

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
FIVE South College Drive; Suite 201, 2nd Floor
Binghamton, New York 13905
Wednesday, July 17, 2019, 12:00 pm**

SYNOPSIS OF MEETING

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

ABSENT: W. Howard and J. Peduto

GUESTS: Jeff Platsky, Press & Sun-Bulletin
Justin Marchuska, Marchuska Brothers
Joe Moody, Town of Union
Cynthia Totalis, Endicott, NY
John Solak, Binghamton, NY
Mayor John Bertoni, Endicott, NY
Matthew Paulus, Paulus Development
Todd Grubham, 265 Industrial Park Drive, LLC
Tom Augustini, Town of Union
Ted Warner, Endicott, NY
Aaron Martin, Broome County Legislature
Joe Bertoni, Broome County Legislature
Anthony Panaccia, 265 Industrial Park Drive, LLC
Anthony Bates, Village of Endicott

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

COUNSEL: J. Meagher

PRESIDING: J. Bernardo

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

ITEM #1. APPROVE MINUTES FOR THE JUNE 19, 2019 BOARD MEETING: Chairman Bernardo asked for review and approval of the June 19, 2019 Board meeting minutes; hearing no questions or comments, Chairman Bernardo requested a motion.

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

ITEM #2. PUBLIC COMMENT:

Chairman Bernardo asked if anyone is wishing to speak regarding matters concerning The Agency, to please state your name and address for the record:

Ms. Cynthia Totalis, Endicott, NY, addressed the Board, regarding:

Village of Endicott's July 22nd Meeting

Endicott Proud

Steering Committee

URI Award

Spot Zoning Issue on Marchuska Building

Chairman Bernardo asked if there is other public comment.

Mayor John Bertoni, Village of Endicott, addressed the Board, regarding:

Skyview PILOT

Marchuska, LLC PILOT

Taxing Agencies that Share:

U-E School District

Village of Endicott

Town of Union

Broome County

Town of Union Volunteer Emergency Squad

Library

Board Vote 3 to 2

Vacant Buildings – Nirchi's

Hotel

Chairman Bernardo asked if there is other public comment.

Mr. Justin Marchuska, Marchuska Company, addressed the Board, regarding:

Marchuska Brothers:

MetroCenter

Building Leases to Broome-Tioga BOCES

Marchuska Brothers are Developers in Ithaca and Lansing

Gateway Project for Endicott

Chairman Bernardo asked if there is other public comment.

Mr. Thomas Augustini, Town of Union, addressed the Board, regarding:

Huron Assessment Agreement

Marchuska, LLC PILOT

Abatement – Common Ownership of Developers/Business

Ideal Abatement as Compared to Marchuska Abatement

Property Taxes to a Municipality

Chairman Bernardo asked if there is other public comment.

Mr. John Solak, Binghamton, NY, addressed the Board, regarding:

Agenda – Arrangement with Johnson City

Character of Marchuska Brothers

JE Properties, LLC

50 Front Street – Newman Project

Matthew Paulus, Freewheelin AnSCO, LLC - Syracuse Project

Transferability of PILOTS

50 Front Street – Newman Project

Chairman Bernardo asked if anyone else would like to speak at this time. Hearing none, Chairman Bernardo advised the Board a memo was received from Linda Jackson regarding the Marchuska, LLC PILOT, which will be added to the record.

ITEM #3. EXECUTIVE DIRECTOR'S REPORT:

Ms. Duncan provided updates on the following:

VILLAGE OF ENDICOTT PRESENTATION

Ms. Duncan advised the Board that she was able to sit in on the Village of Endicott presentation regarding the \$10,000,000 Revitalization of Downtown Initiative URI competition run by New York State. Ms. Duncan stated their team (Sue McLeod and Pam Riddleberger, U-E School District; Joe Moody, Town of Union; Anthony Bates, Village of Endicott and Chris Pelto, Huron Campus) did a wonderful job presenting.

NEW YORK STATE ECONOMIC DEVELOPMENT COUNCIL CONFERENCE

Monday and Tuesday of this week Ms. Duncan attended a NYS Economic Development Council Conference at Pace University in New York City regarding public, private and academic partnerships. The first-time event held by the Economic Development Council had a lot of great information and speakers related to not only economic development, but also community and workforce development. Ms. Duncan continued that The Agency's initiatives are in alignment with what is happening throughout New York State. Natalie Abbadessa will be attending the next EDC Conference in October – a joint EDC and NYATEP (New York Workforce Development Association); this is the second year they are doing a combined effort. The Agency will be submitting some of our awards for our workforce initiative.

GEBOP & THE AGENCY PARTNERSHIP

The Agency has formed a dynamic partnership with the Chamber of Commerce GEBOP (Greater Binghamton Education Outreach Program), Klee Foundation and several other partners. In January 2020, The Agency will be partnering with GEBOP on the Spark Career Expo. This will be the first of its kind and

will be available to all 8th Grade students in the Broome-Tioga BOCES area. Broome and Tioga County companies will be showcasing potential career pathways in our targeted industry sectors. Based on data and research, 8th Grade is the time to start these efforts.

76 WEST CLEAN ENERGY COMPETITION

Beginning today and next week, The Agency will be meeting with companies who are participating in the 76 West Clean Energy Competition – another competitive funding program issued by New York State, with a focus on clean energy. A number of companies located at the incubator down town will be participating. The Agency has been asked to meet directly with two companies on their potential plan to locate here in Broome County, whether they win the competition or not.

MARKETING EFFORTS TO PROMOTE ECONOMIC ACTIVITY

Ms. Abbadessa reported on statistics regarding The Agency’s digital ads appearing on LinkedIn, and other traditional media. The Agency runs ads on the BR + E (Business Retention + Expansion) Program, for an internal audience, as well as the Broome is Good effort, for an external audience. The Agency is always looking at how we are measuring our business development expenditures; on a regular basis, The Agency is receiving increased investor inquiries from outside the Broome County area.

Chairman Bernardo asked if there were questions or comments of Ms. Duncan; hearing none, thanked Ms. Duncan and Ms. Abbadessa.

ITEM #4. LOAN FUNDS AVAILABILITY AS OF June 30, 2019: The Loan Funds Availability Reports for June were presented to the Board. The balances available to lend are \$704,796.70 (STEED), \$327,069.16 (BDF) and \$101,219.48 (BR + E). Chairman Bernardo asked if there were any questions or comments regarding the Internal Financial or Loan Funds Availability Reports; hearing none, Chairman Bernardo moved on to New Business.

MOTION: No motion necessary.

ITEM #5. RESOLUTION AUTHORIZING A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF TWO BUILDINGS TO BE USED AS AN OFFICE, COMMERCIAL AND MIXED WAREHOUSE/RETAIL PROJECT, APPOINTING 1435-1439 MARCHUSKA, LLC

(THE "COMPANY"), AGENT OF THE AGENCY, FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, EQUIPPING AND LEASING THE PROJECT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT THERETO, INCLUDING A PAYMENT IN LIEU OF TAX AGREEMENT DEVIATING FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY, AS WELL AS A SALES AND USE TAX EXEMPTION IN AN AMOUNT NOT TO EXCEED \$157,120.00, AND AUTHORIZING THE EXECUTION AND

DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT THERETO: Chairman Bernardo stated this is the 2nd revised agenda; Ms. Duncan advised the revision to this resolution is an administrative change; a new requirement by the ABO (Authority Budget Office). When IDA's post a new resolution, it must include the exact dollar amount for a Sales Tax Exemption request; so that is why you see the revision, denoting that change. Chairman Bernardo asked if this resolution was approved during the Governance Committee meeting; Mr. Bucci confirmed that the Governance Committee recommended this resolution for approval to the full Board. Chairman Bernardo asked if there is any discussion or comments, questions or concerns; any questions for staff? Hearing none, Chairman Bernardo requested a motion.

MOTION: To Authorize a Lease/Leaseback Transaction to Facilitate the Acquisition, Construction and Equipping of Two Buildings to be used as an Office, Commercial and Mixed Warehouse/Retail Project, Appointing 1435-1439 Marchuska, LLC (The "Company"), Agent of The Agency, for the Purpose of Acquiring, Constructing, Equipping and Leasing the Project and Authorizing the Execution and Delivery of Certain Documents with Respect Thereto, Including a Payment in Lieu of Tax Agreement Deviating from The Agency's Uniform Tax Exemption Policy, as well as a Sales and Use Tax Exemption in an Amount not to Exceed \$157,120.00, and Authorizing the Execution and Delivery of Certain Documents with Respect Thereto. On a MOTION by Mr. Stevens; seconded by Mr. Bucci, the MOTION CARRIED UNANIMOUSLY.

ITEM #6. RESOLUTION AUTHORIZING THE AGENCY TO DECLARE ITS INTENT TO ACT AS LEAD AGENCY IN THE ENVIRONMENTAL REVIEW FOR THE REDEVELOPMENT PLAN OF THE FORMER BAE SYSTEMS SITE AT 600 MAIN STREET, VILLAGE OF JOHNSON CITY, TOWN OF UNION, BROOME COUNTY, NEW YORK:

Ms. Duncan stated this is an administrative action that is part of The Agency's continuation of the redevelopment of the former BAE site. The Agency received additional grant money from the Department of Defense to complete SEQR, the State's Environmental Quality Review process, which will be an additive to future development. This allows The Agency to serve as Lead Agency. Chairman Bernardo asked if there were any questions specific to this topic. Hearing none, Chairman Bernardo asked for a motion.

MOTION: To Authorize The Agency to Declare its Intent to act as Lead Agency in the Environmental Review for the Redevelopment Plan of the Former BAE Systems Site at 600 Main Street, Village of Johnson City, Town of Union, Broome County, New York. On a MOTION by Mr. Rose; seconded by Ms. Sacco, the MOTION CARRIED UNANIMOUSLY.

ITEM #7: RESOLUTION ACCEPTING AN APPLICATION FROM JE PROPERTIES LLC, OR AN ENTITY TO BE DETERMINED, FOR A SALE/LEASEBACK OR A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF PROPERTY LOCATED AT 380 CHENANGO STREET IN THE CITY OF BINGHAMTON, BROOME COUNTY, NEW YORK AND AUTHORIZING THE AGENCY TO SET AND CONDUCT A PUBLIC HEARING WITH RESPECT THERETO: Ms. Duncan stated The Agency started talking with Mr. Joe Eddy, JE Properties, LLC a little over two years ago, when Mr. Eddy first approached Mr. McLaughlin and Ms. Duncan regarding the potential for renovating the Town and Country Apartments in the City of Binghamton. Mr. Eddy is working closely with Mr. Lenny Skrill, Office of Homes and Community Renewal (HCR), State of New York. Mr. Eddy did complete a project in Rochester, and has experience working with a State agency, as well as applying successfully for low income tax credits, that is part of this project. As such, the term of the PILOT will mirror the requirements of that program. For those unfamiliar with the property, it has been known for having a lot of troubles; crime and unfortunately, one fatal accident. Mr. Eddy plans to purchase all of these buildings; do a gut interior renovation to each unit; add new windows to the exterior of the building; add fencing and new landscaping and more lighting to make it a more quality, affordable housing unit than what is there presently. JE Properties, LLC does not intend to displace residents; however, the residents will have to be recertified to comply with HCR's process. In total, it is close to a \$38 million investment for the City of Binghamton. JE Properties, LLC is looking to begin renovation as early as this fall. Chairman Bernardo asked if there were any questions or comments; hearing none, requested a motion.

MOTION: To Accept an Application from JE Properties, LLC, or an Entity to be Determined, for a Sale/Leaseback or a Lease/Leaseback Transaction to Facilitate the Financing of the Acquisition, Construction, Renovation and Equipping of Property Located at 380 Chenango Street in the City of Binghamton, Broome County, New York and Authorizing The Agency to Set and Conduct a Public Hearing with Respect Thereto. On a MOTION by Mr. Stevens; seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY.

ITEM #8: RESOLUTION APPROVING AN EXTENSION OF THE SALES AND USE TAX EXEMPTION LETTER OF FREEWHEELIN ANSCO, LLC FROM JUNE 15, 2019 THROUGH AND INCLUDING DECEMBER 31, 2019: Ms. Duncan stated this is a request for an extension of time; it does not impact the dollar amount of the sales tax exemption that was approved. It is just extending the length of the term through December 31, 2019. Chairman Bernardo asked if the Governance Committee had any comments; Mr. Bucci stated there were

no comments. Chairman Bernardo asked if there is a motion.

MOTION: Mr. Bucci Moved the MOTION To Approve an Extension of the Sales and Use Tax Exemption Letter of Freewheelin AnSCO, LLC from June 15, 2019 Through and Including December 31, 2019, which was seconded by Mr. Mirabito; the MOTION CARRIED UNANIMOUSLY.

ITEM #9: A \$200,000 LOAN REQUEST FROM SIMULATION & CONTROL TECHNOLOGIES, INC. (SCT), OR A REAL ESTATE HOLDING COMPANY TO BE FORMED, FROM THE STEED LOAN PROGRAM, TO ASSIST IT IN THE PURCHASE OF THE PROPERTY AND BUILDING AT 430 AIRPORT ROAD IN THE TOWN OF UNION, ENDICOTT, NEW YORK:

Mr. Gray stated this is a \$200,000 loan request from a real estate holding company to be formed, that is the operating company for Simulation & Control Technologies, Inc. (SCT). SCT is a Broome County-based business owned by John Fuller and Frank Fuller that creates new electric control loading systems, as well as refurbishes existing electric and hydraulic systems. The company and its eleven full-time employees currently operate out of its facility in Conklin, New York; but the existing location cannot accommodate the company's growth. Also, SCT's new product offerings require additional space for research and development, manufacturing and marketing programs, hence the reason for this financing request. The Advisory Loan Committee (ALC) and Mr. Gray recommend approval of this request for the following reasons: there is adequate cash to cover the debt; the IDA, as well as the Town of Union E3 Program, have a strong collateral position with a shared co-equal first on the property and building to be purchased; The Agency has strong corporate and personal guarantees of the principals, and the company will be creating at least six new high-paying jobs at this facility within three years. Chairman Bernardo asked if there are any questions of Mr. Gray; hearing none, Chairman Bernardo asked for a motion.

MOTION: To Accept a \$200,000 Loan Request from Simulation & Control Technologies, Inc. (SCT), or a Real Estate Holding Company to be Formed, from the STEED Loan Program to Assist it in the Purchase of the Property and Building at 430 Airport Road, in the Town of Union, Endicott, New York. On a MOTION by Mr. Crocker; seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #10: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO AN ECONOMIC DEVELOPMENT SERVICES AGREEMENT WITH THE VILLAGE OF JOHNSON CITY (THE "VILLAGE") TO ASSIST THE VILLAGE WITH ECONOMIC DEVELOPMENT OPPORTUNITIES AND SERVICES AS SET FORTH ON EXHIBIT "A" ATTACHED HERETO FOR A PERIOD OF ONE YEAR RUNNING FROM JULY 1, 2019 TO JUNE 30, 2020 FOR A SUM OF \$25,000.00 PER YEAR, PAYABLE IN QUARTERLY INSTALLMENTS OF \$6,250.00:

Ms. Sacco disclosed to Chairman Bernardo that she needed to abstain from this matter. Chairman Bernardo acknowledged same and advised the Board that this matter was

discussed during the last Board meeting. Chairman Bernardo asked if there were questions or comments. Mr. Bucci stated that because of Ms. Sacco's abstention, the Governance Committee could not make a recommendation to the full Board. Chairman Bernardo thanked Mr. Bucci and asked if there were any questions on this topic; hearing none, requested a motion.

MOTION: To Accept a Resolution Authorizing the Executive Director, on Behalf of The Agency, to Enter into an Economic Development Services Agreement with the Village of Johnson City (The "Village") to Assist the Village with Economic Development Opportunities and Services as set forth on Exhibit "A" Attached Hereto for a Period of One Year Running from July 1, 2019 to June 30, 2020 for the sum of \$25,000.00 per Year, Payable in Quarterly Installments of \$6,250.00. On a MOTION by Mr. Rose; seconded by Mr. Bucci, the MOTION CARRIED (6 to 1 – Ms. Sacco abstained).

ITEM #11: REVISED RESOLUTION AUTHORIZING A SALES AND USE TAX EXEMPTION IN AN AMOUNT NOT TO EXCEED \$418,000.00 TO FACILITATE THE CONSTRUCTION AND EQUIPPING OF THE PROPERTY AND BUILDING LOCATED AT 1 NORTH PAGE AVENUE IN THE TOWN OF UNION, BROOME COUNTY, NEW YORK APPOINTING NATIONAL PIPE & PLASTICS, INC. AGENT OF THE AGENCY FOR THE PURPOSE OF CONSTRUCTING AND EQUIPPING THE PROJECT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SALES TAX AGREEMENT WITH RESPECT THERETO: Attorney Meagher stated this is a revised resolution; the Board adopted this resolution at the last meeting. However, this revised resolution contains the amount of the sales tax exemption. Chairman Bernardo asked if there were any additional comments; hearing none, requested a motion.

MOTION: To Accept a Revised Resolution Authorizing a Sales and Use Tax Exemption in an Amount not to Exceed \$418,000.00 to Facilitate the Construction and Equipping of the Property and Building Located at 1 North Page Avenue in the Town of Union, Broome County, New York, Appointing National Pipe & Plastics, Inc. Agent of The Agency for the Purpose of Constructing and Equipping the Project and Authorizing the Execution and Delivery of a Sales Tax Agreement with Respect Thereto. On a MOTION by Mr. Stevens; seconded by Mr. Crocker, the MOTION CARRIED UNANIMOUSLY.

ITEM #12: EXECUTIVE SESSION: TO DISCUSS THE SALE OF LAND. Ms. Sacco commented that for clarification, if the Executive Session involves Item #14, she must abstain from the discussion, as well as the vote. Chairman Bernardo confirmed same.

MOTION: To Convene to Executive Session at 12:41 p.m. On a MOTION by Mr. Bucci, seconded by Mr. Mirabito, the MOTION CARRIED (6 to 1 – Ms. Sacco abstained).

ITEM #13: RECONVENE FROM EXECUTIVE SESSION.

MOTION: To Reconvene back to Public Session at 1:04 p.m. On a MOTION by Mr. Stevens, seconded by Mr. Bucci, the MOTION CARRIED (6 to 1 – Ms. Sacco abstained).

ITEM #14: RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR, ON BEHALF OF THE AGENCY, TO ENTER INTO AN AMENDMENT TO THE PAYMENT IN LIEU OF TAX AGREEMENT BY AND BETWEEN THE AGENCY AND 265 INDUSTRIAL PARK DRIVE, LLC, AS ATTACHED HERETO AS EXHIBIT "A:" Chairman Bernardo asked if there were questions or comments relative to this topic; hearing none, asked for a motion.

MOTION: To Authorize the Executive Director, on Behalf of The Agency, to Enter into an Amendment to the Payment in Lieu of Tax Agreement by and Between The Agency and 265 Industrial Park Drive, LLC, as Attached Hereto as Exhibit "A." On a MOTION by Mr. Mirabito; seconded by Mr. Stevens, the MOTION CARRIED (6 to 1 – Ms. Sacco abstained).

ITEM #15: ADJOURNMENT: Chairman Bernardo requested a motion to adjourn.

MOTION: On a MOTION by Mr. Stevens, seconded by Mr. Crocker, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 1:06 p.m.

The next meeting of The Agency Board of Directors is scheduled for Wednesday, August 21, 2019 at 3:30 p.m. at FIVE South College Drive, Suite 201, Binghamton, NY 13905.