

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
185 Court Street
Binghamton, New York 13901
Friday, August 14, 2015, 12:00 PM**

SYNOPSIS OF MEETING

PRESENT: J. Baumgartner, J. Bernardo, J. Davis, W. Howard, T. Kane, R. Nielsen Jr., J. Smith
J, Rounds and J, Stevens

ABSENT: None

GUESTS: Debbie Preston, Broome County Executive
Jerry Marinich, Broome County Legislature
Aaron Martin, Broome County Legislature
Emmanuel Priest,
Sarah Glose, Legislative Intern
Robert Murphy, City of Binghamton Economic Development
John Solak, City of Binghamton resident
Justin Barwich, WBNG Action News
Jason Weinsteinn, Fox 40 News
Jim Ehmke, Channel 34 News

STAFF: K. McLaughlin, T. Gray, S. Duncan, C. Campon, N. Abbadessa

COUNSEL: Absent

PRESIDING: T. Kane

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

ITEM #1. APPROVE MINUTES FOR THE JULY 10, 2015 BOARD MEETING: Mr. Kane requested approval of the minutes for the July 10, 2015 Board Meeting. Mr. Nielsen stated that on Page 3, the month of the Governance Committee Meeting should read August not September.

MOTION: To approve the July 10, 2015 Board Meeting minutes with the revision. On a MOTION by Mr. Howard, seconded by Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

ITEM #2. PUBLIC COMMENT: Mr. Solak starts out speaking about Modern Marketing Concepts taking over Link Park. He feels Dan Babcock is using job creation to receive government favors. Mr. Solak also feels Mr. Babcock has no expertise in the real estate business. Mr. Solak is discouraged that non-profit

companies are allowed in the incubator. He feels they can find their own way in the community. Mr. Solak states the Binghamton 1/2 Billion as opposed to the 1 ½ Billion the county has applied for is very difficult for the public to understand. Mr. Solak has concerning issues in regards to the EJ Housing Project in Johnson City. He feels despite the money and renovations that will take place, waking up in an old factory is depressing. He feels that people have gone from receiving PILOTS to receiving an abundance of grant money. Mr. Solak does not want to see bank loans, grants, or loans from the IDA. He would prefer a check from the principal in the amount of what is put up. Mr. Solak states that there are far too many business in this town that should not be here.

MOTION: No motion necessary.

ITEM #3. EXECUTIVE DIRECTOR'S REPORT: Mr. McLaughlin had gone to the Upstate Revitalization Conference in Buffalo that was run by the Governor. He had a chance to tour the downtown Buffalo area where they are building the Medical Campus and the Solar City development. He feels that the Medical Campus bodes well for our Pharmacy School here in Johnson City. The Governance Committee met last week and not only discussed the applications from ADEC and Chenango Empire, but discussed the Administrative Fee The Agency has in place. The Governance Committee had agreed to suspend this fee until Mr. McLaughlin brings a proposal to the Board at the September meeting. The Governance Committee also discussed the Labor Policy. They had all come to a decision to continue to have conversation with the full Board relating to the Policy. Mr. Davis stated that as a Committee it is evident that there are significant philosophical differences among the Board Members pertaining to this issues. The Committee had decided to leave the existing Labor Policy in place while work continues on a new one. Mr. McLaughlin stated that there was a news conference surrounding the Regan Development project and the Modern Marketing Concept, Link Park project, both were very well received. Closing took place on the building at Corporate Park where ADEC Solutions is located. The Agency received ADEC's application back in September of 2014, today the Board will vote on the final resolution.

MOTION: No motion necessary.

ITEM #4. LOAN FUNDS AVAILABILITY AS OF JULY 31, 2015: Mr. Gray presented the Loan Funds Availability report to the Board. The balances available to lend are \$169,958.30 (STEED) and \$22,389.77 (BDF). Mr. Stevens asked if Mountain Dairy is now current. Mr. Gray and Ms. Campon both confirmed this to be true.

MOTION: No motion necessary.

ITEM #5. PROPOSED AMENDED BUDGET FOR THE CENTER: Mr. McLaughlin asked Mr. Gray to speak on behalf of this topic. Mr. Gray stated that the variance is what is shown each month on the Boards monthly report. He had gone back to the proposed budget and made some amendments. Mr. Gray added

a portion of the grant that was received from NYSEG, also adding two expenses that were not in the original budget. The immense difference is the Fit Up, Mr. Gray would like to clarify that when The Center was initially opened, the plan was to take the cubicles and furniture from the existing incubator on Court Street and simply move it over. There was discussion as a team that the vision of The Center was going to be more than just transplanting what had been, but wanting to do something more innovating with the tools that the other site did not have. There was quite a bit of expense on the Fit Up side. Mr. Nielsen appreciates the new budget that had been presented and feels that The Center is moving in the right direction.

MOTION: No motion necessary

ITEM #6: RESOLUTION AUTHORIZING THE AGENCY TO ACCEPT THE LOW BID OF GORICK CONSTRUCTION CO., INC. IN THE AMOUNT OF \$295,400.00 FOR THE REMOVAL OF BROOME CORPORATE PARK POND DAM #1 AND IMPROVEMENTS TO, AND REPAIR OF, BROOME CORPORATE PARK POND DAM #2, TO EXECUTE AN AGREEMENT WITH GORICK CONSTRUCTION CO., INC. IN THE AMOUNT OF THE LOW BID IN THE FORM ATTACHED HERETO, AND TO ISSUE TO GORICK CONSTRUCTION CO., INC. A NOTICE TO

PROCEED: Mr. McLaughlin states that they have been dealing with the two dams at Corporate Park for well over a year now. O'Brien & Gere put together studies to move through the DEC process. The Agency put the project out to bid. They had received three bids ranging from \$398,000 to Gorick Constructions low bid at \$295,400. He feels Gorick's bid was very reasonable. Mr. McLaughlin verbalizes that this project must be complete in order to comply with DEC regulations. Once the project gets underway money from the budget will need to be moved around. Mr. McLaughlin feels strongly that this contract receive Board approval. Mr. Nielsen asks in the absence of counsel, if The Agency knows who drafted this agreement. Mr. McLaughlin replied that it is a standard County contract that Mr. Meagher did reviewed and approve.

MOTION: To move to accept the low bid form Gorick Construction. . On a MOTION by Mr. Howard, seconded by, Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

ITEM #7: RESOLUTION FINALIZING THE PRELIMINARY INDUCEMENT RESOLUTION FOR A CERTAIN DOCUMENT MANAGEMENT FACILITY FOR ADEC SOLUTIONS USA, INC. (THE "COMPANY") AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE

PROJECT: Mr. McLaughlin explains that this is follow up on the agreement that was put into place last September. Closing on the building and the loan have taken place. ADEC is asking for a 15 year standard PILOT. The Agency has agreed to it along with counsel, Mr. Meagher. Mr. McLaughlin highly recommends this PILOT be approved. Mr. Nielsen asked why there were two different numbers pertaining to the sales tax on the Project Summary and the Cost Benefit Analysis for this project. Mr. McLaughlin stated that the Project Summary was put together very early in the process. When he received the final numbers he had

placed the correct ones on the Cost Benefit Analysis. Mr. Bernardo asked Mr. McLaughlin if the Cost Benefit Analysis is the driving document that the Board is to rely on. Mr. McLaughlin stated yes. Mr. Rounds asked about pages 15, 16 and 17 of the application. He notices that they are not signed. Mr. McLaughlin states that the application is completely signed and apologizes for the mistake in the application that was sent.

MOTION: To move to accept the Resolution finalizing the Preliminary Inducement Resolution for a certain document management facility for ADEC Solutions USA, Inc and authorizing the execution and delivery of certain documents with respect to the project. On a MOTION by Mr. Davis, seconded by, Mr. Smith, the MOTION CARRIED UNANIMOUSLY.

ITEM #8. RESOLUTION FINALIZING THE PRELIMINARY INDUCEMENT RESOLUTION FOR A CERTAIN STUDENT AND TENANT HOUSING AND RETAIL FLOOR SPACE PROJECT FOR 19 CHENANGO EMPIRE, LLC, 21 CHENANGO EMPIRE, LLC, AND 25 CHENANGO EMPIRE, LLC (COLLECTIVELY, THE "COMPANY") AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE

PROJECT: Mr. McLaughlin stated that this project was discussed at last month's Board meeting. There was a Public Hearing and it was also discussed at the Governance Committee Meeting that was held on August 5, 2015. The developer has provided the Board with all the requested paperwork. Mr. McLaughlin is impressed with what was provided. On request by the Governance Committee the developer prepared a list of all local contractors that he plans to use on the project. Mr. McLaughlin explains that he has received several letters from the City that are not in support of a PILOT for this project. The City would like the The Agency to consider offering something in-between what a 485B offers the developer and what a standard 10 year PILOT constitutes. Mr. McLaughlin states that the City is essentially asking the County and the Board to approve a full 8% sales tax exemption and a 1% mortgage tax exemption. Mr. McLaughlin expresses that if this resolution passes as is, it would give the developer a PILOT agreement and 4% sales tax from NYS, that is all. Broome County would not be held responsible for any exemptions. Mr. Rounds states that he doesn't ever remember an applicant trying to get a PILOT after the project has already started. He also asked if the Labor Policy is being waived. Mr. McLaughlin answers with, no. Mr. Rounds made comment to this because he feels that the labor was not solicited. At this time Mr. Rounds is not prepared to approve this resolution. Mr. Nielsen would like to explain his vote. He views this as a very close case, he feels there has to be some public benefit anytime the Board is making a tax expenditure to the tune of 2 million dollars. On one hand Mr. Nielsen does see some public benefit, it will increase retail activity in downtown, especially on Chenango Street and he feels this is valuable. He does have concerns with the Labor Policy aspect of the project. Mr. Nielsen explains that it is public record that an LLC was created to handle a significant portion of the construction, he suspects that this LLC was set up for the

purposes of this project only. It will not lead to any long term employment of people in the community. He is also troubled that this project has had several serious OSHA violations. Mr. Nielsen is in support of the project. Mr. Davis will not support this project, he is bothered by his decision due to the fact the developer has been very easy to work with and very forthcoming. Mr. Davis feels the suggestion from the developer that this PILOT should be granted because other developers had received one was impractical. It disturbs Mr. Davis that the lender told the developer he must receive a PILOT in order for him to obtain the remainder of money. He also feels the letter that was received on March 13th with Mr. Murphy's signature on it has very valid points. Mr. Davis will vote No. Next to speak is Mr. Howard. He appreciates the breakdown from the developer in regards to the contractors that are being used on the project. He also states that at the Governance Committee Meeting the developer mention fixing the alleyway in-between the two buildings if he receives the PILOT. Mr. Howard says that he would have had to do that regardless, no one would want their children walking through there in the condition it is in now. If the PILOT passes Mr. Howard made a suggestion that the developer make an arrangement with the City to rent out parking spaces to them. He is in full support and will be voting yes. Mr. Stevens has made comment that he is in favor of the project.

MOTION: To move to accept the Resolution finalizing the Preliminary Inducement Resolution for a certain student and tenant housing and retail floor space project for 19 Chenango Empire, LLC, 21 Chenango Empire, LLC, and 25 Chenango Empire, LLC and authorizing the execution and delivery of certain documents with respect to the Project. On a MOTION by Mr. Bernardo, seconded by Mr. Stevens, the MOTION CARRIED in a 6 to 3 vote. Mr. Rounds, Mr. Davis and Mr. Baumgartner OPPOSED.

ITEM #9. RESOLUTION TAKING ACTION TOWARD A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE ACQUISITION, RENOVATION, EQUIPPING AND LEASING OF A CERTAIN MANUFACTURING PROJECT, APPOINTING LINK PARK ASSOCIATES, LLC, OR ANOTHER ENTITY TO BE NAMED LATER, (THE "COMPANY") AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING, EQUIPPING AND LEASING THE FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE AGENCY AND THE COMPANY WITH RESPECT TO THE PROVIDING OF THE FACILITY, AND SETTING A PUBLIC HEARING: Mr. McLaughlin states that this is the Modern Marketing Project. He has provided the Project Summary to the Board. The Agency is in the process of putting together the sales contract. They have proposed a PILOT agreement that will freeze their taxes for the first 4 years, then a 1% increase in years 5 through 10 and a 2% increase in years 11 through 20. This has been proposed to the town of Kirkwood. Mr. McLaughlin says a Public Hearing will be set and then brought back to the Board for a formal vote.

MOTION: To move to accept the On a MOTION by Mr. Stevens, seconded by Mr. Smith the MOTION

CARRIED UNANIMOUSLY.

ITEM #10. EXECUTIVE SESSION: Mr. Kane asked for a motion to enter Executive Session to discuss the acquisition and sale of real property for the BCIDA.

MOTION: To convene to Executive Session at 12:40 PM. On a MOTION by Mr. Stevens, seconded by Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

ITEM #11. RECONVENE TO PUBLIC SESSION: Mr. Kane asked for a motion to reconvene to public session.

MOTION: To reconvene to public session at 1:00 PM. On a MOTION by Mr. Davis, seconded by Mr. Smith, the MOTION CARRIED UNANIMOUSLY.

ITEM #12. ADJOURNMENT: Mr. Kane requested a motion for adjournment.

MOTION: To adjourn the meeting. On a MOTION by Mr. Stevens, seconded by Mr. Smith, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 1:02 PM.

The next meeting of the BCIDA Board of Directors is scheduled for September 11, 2015 at 12:00 PM at the Broome County Public Library, 185 Court Street, Binghamton, NY.