

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
GOVERNANCE COMMITTEE  
October 14, 2019 – 12:30 PM  
The Agency Conference Room, 2<sup>nd</sup> Floor  
FIVE South College Drive, Suite 201  
Binghamton, NY 13905**

PRESENT: R. Bucci, J. Peduto, B. Rose, C. Sacco, J. Bernardo and J. Stevens and J. Mirabito (phone)

GUESTS: Greg Baldwin, Broome County Legislature  
Doug Matthews, Spark Broome, LLC  
Erich Webb, Spark Broome, LLC  
David Dimmick, Spark Broome, LLC  
Andria Adigwe, HH&K  
David Camerota, Upstate Services Group (USG)  
Michael Sullivan, SUNY Broome  
John M. Carrigg, UHS  
Kathy Connerton, Lourdes  
Sue Bretcher, Lourdes (Day Care)  
Paul Sheppard, HH&K

ABSENT: None

STAFF: S. Duncan, T. Gray, N. Abbadessa, C. Hornbeck, T. Ryan and B. O'Bryan

PRESIDING: R. Bucci

**AGENDA ITEM 1:** Chairman Bucci called the meeting to order at 12:30 p.m.

**AGENDA ITEM 2:** Accept the September 18, 2019 Governance Committee meeting minutes: Chairman Bucci stated the first item on the agenda is to accept minutes for September 18, 2019; the minutes were sent to the Board members to review. Chairman Bucci stated any changes or revisions were forwarded to Ms. Hornbeck; hearing no comments, Chairman Bucci stated the minutes are accepted as presented.

**MOTION:** No motion necessary.

**AGENDA ITEM 3:** Public Comment: Chairman Bucci stated the next section of our meeting is the Public Comment section. If anyone is wishing to speak, introduce yourself and provide your

address. Seeing none, Chairman Bucci closed the Public Comment section.

Chairman Bucci stated there is one slight change in the agenda; Broome Culinary Realty, LLC has been moved to Agenda Item 4.

**AGENDA ITEM 4:** Review/Discussion/Recommendation of a Resolution Approving the Extension of the Sales and Use Tax Exemption Agreement for the Broome Culinary Realty, LLC Lease/Leaseback Project from December 29, 2017 Through, and Including June 30, 2020, of which the Total Shall not Exceed \$754,000.00. Ms Duncan stated The Agency received a request from Broome Culinary Realty, LLC for an extension of time on their Sales Tax Exemption through June 30, 2020. Ms. Duncan introduced Mr. Michael Sullivan to provide an overview for the reason for the request. Mr. Sullivan stated the college, through the IDA, received a two year PILOT from December 2017 through December 2019. The project didn't close until 6 months after the initial period, on or about May 1, 2018. The college has custom-made culinary equipment that will most likely not be purchased until at least the first quarter of 2020. Based on the schedule and the start date of when the project actually started (May/June 2018 to June 2020), is a two-year period. Chairman Bucci asked if there were any questions. Hearing none, stated he would entertain a motion.

**MOTION:** Ms. Sacco moved the Motion to Recommend the Resolution to the Board for approval, seconded by Mr. Peduto; the MOTION CARRIED.

**AGENDA ITEM 5:** Review/Discussion/Recommendation of a Resolution Authorizing a Lease/Leaseback Transaction to Facilitate the Redevelopment, Renovation, Subdivision, Repurposing and Equipping of the 150,000 +/- Square Foot, Two Story Former Sears Building Located within the Oakdale Mall, Situate at 501 Reynolds Road, Village of Johnson City, Town of Union, Broome County, New York, and Appointing Spark Broome, LLC (The "Company"), as Agent of The Agency for the Purpose of the Redevelopment, Renovation, Subdivision, Repurposing and Equipping 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 and a Sales Tax Exemption in an Amount not to Exceed \$200,000.00. Chairman Bucci stated representatives from Spark Broome, LLC are here, as well of some prospective tenants from Lourdes, to provide an overview of the project. Chairman Bucci

then introduced Mr. David Matthews, with Spark Broome, LLC. Mr. Matthews introduced Mr. David Dimmick, who heads up Marketing for Spark Broome, LLC and Mr. Erich Webb, who will oversee the construction on the project. Mr. Matthews also advised that Ms. Kathy Connerton, CEO of Lourdes Hospital is here to give some insight on their proposal for a wellness center, which is an important part of this project. Mr. Matthews continued the Oakdale Mall is a critical asset to the Johnson City community. Like many malls nationwide, most have key tenants. Sears was anchored at the back-end of the mall. Sears left the mall over two years ago; BonTon and Macy's sit empty today. Spark Broome, LLC purchased the former Sears structure with the intention to repurpose the building and revitalize the mall. Our objective was to do all we could to develop interest in the property. Three parties: Beer Tree, Lourdes and Broome County have made commitments that will fill the 150,000 square feet of space within the former Sears building. Mr. Matthews described the spaces which will be occupied by each entity. Mr. Matthews stated the building is over 50 years old and will require a great deal of redesign and investment to bring it back to life. When complete, the project will house over 500 jobs, half of which are new positions. Mr. Matthews then turned the presentation over to Ms. Connerton, who started her discussion by saying that she and members of Spark Broome, LLC, grew up here. Ms. Connerton stated the health status in this community is poor; despite all the efforts of UHS and Lourdes, there is still a health issue in this community. Lourdes charged themselves to see what they could do to engage the community in different ways to help create wellness. Ms. Connerton stated they talked to the management company that has opened 18 of these projects; Lourdes liked Hackensack, because they worked with the county. Providers would oversee the center and show pathways. There will be a nurse and trainers on site, as well as sports medicine. Evaluations will be done quarterly. Ms. Connerton stated that obesity is a big issue. The wellness center will work with people who want to get back to work; developing their skill set and health issues are sometimes in conflict. The wellness center will have aquatic ability. Ms. Connerton stated the county asked if they would open a day care; a huge issue for the community. Lourdes is moving into St. Thomas School. Ms. Connerton stated Ms. Sue Bretcher, who is with her today, will oversee the day care. Ms. Connerton offered the benefits of a wellness center at the former Sears building location; including the creation of 150 jobs, bringing more people to the mall and generate other business in Johnson City. Chairman Bucci asked about jobs. Ms. Connerton confirmed 150 new jobs for fitness and wellness; 46 new jobs for daycare and 15 new jobs for provider space, for a total of 201 jobs. Ms. Duncan directed Committee members to information

on jobs that was included with the packet, including 145 retained jobs. Chairman Bucci asked for a timeline, as well as length of lease. Ms. Connerton stated Lourdes is in negotiations. A lengthy discussion followed. Chairman Bucci asked for a motion.

**MOTION:** Mr. Rose moved the Motion to Recommend the Resolution to the Board for approval, seconded by Chairman Bucci; the MOTION CARRIED (3 to 1 – Ms. Sacco abstained).

**AGENDA ITEM 6:** Review/Discussion/Recommendation of a Resolution Authorizing a Lease/Leaseback Transaction to Facilitate the Acquisition, Renovation and Equipping of a 70-Bed Adult Home, a 35-Bed Assisted Living Program, and a 150-Bed Residential Health Care Facility Located at 600 and 601 High Avenue, in the Village of Endicott, Town of Union, Broome County, New York and Appointing 600 High Avenue, LLC and/or a Related Entity to be later name, (The “Company”), as Agent of The Agency for the Purpose of Acquiring, Renovating and Equipping the Project and Authorizing the Execution and Delivery of Certain Documents with Respect Thereto, Including a Payment in Lieu of Tax Exemption in an amount not to Exceed \$123,400.00. Chairman Bucci stated that representatives from UHS were in attendance. Mr. John Carrigg, President and CEO addressed the Committee. Mr. Carrigg referred to his remarks presented at the Village of Endicott Board meeting of September 26, 2019. Mr. Carrigg provided the following background: Ideal was fairly successful up until seven-eight years ago. From a financial point of view, in the last eight years, UHS lost \$15 million, a loss UHS cannot continue to maintain. In 2015, UHS started talking to Upstate Services Group (USG) about a potential sale. In April of this year, UHS finally got approval from the Health Department. Losses accelerated and UHS had to reduce the price; restructure the deal. Mr. Carrigg stated that if the arrangement between USG and UHS is not possible, UHS may have to consider closing. Mr. Carrigg stated the UHS system and UHS Hospital is subsidizing Ideal; it cannot continue. Mr. Carrigg stated he would answer questions. Chairman Bucci asked if anyone from USG was in attendance. Mr. Carrigg introduced David Camerota, USG. Chairman Bucci asked if there were any questions. Mr. Rose stated the economic benefit implemented would justify it, then asked if there were not an opportunity on the table, what does closure look like? How long does that take? Mr. Carrigg replied it would take the better part of a year. UHS would cover obligations – pay vendors, employees, work to place residents. Mr. Carrigg stated this hasn’t happened to UHS before; however, USG has been in this position before. Attorney Paul Sheppard, HH&K, also provided commentary regarding job retention – these jobs would go away, the facility would shut down and millions of dollars would

be lost. In 2011, the people affected by the flood had to relocate; they were evacuated. USG made the investment; new facilities were secured under a PILOT agreement. Attorney Sheppard continued they are looking for a PILOT agreement to make this deal work. It is going to take years to get Ideal back on its feet. USG has been down this road before. After 20 years, they will be happy to pay their share of taxes. A lengthy discussion ensued. Mr. Thomas Augustini asked if he could speak. Chairman Bucci stated that the public comment section of the meeting was closed, but he could submit a letter for consideration. Chairman Bucci asked for a motion.

**MOTION:** Mr. Rose moved the Motion to Recommend the Resolution to the full Board for Approval, seconded by Chairman Bucci; the MOTION CARRIED (3 to 1 – Ms. Sacco abstained).

**AGENDA ITEM 7:** Review/Discussion/Recommendation of a Resolution to Authorize and Direct the Preparation of a Document Entitled "Positive Declaration, Notice of Intent to Prepare a Draft Generic Environmental Impact Statement (DGEIS), Determination of Significance." Ms. Duncan stated this resolution relates to The Agency's on-going process to complete New York State's Environmental Quality review Act (SEQR). The Committee/Board needs to pass regulations acknowledging that a positive declaration exists. In this case, it is a negative. With the SEQR process, checking a negative is part of the process. Mr. O'Bryan explained the positive declaration creates the necessity for a scoping document, which details what any negative impact might be on the environment. For example, if a similar situation, such as the 200-year flood in 2011 were to occur, 3.5" of water within that area would be redistributed. That is the only problem Elan could foresee based on the scoping document. This is the next step. If all is approved, that document is posted on The Agency's website. A short discussion followed. Chairman Bucci asked if there were any questions; hearing none, asked for a motion.

**MOTION:** On a MOTION by Ms. Sacco, seconded by Mr. Rose, the MOTION CARRIED (3 to 1 – Mr. Peduto abstained).

**AGENDA ITEM 8:** Review/Discussion/Recommendation of a Resolution Approving The Agency's Sexual Harassment Procedure Policy Form, a copy of which is Attached Hereto as Exhibit "A." Ms. Duncan stated this is the procedural notice form which must be posted publicly. The notice lets people know where they can find the Sexual Harassment Policy. Chairman Bucci asked for questions or comments; hearing none, requested a motion.

**MOTION:** On a MOTION by Mr. Peduto, seconded by Ms. Sacco, the MOTION CARRIED.

**AGENDA ITEM 9:** Adjournment: Chairman Bucci stated he would entertain a motion to adjourn.

**MOTION:** On a MOTION by Mr. Rose; seconded by Ms. Sacco, the MOTION CARRIED. Chairman Bucci adjourned the meeting at 1:51 p.m.

The next meeting of The Agency Governance Committee is to be determined.