

Approved as corrected 10/21/2021

**Minutes of the Meeting of the
Oneida County Industrial Development Agency
September 17, 2021**

In person at 584 Phoenix Drive, Rome, NY and Webex Video/Teleconference

Members Present: David Grow; L. Michael Fitzgerald; Steve Zogby; E. Quadraro; Mary Faith Messenger.

Members Present Webex/Teleconference: Ferris Betrus.

EDGE Staff Present: Shawna Papale; Jennifer Waters; Mark Kaucher; Steven J. DiMeo; Bill Van Shufflin; Maureen Carney; Laura Cohen; C. Mercurio.

EDGE Staff Webex: Tim Fitzgerald

Others Present Webex/Teleconference: Rome Mayor Jackie Izzo; Laura Ruberto, Bond, Schoeneck & King; Mark Levitt & Jenna Peppenelli, Levitt & Gordon; Mike Licata, Bowers Development; Ed Harris, Utica Observer-Dispatch.

Chair Grow called the meeting to order at 8:12 AM.

Executive Session: Chair Grow asked if there were any requests for Executive Session. At 8:13 AM, M. Messenger motioned to enter executive session to discuss pending contracts and possible litigation matters. E. Quadraro seconded the motion, which carried 6-0.

At 8:44 AM, a motion to exit executive session and return to the open meeting was moved by M. Fitzgerald, seconded by M. Messenger, and carried 6-0.

Minutes: With no comments or corrections, a **motion to approve the August 20, 2021 minutes was moved by S. Zogby, seconded by M. Fitzgerald, and carried 6-0.**

Chair Grow pointed out that during the August 20th OCIDA meeting, the Agency was asked by the Oneida County Local Development Corporation (OCLDC) to consider the possibility of eminent domain proceedings on a property in the City of Utica related to the MVHS Wynn Hospital project. The Agency has asked its counsel, Mark Levitt to review the matter and provide an opinion as to whether the Agency is authorized to pursue eminent domain for this sort of project. He has provided his opinion that this would be an eligible type of project. He stated that if there is no objection from members of the Board, the Agency will now inform OCLDC of this opinion.

Chair Grow then acknowledged that the Agency has received a letter from Brian Bowers regarding the possibility of eminent domain proceedings. This letter will be retained until it is known what action will be taken regarding eminent domain on this particular property.

Financial Report

M. Carney reviewed the interim financial statements from August 31, 2021. She noted that there has not been a lot of financial activity over the past month. So far, the Agency has received just under \$60,000 in closing and application fees this year. She also updated the Board that proposals for audit services for both OCLDC and OCIDA are due today. Soon after, an Audit Committee meeting will be scheduled to review these proposals. M. Fitzgerald asked for clarification on the distribution of the claw-back from the MSP project, to which M. Carney explained that \$5,000 of that claw-back was distributed to taxing jurisdictions in 2020, and so is not reflected in this financial statement.

The financial report was accepted as presented.

M. Messenger then presented the proposed 2022 OCIDA budget that was drafted by the Finance Committee. She pointed out that the proposed budget closely reflects the Agency's 2021 budget, however, the proposed budget does include a 5% increase in the contractual amount reimbursed to Mohawk Valley EDGE for staff services, due to the volume and complexity of projects that are coming before the Agency. She stated that it is the recommendation of the

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Finance Committee to approve the proposed budget so that it may be submitted to New York State by the end of September. M. Fitzgerald asked if the Agency expected there to be enough closing and application fees to cover this year's budget obligations, which M. Carney responded affirmatively. With no other questions or comments, **M. Messenger moved to accept the proposed 2022 OCIDA budget as presented. S. Zogby seconded the motion and it was carried 6-0.**

Renmatix, Inc. Facility

Chair Grow introduced a resolution relating to the Renmatix, Inc. Facility, extending until June 30, 2023 the Agency's waiver to recapture financial assistance if the Company maintains an Employment Obligation of a minimum of 8 FTEs. The Agency has received a letter from the Company's chief legal officer detailing this request. S. Papale reminded the Agency of the nature of the company, which is to convert biomass into various consumer products. She then affirmed that the Company is requesting an extension of the reduced employment obligation for another two years. **A motion to extend the reduced Employment Obligation of a minimum of 8 FTEs for the Renmatix Inc. Facility until June 30, 2023, was moved by F. Betrus and seconded by E. Quadraro.** Discussion: M. Fitzgerald asked what benefits the Company was currently receiving. M. Kaucher confirmed that the Company is in its seventh year of a standard ten-year industrial PILOT, and L. Ruberto confirmed that the original employment obligation was to create 13 FTEs by Year 3 and to retain them for the duration of the PILOT. M. Fitzgerald stated that he was in favor of terminating the financial benefits to the Company. M. Kaucher pointed out that the assessment of the building is \$3.485 million, and the Company is paying \$35,000 annually on a fixed PILOT. The opinion of the Agency was that this assessment is too high, and that if the financial benefit with the Company is terminated, that would threaten the viability of the Company to keep operations in place. Chair Grow suggested extending the reduced Employment Obligation for one year, and advise the Company that unless the original Employment Obligation is met at that time, the Agency will consider terminating the lease. M. Fitzgerald suggested that the Agency resolve to terminate the lease unless the Company can demonstrate having 13 FTEs by June 30, 2022. This will also give the Company time to challenge the current assessment for a more favorable assessment. **The motion was amended to extend the reduced Employment Obligation of a minimum of 8 FTEs for the Renmatix Inc. Facility until June 30, 2022. If at that time the Company cannot demonstrate 13 FTEs, the Agency will move to terminate the lease. The motion carried, 6-0.**

Rome Community Brownfield Restoration Corporation

Chair Grow introduced a resolution relating to the Rome Community Brownfield Restoration Corporation (Complex 4) Facility, extending the lease term for an additional five years to allow the continued remediation and remarketing of the site, and authorizing the form and execution of related documents, subject to counsel approval. S. Papale provided an update on the remediation that has occurred at the former Rome Cable site, particularly the area that is to the south of Henry Street known as Complex 4. C. Mercurio gave a short presentation with additional detail on remediation activities that have been completed and what the path is going forward to prepare Complex 4 for future development. He also explained the most viable ways to utilize the Complex 4 site, understanding that there is still some more investigation needed before having a complete assessment of the site conditions. **A motion to extend the Rome Community Brownfield Restoration Corporation (Complex 4) Facility lease term for an additional five years, expiring June 30, 2026, to allow the continued remediation and remarketing of the site, and authorizing the form and execution of related documents, subject to counsel approval, was moved by F. Betrus and seconded by E. Quadraro.** Discussion: M. Fitzgerald asked what the Agency's indemnification is regarding this property. L. Ruberto stated that the indemnification here would be the same standard full indemnification as in any other IDA-held property. S. Papale also explained that the City of Rome has indemnified the Agency for any costs that were above what could be covered by grants received by RCBRC. C. Mercurio pointed out that due to existing leases with Owl Wire and Cold Point, all the necessary insurances were already in place. S. Papale pointed out that since the lease expired on June 30, the lease is now on a month-to-month status. F. Betrus suggested that the resolution should include that insurance requirements and indemnities should be subject to review by Agency's counsel. L. Ruberto stated that she would report back to the Agency on the indemnity status of each site within the Rome Cable complex, and C. Mercurio stated that he would report back on the current insurance coverage held by RCBRC. **Chair Grow tabled this action until the next scheduled Agency meeting so that the remaining questions over insurance and indemnity can be answered.**

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Griffiss Local Development Corporation Request concerning Air City Lofts Phase 3

Chair Grow introduced a request from Griffiss Local Development Corporation relating to the Air City Lofts Phase 3 facility, authorizing GLDC to grant a license to B240, LLC to commence work prior to closing and approving the form and execution of documents, subject to counsel review. S. DiMeo stated that GLDC approved the proposed Phase 3 project the night prior (September 16, 2021), including the granting of a license to the Company to begin site work and construction on the property. This Project will entail two new residential apartment buildings. He stated that GLDC has to get remaining paperwork in place, including sale agreement and option agreement. S. Papale explained that GLDC needed to follow this process since an action like this is subject to a 90-day review by the New York State Authorities Budget Office. **A motion authorizing GLDC to grant a license to B240, LLC to commence work prior to closing and approving the form and execution of documents, subject to counsel review, was made by M. Fitzgerald, seconded by S. Zogby, and carried 6-0.**

Old Business

Discussion on Prevailing Wage Rates on IDA-Assisted Projects

S. Papale explained that New York State has not undertaken certain actions – such as forming a review board – that were expected to be completed by certain dates, per the language in the legislation. As such, it is unclear if these actions will be completed by January 1, 2022, when the new rules are set to take effect. However, she has been working with L. Ruberto to review past projects that would have been subject to these new rules. L. Ruberto explained that the rules affect projects in which the public benefits exceed 30% of construction costs. Public benefits also include grants and loans. Such projects would be subject to prevailing wage. Some exemptions to these rules have been spelled out. Counsel needs to clarify whether the rule affects projects induced after January 1, 2022 or projects closed after January 1, 2022. S. Papale and L. Ruberto will continue to look into this matter and report relevant information to the members.

New Business

Report on Performance of Industrial Development Agencies in New York State

T. Fitzgerald presented to the Agency a brief overview of the Agency's 2019 performance measures, as detailed in the New York State Comptroller's annual report. This presentation expands on a memo provided to the Agency in July which provided some facts on the Agency's performance and level of activity, relative to other industrial development agencies across New York State. The presentation highlighted that the Agency has a high level of activity, especially relative to other agencies of similar size across the state. Additionally, the Agency far outperforms many peers in terms of jobs created and jobs impacted. One additional key takeaway is that the Agency is very cost-effective in creating economic impact, which is due in large part to the reduced overhead and increased capacity offered through staff services via Mohawk Valley EDGE. The presentation acknowledged the limitations of some of the data included in this annual report, such as an inability to conduct a more detailed analysis of the budgets and expenses of other industrial development agencies. Both T. Fitzgerald and D. Grow opined that solar projects will change the types of impacts provided to the community, as they will be less job-intensive, but provide new income to local jurisdictions.

At 9:28 AM, M. Fitzgerald motioned to enter executive session to discuss possible litigation matters. S. Zogby seconded the motion, which carried 6-0.

At 10:34 AM, a motion to exit executive session and return to the open meeting was moved by M. Fitzgerald, seconded by M. Messenger, and carried 6-0.

There being no further business, Chair Grow asked for a resolution to adjourn the meeting. At 10:34 AM a motion to adjourn the meeting was moved by F. Betrus, seconded by E. Quadraro, and carried unanimously.

Respectfully Submitted,

Tim Fitzgerald