

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
FIVE South College Drive; Suite 201, 2nd Floor
Binghamton, New York 13905
Wednesday, May 16, 2018, 12:00 pm**

SYNOPSIS OF MEETING

PRESENT: T. Kane, W. Howard, J. Bernardo, J. Stevens, D. Marusich, R. Bucci, M. Pinker and J. Rounds

ABSENT: S. Feehan

GUESTS: Jeff Platsky, Press & Sun-Bulletin
Brian Haynes, Resident
John Solak, Resident

STAFF: K. McLaughlin, T. Gray, S. Duncan, C. Norton and C. Hornbeck

COUNSEL: J. Meagher

PRESIDING: T. Kane

Mr. Kane called the meeting to order at 12:00 p.m.

ITEM #1. APPROVE MINUTES FOR THE APRIL 18, 2018 BOARD MEETING: Mr. Kane requested approval of the minutes for the April 18, 2018 Board Meeting. Mr. Kane asked if there were any revisions; hearing none, Mr. Kane stated minutes are approved.

MOTION: No motion necessary.

ITEM #2. PUBLIC COMMENT: Mr. Solak addressed the Board regarding the following:

Rebranding
Broome County Equalization Rates
Incubator

ITEM #3. EXECUTIVE DIRECTOR'S REPORT: Mr. McLaughlin provided updates on the following:

1. Met with the DEC regarding the BAE site to incorporate a floodwall easement around the property.
2. The Agency was recommended and approved by Legislative Economic Development Council to operate

a \$300,000 Broome Loan Fund on behalf of the County for small business development.

3. Invited to attend an Economic Development Policy Leader's Forum in Albany with the Rockefeller Institute of Government to discuss Economic Development policies and programs being introduced at the State level.
4. Mr. McLaughlin, Mr. Gray and Ms. Duncan will attend Economic Development Conference in Cooperstown next week.
5. Mr. McLaughlin asked Ms. Duncan to update the Board on the Workforce Initiative.
6. Ms. Duncan updated Board Members on Elan's progress with the BAE site and upcoming planning meetings June 11th and 12th.

ITEM #4. LOAN FUNDS AVAILABILITY AS OF APRIL 30, 2018: The Loan Funds Availability Report was presented to the Board by Mr. Gray. The balances available to lend are \$357,032.88 (STEED) and \$539,567.40 (BDF).

MOTION: No motion necessary.

ITEM #5. RESOLUTION AUTHORIZING THE EXTENSION OF THE LEASE AGREEMENT BY AND BETWEEN THE IDA (HEREINAFTER REFERRED TO AS THE AGENCY), BOSCOV'S DEPARTMENT STORE, LLC, THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION, AND THE CITY OF BINGHAMTON DATED AS OF MAY 1, 2013 FOR AN ADDITIONAL ONE (1) YEAR COMMENCING MAY 1, 2018 AND TERMINATING APRIL 30, 2019 ON THE SAME TERMS AND CONDITIONS AS SET FORTH THEREIN, INCLUDING THE PAYMENT OF RENT IN THE AMOUNT OF \$135,061.00 DURING THE EXTENSION TERM: Mr. McLaughlin stated this is a continuation of the agreement(s) put in place in 2013. The Binghamton Local Development Corporation and the City of Binghamton approved the extension of this lease. Boscov's is requesting The Agency extend the lease for another year. Mr. Meagher stated \$135,061.00 is essentially a PILOT payment. Mr. Bucci commented this agreement is pivotal in keeping Boscov's in downtown Binghamton.

MOTION: To authorize the extension of the Lease Agreement by and between The Agency, Boscov's Department Store, LLC, the Binghamton Local Development Corporation, and the City of Binghamton, for an additional one (1) year commencing May 1, 2018 and terminating April 30, 2019. On a MOTION by Ms. Marusich, seconded by Mr. Bucci, the MOTION CARRIED UNANIMOUSLY.

ITEM #6: RESOLUTION ACCEPTING AN APPLICATION FROM AOM 128 GRAND AVENUE LLC FOR A SALE/LEASEBACK OR A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE CONSTRUCTION AND EQUIPPING OF 128 GRAND AVENUE IN THE VILLAGE OF JOHNSON CITY, BROOME COUNTY, NEW YORK AND AUTHORIZING THE AGENCY TO SET AND CONDUCT A PUBLIC HEARING WITH

RESPECT THERETO: Mr. McLaughlin stated 128 Grand Avenue is presently a vacant Dollar Store across the tracks from the Pharmacy School. This developer is looking to demolish it and build 24 units of market rate housing on the site. The Village of Johnson City has reviewed and approved the 20-year PILOT Agreement and are asking The Agency to move this project forward. Ms. Marusich commented that their estimate at completion assessment seems low; Mr. McLaughlin stated that amount was established by the village assessors. Mr. Bernardo asked if the developer will discuss the project with the Board, which Mr. McLaughlin confirmed. A discussion followed.

MOTION: To accept an application from AOM 128 Grand Avenue, LLC, for a Sale/Leaseback or a Lease/Leaseback Transaction to Facilitate the Financing of the Construction and Equipping of 128 Grand Avenue, Village of Johnson City, Broome County, NY and Authorizing The Agency to set and conduct a Public Hearing. On a MOTION by Mr. Bernardo, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #7: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO AN AGREEMENT WITH THE COUNTY OF BROOME FOR THE SALE OF REAL PROPERTY ON BEHALF OF THE COUNTY OF BROOME FOR A TERM TO RUN FROM MAY 1, 2018 THROUGH APRIL 30, 2019: Mr. McLaughlin stated the County of Broome had put out a request for proposal for an organization or realtor to help them dispose of their existing commercial property that is taken in foreclosure. The Agency, as a staff, put in a response to that RFP and were selected as one of two organizations (The Agency and Cushman Wakefield). The County will provide The Agency with a list of properties to be added to the website. Mr. McLaughlin advised the County The Agency expects to work with the Real Estate Journal, which is circulated throughout New York State. The Agency has the opportunity to earn a 4% fee for assisting the County with the sale of property. Mr. McLaughlin asked the Board to allow The Agency to enter into this agreement for a year. Mr. Bucci commented that this exposure will enable The Agency to educate potential buyers about available programs. Ms. Marusich asked about staffing concerns; Mr. McLaughlin responded this is a function The Agency currently performs. Ms. Duncan further stated this spring an intern created a spreadsheet to maintain properties managed by The Agency; this information can be imported to the website.

MOTION: To enter into an agreement with the County of Broome for the sale of Real Property on behalf of the County of Broome for a term to run from May 1, 2018 through April 30, 2019. On a MOTION by Mr. Bucci, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #8: A \$100,000 LOAN REQUEST FROM 17 KENTUCKY AVENUE, LLC, FROM THE BDF LOAN PROGRAM TO ASSIST IT IN THE RENOVATION OF THE PROPERTY AND BUILDING AT 17 KENTUCKY

AVENUE IN ENDICOTT, NEW YORK 13760: Mr. Gray stated that in November of 2017, the IDA STEED Program partnered with the Town of Union Local Development Corporation (LDC) in assisting Engineering Management Technologies, LLC (EMT), to acquire 17 Kentucky Avenue to address its continuing expansion plans. The Town of Union and IDA each provided \$230,000 in financing the property acquisition; each secured a co-equal first mortgage on the property. In addition to the acquisition, the company's plan included securing a Restore New York Grant for \$875,000 to renovate the building. Although the grant application met all required criteria, and the sponsorship of the Town of Union and other LDC's were behind the application, it was not approved. Since the company needs to renovate the vacant warehouse in order to convert it into a modern manufacturing facility, it has sought additional financing from Town of Union and the IDA and will soon need a private lender, as well. The Advisory Loan Committee (ALC) and Mr. Gray are recommending approval of this request for the following reasons: there is adequate cash to cover the additional debt; the project will create seven new full-time jobs; the borrower has an exemplary repayment history with the IDA; and the Town of Union has already approved its request. Mr. Bucci asked if EMT is getting private financing contingent on the IDA, and if not, would financing possibilities be diminished; Mr. Stevens confirmed.

MOTION: For a \$100,000 loan request from 17 Kentucky Avenue, LLC, from the BDF Loan Program to assist it in the Renovation of the Property and Building at 17 Kentucky Avenue in Endicott, NY 13760. On a MOTION by Mr. Bernardo, seconded by Ms. Marusich, the MOTION CARRIED.

ITEM #9: A REQUEST FROM STEED/BDF BORROWER 17 KENTUCKY AVENUE, LLC, TO SUBORDINATE TO

NEW DEBT: Mr. Gray stated 17 Kentucky Avenue is a real estate holding company for EMT located in Endicott, New York. EMT is owned by James Kirkwood, Sean Whittaker and the Megan H. Fahs Spousal Trust and specializes in precision metal stamping, CNC machining and sheet metal fabrications. The property located at 17 Kentucky Avenue was recently purchased by the principals in December of 2017 and requires renovations. Those renovations of \$875,000 were expected to be paid by the New York State Restore Grant, however, their grant application was not approved. The principals have since approached Chemung Canal for financing of \$575,000, which has been approved, contingent on the Town of Union and the IDA's subordination of their joint first and second mortgage positions. The ALC and Mr. Gray are recommending approval of this subordination request for the following reasons: The Town of Union approved EMT's request; there is adequate cash to cover the additional debt; the borrower has an exemplary repayment history with the IDA; and the strong personal guarantee of the principals involved. Mr. Bernardo commented that the Restore NY Application, which Ms. Duncan prepared, was a phenomenal application, although not chosen to fund. Mr. Bucci asked how much of this debt is covered by personal guarantee, to which Mr. Gray responded, all. A discussion ensued.

MOTION: To approve a request from STEED/BDF BORROWER 17 Kentucky Avenue, LLC to subordinate to New Debt. On a MOTION by Mr. Stevens, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #10: RESOLUTION AUTHORIZING THE TERM OF THE SALES TAX EXEMPTION PROVIDED TO CENTURY SUNRISE REDEVELOPMENT, LLC, TO BE EXTENDED FROM MARCH 1, 2018 THROUGH AUGUST 1, 2018 AND THE AMOUNT OF THE EXEMPTION TO BE INCREASED FROM \$640,000.00 TO \$980,000.00:

Mr. McLaughlin requested the Board hold this request over to the next Board Meeting, when the property owner can be present to address the Board directly. Mr. Kane stated the Board will hold this Resolution over to the next Board Meeting.

MOTION: No motion necessary.

ITEM #11: EXECUTIVE SESSION: TO DISCUSS THE SALE OF REAL PROPERTY.

MOTION: To convene to Executive Session at 12:32 p.m. On a MOTION by Mr. Stevens, seconded by Mr. Pinker, the MOTION CARRIED UNANIMOUSLY.

ITEM #12: RECONVENE TO PUBLIC SESSION.

MOTION: To reconvene back to public session at 12:39 p.m. On a MOTION by Mr. Stevens, seconded by Mr. Bernardo, the MOTION CARRIED UNANIMOUSLY.

ITEM #13: ADJOURNMENT: Mr. Kane requested a motion for adjournment.

MOTION: To adjourn the meeting. On a MOTION by Mr. Bucci, seconded by Mr. Rounds, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 12:40 p.m.

The next meeting of The Agency Board of Directors is scheduled for Wednesday, June 20, 2018 at 12:00 p.m. at FIVE South College Drive, Suite 201, Binghamton, NY 13905.