduct a public hearing. Chair Grow invited Andrew Day and Michael Cocquyt, Whaling Solar/Source Renewables to address the request. Mr. Day described the project and how Community Solar functions in New York State. He stated that they are requesting a PILOT in order to make the project financially feasible, as it wouldn’t be without it. If the project construction were to be fully assessed it would result in a property tax burden that would not be financially feasible. Waiting for site plan approval shortly. They have zoning variance approved already. E. Quadraro asked how much of a benefit guarantee recipients will receive. Mr. Day indicated standard across the market is a 10% decrease in electrical cost, with Whaling Solar charging $.09 for a $1.00 credit, which is consistent across the State. Whaling Solar will manage that process, not the local utility so they make sure the benefit is administered. F. Betrus asked the ownership structure and their other projects. Mr. Day said he is a partner in Source Renewables which is 100% owner of Whaling Solar LLC. Source currently has 13 projects under various degrees of development, three of which are fully developed and waiting to get into the building season. Others coming close to finalization. S. Papale asked about other NYS projects. Mr. Day responded that they are in Chautauqua, St. Lawrence, Cortland, Oswego, Saratoga, and Onondaga Counties. F. Betrus asked if any of them have IDA PILOTS. Mr. Day responded that several were already approved and some were in process, including those in Chautauqua, Oswego, Onondaga, St. Lawrence, and Cortland counties. M. Fitzgerald asked what kind of gross revenue a 3.2 MW facility produces. Mr. Day responded that the total energy value would be about $980,000 per year in gross revenue. He explained what the expenses would be. Mr. Fitzgerald stated that he does not believe this would fit within the Agency’s mandate, adding that it is not industrial and that it doesn’t specifically benefit Oneida County, adding that there are already considerable federal benefits being accessed by the project. F. Betrus stated that we don’t have a policy. S. Papale stated that we have started doing research on what other IDA’s around the state have done with these projects and mentioned some example. D. Grow asked about the NYS Solar Property tax program, and whether the State exemption for 15 years on solar equipment is applicable. Mr. Day talked about that program (RPTL 487) which offers local municipalities the option to enter into a PILOT. Mr. Day indicated that instead of paying zero taxes they recognize there is a benefit to the community and they prefer to come up with a fair assessment and share in the benefit with the community. Chair Grow asked if the underlying taxes that are currently being paid would continue to be paid. Mr. Day said they would. The entire parcel generates about $30,000 in real property taxes. M. Cocquyt clarified the assessment amounts and what the current taxes are and stated that the requested PILOT would maintain those numbers, and only abate the increase of any assessment resulting from the constructed project. Mr. Fitzgerald asked why they need a PILOT if the equipment is not assessable. Mr. Day explained that anything that is not directly related to the solar generator is subject to assessing for underlying taxes, such as concrete. He further explained that they try to work with the local municipalities to make sure they get a fair arrangement. M. Fitzgerald motioned to table the request until next month in order to allow staff to do further research on what other IDAs have authorized, and F. Betrus seconded the motion. E. Quadraro asked what the state advised. Chair Grow said the state wants these projects and he doesn’t believe the Town of Trenton has opted out of RPTL 487. If they did they would have to negotiate a direct PILOT with the town. Some towns are overly aggressive. He believes the state believes the IDA’s can serve to work out fair PILOTS apolitically. Chair Grow asked about the reality of 2 FTE. Mr. Day said that is through landscaping, security, etc. Mayor Izzo stated that the City opted out and negotiates its own PILOT. She is willing to share their info. F. Betrus asked when construction would start. Mr. Day said they hope to have it done by the fall. Chair Grow asked for a vote on the motion on the table: Motion carried, 7-0. Mr. Day commented that he would be happy to provide any information he could to assist. S. Papale asked Mr. Day to provide a list of where their other PILOTS have actually been approved. S. Zogby asked if it was a net metering deal that produces their revenue to cover financing costs. Mr. Day said it is similar, but it’s really a tariff. Whaling get a 10 cent credit, and then they get paid back 9 cents from all the subscribers. Subscribers end up with a 10% credit. National Grid facilitates the credits. F. Betrus asked how many customers are needed to make it viable. Mr. Day said about 125 residential
customers and this one has about 400 residential customers. L. Romano asked about who SEQR lead agent is. Mr. Day responded that the Town of Trenton Planning Board is. He will supply all of that to the Agency. Mr. Day and Mr. Cocquyt exited the meeting.

**PAAA Submission Ratification and Confirmation**
The Agency reviewed its annual Public Authorities Accountability Act (PAAA) submissions. J. Waters noted that here are no material changes from last year. A motion to ratify and confirm the current PAAA submissions was moved by M.F. Messenger, seconded by E. Quadraro, and carried, 7-0.

**Mission Statement 2020 and Performance Measurement 2019**
The Agency reviewed its 2020 Mission Statement and Performance Measurements for 2019. A motion to ratify the Agency Mission Statement for 2020 and approve its Performance Measurements for 2019 was made by F. Betrus, seconded by K. Hinman, and carried, 7-0.

**New Confidential Board Performance** documentation will be e-mailed out to all board members.

**GLDC-Hangar Road LLC-(Bonacio) Consent to Transfer**
Chair Grow introduced a request from Griffiss Local Development Corporation for the Agency to consent a release of certain lands from a lease agreement to be conveyed to Hangar Road Rome, LLC, and approving the form and execution of related documents to counsel review. SJ Dimeo gave a brief description of the proposal. This is for the 3-acre property that is part of the Hangar Road LLC project that the Agency induced at an earlier meeting. It will be the site of a 40,000 square foot building that is currently going through planning board process. A motion to provide consent to GLDC to release lands from the lease agreement to be conveyed to Hangar Road Rome, LLC, and approving the form and execution of related documents to counsel review, was moved by F. Betrus, seconded by S. Zogby, and carried 7-0.

**Gutchess Vernon, Inc. Facility**
Chair Grow introduced a resolution relating to the Gutchess Vernon, Inc. Facility, (a) consenting to the release of a certain 1.5± acre parcel of land from the transaction documents as “no longer necessary or useful for the Facility”; (b) consenting to the release of a certain 2.219± acre parcel of land from the lease agreement and the acquisition of a leasehold interest in a certain 2.219± parcel of land, and amending the Transaction Documents to include such land as a substitution for the released land, and (d) approving the form and execution of related documents, subject to counsel review. As the acquired land will be used to further the operation of the Facility as originally contemplated, the SEQR review already undertaken by the Agency is sufficient for this action, and no further SEQR review is required. The Company has also notified the Agency that Gutchess Vernon, Inc. has converted to a limited liability company, with the controlling member of the LLC remaining unchanged. This is a simple exchange of the company’s un-needed property with property of a neighbor's property that is needed by the company for its operations. M. Fitzgerald asked what their current job count status is. A review of the 2019 Annual report showed the company is required to retain 12 jobs and currently had 24 jobs. A motion (a) consenting to the release of a certain 1.5± acre parcel of land from the transaction documents as “no longer necessary or useful for the Facility”; (b) consenting to the release of a certain 2.219± acre parcel of land from the lease agreement and the acquisition of a leasehold interest in a certain 2.219± parcel of land, and amending the Transaction Documents to include such land as a substitution for the released land, and (d) approving the form and execution of related documents, subject to counsel review was moved by M. Fitzgerald, seconded by E. Quadraro, and carried 7-0.

**Orgill Inc.**
Chair Grow introduced the following resolutions relating to the Orgill Inc. Facility, related to its development of a distribution facility at Griffiss Business & Technology Park.—Jef Saunders has been in contact with Bond, Schoeneck and King on this. L. Romano noted this is a license to allow Orgill to get on the property to do some work. SJ Dimeo explained that Orgill is going to be accessing some GLDC property there that is ultimately going to be a public road right of way.
Orgill needs to access this property to do the required work they are obligated to perform as part of their approvals with the City planning board. S. Papale said there is a timing issue to get in there to do some of the improvements. D. Grow asked for explanation of the other two items related to Orgill. SJ Dimeo explained that Orgill will be setting up a temporary office for them to use during construction and for their human resources department. He went on to explain that the last request was for the Agency to consent to the release of the 63.84 acre portion of the F11A parcel from the Agency/GLDC lease, so that GLDC can release it to Orgill, who will then enter into the leaseback with the Agency. L. Ruberto noted that all of the properties subject to the actions are owned by OCIDA, but covered under the terms of the lease arrangement between GLDC and the Agency.

A. A motion consenting to the granting of an easement, from the Agency and Griffiss Local Development to Orgill, Inc., to allow Orgill to perform certain work within the right-of-way of a proposed City Street, and approving the form and execution of related documents, subject to counsel review, was moved by F. Betrus, seconded by S. Zogby, and carried. 7-0.

B. A motion consenting to a sublease to Orgill, Inc. of premises located at 428 Phoenix Drive (also known as Building 774), with a sublease term that will expire upon the issuance of a certificate of occupancy for the Orgill, Inc. Facility or three years, whichever is earlier, and approving the form and execution of related documents, subject to counsel review, was moved by M. F. Messenger, seconded by S. Zogby, and carried, 7-0.

C. A motion consenting to the release of land from the Griffiss Local Development Corporation (Parcel F11A) Facility lease agreement for sale to Orgill, Inc. and approving the form and execution of related documents, subject to counsel review, was moved by K. Hinman, seconded by S. Zogby, and carried, 7-0.

Whaling Solar
S. Zogby stated that, by the next meeting, he would more comfortable to knowing the real financial situation to the owners. He would like to see what the numbers look like before he votes on it. Especially since they are representing it as a community benefit project. D. Grow said he would like to know why they are asking for a 25 year PILOT. S. Papale noted that we have been doing research on what IDA’s have done, and that it appears that there is a lot of variance. Staff will contact the counties where Source Renewables has apparently finalized PILOTs to see what was done. F. Betrus suggested sending information out to the board to review before the next meeting. D. Grow commented that there is a large project going on in Madison County that should be looked into. F. Betrus asked if we need to come up with a policy. D. Grow agreed that this probably needs to be done. L. Romano asked that we clarify exactly what taxes are paid on the parcel now, and exactly what they plan on paying after the project is completed. L. Romano and D. Grow suggested a memo clarifying what is being paid on the property and what will be paid subsequent to development. E. Quadraro asked Mayor Izzo about Rome’s PILOTs. Mayor Izzo said she would share their PILOTs with us but that the Agency should look into things before it makes any decisions. S. Papale asked J. Waters to contact Ryan Silva at NYS Economic Development Council for assistance in seeing what other IDA’s have done. M. Fitzgerald doesn’t believe that we can guarantee that this project is going to benefit people in Oneida County, so he believes they should be charged the tax that are fair to the community and school system. D. Grow noted that in a lot of these projects, the landowner, which is often a farmer, does gain enough cash to continue farming. He stressed that this should be considered when we make our policy decision. M. Fitzgerald asked Mayor Izzo to get copies of the City’s formula to S. Papale for distribution to the board.

Polce Management, Inc. – Inducement Resolution
Noting that he has a conflict of interest with Polce Management, LLC, Chair Grow, excused himself from the meeting. J. Waters, noting that she too has a conflict of interest, as her husband works for Polce, was muting her microphone so that she would not be able to participate in any Agency discussion regarding the project.

Vice-Chair Fitzgerald introduced a request for an inducement resolution related to the proposed expansion of their facility in the Griffiss Business and Technology Park. They are requesting, sales tax exemption, mortgage recording tax exemption and a commercial, incremental PILOT assistance (two-thirds abatement years 1-5, and one-third abatement years 6-10 on increase in assessment due to the project). Vice-Chair Fitzgerald asked for clarification on the jobs retained/created aspect of the project. M. Kaucher noted that Polce currently has 25.5 jobs in Oneida County (Utica and
Rome), and would create 5 over three years. The jobs that are currently in Utica will be moving to Rome. Due to the size of this proposed building expansion, S. Papale asked L. Ruberto to discuss the substantial improvement aspects of the Agency’s PILOT policy. L. Ruberto explained that the Agency policy states that if a company is making substantial improvements (the value of the improvements constructed equals at least 50% of the value of real property prior to construction and determined by an independent evaluation acceptable to the Agency), the Agency’s PILOT will apply to the existing real property as well as the improvement. S. Papale and M. Kaucher noted that according to the tax bills, the current facility has an assessment of $140,000 and a full-market value of $195,422. S. Papale noted that the building construction is estimated to cost $1 million. The company currently leases space in the Utica Business Park. M.F. Messenger questioned if this was an instance where we need to notify Utica of the facility abandonment. S. Papale said yes, if that is the case, we would need to notify Utica. M. Kaucher noted that Polce did represent that they were going to be moving the Utica jobs to Rome upon completion of the project. L. Ruberto said that would be an abandonment finding and Utica would need to be notified when we hold the public hearing. L. Romano added that they would need to make a representation that it was necessary for them to do so to maintain their competitive position. Vice-Chair Fitzgerald asked Mayor Izzo if she was in support of the assistance being considered. Mayor Izzo replied that the City of Rome was very supportive of the project. The project is also a CFA project, and Polce is working very closely with other technology businesses at GBTP. M. Fitzgerald suggested that using the current assessment ($140k) it could be assumed that the based upon the construction cost estimates, the eventual assessment could conceivably be $300k. Using that amount, he proposed calculating fixed payment amounts using 200 times the per thousand tax rate for the first five years and 260 times the per thousand tax rates for the second five years. In effect, this would amount to an incremental PILOT on the new portion, while leaving the taxes on the base the same. L. Romano opined that this would be a deviation from the policy and the current policy may need to be reconsidered. L. Ruberto added that the policy states that the substantial improvement determination needs to be determined by an independent valuation acceptable to the Agency, and does the Agency find it acceptable the tax information it has received? M. Fitzgerald suggested that be included in the motion. He then asked the other directors if they were comfortable with this proposal. F. Betrus asked for clarification. M. Fitzgerald explained that we would be starting at the current $140 assessment amount, and since they are more than doubling the building, we could anticipate an anticipated $300k post construction assessment. Under that scenario, the roughly estimated assessment increase is $160. The payments would be calculated as follows: Using $60k (roughly 1/3) of that $160k increase and add it to the $140k to get to $200k, which will be used to calculate the first five years fixed payment amounts; then, using $120k (roughly 2/3) of that $160k increase and add it to the $140k to get to $260k which will be used to calculate the second five years fixed payment amounts. **A motion approve an inducement resolution for the Polce Management Group, Inc. Facility, providing preliminary approval for financial assistance in the form of mortgage recording tax exemption (estimated at $10,500 but not to exceed $12,000), sales tax exemption (estimated to be $80,240 but not to exceed $88,264) and a payment in lieu of taxes providing fixed payment amounts for ten years using $200,000 assessment to calculate the first five years fixed payment amounts, and $260,000 assessment to calculate the second five years payments amounts, which financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy, and that the Agency finds acceptable the tax information it has received for it to make a substantial improvement determination, and authorizing the Agency to conduct a public hearing, was moved by M. Fitzgerald, seconded by E. Quadraro, and carried 6-0.**

At 9:41 AM a motion to adjourn the meeting was moved by F. Betrus, seconded by S. Zogby, and carried 6-0.

Respectfully Submitted,
Mark Kaucher