Members Present: David Grow, Michael Fitzgerald, Ferris Betrus, Kirk Hinman, Mary Faith Messenger, Gene Quadraro, Steve Zogby.

EDGE Staff Present: Stephen DiMeo, Shawna Papale, Maureen Carney, Mark Kaucher, Bill VanShufflin, Jennifer Waters. Others Present: Linda Romano & Laura Ruberto, Bond, Schoeneck & King; Mark Levitt & Jenna Peppenelli, Levitt & Gordon; Rome Mayor Jackie Izzo; Michael Aceto, ECR International; Andrew Day and Michael Cocquyt, Whaling Solar/Source Renewables; Michael Polce & Michelle Senus, Polce Management; Dave Hill, Rome Sentinel.

Chair Grow called the meeting to order at 8:04 AM.

Financial Report

a) Interim Financials: M. Carney reviewed the interim financial report noting that an application fee was received from Bonacio Construction in February. Projects fees include Indium and Northland. Orgill will show in April. The Agency received the interim financials as presented, subject to audit.

Minutes

The minutes of the March 25, 2020 meeting were reviewed. M. Fitzgerald asked that for clarification, the word “assessment” be inserted after $200,000 and $260,000 in the Polce Management resolution be a motion to approve the March 25, 2020 meeting minutes, as corrected, was moved S. Zogby, seconded by M. Fitzgerald, and carried 7-0.

ECR International, Inc. – Inducement Resolution

Chair Grow introduced a request from ECR International, Inc. for an inducement resolution providing preliminary approval for financial assistance in the form of exemptions from sales tax and real property taxes that is a deviation from the Agency’s Uniform Tax Exemption Policy and authorizing the Agency to conduct a public hearing. Chair Grow introduced Michael Aceto, ECR CFO. Mr. Aceto providing a brief history of the company and its involvement within the community. He then explained the changes in the market as it relates to the move to high-efficiency (H-E) wall hung boilers versus the traditional cast-iron central boilers. Ten years ago there were 5 cast iron (C-I) boiler competitors, all in the USA. Now there are only three major HE competitors, mostly in Europe, where C-I is illegal. The largest competitor is in South Korea and distributes in the USA. A decade ago, ECR was in very bad shape, and came to the IDA for assistance when it brought out a new product line. It worked well but was too expensive for the market, and they returned to the C-I boiler replacement market. The IDA assistance helped them weather that rough period and avert them from moving to S. Carolina. Since then, they have turned things around and have invested millions in the facility. They invested heavily in the engineering. The market has been shifting to H-E, with foreign makers coming into the US, but ECR’s units were too expensive to make compete with the South Korean competitor. Eventually, ECR decided to partner up with Netherlands-based BDR Thermea, the number one provider in Europe. ECR is its only holding in the US. The US boiler market is a fraction of the size in Europe and Asia. BDR is owned by a foundation. COVID-19 has hit BDR production in Europe and China. Most of their factories are shut down. Market is transitioning to H-E. Historically, ECR had 18% of the C-I market in North America, which was the whole market. Now C-I is only 40% of the North American market, and ECR has 2% of that. The benefit of BDR is the technology advantage. They have been in the market for decades. They have had challenges bringing the H-E products into the US market mainly due to transferring European technology to the US. ECR has recently been recognized by BDR as a research and development Center of Excellence. With this designation, ECR engineers will be able to take the European technology and adapt it the US market, vs the European engineers doing it. This will now be done in Utica. This will allow ECR to get its products to market quicker and cement its position in the boiler market. The process will take three years to totally undertake but includes facility and internal systems upgrades, process technology and computer system upgrades, and other related initiatives. COVID-19 has had a negative effect on them and they is no manufacturing activity in Utica. Eighteen of salaried staff have been furloughed. Shipping replacement parts with 5 hourly workers. Dunkirk is totally shut down. They have not been able to access any of the...
Approved May 15, 2020
COVID-19 stimulus-related financial incentive programs. They have roughly 200 people in NYS, but over 500 with sister companies elsewhere. This is job retention program more than a large job creation project. H-E is more technology intensive and less labor intensive. This strategic plan will help them move on into the H-E market. They do not compete with Fulton Boilers, as ECR’s are residential. Their current C-I boiler will not meet DOE specs in a year or two, but they are working on a replacement. There will always be a market for them due to lower up-front cost and endurance. The H-E units are much more high-tech and energy efficient. There are about 145 FTE in Oneida County. In July-August until about April, they bring on around 30 seasonal temporary. The ERP system and equipment to run manufacturing processes is around $3.3 million of the project costs. It will take about three years to complete (2020-2022). BDR has world-wide sales of around $2 billion. ECR is less than $80 million. COVID-19 will probably put the company 75% behind budget for April. Overall, they could be 10-15% below budget, depending on how long the shut-down lasts. H-E units are not as labor intensive as C-I. Created a cost improvement department to help them become more efficient. The South Korean minimum wage is a fraction of what it is here, and there is little monitoring of what they actually pay. A motion to approve an inducement resolution relating to the ECR International, Inc. Facility, granting preliminary approval for financial assistance in the form of exemptions from sales tax (value estimated at $223,388 not to exceed $245,727) and exemptions from real property taxes for a period of ten years, during which time the Company will make fixed PILOT Payments (value of abatement estimated at $519,598), which financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy, and authorizing the Agency to conduct a public hearing, was moved by S. Zogby and seconded by F. Betrus. M. Fitzgerald asked for clarification on the proposed PILOT payment schedule. The PILOT proposal is to fix payments at the current PILOT level (based upon 2/3 of full current assessment, then increasing it 2% annually over a ten-year period. M. Fitzgerald asked for clarification on the jobs commitment. M. Fitzgerald stated that he supports this action, but believes we should be cautious going forward with providing tax exemption benefits, as the COVID-19 emergency will hit local jurisdictions extremely hard. He also would be more comfortable if there was more real estate investment with this project. The company will retain 152 FTE and create 3 FTE in Oneida County. Chair Grow stated that, besides the current COVID-19 situation, the competitive issues that are out that are probably going to require we keep the door open a bit more for companies looking to become more efficient. The ERP system will be in the 2022 project, for a “go-live” in 2023. There being no further discussion, Chair Grow asked for a vote on the motion: Motion carried 7-0.

ECR International, Inc. – SEQR Resolution
Chair Grow introduced a request from ECR International, Inc. for the Agency to consider a SEQR resolution. The Agency is serving as lead agency for the SEQR review. Based on an examination of the Application for Financial Assistance and the Part 1 EAF submitted by the Company, the Agency determinethat the Project is an “Unlisted” action and will not have a significant impact on the environment. A motion to approve a SEQR resolution related to the ECR International, Inc. Facility was moved by F. Betrus, seconded by M. Fitzgerald, and carried 7-0.

Whaling Solar – Inducement Resolution
Chair Grow introduced an inducement resolution relating to the Whaling Solar LLC Facility providing preliminary approval for financial assistance in the form of exemptions from sales tax (currently estimated to be valued at $168,042 but not to exceed $185,000) and exemptions from real property taxes for a period of 15 years (value of abatement currently estimated at $662,540), which financial assistance represents a deviation from the Agency’s Uniform Tax Exemption Policy, and authorizing the Agency to conduct a public hearing. Mr. Day and Mr. Cocquyt were in attendance. F. Betrus asked where the solar panels were manufactured, to which Mr. Day responded China, Viet Nam and Mexico were common sources. General discussion pertaining to the economic aspects (costs, incentives, investor returns, community benefits, assessments, value of lease income to local farmers, subscriber benefit, etc.) of the project ensued. Mr. Day stated that the beneficiaries of the project must be a National Grid electricity customer. Both M. Fitzgerald and F. Betrus stated that they did not believe the Agency is ready to approve this request or adopt a policy yet. Chair Grow stated that this request would require a deviation from the UTEP, a public hearing, notification of the affected taxing jurisdictions, and a sign off by the County Executive before it could be approved, and that we should let it move forward and go through the process, while simultaneously working towards adopting a general solar policy. S. Zogby stated that he hopes the project goes through and believes it’s a good thing, but doesn’t believe the Agency needs to support it based upon the merits of the financials. He doesn’t believe the project viability hangs upon the Agency’s incentives.
Mayor Izzo noted that one or more of the projects the City contracted with were sold by the developers to other developers three times before it turned on. She also added that they probably won’t be doing any more municipal projects, as they are not that lucrative. She does believe they need significant incentives to make them work. Questions regarding the NYS RPTL benefits and process were discussed and it was determined that we need more definitive answers on that process and whether the Town of Trenton is supporting this project, and find out for sure if they are out of 487. A motion to table the Whaling Solar request until next month was moved by F. Betrus, and seconded by M.F. Messenger. There being no further discussion, Chair Grow asked for a vote on the motion: Motion carried 6-1, with S. Zogby voting “NO”. Chair Grow directed the staff to prepare a memo for the board detailing what the Town of Trenton’s position is on this project is then. We can make a decision whether we want to adopt a policy or just let the towns deal with it. L. Romano asked that the Board get all the questions they want answered to Shawna. The consensus of the board was that a work session meeting might be warranted to discuss the policy. Shawna said she will arrange a separate meeting for the board to discuss a solar PILOT policy.

**Whaling Solar, LLC – SEQR**
Chair Grow asked for a motion to table the agenda item. A motion to table the Whaling Solar SEQR resolution was moved by M. Fitzgerald, seconded by F. Betrus, and carried 7-0.

**Hangar Road Rome, LLC - SEQR**
Chair Grow introduced a SEQR resolution relating to the Hangar Road Rome, LLC. Facility. Based on an examination of the Application for Financial Assistance, the Part 1 EAF submitted by the Company, and the minutes of the April 7, 2020 meeting of the City of Rome Planning Board and its determination of environmental impact, S. Zogby moved and M. Fitzgerald seconded, a motion that the Agency determines the Project is an “Unlisted” action and will not have a significant impact on the environment. Motion carried 7-0.

**Hangar Road Rome, LLC – Final Authorizing Resolution**
Chair Grow introduced a request from Hangar Road Rome, LLC for the Agency to consider a Consider a final authorizing resolution relating to the Hangar Road Rome, LLC Facility. A public hearing was conducted on April 16, 2020 and deviation notices were emailed on April 17, 2020. A motion approving 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 reduction of real property taxes for a period of 10 years during which time the Company will make fixed PILOT Payments (value estimated at $804,376), which financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy, and authorizing the form and execution of related documents, subject to counsel review was moved by M. F. Messenger and seconded by S. Zogby. M. Fitzgerald asked for clarification as to the fixed PILOT payment amounts. He was referred to the deviation notices included in the Board meeting packet. There being no further discussion, Chair Grow asked for a vote on the motion: Motion carried 7-0.

**Hangar Road Rome, LLC – Early Access License Consent/GLDC**
Chair Grow introduced a resolution relating to the Hangar Road Rome, LLC Facility relating to access to the site prior to closing. K. Jarosh A motion to approve a resolution consenting to a license from GLDC and the Agency to Hangar Road Rome, LLC, to allow access to the site prior to closing, and approving the form and execution of related documents, was moved by S. Zogby, seconded by M. Fitzgerald. S. Papale explained that this is the standard GLDC license agreement. M. Fitzgerald questioned the status of jobs with this project. K. Jarosh verified that this project will retain 90 FTE in the county and create 22 FTE. Discussion ensued regarding the job reporting process. S. Papale explained that Hangar Road Rome commits to the IDA the jobs will be retained/created, but their sub-leases require the tenant to provide the job information for reporting to the Agency. M. Fitzgerald asked if the Agency needed to approve the subleases. L. Ruberto explained that in usual circumstances, where the Agency has already has a signed leaseback agreement the Agency does need to provide consent to the sublease. This situation is different in that the Agency has not yet closed with the applicant so there is no requirement to consent. It is for information only. There being no further discussion, Chair Grow asked for a vote on the motion: Motion carried 7-0.
B240, LLC – Consent to Sublease
Chair Grow introduced a request from B240, LLC for the Agency to consent to a sublease of a portion of their facility to a new commercial tenant. The IDA previously approved the form of Master Sublease Agreement, and the company has submitted a memorandum to the board outlining the terms of the new commercial tenancy. **A motion for the Agency to provide B240, LLC consent to sublease of a portion of their facility to a new commercial tenant was made by M. F. Messenger, and seconded by K. Hinman.** M. Fitzgerald asked if we should get a commitment that there is not going to be any transfer of jobs from the proposed tenants other facilities in Oneida County. L. Romano stated that the original application addressed the question of abandonment. M. Fitzgerald said he is fine with this as long as the applicant is making representation that there is no facility abandonment involved. **There being no further discussion, Chair Grow asked for a vote on the motion: Motion carried 7-0.**

Special Metals Corporation - Sales Tax Exemption Extension
Chair Grow introduced a letter received from Special Metals Corporation requesting extension of its sales tax exemption status through December 21, 2020. **A motion to extend the Agency’s sales tax exemption status for Special Metals Corporation through December 21, 2020 was moved by S. Zogby, seconded by M. Fitzgerald, and carried 7-0.**

Rome Industrial Development Corporation – 5856 DEC Site Management Report
Chair Grow introduced a request from RIDC for the Agency to sign a Site Management Periodic Review Report relating to the 5856 Success Drive property (Cold Point/UPS Facility). RIDC has completed its remediation of the site, and is required to submit periodic reports to the DEC. The IDA is being asked to sign the report in its capacity as fee owner of the property. **A motion to approve signing the Site Management Periodic Review Report relating to the 5856 Success Drive property (Cold Point/UPS Facility) was moved by M. Fitzgerald, seconded by F. Betrus, and carried 7-0.**

Rome Industrial Development Corporation – 5856 Lease term extension
Chair Grow introduced a request from RIDC to extend the term of the Lease Agreement with RIDC relating to the 5856 Success Drive property (Cold Point/UPS Facility). The lease term must be extended to allow the parties to obtain the necessary approvals from New York State DEC to allow the Agency to re-convey the property back to RIDC. L. Romano noted that the goal is to finalize the clean-up so the property can be re-conveyed to RIDC, so the Lease should be extended. **A motion to extend the term of the Lease Agreement with Rome Industrial Development Corporation relating to the 5856 Success Drive property (Cold Point/UPS Facility) to allow the parties to obtain the necessary approvals from New York State DEC to allow the Agency to re-convey the property back to RIDC and authorizing the form and execution of related documents, subject to counsel review, was moved by M. Fitzgerald, seconded by F. Betrus, and carried 6-0.**

Noting a conflict of interest with Polce Management Group, LLC, Chair Grow ceded the floor to Vice-Chair Fitzgerald, and muted his ability to participate in all discussion related to the Polce Management Group, LLC. Jennifer Waters, also noting a conflict of interest with Polce Management Group, LLC, muted her ability to participate in all discussion related to the Polce Management Group, LLC. Both effectively left the meeting.

Polce Management Group, LLC – SEQR
Vice-Chair Fitzgerald introduced a request for the Agency to consider a SEQR resolution relating to the Polce Management Group, LLC Facility. The Rome Planning Board materials have been provided in order to give the Agency information pertinent to the action. **Based on an examination of the Application for Financial Assistance, the Part 1 EAF submitted by the Company, and the minutes of the April 7, 2020 meeting of the City of Rome Planning Board and its determination of environmental impact, F. Betrus moved and K. Hinman seconded, a motion that the Agency determines the Project is an “Unlisted” action and will not have a significant impact on the environment. Motion carried 6-0.** Chair Grow did not participate in any discussion or voting related to Polce Management Group, LLC.
Polce Management Group, LLC – Final Authorizing Resolution

Vice-Chair Fitzgerald introduced a request to consider a final authorizing resolution relating to the Polce Management Group, LLC Facility. A public hearing was conducted on April 16, 2020 and deviation notices were emailed on April 17, 2020. The Company submitted an amendment to its Application for Financial Assistance to address the abandonment of the Utica facility. The company will retain 25.5 FTE in Oneida County and create 5 FTE. Vice-Chair Fitzgerald introduced Michael Polce who explained that the intent has always been to bring the employees in Utica to the Rome facility. They searched for an existing facility but determined building an addition to their currently facility made the most sense. Mayor Izzo spoke of her support of the action. A motion to approve a final authorizing resolution relating to the Polce Management Group, LLC Facility (i) making a finding that the abandonment of the Company’s facility in the City of Utica is necessary to preserve the Company’s competitive position in its industry; (ii) approving financial assistance in the form of mortgage recording tax exemption (estimated at $10,500 but not to exceed $12,000), sales tax exemption (estimated at $80,240 but not to exceed $88,264) and reduction of real property taxes for a period of 10 years during which time the Company will make fixed PILOT Payments (value estimated at $48,727), which financial assistance is a deviation from the Agency’s Uniform Tax Exemption Policy, and (iii) authorizing the form and execution of related documents, subject to counsel review, was moved by M. F. Messenger, seconded by S. Zogby, and carried 6-0. Chair Grow did not participate in any discussion or voting related to Polce Management Group, LLC.

Chair Grow and Jennifer Waters re-entered the meeting.

Old Business
F. Betrus asked how the Agency fee-title search project was progressing. S. Papale replied that there have been a number of very time-consuming crucial closings recently that have taken precedent. L. Ruberto referred to the Cold Point closing as an example of taking the projects one at a time and examining the title situation.

M. Fitzgerald asked about the status “Founding Fathers” Memo, which relates to the clarification of how funds are dispersed after the Cree PIF ends. L. Romano responded that since affairs related to the Cree project are coming to close to a closing it makes sense to re-focus on that, and will do so.

At 10:15 AM a motion to enter executive session to discuss a legal matter and a contract matter, and to advance agree to adjourn the regular meeting upon exiting executive session, as there is no further board actions anticipated was moved by M. Fitzgerald, seconded by S. Zogby, and carried 7-0.

At 11:18 AM a motion to exit executive session, and to concurrently adjourn the April 24th meeting was moved by M. Fitzgerald, seconded by D. Grow, and carried 7-0.

Respectfully Submitted,
Mark Kaucher