

STATE OF NEW YORK
BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

In the Matter of an Application

of

100 SAVEAROUND PARKWAY, LLC

for financial assistance

A Public Hearing held at 185 Court Street,
Binghamton, New York, on the 6th day of November, 2017,
commencing at 6:00 PM.

BEFORE: JOSEPH B. MEAGHER
Counsel for Broome County
Industrial Development Agency

REPORTED BY: CZERENDA COURT REPORTING, INC.
71 State Street
Binghamton, New York 13901-3318
KEVIN CALLAHAN
Shorthand Reporter
Notary Public
Binghamton - (607) 723-5820
(800) 633-9149

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

3 HEARING OFFICER: Good evening.
4 My name is Joseph Meagher, and I am counsel
5 to the Broome County Industrial Development
6 Agency.

7 The agency is conducting a hearing
8 pursuant to General Municipal Law 859A to
9 seek public comment on an application for
10 financial assistance submitted by
11 100 SaveAround Parkway, LLC, in connection
12 with a proposed corporate office and
13 warehouse center with adjacent parking lots
14 and associated utilities to be located at
15 100 Emerson Parkway in the City of
16 Binghamton, County of Broome and State of
17 New York.

18 The acceptance of the filing by the
19 agency does not infer any position on the
20 approval or disapproval of the financial
21 assistance requested. No position will be
22 taken by the agency until the public hearing
23 is concluded.

24 A copy of the application along

1 with the cost/benefit analysis prepared by
2 the agency is available for review at the
3 agency's offices.

4 Notice of this hearing was
5 published in the PRESS & SUN BULLETIN on
6 October 25, 2017.

7 I request that each person wishing
8 to speak state his or her name, and if
9 you're speaking on behalf of any entity or
10 organization, please, identify that entity
11 or organization. The hearing will remain
12 open until all public comment is concluded.

13 First I'm going to request that
14 Tom Gray of the agency explain the
15 application that has been filed by 100
16 SaveAround Parkway, LLC.

17 MR. GRAY: Good evening. My name
18 is Thomas Gray, and I'm the deputy director
19 of operations for the agency Broome County
20 IDA, LDC.

21 This current project involves
22 SaveAround Parkway, LLC. The entity is
23 purchasing the existing 38,000-square-foot
24 building located at 100 Emerson Parkway,

1 Binghamton, New York 13905.

2 In order to accommodate the
3 existing and future growth of SaveAround,
4 Inc., SaveAround will utilize the facility
5 to combine both their corporate office and
6 warehouse. SaveAround Parkway, LLC, is
7 requesting a 20-year deviated pilot.

8 HEARING OFFICER: Thank you, Tom.

9 Does anyone wish to speak either
10 for or against the project?

11 I recognize John Solak.

12 MR. SOLAK: Okay. John Solak. I
13 live in the City of Binghamton.

14 I'm going to talk about the
15 Stantons tonight, but I don't know them.
16 They seem like fine people, but my beef is
17 not with them. My beef is with the agency.
18 So, you may end up, what do they call that,
19 collateral damage.

20 MR. WHALEN: Cross-fire?

21 MR. SOLAK: Yeah.

22 MR. STANTON: You still get a
23 coupon book, by the way.

24 MR. WHALEN: Not with that group.

1 MR. SOLAK: I used to be with the
2 Fuller Brush Company. I can do the hard
3 sell. They don't call it the Fuller Brush
4 Company anyway.

5 So, here we are again, and I think
6 we've got to go into the ugly history of
7 this thing. This, of course, was GAF,
8 Anitec. In 1995 the City of Binghamton lost
9 Anitec after overcharging it on the
10 assessments for decades. They won a million
11 dollar case and then they shoved off. The
12 City of Binghamton in 1995 lost its biggest
13 payroll, its most employees, biggest
14 customer for water and highest property
15 evaluation all in one swoop.

16 In 1995 I was expecting the Mayor
17 of Binghamton, he was a young Mayor, to take
18 action to take the city's costs down so that
19 the damage could be mitigated. Instead we
20 went to another plan. A wrecking company
21 was called called Brandenberg International
22 out of Chicago, I believe. It was their
23 job -- they were touted as a developer when
24 they were just a wrecking company and they

1 held the title of that building for about
2 10 years until let's see if anybody came out
3 of the woodwork for any sort of toxic claim
4 or whatever.

5 So, then a miracle occurred. A
6 miracle occurred that made me happy.
7 Emerson came to the site, a Fortune 120
8 company, and built a brand new building.

9 Now, the failure was -- is that for
10 some strange reason there was not the effort
11 that I would have undertaken because once
12 you lure the first Fortune 120 company the
13 other ones should be easier.

14 And I don't know what we were
15 preoccupied with. I know that the state
16 senator had legal problems. I know that the
17 community was obsessed with the student
18 housing downtown, but why that didn't lead
19 to more development is beyond me, and we are
20 here tonight not for success but for
21 failure. Now -- because of failure.

22 Now, the Stantons are picking up a
23 nice bargain, and they have done that well.
24 I believe they picked up Metro Center.

1 They're good buyers, and I don't blame them
2 and I don't have anything against them or
3 their operation, but I don't think, I don't
4 think we can say that this is of the caliber
5 of what was there or what was envisioned.
6 This is a downshift, nothing -- just like
7 IBM Glendale when it went from IBM to
8 collection agencies and telemarketing was a
9 downshift. So, that's troubling to me.

10 Now, as in the -- if the news
11 releases are correct of what I'm reading,
12 there was going to be somebody else that is
13 going to share that space. Now, maybe that
14 was wrong. I don't know. All I know is
15 what I read in the papers. Now, if that's
16 the case, I think we're entitled to know who
17 it is because right now, for example, in the
18 case of 50 Front Street I found out by
19 talking to Mark Newman on the radio and by
20 reading the Buffalo papers that there's a
21 partner in 50 Front Street that nobody ever
22 discusses, and that partner is under federal
23 investigation in Rochester. So, I think the
24 public if there is going to be a tenant, I

1 think we should know who it is and I don't
2 think that's asking too much.

3 Now, tonight the city council is
4 right at this precise time working on the
5 payment in lieu of tax schedule. Now, this
6 is too close for comfort to me because I
7 don't know -- first of all, I can't be in
8 two places at once, but I -- it's amazing
9 that there's this long of a wait with no
10 activity, and the synchronization with these
11 things happened very, very quickly. It's
12 unbelievable. You wait 10 years and then
13 all of a sudden things have got to be done.

14 What troubles me in looking at the
15 schedule that the city has, it seems to be
16 a -- really a stealth assessment challenge,
17 is what it is, because you're going from,
18 what is it now, is it 2.8, is it 3, is it 4,
19 I don't know, but it's listed there at
20 1.4 million.

21 So, I think you've got to be
22 dreaming to think that people are not going
23 to challenge their taxes and cite this as an
24 example. I mean, if I had similar space in

1 the City of Binghamton, and there is similar
2 space -- and I'm not -- I don't have a
3 payment in lieu of taxes. I'll say, here's
4 the square footage, this is what they're
5 doing, and I'm not going to apply for a
6 payment in lieu of taxes, but I'm going to
7 question the valuation of this property
8 because it's going to take -- you're saying
9 it's going to take 20 years to get to where
10 you are now. So, it's, you know, really
11 very troubling.

12 So, it's a failure of this agency.
13 It's a failure of this agency under, I
14 think, from our turn. So, it's a failure.
15 It's not a success, and I think explanations
16 are owed and I think that this is just a
17 tremendous blow to the City of Binghamton,
18 and it looks like another crooked he deal.

19 Now, Bob Nielson made this big
20 thing when he was on here, we've got to have
21 uniform -- uniform pilots. That's where the
22 problem was, and, yeah, rah, rah, rah,
23 uniform pilots. Well, you know, I don't
24 know when there's been a uniform pilot.

1 They're all deviated pilots now. So, this
2 policy that the IDA has of trying to make
3 things uniform so that things are equalized
4 even among people that come in aren't so.

5 So, I mean, I wish the Stantons
6 luck. I think they've got a hell of a
7 bargain, you know, and I think they'll make
8 money. I think they'll make money. I think
9 the losers are the taxpayers, and quite
10 frankly the IDA has contributed to this
11 situation by not moving forward with a
12 better plan.

13 But I would rather see, as I said
14 in the Babcock matter on the Singer Link
15 building, and you ended up doing exactly
16 what I wanted to do, I am reluctant to go
17 into deals where there is a business entity
18 that comes in and the real estate values
19 don't tend to jive with the business, and
20 that was the case in the Singer Link
21 facility. I said, why don't you just sell
22 it at auction, and that's what I would have
23 preferred. I think if you sold -- even if
24 you put a reserve bid on it, that would be

1 more palatable to me and look like less than
2 a crooked deal than this does. So, I don't
3 understand why you can't do it, why you
4 can't -- and then shut a guy up. Maybe
5 after it only brings \$500,000 at absolute
6 auction, maybe I'll have egg on my face for
7 once.

8 Thanks.

9 HEARING OFFICER: Thank you, John.

10 Does anyone else wish to speak?

11 MR. WHALEN: I do. Do I need to
12 stand up or can I speak from here?

13 HEARING OFFICER: Whatever you're
14 comfortable doing but --

15 MR. WHALEN: My name is
16 Brian Whalen, and I'm not representing --
17 I'm president of the board of education in
18 the City of Binghamton. I'm not
19 representing them, per se. I'm representing
20 myself as a taxpayer and I certainly have no
21 gripes against the Stantons, either. As a
22 matter of fact, I coached Ray.

23 But once again --

24 MR. STANTON: A few years ago.

1 MR. WHALEN: A few years back.

2 Once again my issue is also with
3 the agency in the way they go about
4 conducting their business. What we have
5 here is a pay in lieu of tax agreement that
6 represents a 20 percent tax on the
7 1.45 million assessment of whatever the tax
8 rate would end up, but it generates --
9 basically, if I read this right, it
10 generates about \$26,000 the first year and
11 it ends up, basically, costing \$16 million
12 over the course of a 20-year pilot to the
13 taxpayers.

14 My biggest objection is that the
15 school districts, any school districts in
16 this area do not have any say in these
17 pilots and how they're awarded, and as a
18 matter of fact they're generally the largest
19 taxing entity when it comes to pilots. So,
20 they're the ones that lose out the most.

21 Now, there's a lot of -- in general
22 pilots there's a lot of things that are
23 built into pilots. Like the county made
24 sure they got their sales tax written into

1 the agreement when the legislature failed to
2 own up to their responsibility and turn the
3 agency over to a board, which, basically,
4 reports to nobody and has -- and all I can
5 say is that the -- there's -- this is no
6 more than -- there are no construction jobs
7 being generated, according to the
8 application, and according to the
9 application it doesn't appear that there's a
10 partner in here, and I could be wrong, but
11 according to the application I don't see
12 there's a partner in here.

13 So, this is alright to, basically,
14 me going out and getting a mortgage on my
15 house and then asking somebody else to pay
16 the taxes for me, okay.

17 The number of jobs that's projected
18 to be added is 10 over three years.
19 Certainly that's not a significant number
20 and certainly not one that, in my mind,
21 would justify giving a pilot of this nature,
22 especially a deviated pilot for 20 years.
23 And what it really does is it shifts the
24 tax -- the school district along with the

1 other taxing entities who sign the tax liens
2 or the tax warrants every year, they're not
3 getting -- they're, basically, going to
4 collect the same amount of money, okay, from
5 the taxpayers. Unfortunately, they're going
6 to be -- they're going to be collecting it
7 from those who are less able to pay than the
8 ones that are actually getting the pay in
9 lieu of tax agreement.

10 So, I've heard so many comments
11 about how high our taxes are in this city,
12 both school taxes and property taxes, and
13 one of the reasons is that we continue to
14 give pilots when they're not really
15 necessary to justify the business growth
16 that's being projected.

17 The other thing that I see here is
18 it looks to me like there's two other
19 properties that will either be sold or
20 abandoned, which will mean they'll come off,
21 if they're abandoned, they'll come off the
22 tax rolls because who would want to pay
23 taxes on them, and that's generally what's
24 happened with pilots all along. It's a

1 failed process. It's ended up costing
2 taxpayers in this community millions of
3 dollars with actually no gain to the
4 employment and the betterment of life in
5 this community.

6 So, I'm speaking out against this
7 pilot and I'd like at a minimum for the
8 agency to consider a lesser term of the
9 pilot. Twenty years is just not -- it's
10 just not -- it doesn't fit the needs. It's
11 not Dick's Sporting Goods that's creating
12 400 jobs and putting a new building up and
13 generating all kinds of construction
14 employment in the area. This is an existing
15 building, which, I agree with John, will
16 probably draw -- it has a better use, and
17 that's what the agency ought to be looking
18 for. If you locate businesses to their
19 highest use, that's when you're going to get
20 your biggest bang for the buck as a taxpayer
21 and as a resident.

22 Thank you.

23 HEARING OFFICER: Thank you,
24 Mr. Whalen.

1 Does anyone else wish to be heard?

2 MR. STANTON: Do you want me to
3 answer some of the questions that --

4 HEARING OFFICER: It's up to you.

5 MR. STANTON: Sure. So,
6 Ray Stanton, partner in SaveAround.

7 So, just for clarification I think
8 it's important a couple things. As it
9 pertains to another tenant or partner on the
10 project, I think what's in the application
11 is factual. We don't have a partner.
12 There's no third party. My brother and I,
13 essentially, own the company that is leasing
14 to SaveAround. So, it's a family-owned
15 business and it's exactly as the application
16 has.

17 The buildings that we currently
18 maintain we have continued to juggle efforts
19 in parking and space. We currently are on
20 three levels with our operations. The new
21 facility and, you know, working with the
22 agency and looking at a number of different
23 options, frankly, both in New York State and
24 out of state, we had a choice to make, and

1 that building and that location happens to
2 be a location that fits well.

3 The operation is going to be on one
4 level versus the three levels. The parking
5 is going to be ample, and our goal is to
6 have a multiple of what we've committed to
7 as it pertains to hiring and continuing our
8 growth and our expansion across the country.

9 The existing buildings, you know, I
10 get asked and I've been asked a few times in
11 the past couple days, are you guys staying
12 or are you moving? The building is being
13 remodeled over on Front Street and we're
14 doing some painting and doing some
15 renovations. We just put new pavement in
16 the parking lot.

17 We're from Binghamton. We're from
18 the east side. We're from where Dick's
19 Sporting Goods was founded and lived and
20 grew up on Fairview Avenue, our family did,
21 and have built what we're awful proud and
22 what we think is a great, reputable national
23 company headquartered here in Binghamton,
24 New York. And we're honored to be able to

1 work with the different parties involved to
2 figure out a way to continue to do business
3 in, frankly, what is a tough state to do
4 business in in New York State.

5 Our families are planted here.
6 We're committed to this area. We're
7 committed to the location that we're
8 purchasing and we're committed to, you know,
9 our continued growth and going to do
10 everything we can to not only make the
11 community proud but to make the country
12 proud in looking at what we do as an
13 organization.

14 So, we are, and just finishing up
15 on the two buildings, we are consolidating.
16 Our goal is to put both buildings, the
17 warehouse over on Chenango Street, as well
18 as the offices that we currently operate in
19 on Front Street, into one facility. Those
20 two additional facilities we own and will
21 continue to review our options on and what's
22 the best use and best opportunities to
23 continue to hopefully keep them occupied and
24 continue to invest in those properties, as

1 well.

2 HEARING OFFICER: Thank you,
3 Mr. Stanton.

4 Does anyone else wish to be heard?

5 (Whereupon there was no response)

6 HEARING OFFICER: Okay. At this
7 time I'm going to ask that the notice of
8 publication, the affidavit of publication,
9 my letter to the taxing authorities, the
10 affidavit of mailing and the affidavit of
11 posting be spread upon the record of these
12 proceedings.

13 The stenographer will prepare a
14 transcript, which will be presented to the
15 members of the agency for their review
16 incorporating all the comments that have
17 been made tonight. Thank you all very much.
18 We appreciate your participation.

19 (Whereupon Exhibit 6 was marked for
20 identification)

21 (Whereupon the hearing was
22 concluded)

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1 STATE OF NEW YORK :

2 COUNTY OF BROOME :

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4 I, KEVIN CALLAHAN, Shorthand Reporter, do
5 certify that the foregoing is a true and accurate
6 transcript of the proceedings in the matter of an
7 application of 100 SaveAround Parkway, LLC, for
8 financial assistance, held in Binghamton, New York, on
9 November 6, 2017.

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12



13

KEVIN CALLAHAN

14

Shorthand Reporter

15

Notary Public

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CZERENDA COURT REPORTING, INC

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