Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on February 21, 2013 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: M. Bonney, J. Waters, S. DiMeo, M. Carney, F. Arcuri, M. Kaucher
Others Present: C. Levitt, L. Ruberto, D. Guzewich

D. Grow called the meeting to order at 12:07 PM.

The Agency received the January 24, 2013 and February 4, 2013 Meeting Minutes. A motion to approve the January 24, 2013 and February 4, 2013 Meeting Minutes was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 6-0.

The Agency received the most recent financial statements. M. Carney reported that on the January balance sheet, the Agency has some outstanding annual lease payments and have received 73% of lease payments thus far. She also reported that Shumaker was on the AP until it gets reimbursed by NYS. She also noted that the 2013 service fee was billed incorrectly and will be correct on the coming statement. She also noted that MetLife has closed.

A request to consider a resolution to enter into a sale-leaseback or similar transaction with Empire State Development and Alliance Paving Materials, Inc. to implement the financing related to the NYS Environmental Investment Program; and approving the form and execution of related documents, subject to review by Agency counsel, and agreeing to waive the annual $500 agency fee. This is similar to the program the Agency entered into with Delta Hardwoods, they also waived the $500 agency fee for that instance as well. A motion to approve a resolution to enter into a sale-leaseback or similar transaction with Empire State Development and Alliance Paving Materials, Inc. to implement the financing related to the NYS Environmental Investment Program; and approving the form and execution of related documents, subject to review by Agency counsel, and agreeing to waive the annual $500 agency fee was made by S. Zogby and seconded by E. Quadraro. Motion passed unanimously 6-0.

A request to consider a resolution relating to the financing of the Ontario Realty Inc. (Sylvan Beach Amusement Park) Facility, extending mortgage recording tax and authorizing the form and execution of related documents, subject to approval by counsel. Doug Waterbury has requested to table this resolution until he can figure out his final PILOT payments with the taxing jurisdictions.

A request to consider an inducement resolution for a deviated industrial PILOT (request for sales tax exemption, mortgage tax exemption and a 20-year industrial PILOT) for Project August. This is a deviated 20-year industrial PILOT with sales and mortgage tax relief. Project August is filling similar applications with the other three remaining site selections. They expect to pick a final site in the coming weeks. They want to begin construction in April. For the site in
the Oneida County Business Park, the County would transfer the land to EDGE to begin development. They would carve out 30 acres for this 100,000 SF manufacturing project. It would be 120 jobs and $50M in investment with Spring 2014 completion. There are 2 sites outside NYS and one other in Onondaga County. Staff is recommending to the boards a 20-year PILOT with the following formula: Years 1-5: pay 20%, Years 6-15: 2% increase per year starting at 30%, Years 16-20: pay 75%. EDGE is working with ESD on an incentive package. Project August has retained local engineers to develop a final site plan and to gain planning board approvals.

A motion to enter executive session at 12:25 PM to discuss confidential project information was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 6-0.

A motion to exit executive session at 12:43 PM was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 6-0.

The Agency has stated that they would cut their project fee in half and cap it at $75,000 in order to provide an additional incentive to select the Oneida County site. The Agency discussed its reasons for deviating from its Uniform Tax Exemption Policy. The Agency stated that this project would enhance the ability for the Oneida County Business Park to grow and a way for the Park to get some infrastructure issues resolved. The food manufacturing facility would be complimentary to others in the area. Many manufacturers like this also bring in a potential of a supplier network. The Agency feels the PILOT will adequately compensate local taxing jurisdictions for project benefits as there is no tax on land as it currently sits. This is good for the region as many like skilled individuals have been downsized at Orion Bus and could find employment here. A motion to approve an inducement resolution for a deviated industrial PILOT (request for sales tax exemption, mortgage tax exemption and a 20-year industrial PILOT) for Project August, subject to SERQ review and a public hearing was made by F. Betrus and seconded by M. Fitzgerald. Motion passed unanimously 6-0.

The Agency must approve a Travel and Discretionary Funds policy to remain compliant to the Public Authorities Accountability Act. The Agency received the draft policy and note one change: (iii) Food & Beverages –Expenditures for food and beverages purchased for or during the conduct of Agency business with persons that do business with the Agency may be an appropriate expenditure of Agency discretionary funds, provided that the expense is reasonable in light of the circumstances surrounding the Agency activity and is approved by the Agency Chairman as set forth herein. A motion to approval the Travel and Discretionary Funds Policy with one change as noted was made by S. Zogby and seconded by D. Grow. Motion passed unanimously 6-0.

Old Business

A request from Delta Hardwoods to reconsider the original authorizing resolution that limited the PILOT benefits to only space that was occupied by Delta Hardwoods and did not extend the benefits to spaces that he leased to tenants. Mr. Bowers would like the whole building covered
by the PILOT. M. Kaucher stated that Delta’s tenant Oneida Warehousing would qualify for a PILOT. Mr. Bowers hopes to grow into the building within a year, but currently leases some of the space. He currently occupies 61% of the space and Oneida Warehousing occupies the remaining 39%. The Assessor would like to combine all the parcels into one tax number. The subtenant could come to the Agency and request a PILOT, but the benefits would not automatically cover them. S. DiMeo stated that the building had been vacant for 9-years and the community supports the development. L. Ruberto stated a few scenarios could occur: (1) close by the March 1 taxable status date under the existing resolution and only grant benefits to the section occupied by Delta – the PILOT could be amended at any time if the IDA grants the subtenant a PILOT or if the subtenant leaves and Delta occupies the entire Facility; (2) if the board wishes to ask for additional information to review the request, a closing would have to be delayed until after the March 1 taxable status date and benefits would be deferred for a year. She noted that any amendments to the PILOT would take place immediately.

A motion to go into Executive Session at 1:05 PM for discussion on this project was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously 6-0.

A motion to exit Executive Session at 1:10 PM was made by F. Betrus and seconded by M. Fitzgerald. Motion passed unanimously 6-0.

The Agency has decided to not include the entire building in the PILOT and the prior resolution will stand as presented. They noted that if Delta or its subtenant is welcome to submit an Application to the IDA for benefits.

The Agency would also like to welcome Mary Faith Messenger from Rome Strip Steel as a new member to the Agency. She replaces Mike Valentine.

There being no further business, the meeting was adjourned at 1:1 PM upon a motion by M. Fitzgerald and seconded by E. Quadraro. Motion passed unanimously 6-0.

Respectfully recorded,
Jennifer Waters