

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
GOVERNANCE COMMITTEE
Wednesday, August 05, 2015• 2:00 PM
State Office Building
44 Hawley St.
Binghamton, NY 13901**

PRESENT: Jeffery K. Davis, James V. Baumgartner, Jeffrey K. Smith,
Wayne L. Howard, Robert N. Nielsen Jr.

GUESTS: Jerry Marinich, Aaron Martin, Genevieve Crescenzo, Tom Spicer, Scott
Colton, Lillian Levy and Leslie Wistretch

ABSENT: None

STAFF: Kevin McLaughlin, Tom Gray, Stacey Duncan, Natalie Abbadessa

PRESIDING: Jeffery K. Davis

AGENDA ITEM 1: Chairman Davis called the meeting to order at 2:00 PM.

AGENDA ITEM 2: The second item on the agenda was the approval of the June 11, 2015 Governance Committee meeting minutes. Mr. Baumgartner made a motion to approve the minutes, seconded by Mr. Smith: the motion carried unanimously.

AGENDA ITEM 3: Public Comment: Scott Colton, speaking on behalf of the Carpenters Union concerning The Agency's Labor Policy, said he would like the committee to understand the union would like to have a partnership with them and not be seen as a hindrance. He would like local jobs to go to the craftsmen and tradesman of this area. Mr. Colton recommended that The Agency use a sliding scale when considering PILOT applications. The amount of a proposed PILOT agreement would be determined by the percentage of local labor to be used on that project, he said. Next to speak was Tom Spicer, Electricians Union. Mr. Spicer stated not only do developers need to use local labor, but also local manufacturers and businesses. Local labor representatives are asking for their fair share when it comes to the Labor Policy, he said. County Legislature Chairman Jerry Marinich was the final speaker to address the Labor Policy issue. Mr. Marinich stated there is a policy in place, but he believes changes need to be made in order to make it

more efficient. He would like to see a “more user friendly policy for the local economy.” He said the goal is to help everyone in the area. He added the Governance Committee is not obligated to make the changes today and there is no need to rush the matter. Mr. Marinich feels the policy that is in place is acceptable for the time being. He would like to see more studies and work completed before a final decision is made.

AGENDA ITEM 4: Review/Discussion of the proposed PILOT Application from ADEC Solutions, Inc. Mr. McLaughlin began the discussion by explaining that this is an old application and closing on the land and the building took place that morning. Mr. McLaughlin strongly recommended approval of this PILOT. Chairman Davis asked if anyone on the committee had any questions concerning the approval of this PILOT, and no further comments were made. Mr. Smith made a motion that the ADEC PILOT be approved and adopted; it was seconded by Mr. Baumgartner and carried unanimously.

AGENDA ITEM 5: Review/Discussion of the proposed PILOT Application from Chenango Empire, LLC. There was a lively discussion pertaining to this issue. Lillian Levy, attorney for the developer, wanted to make the committee aware that even with this PILOT her client’s taxes would be considerably high. Chairman Davis turned the discussion to the committee. Mr. Baumgartner voiced a few concerns including a strong opinion that this developer should not feel entitled to a PILOT. He also took issue with a Market Study that was completed by a consultant for the developer. Overall, Mr. Baumgartner said he did not support the proposed PILOT. Mr. Smith stated he will be very interested in what BU has to say concerning this project. At this time Mr. Smith said he will consider a PILOT agreement. Chairman Davis had a few comments as well. Noting that developers take risks as part of the process, he echoed Mr. Baumgartner’s point about entitlement. He also reminded Ms. Levy that in a presentation at The Agency’s July board meeting she had implied that her client should be granted a PILOT agreement in the name of fairness because some developers of previous downtown student housing had received PILOT agreements. Under that line of thought, Chairman Davis said, that would mean The Agency would be obligated to dole out PILOT agreements simply because it had granted PILOT agreements in the past. Leslie Wistretch, the developer, said he understands he is not entitled to this PILOT, but wants it to be known that he had choice of location and he chose Binghamton. He would like to see this community thriving and full of people. Mr. Wistretch said he is fully committed to

using local labor and local merchants. The developer also said his lender will not provide funding if The Agency does not approve the PILOT. Chairman Davis said in his opinion the lender's stipulation puts "a figurative gun to the head of the community" and accepting those terms would set a dangerous precedent for the committee and The Agency. Board member Robert Nielsen asked the developer to show proof of the money already spent on local labor. He would like to review this information before he makes his final decision at the upcoming Board Meeting. Board member John Stevens could not attend today's meeting, so he offered a written statement in support of the project. Chairman Davis and the committee recommend that further discussion and a vote take place at the August 2015 Board Meeting.

AGENDA ITEM 6: Discussion of the Labor Policy: After much conversation Chairman Davis said this issue has raised significant philosophical differences among board members. He said The Agency's full board needs to discuss the matter in much greater detail – perhaps at a board retreat or during a year-end strategic plan review. Since an existing policy is in place, he added, the matter did not need to be resolved today. A list of discussion points was presented and handed out. Mr. McLaughlin feels that The Agency implemented a respectable Labor Policy. He said that this policy could go back and forth and still not satisfy everyone's interests. Chairman Davis pointed out there is a committee recommendation already on the table. However, it was held over to allow for further discussion. The board could bring that recommendation back for a future vote, if that is what everyone would like. But Chairman Davis said a detailed discussion by the full board would be preferable. Mr. Nielsen said The Agency board has an all or nothing approach to everything, which may not be in the best interest of the community. He mentioned using a range when determining the scope of a PILOT. The more local labor the applicant agrees to use, the more money would be granted. Mr. McLaughlin suggested having the contractors turn in Certified Payrolls for projects, which will show the amount of local labor being used. Mr. Baumgartner said that having a system of points and or percentages would be extremely hard to track. He does feel there needs to be some sort of policy in place. Chairman Davis agreed, but would like to find common ground, if possible. He does not want the policy to be so cumbersome that it turns developers away. He recommended changing the language to add Pennsylvania and Certified Payrolls. Mr. McLaughlin was confused by the committee wanting to add PA to this policy. He stated that the Board felt very strongly about only using NY laborers. Board member Wayne Howard stated that The Agency is only there for the groundbreaking and then the ribbon cutting

of a project. Mr. Howard would like to see some in-between monitoring, checking on the progress of the projects. Mr. McLaughlin pointed out that when developers approach The Agency for projects, he always informs them that it would be in their best interest to use local labor. Chairman Davis suggested pulling back the committee recommendation until further discussion takes place.

MOTION: To retain the existing Labor Policy while work continues on a new one. On a motion by Mr. Smith, seconded by Mr. Baumgartner, and carried unanimously.

AGENDA ITEM 7: Discussion of the Agency's Monitoring Fee: Mr. McLaughlin explained the Administrative Fee that is already in place in the application. He is referring to the five basis points. Mr. McLaughlin is asking the committee to have a set fee for every project. He would like the board to reconsider the Monitoring Fee and amend the policy. Chairman Davis asked Mr. McLaughlin to present a formal proposal to the committee at the September meeting.

MOTION: Committee agreed to suspend the existing Administrative fee until a new revised policy is in place.

AGENDA ITEM 8: Adjournment: Mr. Baumgartner then made a motion for adjournment; it was seconded by Mr. Smith and carried unanimously. The next scheduled meeting of the BCIDA Governance Committee is to be determined.