

1 STATE OF NEW YORK:

2 BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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4 Public Hearing Regarding
5 Great Eastern Hemp, LLC

6 - - - - -

7 A Public Hearing held at 243 Main Street,
8 Johnson City, New York, on the 12th day of February,
9 2020, commencing at 5:06 PM.

10
11 BEFORE: JOSEPH B. MEAGHER, ESQ
12 Counsel for Broome County
13 Industrial Development Agency

14
15 REPORTED BY: CZERENDA COURT REPORTING, INC.
16 71 State Street
17 Binghamton, New York 13901-3318
18 JESSICA BRIELMEIER
19 Shorthand Reporter
20 Notary Public
21 Binghamton - (607) 723-5820
22 (800) 633-9149
23
24

Matter of Great Eastern Hemp, LLC

1 A copy of the application, along
2 with a cost benefit analysis prepared by the
3 Agency, is available for your review at the
4 offices of the Agency during regular
5 business hours.

6 Notice of this hearing was
7 published in the PRESS & SUN BULLETIN on
8 January 23, 2020. I request that each
9 person wishing to speak state his or her
10 name and, if you're speaking on behalf of an
11 entity or organization, please identify that
12 entity or organization. The hearing will
13 remain open until all public comment is
14 concluded.

15 First, I'm going to ask Tom Gray,
16 Senior Deputy Director of the Agency, to
17 describe the project and explain the
18 benefits that have been requested by Great
19 Eastern Hemp.

20 MR. GRAY: Good evening. My name
21 is Tom Gray. And I'm the Senior Deputy
22 Director of operations for the Broome County
23 Industrial Agency. We are conducting a
24 hearing this evening to seek public comment

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1 on an application made to the Agency By
2 Great Eastern Hemp, LLC, for financial
3 benefits from the Agency for a project to be
4 located at 60 Lester Avenue in the Village
5 of Johnson City, Town of Union, Broome
6 County, New York.

7 The project will involve the
8 acquisitions, renovation and equipping of a
9 building to be situated on 90.40, plus or
10 minus, acre-parcel of land located at
11 60 Lester Avenue in the Village of Johnson
12 City, Town of Union, Broome County,
13 New York, to be used as a facility to
14 process locally grown hemp as well as the
15 manufacturing, packaging and distribution of
16 hemp-derived CBD products.

17 The company has requested financial
18 assistance from the Agency in the form of
19 abatements of sales and use taxes, a
20 mortgage tax exemption and an abatement of
21 real property taxes. The company projects
22 \$11 Million in new investments and projects
23 40 new jobs over a three-year term. The
24 company has also donated a portion of their

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1 parking lot to the Village for their use at
2 the library.

3 Copies of the application are
4 available at the Agency -- at the office of
5 the Agency for your review. We are located
6 at 5 South College Drive, Suite 201,
7 Binghamton, New York 13905. All comments
8 made at this public hearing will be
9 transcribed by our reporter and presented to
10 the Agency's Board of Directors for their
11 review prior to any decision on the
12 application.

13 HEARING OFFICER: Again, I remind
14 you, those wishing to speak, please identify
15 yourselves and if you're speaking on behalf
16 of an entity or organization, please
17 identify that entity or organization.

18 MR. HAYNES: I would like to
19 speak. My name is Brian Haynes from Great
20 Eastern Hemp. I moved up here about four
21 years ago. About two years ago, somebody I
22 knew downstate where I grew up, John Curden,
23 my nephew told me was looking to do CBD. I
24 called him up, he had an LLI for a piece of

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1 property in Sullivan County. I told him to
2 come up here, because this was in May of
3 2018, just before the hemp summit. So this
4 -- to my understanding, was ground zero of
5 hemp prior to 1930 when they shut it down.

6 He would come up here for the
7 summers. I introduced him to Donna Lupardo
8 (inaudible) at the University. Brought him
9 out to the Shaffer's, took him to the
10 gardens to look around. Everybody was very
11 warm and I liked them, so they decided to
12 ditch Sullivan County and started looking
13 here. I started looking over a period of
14 six to ten months, six to nine months
15 looking for property, and eventually winding
16 up finding 60 Lester.

17 During that period I met with the
18 mayor a number of times. And when one of
19 those meetings the mayor asked that we give
20 a piece of the property that we had just
21 purchased and donate it back to the Village
22 for the -- for the what?

23 MR. DEEMIE: Be careful there.

24 No. That property was supposed to

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1 be the Village's many years ago. The
2 paperwork was never filed.

3 MR. HAYNES: We owned -- we had a
4 contact to buy the property and you asked me
5 to donate to the Village, is that correct?

6 MR. DEEMIE: I asked you to
7 correct the paperwork that was done many
8 years ago and we used it for years --

9 MR. HAYNES: We did not have to do
10 that.

11 MR. DEEMIE: It's fine.

12 MR. HAYNES: I'm just telling you,
13 we didn't have to do that. And by taking
14 that away, that the process of another
15 entrance into the property and
16 tractor-trailers have to turn around on the
17 property and not go in and out. So there
18 was a real value to that piece --

19 MR. DEEMIE: Okay.

20 HEARING OFFICER: Again, everyone
21 will be allowed an opportunity to speak.
22 This is Mr. Haynes' opportunity to speak.
23 And if someone wants to speak after, they
24 can.

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1 MR. HAYNES: It was during one of
2 those meetings that told to produce the
3 schedule for a 21-year abatement. He, at
4 that time, told me that the -- deviated has
5 to be approved by the Village board. I then
6 had a conversation with Joe Cook about the
7 assessment, what it should be assessed at.
8 We purchased the property for \$2.2 Million.
9 I was an only user. We settled on that.
10 Settled on that, and in the conversation he
11 told me I should be doing a 15-year and not
12 a 21-year.

13 I went back to the Agency, told
14 them that 2.2 was agreed upon, that we can
15 use that as a base. And he suggested 15.
16 Went through the whole process of 15 years
17 and applied and sent in an application to
18 the IDA for that. And invest, like I said,
19 \$11 Million, \$6.5 Million in machinery,
20 employed 40 people.

21 During this whole period, my guys
22 were getting cold feet about the price of
23 this has dropped 8,000, 10,000 to \$1,500 to
24 \$2,000. In the period of ten months we had

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1 under the contact, they wanted to move on.
2 I assured them, sticking my neck out, that
3 the first case, close on the property, if we
4 have to resell it, you can probably get your
5 money back.

6 One of the reasons was a local
7 institution which a nonprofit tried to kick
8 us out of the contact so they could take
9 possession of it. So if that did happen,
10 there would be no taxes on the property.

11 That's it. That's about it. We're
12 here. I brought them here. And I didn't
13 even tell them about tonight about the
14 hostility because I know what they would
15 tell me. They have other businesses they
16 don't have to put up with it.

17 HEARING OFFICER: Does anyone else
18 wish to be heard?

19 MR. DEEMIE: Mayor Deemie with the
20 Village of Johnson City.

21 All of what Bryan said is true. He
22 did reach out to us, reached out to all
23 these other people. There's no hostility
24 tonight. It's not that we are against the

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1 property -- I'm not against the project.
2 I'm all for the project. You've known that
3 since day one.

4 Yes, you did bring a 21-year
5 deviated pilot to my attention. I assume
6 that's what you were going to do we were
7 talking to the Agency to go with. That one,
8 year one, you're paying nothing, then year
9 two, you're paying something, which I'm sure
10 the board would be happy to do.

11 Our concern is that, you know, the
12 Village's finances now as they are, it's
13 hard enough. We already lost over a million
14 in property taxes last year on our budget
15 that we had to, you know, come back up with.
16 And now we are going to start a pilot --
17 that's your standard pilot, which I didn't
18 realize the first five years would be frozen
19 at whatever the current property taxes are,
20 correct? That's what it is?

21 I am not sure at the time when that
22 was put into place that you took into
23 account the business that is being
24 purchased. Typically would've been a

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1 it would've been at the time thinking when
2 they did that, oh, I think that's a great
3 option to have if the property has property
4 taxes to use for those five years and freeze
5 them for five years. That's great to move
6 the project forward.

7 So, again, don't get me wrong --
8 that's my phone, sorry -- I have no problem
9 with the project. I want them to move
10 forward. I want them to succeed over there
11 because that's important to us and
12 everybody, too. I know it's been a little
13 tough with the CBD oil that's going on and
14 all that that's going on. I know the other
15 project got problems over there.

16 So we are not here to stonewall or
17 try to hold the project up. We are just
18 giving our opinion on that five year zero
19 freeze, we don't feel that's fair to the
20 Village. I feel that's what the board
21 feels, too, that five years is something
22 needed to look at if it's not the process
23 being used in purchasing part of this that
24 you're looking at.

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1 love to see it happen. I met over there
2 with them and her and I went over there --
3 with Brian and Mr. Curden and everybody, you
4 know -- looking forward to working with
5 them.

6 We are just looking at our side, we
7 have to look at our end of things, too. So,
8 again, with the -- Dee can talk more about
9 the parking lot than I can. I don't think
10 anybody has used that for trucks other than
11 Jake's Robotics. Nobody had ever -- that's
12 neither here or there. I appreciate you
13 finally signing it over to us like it should
14 have been many years ago. But it is what it
15 is at this point. It's done and over with.

16 I didn't want people to think that
17 was, you know, something special because it
18 was supposed to be done and they did, you
19 know, donate, however you wanted to say
20 that. It was supposed to belong to the
21 Village -- 1993, back in that timeframe. So
22 we just happen to time it right and say,
23 hey, let's get this deal done. And I
24 appreciate that, too.

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1 Again, I'll let everybody speak
2 now. That's my feeling on the five-year
3 freeze that needs to be looked at. There
4 should be some kind of calculation numbers
5 or something to use and, you know versus a
6 zero. So thank you.

7 HEARING OFFICER: Thank you,
8 Mayor. Does anyone else wish to be heard?

9 MR. MARTINEZ: Rocky Martinez,
10 Johnson City School Board.

11 First of all, thank you for sharing
12 with us and including us in this
13 notification. Many times the school board,
14 we find this out a little late in the
15 process, so thank you for getting that
16 information to us and to the superintendant
17 so we can participate.

18 We have a similar question just
19 along the same lines that the Village has,
20 and that is the uniqueness of this property
21 and the intent behind this. We are 100
22 percent behind the project. I mean, the
23 process is here to improve the overall
24 aspect of the Village. And we view it as an

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1 opportunity to improve the Village and every
2 time the Village improves, the school
3 improves from all standpoints.

4 The question that we do have is the
5 same is that we have a unique situation with
6 this piece of property and the previous
7 owners and the established assessed value.
8 I am not going to talk about taxes because
9 I'm only going to talk about our total
10 assess base that we have to work off of all
11 of our assess base. So adding to the asses
12 base addresses right the way that we have to
13 distribute our cost and process.

14 And this property being at zero
15 assessed value is not included in that.
16 Even though it should've been, could've
17 been, all those things happened. I'm not
18 here to talk about that I want to go forward
19 with it. And from the Johnson City School
20 Board, we would like to see that assessed
21 value, whatever it could be defined as 2.2,
22 that those were used as a starting point to
23 be included right as an assessed property.

24 The taxes piece, that's your call

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1 from that standpoint. But from the school
2 board's point of view, we would like to see
3 that addressed because of the uniqueness of
4 this being zero, and zero from year one to
5 five is kind of an anomaly in any of this
6 process. And we are just asking you to take
7 a look at it. Thank you.

8 HEARING OFFICER: Thank you very
9 much.

10 MS. GOLAZESKI: Daria Golazeski.
11 I'm a former planner for the Village of
12 Johnson City.

13 When the chief at the time
14 originally came to develop this project,
15 there were two large Endicott/Johnson
16 factories that owned the property that had
17 been demolished. At the time they received
18 a Section 108 grant through the Town of
19 Union Broome Development fund to tear down
20 those buildings, half million to \$540,000.
21 That fund was -- that loan was repaid
22 through the funds of the town because of
23 that Broome/Tioga ARC agreed to have a pilot
24 in place to basically pay back that loan

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1 that had been paid by Broome Development
2 funds.

3 So there used to be a pilot in
4 place on the property until recently, until
5 two maybe years ago and for some reason it
6 got forbidden. So there was a pilot in
7 place that was paying 75 percent of the
8 taxable value of the property at that time.
9 So can't we start that as the basis for the
10 first five years? It's just my suggestion.

11 That's why that pilot was in place.
12 I helped draft the pilot at the time. At
13 the time they didn't need the lot that was
14 behind the Library and Broome/Tioga ARC
15 which was supposed to be Village. When this
16 property went on the market, I notified
17 realtors as soon as I figured it out that
18 that has been done and it shouldn't have
19 been part of the sale. It took a while for
20 people to listen to me and I proved to them
21 that their deeds were incorrect. That's the
22 history that I'm aware of in my 30 years in
23 the position.

24 HEARING OFFICER: Thank you, Dee.

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1 Does anyone else wish to be heard?

2 MR. GIBLIN: Clark Giblin. Deputy
3 mayor of the Village of Johnson City.

4 I wanted to comment off the mayor's
5 comments a little bit and reiterate and
6 hopefully everybody understands that, you
7 know, here in the Village and the board we
8 are all very, very proud of the services
9 that we offer our residences and our
10 businesses, and we appreciate and want you
11 to come in.

12 I think all of those services are
13 very important and they cost a lot of money.
14 And, you know, your contribution to that is
15 important to us and to pass along. So no
16 contribution in those first five years, I
17 question the fairness of that and I
18 understand your policy and how it's
19 currently written. I would ask for
20 consideration for it to be looked at in this
21 particular situation.

22 HEARING OFFICER: Thank you,
23 Mr. Giblin.

24 Next? Anyone else wish to be

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1 heard?

2 MR. COOK: Joe Cook. I am the
3 Town of Union assessor.

4 I wanted to make the board aware
5 that I did draft a letter proposing to real
6 property law and I sent it to the property
7 owner notifying that they, upon the date of
8 transfer, they would start to occur pro rata
9 share of taxes through the next fiscal year
10 of each municipality.

11 So I just -- that they will be,
12 according to law, responsible for taxes
13 until -- if this pilot were to be passed and
14 the property goes back off the tax roll,
15 they will be responsible to that date;
16 otherwise, they would continue for taxes.

17 So there is a tax implication for
18 the property currently. Just so everybody's
19 aware of that.

20 HEARING OFFICER: And the Agency
21 does have a copy of that?

22 MR. COOK: Right. I copied all
23 the municipalities. That's a normal course
24 to copy to the Agency, because of the

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1 particular situation, it's for informational
2 purposes.

3 HEARING OFFICER: Thank you,
4 Mr. Cook. Anyone else wish to be heard?

5 (Whereupon there was no response)

6 HEARING OFFICER: Has everyone who
7 has appeared, signed the sign-in sheet?

8 (Whereupon there was no response)

9 HEARING OFFICER: All right. One
10 more time. Does anyone else wish to be
11 heard?

12 MR. DEEMIE: I want to add. I
13 want to talk about the services, you know,
14 they will be paying water, sewer, those
15 types of -- what he's talking about
16 services, he's talking fires, police
17 protection, you know, snowplowing the roads,
18 things like that, just to kind of clarify
19 it's not just utilities or so forth. But
20 those are a cost and we -- as we said, we
21 need to pay on our end, we need everybody in
22 the Village to hopefully help with that.

23 But, again, I just want to
24 reiterate that we are looking forward to

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1 having this coming -- having this work out
2 for everybody.

3 HEARING OFFICER: Thank you,
4 Mayor.

5 There being no one else who wishes
6 to be heard, I'm going to bring this hearing
7 to a conclusion. I'm going to ask that the
8 notice of public hearing, affidavit of
9 publication, letters to the taxing
10 authorities, affidavit of mailing and a
11 affidavit of posting, which I will provide
12 to the stenographer, and I request that they
13 be spread upon the record of these
14 proceedings and stated at the outset, a copy
15 of this entire hearing will be provided to
16 the board of directors of the Broome County
17 IDA prior to their making a decision on this
18 matter.

19 Thank you all for coming out. We
20 appreciate it.

21 (Whereupon Exhibits 1 through 8
22 were marked for identification)

23 (Whereupon the hearing concluded at
24 5:29 PM)

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I N D E X

EXHIBIT:	PAGE:
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4 Affidavit of mailing	22
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6 Affidavit of posting	22
7 Affidavit of publication	22
8 Sign-in sheet	22

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1 STATE OF NEW YORK :

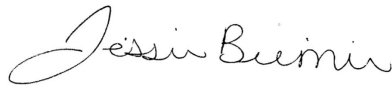
2 COUNTY OF BROOME :

3

4 I, JESSICA BRIELMEIER, Shorthand Reporter,
5 do certify that the foregoing is a true and accurate
6 transcript of the proceedings In the Matter of a Public
7 Hearing Regarding Great Eastern Hemp, LLC, held in
8 Johnson City, New York, on the 12th day of February,
9 2020.

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11



12

JESSICA BRIELMEIER

13

Shorthand Reporter

14

Notary Public

15

CZERENDA COURT REPORTING, INC

16

71 State Street

17

Binghamton, New York 13901-3318

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23 COMPUTER OPERATOR: LORI KRALY

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