Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on November 22, 2011 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: S. Papale, J. Cardone, M. Kaucher, P. Zawko
Others Present: M. Levitt, C. Levitt, L. Romano-via telephone
William K. Guglielmo, Rome Area Chamber of Commerce (RACC); Debbie Adamo, RACC; Joe Shields, Rome Central School District (RCSD); Chris Militello, RCSD; Jeffrey P. Simons, RCSD; Patricia Riedel, RCSD-Board of Education (BOE); Mary Davis, RCSD-BOE; Jennifer Geiger, RCSD.

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

For the purpose of discussing potential litigation and the status of contracts a motion to enter executive session was made by N. Brown, seconded by S. Zogby, and passed unanimously.

A motion to exit executive session at 9:10 am was made by F. Betrus, seconded by E. Quadraro, Motion passed unanimously.

Chairman Grow welcomed guests and briefly explained the standard Agency meeting protocol.

October 21, 2011 Minutes: N. Brown noted that she was not in attendance at the meeting and requested that all non-attendees be noted in Agency minutes as absent. F. Betrus noted that he was not in attendance either. Michael Fitzgerald noted that his comments regarding the GUSC equipment pertained to the issue of the equipment for production. Minutes were approved, with changes, on a motion by S. Zogby and seconded by E. Quadraro. Motion passed unanimously.

In other Agency business:

- A request for a final authorizing resolution relating to the deed transfer by the United States Air Force of Parcel F6B-1 and the sale-leaseback with Griffiss Local Development Corporation (Facility Transfer XV), approving benefits which represent a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents. A discussion S. Papale noted that as with previous parcels included in the Memorandum of Understanding with the US Air Force, the parcel has undergone environmental cleanup and the NYS Department of Health NYS Dept. of Environmental Conservation have signed off and the Air Force is ready to transfer title to the IDA to allow GLDC to further develop Griffiss Business and Technology Park. F. Betrus made a motion to approve a final authorizing resolution relating to the deed transfer by the United States Air Force of Parcel F6B-1 and the sale-leaseback with Griffiss Local
Development Corporation (Facility Transfer XV), and approving benefits which represent a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents. The motion was seconded by N. Brown and passed unanimously.

- A request for a final authorizing resolutions relating to the Griffiss Local Development Corporation (GLDC) Facility Projects (Building 780) & (Building 776-778), which would approve benefits which deviate from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents. Chairman Grow stated that these items will be deferred until a future meeting date. He further stated that the Agency has received and reviewed the minutes from the public hearings, and has some questions that they would like answered and will ask GLDC for additional information. Chairman Grow offered the floor to representatives of the Rome City School District (“the District”) in who were in attendance. Joseph Shields, the District legal counsel stated the District was not opposed to economic development but believe that since there have been ten years of exemption already, and the fact that the leases will expire shortly, the facilities should go on the fully-taxable rolls. He stated that by offering long-term PILOTS where short-term leases exist is setting a bad precedent, and will invite other developers/landlords to approach the OCIDA for similar arrangements within Oneida County. The District is dealing with severe budget challenges, including the newly-mandated 2% annual increase cap, and has had to lay off 48 teachers. He recognized that in building 780 there are 39 jobs being retained. He encourages the OCIDA board of directors to take their concerns seriously and to deny the request from GLDC due to the negative economic impact this project will have on the school district. He stated that if there are tenants in the building that qualify for exemption as a charitable organization the District has no problem providing the exemption and they should apply as such under the charitable exemption guidelines, does not view this request before the IDA as a project but as existing buildings with existing tenants. He sees this request as job retention with leases expiring.

- District Superintendent, Jeffrey P. Simons, thanked S. Papale for information she provided upon his request. At this point in the meeting, director F. Betrus questioned if the portable electronic device placed on the conference table by Mr. Shields was recording the proceedings. Mr. Shields and Mr. Simons responded that it was recording the proceedings. Mr. Simons stated that over the past five years, the District has made many changes and closed and consolidated facilities, eliminated 100 jobs, including 47 teachers earning $40,000 to $50,000. He stated that this has been due to the cuts in their two prime funding sources of State Aid and local taxes. He stated that they have supported economic development efforts by working with GLDC and been a working partner. He stressed that they have dealt with declining state aid, which is 64% of their budget, with the remainder supplied through the property tax levy, which they are trying to keep as low as possible. He requested that the IDA give more consideration on how PILOTs impact the RCSD. That the job losses mean program losses. He highlighted that the District is taking steps to enhance its science-technology-engineering-math
curriculum to assist with the local workforce preparation by working with the Griffiss Institute.

Chairman Grow stated that Griffiss Business and Technology Park currently generates an estimated $4 million in annual revenues from real property taxes, PILOTS and service fee payments (City of Rome), and that it is the Agency’s goal to increase jobs and revenues to the jurisdictions involved. He further stated that the Agency is an independent entity created under NYS law for the benefit of the whole County, and acts independently and with balance and is always open to comments and questions. Chairman Grow stated it is the goal of the IDA to increase tax revenue. It is the concern of the IDA to look at the big picture and be concerned with the entire county.

William K. Guglielmo, president of the Rome Area Chamber of Commerce (RACC), urged the body to move forward and that the RACC is concerned about local business, witnessed by the annual Shop Rome First campaign during December. The initiative aims to secure local jobs, increase sales tax revenue and create more business activity, and expressed support to maintain the PILOT agreements.

Debbie Adamo, chairman of the RACC, seconded W. Guglielmo’s statements and recognized the District’s point of view but supports the Agency’s efforts to create jobs and increase tax revenues. She stated that the RACC is saddened to see the District using tax-payer generated revenues to pay for legal fees related to this issue, and that the RACC objects to that path. She acknowledged that the Griffiss Business & Technology Park tenants have brought money into the economy. She stated that Rome is more attractive since GAFB left and is now the Griffiss Business & Technology Park.

M. Fitzgerald stated that he appreciates the District raising the questions and that the Agency will look at these projects more closely and with an independent mind. He further stated that it is unfortunate that District resources will be diverted from maintaining teachers to pay for legal counsel, and that such actions will not benefit the County and he would rather see things worked out through discussion.

J. Shields stated that the District Board of Education (“the DBOE”) had approved proceeding with an Article 78 action regarding the Griffiss Utilities Service Corporation project, and that he had requested the Agency table the action, but they instead chose to proceed due to the then impending taxable status date deadline. This was due to the fact they formally asked for discussion and was denied and never had the discussion on GUSC. He further stated that the DBOE was concerned about the legal expenses and preferred not to litigate, found it necessary after the results of a cost/benefit analysis showed $2 million revenue loss over 15 years. He said they were never afforded the opportunity to be at the table.

N. Brown stated that she preferred items in litigation not be discussed. Chairman Grow agreed that it was unfortunate that the situation had to go into litigation, but that he
agreed with N. Brown that it was not the time to discuss the appropriateness of litigation and that the meeting will move on. Chairman Grow did state in general terms that not all of the members have seen all comments as they relate to the litigation.

There being no additional requests for the floor, Chairman Grow thanked the speakers for their input. At this time, all attendees representing the District and the RACC-with the exception of W. Guglielmo-exited the meeting.

- A request for a final authorizing resolution related to the MetLife Facility, approving benefits in the form of exemption from sales tax and authorizing the execution and delivery of related documents. S. Papale briefed the board on the public hearing for the MetLife project. The applicant has withdrawn its initial request for a PILOT, so the Agency is being asked to provide only sales tax exemption benefits to the project. The Agency will not keep fee-title to the real estate. Instead, it may ultimately result in a lease/leaseback arrangement. There will be no change in the Agency fee as it was set forth in the application process. F. Betrus made a motion to approve a final authorizing resolution relating to the MetLife facility, approving benefits in the form of exemption from sales tax and authorizing the execution and delivery of related documents. The motion was seconded by N. Brown and passed unanimously, with E. Quadraro abstaining.

- A request for a resolution authorizing the resignation of HSBC as trustee, registrar and paying agent and the appointment of Manufacturers Traders and Trust Company as successor trustee, all in connection with the Mohawk Valley Community College Facility, subject to review by counsel. M. Fitzgerald made a motion to approve a resolution authorizing the resignation of HSBC as trustee, registrar and paying agent and appointment of Manufacturers Traders and Trust Company as successor trustee, all in connection with the Mohawk Valley Community College Facility, subject to review by counsel. The motion was seconded by E. Quadraro and passed unanimously.

**Old Business**

- A request to ratify the execution and delivery of a subordination letter executed by the IDA in favor of RBS Asset Finance, Inc. relating to the Bonide Products, Inc. Facility, in connection with certain financing extended to the Company. Question was raised as to the status of the Bonide project. Chairman Grow noted that this does not affect the Agency’s position and that it is for all new equipment. F. Betrus made a motion to ratify the execution and delivery of a subordination letter executed by the IDA in favor of RBS Asset Finance, Inc. relating to the Bonide Products, Inc. Facility, in connection with certain financing extended to the Company. The motion was seconded by N. Brown and passed unanimously, with M. Fitzgerald abstaining.

**Agency Interim Financials** were presented to the Agency for review by J. Cardone. M. Fitzgerald inquired as to the status of the LDC fees. S. Papale explained that the LDC has a separate...
agreement with MVEDGE and that it is accruing, and that number is currently at $23,000 through October 31. $65,000 is currently budgeted, which includes a potential fee from the Munson-Williams Facility project, if it goes to closing. When funds are available, EDGE will request transfer. The Agency has a budget of $40,000 with MVEDGE.

**Audit Services:** J. Cardone explained that she solicited a quote from John Howard to perform the 2011 Agency audit and was quoted $4,500, which is $200 more than last year. No quote yet on the LDC audit yet, but that was $1,600 last year. *S. Zogby made a motion to contract with John Howard to perform the 2011 Agency audit up to $4,500. N. Brown seconded the motion and it passed unanimously.*

**New Business**

S. Papale discussed the status of the Mohawk Valley Regional Economic Development Council’s initiative and explained that the entire staff, but especially Steven DiMeo, have been heavily involved in crafting the Regional plan on behalf of the entire region. There have been considerable staff time and even some consulting expenses involved. There is $24,000 budgeted by the Agency that can be released to help with certain initiatives and that this might be an appropriate time for MVEDGE to access those funds. S. Zogby and Chairman Grow requested that a written request be submitted outlining what costs MVEDGE would like assistance with.

**NYS Economic Development Council Cost Benefit Analysis**

S. Papale described the new online cost/benefit analysis program that is being offered to IDAs across the state. Developed by CGR, the program would keep up to date information on all taxing jurisdictions in the state and standardize the cost/benefit analysis system for member organizations. The initial first year cost is $2,700 maximum, then $1,000 maximum the next year. General consensus of the board was that if there is enough money in the current operating budget to do it, do it. If dollars have to come out of the Special Projects budget ($23,000), they would need to approve it.

There being no further business, the meeting was adjourned at 9:50 AM upon a motion made by F. Betrus and seconded by E. Quadraro, and the motion was passed unanimously.

Respectfully recorded,
Mark Kaucher