

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

SYNOPSIS OF MEETING

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

ABSENT: None

GUESTS: L. Spurgin, Insero & Co., CPAs, LLP
E. Cleveland, Insero & So., CPAs, LLP
J. Platsky, Press & Sun-Bulletin
B. Haynes, Haynes NY
K. McManus, Broome County Executive's Office
T. Spicer, IBEW

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

COUNSEL: J. Meagher

PRESIDING: J. Bernardo

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

ITEM #1. APPROVE MINUTES FOR THE FEBRUARY 20, 2019 BOARD MEETING: Chairman Bernardo requested a motion to approve the minutes of the February 20, 2019 Board Meeting.

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

ITEM #2. PUBLIC COMMENT: No public comment.

ITEM #3. EXECUTIVE DIRECTOR'S REPORT:

Mr. McLaughlin provided updates on the following:

BUCKINGHAM MANUFACTURING

Mr. McLaughlin advised that on March 19, 2019, The Agency closed the Buckingham Manufacturing (Buckingham) project at Grossett Drive in Kirkwood. Buckingham purchased that building for their expansion and are expecting approximately 30 new employees.

BCLDC - UHS BOND

Mr. McLaughlin stated although it is a LDC activity, The Agency closed the \$50,000,000.00 Bond with UHS.

The Agency had two major closings in February. Mr. McLaughlin then turned the report over to Ms. Duncan.

Ms. Duncan provided updates on the following:

BAE REDEVELOPMENT SITE

Ms. Duncan stated the Request for Expression of Interest (REI) for the BAE site is out and active. The Agency issued the REI on March 8, 2019, with a 45-day turnaround, due at the end of April. The Agency has received about half a dozen inquiries on the site, to date. Ms. Duncan stated an appointment is scheduled for Friday, March 22, 2019 for a developer to view the site. The developer expressed interest in a few areas: hotel development, as well as high-density housing.

NYSEG GRANT

Ms. Duncan stated there is good news to report: grant funds came in to The Agency from NYSEG's Economic Development Outreach Program Grant, in the amount of \$75,000.00, about 50% of the Good Life Program's current budget.

ECONOMIC DEVELOPMENT FINANCE AND CULTURE COMMITTEE

Ms. Duncan stated that the Economic Development Finance and Culture Committee of the Legislature recently approved The Agency's request to the Hotel/Motel Fund to continue The Agency's analysis of a multi-use sports facility in the community. The Agency requested this analysis as Phase I of the BAE project, with Phase II as a free-standing Feasibility Study. The analysis will include two key deliverables:

an economic impact analysis of the sports facility, as recommended in that market analysis, and second, a site review.

The Agency will look at sites throughout Broome County that can potentially be used for this type of project, identifying which sites might fit the bill. This goes to the full Legislature March 21, 2019, for approval. The Agency is hopeful that request will move forward, anticipating forming a small steering committee and begin work of venue strategies with Elan, as project management. Ms. Duncan expressed thanks to the County Executive, as well as the Chair of the Legislature, for their support.

Chairman Bernardo thanked Ms. Duncan.

ITEM #4. LOAN FUNDS AVAILABILITY AS OF JANUARY 31, 2019: The Loan Funds Availability Report was presented to the Board. The balances available to lend are \$610,770.68 (STEED), \$303,340.05 (BDF) and \$101,219.48 (BR + E). Chairman Bernardo asked if there were any questions or comments of Mr. Gray, relative to the financial statements. Chairman Bernardo continued that the format of the report is going to change shortly, affording a better comparison to budget. Mr. McLaughlin stated the transition with Ms. Ryan is coming along well; Ms. Ryan plans to attend future Board meetings. Mr. Stevens clarified that all but \$1,000.00 of the \$14,000.00 listed in the Transition Account was reinvested last week. Mr. Gray stated there is nothing to add to the report, except that last month, when the Board approved the loan to 250 Main LLC, The Agency allocated \$50,000.00 from the Business Development Fund (BDF) and \$50,000.000 from the Business, Retention and Expansion Fund (BR + E) for that project. Mr. Rose thanked Mr. Gray for the clarification. Chairman Bernardo asked if there were any questions of Mr. Gray. Hearing none, Chairman Bernardo moved on to New Business.

MOTION: No motion necessary.

ITEM #5. RESOLUTION APPROVING THE 2018 AUDIT OF THE BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY, CONDUCTED BY INSERO & CO. CPAS, LLP: Chairman Bernardo stated the Board just listened to a presentation by Insero & Co. CPAs, LLP (Insero). Chairman Bernardo asked if any Board members had questions on the presentation, which was approved by the Finance Committee.

MOTION: To Approve the 2018 Audit of the Broome County Industrial Development Agency, Conducted by Insero. Mr. Stevens, stated the Finance Committee made the motion to approve the December 31, 2018 audit, as presented; seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY.

ITEM #6. RESOLUTION APPROVING THE READOPTION OF THE CODE OF ETHICS POLICY, THE DEFENSE AND INDEMNIFICATION POLICY AND THE WHISTLE BLOWER PROTECTION POLICY, WITH NO CHANGES:

Mr. Bucci stated this was considered and reviewed at the Governance Committee meeting and moved to the full Board with a recommendation for approval.

MOTION: To Approve the Readoption of the Aforementioned Policies, with no Changes. On a MOTION by Mr. Bucci, seconded by Ms. Sacco, the MOTION CARRIED UNANIMOUSLY.

ITEM #7: RESOLUTION AUTHORIZING THE READOPTION OF THE BYLAWS OF THE BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY, WITH NO CHANGES:

Mr. Bucci stated this was also reviewed at the Governance Committee meeting and comes to the full Board, with a recommendation for approval.

MOTION: To Authorize the Readoption of the Bylaws of the Broome County Industrial Development Agency, with no Changes. On a MOTION by Mr. Bucci, seconded by Mr. Stevens; the MOTION CARRIED UNANIMOUSLY.

ITEM #8: RESOLUTION TO APPROVE THE 2018 MISSION AND MEASUREMENT REPORT:

Mr. Bucci stated this was reviewed and accepted by the Governance Committee and moved to the full Board for consideration, with a recommendation for approval.

MOTION: To Approve the 2018 Mission and Measurement Report. On a MOTION by Mr. Bucci, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #9: RESOLUTION TO APPROVE THE SUMMARY RESULTS OF THE CONFIDENTIAL EVALUATION OF BOARD PERFORMANCE:

Mr. Bucci stated the evaluations were presented to the Governance Committee, were reviewed, and those documents are being moved forward to the full Board, with a recommendation for approval.

MOTION: To approve the Summary Results of the Confidential Evaluation of Board Performance. On a MOTION by Mr. Bucci, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #10: RESOLUTION AUTHORIZING AN \$80,000.00 LOAN REQUEST FROM UPSTATE BAKERIES, INC. FROM THE STEED LOAN PROGRAM TO ASSIST IT IN THE ACQUISITION OF MACHINERY AND EQUIPMENT RESULTING FROM AN ASSET PURCHASE OF SPANO'S BAKERY IN UTICA, NEW YORK AND DIRENZO BROS. BAKERY IN BINGHAMTON, NEW YORK:

Mr. Gray stated that Upstate Bakeries, Inc., primarily owned by Scott Davenport, was established in 2018 to acquire the assets of Spano's Bakery (Spano's) in Utica and

DiRenzo Bros. Bakery (DiRenzo's) in Binghamton, New York. Mr. Davenport intends to relocate Spano's operation to the Henry Street location of DiRenzo's, thereby consolidating equipment and sharing a workforce in a 15,000 square foot facility that currently, is very under-utilized. The merging of these two businesses that have been in business for over 100 years each, are expected to have sales of over \$2,000,000.00, when fully operational. Mr. Davenport currently owns three food-related businesses and these new asset purchases are expected to be the basis for future bakery acquisitions for the Binghamton location. The Advisory Loan Committee and Mr. Gray are recommending approval of this request for the following reasons: 1) Upstate Bakeries, Inc. projections indicate adequate cash to cover the debt; 2) The Agency will have a strong collateral position with a shared first position with the City of Binghamton Local Development Corporation on the machinery and equipment to be purchased; and 3) All ten current full-time employees at DiRenzo's will be retained and six new full-time positions will be created in three years. Chairman Bernardo asked if any member had questions of Mr. Gray. Mr. Bucci asked if Spano's is moving from Utica and consolidating in Binghamton, which Mr. Gray confirmed. Mr. Bucci then asked what products would be distributed up to Utica and throughout central New York, under DiRenzo's label. Mr. Gray stated that DiRenzo's, at least initially, will stay in this area. Mr. Davenport plans to continue delivering Spano's products in the Utica area. Mr. Bucci asked if the products will be made in Binghamton, which Mr. Gray confirmed. Mr. Gray explained this may be the beginning of a larger operation, with the possible purchase of two additional bakeries. A short discussion followed. Chairman Bernardo asked if there were any other questions of Mr. Gray; hearing none, asked for a motion.

MOTION: To Authorize a \$80,000.00 Loan Request from Upstate Bakeries, Inc. from the Steed Loan Program to Assist it in the Acquisition of Machinery and Equipment Resulting from an Asset Purchase of Spano's Bakery in Utica, New York and DiRenzo Bros. Bakery in Binghamton, New York. On a MOTION by Mr. Stevens, seconded by Mr. Bucci, the MOTION CARRIED UNANIMOUSLY.

ITEM #11: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO RENEW THE AGENCY'S CONTRACT WITH NATIONAL DEVELOPMENT COUNCIL: Mr. McLaughlin stated this is The Agency's on-going contract with National Development Council (NDC), which was brought before the Governance Committee, recommending approval that NDC continue to provide services, as outlined in the contract. Mr. McLaughlin continued that NDC is nationally-recognized and has always been a great resource for The Agency. Mr. McLaughlin added that Mr. Sweet is a tenant of The Agency's building, allowing immediate access. Mr. McLaughlin advised that Ms. Duncan completed NDC's intense training; there are a couple slots available under this contract to continue to train The Agency's staff, going forward. Mr. McLaughlin acknowledged past employment with NDC. Mr. Bucci asked if NDC is considered

a regional office, which Mr. McLaughlin confirmed, stating that Mr. Sweet services Scranton, Rochester and Buffalo out of the Binghamton office. Chairman Bernardo asked if there were questions; hearing none, asked for a motion.

MOTION: To Accept a Resolution Authorizing the Executive Director, on Behalf of The Agency, to Renew The Agency's Contract with National Development Council. On a MOTION by Mr. Howard, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #12: RESOLUTION APPROVING AN EXTENSION OF THE SALES AND USE TAX EXEMPTION LETTER OF DICK'S MERCHANDISING & SUPPLY CHAIN, INC. FROM JUNE 30, 2019 THROUGH, AND INCLUDING

DECEMBER 31, 2019: Mr. McLaughlin stated that Dick's Merchandising & Supply Chain, Inc. (Dick's) is asking The Agency to extend Dick's Sales and Use Tax Exemption through the end of the year. Dick's is moving toward completing expansion of their E-Commerce facility; the shell is complete. Dick's is now moving to the inside to complete installation of equipment. Dick's requested an extension through December 31, 2019. Chairman Bernardo asked if The Agency is communicating with future potential applicants about length of time required. Mr. McLaughlin clarified it is The Agency's policy that applicants only be granted one year; then it has to come back to the Board. Attorney Meagher stated it is much more difficult when an applicant is asking to increase the amount of the Sales and Use Tax Exemption; clarifying that Dick's is requesting the same amount. Mr. Stevens stated that it is The Agency's policy that if an applicant wants to come back to the Board, to make sure the amount is correct; the Board will not consider changes. Mr. McLaughlin stated The Agency informs each applicant to make sure they are on the side of caution when it comes to Sales Tax, to avoid bringing matters back before the Board. Chairman Bernardo asked if there were any other questions of Mr. McLaughlin; hearing none, asked for a motion.

MOTION: To Accept a Resolution Approving an Extension of the Sales and Use Tax Exemption Letter of Dick's Merchandising & Supply Chain, Inc. from June 30, 2019 Through, and Including, December 31, 2019. On a MOTION by Mr. Stevens, seconded by Mr. Bucci, the MOTION CARRIED UNANIMOUSLY.

ITEM #13: RESOLUTION APPROVING AN EXTENSION OF THE SALES AND USE TAX EXEMPTION FOR ENGINEERING MANUFACTURING TECHNOLOGIES FROM APRIL 1, 2019 THROUGH, AND INCLUDING,

DECEMBER 31, 2019: Mr. McLaughlin stated that for the same reasons outlined for Dick's, Engineering Manufacturing Technologies (EMT) is asking for an extension. EMT's Sales and Use Tax Exemption runs out at the end of this month. EMT is completing their expansion with additional equipment and renovations. Jim Kirkwood, President of EMT, contacted The Agency and requested an extension until the end of the year. Chairman Bernardo asked if there are questions; hearing none, requested for a motion.

MOTION: To Accept a Resolution Approving an Extension of the Sales and Use Tax Exemption for

Engineering Manufacturing Technologies from April 1, 2019 Through, and Including December 31, 2019.
On a MOTION by Mr. Howard, seconded by Mr. Crocker, the MOTION CARRIED UNANIMOUSLY.

ITEM #14: EXECUTIVE SESSION: TO DISCUSS THE SALE OF LAND AND PERSONNEL ISSUES:

MOTION: To Convene to Executive Session at 12:18 p.m. On a MOTION by Mr. Stevens, seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY.

ITEM #15: RECONVENE FROM EXECUTIVE SESSION.

MOTION: To Reconvene back to Public Session at 12:56 p.m. On a MOTION by Mr. Howard, seconded by Mr. Peduto, the MOTION CARRIED UNANIMOUSLY.

ITEM #16: ADJOURNMENT: Chairman Bernardo requested a motion to adjourn.

MOTION: On a MOTION by Ms. Sacco, seconded by Mr. Rose, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 12:58 p.m.

The next meeting of The Agency Board of Directors is scheduled for Monday, April 1, 2019 at 12:00 p.m. at FIVE South College Drive, Suite 201, Binghamton, NY 13905.