Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on March 21, 2014 at Mohawk Valley EDGE
584 Phoenix Drive, Rome NY

EDGE Staff Present: S. Papale, J. Waters, A. Gerardo
Others Present: C. Levitt, L. Ruberto, L. Romano, Dan Guzewich, Pat Reidel, Jake DiBari, Chris Militello, Jeff Simmons, Steve Huntzinger, JK Hage

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

A motion to enter into Executive Session to discuss potential contracts and pending litigation was made by N. Brown and seconded by M. Fitzgerald at 8:04 AM. Motion passed unanimously 6-0.

A motion to exit Executive Session was made by M. Fitzgerald and seconded by F. Betrus at 8:40 AM. Motion passed unanimously 6-0.

The Agency received the February 13, 2014 Meeting Minutes. A motion to approve the February 13, 2014 Meeting Minutes was made by N. Brown and seconded by E. Quadraro. Motion passed unanimously 4-0-1 with M. Fitzgerald abstaining.

A request to consider a final authorizing resolution and adopt a Statement of Findings relating to the Rome Hospitality Group, LLC facility – approving financial assistance consisting of exemptions from sales tax and mortgage recording tax, which represents a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents. The Agency must adopt certain findings to qualify financial assistance to the retail facility, and request the Oneida County Executive confirm the financial assistance. S. Papale stated that this facility is located in a highly distressed area and will help preserve permanent jobs in the State. The Agency conducted a public hearing on February 28, 2014, and the Company anticipates closing with its lender by March 31, 2014. Public hearing minutes were distributed to the Agency prior to the meeting. M. Fitzgerald stated that this hotel project will take place in a business park. He also stated that the Agency is being consistent and giving the same benefits that were given to two hotels in business parks previously. He also stated that this project will increase the amount of income tax generated as well as bed tax and sales tax. This project is supported by the City of Rome and confirmed by Steve Huntzinger, Assistant Corporation Counsel of the City of Rome, the Rome School District stated that they support giving the same benefits that were given to other hotels in business parks. A motion to approve a final authorizing resolution to the Rome Hospitality Group, LLC facility – approving financial assistance consisting of exemptions from sales tax and mortgage recording tax, which represents a deviation from the Agency’s Uniform Tax Exemption Policy, and approving the form and execution of related documents was made by E. Quadraro and seconded by F. Betrus. Motion passed unanimously 5-0.
A motion to adopt a Statement of Findings and request the County Executive confirm the financial assistance relating to the Rome Hospitality Group, LLC facility was made by F. Betrus and seconded by N. Brown. Motion passed unanimously 5-0.

The Agency conducted a discussion relating to Woodhaven Park Development, LLC project. The Agency conducted a public hearing on February 20, 2014 and the Company delivered certain additional information requested by the board. D. Grow asked the City of Rome if they had any other discussions with the developer about the project. Steve Huntzinger from the City of Rome stated that they have not since the public hearing. The PILOT formula proposed by the City of Rome and accepted at the public hearing by the developer is below:

In summary, the City’s proposal is as follows:

<table>
<thead>
<tr>
<th>Year (2013-2014):</th>
<th>Land Assessment</th>
<th>Building Assessment</th>
<th>Total Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 660,000</td>
<td>$ 798,000</td>
<td>$1,458,000</td>
</tr>
</tbody>
</table>

Year 2 (2014-2015): $1,458,000 + (# of units with C of O prior to July 2014 x $19,000.00)

Year 3 (2015-2016): $1,458,000 + (# of units with C of O x $19,000.00)

Year 4 (2016-2017): $1,458,000 + (# of units with C of O x $19,000.00)

Year 5 (2017+): *C of O issued on 228 units

<table>
<thead>
<tr>
<th>Land Assessment</th>
<th>Building Assessment</th>
<th>Total Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 660,000</td>
<td>$ 5,130,000</td>
<td>$ 5,790,000</td>
</tr>
</tbody>
</table>

D. Grow asked the City whether the back taxes will be paid. Huntzinger said that it was his understanding that they would be and the City would have to make the School District whole.

Chris Militello stated that the School has been made whole for the back taxes already. He also stated that it was unclear about the benefits being presented in the public hearing.

M. Fitzgerald stated that last June the Agency approved an initial authorizing resolution setting PILOT payments at a $1.4 million assessment. He also stated that the sales tax abatement should be limited to 3-years. The ST-60 will be issued for one-year and the applicant will have to come back and request an extension for the next two-years. A motion to authorize a public hearing to discuss the presented PILOT formula if necessary was made by M. Fitzgerald and seconded by N. Brown. F. Betrus stated that has done legal work with the developer. Motion passed 4-0-1 with F. Betrus abstaining.
A request to consider an inducement resolution relating to the Accelerate Sports Complex facility. The applicant is requesting financial assistance consisting of exemptions from sales tax and mortgage recording tax as well as a 10-year PILOT with a fixed tax payment of $62,000. S. Papale stated that this project would be a deviation from the standard industrial PILOT. Accelerate Sports will be the only multisport complex of its kind in Oneida County and the surrounding area to offer a regulation-sized indoor turf field for year-round play of a variety of sports, indoor basketball courts, and an indoor elevated track, as well as outdoor fields. The project will be completed in the Town of Whitestown on land currently owned by the applicant. D. Grow stated that this type of project will be an enhanced service to the region. S. Papale said that staff recommends a standard commercial PILOT as well as mortgage and sale tax exemptions. S. Papale stated that she has asked legal counsel how this type of project fits into the UTEP and general municipal law. Linda Romano stated that recreational projects are specifically stated in the law as acceptable projects, but this project is also a retail project and must qualify for financial assistance under one of the retail exceptions described in the General Municipal Law.

D. Grow stated that the Agency is historically reluctant to be involved in projects like this because they may compete with others in the community and just because it fits with the law doesn’t mean that it is automatically approved. F. Betrus asked JK Hage, Legal Counsel for the project what the employment of this facility will be. Hage responded that the facility will employ 12 FTE and 45-50 construction. M. Fitzgerald stated that this may be competition to the other fitness facilities like Field of Dreams or Rising Stars. Hage stated that this project is unique. He also stated that there have been many retail projects done in the City of Utica with no uniqueness. D. Grow stated that those projects were approved by the UIDA and not the OCIDA. D. Grow stated that the OCIDA does not generally approve retail projects unless they draw people from outside the County or provide a service not generally or easily available in the community. If either of these conditions is met then the Agency can approve the project—but it doesn’t have to. Hage stated that based on the projects application it is eligible for benefits. He also stated that it is unique in that there are no other facilities located in the community. The closest ones are in Syracuse and Albany. Other facilities in the community do not have full size soccer fields. He also stated that only schools have full size basketball courts—there is none for the community. He also stated that there is no full size 1/8 mile indoor running tracks available. He also stated that the facility will be state of the art and energy efficient. He stated that this project is a quality of life enhancement and will compliment all the economic development activities happening in the region. He also stated that he is not sure the project will survive without benefits. M. Fitzgerald stated that if the market is so strong- then it will drive the project to happen. He also stated that in the past the Agency has only granted retail projects sales tax and mortgage tax exemptions to get the project off the ground. He asked the Agency whether they would consider just giving sales and mortgage tax exemptions and no PILOT.

E. Quadraro questioned whether this project would interfere with the Kurt Wyman soccer fields being built in Whitestown. Hage responded that it shouldn’t because those fields are outside and they are only building outside baseball fields.
D. Grow stated that this is a new era of economic development. People who are coming into the community are expecting quality of life facilities like this. He also stated that this is a major project and will provide services that are needed. He also stated that this project will draw people from the surrounding counties to this community. Hage stated the project is expected to be completed by November 2014. D. Grow stated that he was comfortable inducing a commercial PILOT as well as a sales and mortgage tax exemption. S. Papale stated that this is a $5 million project that will be adding 12 FTE with average salaries of $40,000. Applicant will need to come back the Agency to renew its sales tax exemption at the end of a year. A motion to approve an initial authorizing resolution for a standard commercial PILOT and sales and mortgage tax exemption was made by D. Grow and seconded by E. Quadraro. Motion passed unanimously 5-0.

The Agency received the most recent financial statements.

M. Fitzgerald stated that the audit committee met reviewed the audit and recommends approval of the 2013 Financial Audit. A motion to approve the 2013 Financial Audit was made by M. Fitzgerald and seconded by N. Brown. Motion passed unanimously 5-0.

The Agency reviewed its PAAA submissions. A motion to approve the Agency’s PAAA submissions was made by M. Fitzgerald and seconded by N. Brown. Motion passed unanimously 5-0.

A request to consider a resolution relating to the termination of the Walmart Stores Inc. (Marcy Distribution Center) facility, approving the form and execution of related documents. The Walmart facility is in its final year of financial assistance; although the lease term does not end until June 30, 2014, the Company is requesting the IDA deliver conveyance documents at this time. A motion to approve a resolution relating to the termination of the Walmart Stores Inc. (Marcy Distribution Center) facility, approving the form and execution of related documents was made by M. Fitzgerald and seconded by D. Grow. Motion passed unanimously 5-0.

A request to consider a resolution to execute a mortgage modification relating to the Parco Properties Inc. (The Fountainhead Group, Inc.) facility. The Company is amending its credit facility to extend the term and increase the amount of underlying notes. The Agency is being asked to execute the Second Modification to Mortgage and Assignment of Leases and Rents. No mortgage tax exemption is requested. A motion to approve a resolution to execute a mortgage modification relating to the Parco Properties Inc. (The Fountainhead Group, Inc.) facility was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 5-0.

A request to a request to consider a supplemental final authorizing resolution relating to the “land swap” with the Air Force, approving (1) the acceptance of the deed from the Air Force for Building 302; (2) delivering a deed to the Air Force for the exchange parcels; and (3) a sale-leaseback transaction with Griffiss Local Development Corporation Facility for Building 302 (GLDC XIII Facility), and approving the form and execution of related documents. A motion to
approve a supplemental final authorizing resolution relating to the “land swap” with the Air Force, approving (1) the acceptance of the deed from the Air Force for Building 302; (2) delivering a deed to the Air Force for the exchange parcels; and (3) a sale-leaseback transaction with Griffiss Local Development Corporation Facility for Building 302 (GLDC XIII Facility), and approving the form and execution of related documents was made by M. Fitzgerald and seconded by F. Betrus. Motion passed unanimously 5-0.

Old Business

- The Agency received the Certificate of Need from Westmoreland Ambulatory Surgery Center, but they have not received the letters from the hospitals.
- Staff presented the Agency with a sublease extension for BAE Systems at Griffiss. The company is extending their lease for one-year. The IDA must consent to the lease before GLDC can execute the lease extension. A motion to consent to the BAE Sublease was made by F. Betrus and seconded by D. Grow. Motion passed unanimously 5-0.
- D. Grow asked what the status of the condemnation is. Legal Counsel stated that they are waiting on a public hearing date.

There being no further business, the meeting was adjourned at 9:45 AM upon a motion by F. Betrus and seconded by E. Quadraro.

Respectfully recorded,

Jennifer Waters