

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
185 Court Street
Binghamton, New York 13901
Friday, September 12, 2014, 12:00 pm**

SYNOPSIS OF MEETING

PRESENT: J. Davis, J. Garnar, W. Howard, T. Kane, R. Keibel, R. Nielsen, D. Preston, J. Rounds and J. Stevens

ABSENT: None

GUESTS: John Bernardo, Broome County Deputy Executive
Aaron Martin, Broome County Legislative Clerk
Emmanuel Priest, Office of Senator Thomas Libous
Patrick Doyle, BCIDA Business Development Consultant
Susan Payne, BCIDA Consultant
Per Stromhaug, Binghamton University
John Solak, Broome County resident
Andrew Pragust, Broome County resident
Joe Garbarino Jr., Broome County resident
Jessica Santos, SOAR
John Harris, Press & Sun Bulletin

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

COUNSEL: J. Meagher

PRESIDING: T. Kane

Mr. Kane called the meeting to order at 12:04 p.m.

ITEM #1. WELCOME NEW BOARD MEMBER: Mr. Kane welcomed new board member, Mr. Jason T. Garnar. Mr. Meagher administered the oath of office to Mr. Garnar.

MOTION: No motion necessary.

ITEM #2. APPROVE MINUTES FOR THE AUGUST 8, 2014 BOARD MEETING: Mr. Kane requested approval of the minutes for the August 8, 2014 Board Meeting. Mr. Rounds noted that on page three, Mr. Bill Walsh had said there would be a public hearing regarding potential casinos in November, but it should have said September.

MOTION: Resolution to approve the August 8, 2014 Board Meeting minutes with the correction. On a MOTION by Ms. Preston, seconded by Mr. Howard, the MOTION CARRIED.

ITEM #3. PUBLIC COMMENT: Mr. John Solak welcomed Mr. Garnar to the "conflict of interest structure" that he says is the BCIDA. He said the Board overlooks fiduciary responsibility and due diligence. Mr. Solak said the Agency views transactions as a transfer of State or Federal funds which allows it less accountability.

He questioned why the Good Shepherd Village project received bond financing through the BCLDC but the IDA is now doing the refinancing. Mr. Andrew Pragues said he is a Johnson City high school graduate, Binghamton University student and fourth generation Binghamton resident. He does not support the IDA issuing a PILOT to Traditions for its casino bid. Mr. Pragues said the casino proposal was designed to bring in tax revenue not give out tax breaks. He also argued that the affects of the casino on the community are not really known, and the jobs that it will create will be mostly low-income service jobs. Mr. Pragues said he understands that Traditions is only doing what is in the best interest of the company, but the IDA needs to do what is in the best interest of the community. He said the Agency needs to focus more on industrial development that involves manufacturing businesses and long term jobs.

MOTION: No motion necessary.

ITEM #4. EXECUTIVE DIRECTOR'S REPORT: Mr. McLaughlin said the staff is reviewing proposals for auditing services and will have a recommendation for the Board at the next meeting. The NYSEDC is holding a technology based economic development conference at the Holiday Inn in Binghamton on October 15th and 16th. Broome County will provide transportation from downtown to the Binghamton University Innovation Center for a tour of the new facilities. Mr. McLaughlin said the IDA will sponsor any Board members that wish to attend. The IDA is currently hosting a three-day NDC training on BU campus. IDA staff, as well as representatives from various economic development agencies throughout the region, is attending. The personnel committee will meet again in the coming weeks to discuss staffing.

MOTION: No motion necessary.

ITEM #5. LOAN FUNDS AVAILABILITY AS OF JUNE 30, 2014: Mr. Gray presented the Loan Funds Availability report to the Board. The balances available to lend are \$256,735.18 (STEED) and \$661,655.90 (BDF). Mr. Gray said there are three potential loans to come before the Board today, which could significantly reduce funds. Funds held in Washington would need to be returned to the Agency to close the loans; those funds have not been earning interest since 2011. Mountain Fresh Dairy's closing is imminent.

MOTION: No motion necessary.

ITEM #6. RESOLUTION ACCEPTING AN APPLICATION FROM ADEC SOLUTIONS USA, INC. FOR A SALE/LEASEBACK OR A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE PURCHASE AND EQUIPPING OF 56 BROOME CORPORATE PARKWAY IN THE TOWN OF CONKLIN, BROOME COUNTY, NEW YORK AND AUTHORIZING THE AGENCY TO SET AND CONDUCT A PUBLIC HEARING WITH RESPECT THERETO: Mr. McLaughlin said the Board received an overview in their packets. This sale would put the property on the tax rolls for the first time since 1988.

MOTION: To accept the application from ADEC Solutions USA, Inc. On a MOTION by Ms. Preston, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #7. START-UP NEW YORK/DOWNTOWN INCUBATOR PRESENTATION: Mr. Per Stromhaug of Binghamton University gave a presentation on the Start-Up New York program and the Southern Tier High Tech Incubator. He said the Start-Up program creates tax-free zones where approved companies will pay no NYS taxes (income, property, corporate, franchise, sales, etc) for ten years. In order to be eligible, a company must create net new jobs within the first year. Underutilized space or property not on the tax roll are to be used first. Research, development and manufacturing companies are eligible, while retail, wholesale, finance, health and personal services, business and administration and utilities are not. Binghamton University's plan was adopted on March 27th of this year. The plan includes 21 offices on campus in the existing start-up suite incubator and 2.1 acres at the downtown incubator site designated as Start-Up space. SUNY Broome's plan was adopted July 24, 2014 which will designate eight offices and two large labs on campus. As of July, five regional companies had already been approved by ESD. Mr. Stromhaug explained that the incubator facility will be constructed and owned by SHTI, Inc., a non-profit affiliate of the Binghamton University Foundation. Binghamton University's incubation program is run through the Research Foundation for SUNY, and Mr. Stromhaug is the director of the program. SHTI will be designated a Start-Up zone and is planned to be an anchor in the Southern Tier Innovation Hot Spot research triangle to include Cornell University and Corning Inc. Focus areas for the incubator will include energy, electronics and health. The facility will contain 18 wet and dry labs, collaborative space, an office suite and conference room. SHTI is expected to be a magnet for entrepreneurs and startups from the region and from out of state. The ultimate goal for the incubator is to forge partnerships, foster entrepreneurship and innovation and catalyze technology transfer. Funding for the \$13M project comes from the Southern Tier Regional Economic Development Council (\$7M), the Economic Development Administration (\$2M), the Research Foundation for SUNY (\$2M) and the BCIDA (\$2M). The targeted opening of the facility is September 2016.

ITEM #8. COMMUNICATIONS PLAN: Mr. Davis presented the communications strategy. He explained that he and Mr. Stevens became involved with developing the strategy after an RFP for marketing services went out. The ad hoc group met once and decided to assess what could be done in-house first before hiring out for service. They met with the staff and Ms. Susan Payne to determine what the top priorities should be. The packet that has been distributed to the Board outlines a strategic direction for the Agency. The communications plan will evolve from the multi-year strategy laid out in the packet. Mr. McLaughlin said the first part of the process was to develop the strategy. The next phase will be to develop an implementation plan. He said the Agency will begin planning next week as part of the budget process. Mr. McLaughlin hopes to have the budget for the Board at the November meeting. Mr. Davis said the plan will also establish the Agency's needs in terms of staff.

MOTION: No motion necessary.

ITEM #9. RECOMMENDATION BY FINANCE COMMITTEE ON PREFERRED BANKING/INVESTMENT

PROVIDER: Mr. Rounds said the Finance Committee met in August to review the proposals submitted in response to the RFP for banking services. M&T Bank and NBT Bank were invited to interview on September 3rd. The Finance Committee as well as staff recommends NBT Bank to provide banking services for the Agency. Mr. Nielsen asked if NBT offers access to treasury bonds. Mr. Stevens said yes.

MOTION: No motion necessary.

ITEM #10. RESOLUTION AMENDING THE AGENCY'S UNIFORM TAX EXEMPTION POLICY DATED APRIL 9,

1999: Mr. McLaughlin explained that no longer granting exemptions of Broome County's sales tax or mortgage recording tax will help the County increase its tax revenues. The new policy allows for the Board to review each project on a case by case basis. Mr. Nielsen suggested amending the policy to delete the language in sections A-2 and B-3 referencing Chapter 692. He said it will not affect the substance of the policy, but rather removes unnecessary confusion. Mr. Meagher recommended the change.

MOTION: To amend the Agency's uniform tax exemption policy. On a MOTION by Mr. Nielsen, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #11. RESOLUTION AMENDING THE BY-LAWS OF THE BCIDA:

Mr. Nielsen gave an overview of the major changes to the Agency's by-laws. Among the highlights were changes concerning who the Legislature can appoint to the Board: paid elected officials, IDA or County Legislative employees, relatives of IDA employees, employees of vendors or applicants and attorneys who represent others can not be appointed. The amended by-laws specify which of the four committees has jurisdiction over matters like bonding, budget, oversight, applications, compensation and loans. Significant matters must go through a committee. The by-laws also clarify advanced meeting notice requirements as well as ethics rules. Ms. Preston said that she hopes the Legislature doesn't make appointments based on politics, and she doesn't want to see an upheaval of the Board every two years because of Legislature elections. She understands that as an elected official, she will no longer have a spot on the Board but hopes to continue to work closely with the IDA. Mr. Nielsen said that by prohibiting elected officials, the Board will be less political. Mr. Stevens said the IDA will have to rely on the integrity of our elected officials, but he feels the Board has recently demonstrated its responsibility to its duties. Mr. Garnar suggested including some elected officials on committees if possible. Mr. Nielsen said the IDA has the authority to amend the by-laws, but the Committee recommends that they be brought before the Legislature for review and acceptance. All current Board members will serve until their replacements are appointed.

MOTION: To amend the by-laws of the BCIDA. On a MOTION by Mr. Stevens, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #12. A \$175,000 STEED LOAN FUND REQUEST FROM TRIPLE CITIES METAL FINISHING CORPORATION TO ASSIST IT IN THE PURCHASE OF MACHINERY AND EQUIPMENT FOR USE AT ITS FACILITY AT 349

INDUSTRIAL PARK DRIVE, BINGHAMTON, NEW YORK: Discussion held in Executive Session.

ITEM #13. A \$75,000 LOAN REQUEST FROM CUSTOM MACHINING TECHNOLOGY, INC. FROM THE STEED LOAN FUND TO ASSIST IT IN THE ACQUISITION OF MACHINERY AND EQUIPMENT FOR USE IN AN ASSET PURCHASE PROJECT LOCATED AT 839 ROUTE 13, CORTLAND, NEW YORK: Discussion held in Executive Session.

ITEM #14. A \$200,000 LOAN REQUEST FROM ADEC SOLUTIONS, INC. FROM THE BDF LOAN FUND TO ASSIST IT WITH RENOVATIONS AND FF&E FOR THE SOON TO BE ACQUIRED PROPERTY AND BUILDING AT 56 BROOME CORPORATE PARKWAY IN CONKLIN, NEW YORK: Discussion held in Executive Session.

ITEM #15. EXECUTIVE SESSION: TO DISCUSS THE PROPOSED ACQUISITION AND SALE OF REAL PROPERTY FOR THE BCIDA:

MOTION: To convene to Executive Session at 1:32 pm. On a MOTION by Mr. Keibel, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY. Ms. Preston was excused for the remainder of the meeting.

ITEM #16. RECONVENE TO PUBLIC SESSION:

MOTION: To reconvene back to public session at 1:50 pm. On a MOTION by Mr. Stevens, seconded by Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

MOTION: To approve a \$175,000 STEED Loan Fund request from Triple Cities Metal Finishing Corporation to assist it in the purchase of machinery and equipment. On a MOTION by Mr. Nielsen, seconded by Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

MOTION: To approve a \$75,000 STEED Loan Fund request from Custom Machining Technology, Inc. to assist it in the acquisition of machinery and equipment. On a MOTION by Mr. Nielsen, seconded by Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

MOTION: To approve a \$200,000 BDF Loan Fund request from ADEC Solutions, Inc. to assist it with renovations and FF&E. On a MOTION by Mr. Nielsen, seconded by Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

ITEM #11. ADJOURNMENT: Mr. Kane requested a motion for adjournment.

MOTION: To adjourn the meeting. On a MOTION by Mr. Stevens, seconded by Mr. Nielsen, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 2:00 p.m.

The next meeting of the BCIDA Board of Directors is scheduled for October 10, 2014 at 12:00 p.m. at the Broome County Public Library, 185 Court Street, Binghamton, NY.