

Approved August 19, 2022

**Minutes of the Meeting of the  
Oneida County Industrial Development Agency**

July 15, 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:** Bill Van Shufflin, Tim Fitzgerald, and Laura Cohen; Shawna Papale, Maureen Carney, and Mark Kaucher via WebEx.

**Other Attendees:** Rome Mayor Jackie Izzo; Paul Goldman, Esq., Goldman Attorneys, PLLC (WebEx); Linda Romano (WebEx) and Laura Ruberto (call-in), Bond, Schoeneck & King; Mark Levitt(WebEx and Jenna Peppenelli (WebEx), Levitt & Gordon; Greg Evans and Mike Lennon, The Indium Corporation of America; Bruce Smith(WebEx), Central Utica Building, LLC; Lou Aiello, MVHS (WebEx); Enessa Carbone and Edward Impert (WebEx), Lithia Motors, Inc.; Patrick Donnelly, (WebEx); Jolene Cleaver, The Sentinel (call-in)

Chair Grow called the meeting to order at 8:07 AM.

**Executive Session**

On a motion from F. Betrus, seconded by S. Zogby, the Board unanimously approved entering into executive session to evaluate potential contracts and existing litigation involving the Agency.

On a motion from M. Fitzgerald, seconded by E. Quadraro, the Board unanimously approved exiting executive session. No action was taken during the executive session.

**Minutes**

The June 17, 2022 meeting minutes were reviewed. The date for the potential termination of the Michael Baldwin/Research Associates of Syracuse, LLC PILOT needs to be corrected to January 1, 2023, rather than 2022. **A motion to approve the minutes as corrected was moved by M. Fitzgerald and seconded by F. Betrus. The motion carried 7-0.**

**Interim Financials**

M. Carney reviewed the June 30<sup>th</sup> interim financial report. She noted the closing on the Pivot Energy Solar project and receipt of an application fee from McCraith Beverage/STD Realty. M. Fitzgerald suggested that the Yearly Budget and Remaining Budget columns be dropped. Instead, he suggested to include a comparison to the last two years. S. Papale noted that she will be incurring some additional costs related to the posting of NYS-required documents/meetings on the web. **The Agency received and accepted the interim financials, subject to audit.**

**The Indium Corporation of America – Park Woods Drive – Inducement Resolution**

Chair Grow introduced a request from The Indium Corporation of America granting preliminary approval for financial assistance in the form of exemptions from sales tax (valued at \$131,250); exemptions from mortgage recording tax (valued at \$99,750) and reduction of real property tax for a period of ten years, during which time the Company will have a fixed exemption (valued at \$825,000), which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, and authorizing the Agency to conduct a public hearing. The Company will assume the existing PILOT from AX NY Office, L.P. and the proposed new PILOT will start after the existing PILOT Payments are scheduled to terminate. Chair Grow introduced indium President Greg Evans and invited him to speak. Mr. Evans made the following points in his presentation:

- They have run out of office and manufacturing space.
- Their current Oneida County employee head count is 733 full-time equivalents, with 20 current openings.
- They aim to purchase The Hartford building which will enable the company to accommodate current growth.
- The \$825,000 PILOT benefit value is about one-third of what they originally calculated as a PILOT benefit value.

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- He presented a proposed amended application showing a PILOT schedule with a PILOT benefit value of \$1,275,000 over 10 years, explaining that this would not result in the taxing jurisdictions not seeing a reduction in payments.
- There are two additional users on the Robinson Road water line extension.
- Employees are allowed to work remotely one day per week.

**M. Fitzgerald motioned, and F. Betrus seconded, a motion to approve an inducement resolution request from The Indium Corporation of America granting preliminary approval for financial assistance in the form of exemptions from sales tax (valued at \$131,250); exemptions from mortgage recording tax (valued at \$99,750) and reduction of real property tax for a period of twelve years, during which time the Company will enjoy fixed PILOT benefit values as follows: 2023: \$0; 2024: \$40,000; 2025: \$150,000; 2026: \$150,000; 2027: \$150,000; 2028: \$150,000; 2029: \$150,000; 2030: \$135,000; 2031: \$120,000; 2032: \$90,000; 2033: \$75,000; 2034: \$60,000, totaling \$1,270,000; the Company will assume the existing PILOT from AX NY Office, L.P. and payments will continue to be made under the terms of the existing Allocation Agreement until the existing PILOT Payments are scheduled to terminate, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, and contingent upon receipt from the company of amended application materials and cost benefit analysis, and authorizing the Agency to conduct a public hearing. The motion carried 7-0.**

### **Central Utica Building, LLC – Sales Tax Exemption Request**

Chair Grow introduced a letter from Central Utica Building, LLC (CUB) requesting limited exempt purchases under the previously authorized sales tax exemption (value not to exceed \$894,323.00). Chair Grow invited Bruce Smith, the representative of CUB to speak on the request.

Mr. Smith gave a brief overview about the CUB Project and why it is critical to the hospital project, the City of Utica, and the County. The Central New York Cardiology (CNYC) lease expires in April 2023 and they have to relocate from their current office to the Wynn Hospital campus; CNYC prefers to time the relocation to the new building with the end of their existing lease. CNYC has outgrown their current space, and needs additional square footage to accommodate and attract new specialties.

The proposed CUB building, housing an ambulatory surgery center, must be operational before the Wynn Hospital opens in Fall 2023. The CUB Project is critical for CNYC to maintain its competitive advantage for the delivery of critical cardiology services. To meet the deadline, CUB must begin its construction procurement, staging, and site work activities immediately. CUB is requesting that the OCIDA provide a sales tax exemption for long lead items.

Chair Grow acknowledged receipt of a letter from Fogel and Brown, P.C. pertaining to the CUB request, a copy of which will be included as an attachment to these minutes.

M. Fitzgerald asked about the status of the ground lease with MVHS. Mr. Smith responded that the ground lease had been signed. Chair Grow indicated that the OCIDA, and Mark Levitt, counsel to the OCIDA, should be able to review the ground lease to confirm site control except for the parcel that is the subject of the eminent domain proceeding. Mr. Smith agreed, and requested the document be kept confidential.

**M.F. Messenger motioned, and S. Zogby seconded, a motion to approve the request from Central Utica Building, LLC to appoint it as agent for the purposes of making limited exempt purchases under the previously authorized sales tax exemption (value not to exceed \$894,323.00), such amount to be subject to recapture if conditions to financial assistance are not met, and also subject to confirmation of site control by Central Utica Building, LLC in the form of the review and approval of the ground lease by Mr. Levitt. The motion carried 7-0.**

### **Lithia Motors – Carbone Auto Group – Job Commitment**

Chair Grow stated that the Board had some concerns about the jobs shortfall in what appears to be a breach of contract. He acknowledged the letter from Lithia explaining the situation. Chair Grow invited Ms. Carbone to speak to

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the situation. Ms. Carbone explained that their current limitation is finding quality applicants. They have been working with Oneida-Herkimer-Madison BOCES on an apprenticeship program, resulting in new employment at many Oneida County dealerships. Chair Grow and F. Betrus both expressed concern that even if the jobs that were committed, the Agency had no way to verifying they exist. S. Zogby noted the increased assessed value provided by the building and the fact that they are in the final year of the five-year commercial PILOT program. **S. Zogby motioned, and M. F. Messenger seconded, a motion to terminate the Lithia Motors-Carbone Auto Group PILOT benefits from January 1, 2022 forward and that any benefits incurred since that date were to be recaptured, with supplemental tax bills issued by the taxing jurisdictions. The motion carried 6-0, with M. Fitzgerald abstaining.**

**There being no further business, at 10:46 AM Chair Grow asked for a motion to adjourn the meeting: M. Fitzgerald moved, and M.F. Messenger seconded, the motion to adjourn. Motion carried 7-0.**

Respectfully Submitted,

Mark Kaucher

Attached: Fogel & Brown, P.C. Letter, July 14, 2022