

**Minutes of the Meeting of the
Oneida County Industrial Development Agency
Held on January 11, 2008 at EDGE offices,
Rome, NY 13441**

Members Present: F. Betrus, N. Brown, M. Fitzgerald, D. Grow, M. Valentine

Staff Present: F. Arcuri, J. Castilla, R. Duchow, S. DiMeo, J. Karam, S. Papale

Others Present: Bob Comis, Sherrill City Manager; Todd Schaal, VVS School Board Vice Chairman; Joe Shay, Mayor of Sherrill; Dick Sheeran, Vernon Town Councilman; Norman Reed, VVS School Superintendent; Mike Hennessy, County Legislator L. Ruberto, BS&K; M. Stephens, Agency Counsel

Mr. Grow called the meeting to order at 8:10 AM.

The minutes from the December 14 meeting were amended to reflect that Mr. Seymour was given permission by the Agency to perform internet banking only to allow transfer of funds within Agency accounts. A motion to amend the minutes was made by Mr. Fitzgerald, seconded by Ms. Brown. The motion was unanimously carried. A motion to approve the minutes as amended was made by Mr. Fitzgerald, seconded by Mr. Valentine. The motion was unanimously carried.

A motion to enter Executive Session for the purpose of discussing pending contract negotiations was made by Mr. Betrus, seconded by Mr. Fitzgerald. The Board entered Executive Session at 8:15 AM. Consensus to exit was reached at 9:15 AM.

In other Agency business:

- Mr. Comis was invited to speak, along with other political and school district officials impacted by the proposed Ferris Industries PILOT being considered by the Agency. Mr. Comis stated that the elected officials present have taken action at their respective board level to oppose the proposed PILOT to Ferris in its current form. Mr. Grow related to the group that the Agency had only induced the benefit package to Ferris and that a public hearing is scheduled to provide a forum whereby public comment will be received and considered before a final decision is made.

Mr. Comis said he had received the lease and application which requested a standard PILOT of paying one-third of taxes for five years and two-thirds of taxes for another five years. In their view, "this will be a \$1.4 million PILOT for 15 jobs," he said. Ferris' \$2 million investment is for equipment to be used in Sherrill and Munnsville. There are four laser machines involved, two of which will be new, and others moved. Ms. Papale noted that the 15 jobs to be created in Sherrill is the initial number planned to be reached in one year and committed to for three years; but the company and the Agency anticipate more jobs will result from the

project. Mr. Comis said the PILOT would be worth \$1.4 million over 10 years based on the property assessment of \$7.1 million. He asked could Empire Zone (EZ) benefits could be used instead. Ms. Papale said that the company has changed its federal ID number, changing the EZ certification and benefits the company can access. Mr. Comis told the Agency he objected to the present form of the PILOT and that granting it would not be in the best interest of the community; stating that the "\$1.4 million is simply a tax shift" to other taxpayers.

Mr. Comis stated the PILOT would increase city tax bills by four percent; other jurisdictions affected by the PILOT would receive a lesser increase. "We are looking for more reward based systems" Mr. Comis said. He mentioned that the building Ferris will be moving into was built in 2000 and received Agency benefits; if the present PILOT is approved, the building will be under the terms of a PILOT for 18 years. In regards to the prospect of jobs being created, Mr. Comis said, "While these plans start out as well-intentioned promises, they don't turn out that way." He did acknowledge that the Agency does have to respond to a request by a company for benefits while also stating that he was confident the building will be sold and it will not be to Ferris before the end of the year.

Noting the proposed lease with Ferris is for \$3 per square foot, NNN, Mr. Comis asked how the proposed project make sense for the community; adding that he was looking for dialogue for "smart development" in the area. He noted his delinquent tax properties have been increasing in number and are now higher than ever. "For 15 jobs, I may be putting 15 more people on my delinquency list." The average homeowner would pay \$500 more in taxes over 10 years because of the deal, he said.

Mr. Comis added that is it difficult for the taxing jurisdictions affected by Agency action to participate in the approval process after an application has been filed with the Agency and would like to participate earlier in the PILOT process, sitting down with developers prior to Agency action.

Mr. Reed said, "What we're asking for is intelligent economic development that benefits all jurisdictions and the entire region," adding, "a number of PILOT issues have not worked out for our region." Mr. Grow interjected that there was an apparent misconception of how the Agency deals with an application. When an application is received, it is first sent to Agency Council to determine if it can be acted on by the Agency. Once an affirmative determination is made, the Agency must move forward with the application. Public input is vital to the Agency's action on a project and the Board clearly understands the impact its actions have on taxing jurisdictions.

Mr. Picente asked those present what benefit are they looking for in regards to the Ferris project? Mr. Comis responded that he was looking at a shift of \$1.4 million in exchanged for 15 jobs and was at a loss as to how to explain it to his constituents; adding that members of his community are shocked at the benefits

being offered to Ferris in this case. Ms. Papale stated that a cost benefit analysis had been performed on the project and that the project had projected a \$97 million impact and that she would share the analysis with Mr. Comis. Mr. Picente again asked what would make the project plausible. Mr. Reed responded that they would like to see a guarantee of more jobs or a deviation from the 2/3 tax exemption for the first five years of the PILOT; adding that if a company was moving into Sherrill and building a warehouse with 15 jobs they would applaud it. Their concern is the impact of the project on the current situation with that property.

Mr. Comis inquired as to what other PILOTs the Agency had approved where deviations were made. Mr. DiMeo said that the ConMed project in the former General Electric building on French Road was approved where a much greater benefit was received by the company as a result of the deviation.

Mr. Grow said that the Agency will analyze the comments of the guests at the meeting and that the Agency attempts to bring in new business to the region while preserving those already here; noting that this particular project is somewhat of an anomaly. Mr. Grow added that a public hearing will provide feedback that the Agency will consider as it shapes and updates its policy. Mr. Grow told those present that their participation in the public hearing is encouraged. Mr. Comis thanked him and noted that they wouldn't have attended the meeting if they felt the outcome was predetermined.

Mr. Betrus asked those in attendance if they were totally against the PILOT or would they be in favor of it with specific changes made. Mr. Comis said they were open to modifications being made. Mr. Grow asked that the group present their modifications at the public hearing.

- Old business:
 - The Agency is ready to sign documents regarding the Adirondack Northern Railroad PILOT. The railroad wants to renegotiate back taxes for the City of Rome and the Rome School District. The county will have the right of first refusal on any property sold by the railroad.
 - Mr. Grow received a call from Alan Naples from M&T Bank regarding the termination of the Partners Trust PILOT and tax payments due. Mr. Grow agreed to meet, but reminded Mr. Naples that the Board's position on recapturing the past taxes was very clear and that any action that is to be taken will take place in public session.
 - A motion to confirm the inducement of a 15-year PILOT for Housing Visions Consultants, Inc. was made by Mr. Fitzgerald, seconded by Mr. Valentine. The motion was unanimously approved.
 - A resolution to establish a public hearing for SDJ Properties, LLC/PLC Trenching, LLC to reapply for a new PILOT for expansion of their facility was unanimously approved upon a motion made by Mr. Betrus, seconded by Mr. Fitzgerald. Mr. Betrus disclosed that SDJ Properties is a member of

the Clinton Chamber and that he has no business dealings with the company.

- Mr. Karam asked that the Agency table action on the Nirvana Inc. PILOT until next meeting.
- In regards to the Agency's annual audit, Mr. Fitzgerald informed the Board that a multi-year quote was received from the accounting firms that bid on performing the Agency's audit. Barone, Howard & Company proposed to perform the 2007 audit at the same price as the 2006. A motion to appoint Barone, Howard & Company as the Agency's auditor for 2007 was made by Mr. Fitzgerald, seconded by Mr. Valentine. The motion was unanimously approved.
- A list of properties to be removed from the Agency's name in 2008 was distributed. The first company to be removed in 2008 is Lodging Kit. Upon a motion made by Mr. Betrus, seconded by Mr. Fitzgerald, Lodging Kit was unanimously removed from the Agency's name.
- A request by Call Mohawk Valley Home (CMVH) was brought before the Agency by Mr. Betrus. Mohawk Valley EDGE, area Chambers of Commerce, Working Solutions, the Oneida County Convention and Visitors Bureau, Genesis and a number of other organizations, agencies and private sector companies determined there was a need to develop a single point of entry to the region for internet users world wide. As a result, CMVH is developing a web portal that will serve as that gateway. An RFP was released and a designer chosen for the project: MVINTECH. On behalf of CMVH, Mr. Betrus requested the Agency fund the web portal project in the amount of \$13,000. It was made clear that the Agency would be clearly identified as a sponsor for the portal. Upon a motion made by Mr. Betrus, seconded by Mr. Fitzgerald, funding for the web portal was unanimously approved.

There being no further business, the meeting was adjourned at 10:20 AM upon a motion made by Mr. Betrus, seconded by Mr. Grow.

Respectfully submitted,

Shawna M. Papale
Executive Director