Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on June 15, 2012 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: S. Papale, J. Cardone, P. Zawko, M. Bonney, S. DiMeo, J. Waters
Others Present: M. Levitt, C. Levitt, L. Romano, Chris Militello, Jeffrey Simons, Patricia Riedel, C. Kahler, Joe Surace, Paul Hagerty, Paul Goldman, Jef Saunders, County Executive Picente, Brent Kremenek

Mr. Grow called the meeting to order at 8:04 AM.

Brent Kremenek, NYS Auditor presented his status update on the OCIDA NYS Audit. He stated that he began in late March and thus far has had no negative findings. There were no negative concerns or comments that lead him out here. He was looking at project applications, how the Agency evaluated its processes and progress of projects. He also said that the OCIDA is an example of a “Best Practice” IDA, and only his third positive audit in his seven years of auditing.

Mr. Kremenek also asked the Agency members questions to confirm staff answers.
- Does the Agency ensure they have evaluated all criteria of a project included any potential spin-off benefits?
  o D. Grow stated that a summary of the projects criteria is mailed to the Agency prior to the initial authorizing resolution, there is also a public hearing, SEQR and discussion among the Agency members prior to the final authorizing resolution.
- Have you ever denied a project benefits even if they met all your standard criteria?
  o D. Grow stated that yes that has happened, for example the hotel in western Oneida County requested benefits. The agency determined not to give benefits due to the project was already started when it came to the IDA.
- Do you usually give a project three years to reach their job commitment?
  o D. Grow stated that they look at job numbers every year, but yes three years; with some exceptions. If they do not meet their job numbers the Agency sends a letter asking the project to report back to the Agency with an explanation.
- What types of scenarios would lead to a clawback or termination?
  o D. Grow stated that if the agency would clawback or terminate a PILOT when a company leaves the area or closes up shop. If they are struggling the Agency will try and assist.

Mr. Kremenek stated that his field work would be complete this week and he would have a report in a few months.

The Agency delayed approving the minutes until the end of the meeting.
The Agency received the financial statements. M. Fitzgerald asked staff to provide the projected number of project closings that will happen soon. S. Papale reported that Fish Creek, Indium, JH Rhoades, Mohawk Adirondack & Northern Railroad, American Alloy Steel, TriValley Beverages, Matt Brewing Co., and MetLife, Inc. would be closing soon. J. Cardone reported that she researched CD rates. It was recommended by staff to leave the CD at Berkshire Bank.

The Agency considered a final authorizing resolution relating to the Family Dollar Services, 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. DiMeo reported that Family Dollar will come off of the PILOT and onto the tax rolls on no later than July 28, 2012. Years 2013-2015 they would pay 100% taxes at their current assessment. Family Dollar will pay back GLDC funds above the taxes. For years 2016-2021 they will enter into the PILOT again paying 1/3 of taxes. Years 2022-2026 they will pay 75% of their taxes. The Agency has included a 1% tax escalator in their calculations. Family Dollar also agreed not to grieve their current assessment. The Agency received a summary sheet of the transaction, attached to the minutes as EXHIBIT A.

D. Grow commended S. DiMeo and the company for putting together a deal and making sure that the company received the same benefits they thought they were getting. S. Papale stated that there was a public hearing, but there is no transcript available from the hired Court Reporter yet. She reported from the public hearing that both the City and the Rome City School District were in favor of the project.

Jeff Simons stated that he appreciated the time the Agency took in walking the school through the PILOT at the public hearing and the background of the project. He stated that the Agency took the school district into consideration when drafting this agreement. The school district is in favor of this economic development and keeping this company here. S. Papale stated that the school and the City have requested to look at the draft PILOT before it is signed. D. Grow stated that typically this is an internal document and they would be able to see it in draft.

A motion to approve a final authorizing resolution relating to the Family Dollar Services, Inc. facility, terminate the current PILOT on July 28, 2012 and 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 F. Betrus and seconded by S. Zogby. Motion passed unanimously 7-0.

A request to consider a final authorizing resolution relating to the Griffiss Local Development Corporation – Master Lease 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. D. Grow stated that there was a public hearing held on Tuesday June 12 and there was substantial comments made. The transcript from the hired Court Reporter was not available yet. The Rome City School District was in attendance at the hearing and objected to the project. The Agency will hold this item until the transcript is available for review. M. Fitzgerald requested that two additional points be added to the summary memo. The Agency has no capability of taking care of the property on its own, and would be held liable if it’s not taken care of and the implementation of a use change; GLDC has to come back to the
Agency to get approval for any use change of the property. Summary memo attached as EXHIBIT B.

A request to consider an initial authorizing resolution relating to Nortek Powder Coating, LLC (Nortek Realty LLC) for 5900 Success Drive, Rome, NY 13440 for a standard PILOT of 10 years as well as the benefits of sales tax exemption and mortgage recording tax. Nortek has been leasing their current facility from Mohawk Valley EDGE for the past seven years. P. Zawko has worked closely with the owner to grow the company. They currently sell their product locally to OW Hubbell and Sumax Cycle Products along with many other companies along the mid-Atlantic. The company would like to purchase the building and continue to grow. 59% of their business is sold outside the County. A motion to approve an initial authorizing resolution relating to Nortek Powder Coating, LLC (Nortek Realty LLC) for 5900 Success Drive, Rome, NY 13440 for a standard industrial PILOT of 10 years, committing to retain 10 jobs and create 3 new jobs as well as the benefits of sales tax exemption and mortgage recording tax was made by F. Betrus and seconded by E. Quadraro. Motion passed 6-0-1 with M. Fitzgerald abstaining.

Old Business

- Staff is working on the job performance numbers and will have a memo to the Agency for their next meeting
- Staff presented the Agency with options to go forward with electronic board materials

New Business

- NYS is requiring companies who submit under the EIP Program through the CFA, to use an IDA for the pass through. The OCIDA is an eligible pass through and has done this in the past. After the company applies and if they get accepted into the program it will then come before the IDA for acceptance. The fee associated with the pass through covers annual reporting, auditing and the paperwork.

The Agency received the May 3, 2012 Meeting Minutes. A motion to approve the May 3, 2012 Meeting Minutes as amended was made M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 7-0.

The Agency received the May 18, 2012 Meeting Minutes. A motion to approve the May 18, 2012 Meeting Minutes as amended was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously 7-0.

A motion to enter into executive session at 9:11 am to discuss contracts and legal matters was made by F. Betrus, seconded by N. Brown, and passed unanimously 7-0.

A motion to exit executive session at 9:39 AM was made by M. Fitzgerald, seconded by F. Betrus, Motion passed unanimously 7-0.

The Agency established that their next meeting date would be June 29, 2012 at 8am.
There being no further business, the meeting was adjourned at 9:43AM upon a motion made by N. Brown, seconded by M. Fitzgerald. Motion was passed unanimously 7-0.

Respectfully recorded,

Jennifer Waters