

In the Matter of Carrier Services Group, Inc

1 STATE OF NEW YORK

2 COUNTY OF BROOME

3 - - - - -

4 Broome County Industrial Development Agency

5

6 In the Matter of the Application

7 of

8 CARRIER SERVICES GROUP, INC,

9 - - - - -

10 A Public Hearing held at 44 Park Street, Fenton,  
11 New York, on the 10th day of March, 2017, commencing at  
12 1:10 PM.

13

14 BEFORE: JOSEPH MEAGHER, ESQ

15

16

17 REPORTED BY: CZERENDA COURT REPORTING, INC  
18 71 State Street  
19 Binghamton, New York 13901-3318  
20 TROY KELLEY  
21 Shorthand Reporter  
22 Notary Public  
23 Binghamton - (607) 723-5820  
24 (800) 633-9149

In the Matter of Carrier Services Group, Inc

1                   MR. MEAGHER:     Good afternoon.   My  
2                   name is Joseph Meagher and I am counsel to  
3                   the Broome County Industrial Development  
4                   Agency.   The Agency is conducting a hearing  
5                   today pursuant to General Municipal Law  
6                   Section 859A to seek public comment on an  
7                   application for financial assistance  
8                   submitted by Carrier Services Group, Inc, in  
9                   connection with a proposed 800,000 square  
10                  foot warehouse/distribution center with 100  
11                  adjacent parking spots to be located at 1151  
12                  Hoyt Avenue in the Town of Fenton, the  
13                  County of Broome and the State of New York.

14                  The acceptance of the filing by the  
15                  Agency does not infer any position on the  
16                  approval or disapproval of the financial  
17                  assistance requested.   No position will be  
18                  taken by the Agency until the public hearing  
19                  is concluded.

20                  A copy of the application along  
21                  with the cost benefit analysis prepared by  
22                  the Agency is available at the offices of  
23                  the Agency for your review.

24                  Notice of this hearing was

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1 published in the PRESS & SUN BULLETIN on  
2 February 24, 2017. I request that each  
3 person wishing to speak state his or her  
4 name, and if you are speaking on behalf of  
5 an entity or organization, please identify  
6 that entity or organization. This hearing  
7 will remain open until all public comment is  
8 concluded.

9 First, I am going to ask Tom Gray,  
10 Senior Deputy Director of Operations for the  
11 Agency, to explain the application and the  
12 benefits that have been requested by Carrier  
13 Services Group, Inc.

14 Tom.

15 MR. GRAY: Thanks. Carrier  
16 Services Group is purchasing the former  
17 Department of Defense Hillcrest depot site  
18 as its new world headquarters location for  
19 asset management and services. From this  
20 location CSG will offer a complete portfolio  
21 of office management services for its Tier 1  
22 and Tier 2 customers to include such  
23 companies as Verizon, Centurylink, Frontier,  
24 Level 3 and others. CSG has purchased 46

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1            acres, including two buildings, totalling  
2            approximately 400,000 square feet, and they  
3            have requested a standard ten-year pilot  
4            from the Agency.

5            MR. MEAGHER:    Does anyone wish to  
6            speak either for or against this  
7            application?  As I mentioned before, when  
8            you stand to speak, give us your name, and  
9            if you're speaking on behalf of an  
10           organization, the organization that you're  
11           associated with.

12           A SPEAKER:    May I ask questions?

13           MR. MEAGHER:    It's really not a  
14           question and answer session, but we'll take  
15           any question.  You may have to answer it.

16           A SPEAKER:    The application is for  
17           a ten-year pilot, correct?

18           MR. MEAGHER:    Correct.

19           A SPEAKER:    For that pilot the  
20           applicant is expected to accomplish  
21           something?

22           MR. MEAGHER:    Yes.

23           A SPEAKER:    Like have an ongoing  
24           business and a certain numbers of employees?



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1 jobs over the ten years and at the end of  
2 the ten years it did happen or it didn't.  
3 Let's take this in steps.

4 MR. MEAGHER: The jobs and the  
5 performance is monitored on a yearly basis.  
6 They have to supply certifications to the  
7 Agency of the number of full-time employees,  
8 part-time employees. We keep track of  
9 sales, tax abatements, where it was spent  
10 on, how much went into the project in terms  
11 of equity, but it's a yearly monitoring that  
12 we do.

13 MR. GRAY: To Joe's point, frankly  
14 in the past we hadn't done a very good job  
15 of doing that. In the last three or four  
16 years we've instituted a monitoring system,  
17 as Joe indicated, that is annual. So, we  
18 look at the beginning of the pilot, and as  
19 they progress are they doing what they said  
20 they did and we do have recourse in the  
21 event that they are not coming close or not  
22 even -- let's say, we would look closely if  
23 they were to create X and they weren't  
24 coming close to that. We would have a

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1 meeting with those folks to find out what  
2 the problem was, whereas in the past the  
3 pilot just continued and if they created the  
4 jobs, fine. If they didn't, that was fine,  
5 too. So, we do have a system in place that  
6 in the past was in place but I don't think  
7 was as detailed as the one that we have now.

8 A SPEAKER: It just looked like a,  
9 you know, a win-lose situation rather than a  
10 win-win in the past.

11 MR. GRAY: In some instances.

12 MR. MEAGHER: So you're clear. We  
13 never roll back taxes. These are all  
14 abatements on new taxes going forward. So,  
15 you don't come in and make an application on  
16 a building that's paying, say, 50,000 in  
17 taxes and we move it down to 30. In this  
18 particular project it's an abatement on what  
19 is going to be the increased assessment  
20 going forward because of the improvements  
21 that they're doing at the facility.

22 In a large number of the projects  
23 the taxes were previously on vacant land and  
24 someone with a pilot incentive has now

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1           constructed a building, and so they have to  
2           spend that money and have to make that  
3           improvement in order to be able to --

4           A SPEAKER:     This project, I don't  
5           think has been on tax forever.

6           MR. MEAGHER:    For example, this  
7           one has never had one.

8           MR. GRAY:       It's never been on the  
9           tax roll.

10          MR. MEAGHER:    But there is an  
11          assessment and the new taxes -- the new  
12          pilot will be based on the increased  
13          assessment relative to the improvements.

14          MR. GRAY:       So, the town will  
15          actually be getting revenue you never had  
16          before.

17          MR. MEAGHER:    Right.  Actually,  
18          all IDA projects are that way.  We never  
19          take away -- we may reduce what you might  
20          have gotten.  Like I just come in and I'm  
21          not asking for any assistance in opening a  
22          new building or renovating a building, okay.

23                            Anyone else like to be heard?

24          A SPEAKER:     I'm Mike Husar from



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1           the Town of Fenton, also. You know, as the  
2           project's been explained to us there are a  
3           couple of issues that we're concerned with  
4           that are not deal-breakers. But traffic to  
5           that area, the residents are concerned and,  
6           you know, it's sort of a quiet neighborhood  
7           with no other real access.

8           I believe at our last meeting when  
9           we talked with anybody about this projet,  
10          they said they were going to reach out to  
11          the neighbors to let them know about this  
12          public hearing with individual notices or  
13          letters to the neighbors. I don't believe  
14          that has happened.

15          MR. MEAGHER: It certainly hasn't  
16          happened on our behalf. We weren't aware of  
17          any promises to that effect that had been  
18          made. We followed what our ordinary course  
19          is which is, which is we have to post an  
20          advertisement in the paper and then do a  
21          posting here at the Town Hall.

22          A SPEAKER: I'm not as old as you,  
23          Joe, my memory is good from what I --

24          MR. MEAGHER: I needed that.

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1                   A SPEAKER:    -- from what I hear.  
2                   A ten-year pilot, as the project's been  
3                   explained to us, there's not a lot of work  
4                   to be done other than make it look fancy.  
5                   You know, it's basically bringing machines  
6                   in and they go to work.  So, why do they  
7                   need ten years to get organized?

8                   MR. MEAGHER:    Well, that is the  
9                   the standard pilot that we offer for someone  
10                  who's coming in and doing renovations.

11                  MR. GRAY:    On an existing  
12                  building.

13                  MR. MEAGHER:    The increased  
14                  assessment is phased in over the first five,  
15                  and then the next five years.  That's just  
16                  our program.

17                  A SPEAKER:    So, no increase in  
18                  taxes until the end of that?

19                  MR. MEAGHER:    No.  No.  No.  It  
20                  will be a 75 percent reduction in the  
21                  increase over -- if I recall correctly, it's  
22                  over the first three years.  Then a 50  
23                  percent reduction over the next five and a  
24                  25 percent reduction over the last two.

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1           After the ten years, it's full taxation.  
2           So, the abatement is phased out, if you  
3           will, not phased in.

4                        So, if the taxes were 100,000, they  
5           would pay 25 the first year -- the first  
6           three years, then 50,000 the next five and  
7           then 75,000 for the --

8                        MR. GRAY:     Excuse me, Joe.  I  
9           think the first three is frozen.

10                      MR. MEAGHER:    That's what it is.  
11           It's frozen at what the current level was,  
12           but then they're phased in 50, 75.

13                      A SPEAKER:     In reviewing the  
14           project from the IDA's perspective, you said  
15           you're reviewing them better now.  I never  
16           saw any of the projects shut down that  
17           didn't create any jobs.  I saw a lot of  
18           business people get a lot of nicer property,  
19           but now you say now you have a recourse.  
20           What's the recourse?

21                      MR. GRAY:     Well, we have clawback  
22           provisions in our application where we can  
23           end the pilot.  We can require repayment of  
24           back taxes if it's an egregious situation.

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1 I'm going to be honest with this gentleman  
2 and you about the process. We had a  
3 process, it was basically a chart listing  
4 all the pilots, and to Joe's point, the jobs  
5 you have to retain and create.

6 We have had a new Board in the last  
7 couple of years that have taken that chart  
8 and said, okay. Let's really make this  
9 thing worthwhile, and they have. At the  
10 same time we've altered our application to  
11 make sure that the folks that are filing for  
12 these pilots right out of the gate realize  
13 that if they say they're going to do A, B  
14 and C, that we're going to be monitoring  
15 that, and if they don't, we can do D, E and  
16 F. So, it's a new monitoring system that  
17 has some hooks on it that in the past  
18 didn't. We are hoping that that works.

19 A SPEAKER: We don't as a town  
20 know what they have projected for their  
21 accomplishments during the pilot. They told  
22 us initially that they would have eight to  
23 ten employees, and then if they became a  
24 center point for all of this reclamation

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1 work, that they could become a headquarters  
2 and have, you know, be the new IBM of the  
3 Triple Cities, you know, and what are they  
4 promising in the pilot?

5 MR. GRAY: A lot of times it's a  
6 tradeoff, too. I mean, there's some  
7 companies that ask for a pilot that only  
8 create a handful of jobs, but maybe what  
9 they're doing is reinvesting, investing in  
10 the community, in this case in property  
11 that's never been on the tax rolls. So,  
12 they're taking facilities and updating them  
13 and putting them on the tax rolls. They may  
14 only be creating a half a dozen or so jobs,  
15 but the additional revenue to the town is  
16 something that the idea IDA Board would look  
17 favorably at.

18 A SPEAKER: But you're concerned  
19 with the creation of jobs, too?

20 MR. GRAY: Of course.

21 MR. MEAGHER: We're concerned with  
22 creation, but this is taking a facility  
23 that's been in disuse and disrepair for how  
24 many years?

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1                   A SPEAKER:     A long time.

2                   MR. MEAGHER:     A long time.  It's  
3                   very hard to get somebody to come in and  
4                   invest real dollars.  So, the tax dollars  
5                   are an incentive, but the investment is real  
6                   dollars.  They either have to go out and  
7                   borrow or dig into their pockets to fix up  
8                   this property, and people and entities that  
9                   are willing to do that are few and far  
10                  between.  That's the purpose of the  
11                  incentive.

12                  MR. GRAY:     And if the project  
13                  expands, if they're successful, then maybe  
14                  they're interested in taking the additional  
15                  buildings, which would be additional tax  
16                  revenue for the town.  Because at this site,  
17                  frankly, you can't do too much with it, and  
18                  if these folks are successful and are  
19                  interested in expanding, then that would be  
20                  a benefit for the town I think.

21                  MR. MEAGHER:     Any other questions?

22                  A SPEAKER:     My name's Gerry  
23                  Sabato; I own a residence right there in  
24                  Hillcrest.  Why my neighbors aren't here is

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1                   because they don't know. So, my question is  
2                   in your IDA do you look if that causes an  
3                   impact or what they're going to do?

4                   MR. MEAGHER:     Sure.

5                   A SPEAKER:     Because it's been a  
6                   big part in the one of the conversations  
7                   with the town already. There's a very  
8                   serious traffic flow problem, big time. I  
9                   just want to know that in the application,  
10                  that you're going to look at that.

11                  MR. MEAGHER:     It's not that we're  
12                  unconcerned about it, but to be --

13                  A SPEAKER:     I'm all for small  
14                  business, I have no problem with that.

15                  MR. MEAGHER:     It's not that we're  
16                  unconcerned about those impacts, but it's a  
17                  little bit beyond the scope. The Agency  
18                  really consists of four people. You know,  
19                  we can't -- we don't have the ability to do  
20                  a traffic study, to do those kinds of  
21                  things. Those are done through the town  
22                  actually, through the Planning Board,  
23                  getting your -- I assume they're going to  
24                  need some state DOT permits relative to

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1 traffic, but isn't --

2 A SPEAKER: That's one of -- I  
3 mean, that's what that whole site plan and  
4 review is is under our auspices right now is  
5 trying to figure out how we're going to deal  
6 with zoning and other kinds of issues.

7 MR. MEAGHER: Absolutely. We  
8 really lack the expertise. We don't have  
9 the staff.

10 A SPEAKER: Yeah. You're just  
11 looking at this business as a business.

12 MR. MEAGHER: As a financial  
13 incentive.

14 A SPEAKER: Right.

15 MR. MEAGHER: But, you know, we  
16 don't exempt anybody and don't have the  
17 authority to exempt anyone from the burdens  
18 of going through the planning process with  
19 the town, and Sarah could answer this  
20 better. Obviously this is -- it would be a  
21 project that the county would have to be on  
22 notice of, DOT would have to be on notice.

23 A SPEAKER: That's a 239 review.

24 MR. MEAGHER: The 239 review.



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1                   There are a lot of other people --

2                   A SPEAKER:     There's other steps  
3                   before you....

4                   MR. MEAGHER:     Well, they don't --  
5                   we aren't necessarily parallel.  We're  
6                   parallel but not in time.  I mean, we're not  
7                   chronologically synced.  We could approve  
8                   this and the Planning Board could turn it  
9                   down, and that means there's no project.  Or  
10                  the Planning Board could say the project as  
11                  presented is not going forward, but if you  
12                  build an access road out here and get DOT to  
13                  put in a traffic light there, this and that,  
14                  then we'll approval it.  Again, that's what  
15                  those bodies do, and they certainly are far  
16                  better equipped to do them than we are.

17                  Anybody else, any other questions  
18                  or comments?  Dave, feel free to speak.

19                  A SPEAKER:     I will if needed.

20                  A SPEAKER:     I've got a question.  
21                  You mentioned -- I'm Tom Spicer from the  
22                  local IDEW, the local electricians.  You  
23                  mentioned 80,000 square foot?

24                  MR. GRAY:     There's two buildings.

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1 MR. MEAGHER: Of 400 each.

2 A SPEAKER: Okay. It is --

3 A SPEAKER: Two buildings of 200  
4 each.

5 A SPEAKER: So, 400 total.

6 MR. MEAGHER: 200 each, Dave?

7 A SPEAKER: Yes.

8 MR. MEAGHER: Okay. We got it  
9 wrong. It's one big facility.

10 A SPEAKER: I've done quite a bit  
11 of work up there.

12 MR. GRAY: I'll change that.

13 A SPEAKER: I heard 80,000 and I  
14 was like....

15 MR. MEAGHER: I just know it's  
16 big.

17 A SPEAKER: There are two more  
18 buildings there that they didn't purchase.

19 A SPEAKER: Okay.

20 A SPEAKER: That would make it a  
21 total for the whole facility beyond what  
22 they purchased.

23 A SPEAKER: There's three large  
24 buildings that the county owns, plus the

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1                   dormitory or administration building up  
2                   front, which is historical.

3                   A SPEAKER:     They bought the two in  
4                   the front.

5                   A SPEAKER:     Yes.

6                   MR. MEAGHER:     Let the record  
7                   reflect that the speaker was David Hamlin  
8                   from Broome County Real Property Tax  
9                   Services.

10                  Does anyone else wish to be heard?

11                  (Whereupon there was no response)

12                  MR. MEAGHER:     All right.  There  
13                  being no further comments, I am going to  
14                  draw this hearing to a conclusion.  The  
15                  reporter will prepare a transcript which  
16                  will be submitted to the Board of Directors  
17                  of the IDA for their consideration in  
18                  deciding whether or not to grant an  
19                  abatement or a pilot and other tax benefits  
20                  to this project.

21                  A SPEAKER:     May I make a side  
22                  comment before we finish?

23                  MR. MEAGHER:     You can go on the  
24                  record.

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1                   A SPEAKER:    I would like to say  
2                   that the town is working those issues that  
3                   we talked about concerning the site plan.  
4                   If that can come to a good, favorable  
5                   conclusion, I think that we all would like  
6                   to see something like this happen in this  
7                   area so that the facility can get back on  
8                   the tax rolls and get a good, useful  
9                   purpose.  So, if you need any -- you know,  
10                  from that perspective, I'm certainly in  
11                  favor of it.

12                 MR. MEAGHER:    Okay.  Anyone else?

13                                 (Whereupon there was no response)

14                 MR. MEAGHER:    Let the record  
15                  reflect that it is 1:25 on March 10th.  This  
16                  hearing is now concluded.  Thank you all  
17                  very much.

18                                 (Whereupon the matter was  
19                  concluded)

20                                 - - - - -

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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 a Public Hearing in the matter of the  
7 Application of Carrier Services Group, Inc, held in  
8 Fenton, New York, on March 10, 2017.

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TROY KELLEY

12

Shorthand Reporter

13

14

Notary Public

15

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