Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on June 29, 2012 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: S. Papale, M. Bonney, J. Waters, F. Arcuri
Others Present: M. Levitt, Chris Militello, Jeffrey Simons, Patricia Riedel, Joe Surace, Jef Saunders, Paul Reichel

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

The Agency received the June 15, 2012 Meeting Minutes. A motion to approve the June 20, 2012 Meeting Minutes as amended was made by S. Zogby and seconded by M. Valentine. 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 this agenda item was tabled at the last Agency meeting on June 15, because the transcript of the public hearing was not available. The Agency received the transcript from the public hearing held on June 12, 2012 and a map of the parcels being discussed. The Agency also received a letter dated June 14 from the Ferrara, Fiorenza, Larrizon, Barrett & Reitz, P.C. in objection of the proposed project on behalf of the Rome City School District.

D. Grow stated that usually the public hearings are for comment, but the Agency is willing to take comments on the project.

Jef Saunders on behalf of GLDC stated that the assessed valuations of the property in question is inaccurate. He stated that it is based on historical 1980’s information. He has been in contact with the Rome assessor to get this problem addressed. All the land at Griffiss used to be under one tax parcel and as parcels came in from the Air Force, the assessments were based on old information. GLDC has demolished two million square feet of building fabric, the current assessment includes most of the buildings which are not even at Griffiss anymore. GLDC is in the process of preparing a map which includes an inventory of existing buildings and an overlay of historic buildings to give to the assessor. Griffiss is located in an Empire Zone, which is classified as a “highly distressed area,” and J. Saunders states that if there is any area in Oneida County that needs the IDA assistance it would be a “highly distressed area.” He also stated that GLDC fields numerous inquiries all the time about property at Griffiss and that for every project makes it to the final stage, there is probably 10-20 projects that don’t materialize. For example last Thursday at the GLDC meeting the Board discussed; a project at the corner of Floyd Ave and Griffiss Parkway, a project at Skyline across from RFA, a lead on the Air Field, two business expansions that could bring 100+ jobs and a business retention. J. Saunders stated that if the
issue of the Rome City School District is that GLDC does have a specific “project” request to the IDA, he pointed out that in the General Municipal Law, Industrial Development Agencies have the duty to “promote, develop, encourage and maintain.” In his view GLDC is maintaining an economic development facility and keeping it viable for future use. Griffiss is only one of three similar developments in New York State, making it a unique asset. At the time the MOU was drafted it was the intention of all parties to bind by it, but many things in the MOU did not occur including the development of the park in 10-years.

F. Betrus questioned if GLDC demolishes a building, what is the legal process for doing so. M. Fitzgerald responded that GLDC has to come back to the Agency if they plan to change the use of a parcel, including demolition and development. J. Saunders stated that one of the issues with the assessments is that the Rome assessor Joe Surace is not getting copies of the demolition permits, to keep his files up to date. F. Betrus asked who’s responsibility is it for Joe Surace to get the permits? And why has the process failed? D. Grow stated that there is a problem and it being addressed as GLDC is working with the assessor to get accurate information and maps and fix the problem going forward.

Joe Surace stated that he requests that the Agency hold off voting on this matter until he has accurate maps of the Park and that the use of the buildings may not be established yet. He stated that it might be putting the cart in front of the horse, because by putting the property in an umbrella, you may not know the intended use of the properties.

Chris Militello stated that in the letter his firm sent to the Agency it pointed out reasons for their objection. He stated that the school district is appreciative of GLDC’s efforts to develop this property and is appreciative that they continue to do so. But he stated that the 10-year development period is up and until someone comes forward with a specific use for the properties in question they should all be taxable. He understands that the MOU was not binding and that things change, but that after the initial 10-years the property was supposed to go back into GLDC’s name and be put into whatever taxable status GLDC is. If GLDC wants to contest the assessments or its 420 exemption it is free to do so and should rather than having a PILOT with the IDA. It the school districts view it is the wrong way to accomplish this. He stated that there is no identified economic development need for the lands to be tax-exempt. The school districts are facing the tax cap and state aid cuts and any loss in revenue would be bad. He stated that they understand that there is good valuable land and also parcels with land of no value, there is a proper way for those properties to be treated and this is not it.

M. Fitzgerald stated that any change in the use of this land would require GLDC to come back to the Agency for approval. S. Zogby stated that he read the transcript and believes there is philosophical differences between the Agency and the Rome City School District. He stated that he has looked at both sides and it is not easy for any municipality right now. But the Agency must do what’s possible to aid economic development. E. Quadraro stated that GLDC has a history of successful development at the Park and that if the properties were not tax exempt for the past 10-years, most of the development would not have occurred. This property is important for long-term economic growth. M. Fitzgerald stated that the Agency has control over the property and has the fiduciary responsibility to see it successful. The Agency does not have the means or ability to develop it. He also stated that GLDC must continue its talks with
the Rome assessor to get the assessments figured out for the future. M. Valentine questioned whether GLDC could even be in the financial position to pay these taxes. Jef Saunders replied that the money to pay these taxes would directly impede the ability for GLDC to pursue economic development in the Park.

D. Grow stated that when the IDA accepted title to the property the plan was to develop it in 10-years. The IDA has assisted in doing so and part of that original project still continues. It is an ongoing requirement and the property in question is part of that original project. There is still no use of those lands and they are part of the bigger project. He commended the work that has been accomplished thus far by GLDC and hopes that the Park will be fully developed in the time frame of this agreement. F. Betrus stated that the Agency is the trustee of the land and GLDC has been a successful steward of the land and turned it into valuable jobs. This new PILOT is an extension on that prior project. M. Valentine stated that the comment in the public hearing that the Agency was “rubber stamping” this project was not true. The Agency has taken each one of its decisions seriously and separately.

A motion to approve a final authorizing resolution relating to the Griffiss Local Development Corporation – Master Lease facility, including a clause to come back to the Agency if the land use changes, 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 E. Quadraro. Motion passed unanimously 7-0.

Old Business

- S. Papale reported that the NYS Auditor has left and in his exit interview with her, he stated that the OCIDA was a “Best Practice” IDA. D. Grow commended staff for handling what could have been a stressful situation.

New Business

- M. Levitt presented that the LT Group is peeling off a section of their mortgage to NYBDC as a second mortgage. A resolution is needed authorizing Dave Grow to sign the documents. There is no new money involved. A motion to authorize OCIDA Chairman Dave Grow to execute all documents necessary for the LT Group LLC project to take-out of a portion of the construction mortgage by NYBDC and the SBA, in accordance with the permanent financing of the project as originally presented to and approved by this Agency was made by S. Zogby and seconded by N. Brown. Motion passed unanimously 7-0.

- M. Fitzgerald stated that in the deviation notice for the GLDC project the deviation points were not approved by the Agency, prior to distribution. Paul Reichel stated that the Agency must provide the deviation points in their deviation notice when they are deviating. M. Fitzgerald recommend that going forward the deviation points will be distributed before the initial authorizing resolution, then discussed and put into the public hearing notice.
A motion to enter into executive session at 8:49am to discuss contracts and legal matters was made by F. Betrus, seconded by M. Valentine, and passed unanimously 7-0.

A motion to exit executive session at 9:19am was made by M. Fitzgerald, seconded by F. Betrus, Motion passed unanimously 7-0.

M. Fitzgerald stated that the Agency has received from staff a list of companies that are below their 80% job commitment. The Agency has asked staff to create a letter to each company with PILOT penalty and projected job numbers and an explanation of why they did not meet their job commitment for Agency review for the next meeting. Unless the Agency hears from the companies they will go forward in accordance with their PILOT agreements.

S. Papale stated that the Agency received a letter from SR Sloan in explanation of their current job situation. The Agency has requested that SR Sloan present their financials to the Agency showing the five-year operating loss that they represented in their letter. Also the amount of sales dollars that came out NYS and Pennsylvania and the employees in NYS and Pennsylvania.

There being no further business, the meeting was adjourned at 9:23am upon a motion made by F. Betrus, seconded by D. Grow. Motion was passed unanimously 7-0.

Respectfully recorded,
Jennifer Waters