

BOARD MEETING
FIVE South College Drive; Suite 201, 2nd Floor
BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Binghamton, New York 13905
Monday, October 22, 2018, 12:00 pm

SYNOPSIS OF MEETING

PRESENT: J. Bernardo, W. Howard, J. Stevens, S. Feehan, M. Pinker, D. Marusich, R. Bucci and D. Crocker

ABSENT: None

GUESTS: Brian Haynes, Resident
Jeff Platsky, Press & Sun-Bulletin
Shannon Grodotzke
Grant Diubleby
Robert C. Murphy, City of Binghamton/BLDC
Kevin McManus, Broome County Executive's Office
Kerry O'Brien, SaveAround
Heather Cornell, Esq., LG & T
Jeff Smetana, Newman Development
Luke Stanton, SaveAround

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

COUNSEL: J. Meagher

PRESIDING: J. Bernardo

Chairman Bernardo called the meeting to order at 12:01 p.m.

ITEM #1. APPROVE MINUTES FOR THE SEPTEMBER 19, 2018 BOARD MEETING: Chairman Bernardo asked if Board Members had a chance to review the minutes for the September 19, 2018 Board Meeting; hearing no issues, Chairman Bernardo asked for a motion.

MOTION: On a MOTION by Ms. Marusich, seconded by Mr. Howard, Chairman Bernardo stated the minutes are accepted, as drafted.

ITEM #2. PUBLIC COMMENT: None.

ITEM #3. EXECUTIVE DIRECTOR'S REPORT: Mr. McLaughlin stated there are just a couple things, then

will turn the report over to Ms. Duncan.

Dick's Sporting Goods Project

Mr. McLaughlin and Ms. Abbadessa attended a grant monitoring with Dick's Sporting Goods regarding the \$750,000.00 Community Block Grant awarded to them; The Agency expects to receive a report of their findings, if any, in the next couple weeks.

Buckingham Manufacturing Co., Inc.

Mr. McLaughlin and Attorney Meagher attended the Buckingham Manufacturing Co., Inc. Public Hearing.

Deposit Children's Center

Mr. McLaughlin stated the Deposit Children's Center is facing the possibility of closure, advising The Agency will work with them; daycare is an important service in the Deposit area. The Deposit Children's Center is trying to solve their problems. The Agency owns the building; there is no rental cost.

Economic Development Conference

Mr. McLaughlin advised the Board that Ms. Duncan made a presentation at the recent Economic Development Conference in Syracuse. As a result of her fine presentation, Ms. Duncan was invited by the Onondaga County Planning and Economic Group to talk about the Workforce Strategy that The Agency has developed. The public relations regarding The Agency's Workforce Strategy is second to none, according to the attendees of the conference. It is quite a tribute to this Board and the staff, to put together the Workforce Strategy and be recognized as something that stands out in New York State.

AOM – 128 Grand Avenue

Ms. Marusich had mentioned 128 Grand Avenue in an e-mail to Mr. McLaughlin. The Agency is not sure this project will move forward; the principal has had trouble with financing. Mr. McLaughlin advised the Board that while a PILOT was granted to AOM, a new application would need to be submitted for consideration should the property be sold; the PILOT does not transfer with the property.

At this time, Mr. McLaughlin turned the report over to Ms. Duncan.

Workforce Development

Ms. Duncan advised the Board there are two brief updates on Workforce Development: this was the first time The Agency partnered with New York State Professionals for a Workforce/Economic Development

Conference; the first of its kind for the State. The Agency was asked to talk about the Talent Pipeline and Strategy. The result will be bringing a group of The Agency's Workforce partners, as a collaborative effort, to present to Economic Development partners on November 15th, in Syracuse. The Board supported The Agency in this trajectory, which has proven to be a good move to create a template for others.

600 Main Street – Former BAE Site

Elan Planning (Elan) will be coming back in mid-to-late November. Ms. Duncan anticipates details of three specific design concepts that were reviewed by Community Stakeholders, as well as The Agency's Steering Committee. This will include fiscal analysis; tax revenue Elan anticipates, as well as other economic impact. The Agency will be looking at a true cost of the site development plan; Elan is suggesting the creation of a shovel-ready pad. The Agency will likely be seeking additional federal resources to make that site shovel-ready. Ms. Duncan plans to set-up other meetings to be attended by the Steering Committee and Community Stakeholders.

Ms. Duncan advised the Board The Agency anticipates a developer RFP will go out in November. Elan is working diligently to align with the DEC and Airforce on the site management plan deadline, expected shortly after the first of the year. The Agency will look at some alternatives for interest. The Agency wants to be sure the RFP is aligned with the site management plan and vice versa; the timeline may shift, as a result. Ms. Duncan further acknowledged The Agency is working on an agenda to present to the Town of Union Board. Ms. Duncan responded to questions/comments from the Board.

Mr. McLaughlin referred the Board to the synopsis contained in the packet from Ms. Duncan, of the three contracts with Susan Payne, Hue and Freshy Sites. The synopsis provides the status of deliverables for each, thereby giving the Board the ability to discuss, when the contracts come up for renewal next year. Mr. McLaughlin responded to questions/comments from the Board.

ITEM #4. LOAN FUNDS AVAILABILITY AS OF SEPTEMBER 30, 2018: The Loan Funds Availability Report was presented to the Board by Mr. Gray. The balances available to lend are \$391,480.58 (STEED), \$320,519.02 (BDF) and \$150,000.00 (BR + E). Mr. Gray stated The Agency closed last week on the pending loan with Grow Hemp. Mr. Gray further stated that Attorney Meagher has been directed to issue demand letters to two of the three delinquent loans: Mountain Fresh and SpecOp, beginning the legal process to regain The Agency's collateral. Roberts Stone, which was 30 days in arrears when this information went out, is now current. Chairman Bernardo asked if there were any questions of Mr. Gray relative to loan fund availability and financial reports; there were none.

MOTION: No motion necessary.

ITEM #5. RESOLUTION AUTHORIZING A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE ACQUISITION, RENOVATION AND EQUIPPING OF A MANUFACTURING CENTER PROJECT, APPOINTING BUCKINGHAM MANUFACTURING, CO., INC. (THE "COMPANY"), AGENT OF THE AGENCY, FOR THE PURPOSE OF ACQUIRING, RENOVATING, EQUIPPING AND LEASING THE PROJECT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT THERETO, INCLUDING A PAYMENT IN LIEU OF TAX AGREEMENT DEVIATING FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY: Mr. McLaughlin stated this is a follow-up to our meeting of last month. As mentioned, The Agency attended the Public Hearing. This is Buckingham Manufacturing, Co., Inc. (Buckingham) acquiring a property in Kirkwood to expand their operations. The PILOT has been negotiated and approved by the Town of Kirkwood via Gordy Kniffen, Town Supervisor. The PILOT will allow Buckingham to expand their operation and organize two different departments into one and will create 30 new manufacturing long-term positions over a three year period, while maintaining 38 current positions. Buckingham approached The Agency, advising they had the opportunity to do some of this work in North Carolina. The Agency was able to put this project together with the current owners. If the PILOT is approved by the Board, Mr. McLaughlin expects Buckingham will close almost immediately on the building. Chairman Bernardo asked if the Governance Committee weighed in on this decision; Mr. Feehan replied that the Governance Committee approved and recommended this be moved forward to the full Board. Chairman Bernardo asked the Board if there were questions or comments. There were none.

MOTION: To authorize a Lease/Leaseback Transaction to Facilitate the Acquisition, Renovation and Equipping of a Manufacturing Center Project, Appointing Buckingham Manufacturing Co., Inc. (The "Company"), Agent of The Agency, for the Purpose of Acquiring, Renovating, Equipping and Leasing the Project and Authorizing the Execution and Delivery of Certain Documents with Respect Thereto, Including a Payment In Lieu of Tax Agreement Deviating from The Agency's Uniform Tax Exemption Policy. On a MOTION by Mr. Howard, seconded by Mr. Stevens, the MOTION CARRIED (6 to 2 – Ms. Marusich and Mr. Feehan abstained.)

ITEM #6: A RESOLUTION CONSENTING TO THE ASSIGNMENT BY WASHINGTON DEVELOPMENT ASSOCIATES, LLC, TO IVY FUND MANAGER, LLC, OF A CERTAIN LEASEBACK AGREEMENT DATED AS OF AUGUST 31, 2010, AND A PAYMENT IN LIEU OF TAX AGREEMENT DATED AS OF AUGUST 31, 2010, COVERING PREMISES SET FORTH IN EXHIBIT "A" ATTACHED HERETO AND SUBJECT TO FINAL REVIEW AND APPROVAL BY AGENCY COUNSEL: Mr. McLaughlin asked Mr. Smetana and Attorney Cornell to speak

on behalf of Washington Development Associates (Washington). Mr. McLaughlin stated that the Governance Committee recommended questions regarding the assignment be directed to the principals, allowing a presentation to the full Board. An explanation from Attorney Cornell and Mr. Smetana followed. Attorney Cornell stated Washington is selling the property to Ivy Fund Manager, LLC (Ivy Fund), a National Student Housing Public Company. A property manager (an affiliate of Newman Development Group), will continue to manage this property after the sale. Ivy Fund owns other properties in Albany and Buffalo. Mr. Smetana stated properties managed in North Carolina are continuing to grow; Ivy Fund likes the SUNY system, continuing to look in Upstate New York. Attorney Cornell stated assumption of the mortgage could occur by the end of the year. A short question and answer period followed. Attorney Cornell and Mr. Smetana acknowledged that Ivy Fund only does student housing. Chairman Bernardo asked if there were any other questions, or further discussion of the Board; hearing none, Chairman Bernardo asked for a motion to approve.

MOTION: To Consent to the Assignment by Washington Development Associates, LLC, to Ivy Fund Manager, LLC, of a Certain Leaseback Agreement Dated as of August 31, 2010, and a Payment in Lieu of Tax Agreement dated as of August 31, 2010, Covering Premises set forth in Exhibit "A" Attached Hereto and Subject to Final Review and Approval by Agency Counsel. On a MOTION by Ms. Marusich, seconded by Mr. Pinker, the MOTION CARRIED UNANIMOUSLY.

ITEM #7. RESOLUTION AUTHORIZING AN APPLICATION FROM L3 TECHNOLOGIES, INC. AND TRACK DRIVE, LLC, FOR A SALE/LEASEBACK OR A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE LEASING, RENOVATION AND EQUIPPING OF 147 INDUSTRIAL PARK DRIVE IN THE TOWN OF KIRKWOOD, BROOME COUNTY, NEW YORK, AND AUTHORIZING THE AGENCY TO SET AND CONDUCT A PUBLIC HEARING WITH RESPECT THERETO: Mr. McLaughlin turned the discussion over to Ms. Duncan who asked the Board for consideration of L3 Technologies (L3), who is looking to lease space at 147 Industrial Park Drive in the Town of Kirkwood. Ms. Duncan continued that this facility is currently vacant and owned by Steve Wozniak, who is the co-applicant, as Track Drive, LLC. L3 will become the sole tenant of this facility and Track Drive, LLC will construct an additional 20,000 sf building. L3 is seeking a standard industrial PILOT over 15 years. The PILOT schedule has been reviewed by the Town of Kirkwood and the Supervisor, Gordy Kniffen, who has offered his support for this project. The significance of this project is this move will enable L3 to retain their current 105 employees; L3 anticipates an additional 13 employees. L3's headquarters are in Arlington, TX; however, they have expressed their wish to stay in Broome County at a free-standing facility. Chairman Bernardo asked if there were any initial questions relative to the resolution. Mr. Bucci asked where L3 is located currently; Mr. McLaughlin advised they currently reside at 265 Industrial Park. Mr. McLaughlin continued that L3 would like a stand-alone

building. Mr. Bucci commented that L3 increasing jobs in Broome County is phenomenal; very positive.

After short commentary, Chairman Bernardo asked for a motion to move to a Public Hearing.

MOTION: On a MOTION by Mr. Howard, seconded by Mr. Stevens, the MOTION CARRIED (7 to 1 – Mr. Feehan abstained.)

NOTE: Chairman Bernardo decided to discuss Item #9 prior to Item #8, to accommodate the presenter's schedules.

ITEM #9: DISPOSITION OF THE CHARLES STREET BUSINESS PARK – CITY OF BINGHAMTON/BLDC –

SAVEAROUND: Mr. McLaughlin stated two proposals were sent to the Board: one from the City of Binghamton Local Development Corporation (BLDC), represented by Mr. Murphy, who is in attendance. The BLDC has requested the purchase of approximately 14.5 acres of land at 30 Charles Street, including pump stations currently owned by The Agency. The BLDC is offering \$50,000.00 down and asking the Board to carry the \$385,000.00 balance of the mortgage, to be paid from sales proceeds as the BLDC disposes of the land in the future. The BLDC has offered \$30,000.00 per acre. The Board and staff have worked very closely with the City and the BLDC on this project and believe it is in the best interest of The Agency to move this forward. In addition, SaveAround, represented by Mr. Stanton, who is in attendance, has put in an offer for the remaining 6+ acres of land. SaveAround is offering \$30,000.00 per acre, for a total of \$183,000.00. SaveAround is willing to put down a \$20,000.00 deposit and is requesting The Agency carry a mortgage at 3% for the next 10 years. This will allow SaveAround the ability to control the property that configures to them and help with SaveAround's future expansion. Mr. McLaughlin stated that during his tenure, The Agency has been dealing with the Charles Street Business Park; this proposal is wonderful for all parties involved. Chairman Bernardo asked the Board members if they had questions. Mr. Bucci asked if, as the City sells the acreage, The Agency would get reimbursed; Mr. McLaughlin confirmed The Agency would be reimbursed at \$30,000.00 per acre. Regarding the Stanton Development, Mr. McLaughlin clarified that The Agency would hold an amortized 10-year mortgage. A short discussion followed regarding benefits to The Agency, alleviating maintenance costs; also, questions regarding possible restrictions with conveyance of the land, which were addressed by counsel. Mr. McLaughlin asked the Board to allow The Agency to enter into a contract of sale, prepared by counsel, and close by the end of 2018 or early 2019. Chairman Bernardo asked counsel if The Agency would need two separate motions; Attorney Meagher confirmed.

MOTION: To authorize the sale of 14.5 acres to the City of Binghamton/BLDC under the terms and conditions outlined: On a MOTION by Mr. Stevens, seconded by Mr. Pinker, the MOTION CARRIED (7 to 1 – Mr. Feehan abstained.)

MOTION: To authorize the sale of land to SaveAround on the terms and conditions outlined: On a MOTION by Mr. Bucci, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #8: 2019 BUDGET: Chairman Bernardo stated the 2019 Budget Draft was presented to and recommended by the Finance Committee to the full Board and was affirmed by Mr. Stevens. Mr. McLaughlin went through the Proposed 2019 Budget line-by-line. An extensive discussion followed, with explanations by Mr. McLaughlin.

MOTION: To approve the 2019 IDA Budget. On a MOTION by Mr. Stevens, seconded by Mr. Feehan, the MOTION CARRIED UNANIMOUSLY.

ITEM #10: EXECUTIVE SESSION: None.

NOTE: At this time, Chairman Bernardo advised the Board that the next IDA meeting is scheduled for the day before Thanksgiving and asked if the meeting should be rescheduled. After a brief exchange, Mr. McLaughlin suggested the meeting be moved to November 28, 2018, which was agreed by Board members.

ITEM #11: ADJOURNMENT: Chairman Bernardo requested a motion for adjournment.

MOTION: On a MOTION by Mr. Feehan, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 12:44 p.m.

The next meeting of The Agency Board of Directors is scheduled for Wednesday, November 28, 2018 at 12:00 p.m. at FIVE South College Drive, Suite 201, Binghamton, NY 13905.