

Goodrich Public Hearing

June 24, 2013

Open Public Hearing - 9AM

Present:

Mayor Joe Fusco

City Assessor Joe Surace

Chad Sheline, UTC

Catherine Suttmeier, UTC

Jose Colon, UTC

Shawna Papale, OCIDA

Joe Surace stated he was here with the Mayor of the City of Rome in support of what UTC is doing. The City wants the company to stay and grow.

Joe Surace shared that he was present as the City Assessor. The City Assessor has the job to take from the tax role and add to the tax roll each year. Joe Surace stated how the Goodrich UTC property being discussed under this request for PILOT came back on the roll from Becknell recently. He acknowledged that the City saw an increase in tax payments when the property came back on the role.

Joe Surace noted that there is new equipment going into the building – that might require the company to get a building permit. Pulling a building permit might result in a change of assessment.

Joe Surace shared that the City budget is difficult for the City Treasurer to plan with PILOTs coming off and PILOTs going on. He stated that it is detrimental for the City when properties are on PILOTs and then go off and then come back on. As PILOTs expire and come off the tax roll and then come back on this is a planning challenge but also financially hurts the City.

Joe Surace was one of the first people here when the crafters developed the original MOU. With the original 10 years of PILOTS at Griffiss, his recollection was that companies and people would save money in their coffer to offset the future increase in taxes. According to Joe Surace, basically they would save the money to pay future costs.

Mayor Fusco shared that his thought is that an original 10 year PILOT was to help people to get going. The second ten year request hurts the City. The City needs taxes help fund police, fire department and at some point everyone needs to kick in to have a community that can support businesses.

Mayor Fusco questioned why to give sales tax exemption for ten years. Ms. Papale clarified that the Sales Tax Benefit is not for 10 years just to cover the projects listed in the application; the IDA does not give blanket 10 year sale tax exemptions.

Joe Surace asked if anyone ran a PILOT for five years instead of 10 years for UTC. Ms. Papale said that a five year PILOT was previously considered and turned down by the corporate parent. Surace asked who is the corporate parent that turned down the five year PILOT. Chad Sheline clarified they did not just get bought out. Mr. Sheline said that yes UTC bought them out. He confirmed that UTC would not go for a 5 year PILOT.

Joe Surace stated that the City is made short and so is the School District with this PILOT.

Joe Surace asked what happens to small business owners who do not ask and get PILOTs. He recommended looking at the UTC balance sheet to see if they really need this PILOT. He feels the benefits granted by the IDA for new construction is not eligible to businesses outside of the Base unless a company asks for the PILOT benefits.

Joe Surace clarified that the City was present because they are charged by the school district taxpayers and City taxpayers to protect the tax base. He asked again about the benefit for five years and isn't that enough benefit to grant.

Chad Sheline stated that the issue is that UTC does consider putting operations such as the Rome in low cost areas and countries. To keep the Rome facility low cost it is necessary to facilitate the use of tax abatement and PILOTs. Rome is viewed as a high cost area.

Joe Surace asked if they could define a high cost area.

Chad gave examples in SC & Iowa. However he did stress the need for programs like this request for a PILOT to help put in more equipment and make them more productive.

Joe Surace asked about employment; he noted that the information he had stated UTC has 235 jobs in Rome. Chad Sheline said that yes is correct and that they do have job openings and have the goal to fill those jobs. This project will allow more people to be hired. Currently UTC has open positions. He shared that they have very good positions open – HR, engineers. The goal is to have people trained and have the facility set up with new equipment that will allow dual machine equipment operations.

Joe Surace asked if GUSC can help. Chad said he believes that they are speaking with GUSC too.

Mayor Fusco questioned that \$10 million to move equipment and that this PILOT request is small as to what is the cost to move the operation.

Chad Sheline said moving a company is not viewed as a big issue anymore. He did say there is a concern they can move the company. He personally shared how much he likes the area and he does not want to move. He did state that without new equipment they can't grow and growth is very important to the corporate parent UTC.

Mayor Fusco stressed to Chad without increased revenue the City cannot keep up the community. He acknowledged without growth of the tax base the City will not have roads for people to drive on to come to work. He stressed the need to find the balance. The Mayor stated that everybody needs to kick in their fair share.

Joe Surace asked about UTC having a hiring policy to hire local people. Chad said that they focus on hiring local because local hires are easier to commit to jobs.

Mayor Fusco stated that at some point everyone needs to kick in. He pointed out that the City has no input on PILOTs.

Mayor Fusco asked what is UTC's biggest challenging to hiring – Chad Sheline said that it is hiring engineers. Young engineers just coming out of school want to live in big cities. They have found engineers that are level two (family oriented) are easier to hire.

Joe Surace said no reason in our mind to the percentage.

Chad invited the Mayor to come visit. Mayor says has been there.

Mayor wanted to go on record – he prefers in the future the IDA does extensions only for five years. Ten year is a big pill for people to swallow. Not fair to other companies that are not on PILOTs. From Mayor Fusco, that is the City's suggestion.

Joe Surace it is a tough pill to swallow because there are so many old buildings in Rome. At Griff it is different because there are new buildings.

Joe Surace did ask the company officials, "What can we do for you? Assistance with advertising or help with website?" Chad Sheline responded that we deal with the advertising corporately.

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