

**Minutes of the Meeting of the
Oneida County Industrial Development Agency
October 16, 2023
584 Phoenix Drive, Rome, NY
And via Webex Video/Teleconference**

Members Present: David Grow, Ferris Betrus, Mike Fitzgerald, Kirk Hinman, Steve Zogby.

Members Present – WebEx: Gene Quadraro, Mary Faith Messenger

EDGE Staff Present: Shawna Papale, Steven DiMeo, Tim Fitzgerald, Laura Cohen, Mark Kaucher, Hannah Phillips, Bill Van Shufflin.

EDGE Staff Present – WebEx: Maureen Carney

Other Attendees: Jenna Peppenelli and Mark Levitt, Levitt & Gordon; Rome Mayor Jackie Izzo, Shaun Kaleta, Oneida County; Debbie Dam, ECR International; Genevieve Trigg, Barclay Damon.

Other Attendees – WebEx: Laura Ruberto, Bond, Schoeneck & King; Joe Tassone, Above Grid Rome, LLC; Dan Huntington, Hamza Khalil, Gareth McDonald, BW Solar Holding Inc.; Robert Ryan, Harris Beach PLLC; Matt Effler, Catalyze LLC.

Chair Grow called the meeting to order at 8:05 AM.

Minutes – September 15, 2023

M. Fitzgerald requested a spelling change to “Chair Grow” in the September minutes. **S. Zogby moved to approve the September 15, 2023 minutes, as corrected. K. Hinman seconded the motion, which carried 7-0.**

Financials

M. Carney presented the 9/30/2023 interim financial statement. Cash was just over \$800,000 which is down \$38,000 over the last twelve months. She stated she needs to follow up on The Hartford PILOT and will report back to the Agency on payments at the next meeting. All annual rents have been received for the year. The open projects list has been cleaned up. Kris-Tech project has closed. Two new application fees were received in the past month. She also shared that she is working with Rome City School District to ensure consistency with PILOT allocations, rates, and billing. The 2022 PARIS report has been uploaded into the PARIS portal, along with the Agency’s approved 2024 budget. The Audit Committee will be meeting soon to discuss the upcoming audit season. M. Fitzgerald reminded S. Papale to draft a management letter prior to the end of December and to include it in the annual audit. **The Agency received and accepted the interim financials presented, subject to audit.**

S. Papale requested that Agenda item Number 8 be covered next. There were no objections.

Annual Project Review – ECR International

S. Papale introduced Debbie Dam, Executive Director of Administration at ECR International, and gave a brief reminder of the modified PILOT request that was made in January 2022. She then gave a summary of the approved PILOT benefits and the most recent jobs report: ECR is ceasing manufacturing operations at their Utica facility in January 2024 but will retain some operations locally. The Utica facility currently has 80 employees. The business is owned by a Quebec company which reviewed production lines and decided to consolidate manufacturing operations to ECR’s sister location in Dunkirk, NY. The owners had long planned to consolidate manufacturing to Dunkirk for efficiency and sell the building in Utica. A WARN Notice was issued on October 6th. The union employees will be let go after 90 days; 35-40 salaried employees will remain in Utica. They are currently looking for office space and are considering space in the Utica Business Park. ECR’s current core product lines do not meet new US Department of Energy efficiency standards, which is also causing the business to change direction and reduce production of lines that were made in Utica. In December

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2021, employment was at 162; in December 2022, employment was 113. M. Fitzgerald then opined that he feels bad about the loss of jobs, but this Agency has a responsibility to the taxing jurisdictions to enforce the contract in place. Chair Grow opined that the contract and potential clawback are two different considerations. S. Papale stated that staff has not performed a calculation of the potential clawback amount. Chair Grow asked for a motion to direct staff to notify the business of its failure to comply with the PILOT agreement. **M. Fitzgerald made a motion to ask staff to notify ECR International of the fact that they are in a major jobs shortfall, and it is the intent of the Agency to enforce the relevant provisions of the PILOT agreement, including a clawback of benefits. M.F. Messenger seconded the motion. The motion carried 7-0.**

Above Grid Rome, LLC – Final Authorizing Resolution

Chair Grow introduced a final authorizing resolution relating to the **Above Grid Rome, LLC Facility**, authorizing financial assistance in the form of reduction of real property taxes for a period of 25 years during which time the Company will pay PILOT Payments equal to \$10,000 per MW-AC (value of exemption approximately \$34,817.00), which is consistent with the Agency's Uniform Tax Exemption Policy and approving the form and execution of related documents, subject to counsel review. The Agency conducted a public hearing on October 18, 2023. S. Papale first pointed out that the calculated PILOT benefit for this proposed project and the proposed BW Solar project are quite different. She shared that this comes down to the way in which municipal assessors are assessing the land on which solar projects will be built. Chair Grow said that State statute states that land associated with a solar project is exempt from an increased assessment, but some assessors are not following this interpretation. This leads to significantly different values in assessment. M. Fitzgerald stated that how the assessors evaluate the land outside of project acreage is not a concern of the Agency. Chair Grow stated that with most solar projects, taxing jurisdictions create sub-parcels on which the project will take place, so that it doesn't create an issue on the entire parcel. But when jurisdictions do not follow this approach, it impacts the overall assessment and therefore the calculated benefits of the project. G. Trigg, representing Above Grid Rome, LLC with Barclay Damon, then weighed in. She stated that this is an assessment issue in which municipal assessors are getting this wrong. She stated that, according to State law, assessors ought to be using the assessment tool that was created by New York State to ensure consistency. Litigation over this assessment model has been resolved, and the model has been upheld as valid. It is therefore the responsibility of landowners to ensure that no increased assessment occurs. Ms. Trigg also pointed out that this project is taking place on land that is already tax-exempt (as it is owned by RIDC), which may factor into the large difference in each project's calculated benefit. Chair Grow stated that the responsibility of the Agency is to calculate a benefit based on the information received on the project and to be clear as to what benefit is being offered. Ms. Trigg suggested that if the given assessment model stays as it is currently formulated, some solar projects in the County may end up terminating benefits because the taxes will be less than the PILOT payment. M. Fitzgerald stated that the court of law will decide the assessment issue, and that it is not necessary or appropriate to offer legal advice to landowners in these situations. F. Betrus asked to clarify that the proposed benefit to the Above Grid project was \$34,817. S. Papale confirmed. **S. Zogby moved to approve the final authorizing resolution relating to the Above Grid Rome, LLC Facility, authorizing financial assistance in the form of reduction of real property taxes for a period of 25 years during which time the Company will pay PILOT Payments equal to \$10,000 per MW-AC (the final value of the exemption will be calculated by staff, with assistance from bond counsel), which is consistent with the Agency's Uniform Tax Exemption Policy and approving the form and execution of related documents, subject to counsel review. M. Fitzgerald seconded the motion. The motion carried 6-1, with F. Betrus opposed.**

Above Grid Rome, LLC – Change of Control

Ms. Trigg reminded the Agency members that in Above Grid Rome's initial request, a request for consent of change of control was included. This request was included proactively since the business was in negotiations with Catalyze LLC. Information has been submitted describing Catalyze LLC and its members. She explained that Catalyze is a national renewable energy business with over 100 MW of renewable power in its portfolio. She introduced Matt Effler from Catalyze LLC to answer any questions.

E. Quadraro left the meeting at 9:12 AM.

M. Fitzgerald made a motion to approve the transfer of ownership of Above Grid Rome LLC to Catalyze Holdings LLC. K. Hinman seconded the motion. The motion carried 5-1, with F. Betrus opposed.

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BW Solar Holding Inc. – Final Authorizing Resolution and Change of Control

Chair Grow introduced a final authorizing resolution relating to the NY CDG ONEIDA 2, LLC/BW Solar Inc. Facility, authorizing financial assistance in the form of reduction of real property taxes for a period of 25 years during which time the Company will pay PILOT Payments equal to \$10,000 per MW-AC (value of exemption approximately \$1,120,396.00), which is consistent with the Agency’s Uniform Tax Exemption Policy, AND consenting to the anticipated change of control transaction to Catalyze LLC, and approving the form and execution of related documents, subject to counsel review. The Agency conducted a public hearing on October 13, 2023. **M. Fitzgerald made a motion to approve the final authorizing resolution and change of control, as read. S. Zogby seconded the motion. The motion carried 5-1, with F. Betrus opposed.**

B240 LLC (Air City Lofts Phase 2) – Consent to Sublease

Consider a resolution relating to the B240 LLC (Air City Lofts Phase 2) Facility, consenting to the sublease of a portion of the Facility to Babbling Brook Childcare, LLC, subject to counsel review of the proposed sublease agreement. **F. Betrus moved to consent to the sublease of a portion of the Facility to Babbling Brook Childcare, LLC, subject to counsel review of the proposed sublease agreement. M. Fitzgerald seconded the motion.** L. Ruberto clarified that counsel needs to confirm that certain exculpatory language is included so that the Agency is adequately protected. Chair Grow congratulated the owner of the facility for being able to attract a childcare provider to the facility. **The motion carried 6-0.**

Housing Policy

Chair Grow introduced a resolution extending the Agency’s existing Housing Policy for a period of two years, through December 31, 2025. Notices were sent to the affected taxing jurisdictions on October 9, 2023. **M. Fitzgerald made a motion to approve the resolution. K. Hinman seconded the motion.** S. Kaleta then explained that Oneida County’ housing study is expected to commence before the end of 2023 and will conclude in about twelve months. S. Papale stated that one comment was received from a taxing jurisdiction after notification, with the Marcy Town Supervisor contending that the definition of “urbanism” is too broad. **The motion carried 6-0.**

At 9:22 AM F. Betrus moved, and S. Zogby seconded, a motion to enter executive session to discuss potential contracts. Motion carried 6-0.

At 10:06 F. Betrus moved, and M. Fitzgerald seconded, a motion to exit executive session. Motion carried, 6-0.

At 10:06 F. Betrus moved, and K. Hinman seconded, a motion to adjourn. Motion carried, 6-0.

Respectfully Submitted,

Tim Fitzgerald