Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on January 20, 2012 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: S. Papale, J. Cardone, M. Bonney, P. Zawko, S. DiMeo, J. Waters

Mr. Grow called the meeting to order at 8:06 AM.

For the purpose of discussing potential litigation and the status of contracts a motion to enter executive session was made by F. Betrus, seconded by E. Quadraro, and passed unanimously.

A motion to exit executive session at 9:12 AM was made by F. Betrus, seconded by N. Brown, Motion passed unanimously.

The Agency received the December 16, 2011 Meeting Minutes. A motion to approve the December 16, 2011 Meeting Minutes was made by S. Zogby, seconded by E. Quadraro, Motion passed unanimously.

A request to consider an Initial Authorizing Resolution to assist Fountainhead Group to extend its current PILOT for an additional five (5) years at the 2/3rds percentage of the real property taxes. The Agency received a summary memo before the meeting breaking down the request. Jim Siepiola from Fountainhead Group addressed the Agency. He stated that they are bringing product back from China, which will cut lead time, fix and contain certain costs. They have stabilized their employment over the past three-years. S. Zogby asked if employment will ramp up from the 150 employees they have now. J. Siepiola responded that they ramp up to 165 during the “season” and are adding 10 jobs because of the transition out of China. They plan to add 4-5 by the end of the year. M. Fitzgerald questioned why it only takes 10 people to replace production capabilities from China and what their current tax abatement was. J. Siepiola responded that Fountainhead Group was concerned about being too ambitious with their projected job numbers and then have their benefits taken away if they don’t meet it. They will realistically create more than 10 jobs, and much of that depends on the success of their new product line. J. Siepiola suggested a ramping up of jobs over the next five-years, Year 1: 6 jobs, Year-2: 8 jobs, Year-3: 10 jobs, Year-4: 12 jobs and Year-5: 14 jobs. They are currently paying 89% of their taxes. D. Grow explained that there was an overarching Agency policy issue in regard to extending PILOTS. He explained the concept of weening the company over five-years to 100%. E. Quadraro asked if the PILOT wasn’t extended whether they would still move forward with the project. J. Siepiola responded that they would, but it would not get off the ground as fast. M. Fitzgerald stated that because they are currently at 89% that they could not go backwards and that the taxes would ramp up from there. A motion to approve an Initial
Authorizing Resolution to assist Fountainhead Group to extend its current PILOT for an additional three (3) years at an incremental percentage the of the real property taxes (Exemptions Year-1: 11%, Year-2: 8%, Year-3: 4%), contingent on maintaining Year-1: 156 jobs, Year-2: 158 jobs and Year-3: 160 jobs and the insertion of a claw back agreement into the PILOT was made by E. Quadraro and seconded by F. Betrus with M. Valentine opposed, motion passed.

The Agency waived Bond, Schoeneck & King as legal counsel and assigned M. Levitt due to conflict of interest.

F. Betrus left the meeting to attend a funeral.

A request to consider an Initial Authorizing Resolution to assist FIS to extend its current PILOT for an additional ten (10) years at the 2/3rds percentage of the real property taxes. The Agency received a summary memo before the meeting breaking down the request. FIS came before the OCIDA previously for a project and then never closed. They are currently at 2/3rds. The PILOT expired in 2011. They currently have 35 jobs and have purchased an additional building and received $200,000 for a new project from the Mohawk Valley Regional Economic Development Council. M. Levitt stressed that the Agency remain consistent with its decisions regarding PILOT extensions. D. Grow stated that FIS must meet be held to their jobs and investment numbers.

A motion to approve an Initial Authorizing Resolution to assist FIS to extend its current PILOT for an additional five (5) years at an incremental percentage the of the real property taxes (Exemptions Year-1: 33.33%, Year-2: 27%, Year-3: 20%, Year-4: 13% and Year-5: 7%), contingent on creating 35 jobs, retaining 355 jobs in Herkimer and Oneida Counties, investing $1.476 million in their project and the insertion of a claw back agreement into the PILOT was made by M. Fitzgerald and seconded by M. Valentine with E. Quadraro abstaining, motion passed.

A request to consider an Initial Authorizing Resolution to assist Goodrich Corporation to extend its current PILOT for an additional five (5) years at the 2/3rds percentage of the real property taxes and Sales Tax Exemption. The Agency received a summary memo before the meeting breaking down the request. Goodrich is being acquired by Pratt and Whitney, they face potential consolidation. With the acquisition Pratt is looking at excess space that is available and more convenient to them. A motion to approve an Initial Authorizing Resolution to assist Goodrich Corporation to extend its current PILOT for an additional five (5) years at an incremental percentage the of the real property taxes (Exemptions Year-1: 33.33%, Year-2: 27%, Year-3: 20%, Year-4: 13% and Year-5: 7%), contingent on creating 10 jobs, retaining 240 jobs, investing $8 million in their project and the insertion of a claw back agreement into the PILOT was made by M. Fitzgerald and seconded by S. Zogby, motion passed unanimously.

D. Grow stated that there is no set policy about fee’s for extensions. The Agency discussed instituting a $1000 application fee. There is a slight reduction of work done on extensions because most of the work is already completed but there needs to be a fee so that the companies show commitment. A motion to approve a $1000 application fee for PILOT extensions, retroactive to January 20, 2012 was made by D. Grow and seconded by S. Zogby, motion passed unanimously.

A request to consider an Initial Authorizing Resolution for Suit-Kote Corporation for assistance at 191 Dry Road, Oriskany. Assistance being requested is in the form of a 10 year PILOT and...
Sales Tax Exemption. Suit-Kote Corporation will be constructing a new facility in Oriskany, they are relocating from New Hartford. They are investing in the Oneida County Business Park. There will be a growth in jobs and in the facility. A motion to approve an Initial Authorizing Resolution to assist Suit-Kote Corporation at 191 Dry Road, Oriskany with a 10-year Standard Industrial PILOT (Year 1-5: 1/3 and Year 6-10: 2/3 but never lower than the current taxes) and a Sales Tax Exemption, contingent retaining 19 jobs, investing $700,000 in their facility and the insertion of a claw back agreement into the PILOT was made by S. Zogby and seconded by N. Brown, motion passed unanimously.

The Agency discussed the OCIDA Mission Statement Performance Measurements for 2012. A motion to approve the OCIDA Mission Statement and Performance Measurements for 2012 was made by M. Fitzgerald and seconded by N. Brown, motion passed unanimously.

Old Business

- A request to approve the refinancing of debt by Sovena USA with HSBC which includes the benefit of an exemption mortgage. Sovena USA was using a bank in Portugal. A motion to approve the refinancing of debt by Sovena USA with HSBC, contingent on legal review because SOVENA USA may be gaining extra benefits was made by E. Quadraro and seconded by M. Fitzgerald, with S. Zogby abstaining, the motion passed.

The Agency received the financial statements. J. Cardone reported that the audit was going to be started next week. Legal fees were $7,000 above budget as was consultant services (cost of new cost/benefit analysis). Revenue will be up once more project close, NY Custom Processors pulled their application as they felt the legal was too expensive and did not want the project in the OCIDA’s name.

There being no further business, the meeting was adjourned at 10:12 AM upon a motion made by M. Fitzgerald and seconded by N. Brown, and the motion was passed unanimously.

Respectfully recorded,

Jennifer Waters