

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting Transcript

Held telephonically, December 16, 2020, commencing at
11:30 a.m. Adjourned at 11:55 a.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Bucci: Good morning. It's 11:30 and we'll call to order the Governance Committee meeting.

The first item on our agenda is the acceptance of the minutes from October 21st. The minutes were sent out to all Board members, including the Committee members. Any additions, deletions or modifications were sent back to Carrie. So, if I hear no objection, I will move that those minutes be accepted for the record.

Okay, our next item on the agenda is Public Comment. If anyone would like to address the Governance Committee meeting, I ask that they introduce themselves, give us their name and their address, and you will have five minutes to speak. So, I will open up the Public Comment -- if there's anyone wishing to speak, please identify yourself.

Okay, hearing none at this point in time, I will close the Public Comment section, and we'll move on to our agenda. And, just as a reminder to anyone listening, there's also a Public Comment section before the full IDA Board meeting, and there's an opportunity to speak again then, if you so choose.

The first item on the agenda is a Review, Discussion, Recommendation to Accept an Application from Prichard Property Development and Authorizing a Sales and Use Tax Exemption in an Amount Not to Exceed \$99,000.00, Consistent with the Policies of The Agency in Connection with the Renovation of Existing Structures and Construction of New Office Building and a Service Station at a Property Located at 33 South Washington Street in the City of Binghamton. Stacey.

Ms. Duncan: Yeah, so, a little bit on this project -- as I'm sure many of you are familiar with -- Pritchard Property purchased the former Number 5 restaurant and adjacent to that property, that is also owned by the former owner -- the former Lataza, as I remembered it, coffee shop -- and as well, the existing parcel around that. They will be renovating those existing buildings for some office space -- commercial office space tenants, and I believe they'll be putting a financial institution in those buildings, and as well, will be constructing a service station -- I think, to the backside of that facility. They are looking at total project cost of about \$3.7 million, of which they would be eligible for a sales tax exemption totaling \$99,000.00. Pursuant to our

policy, the action today by the Board would accept and approve this application. It's under the \$100,000.00 mark required for [a] Public Hearing.

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

Mr. Rose: I'll move it.

Mr. Peduto: Jim. Second.

Chairman Bucci: Moved by Brian. Seconded by Jim. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed or abstaining? Okay, [the] motion is carried.

Next item on the agenda is a Review, Discussion and Recommendation to Accept an Application from Bluestone Wind, LLC, or an Entity to be Later Named, for a Lease/Leaseback Transaction to Facilitate the Financing of the Acquisition, Construction, and Installation and Equipping of the Company's Fee, Leasehold and Easement Interests in Certain Parcels of Land Located in the Towns of Sanford and Windsor in Broome County, New York, to be used Collectively, as a Wind-Powered Electric Generating Facility and Authorizing The Agency to Conduct a Public Hearing with Respect Thereto, for a Sales Tax Exemption

Agreement in an Amount not to Exceed \$8,807,627.00, a Mortgage Tax Exemption in the Amount not to Exceed \$1,918,038.00, and a Property Tax Exemption in an Amount not to Exceed \$14,577,103.00. Stacey.

Ms. Duncan: Thank you, Mayor. So yes, the Board has received an application from Bluestone Wind for benefits related to the Bluestone Wind Farm project in the Towns of Windsor and Sanford in Broome County. Inherently, just the project description and what they plan to do has not been changed. The company plans to construct a 124-megawatt wind farm pursuant to their Article 10 Siting approval received about -- almost a year to the day -- in December of 2019. The project has received all appropriate state and local permits, and approvals with the exception of a PILOT assistance benefit from the IDA. The applicant, upon feedback from the Board at our October regular Board meeting and subsequently, our Special meeting held on November 6, has taken that feedback and modified their PILOT schedule to be more amenable for the Board's approval. I won't get into too much detail on the project, but more of a refresher, or for anyone that's not -- was not present at previous meetings -- and the project, again is a 124-megawatt

wind farm in northeastern Broome County. It's a total of about \$213 million investment by the company. It's anticipated that there will be 150 construction jobs at peak that total an average salary -- average wage of about \$74,000.00. There's been a lot of talk on total number of FTE's. The total number of FTE's are four -- two associated directly with the operations of the project, and two associated with a [sic] equipment supplier, that will service the project. In addition, it's anticipated it will create five to seven professional and engineering service jobs. The annual PILOT payment -- or excuse me, the project that -- what the Board will be considering and moving on today is accepting an application that includes a modified PILOT schedule from an original -- originally proposed term of 30 years to a 20-year PILOT schedule, which aligns with the industry standard on the lifespan for the turbine units and was noted as a concern -- one of the concerns by the Board was the term of the originally-proposed PILOT. The annual PILOT payment to the towns would be \$231.00 -- \$231,420.00, with a 2 percent escalator over those 20 years. So, the dollar value on an annual basis remains the same; however, at that 20-year mark, the PILOT would expire, and thus be

open to full assessment -- and the assessment without the PILOT, was estimated in some of our materials at about one million dollars, annually. The pilot payment combined with the annual HCA is about \$1,157,100.00 per year in new revenue. So, for the action, consideration for the Board today is to accept the new application with the plan of setting a Public Hearing date following today's action. And, Chris Stanton, with the Bluestone Wind Farm project, is present, if the Board would like to ask any questions directly to him, or I'm happy to answer those questions that I can.

Chairman Bucci: Any questions for Stacey? Stacey, I have one or two. One is that -- so, I know there was some discussion, and you were doing some exploration about the possibility of amending an existing application. But the way I'm reading this -- this is basically a new application, correct?

Ms. Duncan: Correct. Yes, I wanted to -- yeah, I spoke with Joe and asked for some formal opinion on -- were we to amend -- just approve an amended application, and we looked at this a few ways. So, we felt the best interest was to accept a new application with a new PILOT schedule, essentially,

and thus follow our process of first accepting to induce our Public Hearing, to a final meeting and consideration of approval.

Chairman Bucci: Okay.

Ms. Duncan: [Inaudible.]

Chairman Bucci: Okay, the only other question I have is in the description, it talks about -- it says, from Bluestone or an entity to be named later. What are they referring to there?

Ms. Duncan: That's actually quite common practice with our projects -- a project applicant could subsequently, upon approval -- or at some point in time, set up an LLC. So, they'll often put that -- will be managing or owning the project, and so they'll often state: or an entity to be named.

Chairman Bucci: Okay. No, because I know it's already been -- this has already been sold once, so I didn't know if there was something on the horizon -- but, okay, I understand what you're saying.

Ms. Duncan: No, not that I'm aware of, no.

Chairman Bucci: Okay. No, I understand it's common practice. Okay. Thank you. Any additional questions for Stacey?

Mr. Peduto: I just have one, brief one.
And, maybe my recollection doesn't serve me, and if it doesn't, just reach out and virtually slap me upside the head!

[Laughs.]

Mr. Peduto: Were we going to, at some point, have a working session, or develop or discuss, as a Board, a more comprehensive strategy to how we want to contemplate renewable energy projects?

Ms. Duncan: Yes, I believe we have talked about that, and I think it's something notwithstanding this application, because it's already -- was already in process -- was something that we anticipate doing, as we expect future renewable projects: solar wind -- potentially, battery energy storage -- to be coming towards -- to this body -- [inaudible] in the near future.

Mr. Peduto: I'm wondering if since we haven't voted to accept this application -- so, presently, there is no application formally accepted by The Agency -- if maybe we should have those discussions before accepting an application, so that when we approach -- when the hearing occur, we accept it -- the hearing occurs and we come to a vote -- as a

group, we have a common framework to work from -- because I mean, one of my thoughts was -- when we were together last -- couple of times, I think everybody is approaching this from slightly different perspectives, and I, for one, am not one hundred percent sure that we all have full and complete understanding of some of the issues that are involved. Because, I think these projects are a little ironic, in that they're renewable energy, but certainly leave an indelible mark on the landscape, and, there's typically fairly large investments, or relatively small numbers of jobs, and I just think it kind of begs for -- we're going to have to address some -- and I think we'd be well-served to have an approach, to be able to do that and a framework -- and there's a pretty large project just to kind of let slide, before we do that. So, just a thought -- I don't know if I'm out in left field or not. If I am, then I am. [Laughs.]

Chairman Bucci: No, Jim, I kind of agree. I think, a lot of times when we talk about approaching new areas of investment, or support, it is kind of uncharted territory. And, one of the things I've always been kind of concerned about, just in general -- one of the other things we're talking about is

potential grant for a demolition -- I just like to make sure that we're consistent in our approach, regardless of what the area of investment or support is. And that's why sometimes the first one out of the gate, you kind of lock yourself in somewhat, because you approved a certain project. And that kind of sets the parameter for future projects. So, I do think sometimes it is good, especially when we're embarking on a new kind of uncharted area -- to kind of, set some parameters and guidelines for ourselves, so that, if there's [sic] additional projects of the same framework, that we can be consistent, and not look -- and be transparent. So, I always think that -- kind of staking out what our guidelines should be, and where we want to go -- is always a good approach.

Mr. Peduto: I just wonder, because it seems like these projects tend to be controversial, for one reason or another -- certainly they're an area of emphasis for the state and its initiatives. We're likely to get -- presumably, likely to get more projects similar to this -- they may be solar, or they may be wind, but we're going to we're going to get more renewable projects, and, it would be -- it seems like it would be prudent, before we establish a

precedent -- to maybe just take a -- just a meeting to figure out what our plan is going to be. And do we evaluate these on exactly the same criteria, etc. And, maybe we don't even have the prerogative to do that, but it just -- I know, it just seems like there's -- we're going to send a message, when -- if we just do this, without thinking about it.

Mr. Rose: Jim, you're not in left field on my screen -- you'd be in right, but . . .

[Laughs.]

Mr. Peduto: I can reverse that!

[Laughs.]

Mr. Rose: But, that's -- here's the -- I mean, I'm -- I understand the concern that -- the question I've got is -- so, there are multiple processes that pertain to the approval of a project like this. So, and I haven't been through -- there might -- I have never been to an Article 10 proceeding -- I don't know. I don't know what the scope of such a proceeding is, if I'm going to be honest, the -- but, so the state, as I understand it, has some mechanism to provide site approval to projects such as this, and they have. There is some local permitting that goes on, and, of course, there is a negotiation

around Host Community Agreements, that also happens with the host municipalities. And, when I looked at this the last time, my understanding of what was before us, was, we don't have authority or responsibility to review the state siting decision. If there is an appeal to that, I believe it goes to a court. And, we don't have the authority to sit there and say, hey, Windsor, your HCA is bad, because . . . So, we've got a request for a deviated PILOT. And, we've got a standard that we've talked about before, which is -- the advantages, it's flexible -- the disadvantages, it's flexible. And the -- it basically just says, will provide a major economic or employment impact to the county. So, there may be a conversation to be had in our region about -- do we want to cultivate projects, such as this? Do we want to put up a sign saying, not interested in some fashion, to whatever extent we have authority? But that sounds like a strategic conversation that is beyond the scope of just what the IDA would do. And so, I guess my point in all that is -- the actual decision before -- is, as I would -- before us, as I would interpret it is, do we think it meets the standard for a PILOT, or not? And there may be legitimate concerns about all

these other issues, but I don't think they're really before us, as I would understand the scope of our authority and responsibility.

Mr. Peduto: No, and that -- I guess that's what -- I mean, I think we -- this is -- sounds very similar to some discussions we've had in other contexts about PILOTS that come to us. And we wonder about them -- whether it's -- whether this -- whether, for four jobs, and, at whatever -- \$70 million a job it is -- what's that really look like, and feel like? I agree -- we -- I don't think -- I'm just wondering if we need to cut -- If we're -- everything that comes before us, if on its face, if it looks okay, we're going to approve it. I mean, [if] this was a strip mine and got its siting, and it's permits, we would be good -- if it was, I mean, you can think of all -- I just wonder where there's the -- I guess what I'm trying to say, and not very artfully there, is that the economic activity that these types of projects generate seems quantitatively different than the economic activity generated by some of the other projects we look at. And I just -- I don't know, if that factors into our logic at all or not. It doesn't -- I guess presently, it doesn't, really, which to me

is somewhat problematic, because we've had a couple of situations where we've got PILOTS that we approved, and it felt like we were holding our nose. And I just -- I don't feel like, as a Board member, that that's a good thing for us to be doing. And maybe, it's that we don't -- I think with these renewable energy -- at least, speaking for myself, I'm not sure we all -- or at least I fully understand all the ramifications of the economics of it. And that ultimately, that's what it comes down to, right? Is this a good economic decision for the county? It's -- it seems like an awful lot of incentive, for not a whole lot of permanent lift. And maybe I'm missing something and I'm willing to be educated, but I just don't see it.

Chairman Bucci: Jim, to your point, and to Brian, we have -- we've had housing projects come -- student housing projects come before us, and we've granted them PILOTS. But now, based on our study, and based on what we're seeing in the community, we've come to the conclusion that there's a glut of student housing. But they're still being built, and I still think there's going to be people coming before us looking for a PILOT for student housing. And, on the face of it -- if we just say, well, should we give it

to them because they meet the criteria? But, when you look at a broader -- if we look at the broader range of the community, and what it needs or might not need, I think we've come to the conclusion, if you want to build student housing, that's great, but don't look at -- for incentives from state or local government to do that. So, I do think it's -- our purview is to grant a PILOT or not, obviously, but I don't think there's anything wrong with taking into context factors that may be pertinent to the issue. For example, like what Jim's saying, we have job creation as an issue. The IDA is -- the whole purpose of the IDA is to create jobs -- to create meaningful jobs within the community. And so, the analysis is the number of jobs being created, equal to the benefit that's being provided? That's obviously a debate for the entire Board. I'm not going to debate that now. But I do think that there's a lot of issues here -- that they're pertinent for review and discussion of a broader -- maybe just a broader parameter of how we operate.

Ms. Duncan: You know, I can, if -- I fully appreciate all of these comments, and actually, the timing of them is especially good to see. In fact, I

was speaking with Bob Sweet, with National Development Council, who have assisted other communities on reviewing UTEPs and making sure they're relevant and current and timely, and it's a large undertaking -- larger than you think. But it sounds to me -- and I quote this -- is that, given the nature and the changes of the types of projects we're seeing, etc., it might be a time to engage in a broader review of our existing, and also, I can tell you what's happened since the 2015, or 2016, Public Authorities Law. They are shifting into looking at benefits beyond just the raw job numbers. They are looking at benefits and criteria that go beyond what the job number is. So that being said, I think I would very much like to engage with this body on these types -- kinds of conversations, especially as we do expect more renewable energy projects. But that being said, our current UTEP, which we use as our guiding -- our guidebook as to how we engage with project applicants -- basically, it states that in a situation where there is a deviation to our standard policy -- which I think does limit us currently, the way it does -- is written -- is that should be chief elected officers sign off, and it meets the baseline criteria as we've

outlined, relevant approvals, permitting, etc., then it meets many of the criteria for -- it meets the criteria for acceptance by our Board. This was the guiding -- this was the counsel that was provided to the company several years ago. This is [sic] the principles of which we're evaluating these projects. And I, and so, I understand and feel strongly that it's a direction we should be going, on future projects -- this one notwithstanding, is still within the framework of our existing UTEP, and that criteria is sort of our -- what we should be using for this one, as well.

Chairman Bucci: Is [sic] there any additional comments or questions? Okay, hearing none, is there -- I'll entertain a motion.

Mr. Rose: I'll move that we schedule a Public Hearing.

Chairman Bucci: Is there a second? Okay, so there's no second, so we'll just -- this would move to the full Board, just without a recommendation.

Ms. Duncan: Yep.

Chairman Bucci: Okay. That concludes our agenda for the Governance Committee of the IDA. I'll entertain a motion to adjourn.

Mr. Peduto: Jim. So, moved.

Chairman Bucci: Is there a second?

Mr. Rose: [Second.]

Chairman Bucci: All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Okay. And then, we'll move right to the [LDC] Governance.

[Meeting adjourned on a motion by Mr. Peduto, seconded by Mr. Rose at 11:55 a.m.]

[Attendees: Rich Bucci, Jim Peduto, Brian Rose, John Bernardo, Wayne Howard, John Stevens, Dan Crocker, Joe Mirabito, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Amy Williamson, Joe Meagher, Alice Ray, Chris Stanton, J. D. Murray, Scott Kurkoski, Kermit Mott, Michael Tanzini, Michael Dundon, D. Spitzer.]

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 December 16, 2020.

Carrie Hornbeck / signed electronically

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

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