

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting Transcript

Held telephonically, October 21, 2020, commencing at
11:30 a.m. Adjourned at 11:58 a.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Bucci: Okay. Well, good morning, everyone. We'll call the Governance Meeting Committee to order.

Our first order of business is to accept the Governance Committee transcript from our September 16th meeting. I'll entertain a motion to accept.

Mr. Peduto: So, moved. Jim.

Chairman Bucci: Moved by Jim. Is there a second?

Mr. Peduto: Do we have a quorum?

Chairman Bucci: Brian's here, right?

Ms. Duncan: Yes.

Mr. Rose: Yes.

Ms. Duncan: We have a quorum.

Mr. Rose: Brian will second.

Chairman Bucci: Brian Rose seconds.

Mr. Peduto: [Inaudible.] Okay. Great.

Unknown: [Inaudible.]

Chairman Bucci: And, also, for purposes of

the minutes, I'll acknowledge that the following members of the Governance Committee are in attendance: Rich Bucci, Jim Peduto and Brian Rose. We have a motion and a second. All in favor of accepting the transcript?

Unknown: [I -- in unison.]

Chairman Bucci: Motion is carried.

Our next order of business is Public Comment. We will now open the floor to anyone who would like to address the Governance Committee. I ask that you just state your name and your address, and the floor is yours. Is there anyone who would like to address the committee at this time?

Ms. Abbadessa: One second. More people are coming on. [Inaudible.]

Chairman Bucci: Also, I want to remind individuals, some of you may be on mute. So, check your audio buttons to make sure that you're unmuted, if you'd like to address the committee.

Ms. Hornbeck: Natalie, can you tell me the names of the rest of the people, because I can't see any. I've got everybody, but the new ones.

Ms. Abbadessa: [Inaudible.]

Chairman Bucci: Okay. Is there anyone who would like to address us at this time? Okay, just as a reminder, because there are some critical issues on the agenda, if you are unable to address the Governance Committee at this time, you also have an opportunity to address the full Board, when that meeting begins at noon. So, seeing that no one has an interest in addressing us, I'll close that portion of the meeting.

Our first item on the agenda is a Review, Discussion, Recommendation to Accept an Application from Vestal Asphalt, Authorizing a Sales and Use Tax Exemption in an Amount Not to Exceed \$20,000.00, Consistent with the Policies of The Agency in Connection with a Renovation and Equipping of the Property and Building Located at 220 Stage Road, in the Town of Vestal. Stacey.

Ms. Duncan: Yes, thank you, Mayor, and your application for today for consideration as a Small Business Incentive Program Application, which is our Sales Tax Exemption. Vestal Asphalt -- Justin Guiles has submitted this application on behalf of Vestal

Asphalt. They have purchased an additional buildings [sic] adjacent to their property in Vestal and plan to consolidate and renovate the existing structure to house their corporate offices. The total dollar amount of this sales tax benefit sought is \$20,000.00, which is below the \$100,000.00 threshold requiring a Public Hearing. So, the action today -- recommendation and action today by the Governance Committee can approve those benefits. Any questions?

Chairman Bucci: Any questions for Stacy?

I'll entertain a motion to approve.

Mr. Rose: I'll move.

Chairman Bucci: Brian. Motion.

Mr. Peduto: Jim. Second.

Chairman Bucci: Second. All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Opposed? Motion is carried.

The next order of business is a Review, Discussion, Recommendation Authorizing a Lease/Leaseback Transaction to Facilitate the

Acquisition, Construction, Installation and Equipping of the Company's Fee, Leasehold and Easement Interest in Certain Parcels of Land, Located in the Towns of Sanford and Windsor in Broome County, to be used Collectively as a Wind-Powered Electric-Generating Facility and Appointing Bluestone Wind, LLC as Agent of The Agency for the Purposes of Acquiring, Constructing, Installing and Equipping the Project and Authorizing the Execution and Delivery of Certain Documents with Respect Thereto, Including a Payment in Lieu of Tax Agreement, Deviated from The Agency's Uniform Tax Exemption Policy, a Sales Tax Exemption Agreement in the Amount Not to Exceed \$8,807,628.00, and a Mortgage Tax Exemption in an Amount Not to Exceed \$1,918,038.00. Stacey.

Ms. Duncan: Thank you, Mayor. Yes. In 2016, representatives from then-owner, Calpine, came to meet with the IDA and presented the Bluestone Wind project, which is a 124-megawatt wind farm to be located in the Towns of Sanford and Windsor, respectively. At that time, and in accordance with our Uniform Tax Exemption Policy -- our UTEP, the company was advised by our office to work with the towns and other any other relevant taxing

jurisdictions on the development and negotiation of the PILOT benefit, as it was a derivation of our standard policy. Today's deliberation, by both the Governance Committee and the Board, for the approval of PILOT benefits, is the culmination of more than four years of discussion, negotiation, state and local permitting processes, including the New York State Article 10 Siting process and Department of Environmental Conservation impact reviews. This also includes extensive public debate. Copies of the application, including our Cost Benefit Analysis, our PILOT schedule, the Host Community Agreement, Public Hearing transcript and supplemental public comments have been provided to the Board, upon your consideration for today. Also included are resolutions in support of the PILOT from relevant taxing jurisdictions, including Broome County government, the Town of Sanford, the Deposit Central School District, the Town of Windsor, Windsor Central School District. And, in addition, that project has received the approval from the DEC that, as I noted through the Article 10 Siting review, in December of 2019. The Board should consider approval of the PILOT benefits on the following grounds: if it meets the

requirements of our UTEP, which it does; does it advance economic development through new tax and other revenue from municipalities within Broome County; does it increase capacity in the state's energy grid and has it gained support from New York State and through all relevant review, and siting approvals; and has it garnered support from the relevant taxing jurisdictions? For these reasons, we believe that the project meets all those criteria, and staff and I support the -- and recommend approval of the PILOT benefit to -- for the Governance Committee.

Chairman Bucci: Any questions or comments for Stacy? Jim, you're on mute.

Ms. Lawrence: Yes. Can I -- I'd like to speak. First of all, I thought this meeting wouldn't start until 12.

Chairman Bucci: Anne. Right now, we're at the point where Public Comment is ended. But the issue will be formally reviewed by the full Board at the 12 o'clock meeting. So, when that meeting begins, there will be Public Comment at the very beginning of the meeting, and so, you'll have an opportunity to speak then. And, in fact, you'll be speaking before

the full Board, then, so in a way, your kind of -- save a little bit of energy. So, you will have an opportunity to speak. Jim?

Mr. Peduto: Yeah, this is just a minor question. In the Cost Benefit Analysis, the last sentence -- the last phrase, additional public benefits, it indicates that the town specifically -- indicates the Town of Windsor and Sanford will each receive \$925,680.00 in yearly HCA payments. Was that correctly worded? I just want to make sure I understand it properly. Are they each receiving 925,000? I thought that was being shared between them.

Ms. Duncan: That is correct. That was stated incorrectly -- the 925 is the shared benefit. That will be divided, and I know there was a chart that identified each of those. How that was divided up -- the percentages per taxing jurisdiction that I included -- with -- to the Board.

Mr. Peduto: I saw that -- that's what led to my question. So, I just wanted the clarification. Thanks, Stacy.

Ms. Duncan: No, that was just an incorrect wording, on that.

Mr. Bucci: I just have a few observations. First of all, I want to congratulate the staff; they've worked diligently on this project. They've put a lot into it, so they have to be commended for the tedious amount of work that was put into it. I've been agonizing over this a little bit because I've been really listening to some of the concerns that have been raised by the residents who live in the affected area and I started doing a little bit of research, and I remember I found one in particular that I thought was interesting. About 15 years ago, a wind turbine farm was proposed, for off the coast of Cape Cod and Hyannis Port -- was 130 turbines -- and the residents opposed it vigorously. And in 2017, it finally died because of oppositional lawsuits, and many of the concerns that were raised were economic and environmental. And one of the interesting quotes I saw was Robert Kennedy Jr. wrote a New York Times Op-Ed in 2005, and he's an environmentalist. And he goes, I don't -- I do believe that some places should be off-limits to any sort of industrial development. I wouldn't build a wind farm in Yosemite National

Park, nor would I build one on Nantucket Sound. And, I almost want to add, I wouldn't build one in eastern Broome County, either. I just think that the economic and environmental concerns that the residents have raised are legitimate, and I just want to give voice to that. I think it's important that their comments, their concerns are heard. I'm also concerned about the job projections -- have been revised downward -- or initially, there was 150 trades people -- now that number is around 70, and the permanent jobs have decreased, I believe, from seven to two, and that's always a factor for us. And, one of the things that we have here as an asset, as a resource, is our natural beauty. And that's one of the things Broome County has. And I think, as residents in metropolitan areas are looking to move outside of the urban core, they're moving further Upstate, and, they're moving into Delaware County, and I think they're starting to drift into Broome County, and eastern Broome County is going to be one of those places where I think they're going to start looking next. And, so obviously, I think that would have an impact on that, as well. And finally, my other concern is -- again -- that we're looking to facilitate this, and a PILOT helps move a

project forward. But estimates are that this project's already being funded by 40% federal and state initiatives, which I already think is a significant taxpayer involvement. So, those are my concerns. I wanted to put them on the record that we are all listening to what residents have to say, and I want to give some voice to some of the concerns that have been raised.

Mr. Peduto: This is Jim. Mayor, I could echo your sentiments. My concerns with it are -- and again, I appreciate all the work that has gone into this -- but, in many cases, a lot of effort goes into projects that may or may not materialize -- but from our perspective as a Board, I've got three concerns. One -- certainly, the overwhelming public sentiment that you referred to, I'll echo, as well. I mean, there's very, very little sentiment in favor, and again, I mentioned, overwhelming against. Secondly, just from an economic perspective -- you're talking about two permanent jobs, maybe 70 construction jobs. I also wonder whether this type of economic development is analogous, or even similar to the other types of economic development, we usually -- that we usually invest in. I mean, this type of

development leaves us nothing when it's over -- when it's when completed. When we invest in a factory, or we invest in a renovation, or any of the other items -- in the end, there's something tangible, that benefits the community, when it's done. This really looks just like a subsidy in a transfer payment to a developer with negligible economic benefits. In 10 to 15 years, those windmills are going to come down and what's left? And, I just have a hard time rationalizing on it. So, I'm not even sure that the Cost Benefit Analysis that we typically do applies to this kind of project. So, I have economic concern about it. I think the duration of the PILOT is problematic -- 30 years, where it appears to be fairly front-ended -- or back-ended, excuse me -- where that -- where we don't even get to the average rate for the PILOT until well into the end of the back-end, at which point, that you may or may not even be operable. I just -- on all those economic issues, I'm concerned. And then, lastly, I wonder if it's premature. There's still litigation going on that hasn't been resolved, and in terms of evaluating the PILOT, and the details, we don't even have final turbine design. So, I'm

really -- three different levels -- I'm really challenged to support this.

Mr. Rose: A couple of -- here's -- first of all, I appreciate the way in which -- sometimes there's a presumption that we don't give things as much thought as we should, and, in this instance, I respect the amount of effort that all of the staff at the IDA has put into this project over a long period of time. And, as the agonization that all of my colleagues on the Board are undergoing in terms of how we think about this project, let me say where I am with this. At a fundamental level, I don't feel like I have enough information yet to say, I would vote yes or no, and let me explain that further. The standard -- well, let me start with this. What's the question before the IDA? The question before the IDA is whether to approve the deviated PILOT for this project. And, the standard that we're supposed to use is whether or not there is a major economic or employment impact for the county. And that's the standard overview that we have to determine whether or not to accept a deviated PILOT application. What isn't before us, at least, from my point of view -- I don't think it's the role of the IDA to evaluate

whether or not economic impacts -- excuse me, environmental impacts of the project, do or do not outweigh the value of the proposed energy production. I think that is an issue that was before the state body that approved signing of the project. I don't think before us is evaluating whether this is an appropriate land use. I think that is the responsibility of the local governments that have taken the action they have taken. I don't think before us is the responsibility to evaluate whether state and local governments carried out their responsibilities in accordance with applicable law and regulations. That would be something before the judicial branch in some form of review action. I don't know that if it is determinative or dispositive that energy produced by the project would flow someplace else. If it flows here, that could be an economic benefit, that we would determine to be major, and hence, justified, mediated prior. But it's certainly possible that the project could offer other economic or employment benefits that would justify the Board granting a deviated PILOT -- the question before us. I don't think -- before us, at least by our past practice -- is the amount of deviation, right? We

have typically allowed applicants to go to the taxing jurisdictions -- in this case, plural -- and negotiate the terms of that. So, the scale of the deviation is something that we have typically referred to local government. Having said all of that, I don't think The Agency is a rubber stamp to local decisions, either. We have to evaluate the project against the standard that I've expressed. I've got in front of me, a document that says financial benefits, right -- and it outlines PILOT payments, it outlines Host Community Agreement payments. And the numbers at the bottom of the page are substantial, right? So, if all of those dollars were assured, and clearly net new revenue, then wow! That -- those are substantial economic assets. What do I want to try to get at, either today or in future opportunities? So, I look at the Host Community Agreement, and there's -- essentially, it provides a bunch of revenues. And, I have a lot of questions about the degree to which those revenues are, in essence, guaranteed or assured. And I want to ask somebody a bunch of those questions and get a sense as to how I should value the numbers on that page. That I value them at the full amount that they're stated, or should I discount them in some

way based upon some risks, that those dollars won't materialize the amounts that they're specified? PILOT, same thing. There are some contingencies around the amount of the PILOT. I've got a bunch of questions about the degree to which those payments will materialize or not, and I'd like to have more information about how I should evaluate them. All of these are revenues, right? On the other side, are expenses. And, I don't have anything, at least in the record before me, that gets at some of those expenses. And again, all of these questions might well be answered to my satisfaction, and I might well conclude that there are economic benefits to the project and justify granting a deviated PILOT -- I just don't believe until I have the opportunity to ask whoever can answer these questions -- the questions that I have -- that I have sufficient information to make that judgment. Example -- and, I'll just illustrate by -- in theoretical terms. If somebody is going to pay a local government a million dollars, but that local government is going to have new expenses that total a million dollars, as a result of whatever the proposal is -- then there's [inaudible] driving the payments differently. There is conversation about the

degree to which there are negative impacts on property valuations, and I've done some homework on that. And, there are studies that are all over the map on that question. There are questions about other negative impacts, but in some way, I've got to be able to put numbers to them, at a -- not at a precise level -- that's an idealistic expectation, but at least at an order of magnitude level, to be able to say there is a revenue stream could be a substantial economic benefit to the community. I'm going to value that at some level -- based upon questions about the assurance of that revenue stream -- is going to materialize. There are negative economic impacts, and I'm going to place some value upon those, then, I'm going to do a simple math exercise that says revenue, expenses -- difference, is this. Is that sufficient to justify the PILOT, and I don't believe I have enough information in front of me to accurately -- or I should say . . . [inaudible].

Ms. Duncan: May I ask if you're listening that you mute your -- thank you -- your devices. Thank you.

Chairman Bucci: Brian, have you concluded?

Mr. Rose: Yes, thank you.

Chairman Bucci: Okay -- with that, I'll entertain a motion. Okay, hearing none, we will forward this to the full Board without a recommendation.

Okay. Moving on to the next item on the agenda -- to [sic] Review, Discussion, Recommendation Authorize the Extension of the Sales and Use Tax Exemption Agreement for Spark Broome, LLC Project dated October 16th, 2019, Through and Including October 16th, 2021, as well as an Increase in the Sales and Use Tax Exemption in the Amount of \$385,000.00, for a Total Sales and Use Tax Exemption Not to Exceed \$585,000.00. Stacey.

Ms. Duncan: Yes, as was presented last month, an application from Spark Broome, LLC, more notably known as the project at the Sears -- former Sears facility in Johnson City. This includes the renovation of the building for a -- the offices of the Broome Offices of Employment and Training, for Beer Tree Brew Company, as well, ancillary offices for Lourdes, which will include physical therapy, some occupational therapy and a Wellness Aquatic Center.

Partly due to -- somewhat due to COVID and increased costs of materials and delays and then also changes to Lourdes layout to have less general office space and transition that to increase medical and clinical spaces, the costs on this project have increased. This was presented to the Board and moved forward because of the amount -- exceeds \$100,000.00 -- there was a required Public Hearing, which took place on October 19th, the transcript of which has been provided to the Board. So, the action today, if approved, would provide them the additional amount of sales tax exemption.

Chairman Bucci: Any questions for Stacy?
Hearing none, I'll entertain a motion.

Mr. Peduto: So, moved.

Chairman Bucci: Motion by Jim.

Mr. Rose: I'll second. Brian.

Chairman Bucci: Second, Brian. All in
favor?

Unknown: [I -- in unison.]

Chairman Bucci: Motion is carried.

Next item on the agenda is a Review, Discussion, Recommendation to Authorize an Amendment to the May 9th, 2019 Sales Tax Agreement for the AOM 128 Grand Avenue, LLC Lease/Leaseback Project to Include an Increase in the Sales and Use Tax Exemption in the Amount of \$46,400.00, for a Total Sales and Use Tax Exemption in an Amount Not to Exceed \$278,400.00. Stacey.

Ms. Duncan: Yes. Similarly, you have an application today for a request of the increase in the dollar amount of the Sales Tax Exemption for AOM 128 Grand Avenue. This is the market-rate housing project located near the Binghamton University nursing school, or soon to be open, nursing school. This project is near completion. Similarly, due to COVID-related increase of the cost of supplies and delays, the project has seen an increase of roughly, approximately about 20 percent higher than originally estimated, and as such are requesting an exemption increase of \$232,000.00. This, because it does exceed the \$100,000.00 threshold, will require a Public Hearing, so today's actions would enable staff to set that Public Hearing up.

Chairman Bucci: Any questions for Stacy?
Hearing none, I'll entertain a motion.

Mr. Rose: I'll move. Brian.

Mr. Peduto: Jim. Second.

Chairman Bucci: Motion by Brian, second by
Jim. All in favor?

Unknown: [I -- in unison.]

Chairman Bucci: Motion is carried.

Entertain a motion to adjourn.

Mr. Peduto: So, moved.

Chairman Bucci: Motion by Jim.

Mr. Rose: Second.

Chairman Bucci: Seconded by Brian. All in
favor?

Unknown: [I -- in unison.]

Chairman Bucci: Okay, our meeting's
adjourned.

[Meeting adjourned on a motion by Mr. Peduto, seconded
by Mr. Rose at 11:58 a.m.]

[Attendees: Rich Bucci, Jim Peduto, Brian Rose, Wayne Howard, John Stevens, Dan Crocker, John Bernardo, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Amy Williamson, Kevin Wu, Joe Meagher, Jeff Platsky, Anne Lawrence, Chris Stanton, Dave Dimmick, Dan Spitzer, Praveen Kamath.]

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 October 21, 2020.

Carrie Hornbeck / signed electronically

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

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