Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on May 3, 2012 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: S. Papale, M. Bonney, S. DiMeo, J. Waters
Others Present: M. Levitt, C. Levitt, J. Saunders, L. Romano, Rick Short (Indium), Greg Evans (Indium), Mike Stephens (Indium)

Mr. Grow called the meeting to order at 8:10 AM.

The Agency received the March 16, 2012 Meeting Minutes. A motion to approve the March 16, 2012 Meeting Minutes was made by F. Betrus, seconded by N. Brown. Motion passed unanimously 5-0.

A request to consider a supplemental final authorizing resolution relating to the Indium Corporation of America facility, authorizing the form and execution of financing documents was made by F. Betrus, seconded by S. Zogby. Indium representatives at the meeting include: Rick Short- Director of Marketing and Communications, Greg Evans- President and Mike Stephens-Legal Counsel. A motion to approve a supplemental final authorizing resolution relating to the Indium Corporation of America facility, authorizing the form and execution of financing documents was made by F. Betrus, seconded by S. Zogby. Motion passed unanimously 5-0.

The Agency received the financial statements. S. Papale addressed concerns that the Agency was not tracking per their 2012 Budget. Five projects will be closing soon.

A request to consider an Initial Authorizing Resolution for the PILOT modification for Family Dollar PILOT was made by F. Betrus, seconded by S. Zogby.

S. DiMeo stated that Family Dollar agreed to the “Option 2” scenario that was outlined in the last meeting minutes. That means they would elect to make a balloon payment on the balance of the GLDC debt as of December 15, 2012 but asked that the amortization of this dollar amount ($907,560.70) be with interest over ten year (for the new PILOT Term of 2016-2025). The interest rate would be at 3.25%.

Family Dollar agreed to accept the assessment for 2012-2025 at the current assessment of $50,056,000. However, Family Dollar would reserve its right to grieve the assessment if it terminates the new PILOT before 2025. Any termination of the PILOT under the new PILOT term would eliminate any obligations currently set forth in the proposed PILOT Modification Agreement. (See Exhibit A for more information and Exhibit B for the PILOT breakdown).
M. Fitzgerald noted that Family Dollar is agreeing not to grieve their current assessment with the City of Rome until after the PILOT expires in 2025, unless the PILOT is broken for any reason.

S. DiMeo stated that all parties played by all the rules when putting this deal together originally. Through no fault of the company, the Agency or GLDC- and unknown to any of them an underlying NYS State tax rule was changed seven days before closing. This has caused Family Dollar to lose $5 million in Empire Zone benefits projected by the parties received by Family Dollar from the State. The company is only asking to be treated fairly and be given the deal, they had originally negotiated. This same instance has occurred in Malta, with the Global Foundries PILOT. J. Saunders stated that all parties entered into a deal with mistaken circumstances, if Family Dollar knew the law had been changed, they may not have completed the deal in the first place. S. DiMeo also stated that in the original deal, all parties based their numbers on the assumed assessment of $37.5 million; the current assessment is $50.1 million, generating more PILOT payments than originally contemplated. Family Dollar had also received a letter from the City of Rome stating that the equipment they placed in operation would not be considered part of their assessment. It was noted that the property Family Dollar built their distribution center on had not generated any taxes for the previous fifty years when it was an Air Force Base prior to the 2006 decision by Family Dollar to build the facility. N. Brown questioned what Family Dollar would do if they are forced to live with the current situation. S. DiMeo stated that if they were to remain doing what they are doing now, Family Dollar would grieve their assessment-which in turn would lower the amount of taxes the taxing jurisdictions are receiving. In that instance no one would win. J. Saunders stated that in 2006, the parties involved in the deal signed a master development agreement that they would make a good faith effort to help Family Dollar get the economic development deal set forth in the incentive package. Because of extenuating circumstances, that is not true and the Agency is being asked to make a good faith effort to correct it. M. Fitzgerald asked S. DiMeo to create a spreadsheet that includes 1. How much taxes the taxing jurisdictions would receive if the assessment was not raised to $50.1M and stayed at the original $37.5M estimate 2. How much taxes the taxing jurisdictions would receive if everything stayed the same 3. How much taxes the taxing jurisdictions would receive under the new PILOT agreement.

D. Grow stated that the Agency must make a moral decision and give the company the benefits it expected to receive. If the Agency does not grant a modified PILOT, future economic development would be impeded because of a tarnished reputation for not following through on representations.

A motion to consider an Initial Authorizing Resolution relating to the Family Dollar Facility for the termination of the existing PILOT, granting a lease and abatement of real property taxes was made by F. Betrus, seconded by S. Zogby. Motion passed unanimously 5-0 at 9:03am.

A request to consider execution by the Issuer of defeasance letters and related termination documents in connection with the defeasance of the following taxable bond issues: Oneida County Industrial Development Agency Civic Facility Revenue Bonds (Series 1998C taxable

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MVN Obligated Group-St. Lukes Memorial Hospital Center Facility): Oneida County Industrial Development Agency Civic Facility Revenue Bonds (Series 1998B taxable MVN Obligated Group Faxton Hospital Facility); Oneida County IDA Civic Facility Revenue Bonds (Series 1999D taxable MVN Obligated Group Faxton Hospital Facility was made by M. Fitzgerald, seconded by F. Betrus. Motion passed unanimously 5-0.

A request to consider an Initial Authorizing Resolution for a Master Lease for Vacant Land and Buildings for the Griffiss Local Development Corporation was made by F. Betrus, seconded by D. Grow. D. Grow stated that the vacant land in the application was in the OCIDA’s name, but some of the agreements on the properties have expired. J. Saunders stated that the intention of GLDC is to put all remaining vacant parcels into one lease (about 800 acres). Most of the land is vacant and if there is a building, that building is slated for demolition and is not usable. S. DiMeo stated that no land in the PILOT is revenue generating. L. Romano stated that this agreement would be a deviation. She noted that the submitted application detailed the deviation. J. Saunders stated that the Agency took title from the Air Force for 10-years and it was the intention to revisit the PILOT with the belief in 10-years of redevelopment would occur. As stated by Mr. Saunders the GLDC’s mission and purpose is for the redevelopment of the lands of the former Air Force Base. As the leases are starting to expire, OCIDA does not want to be responsible for the land and GLDC wants to avoid the potential for paying real estate taxes while performing a free service to assist the Agency. GLDC is asking for relief because the taxing jurisdictions believe that the land is taxable. M. Fitzgerald questioned the current ownership and it was clarified the lands in question are in the OCIDA’s name. M. Fitzgerald questioned what the taxes would be if GLDC were to pay them. J. Saunders stated that the assessment on the 800 acres of vacant- non revenue generating land is over $91 million. S. DiMeo stated that the lands do include a landfill, woods, creek, roadway system, and water distribution system among others. M. Fitzgerald stated that if GLDC does make any changes to the property that they come before the Agency and seeking concurrence.

D. Grow shared that the OCIDA was party to the original redevelopment effort when the Air Force was seeking to transfer land. He noted that neither the City nor the County were interested in being the conduit of the property; thus OCIDA stepped in with cooperation from GLDC. The GLDC provided the OCIDA the required indemnifications thus allowing for the movement of property from the Air Force to the OCIDA. OCIDA did not want to manage the property and that this partnering and cooperation with GLDC allowed for the unprecedented property transfer. He noted the OCIDA protected itself with indemnification from GLDC.

L. Romano did share she did receive a call from Chris Militello representing the City of Rome School District. He stated that the school district would oppose any 100% exempt PILOT.

J. Saunders asked the Agency to continue supporting the development of Griffiss Business and Technology Park. M Fitzgerald stated that they need to make sure they are protecting the land for further development. D. Grow stated that originally there was hope that the land at Griffiss would be fully developed by the time the original PILOT expired, but that is not the case. It was noted that there are still parcels to transfer over from the Air Force and that redevelopment still must occur and certain sites and parcels. The OCIDA would like to enter into another 10-
year agreement, so that after another 10-years they have a chance to revisit the development and reevaluate the PILOT for the 800 +/- acres.

A motion to approve an Initial Authorizing Resolution for the Griffiss Local Development Corporation Facility for a Master Lease, exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property taxes was made by F. Betrus, seconded by D. Grow. Motion passed unanimously 5-0.

A request to consider a SEQR resolution relating to the American Alloy Steel, Inc. facility was made by S. Zogby, seconded by F. Betrus. S. Papale stated that the Agency has received the completed SEQR from the City of Rome. A motion to approve a SEQR resolution relating to the American Alloy Steel, Inc. facility was made by S. Zogby, seconded by F. Betrus. Motion passed unanimously 5-0.

A request to consider a final authorizing resolution relating to the American Alloy Steel, Inc. facility, authorizing form and execution of related documents was made by M. Fitzgerald, seconded by S. Zogby. SEQR has been completed by the City of Rome. A motion to approve a final authorizing resolution relating to the American Alloy Steel, Inc. facility, authorizing form and execution of related documents was made by M. Fitzgerald, seconded by S. Zogby. Motion passed unanimously 5-0.

Old Business
- The Agency reviewed the current investment and job report to determine if any companies have not met their requirements. Next step is for the Agency staff to prepare letters to companies who have not been certain requirements and provide the Board with a more succinct list.

New Business
- S. Papale handed out the “Annual Performance Report of New York State’s Industrial Development Agencies” for fiscal year ending 2010.

A motion to enter into executive session at 9:40am to discuss contracts was made by D. Grow, seconded by F. Betrus, and passed unanimously 5-0.

A motion to exit executive session at 10:16 AM was made by F. Betrus, seconded by N. Brown, Motion passed unanimously 5-0.

S. Papale stated that the Agency is currently negotiating with Family Dollar on the amount of their Agency Fee. It is currently stated to be $17,950. M. Fitzgerald stated that this project has accumulated a lot of staff time and that amount is not unreasonable.

S. Papale also stated that she met with the Rome City School District’s new Business Manager Chris Abdoo along with Diane Schank of the City of Rome. She shared with them a comprehensive list of PILOTs in the City of Rome to assist them in their billing process. In
addition, S.Papale stated she made them aware that the Family Dollar PILOT was being submitted for modification.

There being no further business, the meeting was adjourned at 10:18 AM upon a motion made by F. Betrus, seconded by F. Betrus. Motion was passed unanimously 5-0.

Respectfully recorded,

Jennifer Waters