

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
FIVE South College Drive; Suite 201, 2nd Floor
Binghamton, New York 13905
Wednesday, February 19, 2020, 12:00 pm**

SYNOPSIS OF MEETING

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

ABSENT: W. Howard, R. Bucci

GUESTS: Jeff Platsky, Press & Sun Bulletin
Joseph Moody, Town of Union
Brian Haynes, Great Eastern Hemp
Mayor Greg Deemie, Village of Johnson City
Aaron Martin, Broome County Legislature
Kyle Davis, Chamber of Commerce

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

COUNSEL: J. Meagher

PRESIDING: J. Bernardo

The meeting was called to order at 12:01 p.m.

ITEM #1. APPROVE MINUTES FOR THE JANUARY 15, 2020 BOARD MEETING: Chairman Bernardo requested a motion to approve the minutes of January 15, 2020.

MOTION: Mr. Stevens motioned to approve, seconded by Mr. Crocker, the MOTION CARRIED UNANIMOUSLY.

ITEM #2. PUBLIC COMMENT:

Chairman Bernardo stated anybody wishing to speak on any matter concerning the IDA, please state your name and address for the record.

Mayor Greg Deemie, 243 Main Street, Johnson City, addressed the board, regarding the recent Public Hearing for Great Eastern Hemp, LLC.

Chairman Bernardo asked if anyone else would like to comment; hearing none, closed the comment period.

ITEM #3. EXECUTIVE DIRECTOR'S REPORT:

Ms. Duncan provided updates on the following:

WALESON DEVELOPMENT – 191 FRONT STREET

Ms. Duncan referred the Board to a conceptual site plan from Waleson Development (Waleson), included in their folders. On February 18th, Ms. Duncan participated with Mayor David to announce a proposed project at 191 Front Street in the City of Binghamton. Waleson purchased the two buildings formerly known as Botnick's Chevrolet, in partnership with NYS Housing and Community Renewal (HCR), utilizing HCR's housing tax credit program. The 115-unit housing development will consist of two four-story buildings, enabling Waleson to provide rents at 60-90% of area median income; loosely qualified as market-rate. Mayor David, who desired more market-rate housing, had multiple conversations with the developer and Mr. Lenny Skrill at HCR. The mayor verbally voiced consideration and support for a deviated PILOT on this project, which will ultimately come before this Board. In addition, the developer is looking to finance all or some of this project through bonds issued through the IDA (as opposed to the LDC). The bonds would be tax-exempt funds; but as a for-profit, bonds can be issued through the IDA. New York State provides a bond cap, just under the \$6.8 million; since it is an approximately \$20 million project, additional financing will be required. The Agency believes it can be a great gateway project for that location in the City of Binghamton. The Agency is working with bond counsel, Harris Beach, as well as the City on the PILOT process.

CHAMBER OF COMMERCE ECONOMIC FORECAST BREAKFAST

M & T Bank hosted the Chamber's Economic Forecast Breakfast on February 11th, featuring Regional Economist Gary Keefe who gave a presentation on the global and local economy. Ms. Duncan advised the data for the greater Binghamton economy was incredibly positive on many fronts, including wage and job growth: the manufacturing sector out-performed the national average and Broome County is experiencing non-manufacturing employment and wages rise. Two of four projects were honored locally, including The ANSCO Lofts project, recognized for being a restorative project and the 50 Front Street project, recognized as a transformational project.

CLOSINGS

A closing for Spark Broome (former Sear's property) is scheduled for Monday, February 24th. The Agency anticipates closing the Sam A. Lupo & Sons expansion project, as well as the L3 project in the Town of Kirkwood before March 1st.

ITEM #4. LOAN ACTIVITY REPORTS AS OF JANUARY 31, 2020: The Internal Financial Reports for January were presented to the Board. The balances available to lend are \$674,443.33 (STEED), \$369,561.50 (BDF) and \$111,416.91 (BR + E). Chairman Bernardo asked if there were questions relative to the internal financial reports. Chairman Bernardo then asked if there were questions relative to The Agency's loan activity. Mr. Stevens commented on the financial impact of the Industrial Park on this report, requesting an update. Ms. Duncan responded that based on the Board's decision last month, The Agency has a signed agreement as of February 19th. Mr. Stevens asked if there is movement on the property, itself; Ms. Duncan replied The Agency is not aware of any significant activity at this point. Hearing no further comments, Chairman Bernardo moved on to New Business.

MOTION: No motion necessary.

ITEM #5. RESOLUTION AUTHORIZING A SALE/LEASEBACK OR A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE ACQUISITION, RENOVATION AND EQUIPPING OF 60 LESTER AVENUE, TOWN OF UNION, BROOME COUNTY, NY AND APPOINTING GREAT EASTERN HEMP, LLC (THE "COMPANY") AS AGENT OF THE AGENCY FOR THE PURPOSE OF FINANCING THE ACQUISITION, RENOVATION AND EQUIPPING OF THE PROJECT AND AUTHORIZING THE EXECUTIN AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT THERETO, INCLUDING A PYAMENT IN LIEU OF TAX AGREEMENT AND A SALES TAX EXEMPTION IN AN AMOUNT NOT TO EXCEED \$80,000.00: Ms. Duncan stated two years ago, former Executive Director, Mr. Kevin McLaughlin and Ms. Duncan met with the principals of Great Eastern Hemp, LLC (Great Eastern Hemp), including Mr. Brian Haynes, here today, regarding their interest in opening a hemp processing facility in Broome County. At the time, Great Eastern Hemp was still evaluating facilities throughout the community. The Agency advised of our process and requested they come back to The Agency, when ready to move forward. Mr. Haynes, met with staff, who recommended meeting with the town assessor and village officials to apprise them of the project. Initially, Great Eastern Hemp expressed interest in a 21-year PILOT; the town recommended they consider a 15-

year PILOT. The Agency's calculation, based on the assessment for a standard 15-year PILOT, provides for a five-year freeze based on the tax amount at the time of purchase. Taxes at the time of purchase for this property were zero. The Agency has a PILOT with Carrier Services Group (CSG) in the Town of Hillcrest, which was a 10-year PILOT; similarly, CSG had a three-year freeze. That project was a transfer from a municipally-owned entity, not a non-profit, but again, zero taxes at the time of purchase, affording them the three-year tax freeze. The Great Eastern Hemp project includes the acquisition, renovation and equipping of the facility to process locally-grown hemp, as well as manufacture products derived from CBD oils. Great Eastern Hemp anticipates investing \$11 million into the facility, mostly through the purchase and set-up of machinery and equipment and projects 40 net new jobs over three years. Staff recommends the Board approve the PILOT, as it is in compliance with The Agency's policy as it stands today. Chairman Bernardo commended Great Eastern Hemp for their \$11 million investment into the community, with the anticipated creation of 40 or more employees; however suggested the Board and staff examine The Agency's PILOT process further regarding property assessments for future applicants. A lengthy discussion followed.

MOTION: To Authorize a Sale/Leaseback or a Lease/Leaseback Transaction to Facilitate the Financing of the Acquisition, Renovation and Equipping of 60 Lester Avenue, Town of Union, Broome County, NY and Appointing Great Eastern Hemp, LLC, and Authorizing the Execution and Delivery of Certain Documents with Respect Thereto, Including a Payment In Lieu of Tax Agreement and Sales Tax Exemption. Mr. Stevens made a MOTION to accept the application, as submitted; seconded by Mr. Rose, the MOTION CARRIED (6 to 1 – Ms. Sacco abstained).

ITEM #6. RESOLUTION APPROVING THE RECOMMENDATION FOR A CREATIVE ECONOMY STUDY: Ms. Duncan stated additional language should be added to this resolution, as discussed in the preceding Governance meeting, for an amount up to \$75,000.00. Ms. Duncan, Mr. Stevens and Chairman Bernardo had a discussion last year about earnings on The Agency's investments, requesting the Board set aside funds to do studies germane to economic development in Broome County. As a result, \$125,000.00 was set aside from an investment account for such purposes. The proposal under consideration from Cultural Planning Group, is a comprehensive economic analysis of the creative sector: what does it look like; what is the job/wage/employment potential in this sector? The study would support and determine what this sector looks like by the numbers. This study would be incredibly beneficial to non-profits, especially arts organizations, when seeking funding applications. Studies strengthen applications. On a high-level, this type of study would help attract art, leisure and recreation populations to the area. This study would provide data analysis, as accomplished with The Agency's housing and workforce studies. Ms. Duncan conducted preliminary discussions with local foundations/funding organizations, as potential partners.

Ms. Duncan is seeking authorization to potentially spend up to \$75,000.00 for such a study. Mr. Stevens and Chairman Bernardo confirmed the discussion of this subject; Chairman Bernardo then requested a motion.

MOTION: To Approve a recommendation for a creative economy study. On a MOTION by Ms. Sacco, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #7. RESOLUTION APPROVING SUMMARY RESULTS OF CONFIDENTIAL EVALUATION OF BOARD

PERFORMANCE: Ms. Duncan stated the Board is required by the ABO to submit a confidential evaluation, which is included in your packet. After Board approval, these will be posted to The Agency's website. Chairman Bernardo brought the necessity that members be knowledgeable about the ABO's programs, financial statements, reporting requirements and other transactions to the Board's attention. Chairman Bernardo suggested members and staff set aside time to make sure all Board members are comfortable with The Agency's policies and procedures. Ms. Duncan confirmed the staff would advance opportunities for that in the future. Mr. Stevens pointed out that policy relative to financial information requires quarterly reporting to the Board and that The Agency reports monthly. The Agency's information is provided more frequently than is required by policy and Board members need to pay close attention to the financial information before the meeting. Chairman Bernardo asked for a motion.

MOTION: To Approve Summary Results of Confidential Evaluation of Board Performance. On a MOTION by Mr. Mirabito; seconded by Mr. Peduto, the MOTION CARRIED UNANIMOUSLY.

ITEM #8: RESOLUTION APPROVING THE READOPTION OF THE AGENCY BYLAWS AND POLICIES AND PROCEDURES: INVESTMENT AND DEPOSIT POLICY, THE PURCHASING POLICY, PROPERTY ACQUISITION GUIDELINES, PROPERTY DISPOSITION GUIDELINES AND INTERNAL CONTROLS AND FINANCIAL ACCOUNTABILITY POLICY WITH NO CHANGES:

Mr. Gray stated an annual requirement of the ABO is that the organization review its Bylaws and Policies and Procedures. The staff has done that and are requesting the Board readopt those documents in their current form. Chairman Bernardo asked if there were any objections; hearing none, requested a motion.

MOTION: To Approve the Readoption of The Agency Bylaws and Policies and Procedures, with No Changes. On a MOTION by Mr. Stevens, seconded by Mr. Rose, the MOTION CARRIED UNANIMOUSLY.

ITEM #9: EXECUTIVE SESSION: DISCUSSION OF REAL PROPERTY

MOTION: To Convene to Executive Session at 12:35 p.m. On a MOTION by Mr. Crocker, seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY.

ITEM #10: RECONVENE FROM EXECUTIVE SESSION.

MOTION: To Reconvene back to Public Session at 1:32 p.m. On a MOTION by Mr. Stevens, seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY.

ITEM #11: ADJOURNMENT: Chairman Bernardo requested a motion to adjourn.

MOTION: On a MOTION by Mr. Stevens, seconded by Mr. Peduto, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 1:35 p.m.

The next meeting of The Agency Board of Directors is scheduled for Wednesday, March 18, 2020 at 12:00 p.m. at FIVE South College Drive, Suite 201, Binghamton, NY 13905.