

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting Transcript

Held telephonically, September 16, 2020, commencing at
11:30 a.m. Adjourned at 11:50 a.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Bucci: Good morning. We are going to call the Governance Committee Meeting to order. We have present right now, myself: Rich Bucci, Cheryl Insignia [sic], and Jim Peduto.

Ms. Sacco: Cheryl Sacco, Mayor.

Chairman Bucci: Say that again.

Ms. Sacco: Cheryl Sacco. You used my maiden name, but that's okay.

[Laughs.]

Chairman Bucci: I know. Freudian slip.

Ms. Sacco: That's okay.

Chairman Bucci: That's when I knew her -- when she was Cheryl Insignia.

[Laughs.]

Ms. Duncan: Funny how your memory is, right?

Chairman Bucci: When she worked at the city, she was Cheryl Insignia.

Ms. Abbadessa: I'm like, what's he talking about?

[Laughs.]

Chairman Bucci: So, the first order of business is to accept the Governance Committee Meeting transcript. That was sent out to all members. Members had an opportunity to forward to Carrie any modifications, as such. So, I'll move that we accept the Governance Committee transcript from our August 19th meeting.

Next order of business is Public Comment. If there is anyone online, or present, who would like to speak, I would ask that they now introduce themselves, say their name and give us their address. Seeing or hearing none, we'll close that section of the meeting, and move on to our first item agenda.

The first item is a Review, Discussion and Recommendation to Authorize The Agency to Extend an Economic Development Services Agreement with the Village of Johnson City to Assist the Village with Economic Development Opportunities and Services, as Set Forth in Exhibit "A," for a Period of One Year, Running from October 1st, 2020, Through and Including September 30th, 2021. I'll turn it over to Stacey.

Ms. Duncan: Yeah, so, last year, we -- you know -- entered into a new and more formal relationship with the Village of Johnson City. Much of that was driven because of the volume of projects that they were awarded through the Greater Binghamton Fund and having a relatively small economic development staff there. We were able to provide some technical support and assistance on moving a number of those projects forward; and then, a lot of those, not surprisingly, came to a screeching halt with COVID. But since that time, there has been some activity with that and in a recent conversation with the Mayor -- they felt that the relationship was very beneficial, as did we, so we were looking at extending that for another year term -- and I want to thank the Board -- our thought was given the financial constraints to the Village on COVID, and some of the delays we had, on being able to execute some of our objectives with them. We are going to continue that extension -- currently at no charge during this timeframe. Just to note, they still do have -- for the existing contract -- they are making final payment on that contract, as well. So, if there is [sic] any questions, I would be happy to answer them, but if not, we'll move ahead.

Ms. Sacco: So, just for full disclosure to the Board, I -- my office does represent Johnson City and has been involved with this, so I will be abstaining -- so, you may not have a sufficient number to move this.

Chairman Bucci: Okay. So, we do not, right?

Ms. Duncan: We would not with Brian's absence.

Chairman Bucci: Okay. Alright, so we'll just present this to the full Board, with that explanation.

Ms. Duncan: Sure.

Chairman Bucci: The next item on the agenda is a Review, Discussion and Recommendation to Approve an Amendment to the Sales and Use Tax Exemption Agreement for Spark Broome, LLC Lease/Leaseback Project to Include an Extension of the Sales and Use Tax Exemption Agreement from October 16, 2020 Through, and Including October 16, 2021, as well as an Increase in the Sales and Use Tax Exemption in an Amount of \$385,000.00 for a Total Sales and Use Tax Exemption

not to Exceed \$585,000.00 and Authorizing The Agency to Set and Conduct a Public Hearing.

Ms. Duncan: Thank you, Mayor. Again, this is also partially due to delays in this project, because of COVID-19. As you know, Spark Broome, LLC, with principal, Doug Matthews, is converting the former Sears building into a multi-use facility, including Beer Tree Brew Company, the Broome-Tioga -- excuse me, Broome County Office of Economic Development, and is -- Workforce Development -- as well as the Lourdes Wellness project. The original intent was to move some offices over to some of that space. Then, in speaking with Kathy Connerton recently, they saw an opportunity to move more clinical care and clinical offices into that space -- especially, as we've learned from COVID -- the need to separate some non-emergency, or non-acute care settings outside of their hospital. As such, the change of that type of space has increased costs to this project. So, they are seeking, as well, an increase in the timeframe for an additional year, but, as well, an increase in the value of that exemption by

about \$385,000.00. I do have Erick Webb here, representing Spark Broome, if anyone has questions.

Chairman Bucci: Are they expanding the amount of space they are taking, or just reconfiguring their original plan?

Ms. Duncan: My understanding is just reconfiguring -- they were planning to move some of their existing offices -- which is up off of Lewis Road, into this space -- but found an opportunity to use it for clinical space, instead.

Chairman Bucci: Any additional questions for Erick or Stacey? Alright. Hearing none, I'll entertain a motion.

Ms. Sacco: Sacco makes the motion.

Chairman Bucci: Motion to approve. Is there a second?

Ms. Sacco: Jim, you're on mute.

Mr. Peduto: Not any more. I still move it -- or second it.

[Laughs.]

Chairman Bucci: Jim seconds. Motion and second. All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Opposed? Okay. Motion is carried.

Mr. Webb: Thank you.

Chairman Bucci: Okay.

Review/Discussion/Recommendation to Accept the Findings and Lead Agency's Decision on the GEIS for the Former BAE Site Located at the 600 Main Street, in the Town of Union.

Ms. Duncan: Okay, so this is the final, final step in the accepting and approving the GEIS for the redevelopment of 600 Main Street. The final action by the Board is just to accept the findings of the study, as well as the lead agency's decision. Brendan, I don't know if you want to add any updates on that.

Mr. O'Bryan: Yeah, so with the Findings Statement we issued based off the FGEIS that we completed last month -- and approved at the Board meeting -- was sent out to all the involved agencies

and the findings said that there was a potential that there was -- developed for a 200 to 500-year flood -- so, on any given day, that's about a [inaudible] to .01% chance of a flood event happening. And in that occurrence, we sent out to all involved agencies to have them give us any comment back based on what they read and if they had any public findings based off that FGEIS. We did not receive any other comments. So, that says that the involved agencies are accepting our findings and that they agree with those findings. So, pending Board approval here, this will wrap up this whole SEQR process and we can complete it.

Chairman Bucci: Okay. Any questions of Brendan or Stacey? Okay. I'll entertain a motion to approve.

Mr. Peduto: This is Jim. I'll move that we approve it.

Ms. Sacco: Sacco. Second.

Chairman Bucci: All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Unopposed; the motion is carried.

Chairman Bucci: The next item on the agenda is a Review, Discussion and Recommendation to Accept an Application from Upstate Hi-Tech Properties, offering a Mortgage Tax Exemption in an Amount Not to Exceed \$11,000.00, Consistent with the Policies of The Agency in Connection with the Purchase and Construction of a 16,800 Square Foot Custom Building to be Located at 16 Beech Street in the Town of Union, and a Sales and Use Tax Exemption in an Amount not to Exceed \$84,800.00, Consistent with the Policies of The Agency in Connection with the Acquisition of Machinery and Equipment in Connection Therewith.

Ms. Duncan: Thank you. So, Upstate Hi-Tech Properties, LLC is the real estate holding company that's purchasing the vacant parcel of land in the Town of Union -- approximately, six and a half acres - - to sit [sic] -- at 16 Beech Street, in the Town of Union -- is planning to erect a 16,800 square foot custom building to house their New York State operations of Custom Systems Integration or CSI, which is an engineering manufacturing company that has operated in Broome County for over 18 years. They

have a need to expand with -- and would like to stay within the Town of Union. CSI has been actively looking for a new location for over two years, but has opted to do this new construction project to accommodate the hi-tech company's needs without -- at a cost-effective way for them. And, so this will also allow them the opportunity to tailor the business to their growing needs. The total value of the sales tax exemption, which is the application -- is -- in your packet -- is \$95,800.00. This will not require a public hearing, so the action today by the Board will be able to approve that benefit, as well.

Chairman Bucci: Any questions of Stacey? Or comments? I think it bodes well for the company, that they are actually making that kind of investment
. . . .

Ms. Duncan: Absolutely.

Chairman Bucci: To stay in the Town of Union, which is nice. Is there a motion to approve?

Ms. Sacco: Sacco makes the motion.

Mr. Peduto: Peduto seconds.

Chairman Bucci: All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: The motion is carried.

The next item on the agenda is a Review/Discussion/Recommendation to Accept an Application for Ophthalmic Associates of the Southern Tier, and Authorizing a Sales and Use Tax Exemption in an Amount not to Exceed \$79,549.00, Consistent with the Policies of The Agency in Connection with the Acquisition of Furniture, Fixtures and Equipment for Use at Offices to be Located at 530 Columbia Drive, in Johnson City.

Ms. Duncan: Okay. So, the -- Dr. Daniel Sambursky is the owner of Ophthalmic Associates of the Southern Tier and Binghamton ASC, LLC, as well -- recently purchased 530 Columbia Drive, which I believe was formerly utilized by Innovation, who has since grown out of that space and moved within the Town of Union, as well. They are looking to renovate the building for medical office and ambulatory surgery center. Renovations totaling approximately \$5.1 million. They will then lease a portion of the space to Ophthalmic Associates for its practice office and a portion of that space will be leased to [inaudible]

subsidiary that Dr. Sambursky owns for a new ambulatory surgery center for Ophthalmology -- I believe the first of its kind here in our community. The total value of the sales tax exemption is \$79,549.00. Again, below the threshold to induce a public hearing, so the action today will approve that benefit.

Chairman Bucci: Any questions or comments?
Okay -- entertain a motion to approve.

Ms. Sacco: Sacco makes the motion.

Mr. Peduto: Jim seconds . . .

Chairman Bucci: I'll second it -- Jim seconded it.

Chairman Bucci: All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Motion is carried.

Our next item on the agenda is a Review/Discussion/Recommendation to Accept an Application from Bluestone Wind, or an Entity to be Later Named, for a Sale/Leaseback or a Lease/Leaseback Transaction to Facilitate the Financing of the

Acquisition, Construction and Equipping of a Wind-Powered Electric Generating Facility Located in the Towns of Sanford and Windsor, and Authorizing a Sales Tax Exemption in an Amount of \$8,807,628.00, a Mortgage Tax Exemption in an Amount of \$1,918,038.00, and a Setting -- and Setting and Conducting a Public Hearing with Respect Thereto.

Ms. Duncan: Okay. So, this project, as we know, has been in the development for a number of years. I think it was probably -- maybe 2018 when we first were introduced to the project -- and, since that time, they have been working with our representatives in the Towns of Sanford and Windsor on the development of both the PILOT and the Host Community Agreement. As Jeff highlighted in his story yesterday, the Bluestone Wind project is a 124-megawatt wind turbine project in the Towns of Sanford and Windsor. The Bluestone Wind project, as required by New York State law, did receive approvals through the Article 10 Siting Process from New York State in December of 2019. Some changes to the project: in May of this year, ownership transferred from Calpine, who initiated the project, to Northland Power, which is a publicly-owned energy company based in Canada. I

believe this is their first or second project in New York State. I believe they also purchased the power just a little further east, in Bainbridge. The municipalities in eastern Broome will receive approximately \$1.4 million annually, via the PILOT payments and Host Community Agreements. The project has received to date all the necessary local approvals, as they relate to Host Community Agreement, Road Use Agreement, as well as the IDA incentive, that you now consider today. This project, and other renewable projects throughout the Southern Tier and within New York State, have been sited as contributing to the Governor's renewable energy goals to transition a lot of our electricity, and use to renewables, by 2030. So, the actions by the Board today are to accept the application for the purposes of inducing public hearings in the Towns of Sanford and Windsor and the -- before our October Board meeting. I don't know if Chris Stanton -- are you on the call with us today -- at the meeting with us today? He may -- I believe Chris will be at the regular Board meeting, if there are any additional -- if there are questions from the Board.

Chairman Bucci: Okay. Any questions for Stacey?

Mr. Peduto: Stacey . . .

Ms. Sacco: I . . .

Mr. Peduto: . . . [inaudible].

Ms. Sacco: . . . I will not be able to move or act on this. So, you may need to take this to the entire Board, if -- unless we've got an additional committee member.

Chairman Bucci: Okay. Jim, did you have a question?

Mr. Peduto: I just did, on the PILOT. It's -- I -- so, if we -- do we know the entity that is going to be executing the PILOT, or is that to be determined?

Ms. Duncan: That -- my understanding would be within the two -- within the jurisdictions of the Towns of Sanford and Windsor. Cheryl, do I have that correct -- as far as the people that . . .

Ms. Sacco: So, my understanding is the new entity actually purchased Bluestone -- so, the entity

itself -- my understanding is the name would not change. But, if the -- if representatives are coming to the general meeting, I would confirm that with them. So, even though there was a purchase, I believe there was -- they call it, an upstream purchase -- so, they are not naming it a new entity -- they are keeping it Bluestone. Does that make sense?

Mr. Peduto: Yep.

Unknown: Yeah.

Mr. Peduto: Does that entity have a -- presumably -- is a single purpose -- that entity is -- is this project -- is [sic] the entity have a parent?

Ms. Sacco: It does.

Mr. Peduto: And is the parent going to guarantee the PILOT payments?

Ms. Sacco: I have no clue.

Ms. Duncan: [Inaudible] no idea. I don't know the answer to that.

Attorney Meagher: It's not set up that way, but I guess we could ask, and go . . .

Mr. Peduto: What happens if this entity -- you know -- walks, or doesn't work out the way they hope and, the wind stops blowing or whatever. . .

Attorney Meagher: We terminate the PILOT. Ordinarily, the savings are of such significance that they want to continue, but we always have that option, if they are not honoring their obligations -- to terminate -- and put it back on the tax roll -- you know, whatever the implications to that would be and that would be mostly centered on how you would access this type of facility.

Mr. Peduto: Are the -- in the PILOT -- in the schedule, it talks about the assumed capacity. So, is that a guarantee if the capacity is above or below that, it's at a fixed -- it's at the fixed assumed rate?

Attorney Meagher: I'll be frank -- I don't know the answer to that.

Ms. Duncan: Yeah, I think those are questions -- when -- we should certainly bring up with Chris Stanton when he attends the regular Board meeting, for sure.

Mr. Peduto: Okay.

Chairman Bucci: And, they agree to all the fee structure and everything that we had talked about at the previous meeting . . .

Ms. Duncan: Um hum.

Chairman Bucci: So, that's all been taken care of.

Ms. Duncan: All set. Um hum.

Chairman Bucci: Any additional questions right now? Probably, it's -- probably the questions are best -- waited -- for Chris -- because he can probably address them in greater detail.

Mr. Peduto: Yep. I was just trying to avoid giving him a headache.

[Laughs.]

Chairman Bucci: No, that's alright. No, I think it's good -- I think you are stimulating other questions, Jim, so that's okay.

Ms. Duncan: Yeah.

Chairman Bucci: So, we can't move this, because -- Cheryl, you are abstaining?

Ms. Sacco: I am -- [inaudible] -- not be taking action, correct.

Chairman Bucci: Okay. So, we have just -- send this to the full Board -- just with that advisement. [Inaudible.] Okay. That completes our agenda. I will entertain a motion to adjourn.

Mr. Peduto: So, moved. Jim.

Ms. Sacco: Sacco.

Chairman Bucci: Second?

Ms. Sacco: Second. Sacco.

Chairman Bucci: All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Okay. Meeting is adjourned.

Meeting adjourned [at 11:50 a.m.].

[Attendees: Rich Bucci, Cheryl Sacco, Jim Peduto, Wayne Howard, John Stevens, John Bernardo, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Amy Williamson, Kevin Wu, Joe Meagher, Jeff Platsky, Erick Webb.]

STATE OF NEW YORK :

COUNTY OF BROOME :

I, CARRIE HORNBECK, Executive Assistant,
do certify that the foregoing is a true and accurate
transcript of the Broome County Industrial Development
Agency Governance Committee Meeting, held
telephonically, on September 16, 2020.

A handwritten signature in cursive script, reading "Carrie Hornbeck", is written over a horizontal line. The signature is fluid and extends to the right, with a large loop at the end.

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

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