

BOARD MEETING
FIVE South College Drive; Suite 201, 2nd Floor
BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Binghamton, New York 13905
Tuesday, January 15, 2019, 12:00 pm

SYNOPSIS OF MEETING

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

ABSENT: D. Crocker

GUESTS: Jeff Platsky, Press & Sun-Bulletin

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

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. Bernardo, Mr. Howard, Mr. Stevens, Mr. Bucci, Mr. Peduto, Mr. Rose, Mr. Mirabito and Ms. Sacco.

MOTION: No motion necessary.

ITEM #2. NOMINATION OF OFFICERS: Attorney Meagher asked for nominations from the floor for officers. Mr. Howard nominated Mr. Bernardo for Chairman, Mr. Howard for Vice Chairman, Mr. Bucci for Secretary and Mr. Stevens for Treasurer. Attorney Meagher asked if there were any other nominations; there were none. Attorney Meagher stated that at this time we will accept the nominations and asked if all were in favor of the proposed slate of officers for the upcoming year. All were in favor (none opposed).

MOTION: The Board approved all nominations unanimously.

ITEM #3. APPROVE MINUTES FOR THE DECEMBER 19, 2018 BOARD MEETING: Chairman Bernardo asked if Board Members had a chance to review the minutes from the December 19, 2018 Board Meeting; Chairman Bernardo requested a motion.

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

Chairman Bernardo then asked Ms. Duncan to introduce The Agency's Intern, Kevin Wu. Ms. Duncan advised she would allow Mr. Wu to introduce himself. Mr. Wu provided a short commentary, stating he was placed at The Agency through the BOCES New Visions Program in 2017 and currently is a student at Binghamton University.

ITEM #4. PUBLIC COMMENT: No public comment.

ITEM #5. EXECUTIVE DIRECTOR'S REPORT: Mr. McLaughlin provided an update on the following:

OPPORTUNITY ZONE PROGRAM

Mr. McLaughlin advised that on Tuesday, January 22nd, The Agency will offer a presentation from Shawn Griffin, Harris Beach, PLLC and Insero & Co. CPAs, LLP (The Agency's Accounting Firm), regarding the Opportunity Zone Program in Broome County. Mr. McLaughlin continued that this is an important program introduced as part of the 2017 Tax Law and allows for investment in these zones. Mr. McLaughlin concluded that over 100 individuals are currently signed up for the event.

ITEM #6. LOAN FUNDS AVAILABILITY AS OF DECEMBER 31, 2018: The Loan Funds Availability Report was presented to the Board. The balances available to lend are \$459,249.13 (STEED), \$339,885.34 (BDF) and \$150,000.00 (BR + E). Mr. Gray stated The Agency has delinquent loans in the portfolio. Mountain Fresh Dairy is a project partnered with the City of Binghamton to put the Crowley plant back into operation. That has not happened. The City of Binghamton has not been paid for nine to ten months. The Agency has received payments; however, Mountain Fresh Dairy is 60 days behind. Attorney Meagher, in conjunction with City Council, is pursuing legal action to recover The Agency's collateral. In addition, Attorney Meagher is pursuing a judgment against SpecOp, in Lyle, to regain The Agency's collateral, as well. F. A. Guernsey, Schoharie County, is a seasonal business which has been in the Guernsey family for over 110 years. F. A. Guernsey suffered a \$400,000.00 loss following the 2011 flood. The Agency assisted, recasting F. A. Guernsey's debt several times. Mr. Gray is not sure why F. A. Guernsey is 60 days behind, due to having difficulty contacting Mr. Guernsey; however, Mr. Gray expects more information will be forthcoming and will advise at next month's meeting. A short discussion followed, wherein Mr. Gray

confirmed health issues of Mr. Guernsey. Chairman Bernardo asked if there were any further questions of Ms. Norton or Mr. Gray; hearing none, Chairman Bernardo moved on to new business.

MOTION: No motion necessary.

ITEM #7. 2019 MEETING SCHEDULE: Chairman Bernardo stated that Board Members had received a copy of the schedule for the upcoming year and asked if there were any questions; there were none.

MOTION: No motion necessary.

ITEM #8. RESOLUTION ACCEPTING AN APPLICATION FROM 265 MAIN STREET, LLC AND AUTHORIZING A SALES AND USE TAX EXEMPTION, CONSISTENT WITH THE POLICIES OF THE AGENCY IN CONNECTION WITH THE RENOVATION OF THE PROPERTY AND BUILDING AT 265 MAIN STREET, JOHNSON CITY, NY:

Ms. Duncan referred to the application in the Board packet for The Agency's Small Business Incentive Program, enabling the authorization of a sales and use tax exemption for eligible applicants. 265 Main Street, LLC is owned by David Whalen, owner of Binghamton Hots. The Agency recently processed a loan to purchase the building. Mr. Whalen plans to renovate the building's first floor for retail and the second floor for apartments and is seeking the sales tax exemption in the amount of \$4,000.00, as per The Agency's program guidelines. Ms. Duncan further stated this is for a second location of Binghamton Hots and does not require a public hearing. Chairman Bernardo asked if there were questions of Ms. Duncan; hearing none, Chairman Bernardo requested a motion.

MOTION: To Accept an Application from 265 Main Street, LLC and Authorizing a Sales and Use Tax Exemption, Consistent with the Policies of The Agency in Connection with the Renovation of the Property and Building at 265 Main Street, Johnson City, NY. On a MOTION by Mr. Stevens, seconded by Mr. Bucci, the MOTION CARRIED UNANIMOUSLY.

ITEM #9: RESOLUTION AMENDING A PREVIOUS RESOLUTION ADOPTED BY THE AGENCY ON AUGUST 15, 2018 AUTHORIZING A LEASE/LEASEBACK TRANSACTION WITH PIKE DEVELOPMENT GROUP, LLC COVERING PREMISES LOCATED AT 7 HAWLEY STREET IN THE CITY OF BINGHAMTON, COUNTY OF BROOME AND STATE OF NEW YORK TO PROVIDE FOR A REVISED PILOT AGREEMENT IN ACCORDANCE WITH THE TERMS OF AN AMENDED RESOLUTION ADOPTED BY THE COUNCIL OF THE CITY OF BINGHAMTON AS SET FORTH IN EXHIBIT "A" ATTACHED HERETO: Mr. McLaughlin stated that the City of Binghamton has requested The Agency amend the existing PILOT with Pike Development Group, LLC (Pike), by five years. The main reason for the extension has to do with the time frame of the project being

developed, as well as additional costs incurred as a result of the delay in the project. This was presented to and approved by City Council, recommending The Agency extend the PILOT. Mr. McLaughlin opined this is a wonderful project for downtown Binghamton. Mr. McLaughlin explained, on behalf of new members, that this is the parking garage and housing directly behind the CVS building in downtown Binghamton. The parking deck is tremendously needed. Mr. McLaughlin's understanding is this project will move ahead quickly. Chairman Bernardo asked if there were questions or comments; hearing none, Chairman Bernardo requested a motion.

MOTION: To Amend a Previous Resolution Adopted by The Agency on August 15, 2018 Authorizing a Lease/Leaseback Transaction with Pike Development Group, LLC Covering Premises Located at 7 Hawley Street in the City of Binghamton, County of Broome and State of New York to Provide for a Revised PILOT Agreement in Accordance with the Terms of an Amended Resolution Adopted by the Council of the City of Binghamton as set Forth in Exhibit "A" Attached Hereto. On a MOTION by Mr. Howard, seconded by Mr. Stevens; the MOTION CARRIED (7 to 1 – Ms. Sacco abstained).

ITEM #10: RESOLUTION AUTHORIZING THE AGENCY TO ENTER INTO A CONTRACT FOR THE SALE OF PREMISES LOCATED AT 61 MONTGOMERY STREET AND 79 FREDERICK STREET IN THE CITY OF BINGHAMTON, BROOME COUNTY, NEW YORK AND IDENTIFIED AS BROOME COUNTY TAX MAP PARCELS 144.68-1-4 AND 144.68-1-5 FOR THE PRICE OF \$125,000.00 PURSUANT TO THE TERMS OF THE REAL ESTATE CONTRACT ATTACHED HERETO AS EXHIBIT "A": Mr. McLaughlin stated this is a contract for the purchase of what is being referred to as the "DOT Property" at the corner of Frederick and Montgomery Street. The principals that have executed this contract are Mark Lane and Mark Hotchkiss. Mr. Hotchkiss is also the owner of the former Stowe Manufacturing building at the corner. The owners are working on a project and would like to purchase our property to fill out the whole development parcel. The Agency believes \$125,000.00 is a fair price for this parcel. The Agency will provide all available environmental information from the complete asbestos study performed on each one of the buildings, as well as Phase I and Phase II completed by the county, prior to The Agency taking possession of the property. The Agency has maintained this property for years. The Agency has a lease with DMV that will have to be passed on to the new owners, and the DMV must be notified of the sale, if the Board chooses to accept this contract. The principals expect to close on the contract on or before April 15, 2019. Mr. McLaughlin believes this is a wonderful opportunity to relieve The Agency of this property, since it has been on the market for many years. Chairman Bernardo inquired if there was an appraisal done on the property; Mr. McLaughlin responded there was an opinion by John McDonald. Chairman Bernardo requested questions or comments; hearing none, requested a motion to approve.

MOTION: To Authorize The Agency to Enter into a Contract for the Sale of Premises Located at 61

Montgomery Street and 79 Frederick Street in the City of Binghamton, Broome County, New York and Identified as Broome County Tax Map Parcels 144.68-1-4 and 144.68-1-5 for the Price of \$125,000.00 Pursuant to the Terms of the Real Estate Contract Attached Hereto as Exhibit "A." On a MOTION by Mr. Howard, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #11: ADJOURNMENT: Chairman Bernardo requested a motion to adjourn.

MOTION: On a MOTION by Ms. Sacco, seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 12:16 p.m.

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