

MINUTES
COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY
August 3, 2016
IDA OFFICE BUILDING
44 W. BRIDGE ST.
OSWEGO, NEW YORK

PRESENT: Canale, Kunzwiler, Rush, Schick, Sorbello and Toth

Absent/Excused: None

Also Present: Kevin C. Caraccioli, David S. Dano, Korinna Holt 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. Toth, seconded by Mr. Sorbello, the minutes of the June 30, 2016 meeting were approved.

TREASURER'S REPORT

On a motion by Mr. Schick, seconded by Mr. Sorbello, the Financial Statements for the period ended April 30, 2016 and May 31, 2016 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 July 23, 2016.

Executive Session

Chair Rush and Mr. Caraccioli reported that due to matters involving the financial history of a business/organization and individuals and pending and current contractual matters, on a motion by Mr. Sorbello, seconded by Mr. Canale, it was approved to go into Executive Session at 9:17 a.m.

On a motion by Mr. Canale, seconded by Mr. Toth, the Executive Session ended at 10:22 a.m.

Project Forge – EJ USA, Inc.

Following a detailed discussion of the proposed manufacturing project with Ms. Holt, and following a review of the application, on a motion by Mr. Canale, seconded by Mr. Toth, a resolution was approved determining that the acquisition, construction and equipping of a commercial facility at the request of the Company constitutes a project and describing the financial assistance requested in connection therewith and authorizing a public hearing. A copy of the Initial Resolution is attached and made an official part of the minutes.

Finger Lakes Stairs & Cabinets LLC

Following a review of the application, on a motion by Mr. Schick, seconded by Mr. Sorbello, a resolution was approved determining that the acquisition, construction and equipping of a commercial facility at the request of the Company constitutes a project and describing the financial assistance requested in connection therewith and authorizing a public hearing. A copy of the Initial Resolution is attached and made an official part of the minutes.

Delinquent Loan Report

Mr. Dano reviewed the report for the period ended July 31, 2016. On a motion by Mr. Sorbello, seconded by Mr. Schick, authorization was approved to file a judgment regarding Riverview Automotive. On a motion by Mr. Canale, seconded by Mr. Toth, authorization to start legal action against the guarantors of the loan associated with St. Peter's Outfitters was approved.

Audit Committee

Mr. Toth reviewed the recommendations of the Audit Committee meeting of July 14, 2016. On a motion by Mr. Kunzwiler, seconded by Mr. Sorbello, ratification of retaining Grossman St. Amour CPAs to conduct the audit of the Agency for FY Ending 7/31/16 was approved.

On a motion by Mr. Sorbello, seconded by Mr. Kunzwiler, the dedication of up to \$500,000 from the PILOT EDF to be used for land acquisition to expand the OCIP in the Town of Schroepel was approved.

The Audit Committee's recommendation to reassess the Agency's future role with the UEJ Coalition and develop a plan for its scope of involvement for the future due to the completion of Phase 1 associated with the August 1, 2016, approval of the CES by the PSC was authorized. A copy of the Audit Committee minutes of the July 14, 2016 meeting are attached and made an official part of the minutes.

Office of the NYS Comptroller – Annual Performance IDAs FY Ending 2014

Mr. Treadwell presented a COIDA Performance Comparison based on the data presented in the NYS Comptroller's 2014 Annual Performance Report for IDAs. The COIDA recorded very positive performance measures. A copy of the COIDA Performance Comparison for 2014 is attached and made an official part of the minutes.

UEJ Coalition

Mr. Toth reported that the August 1, 2016 meeting of the PSC on the CES was a packed house with supporters from various groups. Mr. Caraccioli noted that the approval of the CES with its support of the nuclear industry was a historic moment that will impact the industry and reverse the trend of closures. Mr. Canale stated that the UEJ effort that had real results and impact is a testament to a team effort.

Following a discussion, and since Phase I was successful, the COIDA needs to define its future role and commitment as it relates to the energy industry. Chair Rush appointed a subcommittee including the following: Canale, Toth, Treadwell, Rush and Caraccioli with Mr. Toth as Chair, to develop a draft proposal for the scope of work and prepare a budget.

Code of Ethics/Governance Committee

Following a review of the Code of Ethics and based on the Governance Committee recommendation that no changes are necessary, on a motion by Mr. Kunzwiler, seconded by Mr. Toth, a resolution was approved reaffirming the Code of Ethics as recommended by the Governance Committee. A copy of the Code of Ethics is attached and made an official part of the minutes.

Oswego Lodging Group LLC

Mr. Treadwell reported that there was no feasibility study conducted for the project. A STR Report was generated regarding market trends. Release of the report must be authorized by STR, Inc. A request will be made by the Company.

Dick's Auto Specialties

On a motion by Mr. Schick, seconded by Mr. Sorbello, it was approved to terminate the IRP loan commitment of \$38,000 for this project. The commitment letter was never accepted and has expired.

Executive Session

Chair Rush and Mr. Caraccioli reported that due to matters involving the financial and history of individuals being considered for the Board of Directors of the Agency, on a motion by Mr. Kunzwiler, seconded by Mr. Schick it was approved to go into Executive Session at 11:30 a.m.

On a motion by Mr. Sorbello, seconded by Mr. Kunzwiler, the Executive Session ended at 11:50 a.m.

Next Meeting

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

Adjournment

On a motion by Mr. Sorbello, seconded by Mr. Kunzwiler, the meeting was adjourned at 11:55 a.m.

Respectfully Submitted,

H. Leonard Schick
Secretary

INITIAL RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on August 3, 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., Donald H. Kunzwiler, Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

ABSENT: None

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

The following resolution was duly offered and seconded:

RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT AND DESCRIBING THE FINANCIAL ASSISTANCE REQUESTED IN CONNECTION THEREWITH AND AUTHORIZING A PUBLIC HEARING

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, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, reconstruction and equipping of one or more “projects” (as defined in the Act); and

WHEREAS, EJ USA, Inc., or an entity to be formed (the “*Company*”), submitted an application to the Agency on or about June 29, 2016 (“*Application*”), a copy of which is on file at the office of the Agency, requesting the Agency consider undertaking a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 15 acres of vacant land located at Oswego County Industrial Park, Town of Schroepfel, County of Oswego, State of New York (the “*Land*”); (ii) construction of an approximately 65,000 square foot building for use as a steel and aluminum fabrication facility with a sales and distribution yard to produce infrastructure access solutions (manhole frames, grates, covers, hatches, etc.) (the “*Facility*”) (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (collectively the “*Equipment*”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property taxes, mortgage recording tax and State and local sales and use tax (collectively, the “*Financial Assistance*”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “*SEQRA*”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as defined by SEQRA) to be taken by the Agency and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, the grant of Financial Assistance to the Project is subject to 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; and

WHEREAS, the Agency has not approved undertaking the Project or the granting of the Financial Assistance; and

WHEREAS, the grant of Financial Assistance to the Project is subject to 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:

Section 1. Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The Project Facility constitutes a “project” within the meaning of the Act.

(b) The Financial Assistance contemplated with respect to the Project consists of exemptions from real property tax, mortgage recording tax and State and local sales and use taxation.

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

Section 3. 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.

Section 4. 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.

Section 5. 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.

INITIAL RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on August 3, 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., Donald H. Kunzwiler, Carolyn A. Rush
H. Leonard Schick, Morris Sorbello and Gary T. Toth

ABSENT: None

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

The following resolution was duly offered and seconded:

RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT AND DESCRIBING THE FINANCIAL ASSISTANCE REQUESTED IN CONNECTION THEREWITH AND AUTHORIZING A PUBLIC HEARING

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, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, reconstruction and equipping of one or more “projects” (as defined in the Act); and

WHEREAS, Finger Lakes Stairs and Cabinets, LLC, or an entity to be formed (the "**Company**"), submitted an application to the Agency on or about June 22, 2016 ("**Application**"), a copy of which is on file at the office of the Agency, requesting the Agency consider undertaking a project (the "**Project**") consisting of: (A) (i) the acquisition of a leasehold interest in approximately 5.5 acres of vacant land located at Hoag Road, Town of Schroepfel, County of Oswego, State of New York (the "**Land**"); (ii) construction of an approximately 11,904 square foot building for use as a manufacturing facility for wooden stairs, cabinets and moldings (the "**Facility**") (iii) the acquisition and installation in and around the Facility and/or for use in connection with the Project of various machinery, equipment and furnishings, including but not limited to, heavy machinery and vehicles used in connection with the moving and installation of the manufactured products (collectively the "**Equipment**") (the Land, Facility and Equipment are hereinafter collectively referred to as the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from real property taxes, mortgage recording tax and State and local sales and use tax (collectively, the "**Financial Assistance**"); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), the Agency is required to make a determination with respect to the environmental impact of any "action" (as defined by SEQRA) to be taken by the Agency and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, the grant of Financial Assistance to the Project is subject to 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; and

WHEREAS, the Agency has not approved undertaking the Project or the granting of the Financial Assistance; and

WHEREAS, the grant of Financial Assistance to the Project is subject to 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:

Section 1. Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The Project Facility constitutes a “project” within the meaning of the Act.

(b) The Financial Assistance contemplated with respect to the Project consists of exemptions from real property tax, mortgage recording tax and State and local sales and use taxation.

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Section 3. 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.

Section 4. 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.

Section 5. 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.

MINUTES
County of Oswego Industrial Development Agency
Audit Committee
July 14, 2016
County of Oswego IDA Office

PRESENT: Canale, Schick and Toth
Absent: None
Also Present: Carolyn A. Rush and L. Michael Treadwell

Chair Toth called the meeting to order at 10:30 a.m. at the offices of the County of Oswego IDA in Oswego, NY.

Audit for FY Ending 7/31/16

Following a discussion, on a motion by Mr. Canale, seconded by Mr. Schick, a resolution was approved to ratify the selection of Grossman St. Amour CPAs, to conduct the audit of the Agency for FY Ending 7/31/16.

Upstate Energy Jobs Coalition

Following a review of all costs associated with the UEJ Coalition incurred by the Agency through June 2016, it was agreed that the impact on the NY PSC and the CES has been very beneficial toward securing the inclusion of nuclear power in the CES and the proposed pending ZEC adoption that could save Nine Mile 1 and 2, Ginna and lead to the possible acquisition of Fitzpatrick by Exelon. Action on the CES is scheduled for August 1, 2016 by the NYS PSC. It was agreed that if the NYS PSC approves the CES and completes Phase 1, the Agency should reassess its future role and develop a plan for its scope of involvement for the future. If the action is not passed, a reassessment would also be needed. Inclusive in both options would be an evaluation on how UEJ and the Agency should be involved with other associated political initiatives and laws/policies that could impact the electrical power system and economic development.

PILOT EDF

Following a discussion and a review of the PILOT EDF Status Report, on a motion by Mr. Canale, seconded by Mr. Schick, it was approved to dedicate up to \$500,000 from the PILOT EDF to be used for land acquisition to expand the OCIP in the Town of Schroepfel associated with the property securement process that is underway with The Sutton Companies.

ADJOURNMENT

On a motion by Mr. Schick, seconded by Mr. Canale, the meeting was adjourned at 11:35 a.m.

Respectfully Submitted,



L. Michael Treadwell
CEO

COIDA Performance Comparison – 2014

	<u>Oswego County</u>	<u>All IDAs Average²</u>	<u>% of Average</u>	<u>Rank Relative To County IDAs</u>	<u>LQ³</u>	<u>Strength of Comparisons⁴</u>
Projects	49	38	128.9	14	2.00	Strong
Total Projects Values	\$1,504,583,863	\$602,914,688	249.6	7	3.82	Strong
Total Project Values Per Capita	\$12,444	\$5,730	217.2	7	N/A	Strong
Total PILOTs Amount	\$8,280,113	4,023,352	205.8	13	3.15	Strong
PILOTs Per Capita	\$68.48	\$38.24	179.1	7	N/A	Strong
PILOTs % of Normal	65.9	43.6	151.1	18	N/A	Strong
Jobs Retained	2,010	2,352	85.5	28	1.30	Moderate
Net Jobs Gained	1,624	1,748	92.9	19	1.41	Moderate
Net Exemptions Per Job Gained	\$2,635	\$2,972	88.7	30	N/A	Moderate
Operating Expenses	\$401,651	\$874,004	46.0	25	0.70	Strong

¹Office of the NYS Comptroller, Annual Performance Report on New York State IDAs, FY Ending 2014

²Location Quotient (LQ) is a statistical analysis comparing relative concentration. LQ of 1.0 = Normal, less than 1.0 is lower than expected and greater than 1.0 shows higher than expected.

³Averages for Counties excluding NYC.

⁴Based on statistical comparisons for data reviewed.

Date: August 3, 2016

COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY

CODE OF ETHICS

This Code of Ethics shall apply to all officers and employees of the County of Oswego Industrial Development Agency (COIDA). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the COIDA's directors and employees and to preserve public confidence in the COIDA's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
3. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the COIDA.
4. Directors and employees shall not use or attempt to use their official position with the COIDA to secure unwarranted privileges for themselves, members of their family or others, including employment with the COIDA or contracts for materials or services with the COIDA.
5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Directors and employees shall manage all matters within the scope of the COIDA's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the COIDA without bias and shall support the COIDA's mission to the fullest.

8. Directors and employees shall not use COIDA property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the COIDA's mission and goals.

9. Directors and employees are prohibited from appearing or practicing before the COIDA for two (2) years following employment with the COIDA, consistent with the provisions of Public Officers Law.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Counsel in confidence COIDA directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Chief Executive Officer or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

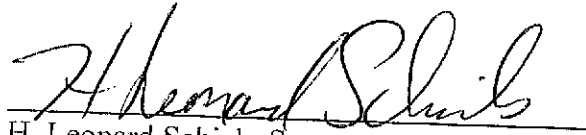
Penalties

In addition to any penalty contained in any other provision of law, an COIDA director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the COIDA to the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the COIDA.

This Policy was reaffirmed on the 3rd day of August, 2016, by action of the COIDA Board.


H. Leonard Schick, Secretary