

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
FIVE South College Drive; Suite 201, 2nd Floor
Binghamton, New York 13905
Wednesday, February 20, 2019, 12:00 pm**

SYNOPSIS OF MEETING

PRESENT: J. Bernardo, W. Howard, J. Stevens, D. Crocker, J. Peduto, B. Rose, J. Mirabito and C. Sacco

ABSENT: R. Bucci

GUESTS: Brian Haynes, Haynes NY
Tom Spicer, IBEW
Jeff Platsky, Press & Sun-Bulletin
Kevin McManus, Broome County Executive's Office
Peter Hoffman, Hue
Camilla Hoffman, Hue
Ben Giordano, FreshySites
Tim Burford, FreshySites
Kelsey Moore, FreshySites

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

COUNSEL: J. Meagher

PRESIDING: J. Bernardo

The meeting was called to order at 12:00 p.m.

ITEM #1. OATH OF OFFICE: Attorney Meagher administered the Oath of Office to Mr. Crocker.

MOTION: No motion necessary.

ITEM #2. APPROVE MINUTES FOR THE JANUARY 15, 2019 BOARD MEETING: Chairman Bernardo asked for comments or approval of the minutes from the January 15, 2019 Board Meeting.

MOTION: On a MOTION by Mr. Howard, seconded by Mr. Stevens, Chairman Bernardo stated the minutes are accepted.

ITEM #3. PUBLIC COMMENT: No public comment.

ITEM #4. EXECUTIVE DIRECTOR'S REPORT:

Mr. McLaughlin provided an update on the following:

OPPORTUNITY ZONE PROGRAM

Mr. McLaughlin advised that the Opportunity Zone presentation in January turned out to be a very good showing; The Agency did not expect that many people to attend – it was a good group of people. The Agency has received feedback from developers that may be interested in setting up their own funds to work with some of the different projects here in Johnson City and Endicott.

Ms. Duncan provided updates on the following:

BAE REDEVELOPMENT SITE

Ms. Duncan stated part of the process with the BAE Redevelopment Site is a required public hearing with the Air Force and DEC representatives on March 7, 2019, in the Town of Union offices from 6-8 p.m. This is the final requirement for development of their site management plan, as part of the remediation of the site. Ms. Duncan will attend the public hearing, along with representatives of Elan, to offer a presentation of the recommended redevelopment strategy. The public comment period will open February 25, 2019 through March 7, 2019, which is also a requirement of the Air Force and DEC.

The Agency is planning to issue a Request for Expressions of Interest (rather than a full RFP), which is a modified document, on March 1, 2019, to get a feel for what types of developers are out there, that could work on the site. This process will be much more visible from that moment on. The Agency is excited to get that out. The Agency has already had inquires on the site from a range of mostly housing projects; The Agency is starting conversations there. The Agency recognizes that there will be site development costs to raise the twelve-acre site eight feet out of the flood plain. The Agency anticipates looking at a myriad of potential public financing tools to reach that goal. The Agency thinks having a potential development plan on board will help leverage any requests for funding. Chairman Bernardo asked how long the period will be open (referring to the Requests for Expressions of Interest). Ms. Duncan replied, no more than 30-60 days, based on inquiries The Agency is receiving, without anything formal. Ms.

Duncan does not believe this is a CFA process – the ask will be too large; but potentially, a URI application.

COALITION GRANT

Similarly, just a reminder, The Agency submitted a first-ever coalition grant request with the Town of Union, Village of Endicott and Village of Johnson City, for a program called an EPA Assessment Program. This will afford, if awarded, up to \$600,000.00 to do studies similar to what The Agency has done at BAE with sites The Agency can select, as part of this process.

The benefit of this is the guidelines have changed a bit; The Agency can actually do market studies and economic analysis, which before, was not possible with those programs. The Agency is the only one in New York State being considered; as a result, chances to receive the funds are quite favorable. Again, it is a coalition grant, so it would be a nice way to work collaboratively with the town and villages on some of their vacant and under-utilized sites.

STAFF UPDATES

Ms. Abbadessa will be attending an IEDC Seminar next week, hosted by The International Economic Development Coalition, to expand and strengthen one of The Agency's strategic objectives, the Business Retention and Expansion (BR+E) program, to reach out to existing businesses. Ms. Abbadessa will acquire best practices and new strategy ideas for our programs.

Ms. Duncan will be attending the New York BEST Energy Storage Conference on March 13-14, 2019 in Albany. Another one of The Agency's strategic objectives was the identification of potential industry clusters or industry sectors that The Agency has the opportunity to grow. Energy storage is quickly being identified as such. The Agency is working with Betsy Hale at Three Rivers in Corning, with Susan Payne, and with representatives from Raymond, Amphenol and Corning, on understanding the supply chain. At this conference, Ms. Duncan will meet with both industry and academic partners.

Chairman Bernardo thanked Ms. Duncan.

ITEM #5. LOAN FUNDS AVAILABILITY AS OF JANUARY 31, 2019: The Loan Funds Availability Report was presented to the Board. The balances available to lend are \$594,067.62 (STEED), \$347,089.20 (BDF) and \$151,219.48 (BR + E). Chairman Bernardo asked if there were any questions of Ms. Norton or Mr. Gray, relative to the financial statements. Mr. Gray stated there is nothing to add to the report, unless there are specific questions. Hearing none, Chairman Bernardo continued to New Business.

MOTION: No motion necessary.

ITEM #6. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO A ONE-YEAR AGREEMENT WITH SUSAN PAYNE, STRATEGIC PLANNING CONSULTANT: Chairman Bernardo acknowledged working with Ms. Payne during January's Board Retreat; advising this is an extension of an existing agreement that has been in place since 2014. Chairman Bernardo asked if there were any questions, comments or concerns relative to the agreement; there were none.

MOTION: To Authorize the Executive Director, on Behalf of The Agency, to Enter into a One-Year Agreement with Susan Payne, Strategic Planning Consultant. On a MOTION by Ms. Sacco, seconded by Mr. Stevens, THE MOTION CARRIED UNANIMOUSLY.

ITEM #7. RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO AN AGREEMENT WITH HUE FOR DIGITAL ACCOUNT SERVICES: Chairman Bernardo advised representatives from Hue were present; asking them to introduce themselves. Mr. Hoffman provided a lengthy presentation of Hue's development of creative design services for The Agency, since 2014. Ms. Duncan offered that Hue demonstrated organic growth, since the rebranding of The Agency. The partnership with Hue, from a design concept point of view, has helped put The Agency in a position to take that message a little further. Ms. Duncan would like another year to extend the message of The Agency collateral. Ms. Duncan continued that when The Agency worked with Hue to create The Good Life Program, that project took on a life of its own – including the Workforce Strategy – that made more sense to divide and conquer, utilizing the marketing services of FreshySites, as well. This is the reason there are two separate firms coming in. Ms. Duncan loves what Hue created, but wanted to take it an extra step forward, thinking The Agency needed an additional firm for marketing. Chairman Bernardo suggested that in the future, perhaps October, The Agency should have Hue make their presentation, so that everybody has a chance to truly weigh in because when it is pushed into the following year, we are already steamrolling ahead, and it is not fair to the consultant, nor fair for the Board.

MOTION: To Authorize the Executive Director, on Behalf of The Agency, to Enter into an Agreement with

Hue for Digital Account Services. On a MOTION by Mr. Rose, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #8: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO AN AGREEMENT WITH FRESHYSITES, LLC FOR SOCIAL MEDIA AND MARKETING SERVICES: Mr. Giordano introduced himself and his staff attending the Board meeting, providing a short overview of FreshySites marketing services for the Good Life campaign during the past year. After FreshySites' presentation, Chairman Bernardo asked about funding. Ms. Duncan advised that the money for the campaign last year came from grant funding; the program is as big as The Agency's funding allows. The Agency does have an allotment for paid advertising. The Agency developed a 12-month strategy. The Agency does see growth on Linked In and Instagram, which are less expensive to run, than traditional media. Ms. Duncan continued The Agency is trying to maintain the balance, given budgetary constraints. The Agency has received positive feedback from the Press & Sun-Bulletin stories, but the stories are expensive. Chairman Bernardo asked if The Agency is allocating enough money. Mr. McLaughlin replied that more money needs to be allocated. Chairman Bernardo continued that The Agency has spent a considerable amount of money to get to this point; an extra investment would increase the reach of the program. Mr. McLaughlin commented that it would be advantageous to do some additional solicitation; however, The Agency's budget is limited. When it comes to sponsorships, The Agency must utilize the LDC. Chairman Bernardo redirected the question: what does the staff recommend? A lengthy discussion followed. Mr. McLaughlin concluded The Agency staff would have to come back to the Audit & Finance Committee and, then, full Board to discuss. Chairman Bernardo requested a motion.

MOTION: To Authorize the Executive Director, on Behalf of The Agency, to Enter into an Agreement with FreshySites, LLC, for Social Media and Marketing Services. On a MOTION by Mr. Stevens, seconded by Mr. Mirabito; the MOTION CARRIED.

ITEM #9: RESOLUTION TO APPROVE CHANGES TO THE AGENCY PERSONNEL POLICY: Chairman Bernardo directed Board members to note the highlighted changes within The Agency Personnel Policy. Mr. Gray stated prior to this meeting the Personnel Committee reviewed The Agency's recommended changes to comply with state law and the Personnel Committee is recommending that the Board approve those inclusions into The Agency's Employee Handbook. Chairman Bernardo requested questions or comments; hearing none, requested a motion to approve.

MOTION: To Authorize a Resolution to Approve Changes to The Agency Personnel Policy. On a MOTION

by Ms. Cheryl Sacco, seconded by Mr. Crocker, the MOTION CARRIED UNANIMOUSLY.

ITEM #10: RESOLUTION TO APPROVE THE AGENCY INVESTMENT AND DEPOSIT POLICY, PURCHASING POLICY, PROPERTY ACQUISITION GUIDELINES, PROPERTY DISPOSITION GUIDELINES AND INTERNAL CONTROLS AND FINANCIAL ACCOUNTABILITY POLICY WITH NO CHANGES: Mr. Gray stated shortly after the Personnel Committee met, the Audit & Finance Committee met and reviewed the policies and procedures relating to the Audit & Finance Committee's area of responsibility. The Authority Budget Office (ABO) requires a yearly review, and to make changes, if necessary. The Agency staff recommended to The Audit & Finance Committee, who in turn, recommended to the Board the present policies remain in effect, with no changes. Chairman Bernardo requested questions or comments; hearing none, asked for a motion.

MOTION: To approve The Agency Investment and Deposit Policy, Purchasing Policy, Property Acquisition Guidelines, Property Disposition Guidelines and Internal Controls and Financial Accountability Policy with No Changes. On a MOTION by Mr. Crocker, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #11: RESOLUTION AUTHORIZING A \$100,000.00 LOAN REQUEST FROM 250 MAIN LLC FROM THE BDF AND BR+E LOAN FUND PROGRAMS TO ASSIST IT WITH RENOVATIONS FOR THE PROPERTY AND BUILDING AT 250 MAIN STREET, JOHNSON CITY, NEW YORK: Mr. Gray stated the principals of 250 Main LLC, Thomas and Kathryn Sheredy, have been residents of Johnson City for many years. They have both witnessed the demise of the Village of Johnson City and decided to join several community groups that planned for the rebirth of the village, in general and the business district, in particular. Taking a more active role, and relying on their eight years' of experience renovating residential properties, they purchased a historic property, formally known as The Endwell Cigar Company in 2015, with plans to totally renovate it into prime retail space and upscale market-rate housing. The success of this endeavor is expected to result in more acquisitions in the future. The loan committee and Mr. Gray are recommending approval of this request for the following reasons: 1) The Sheredy's projections indicate adequate cash to cover the debt; 2) The IDA has strong personal guarantees of the guarantors; 3) The IDA will have a strong collateral position with a shared first mortgage with STREDEC on the property at 250 Main Street and 4) This is an opportunity for The Agency to participate in the resurgence of Johnson City. Chairman Bernardo requested questions or comments; hearing none, asked for a motion.

MOTION: To Authorize a \$100,000.00 Loan Request from 250 Main LLC from the BDF and BR+E Loan Fund Programs to Assist it with Renovations for the Property and Building at 250 Main Street, Johnson City, New York. On a MOTION by Mr. Howard, seconded by Mr. Peduto, the MOTION CARRIED UNANIMOUSLY.

ITEM #12: RESOLUTION ACCEPTING AN APPLICATION FROM 250 MAIN LLC AND AUTHORIZING A SALES AND USE TAX EXEMPTION, CONSISTENT WITH THE POLICIES OF THE AGENCY IN CONNECTION WITH THE ACQUISITION AND RENOVATION OF THE PROPERTY AND BUILDING AT 250 MAIN STREET, JOHNSON CITY, NEW YORK: Mr. Gray stated the Small Business Incentive Program is a program that is available to small businesses involved in projects where The Agency is in a position to waive the sales tax requirements, as well as the mortgage recording tax. In this case, 250 Main LLC has applied for a sales tax waiver on approximately \$216,000.00 in anticipated material costs, in order to renovate the building that was just approved in the last resolution. That will translate into a savings of \$17,280.00 in sales tax. That, coupled with our low interest financing, is a way that this organization can help a small business take a property, in this case, in downtown Johnson City, which was simply a shell of a building, with no running water or electricity, when it was purchased in 2015 and transform it and put it back on the tax rolls. The Agency staff and Mr. Gray recommend that the Board approve this application, which will increase the cash flow for the Sheredy's and allow them to proceed with the renovation of the building. Chairman Bernardo asked if there were questions of Mr. Gray; hearing none, asked for a motion.

MOTION: To Accept an Application from 250 Main LLC and Authorize a Sales and Use Tax Exemption, Consistent with the Policies of The Agency in Connection with the Acquisition and Renovation of the Property and Building at 250 Main Street, Johnson City, New York. On a MOTION by Mr. Stevens, seconded by Mr. Rose, the MOTION CARRIED UNANIMOUSLY.

ITEM #13: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO A BOOKKEEPING SERVICES AGREEMENT WITH THERESA RYAN: Mr. McLaughlin stated as the Board is aware, Ms. Norton is leaving the employ of The Agency. To fill that void, Ms. Duncan contacted Ms. Ryan, who has a successful bookkeeping business. Ms. Ryan submitted a proposal, which is included as part of this agreement completed by Attorney Meagher, for \$325.00 per week to do The Agency's books. Ms. Ryan will continue to work with Ms. Norton over the next couple weeks. Ms. Ryan feels comfortable with this arrangement. Ms. Ryan will be challenged with preparing The Agency's PARIS

Report, a yearly requirement of the ABO. Mr. McLaughlin stated that Ms. Norton might need to return to assist Ms. Ryan next year with preparation of this ominous document. The Agency believes this will fill the void, with Ms. Norton leaving. The Finance Committee reviewed and recommended approval of this agreement; Mr. McLaughlin asked for the Board's consideration. Chairman Bernardo asked if there were questions; hearing none, asked for a motion.

MOTION: To Authorize the Executive Director, on Behalf of The Agency, to Enter into a Bookkeeping Services Agreement with Ms. Ryan. On a MOTION by Mr. Peduto, seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY.

ITEM #14: RESOLUTION AUTHORIZING THE TRANSFER OF A 3.8 +/- ACRE PARCEL LOCATED AT 36 BROOME CORPORATE PARKWAY TO THE TOWN OF CONKLIN, TO BE USED FOR THE CONSTRUCTION OF

THE CONKLIN WELLNESS CENTER PROJECT: Ms. Duncan passed around a GIS map of the referenced parcel, which is also projected on the screen. This GIS map outlines all the properties within the 600 acres of the Broome Corporate Park. The resolution authorizes The Agency to take parcel number 36, which is at the very bottom of the GIS map, right off the highway exchange, approximately, in total, a six-eight acre parcel, owned by The Agency. The Agency also owns the smaller parcel located in the corner. The Agency has been providing technical assistance to the Town of Conklin in partnership with Lourdes, on the relocation of the Town of Conklin's Community Center, which was hit hard by two floods (in 2006 and 2011). The Town of Conklin has received New York State Storm Recovery funds to relocate and redevelop their community center. This project has morphed into not only their community center, which will be built to American Red Cross standards as a first responder location, but also include an approximately 70-child day care center, which could also serve the many businesses located in the Corporate Park. The Agency is prohibited to transfer the property at no cost, so The Agency will transfer the property for \$1.00. In turn, the Town of Conklin has agreed that should any future sale of the property occur, The Agency would be paid \$30,000.00 per acre. Mr. McLaughlin added that Lourdes had expressed an interest to do a walk-in clinic, which would be a totally separate project. The Agency has had no discussions with Lourdes up to this point, because The Agency wanted to concentrate on the community and day care center, so that the storm funds could be used for that purpose. Since there is a time limit on the storm funds, The Agency has worked very closely with the town. Since Lourdes came to The Agency first with the project, The Agency will engage with Lourdes first, should they decide to move forward with a purchase of the remainder of the parcels, bringing the project to the Board. There have also been discussions about bringing senior housing to that location, to go along with the walk-in clinic. The Agency has some additional acreage that can be developed. If The Agency can put the whole thing together, it would be an exciting project for the Town of Conklin. Chairman Bernardo asked for questions or comments; hearing

none, asked for a motion.

MOTION: To Authorize the Transfer of a 3.8 +/- Acre Parcel Located at 36 Broome Corporate Parkway to the Town of Conklin, to be used for the Construction of The Conklin Wellness Center Project. On a MOTION by Mr. Stevens, seconded by Mr. Crocker, the MOTION CARRIED (6 to 2 – Ms. Sacco and Mr. Rose abstained).

ITEM #15: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO AN OPTION AGREEMENT WITH THE COUNTY OF BROOME FOR THE PURCHASE OF APPROXIMATELY 300 ACRES LOCATED IN THE TOWN OF MAINE, BROOME COUNTY, NEW YORK, FOR THE SUM OF \$20,000.00 PER ACRE TO BE DETERMINED BY SURVEY. A COPY OF THE PROPOSED OPTION AGREEMENT IS ATTACHED HERETO AS EXHIBIT "A": Ms. Duncan stated there are two reasons why it makes sense for The Agency to work with Broome County on this: First, The Agency responded to an RFP and was selected to assist in marketing strategic county-owned sites. The Agency identified the 300 +/- acres at the Airport, as one of those strategic sites. This gave The Agency more flexibility in negotiating those deals from the onset, right up to the potential developer. Secondly, after the holidays, a company came to The Agency, expressing interest in looking at that land. It was at that point that The Agency had conversations with the county on taking the option to be that first responder to an inquiry, with this price set, to move the project along much more expeditiously. The Agency would carry this no-cost option for a one-year term. Mr. McLaughlin added that this has already been passed by the county. Chairman Bernardo asked for questions or comments; hearing none, asked for a motion.

MOTION: To Authorize the Executive Director, on Behalf of The Agency, to Enter into an Option Agreement with the County of Broome for the Purchase of Approximately 300 Acres Located in the Town of Maine, Broome County, New York, for the sum of \$20,000.00 per Acre to be Determined by Survey. On a MOTION by Mr. Howard, seconded by Mr. Peduto, the MOTION CARRIED UNANIMOUSLY.

ITEM #16: RESOLUTION CONSENTING TO THE PARTIAL TRANSFER AND RESTRUCTURING OF THE EQUITY INTERESTS OF CLOVER COMMUNITIES JOHNSON CITY, LLC WHEREBY THE EQUITY INTERESTS CURRENTLY OWNED INDIRECTLY BY VARIOUS LIMITED PARTNERS WILL NOW BE OWNED BY WELLTOWER INC. AS DELINEATED IN THE ORGANIZATIONAL CHART ATTACHED HERETO AS EXHIBIT "A" WHICH TRANSFER AND RESTRUCTURING WILL NOT AFFECT THE DOCUMENTS AND OBLIGATIONS CREATED UNDER THE 2011 LEASE/LEASEBACK TRANSACTION: Attorney Meagher stated he was contacted by an attorney involved with the transaction; it is nothing more than an in-house transfer. Attorney Meagher continued that it is a transfer of equity ownership. A group of the owners are selling their interest to Welltower Inc.; all the obligations remain the same. Attorney Meagher clarified this is

the housing project that sits behind the Oakdale Mall. Chairman Bernardo asked if is a 55-and-older project, and whether Welltower Inc. is a new owner? Attorney Meagher confirmed it is a 55-and-older project and Welltower Inc. is purchasing the equity interest; an outside partner, buying in. Some, but not all, of the partners are selling their shares. Chairman Bernardo asked if there were questions; hearing none, asked for a motion.

MOTION: To consent to the Partial Transfer and Restructuring of the Equity Interests of Clover Communities Johnson City, LLC Whereby the Equity Interests Currently Owned Indirectly by Various Limited Partners will now be Owned by Welltower Inc. as Delineated in the Organizational Chart, which Transfer and Restructuring will not Affect the Documents and Obligations Created Under the 2011 Lease/Leaseback Transaction. On a MOTION by Mr. Peduto, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #17: ADJOURNMENT: Chairman Bernardo requested a motion to adjourn.

MOTION: On a MOTION by Mr. Howard, seconded by Mr. Crocker, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 1:01 p.m.

The next meeting of The Agency Board of Directors is scheduled for Wednesday, March 20, 2019 at 12:00 p.m. at FIVE South College Drive, Suite 201, Binghamton, NY 13905.