



BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

GOVERNANCE COMMITTEE MEETING

April 15, 2020 – 11:30 a.m.
The Agency Conference Room, 2nd Floor
FIVE South College Drive, Suite 201
Binghamton, NY 13901

AGENDA

- | | |
|---|-----------|
| 1. Call to Order | R. Bucci |
| 2. Accept the March 18, 2020 Governance Committee Meeting Minutes | R. Bucci |
| 3. Public Comment | R. Bucci |
| 4. Review/Discussion/Recommendation to Authorize a Lease/Leaseback Transaction to Facilitate the Financing of the Acquisition, Renovation and Equipping of 159 Washington Street, City of Binghamton, Broome County, New York, and Appointing 159 Washington Holding, LLC (The "Company"), as Agent of The Agency, for the Purpose of Financing the Acquisition, Renovation and Equipping of the Property and Authorizing the Execution and Delivery of Certain Documents with Respect Thereto, Including a Payment in Lieu of Tax Agreement and a Sales Tax Exemption in an Amount not to Exceed \$50,000.00 | S. Duncan |
| 5. Review/Discussion/Recommendation to Accept an Application from Simulation and Control Technologies, Inc. and Authorizing a Sales and Use Tax Exemption in an Amount not to Exceed \$40,880.00, Consistent with the Policies of The Agency in Connection with the Renovation and Remodeling of the Property and Building Located at 430 Airport Road, Town of Union, Broome County, New York | S. Duncan |
| 6. Adjournment | R. Bucci |

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
GOVERNANCE COMMITTEE
March 18, 2020 – 11:30 AM
The Agency Conference Room, 2nd Floor
FIVE South College Drive, Suite 201
Binghamton, NY 13905**

PRESENT: B. Rose, D. Crocker, W. Howard and J. Bernardo

VIA TELECONFERENCE: R. Bucci, J. Peduto, C. Sacco and J. Stevens

GUESTS: None

ABSENT: None

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

PRESIDING: R. Bucci

AGENDA ITEM 1: Chairman Bucci called the meeting to order at 11:30 a.m.

AGENDA ITEM 2: Accept the February 19, 2020 Governance Committee meeting minutes: Chairman Bucci asked for acceptance of the February 19, 2020 Committee meeting minutes; hearing no additions or corrections, the minutes are accepted.

MOTION: No motion necessary.

AGENDA ITEM 3: Public Comment: None.

AGENDA ITEM 4: Review/Discussion/Recommendation to Accept an Application from 159 Washington Holdings, LLC, for a Sale/Leaseback or a Lease/Leaseback Transaction to Facilitate the Renovation of 159 Washington Street, City of Binghamton, Broome County, NY, Including a Payment In Lieu of Tax Agreement and a Sales Tax Exemption in an Amount not to Exceed \$50,000.00. Ms. Duncan stated local developer, Mr. Josh Bishop, has acquired the former Ellis Brothers building. Mr. Bishop plans to convert that approximately 20,000 square foot building into apartments geared toward young professionals. It is a historic building; the front façade will be preserved in accordance with local CAUD and State Historic Preservation guidelines. The total

project investment is just shy of \$1.6 million. Mr. Bishop is seeking a 10-year standard PILOT agreement, anticipating job creation of three full-time positions. Mr. Bishop has consulted with the City on the project. Chairman Bucci asked how many apartments; Ms. Duncan replied 27 one and two-bedroom apartments, with targeted monthly rent upwards from \$900.00. A brief discussion followed.

MOTION: Mr. Peduto moved the Motion to Recommend the Resolution to the full Board for approval, seconded by Mr. Rose; the MOTION CARRIED (3 to 1 - Ms. Sacco abstained).

AGENDA ITEM 5: Review/Discussion/Recommendation to Approve an Increase in the Sales and Use Tax Exemption for 1435-1439 Marchuska, LLC (408 Commerce Road) in an amount of \$35,920.00 from \$800,000.00 to \$1,249,000.00, Through and Including August 21, 2020. Ms. Duncan stated last year the Board approved a Sales Tax Exemption for Mr. Justin Marchuska when he purchased 408 Commerce Road in the Town of Vestal. As a result of the Village of Endicott not supporting the required zoning change in Endwell, Mr. Marchuska is moving his offices to this building, as part of this project. Mr. Marchuska is seeking this increase in sales tax exemption, to complete this project. Following a short question and answer period, Chairman Bucci asked for a motion.

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

AGENDA ITEM 6: Review/Discussion/Recommendation to Approve a Revision to The Agency's Uniform Tax Exemption Policy (UTEP), as Set Forth in Exhibit "A," Attached Hereto. Ms. Duncan stated a red-lined copy of The Agency's UTEP was included in the committee's packet. The staff added language as a result of the Board's discussion last month regarding purchases of tax-exempt facilities becoming taxable entities and related time-frames. Chairman Bucci asked if there were any questions. A lengthy discussion followed.

MOTION: Mr. Peduto moved the Motion to Recommend the Resolution to the full Board for Approval as outlined, seconded by Mr. Rose; the MOTION CARRIED.

AGENDA ITEM 7: Review/Discussion/Recommendation to Accept an Amendment to the Regulatory Agreement for Century Sunrise. Ms. Duncan stated this is nothing more than a standard compliance agreement between the New York State Housing Finance Agency and the

project owner, outlining median income levels related to residential housing units. An extended discourse followed. Ms. Duncan stated it would be her recommendation to move this matter to the regular Board in order to get complete information from Attorney Meagher, since this has been handled by counsel for the parties. Chairman Bucci stated the committee will move the discussion to the full Board meeting.

MOTION: None.

AGENDA ITEM 8: Review/Discussion/Recommendation to Approve the Readoption of The Code of Ethics Policy, the Defense and Indemnification Policy, the Whistle-Blower Protection Policy, the Compensation, Reimbursement and Attendance Policy and the Travel Policy with No Changes. Mr. Gray stated annually, the ABO requires that policies and procedures are reviewed and recommended for approval with or without changes. The staff has reviewed these policies and is recommending the committee accept and recommend them to the full Board with no changes.

MOTION: On a MOTION by Mr. Rose, seconded by Mr. Peduto, the MOTION CARRIED.

AGENDA ITEM 9: Review/Discussion/Recommendation of the 2019 Mission and Measurement Report. Mr. Gray stated this is another requirement of the ABO; this statement of performance looks to what The Agency accomplished in 2019 along with projected goals for 2020. The goals are directly tied to the Strategic Plan that was first brought into place six years ago. The staff is requesting the committee recommend this to the full Board. Chairman Bucci asked if there were any questions; hearing none, requested a motion.

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

AGENDA ITEM 8: Adjournment: Chairman Bucci asked for a Motion to Adjourn.

MOTION: On a MOTION by Ms. Sacco; seconded by Mr. Rose, the MOTION CARRIED and the meeting was adjourned at 12:05 p.m.

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

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PROJECT REVIEW FORM

Company: 159 Washington Holding, LLC		IDA Meeting Date: 03/18/2020	
Representative: Josh Bishop		IDA Public Hearing Date: TBD	
Type of Business: Mixed Use Housing		Company Address: PO Box 1554 Binghamton, NY 13902	
Project Start Date: 2020			
Project End Date: TBD			
Employment: <small>Full-Time Equivalent</small> Existing 0 1st year 2.5 2nd year 1.5 3rd year 1		Total Yearly Payroll 1st Year \$ 120,000.00 2nd Year \$ 70,000.00 3rd Year \$ 45,000.00 Total: \$ 235,000.00	
Own / Lease: Own		SF / Acreage: 20,000 sqft	
Construction Jobs: 10		Proposed Project Location: 159 Washington St. Bing, NY 13901	
Company Contact For Bid Documents & Employment Opportunities: Josh Bishop, 607-725-9721, josh@jjbm.com		Description: *Please see attached	
PROJECT BUDGET		ASSESSMENT	
Land Related Costs		Current Assessment	\$ 121,000.00
Building Related Costs	\$ 1,500,000.00	Asmt. At Completion (Est.)	\$ 463,000.00
M & E Costs		EXEMPTION (Est.)	
F F & E Costs	\$ 43,200.00	Sales Tax @ 8%	\$ 50,000.00
Professional Services/Development Cost	\$ 35,000.00	Mortgage Tax	\$ 0.00
Total Other Costs		Property Tax Exemption	268,807.82
Working Capital Costs			
Closing Costs			
Agency Fee	\$ 15,782.00	TOTAL EXEMPTIONS:	\$ 318,807.82
TOTAL:	\$ 1,593,982.00	TOTAL PILOT PAYMENTS:	\$ 325,900.76
Project Type (Check all that apply) <input type="checkbox"/> Manufacturing, Warehousing, Distribution <input type="checkbox"/> Agricultural, Food Processing <input type="checkbox"/> Adaptive Reuse, Community Development <input checked="" type="checkbox"/> Housing Development <input type="checkbox"/> Retail* <input type="checkbox"/> Back Office, Data, Call Centers <input type="checkbox"/> Commercial/Office		Project Criteria Met (Check all that apply) <input type="checkbox"/> Project will create and /or retain permanent jobs <input checked="" type="checkbox"/> Project will be completed in a timely fashion <input checked="" type="checkbox"/> Project will create new revenue to local taxing jurisdictions <input checked="" type="checkbox"/> Project benefits outweigh costs <input checked="" type="checkbox"/> Other public benefits	
*Uniform Tax Policy does not typically provide tax exemptions for Retail Projects		*New York State Required Criteria	
Pilot Type <input checked="" type="checkbox"/> Standard 10 year <input type="checkbox"/> <input type="checkbox"/> Deviated _____ year			
Staff Comments:			

Project Description – 159 Washington Holding, LLC

Former Ellis Brothers furniture business, 4 story mixed use building in downtown Binghamton. Approximately 20,000 sq ft to be renovated into 27 one- and two-bedroom apartments geared towards young professionals working in downtown Binghamton. Seeking 1st floor commercial tenants. This is a historic building and the front façade will be preserved in accordance with local CAUD and State Historic Preservation guidelines.

Broome County Industrial Development Agency
Cost Benefit Incentive Analysis

Date: 3.6.2020
 Project Name/Address: 159 Washington Holding, LLC
 Project Start Date: 2020
 Project Description: Former Ellis Brothers furniture business, 4 story mixed use building in downtown Binghamton. Approximately 20,000 sq ft to be renovated into 27 one- and two-bedroom apartments geared towards young professionals working in downtown Binghamton. Seeking 1st floor commercial tenants. This is a historic building and the front façade will be preserved in accordance with local CAUD and State Historic Preservation guidelines.

BENEFIT

Investment: Public/Private/Equity

Building Related Costs	\$	1,500,000.00	
FF&E Costs	\$	43,200.00	
Professional Fees/ Development	\$	35,000.00	
TOTAL INVESTMENT		\$1,578,200.00	<u>\$1,578,200.00</u>

New Mortgages

Jobs

New	5
Retained	<u>0.0</u>

TOTAL JOBS 5.0

Term # Years 10 years

TOTAL PAYROLL	\$	235,000.00		\$	235,000.00
PILOT PAYMENTS	\$	325,900.76	(see Pilot Schedule)	\$	325,900.76
TOTAL BENEFIT	\$	2,139,100.76		\$	2,139,100.76

Cost

Property Tax Estimate

Fair Market Value	\$	463,000.00	upon completion
Equalization Rate		79.00%	
Taxable Assessment	\$	586,075.00	

Tax Rates

County	9.155881	Annual tax	\$	25,057.27	
School	42.754372	Annual tax	\$	5,366.03	
City	40.761629	Annual tax	\$	23,889.37	
ANNUAL TAX	92.671882		\$	54,312.67	number based on 1st year

Pilot Schedule

Terms/Years	Tax	% Abatement	*Pilot Payment	Abatement
			\$ -	
SEE PILOT SCHEDULE				
Total				

* Assume a 2% Tax Increase Per Year

PROPERTY TAX ABATEMENT	\$	268,807.82		
SALES TAX ABATEMENT	\$	50,000.00		
MORTGAGE RECORDING TAX				
AGENCY FEE	\$	15,782.00		
TOTAL COST	\$	334,589.82	\$	334,589.82
NET BENEFIT/COST			\$	1,804,510.94

Benefit/Cost Ratio

6.39 to 1

Comments/Additional Revenue:

Any Additional Public Benefits:

159 Washington Holding, LLC - Standard 10 Year PILOT Schedule (Purchase of Existing Facilities/Commercial)

<u>YEAR</u>	<u>FULL TAXES</u>	<u>% ABATEMENT</u>	<u>PILOT PAYMENT</u>	<u>BENEFIT</u>
2021	\$54,312.67	Frozen	\$11,213.30	\$43,099.37
2022	\$55,398.92	Frozen	\$11,213.30	\$44,185.62
2023	\$56,506.90	Frozen	\$11,213.30	\$45,293.60
2024	\$57,637.04	50%	\$28,818.52	\$28,818.52
2025	\$58,789.78	50%	\$29,394.89	\$29,394.89
2026	\$59,965.58	25%	\$44,974.18	\$14,991.39
2027	\$61,164.89	25%	\$45,873.67	\$15,291.22
2028	\$62,388.19	25%	\$46,791.14	\$15,597.05
2029	\$63,635.95	25%	\$47,726.96	\$15,908.99
2030	\$64,908.67	25%	\$48,681.50	\$16,227.17
TOTALS	\$594,708.58		\$325,900.76	\$268,807.82

Based on an assumed 2% property tax increase per year
 Current Assessment \$121,000
 \$11,213.30 1st year taxes

Assessment Upon Completion - \$463,000
 ER 79%
 Final Taxable Assessment - \$586,075

Years 1-3 Frozen at Current Tax Level
 Years 4 and 5 50% Abatement
 Years 6-10 25% Abatement

School - 42.754372	\$25,057.27
County - 9.155881	\$5,366.03
City - 40.761629	\$23,889.37
92.671882	\$54,312.67 Total for new tax amount

THE AGENCY

BROOME COUNTY IDA / LDC

SMALL BUSINESS INCENTIVE PROGRAM APPLICATION

The Small Business Incentive Program can provide eligible applicants any of the following: an eight percent (8%) NYS sales tax and one percent (1%) mortgage recording tax exemption (if applicable).

Applicants seeking assistance must complete this application and provide additional documentation if required. A **non-refundable** application fee of \$150.00 must be included with this application. Make check payable to The Agency Broome County IDA.

The Applicant requesting a sales tax exemption from the Agency/IDA must include in the application a realistic estimate of the value of the savings anticipated to be received. As per NYS 2013 Budget Law and the regulations expected to be enacted thereunder are expected to require that the Agency/IDA recapture any benefit that exceeds the amount listed in the application.

Please answer all questions. Use "None" or "Not Applicable" where necessary.

APPLICANT

Name Simulation and Control Technologies, Inc.
Address 42 Corbetsville Road
City/State/Zip Conklin, NY 13748
Tax ID No. 16-1527767
Contact Name Mitch Gorton
Title Operating Officer
Telephone (607) 722-3450
E-Mail mgorton@sctcontrols.com

Owners of 20% or more of Applicant Company

Name	%	Corporate Title
<u>John J Fuller</u>	<u>51</u>	<u>President</u>
<u>Frank A Fuller</u>	<u>49</u>	<u>Vice President</u>

Benefits Requested (Check all that apply)

- ☒ Sales Tax Exemption
☒ Mortgage Recording Tax Exemption

Description of project (check all that apply)

- ☐ New Construction
☒ Existing Facility
 ☐ Acquisition
 ☐ Expansion
 ☒ Renovation/Modernization
☒ Acquisition of machinery/equipment
☐ Other (specify) _____

GENERAL DESCRIPTION OF THE PROJECT

(Attached additional sheets as necessary)

Renovation and remodeling of 430 Airport Road, Endicott from warehouse/distribution facility to offices and manufacturing facility. Renovation needed to meet needs of company and expanded product lines to become new location of Simulation and Control Technologies, Inc.

*Construct approx. 5,500 sf of office space

*Reface front facade of building

*Repair Roof

*Upgrade/Improve electrical service

*Upgrade concrete flooring to meet the needs of motion system specifications (isolated concrete pad)

PROJECT TIMELINE

May 2020

Start Date

April 2021

End Date

430 Airport Road, Endicott, NY 13760

Project Address

Contractor(s) *please refer to required Local Labor Policy

State Environmental Quality Review (SEQR) Act Compliance

The Agency, in granting assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act (SEQR). This is applicable to projects that require the state or local municipality to issue a discretionary permit, license or other type of approval for that project.

Does the proposed project require discretionary permit, license or other type of approval by the state or local municipality?

☐ YES – Include a copy of any SEQR or other documents related to this project including Environmental Assessment Form, Final Determination, Local Municipality Negative Declaration.

☒ NO

LOCAL LABOR POLICY

It is the goal of the The Agency to maximize the use of local labor for each project that receives benefits from The Agency. This policy applies to general contractors, subcontractors, trade professionals, and their employees. The Agency's Local Labor Area consists of the following New York State counties: Broome, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Tioga and Tompkins.

APPLICANT PROJECT COSTS

- A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the APPLICANT.

Building Construction or Renovation

- a. MATERIALS a. \$ 395,000
b. LABOR b. \$ 169,000

Site Work

- c. MATERIALS c. \$ 56,000
d. LABOR d. \$ 23,500
e. Non-Manufacturing Equipment e. \$ 25,000
f. Furniture and Fixtures f. \$ 35,000
g. LAND and/or BUILDING Purchase g. \$ N/A
h. Soft Costs (Legal, Architect, Engineering) h. \$ N/A
Other (specify) i. _____ i. \$ N/A
j. _____ j. \$ N/A
k. _____ k. \$ N/A

TOTAL PROJECT COSTS \$ 703,500

- B. Sources of Funds for Project Costs:

- a. Bank Financing a. \$ 300,000
b. Public Sources b. \$ N/A

Identify each state and federal grant/credit

_____ \$ N/A
_____ \$ N/A
_____ \$ N/A
_____ \$ N/A

- c. Equity \$ 403,500

TOTAL SOURCES \$ 703,500

- C. Has the applicant made any arrangements for the financing of this project?

☒ Yes ☐ No

If so, please specify bank, underwriter, etc.

NBT Bank

VALUE OF INCENTIVES

A. Sales Tax Exemption Benefit

Estimated value of goods that will be exempt from New York State and local sales tax (materials, non-manufacturing equipment, furniture and fixtures - **line a,c,e,f from Project Costs**) \$ 511,000.00

Estimated value of New York State and local sales tax exemption (8% of value of eligible goods) \$ 40,880.00

Estimated duration of sales tax exemption 12 Months
(The sales tax letter shall be valid for a period of twelve (12) months.)

B. Mortgage Recording Tax Exemption Benefit

Estimated value of Mortgage Recording Tax Exemption (1% of value of mortgage) _____

TOTAL SALES AND MORTGAGE RECORDING TAX EXEMPTION BENEFIT \$ 40,880.00

PROJECTED EMPLOYMENT

Will this investment result in the creation of new jobs? If so, how many? 4.00

Current number of full time employees: 11.00

Estimated annual salary range of jobs to be created:

Annual Salary range from: \$50,000 to \$75,000

Estimated annual salary range of current jobs:

Annual Salary range from: \$50,000 to \$100,000

****Upon approval of this application, the business agrees to provide FTE and all construction job information, along with its NYS 45 in all years that a sales and/or mortgage recording tax benefit is claimed.***

APPLICATION & ADMINISTRATIVE FEES

A. Application Fee:

A non-refundable application fee of one hundred fifty dollars shall be charged to each applicant and accompany the completed application. \$ 150.00

B. Administrative Fee:

A non-refundable fee of **\$500.00** is due and payable prior to the issuance of a Sales Tax Letter or a Mortgage Tax Exemption Form if the benefit is **under \$100,000**. A non-refundable fee of **1% of the total project cost** is due and payable prior to the issuance of a Sales Tax Letter or a Mortgage Tax Exemption Form if the benefit is **over \$100,000**. \$ 500.00

TOTAL TAX EXEMPTION FEES

\$ 650.00

This Application, including without limitation, information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.

The Agency reserves the right to terminate, modify, or recapture Agency benefits if :

- (i) an applicant or its sub-agency (if any) authorized to make purchases for the benefit of the project is not entitled to the sales and use tax exemption benefits;***
- (ii) sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the applicant or its sub-agents;***
- (iii) sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the project;***
- (iv) the applicant has made material, false, or misleading statements in its application for financial assistance;***
- (v) the applicant has committed a material violation of the terms and conditions of a Project Agreement.***
- (vi) As of the date of the Application this project is in substantial compliance with all provisions of GML Article 18-A, including but not limited to, the provisions of GML Section 859-a and GML Section 862(1) (the anti-raid provision) and if the project involves the removal or abandonment of a facility or plant within the state, notification by the IDA to the chief executive officer or officers of the municipality or municipalities in which the facility or plant was located.***

APPLICANT COMPANY

Simulation and Control Technologies, Inc.

[Signature] Operating Officer 4/1/20
Signature Title Date

Sworn to before me this

7 day of April, 2020
[Signature]
(Notary Public)

NICOLE J. MARIANI
Notary Public - State of New York
No. Q1MA6311357
Qualified in Broome County
My Commission Expires September 15, 2022