

**Minutes of the Meeting of the
Oneida County Industrial Development Agency
May 20, 2022
584 Phoenix Drive, Rome, NY/Webex Video/Teleconference**

Members Present: David Grow, Michael Fitzgerald; Ferris Betrus, Kirk Hinman, Mary Faith Messenger, Gene Quadraro, Steve Zogby.

EDGE Staff Present: Shawna Papale, Bill Van Shufflin, Maureen Carney, Tim Fitzgerald, Mark Kaucher (WebEx)

Other Attendees: Rome Mayor Jackie Izzo; Paul Goldman, Esq., Goldman Attorneys, PLLC (WebEx); Linda Romano and Laura Ruberto, Bond, Schoeneck & King (call-in); Mark Levitt and Jenna Peppenelli (WebEx); Gordon Woodcock, Pivot Energy (WebEx); Kate Jarosh, Woodhaven Ventures, LLC (WebEx). D. Vicks, JGV/Vicks Lithography.

Chair Grow called the meeting to order at 8:06 AM.

Executive Session

At 8:07 AM a motion to enter executive session to discuss litigation involving the Agency was made by E. Quadraro, seconded by F. Betrus, and carried 7-0.

At 9:17 AM a motion to exit executive session and return to the open meeting was moved by F. Betrus, seconded by E. Quadraro, and carried 7-0.

JGV LLC/Dwight Vicks

Chair Grow introduced Dwight Vicks from JGV, LLC/Vicks Lithograph, who was invited to the meeting to address the current job shortfall status on JGV LLC/Vicks Lithograph & Printing Corp. project. Mr. Vicks described the many changes in technology that the company has experienced since its founding in 1918. The internet has made the most dramatic impact on its business, with the number of establishments similar to Vicks decreasing by 30% since 2000. The demand for printed materials of the nature they produce, which is primarily soft-cover music books, has declined dramatically. Their telephone directory, industrial catalog, medical directory printing business has also evaporated. Even as demand declined, they and their competitors needed to invest in new technology which resulted in higher capacity. This resulted in driving prices down which resulted in some of his customers to be sold to other publishers which put even more downward pressure on price. In response they retreated from many of their former markets where they could not make a sustainable price level. Many of those who didn't went out of business. He noted several local printing companies that have ceased to exist. He explained their previous purchase of the Alfred Publishing building which helped retain 40 jobs in the Oriskany facility, which leap-frogged their distribution capabilities. This has been extremely important as it has helped create revenues to replace what they've lost in print revenues. He explained the "pick, pack and ship" service that they provide through Alfred to publishers. They print most of what they distribute for publishers, but do some other distribution they don't print. He talked about the fire at the Vicks facility which took out an off-set machine. They replaced it with an ink-jet printer, which is much more efficient, especially for short-run customers. They also installed a new bindery. He went on to explain how COVID affected the music performance industry. It pretty much stopped. This was especially hard on the high school band and orchestra business, which at one point, was down 40%. PPP loans helped them get through it. In addition, several employees who were ready to retire for various reasons, took this opportunity to do so. They only lost two people. He said that business is returning and is up significantly this year compared to last year. He explained that they have a number of open requisitions and have a 20-week lead time right now. Their biggest challenge is finding employees. They need them to handle the growth that is taking place and is confident they will eventually get them. He said that for the first time in 17 years he enjoys coming to work again. He made note of, and expressed appreciation for, the benefits the Agency has provided them through the years. In response to a question from M. Fitzgerald, he clarified that when they first applied to the Agency, the Alfred facility was at between 40-45 employees, but will probably need to be at about 42, from the current estimated 38. In response to a question from F. Betrus, he said he sees the printing business to grow, especially in the short-term due to the COVID-

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induced supply chain interruptions from off-shore producers. Over time he believes that supply chain issue with overseas delivery will level off, and some publishers will go back to sourcing there, but he does not foresee another big dip like before. Chair Grow thanked Mr. Vicks for the presentation and Mr. Vicks exited the meeting after thanking the board for its support. **Chair Grow formally acknowledged that the Agency has received JGV, LLC's 2021 Annual Report showing a shortfall in jobs for the 2021 Report Year, and that the Agency is waiving any recovery of benefits based upon this shortfall due to the industry and economic circumstances involved; and that the Agency will revisit JGVs job status again next year.** M. Fitzgerald abstained from discussion.

Minutes

The April 7, 2022 meeting minutes were reviewed. It was noted that Mayor Jackie Izzo was incorrectly listed as being in attendance at the meeting, while she was actually only in attendance via WebEx. **A motion to approve the minutes as corrected was moved by M. Fitzgerald and seconded by F. Betrus. The motion carried 7-0.**

The April 22, 2022 meeting minutes were reviewed. **Clarification was made on the correct amount of the value of the payment in lieu-of-tax agreement for the Pivot Solar NY 4, LLC project was made (\$243,129). A motion to approve the minutes as corrected was moved by M. Fitzgerald and seconded S. Zogby. The motion carried 7-0.**

Financials:

Interim Financials

M. Carney reviewed the April interim financial report. She stated that cash has increased by about \$226,000 over the past twelve months. She also stated that there have been several commitment fees collected from projects that had not yet closed as of April 30, 2022. M. Carney also pointed out that the budget has been updated to reflect the new agreed upon monthly retainer fee to Levitt and Gordon, as a result of the March OCIDA meeting discussion. F. Betrus asked that, with interest rates starting to rise, if it would make sense to deposit any OCIDA cash into cash deposits with local banks. M. Carney stated that that is an upcoming project that the EDGE accounting team will be working on. Chair Grow noted a numbering error on the financial report summary sheet, and acknowledged that **the Agency received and accepted the interim financials with the correction to the numbering error.**

Horsht, LLC – AMENDMENT TO APPLICATION

Chair Grow introduced a request to accept an amendment to the Application for Financial Assistance relating to the Horsht, LLC Facility and authorize a change in the Company's Employment Obligation from 394 existing jobs to be retained and 15 jobs to be created to 336 existing jobs to be retained and 15 jobs to be created. The original number of existing jobs included 58 FTEs that are employed outside of Oneida County, and have been omitted from the retained FTE count. M. Fitzgerald suggested that the Company's Employment Obligation be amended to retain 336 jobs in Oneida County and 394 total jobs in New York State, and create 15 new jobs in Oneida County. **A motion to accept an amendment to the Application for Financial Assistance relating to the Horsht, LLC Facility, so that that the Company's Employment Obligation be amended to retain 336 jobs in Oneida County and 394 total jobs in New York State, and create 15 new jobs in Oneida County, was moved by S. Zogby, seconded by M. Fitzgerald, and carried 7-0.**

Pivot Solar NY 4, LLC Facility – AMENDMENT TO INDUCEMENT RESOLUTION AND FINAL AUTHORIZING RESOLUTION

Chair Grow introduced a request to consider amendments to the inducement resolution and final authorizing resolution relating to the Pivot Solar NY 4 LLC Facility, approving financial assistance in the form of exemptions from mortgage recording tax (valued at \$22,208). The public hearing conducted on April 21, 2022 referenced the proposed PILOT Payments, but did not reference the proposed exemptions from mortgage recording taxes requested in the Application. The Agency conducted a second public hearing on May 19, 2022 that included notice of the proposed exemptions from mortgage recording taxes. F. Betrus asked if the minutes were available from the May 19 public hearing. T. Fitzgerald stated that the minutes were completed yesterday, but were not sent to the Agency members ahead of time. He then gave an oral report of the public hearing – those in attendance included himself, M. Kaucher, Gordon Woodcock representing Pivot Solar NY 4, and Charles Pritchard representing the Rome Sentinel. No formal comments were made regarding the project or proposed benefits. Chair Grow stated that any action taken regarding this request will be subject to receipt of the formal public hearing minutes. **A motion to approve the amendment to**

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the Pivot Solar NY 4, LLC inducement resolution and final authorizing resolution, approving financial assistance in the form of exemptions from mortgage recording tax valued at \$22,208, subject to the receipt of the 5/19/2022 public hearing minutes, was made by M.F. Messenger, seconded by E. Quadraro, and carried 7-0.

GSPP 4575 State Route 69, LLC– MORTGAGE OF LEASEHOLD INTEREST

Chair Grow introduced a request from GSPP 4575 State Route 69, LLC to mortgage the Agency's leasehold interest to Live Oak Banking Company and authorize the form and execution of a Leasehold Mortgage, containing the Agency's standard language and subject to counsel review. No financial assistance is requested. **A motion to approve the request from GSPP 4575 State Route 69, LLC to mortgage the Agency's leasehold interest to Live Oak Banking Company and authorize the form and execution of a Leasehold Mortgage, containing the Agency's standard language and subject to counsel review was moved by K. Hinman and seconded by M.F. Messenger. The motion carried 7-0.**

B240, LLC (Air City Lofts Phase 2 Facility) – SALES TAX EXEMPTION EXTENSION

Chair Grow introduced a request from B240, LLC to extend the time of the sales tax exemption through May 31, 2023 relating to Air City Lofts Phase 2 Facility. M. Kaucher stated that the original sales tax exemption was authorized through May 15, 2021 and was previously extended to 5/31/2022. This extension would allow for work to be completed on the first floor of both Phase 2 buildings. **A motion to approve the request from B240, LLC to extend the time of sales tax exemption through May 31, 2023 relating to Air City Lofts Phase 2 Facility was moved by M. Fitzgerald, seconded by E. Quadraro, and carried 7-0.**

After passing the resolution, the Members noticed that the figures provided in the sales tax exemption extension request appear to be wrong. The value of purchases and exemptions projected to complete the project appears to be the cumulative value of the entire project, rather than the remaining costs to complete it. This request should be modified to only show the remaining costs associated with the project. **A motion to condition the sales tax exemption extension just passed on B240, LLC submitting to the Agency a revised request that corrects the remaining cost of the project as \$981,969 and the remaining exemption of the project as \$90,530, was made by F. Betrus, seconded by S. Zogby, and carried 7-0.**

Cold Point Corporation – SALES TAX EXEMPTION EXTENSION

Chair Grow introduced a request from Cold Point Corporation to extend the time of the sales tax exemption through November 18, 2022. The company stated that the completion of installing and testing the air conditioning equipment for the building cannot occur until the weather is warmer to make sure that it functions properly. Billing for this work won't occur until the work has been completed. **A motion to approve the request from Cold Point Corporation to extend the time of sales tax exemption through November 18, 2022 was moved by M. Fitzgerald, seconded by S. Zogby, and carried 7-0.**

SQ1 Holdings, LLC – SALES TAX EXEMPTION EXTENSION

Chair Grow introduced a request from SQ1 Holdings, LLC to extend the time of the sales tax exemption through September 30, 2022 and increase the value of exemption from \$43,766 to \$55,000. The company stated that inflation has caused all prices to go up since the formulation of the original project budget. The company is also waiting on National Grid to service a new gas line to the building addition. All contractors that have been contacted have been too busy to provide a quote. The original exemption was approved on August 20, 2020, and on the company's 2021 annual report, it identified \$51,626 in exemptions, which already surpassed the authorized sales tax exemption. M. Kaucher stated that determining the correct sales tax exemption on the 2021 annual report was an iterative process, which required a lot of clarifications between the company and Agency staff. M. Fitzgerald expressed concern that the company had already surpassed its authorized exemption and the Agency is just now being asked to increase the value of exemption, wondering if the Agency had the authority to do so. L. Romano stated that the Agency has made this type of action before. Chair Grow suggested tabling this request until more information is received regarding prior examples of the Agency authorizing increases in sales tax exemptions after the limit has already been surpassed, as well as additional information regarding what work has been billed to the company already and what costs remain. **A**

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motion to table the request from SQ1 Holdings, LLC to extend the time of sales tax exemption and increase the value of sales tax exemption was moved by M. Fitzgerald, seconded by F. Betrus, and carried 7-0.

ECR International, Inc. – SALES TAX EXEMPTION EXTENSION

Chair Grow introduced a request from ECR International, Inc. to extend the time of the sales tax exemption through December 31, 2023. S. Papale proposed tabling this request until more information is received from the company. **Chair Grow stated that the request would be tabled until the Agency's next meeting.**

S. Zogby left the meeting at 10:35 AM.

Woodhaven Ventures, LLC – PROJECT UPDATE

S. Papale reminded the Agency members that an annual project update on the Woodhaven Ventures, LLC project is required each May. Chair Grow then invited K. Jarosh to provide that update. Some highlights include that first foundations were poured in December 2021, house construction/framing began in January 2022, seven houses are currently nearing completion, and the company is awaiting NY Attorney General's approval to begin sales of homes. That is expected within a month, and when that occurs, they intend to start the next 14 foundations. **A PowerPoint of that update has been provided to the Agency and is attached to these minutes.** Mayor Izzo added that the City has already awarded contracts for the water and sewer line extensions, and work will commence on those items imminently. She has also stated that she has received a large amount of interest from the public and from real estate agents concerning this development.

Old Business – JGV, LLC

Chair Grow revisited the JGV, LLC project, and asked that the Agency pass a formal resolution concerning the company's shortfall in jobs. **A motion to waive any recovery of benefits based upon JGV LLC's 2021 jobs shortfall and to revisit JGVs job status again next year was moved by F. Betrus, seconded by K. Hinman, and carried 5-0, with M. Fitzgerald abstaining.**

Other Business – Lithia Real Estate Inc.

Concerning the jobs shortfall identified in the 2021 annual report for Lithia Real Estate Inc., **M. Fitzgerald made a motion that the Agency proceed to terminate the PILOT agreement with Lithia Real Estate Inc. F. Betrus seconded the motion.** S. Papale clarified the process the Agency must follow, first giving the company the opportunity to explain the shortfall, and if that explanation is deemed unsatisfactory, then termination can proceed and claw-back can be utilized, as appropriate. **With no further discussion, the motion carried 6-0.** Agency staff will invite Lithia to provide an explanation for its jobs shortfall.

Other Business – Michael Baldwin/111 Dart Circle

S. Papale brought to the members' attention the letter from Michael Baldwin explaining the jobs shortfall related to the property at 111 Dart Circle in Rome. She stated that Research Associates of Syracuse vacated the property in 2020, and that Mr. Baldwin then leased the space to Black River Systems, Inc. That company then decided to vacate the space on May 1, 2022. Both instances of tenants moving out are attributable to the COVID-19 pandemic. The building is now sitting vacant. The Agency will request that Mr. Baldwin provide an update regarding potential tenants by the June 2022 meeting, and will consider further action at that time. Chair Grow abstained from this discussion.

Other Business – Mid-State Development Corp. (Vernon Downs)

S. Papale brought to the members' attention the letter from Mid-State Development Corporation explaining the jobs shortfall related to its PILOT agreement. The company acknowledged COVID-19 as the driving factor for its jobs shortfall. M. Fitzgerald asked for the total number of jobs at Mid-State Development Corporation as of Q4 2021. A review of the annual reports summary showed that as of 12/31/2021, there were 158 jobs. He then asked if we can get a current job figure for the June 2022 meeting, which will take into account jobs created as a result of the track reopening. The Agency will request this information from the company to have available at the June 2022 meeting. Further action will be considered at that time.

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Chair Grow then requested a resolution in appreciation of Jennifer Waters, for her years of service to the Agency, as she will be moving on to a new position at Empire State Development, and wished her luck in this new position. **The Agency unanimously passed a resolution of thanks and appreciation for Ms. Waters' service to the Agency.**

Executive Session

At 10:49 AM a motion to enter executive session to discuss potential contracts was made by M. Fitzgerald, seconded by M.F. Messenger, and carried 6-0.

At 11:15 AM a motion to exit executive session and return to the open meeting was moved by K. Hinman, seconded by F. Betrus, and carried 6-0.

Other Business – Workforce Training Proposal from the Advanced Institute for Manufacturing

S. Papale presented to the Agency a proposal received from the Advanced Institute for Manufacturing at MVCC, requesting funding to support a CNC Mastercam training course that is being made available to the region's manufacturers. This program was just recently created as a result of discussions with small manufacturers expressing a need for additional training for CNC machinists. The 48-hour training course will be offered two evenings a week over 14 weeks at the MVCC campus in Utica, starting in June. Local manufacturers will enroll current employees that need an increased skillsets to support the companies' machining needs. The CNC Mastercam training course will cover basic program navigation and operation, model/drawing manipulation and preparation, 2D/3D toolpath creation, and general CNC machining principles. It will be offered at a cost of \$1,000 per employee enrolled in the program, and will have a maximum capacity of 12 trainees. AIM is requesting the Agency's support in the amount of \$7,200, which will cover 60% of the total program costs. The balance of the cost will be borne by the companies. **A motion to sponsor this CNC Mastercam training course, at an amount of \$600 per trainee, up to 12 total trainees, was made by M. Fitzgerald, seconded by E. Quadraro, and carried 6-0.**

There being no further business, at 11:21 AM Chair Grow asked for a motion to adjourn the meeting: M.F. Messenger moved, and E. Quadraro seconded the motion to adjourn. Motion carried 6-0.

Respectfully Submitted,
Tim Fitzgerald