

MINUTES
COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY
January 13, 2016
IDA OFFICE BUILDING
44 W. BRIDGE ST.
OSWEGO, NEW YORK

PRESENT: Canale, Rush, Schick, Sorbello and Toth

Absent/Excused: Kunzwiler

Also Present: Kevin C. Caraccioli, David S. Dano, Terrence Hammill, Zelko N. Kirincich and L. Michael Treadwell

Chair Rush called the meeting to order at 9:00 a.m. at the offices of the County of Oswego IDA in Oswego, NY.

APPROVAL OF MINUTES

On a motion by Mr. Canale, seconded by Mr. Toth, the minutes of the November 30, 2015 meeting were approved.

TREASURER'S REPORT

On a motion by Mr. Schick, seconded by Mr. Canale, the Financial Statements for the period ended September 30, 2015 were approved.

NOTICE OF MEETING

Meeting notices were posted at the Oswego County Building, the IDA Office Building, and on the IDA website. A notice was published in The Palladium Times on December 29, 2015.

Port of Oswego Authority

Chair Rush welcomed Mr. Kirincich, Executive Director, and Mr. Hammill, Chairman of the Oswego Port Authority.

Executive Session

Chair Rush and Mr. Caraccioli reported that due to matters involving the financial history of a business/organization and individuals and pending contractual and legal matters, on a motion by Mr. Toth, seconded by Mr. Canale, it was approved to go into Executive Session at 9:08 a.m.

On a motion by Mr. Schick, seconded by Mr. Toth, the Executive Session ended at 11:25 a.m.

Property Acquisition

Following a discussion, on a motion by Mr. Toth, seconded by Mr. Canale, authorization was approved for counsel and the CEO to develop a RFP for purposes of securing expertise to assist in acquiring additional property in Oswego County for economic development purposes.

Delinquent Loan Report

Mr. Dano reviewed the report for the period ended December 31, 2015. On a motion by Mr. Toth, seconded by Mr. Schick, authorization was approved to pursue legal action relative to the Oswego County Podiatry project. Mr. Caraccioli reported that a Summons and Complaint has been signed relative to Riverview Automotive. Mr. Caraccioli reviewed the Notice of Trustee's Final Report and Applications for Compensation and Deadline to Object from the United States Bankruptcy Court, Northern District of New York regarding Patrick J. Jones (Great Lakes Veneer). Mr. Treadwell reported that the loan had been written off during the prior FY. Mr. Treadwell also reported that a FOIL request regarding Wisebuys had been responded to.

Upstate Energy Jobs Campaign

Following a review of the efforts to date, it was agreed to authorize obtaining control of the Upstate Energy Jobs.com website from EMA and ongoing maintenance and updating of the website would be transitioned to Operation Oswego County.

Costs incurred on the Upstate Energy Jobs initiative were reviewed.

It was agreed to place the letter to the Governor from the Wayne County IDA on the website subject to their approval.

Hardwood Transformation, Inc.

Following a discussion, on a motion by Mr. Toth, seconded by Mr. Canale, the two year lease renewal was approved at a rate of \$1.50 per square foot. Also approved was authorization to negotiate with Pathfinder Bank an extension of the interest only mortgage payment that would include the Agency paying down the mortgage by \$200,000. Principal and interest payments is scheduled to start in August.

Upstate Revitalization Initiative

Mr. Treadwell reported that the Agency's contribution for the URI Plan Development was \$19,072.50, less than the \$25,000 pledged.

Novelis Corporation (Project Hawk)

Following a discussion, on a motion by Mr. Schick, seconded by Mr. Toth, a resolution was approved authorizing a public hearing in connection with the Company's request for an increase in the amount of the financial assistance awarded to the Company and approving the extension, subject to the public hearing. A copy of the Approving Resolution is attached and made an official part of the minutes.

Pathfinder Industries

Chair Rush disclosed that she was on the Fulton Savings Bank's Board. On a motion by Mr. Canale, seconded by Mr. Schick, due to Fulton Savings Bank's financing, it was approved to execute the mortgage to Fulton Savings Bank or to subordinate the Agency's interest as Lessor to the Bank.

ESD Notification of Initial Allocation

Mr. Treadwell reported that the allocation for 2016 will be \$4,030,030. A copy of the Notification is attached and made an official part of the minutes.

Council of Development Finance Agencies

On a motion by Mr. Toth, seconded by Mr. Schick, it was approved to renew the Annual Membership for 2016 and pay the dues.

Price Chopper Incubator Project

Mr. Treadwell reported that the Agency was awarded a CFA funding grant of \$900,000. A copy of the ESDC award letter is attached and made an official part of the minutes.

USDA IRP Program

Mr. Treadwell reported that the Universal Metal Works closing will be occurring in the near future. A report on the status of the program was presented.

Dick's Auto Specialties

A copy of the amended Cost/Benefit Analysis was distributed.

Next IDA Meeting

February 9, 2016 at 9:00 a.m. was scheduled.

ADJOURNMENT

On a motion by Mr. Toth, seconded by Mr. Schick, the meeting was adjourned at 11:36 a.m.

Respectfully Submitted,

H. Leonard Schick
Secretary

APPROVING RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency (the “*Agency*”) was convened in public session on January 13, 2016 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

PRESENT: Nick Canale, Jr., Carolyn A. Rush, H. Leonard Schick and Gary T. Toth

ABSENT: Donald H. Kunzwiler and Morris Sorbello

ALSO PRESENT: Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

RESOLUTION AUTHORIZING A PUBLIC HEARING IN CONNECTION WITH THE COMPANY’S REQUEST FOR AN INCREASE IN THE AMOUNT OF FINANCIAL ASSISTANCE AWARDED; CONDITIONED APPROVAL OF THE INCREASE AND A RETROACTIVE EXTENSION OF THE COMPANY’S APPOINTMENT AS AGENT OF THE AGENCY; AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, by resolution adopted on November 11, 2013 (the “*Inducement*”

Resolution”), the Agency approved the undertaking of a project (the “**Project**”) at the request of Novelis Corporation (the “**Company**”), consisting of: (A) (i) the acquisition of a leasehold interest in one or more parcels aggregating approximately 3.1 acres of improved real property (“**Existing Facility**”) being part of a larger parcel all located at 448 County Route 1A, Town of Scriba, New York, Oswego County (the “**Land**”); (ii) the construction of an additional one story approximately 125,000 square foot building on the Existing Facility (the “**Facility**”) for use as an aluminum pre-treatment facility and infrastructure upgrades throughout the Land; and (iii) the acquisition of and installation in the Facility and on the Land of various machinery, equipment and furnishings (the “**Equipment**”) (the Existing Facility, the Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (B) granting certain financial assistance in the form of exemptions from real property tax and State and local sales and use taxation (collectively the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, renovation and equipping of the Project; and (D) the lease of the Existing Facility and the Facility from the Company by the Agency pursuant to a lease agreement; a license to access the Land pursuant to a license agreement between the Company and the Agency; the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility by the Agency to the Company pursuant to a sublease agreement; and

WHEREAS, among other things, pursuant to the Inducement Resolution, the Agency appointed the Company as an agent of the Agency for purposes of completing the Project and benefitting from the sales tax exemption (the “**Appointment**”). The Appointment was set to expire on December 31, 2015; and

WHEREAS, as part of the approved Financial Assistance, the Agency authorized State and local sales and use tax exemptions in an amount not to exceed \$3,676,800; and

WHEREAS, the Company is making additional capital investments of approximately \$20,000,000 to finalize the Project and is seeking approval of additional financial assistance in the form of exemption from State and local sales and use tax in an amount not to exceed \$1,700,000 (the “**Additional Financial Assistance**”); and

WHEREAS, the Company is also requesting that the Agency retroactively grant an extension of their Appointment from January 1, 2016 through and including June 30, 2017 for purposes of completing the Project (the “**Extension**”); and

WHEREAS, the grant of Additional Financial Assistance to the Project is subject to, among other things, compliance with Section 875 of the Act and the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the State.

NOW, THEREFORE, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency determined that the Additional Financial Assistance contemplated with respect to the Project consists of assistance in the form of exemptions from State and local sales and use taxation.

(2) The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Project and Additional Financial Assistance shall be scheduled with notice thereof published, and such notice, as applicable, shall further be sent to affected tax jurisdictions within which the Project is located.

(3) The Extension of the appointment of the Company for the purpose of completing the Project and the granting of the Additional Financial Assistance is in furtherance of the Financial Assistance that was previously approved for the Project, which underwent an environmental review by the Agency pursuant to the State Environmental Quality Review Act (“*SEQRA*”), and the present request for the Extension and the Additional Financial Assistance is insubstantial and does not require reconsideration or further review by the Agency under *SEQRA*.

(4) If, and only if, at the time of the public hearing, there are no objections or opposition raised with respect to the Additional Financial Assistance requested, then the Extension and the Additional Financial Assistance are hereby approved without further action of the Agency in accordance with the terms of this Resolution including the following:

(a) The Agency is authorized to execute all documents necessary to effectuate the Extension including but not limited to issuance of a new Sales Tax Appointment Extension Letter and an amendment or extension of the appropriate “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for each of the entities; and the Chief Executive Officer of the Agency is each hereby authorized, on behalf of the Agency, to execute and deliver the documents upon the advice of counsel to the Agency. The execution thereof by the Chief Executive Officer constitutes conclusive evidence of such approval.

(b) The Agency is authorized to execute all documents necessary to evidence the Additional Financial Assistance, including but not limited to an amendment to the Agency Lease, dated as of November 1, 2013, by and between the Company and the Agency and the Form ST-60. The execution thereof by the Chief Executive Officer constitutes conclusive evidence of such approval.

(c) The Company will submit to the Agency: (i) any administrative fee associated with the granting of the Extension and the Additional Financial Assistance; (ii) any legal fees incurred by the Agency in connection with the granting of the Extension and the Additional Financial Assistance; and (iii) submit any information requested by the Agency with respect to the Extension and the Additional Financial Assistance deemed necessary by the Agency for reporting requirements and/or in connection with the representations made by the Company with respect to the request for the Extension and the Additional Financial Assistance.

(d) Following the public hearing scheduled in accordance herewith, the Chief Executive Officer of the Agency shall advise the Agency of whether any objections or opposition were raised at the public hearing with respect to the request for Additional Financial Assistance.

(5) In the event there are any objections or opposition raised at the public hearing with respect to the Additional Financial Assistance requested, then the Agency shall not take any action in accordance with paragraph (4)(a) or (b) above but rather, place the request for the Extension and Additional Financial Assistance on the Agency's next agenda to be further considered by the Agency.

(6) The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(7) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

(8) This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler				X	
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello				X	
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) ss.:
COUNTY OF OSWEGO)

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on January 13, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on January 13, 2016.

L. Michael Treadwell
Chief Executive Officer

(SEAL)



County of Oswego IDA

JAN 06 2016

Received

January 4, 2016

Mr. L. Michael Treadwell
CEO
County of Oswego IDA
44 West Bridge Street
Owego, NY 13126

Subject: Notification of Initial Allocation

Dear Mr. Treadwell:

I am pleased to inform you that, pursuant to the 2014 Private Activity Bond Allocation Act, your initial allocation for calendar year 2016 is \$4,030,030. This allocation is based upon the formula prescribed in Chapter 49, Laws of 2014, utilizing the most recent official population estimates of the U.S. Bureau of the Census.

Materials relevant to the private activity bond process, including application and reporting forms, can be found on the ESD website at <http://www.esd.ny.gov/Resources.html>

Sincerely yours,

Howard Zemsky
President & CEO, Empire State Development
Commissioner, NYS Department of Economic Development



December 10, 2015

County of Oswego IDA

Mr. L. Michael Treadwell
CEO
County of Oswego Industrial Development Agency
44 West Bridge Street
Oswego, NY 13126

DEC 14 2015

Received

Re: Empire State Development Grants Program
Incubator Project, CFA #56926

Dear Mr. Treadwell:

In 2011, Governor Cuomo launched the Regional Economic Development Councils and the Consolidated Funding Application (CFA) to provide each region with the tools to create and implement their own roadmap for economic prosperity and job creation. This community-based model uses local assets to drive local economic growth and has resulted in unprecedented partnerships and collaboration that are building a reinvigorated economy.

After four successful rounds, the 2015 CFA made \$750 million in economic development resources available from over thirty programs across thirteen state agencies. The agency programs provide resources for projects focused on community development and job creation, tourism, waterfront revitalization, energy and environmental improvements, sustainability, and low-cost financing. Empire State Development is proud to have contributed over \$220 million to this year's Consolidated Funding Application.

As announced by Governor Cuomo on December 10, 2015, we are pleased to inform you that County of Oswego Industrial Development Agency has been recommended for an award of up to \$900,000 from the Empire State Development Grants Program. ESD's Central New York Regional Office will contact you to clarify specifics about the project in order to issue a formal Incentive Proposal. The Incentive Proposal, which must be signed and returned to ESD, will outline funding requirements, including next steps, disbursement terms, minority- and women-owned business hiring goals, employment requirements, environmental and historic preservation review requirements, and other terms and conditions required by the ESD funding processes. Grant funding is conditioned on approval by the ESD Directors, which typically is requested at the time of project completion, and funds are disbursed in arrears, as reimbursement for expenses undertaken. You are reminded that under the proposed project with ESD, any work performed, or costs incurred, prior to the date on this letter may result in award reductions or possible termination of the project at ESD's discretion.

If you applied for funding from other ESD programs or other State agencies, you will receive information from those programs/agencies separately.

Congratulations, and we look forward to working with you on this important project.

Best regards,

Howard Zemsky
President & CEO, Empire State Development
Commissioner, NYS Department of Economic Development

cc: James P. Fayle