Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on August 16, 2013 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: J. Waters, S. Papale, S. DiMeo, M. Rizzo

D. Grow called the meeting to order at 8:03 AM.

A motion to enter into executive session at 8:03 AM to discuss pending negotiations was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously 7-0.

A motion to exit executive session at 8:42 AM was made by N. Brown and seconded by F. Betrus. Motion passed unanimously 7-0.

The Agency received the July 26, 2013 Meeting Minutes. A motion to approve the July 26, 2013 Meeting Minutes was made by M.F. Messenger and seconded by S. Zogby. Motion passed unanimously 7-0.

The Agency received the most recent financial statements. The Agency received the fee from the MSP facility closing and is 10% under budget. S. Papale stated that there is a line in the budget for special ED projects. In the past this was used for the Marcy Nanocenter at SUNYIT project for the wetlands permit and engineering costs. She stated that is a special ED project would like to be funded a proposal must come before the Agency. Agency received the financials as presented.

A request by Economic Development Growth Enterprises Corporation to approve the form and execution of an Agreement Approving PILOT Terms and Allocating PILOT Payments in connection with the Marcy Nanocenter at SUNY-IT Project. The Agency, EDGE and all affected taxing jurisdictions have negotiated an agreement that outlines certain essential terms that will be included in all PILOT Agreements relating to the Project, as well as the allocation of all PILOT Payments collected in connection with the Project. All parties are presenting the Agreement to their respective authorizing bodies for approval so it may be executed at this time. The Agreement does not obligate the Agency to enter into any PILOT Agreement or to provide any financial assistance in connection with the Project.

S. DiMeo stated that the Allocation Agreement establishes what goes to the taxing jurisdictions and what monies go into development for the Marcy Nanocenter at SUNYIT project. This agreement was modeled after what was used at GlobalFoundries. The Allocation Agreement only becomes effective when the tenant makes application to the OCIDA. This agreement is an upfront agreement of what the PILOT terms would be. It outlines the future PILOT agreement,
and takes the unknown away for the tenant. All taxing jurisdictions would approve the Allocation Agreement prior to a PILOT being issued.

P. Reichel reviewed the agreement on the Agency’s behalf for compliance with all laws. M. Fitzgerald stated that usually these agreements are contingent on legal counsel approval, and would like to receive a formal opinion from P. Reichel. J. Saunders stated that the agreement incorporates all the essential terms for what a PILOT structure would look like. As a project is developed, they would make application to the OCIDA and go through the normal OCIDA process- only if the project is approved would the PILOT Allocation Agreement go into effect. M. Levitt stated that if the Agency does not feel the potential project meets the OCIDA standards for a PILOT- the Agency still have the ability to deny a PILOT. This Allocation Agreement does not “lock-in” a PILOT for the project.

P. Reichel joined the meeting via telephone. He stated that he has been working with EDGE on this Allocation Agreement for months and was involved in crafting the terms. By ageing to the Allocation Agreement- the tenant would not have to worry about the lengthy process of creating a Allocation Agreement, it would all be done ahead of time. M. Levitt stated that if a project applies to the OCIDA and if the OCIDA granted a PILOT- these would be the terms, but there is no guarantee of benefits.

M. Fitzgerald asked what part of the Allocation Agreement EDGE was committing to. S. DiMeo stated that EDGE would be administering the funds that are set aside by the Agreement including a job training fund, STEM education fund and site improvements. P. Reichel stated it is like what EDGE is doing with the Family Dollar PILOT. J. Saunders stated that EDGE must come before the OCIDA for approvals. E. Quadraro questioned whether EDGE has presented this to all the taxing jurisdictions? S. DiMeo stated that yes- there have been ongoing meetings with all taxing jurisdictions and approvals are expected from each party.

A motion to approve a request by Economic Development Growth Enterprises Corporation to approve the form and execution of an Agreement Approving PILOT Terms and Allocating PILOT Payments in connection with the Marcy Nanocenter at SUNY-IT Project subject to a written opinion of Counsel that the Agency has the legal authority to enter into this agreement was made by F. Betrus and seconded by E. Quadraro. Motion passed unanimously 7-0. D. Grow stated that the Agency appreciates all the hard work that has gone into developing this agreement by EDGE.

A request to consider an inducement resolution relating to the Varflex Corporation facility. The Company is purchasing 5780 Success Drive in Rome and will create 5 jobs and retain 18 jobs as a result of the project. The Company is requesting financial assistance from the Agency in the form of exemptions from sales tax and a standard industrial PILOT. Varflex has purchased new equipment and needs to expand their manufacturing capacity. RIDC currently owns 5780 Success Drive and the property is not on the tax rolls. Counsel has received the SEQR and will act as lead agency. A motion to approve an inducement resolution relating to the Varflex Corporation facility, the Company is purchasing 5780 Success Drive in Rome and will create 5
jobs and retain 18 jobs as a result of the project was made by M. Fitzgerald and seconded by S. Zogby. F. Betrus stated that his nephew works for Varflex. Motion passed 6-0-1 with D. Grow abstaining- his legal partner Julie Grow Denton represents the selling Agency. L. Ruberto stated that Bond, Schoeneck and King lawyer Rod McDonald is representing Varflex and will be signing a disclosure conflict letter. A motion to amend the Varflex resolution to include retaining 115 jobs in Oneida County instead of creating 5 and retaining 18 was made by M. Fitzgerald and seconded by E. Quadraro. Motion passed 6-0-1 with D. Grow abstaining.

A request to consider a resolution relating to the Mohawk Valley Network, Inc. (Faxton-St.Luke’s Healthcare) Facility, consenting to the release of 1688 Bennett Street (Parking Lot G) from the Lease Agreement and approving the form and execution of related documents subject to review and approval by the Counsel. The Lease Agreement provides that the IDA and the Hospital may release any part of the Land which is not necessary, desirable or useful for the Facility. The Hospital has requested the IDA release the parcel of land known as Parking Lot G for sales to a third party. A motion to approve a resolution relating to the Mohawk Valley Network, Inc. (Faxton-St.Luke’s Healthcare) Facility, consenting to the release of 1688 Bennett Street (Parking Lot G) from the Lease Agreement and approving the form and execution of related documents subject to review and approval by the Counsel was made by F. Betrus and seconded by M.F. Messenger. Motion passed unanimously 7-0.

Old Business

Woodhaven has been meeting with other contractors and have received the Agency’s request for a market study.

S. Papale stated that Ontario Realty has paid the back taxes owed.

There being no further business, the meeting was adjourned at 9:58 AM upon a motion by S. Zogby and seconded by N. Brown. Motion passed unanimously 7-0.

The Agency reopened the meeting the 10:05 AM on a motion by F. Betrus and seconded by M.F. Messenger. Motion passed unanimously 6-0. S. Papale stated that she is working on a potential project with Munson Machinery for a building addition as well as Walmart distribution center for a PILOT extension.

There being no further business, the meeting was adjourned at 10:08 AM upon a motion by S. Zogby and seconded by F. Betrus. Motion passed unanimously 6-0.

Respectfully recorded,  
Jennifer Waters