

1 STATE OF NEW YORK

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3 A PUBLIC HEARING

4 IN THE MATTER OF

5 CENTURY SUNRISE REDEVELOPMENT, LLC

6 -----

7 A Public Hearing held at 243 Main Street, Johnson
8 City, New York, on the 16th day of May, 2016, commencing
9 at 5:30 PM.

10
11 BEFORE: CZERENDA COURT REPORTING, INC.

12 71 State Street

13 Binghamton, New York 13901-3318

14 TROY KELLEY

15 Shorthand Reporter

16 Notary Public

17 Binghamton - (607) 723-5820

18 (800) 633-9149

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A P P E A R A N C E S

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THOMAS, COLLISON & MEAGHER; 1201 Monroe Street,
Endicott, New York 13760; JOSEPH B. MEAGHER, ESQ.

ALSO PRESENT: Kevin McLaughlin, The Agency, Broome
County IDA/LDC; Mayor Gregory Deemie.

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1 (Whereupon Exhibits 1 through 5
2 were marked for identification)

3 MR. MEAGHER: Good evening, ladies
4 and gentlemen, or late afternoon, whichever.
5 My name is Joseph Meagher, and I'm counsel
6 to the Broome County Industrial Development
7 Agency. The Agency is conducting a hearing
8 this evening pursuant to General Municipal
9 Law 859-a. The purpose of this hearing is
10 to seek public comment on an application for
11 financial assistance which has been
12 submitted by Sunrise -- excuse me, Century
13 Sunrise Redevelopment, LLC, in connection
14 with a proposed affordable housing apartment
15 complex to be located at 135-139 Baldwin
16 Street in the Village of Johnson City, the
17 Town of Union, the County of Broome and the
18 State of New York.

19 The acceptance of the filing by The
20 Agency does not infer any position on the
21 approval or disapproval of the financial
22 assistance which has been requested. No
23 position will be taken by The Agency until
24 the public hearing is concluded. As you can

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1 see, we have a reporter here who's taking
2 down all comments made. Those comments will
3 be put into a transcript and will be
4 provided to the members of The Agency prior
5 to their taking a position on this
6 application. A copy of the application
7 along with the cost benefit analysis
8 prepared by The Agency is available at the
9 office of The Agency for your review.

10 Notice of this hearing was
11 published in the PRESS & SUN BULLETIN on
12 April 30, 2016. I want to request that each
13 person wishing to speak state his or her
14 name so that the reporter can take that
15 down, and if you're speaking on behalf of an
16 entity or organization, please identify that
17 entity or organization. The hearing will
18 remain open until all public comment is
19 concluded.

20 First, I'm going to ask Kevin
21 McLaughlin, who's seated at my right,
22 executive director of The Agency, to explain
23 the benefits that have been requested by
24 Century Sunrise Redevelopment, LLC. Kevin.

1 MR. McLAUGHLIN: Thank you, Joe.

2 The Century Sunrise Redevelopment project is
3 located at 135-139 Baldwin Street. The
4 project consists of the acquisition and
5 substantial rehabilitation of two vacant and
6 deteriorated former Endicott-Johnson
7 manufacturing buildings by the redevelopment
8 corporation. The project will create 104
9 residential mixed income units with the
10 majority being created as affordable
11 workforce housing for individuals and small
12 families working in and around the Triple
13 Cities. I would like to note that this
14 project will not be for undergraduate
15 student housing, although some limited
16 graduate students and their families may
17 qualify to occupy a portion of the units.
18 The project will also include up to 3,500
19 square feet of commercial space.

20 The \$28,500,000 project is being
21 financed through a combination of affordable
22 and historic tax credits, state bond
23 financing, a regional culture grant and
24 money through the CDBG disaster relief fund.

1 The investors that will be providing equity
2 into the project and the potential
3 bond-holders require that the underwriting
4 for the project be completed over the full
5 30-year term of financing. Therefore, the
6 developer must prove to the investors and
7 the underwriters that the project will
8 sustain itself over the full 30-year term
9 and a need for a 30-year d/b/a to pilot.

10 As you may be aware, the affordable
11 tax credit program limits the developer to
12 what can be charged for rents based on the
13 median income of a municipality in which the
14 project is located. The rents will range
15 anywhere from a one-bedroom unit in the 450
16 range, to two bedrooms in the -- up to 500
17 to \$600 a month. These rents are well below
18 the rents that are being charged throughout
19 the Triple Cities for new rental units.

20 If, in fact, the pilot is not
21 granted, there's no guarantee to the
22 bond-holders or to the investors that the
23 taxes will not double or triple over the
24 term of the financing putting the project in

1 the red and unable to repay the debt.

2 Therefore, the developer is requesting a
3 30-year d/b/a to pilot and also requesting a
4 4 percent exemption on the sales tax on
5 materials and the -- just to let everybody
6 know that the post-pilot does allow the
7 taxes to increase as rents rise so that the
8 municipality will continue to receive more
9 taxes than it presently receives for these
10 two buildings. Thank you.

11 MR. MEAGHER: All right. Does
12 anyone wish to speak regard the project?
13 Again, I request that before you speak you
14 identify yourself and/or the organization
15 that you are speaking on behalf of.

16 A SPEAKER: Corinna Johnson, a
17 Johnson City resident. I just have a
18 question why there was needing disaster
19 relief funds? That's not a floodplain over
20 there, I just want to know what it was. Can
21 anybody clarify that?

22 MR. McLAUGHLIN: Johnson City was
23 one of the municipalities that was flooded,
24 and as a result they're eligible.

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1 after the 30 years, or the value of the
2 building when they're all done? You know,
3 what is that value, you know?

4 MR. McLAUGHLIN: What's the value
5 of the building?

6 A SPEAKER: What's the value of
7 what it's going to be and what will that --
8 you know. They said an assessor was going
9 to be here. So, what will be the assessed
10 value of that building compared to the
11 amount of the taxes they're, you know,
12 paying or not paying or reduced? You know,
13 like what is the -- when it's all said and
14 done?

15 MR. MEAGHER: What is the
16 assessment going to be on the building at
17 the end of the 30 years?

18 A SPEAKER: What is the value of
19 the building going to be when it's built?

20 MR. McLAUGHLIN: Based on the
21 taxes -- I mean, based on the rents that are
22 being charged, the assessment will be
23 somewhere be 2.3, \$2.4 Million.

24 A SPEAKER: So, that's what

1 they're basing the amount of taxes on, that
2 assessed value?

3 MR. McLAUGHLIN: Mm-mm.

4 A SPEAKER: To pay out, increase
5 up until the full amount every year?

6 MR. McLAUGHLIN: Yes. That would
7 gain you about \$100,000 in taxes, okay.
8 They are requesting another \$17,000 be paid.
9 So, there's a delta there.

10 So, over the course of 30 years, I
11 don't have it exactly in front of me, but I
12 think they'll pay 900-something thousand
13 dollars in taxes and they will have almost a
14 million dollars in relief.

15 A SPEAKER: They're just short of
16 a million dollars in taxes.

17 A SPEAKER: So, they can't do it
18 for less than 30, they're requesting it?

19 MR. McLAUGHLIN: Yes. They are
20 requesting a 30-year pilot. They probably
21 won't go forward without a 30-year pilot.
22 Certainly because the bond-holders and the
23 equity investors, the whole deal is based on
24 a 30-year mortgage, and the bond-holders and

1 the investors are saying that they need it.
2 They have to know what those taxes are over
3 the full 30 years or they won't approve the
4 funding.

5 A SPEAKER: So then what is the
6 point in even having a hearing because if
7 the project doesn't go through --

8 MR. MCLAUGHLIN: The project
9 doesn't go through. If the project would
10 decide not to -- based on this project
11 hearing, if the project Board decides not to
12 vote in favor of it, then the project dies.
13 It's as simple as that.

14 A SPEAKER: So, there is no
15 negotiating for a 20 year or anything like
16 that?

17 MR. McLAUGHLIN: No. It's only
18 because of financing, that's all it comes
19 down to. If it was 20-year financing, it
20 would be a 20-year pilot. They'd still be
21 deviated, but it'd only be a 20-year pilot.

22 A SPEAKER: Monica Silas again. I
23 just want to say I think that it's a
24 wonderful use of those buildings. I think

1 that we need to do something in that
2 blighted area, and we're either going to
3 watch it deteriorate and get \$15,000 a year
4 in taxes, or watch them be rehabilitated and
5 eventually reap the benefits of a population
6 that is going to spend money in the village.
7 Even if the building isn't paying taxes,
8 those people are going to shop at Wal-Mart
9 or Wegman's, whatever. It's still going to
10 be an added value to the village.

11 A SPEAKER: Donna Converse,
12 Johnson City resident for 33 years. I'm
13 speaking here personally but I also am the
14 president of Johnson City Partners, which is
15 a group in the area whose mission statement
16 is to increase economic opportunity in the
17 Village of Johnson City while preserving its
18 historic character. I became involved with
19 Johnson City Partners because although I am
20 not from the area, I care about the village
21 and I'm hoping that we can really turn
22 things around in Johnson City.

23 I think this is a very exciting
24 time and our economic development with the

1 coming of Binghamton University and how that
2 is going to impact the area, the downtown
3 area around the project. I am really hoping
4 that this project can move forward because
5 it's, I think, very exciting and think it's
6 a very worthwhile project.

7 A SPEAKER: I just have a
8 question. Do we know yet what the
9 commercial -- plans for the commercial space
10 will be?

11 MR. McLAUGHLIN: Not yet. I think
12 they're saying a coffee shop or something,
13 but I'm not sure exactly what it's going to
14 be. I think they're just trying to nail
15 down a tenant.

16 A SPEAKER: Corrine Johnson again.
17 I promised someone I would ask, and I don't
18 know if you would be able to address this,
19 about how they plan to provide for parking
20 for those buildings?

21 MR. McLAUGHLIN: I haven't seen
22 the parking plan but I imagine --

23 MAYOR DEEMIE: They've been
24 working in conjunction with the railroad to

1 lease parking along the tracks there because
2 they're not in service anymore. So, they've
3 been working on an agreement with them on
4 what I believe is a 40-year agreement what
5 it is right along the track. Plus, they
6 also have some parking on the property
7 already, so.... But it's supposedly
8 stretching down along the tracks is where
9 the parking's going to be.

10 A SPEAKER: Rick Balles, obviously
11 a village resident, obviously also a trustee
12 of the village. I've got a question.

13 When you put together the IDA
14 agreement, was that IDA agreement put
15 together by the IDA Board or -- I mean, the
16 developer, who presented that?

17 MR. MEAGHER: Well, they present
18 an application. In fact, there is no
19 agreement with the IDA yet because the IDA
20 hasn't approved the project. They presented
21 an application explaining the project and
22 explaining the financing and explaining the
23 benefits that they were requesting.

24 A SPEAKER: Okay. So, there was

1 negotiation with that application?

2 MR. McLAUGHLIN: Do you mean for
3 the pilot itself?

4 A SPEAKER: Yes.

5 MR. McLAUGHLIN: No. It was
6 presented to the Johnson City Board. It was
7 approved by the Johnson City Board and
8 submitted to us.

9 A SPEAKER: Is there any
10 opportunities to work with the developer in
11 terms of public safety? For example, we're
12 going -- obviously when the buildings are
13 erected and, you know, operational, there
14 will be times that, you know, we will have
15 to have public safety and, you know, fire
16 service over at those buildings; sometimes
17 you have false alarms. Because of the pilot
18 agreement, we won't get any revenue for that
19 service. Is there still any possibility of
20 working on that with the developer in terms
21 of getting a compensation for fire service
22 and public safety, or is that not in
23 question?

24 MAYOR DEEMIE: I mean, that's what

1 he paid the taxes for is your service comes
2 in that agreement. When you're paying
3 \$17,000 out a year, in that range, 15 to 17,
4 and we go in there numerous times for false
5 alarms, they will have to be brought up to
6 the most current code, which includes, I'm
7 sure, sprinklers and they'll have fire
8 safety within the place. It's going to be
9 well taken care of.

10 Also, I was told, too, that Chief
11 Dodge is talking to BU. BU actually has
12 their own onsite police force right there at
13 the school. They're going to be looking
14 directly at that building right there; and
15 their police force actually has a right to
16 make arrests and things like that, too, and
17 get called up. They're going to have a
18 police force. So, that will have basic
19 security right next door.

20 I am sure they will have some kind
21 of security there, I can't guarantee that.
22 I'm sure we'll be talking about that when
23 the needs arise. Onsite, I wouldn't be
24 surprised if they have some kind of a

1 monitor systems outside and around there for
2 security purposes. I mean, you know, with
3 the amount of people that are going to be
4 there, too, I mean, it'll probably --

5 MR. McLAUGHLIN: They're going to
6 have a full-time building manager onsite.

7 MAYOR DEEMIE: Right. There's
8 actually 105 apartments. The 105th
9 apartment is the onsite manager for the
10 building. So, there will be someone there
11 but, you know, it's like with any project.
12 You know, there's a possibility of extra,
13 you know, police work or fire work with
14 anything that goes on in a building that
15 comes with that, but, you know, hopefully it
16 won't be here. I'm sure there will be
17 times, like you said, false alarms and
18 things like that. So....

19 A SPEAKER: Okay. Thank you.

20 A SPEAKER: I know you mentioned
21 that there's some public funding, the CDBG,
22 the flood money. Like what percentage is
23 public money and what percentage is private
24 investors for this project?

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1 MR. McLAUGHLIN: Again, the
2 investment money and the historic tax credit
3 is probably 70/30, 80/20, something like
4 that.

5 A SPEAKER: Investor paid?

6 MR. McLAUGHLIN: Yeah.

7 MAYOR DEEMIE: That's a
8 \$32,000,000 project.

9 MR. McLAUGHLIN: 28.5 Million.

10 MAYOR DEEMIE: 28.5 in the
11 application.

12 A SPEAKER: Diane Marusich,
13 Johnson City resident, and I am a member of
14 The Agency board of directors. Kevin's
15 mentioned it to this audience. Could you
16 please elaborate on the nature of the low
17 and medium income housing definition that
18 you explained to me privately? I think it's
19 important that they're aware of the
20 requirements.

21 MR. McLAUGHLIN: Well, the
22 affordable housing would be a one-to-one tax
23 credit program which require the developer
24 to hold rents at between 50 and 60 percent

1 of median income, whatever that is in the
2 village. We set the rent as low as \$388 for
3 a one-bedroom apartment, for a brand new
4 one-bedroom apartment. They rise because
5 there's some market rate apartments in
6 there, but most of them are for what I
7 consider workforce housing. So, they raise
8 from 388 to 500, but it's still very, very
9 low rents as compared to what's being
10 charged in this marketplace. As a result of
11 that, that's why the pilot is needed,
12 because you're just not generating the
13 income that you would on a market rate, you
14 know, a market rate price.

15 And the low income housing tax
16 credit program stays in place full term.
17 So, he's got to hold those rents. Now, he
18 can raise, raise the rents, you know, as
19 incomes raise, but it's a very low rent in
20 the market.

21 A SPEAKER: Will renters have to
22 have full and certain income brackets in
23 order to rent?

24 MR. McLAUGHLIN: Some of them

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1 won't, the majority of them will, yes.

2 A SPEAKER: I know you said it
3 will be some graduate housing and the
4 undergraduates --

5 MR. McLAUGHLIN: I didn't say -- I
6 said it's a possibility.

7 A SPEAKER: A possibility. But, I
8 mean, if a student wants to rent the non
9 income-based, can you -- you can't turn them
10 away?

11 MR. McLAUGHLIN: Well, I don't
12 think he can, but I'm telling you he's not
13 marketing it for students.

14 A SPEAKER: You're going to have a
15 whole bunch of students in a year and a
16 half.

17 MR. McLAUGHLIN: Yeah, but they're
18 all graduate students. Remember, they're
19 not undergraduate students.

20 A SPEAKER: Not the nursing school
21 though, they're undergraduates.

22 MR. McLAUGHLIN: Yes, but the main
23 building, the main pharmacy will be all
24 graduate students.

1 MR. MEAGHER: Does anyone else
2 wish --

3 A SPEAKER: I was wondering what
4 percentage of the income -- of the
5 apartments are the income-based housing?

6 MR. McLAUGHLIN: About 90 percent.

7 A SPEAKER: 90 percent.

8 A SPEAKER: Barbara Thompson, I'm
9 a resident. I'm wondering if there are
10 currently curbs and sidewalks and whether
11 you will be putting them in or whether
12 that's going to be a village expense?

13 MAYOR DEEMIE: That's all taken
14 care of during the -- they've already gone
15 through planning, they're waiting on
16 approval by the village. A lot of that,
17 really a lot is onsite. There's very little
18 sidewalks and curbs that, you know.
19 Probably most of it's going to be right
20 onsite, and that will be taken care of by
21 him. So, plus in that area, if there is
22 some, that will probably be taken care by us
23 and we will work something out.

24 There's very little -- if you look

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1 at the way that property lies, there's curbs
2 and sidewalks and there's very minimal of
3 very -- curbs and sidewalks involved at
4 either end, and most of it will be, you
5 know, taken care of when they're onsite.
6 There's a lot of plans. So, there's a lot
7 of landscaping, a lot of retaining walls and
8 things like that that will be going up.

9 MR. MEAGHER: All right. Any
10 other questions, comments?

11 A SPEAKER: Rick Balles again.
12 When do you -- when does the IDA have to
13 meet again to vote on this?

14 MR. McLAUGHLIN: We're meeting
15 Wednesday at noon at the library.

16 A SPEAKER: This Wednesday?

17 MR. McLAUGHLIN: Yes.

18 A SPEAKER: The Binghamton
19 library?

20 MR. McLAUGHLIN: Yes; and the
21 developer will be there.

22 A SPEAKER: Lorraine Taylor. What
23 are you going to do with the wall that's
24 behind it and the properties that are up

1 there, is that part of your --

2 MAYOR DEEMIE: That's not -- that
3 doesn't deal with this. That's during the
4 planning and zoning stage of the project.
5 So, he does have a planning stage to shore
6 up and stabilize that area back there behind
7 the building. You know, he needs to get
8 into that property in that area there. So,
9 there's some plans to take care of that.
10 So, yeah; it's all being looked at.

11 They'd have to do the property for
12 themselves, that's on the property-owner
13 themselves. So, what makes it nice is it's
14 all funded with the project. That's
15 basically it.

16 MR. MEAGHER: We defer all of
17 those issues to the village and it's
18 planning board.

19 MAYOR DEEMIE: Like I said,
20 they've already gone through the planning
21 and zoning process. They've passed through
22 all that. That's been approved, you know,
23 through that process. So....

24 MR. MEAGHER: Any further

1 questions?

2 (Whereupon there was no response)

3 MR. MEAGHER: Being none, I'm
4 going to ask that the reporter spread upon
5 the record of these proceedings the notice
6 of the public hearing which was published in
7 the paper, the letter to the taxing
8 authorities, the affidavit of publication
9 from the PRESS & SUN BULLETIN, the affidavit
10 of the mailing and the affidavit of posting.
11 I would also ask that anyone who hasn't
12 signed in, would you please add your name to
13 the paper right at the end of the table
14 there and the list of people who appeared
15 will also become part of the record in these
16 proceedings.

17 That's it. I'm going to call this
18 hearing concluded and we will have a
19 transcript.

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EXHIBIT:	PAGE:
1 - Notice of rescheduled public hearing (marked)	3
2 - Proposed project letter (marked)	3
3 - Affidavit of publication (marked)	3
4 - Affidavit of mailing (marked)	3
5 - Affidavit of posting (marked)	3

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1 STATE OF NEW YORK :

2 COUNTY OF BROOME :

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4 I, TROY KELLEY, Shorthand Reporter, do
5 certify that the foregoing is a true and accurate
6 transcript of the proceedings in the Matter of a Public
7 Hearing, held in Johnson City, New York, on May 16, 2016.

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10

11

TROY KELLEY

12

Shorthand Reporter

13

Notary Public

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CZERENDA COURT REPORTING, INC

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71 State Street

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Binghamton, New York 13901-3318

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