Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on May 18, 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, L. Romano, Chris Militello, David Pizon, Mark Olender, Jeffrey Simons, Patricia Riedel

Mr. Grow called the meeting to order at 8:09 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.

The Agency postponed approval of the May 3, 2012 minutes until the next meeting.

The Agency received the financial statements through April 2012. M. Fitzgerald asked staff the projected number of project closings that will happen soon. S. Papale projected that five or six projects will close soon.

A request to consider a final authorizing resolution relating to the Mohawk, Adirondack & Northern Railroad Corp. and Genesee & Mohawk Valley Railroad, Inc. facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and authorizing the execution and delivery of related documents. S. Papale reported that the Agency has received a letter from the Ferrara, Fiorenza, Larrison, Barrett & Reitz, P.C. law firm (representing Rome City School District, Adirondack Central School District and the Whitesboro Central School District) opposing the Railroad project. S. Papale also received letters/emails/phone calls from Rome Strip Steel, City of Rome, Sovena USA, Lynn H. Scott Inc., Harbor Point Mineral Products, and Revere Copper in support of the Railroad project.

In the letter from Ferrara, Fiorenza, Larrison, Barrett & Reitz, P.C. law firm, they ask numerous questions. M. Fitzgerald requested to go through and answer their questions. F. Betrus questioned the ownership of the Railroad, and who are the stock holders. S. Papale would follow up with the company. F. Betrus stated that there is no doubt that the Railroad cannot afford the taxes. There is not enough tonnage going across the tracks to get money to pay the taxes. S. Papale stated that the business impacted along the Railroad would suffer. The Railroad may not be creating direct jobs, but it is impacting the businesses along it. If there was not a rail spur Sovena USA and American Alloy Steel would not have chosen to locate where they have, and may not have chosen to locate in the Mohawk Valley at all. The Railroad is also used as a marketing tool to entice new businesses to locate along it, because of its reliability. L. Romano stated that after looking at the Railroads financials, they would be losing money if they had to pay taxes and those costs would get passed along to the users, for example Sovena USA. If that
happens, the cost of Sovena USA’s product would increase. D. Grow stated that the Railroad is a reliable backup transportation method for many companies. When the cost of gas skyrockets, they have a competitive second option. For example the Rome City School District is doing the same thing by having a gas and steam heating system.

S. DiMeo stated that the Railroad is a critical transportation infrastructure piece in our region. Their revenue base is shrinking and the Agency needs to support the remaining industrial base in the region. Companies are making the conscious decision to locate along a railspur, because they get their raw materials by rail. D. Grow stated that the Railroad is a method of providing transportation just like roads, canals and airports.

C. Militello addressed the board (with tape recorder). His law firm also sent in written comments in advance. His clients biggest concern is if the approval of a ten-year PILOT extension would be a perpetual thing. Also that no substantial financial information was included in their PILOT application. He stated that no one is questioning the value of the Railroad. He is questioning whether the entity has met its burden to provide information to substantiate the request. D. Grow stated that the Agency cannot share the Railroads financial information beyond what was in the PILOT application because it is propriety information. But the Agency has reviewed the information.

C. Militello stated that he believes the Agency should give a boost to businesses when they first start up or locate in the Mohawk Valley and then let them go back on the tax rolls at the appropriate time. D. Grow stated that this is a unique PILOT, because the Railroad is providing a direct service to businesses in a competitive world. This region relies on its manufacturing base.

C. Militello questioned whether the Agency would approve another ten-year exemption in ten-years. M. Fitzgeral stated that the Railroad would have to come back to the Agency and state their case again. It is not known what the Agency will do that far in the future. Maybe the region will experience an industrial boom and the Railroad will be successful. But there is no way on knowing.

A motion to approve a final authorizing resolution for a ten-year 100-percent PILOT for the Mohawk, Adirondack & Northern Railroad Corp. and Genesee & Mohawk Valley Railroad, Inc. facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and authorizing the execution and delivery of related documents was made by S. Zogby and seconded by N. Brown. Motion passed unanimously 5-0.

A request to consider a final authorizing resolution relating to the Universal Photonics facility, approving benefits which are a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and authorizing the execution and delivery of related documents. A public hearing was held on April 26 in the Town of Vernon, the only attendee was Vernon Town Supervisor Myron Thurston, who was in support of the project. The project includes the purchase of a building, $1.5 million in new machinery and equipment and $1.5 million for
renovation expenses and soft costs. F. Betrus stated that Universal Photonics is a member of
the Clinton Chamber of Commerce and he has had conversations with the company.

A motion to consider a final authorizing resolution relating to the Universal Photonics facility,
approving a 15-year PILOT and sales and mortgage tax exemptions which are a deviation from
the Agency’s Uniform Tax Exemption Policy, and approving the form and authorizing the
execution and delivery of related documents was made by M. Fitzgerald and seconded by N.
Brown. Motion passed unanimously 5-0.

A request to consider a SEQR resolution relating to the Tri Valley Beverage, Inc. Facility. The
SEQR listed no negative environmental effects. A motion to approve a SEQR resolution relating
to the Tri Valley Beverage, Inc. Facility was made by M. Fitzgerald and seconded by F. Betrus.
Motion passed unanimously 5-0.

A request to consider a resolution authorizing the redemption of the Agency’s Multi-Mode
Variable Rate Industrial Development Revenue Bonds (Rome Properties, LLC Project- Letter of
Credit Secured), Series 2007 in the aggregate principal amount of $4,100,000.00, approving the
form and execution of related documents, subject to review by counsel. Bartell is defeasing
their bonds. They are requesting no sale tax or any modifications to the PILOT. They are
requesting mortgage recording tax exemptions in the amount of $35,000. They are replacing
their current mortgage. L. Romano stated that the Agency has done this in the past, specifically
for Sovena USA. They currently have 131 employees and their current PILOT does not have a
clawback agreement. Going forward the Agency would like to add an option to terminate the
PILOT if their employment numbers drop below 110. A motion to consider a resolution
authorizing the redemption of the Agency’s Multi-Mode Variable Rate Industrial Development
Revenue Bonds (Rome Properties, LLC Project- Letter of Credit Secured), Series 2007 in the
aggregate principal amount of $4,100,000.00, adding a clawback and minimum job
commitment of 110, approving the form and execution of related documents, subject to review
by counsel was made by S. Zogby and seconded by F. Betrus. Motion passed unanimously 5-0.

**Old Business**

- The Family Dollar PILOT modification is progressing and a public hearing will be
  scheduled.

A motion to enter into executive session at 9:27 am to discuss contracts was made by F. Betrus,
seconded by N. Brown, and passed unanimously 5-0.

A motion to exit executive session at 10:02 AM was made by F. Betrus, seconded by N. Brown,
Motion passed unanimously 5-0.

There being no further business, the meeting was adjourned at 10:03 AM upon a motion made
by F. Betrus, seconded by D. Grow. Motion was passed unanimously 5-0.

Respectfully recorded,
Jennifer Waters