Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on March 16, 2012 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

Members Present: E. Quadraro, M. Fitzgerald, D. Grow, N. Brown, F. Betrus; M. Valentine (Via video-conference)
EDGE Staff Present: S. Papale, J. Cardone, M. Bonney, P. Zawko, S. DiMeo, J. Waters, F. Arcuri
Others Present: M. Levitt, C. Levitt, J. Saunders, L. Romano, C. Kahler

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

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

A motion to exit executive session at 8:23 AM was made by F. Betrus, seconded by N. Brown, Motion passed unanimously.

The Agency received the February 10, 2012 Meeting Minutes. A motion to approve the February 10, 2012 Meeting Minutes contingent on changes being made was made by N. Brown, seconded by M. Valentine. Motion passed unanimously.

The Agency received the 2011 Audit. The Agencies Audit Committee met and received the audit, all questions were answered by the auditors. A motion to approve the 2011 Audit was made by M. Fitzgerald, seconded by M. Valentine. Motion passed unanimously.

A request to consider an Initial Authorizing Resolution for the extension request from the Mohawk, Adirondack & Northern Railroad Corp. and Genesee & Mohawk Valley Railroad Co., Inc. for assistance in the form of a 10 year PILOT extension as it relates to properties in Oneida County. Included in the application to the IDA were internal financials, which show a loss. If they were to be taxed, the taxes would be passed along to the users to whom the Railroad provides transportation of cars. Those companies include, but are not limited to, Rome Strip Steel, American Alloy Steel, Sovena USA, and 3B Timber. S. Papale shared that the railroad delivers 1,000 cars a year to Sovena. She also stated the GLDC shared they are attempting to finalize a contract with the Railroad for operation of the rail tracks at the Griffiss Business and Technology Park. GLDC recently completed rail refurbishments, and anticipates that the Railroad to do the continued upkeep as they used the rail tracks. Further, S. Papale shared that she has been in conversations with the Railroad, City of Rome and Rome Strip for a parcel of land that did not get put into the PILOT when the Railroad built a NYS grant funded off-loading crane at Rome Strip. Currently the Railroad is being taxed by the City of Rome for the section of property that houses the crane, which is used by Rome Strip Steel to unload off the tracks. This crane section was being taxed by the City of Rome because the parcel number was not included in the PILOT. Rome Strip Steel needs the crane to operate. N. Brown questioned whether the Agency would want to get involved in a dispute between GLDC and the Railroad. D. Grow stated...
that the railroad was important to many local businesses and this PILOT would probably be reviewed every 10-years. S. DiMeo responded to N. Brown that two years ago GLDC negotiated a contract with the Railroad, and GLDC completed their part and the Railroad has yet to complete their part or sign a contract. A motion to approve an Initial Authorizing Resolution for the extension request from the Mohawk, Adirondack & Northern Railroad Corp. and Genesee & Mohawk Valley Railroad Co., Inc. for assistance in the form of a 10 year PILOT as it relates to properties in Oneida County was made by M. Fitzgerald and seconded by N. Brown. Motion passed unanimously.

A request to consider a final authorizing resolution relating to the Griffiss Local Development Corporation Facility (Building 780), approving benefits which represent a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents. Building 780 contains the Mohawk Valley EDGE office and two defense contractors. S. Papale stated that each member of the Agency received supplemental materials stating the need for a PILOT on this building. Supplements include: GLDC 2010 Audit, AFRL-Information Directorate Overview, GLDC Mission Statement, Performance Measures, GLDC 2011 Highlights, CNYDA Powerpoint, and AFRL Economic Impact. S. DiMeo stated that due to upcoming cuts in the Department of Defense budget it is important for Griffiss to remain a regional asset with 5800 employees coming from 17 counties. A motion to approve a final authorizing resolution relating to the Griffiss Local Development Corporation Facility (Building 780), approving benefits which represent a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously.

A request to consider a final authorizing resolution relating to the Griffiss Local Development Corporation Facility (Building 776-778), approving benefits which represent a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents. F. Betrus stated that his daughter works for ITT-Exelis (A tenant in building 776, 778). S. Dimeo stated that up until last year these two buildings were part of the SFP agreement and only the City of Rome was getting any taxes from them. Now under a PILOT, both the Rome City School District and the City of Rome will be receiving taxes. Building 776, 778 is occupied by ITT-Exelis, a defense contractor. ITT-Exelis currently has 139 employees, with an average salary over $50,000 annually. A motion to approve a final authorizing resolution relating to the Griffiss Local Development Corporation Facility (Building 776-778), approving benefits which represent a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents was made by E. Quadraro and seconded by M. Valentine, with F. Betrus abstaining. Motion passed 5-0-1.

A request to consider a PILOT modification for Family Dollar. S. DiMeo stated that prior to Family Dollar closing their original deal, NY State passed a new formula to calculate refunds. Based on assessment and tax levy less the minimum tax amount. Family Dollar was paying 100% of taxes, but not getting reimbursed for the total amount, accumulating over many years. Under the new PILOT revision, Family Dollar will opt out of their current PILOT then come back and pay 100%. S. DiMeo stated that Family Dollar has two options; 1. Using same PILOT
concept. Opt out years 8-10. Years 11-15 enter into new PILOT (2/3 taxes) Years 16-20 (3/4 taxes). Amount of unrealized QEZE benefit- $3.1M amortized over 10 years. GLDC borrowed $6.3M using portion to service that debt. Credit that out years 11-20. $571,000 credit per year for years 11-20. Would need taxing jurisdictions to sign new agreement. 2. Enter into new PILOT. Year 11- GLDC continues to run amortization of debt, balloon GLDC debt ($900,000) over 10 years. Year 11-20 same schedule. Would not need to go back to the taxing jurisdictions. The Agency would hold the assessment formula for current PILOT and mitigate the negative aspects for paying more than Family Dollar should have. If tax rates go up or down the formula changes. Looking to approve a new deal and enter into a new contract in 2016, effective in 2016, but the contract would be signed now. M. Fitzgerald asked if there were any Agency administrative issues with passing this motion. L. Romano stated that no the contract would be approved now, but commences at a later date. This way Family Dollar would not have to come back in 2016. D. Grow asked is option 1 or 2 would be better. S. DiMeo stated that there is less work involved in option 2. D. Grow stated that the Family Dollar deal was conceptual set when they first entered into the agreement, and outside forces factored into the deal and changed it. Family Dollar should not have to start the whole process over. S. DiMeo stated that Family Dollar will still have to maintain its current job numbers because of the Empire Zone certification. More to come as the deal becomes clearer.

A request to approve an amendment to the State Assistance Contract in the amount of $21,000 in order to finalize site investigation and reporting requirements for Rome Community Brownfields Restoration Corporation. The amendment will be funded by the State of New York at 90% and the 10% match will be covered by Rome Community Brownfield Restoration Corporation. A motion to approve an amendment to the State Assistance Contract in the amount of $21,000 in order to finalize site investigation and reporting requirements was made by F. Betrus and seconded by N. Brown with D. Grow abstaining. Motion passed 5-0-1.

A request to approve going out to bid for a sub-slab de-pressurization system below 421 Ridge Street. There is a TCE Plume under the first parcel clean-up across from PAR Government Systems. Further testing of vapor levels showed that a RTD Radon system was needed in the PAR Government Systems Building. The cost is 100% covered by New York State. D. Grow stated that there has been discussion with Mayor Fusco and they are searching for ways to handle RCBRC’s deficit. The Mayor strongly wants to continue the work. F. Arcuri stated that RCBRC has never missed a payment on private debt. A motion to approve going out to bid for a sub-slab de-pressurization system below 421 Ridge Street was made by F. Betrus and seconded by M. Fitzgerald with D. Grow abstaining. Motion passed 5-0-1.

**Old Business**

- A request for the Agency to ratify mortgage and assignment documents for REMET, no new benefits. They are changing their bank. A motion to ratify mortgage and assignment documents for REMET was made by M. Fitzgerald and seconded by N. Brown. Motion passed unanimously.
A request for the Agency to ratify mortgage and assignment documents for GUSC, no new benefits. A motion to ratify mortgage and assignment documents for GUSC was made by F. Betrus and seconded by M. Valentine. Motion passed unanimously.

S. Papale handed out Financial Disclosure forms and requested they be submitted to Oneida County.

There being no further business, the meeting was adjourned at 9:45 AM upon a motion made by M. Fitzgerald and seconded by F. Betrus. Motion was passed unanimously.

Respectfully recorded,
Jennifer Waters