

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

IDA Special Meeting Transcript

Held telephonically, December 29, 2020, commencing at
7:58 p.m. Adjourned at 8:25 p.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Bernardo: I'd like to call to order this Special Meeting of the Broome County Industrial Development Agency of December 29th, 2020.

I'm going to do a roll call, if you don't mind. What I would ask is, other than the Board members and staff, I'd ask everybody to mute their lines, if they haven't already. Okay, I'll call out your name. Just say here, please.

Dan.

Mr. Crocker: Here.

Chairman Bernardo: Mayor.

Mr. Bucci: Here.

Chairman Bernardo: Joe Mirabito.

Mr. Mirabito: Here.

Chairman Bernardo: Thank you. Jim.

Mr. Peduto: Here.

Chairman Bernardo: Brian.

Mr. Rose: Here.

Chairman Bernardo: Wayne.

Mr. Howard: Here.

Chairman Bernardo: John.

Mr. Stevens: Here.

Chairman Bernardo: And I am here. So, there are eight of us here. I think we can skip the Public Comment. Am I right, Joe Meagher?

Attorney Meagher: Yes.

Chairman Bernardo: Thank you, and we'll move on to the resolution itself.

Resolution 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 the County of Broome and State of New York, to be used Collectively, as a Wind-Powered Electric Generating Facility, and Appointing Bluestone Wind, LLC ("The Company"), as Agent of The Agency for the Purpose 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, Deviating from The Agency's Uniform Tax Exemption Policy, a Sales Tax Exemption Agreement in an Amount not to Exceed \$8,807,628.00, and a Mortgage Tax Exemption in an Amount not to Exceed \$1,918,038.00, and a Property Tax Exemption in an

Amount not to Exceed \$14,577,103.00. So, I'm looking for a motion and a second, and then we will go into discussion on this. Fair enough?

Mr. Howard: I make the motion. Wayne Howard.

Chairman Bernardo: Thank you, Wayne. Is there a second?

Mr. Stevens. I'll second. This is John.

Chairman Bernardo: Thank you, John. Okay, so before we move on to a vote, I'd like comments from the Board.

Mr. Bucci: I have some comments, John.

Chairman Bernardo: Mayor, please.

Mr. Bucci: Okay, just a few -- first, an observation. Over the years, we get a number of developers that come to us and tell us that their project will not be financially viable, unless we agree to a 30-year PILOT. And in many cases, we agree to the 30-year PILOTs. In this particular case, we denied the PILOT, and the applicant has come back with a 20-year PILOT. And I think that's significant for a couple reasons. First of all, that reduced PILOT will benefit the taxpayers of the communities in the county. And second of all, it kind of -- it

enlightens us and sends a message that maybe in the future, we should start to take a harder look at these 30-year PILOT proposals, that in many cases are [sic] told us, if we don't do it, the project won't move. These developers said the same thing. They needed a 30-year PILOT. And by us rejecting it, they've come back with a 20-year PILOT. So, put that out there just as food for thought. In regards to the application itself -- a couple things -- like we stated before, and was repeated this evening -- is that there's been a significant amount of investment already in this project by state and federal governments regarding -- in regards to grants and other incentives. It amounts to almost 40 percent. And the estimate is -- that -- as much as \$86 million. The proposed PILOT will exempt them from another \$33.8 million in taxes and fees. And so, my question is how much investment from the taxpayers is really necessary for this project? I believe it would continue on and would happen without a PILOT, but, that's for the Board, obviously to consider and discuss. But one thing I want to propose, though, is -- as the County Executive noted, Broome County right now is facing a shortfall anywhere to \$6 to \$7 million in sales tax.

That affects all the municipalities in Broome County, because all the municipalities share in sales tax. The economic future on the horizon is uncertain. The first quarter -- sometimes a sales tax dip after the Christmas season -- and with this shortfall, where we are now, and what it could be going forward, I think it's just difficult to exempt Bluestone from \$8.8 million in sales tax. So, I [would] like to propose an amendment to the resolution to redact the \$8.8 million in sales tax exemptions for this project.

Chairman Bernardo: I'm going to hold on that, Mayor -- that -- the modification -- we'll hold on and we'll come back to it. Fair enough?

Mr. Bucci: Okay. Sure.

Chairman Bernardo: Very good comments. Would anybody else like to speak?

Mr. Mirabito: Yeah, Mr. Chairman, I'd like to make a comment, as well. We heard a lot of stuff tonight, and a lot of it revolved around climate policy and energy policy -- the state. I never -- I haven't -- I don't see it as the job of the IDA to set that policy. I think that has to come from Albany. When this started out, I didn't think that the original proposal to the IDA really met the

reliability factor, or the standard that I have. But I think with the way that the developer came back, certainly, I think the reliability, or the probability of the towns, and the schools getting their money, is much higher now. Because now this PILOT matches up to the useful life. So, that was very important to me. Then, I'd like to have you answer a question for me -- is -- if this project is sold, as many of these wind projects are -- does the PILOT go with the sale? Or, do we have to approve the PILOT going with the sale?

Chairman Bernardo: My understanding . . . and, Joe, you want to speak to that?

Attorney Meagher: You have to approve it.

Mr. Mirabito: Okay, thank you.

Chairman Bernardo: Joe, you're all set?

Mr. Mirabito: Yes, sir. Thank you.

Chairman Bernardo: Thank you. Would any other Board member like to speak?

Mr. Rose: Yeah, I'll offer a few comments, if I may, John.

Chairman Bernardo: Thank you, Brian.

Mr. Rose: So, they -- in many respects, I'm probably going to repeat some of my remarks, the last time around -- but for the sake of the record this

time -- what I take careful note of is the decision that is actually before the IDA -- which is whether or not to grant a deviated PILOT to the wind project, that has been the subject of discussion tonight. As my colleague, Mr. Mirabito pointed out, the questions about whether or not wind energy should receive the portion, support and subsidies that it receives from the state, is not a question before the IDA. The economic -- excuse me -- the environmental impacts of the project are supposed to be addressed through the State Article 10 proceeding. And to the extent that that proceeding may or may not have properly considered information, the remedy for that is to seek injunctive relief before a court of competent jurisdiction. It's not for the IDA to essentially rely upon those types of concerns in terms of whether or not to grant the benefit that is proposed to us this evening. We have a Uniform Tax Exemption Policy to refer to and we have the standards in our own Governance documents to pertain to deviated PILOTS. And in making note of the question before us -- that I look at the economic impacts and how to weigh those. There are lease payments to landowners. There are the Host Community Agreement payments. There are

construction jobs, and there are clearly a very modest number of permanent jobs [inaudible] created by the project. And, I look at those in totality. I've listened to concerns about property values, and I've looked at the record of the Article 10 proceeding and some of the studies that were shared with us, there, that were provided by the developer independently and other -- several other studies done in various jurisdictions in the United States. And, there was somebody that provided testimony this evening that offered -- I -- sort of the same place I came to -- which is, there's some ambiguity there, but I certainly can't find in all of the studies that I've reviewed, definitive evidence of this substantial and long-term impact on property values to counterweight against the values of the other economic benefits that the proposal brings. So, when it comes to a vote, I'm not voting on whether or not I think wind energy should be subsidized in the way it is by New York State. I'm not weighing in on how good or bad I thought the process was in the Article 10 proceeding. I'm simply evaluating the proposal before us, against the standard that we're supposed to use, in whether or

not we confer the economic benefit that's being requested of us this evening.

Chairman Bernardo: Thank you, Brian. Would any other Board member like to offer a comment, or comments?

Mr. Peduto: Jim.

Chairman Bernardo: Hi, Jim.

Mr. Peduto: Hey, how, we doing? Just one thought. I -- as I often do, I concur with Brian. Just one important thought for the Board. We've talked about this project, and we've talked about the likelihood of other renewable energy projects coming to the Board, which I would envision are probably going to have many of the same issues and concerns that this one does. And I think from our perspective, in terms of economic development, almost all these projects are going to be somewhat similar and relatively large investments -- large benefit from -- being requested from the IDA, for relatively few jobs. And I still think it would behoove us to develop a policy or an approach -- maybe not a policy, but an approach -- to how we want to address renewable energy projects, because this isn't going to be the first -- the last one -- it's clear the first -- it's very

problematic, in a lot of respects, and I really feel much more comfortable if we had a more holistic approach to how we handle them, because by their very nature, they're much different than the other projects that we entertain, as evidenced by the fact that numerous other counties have adopted resolutions opposing them. I'm not saying that we need to go that far, but we need to have some kind of coherent approach to it.

Chairman Bernardo: Excellent point. Thank you. Does anybody else have -- any of the Board members have comments?

Okay, as a matter of order, I guess I would look to Joe Meagher. Joe, the Mayor, or the former Mayor, made a suggestion he'd like to propose a modification or an amendment.

Attorney Meagher: We have a motion, and a second.

Chairman Bernardo: Okay.

Attorney Meagher: That's what's under discussion. And I think you should take a vote on that, and then someone can make a motion afterwards to amend it.

Chairman Bernardo: Okay. So, with that in mind, we've had a motion, and a second. We've had discussion. I would like to take a vote. And I'll do a roll call, so that we have it clear. How's that sound? Yes, means you approve it and no means you're against it. Fair enough? Dan Crocker.

Mr. Crocker: Aye.

Chairman Bernardo: Mayor.

Mr. Bucci: No.

Chairman Bernardo: Joe Mirabito.

Mr. Mirabito: Yes.

Chairman Bernardo: Jim Peduto.

Mr. Peduto: Yes.

Chairman Bernardo: Brian.

Mr. Rose: Yes.

Chairman Bernardo: Wayne.

Mr. Howard: Yes.

Chairman Bernardo: John Stevens.

Mr. Stevens: Yes.

Chairman Bernardo: And I vote yes. Okay. So, it's seven to one in favor of the PILOT. Now, Mayor, I'm going to circle back to you. You would like to propose a -- an amendment to this resolution.

Mr. Bucci: Yeah, I'd like to propose an amendment, like I said, based on the situation the county finds itself in at this point in time, with a shortfall in sales tax, and an uncertain future, I think in this particular situation, I'd like to propose an amendment. That that section of the resolution that provides for an exemption of \$8.8 million in sales tax, be deleted from the resolution. That's a way to say it.

Chairman Bernardo: Is there a second to that? Okay, so that motion fails. Mayor, I respect your opinion on that. I want to make a comment. What I'm bothered by, is that in -- you do your research, which is wonderful. What I'm bothered by is -- nobody raised that issue prior to this point. None of our officials -- and it bothers me a tad. Because you're right, it is a sizable exemption, and I'm led to believe it would make -- it would make a difference to this project, whether the project proceeds or not. I can only go by what I've heard. Okay.

Attorney Meagher: John, if I could just point out one thing . . .

Chairman Bernardo: Please.

Attorney Meagher: . . . we've been down this road before when we split the exemption on this a few years ago. It assumes that all the spending takes place in Broome County, but it really doesn't.

Chairman Bernardo: Okay.

Attorney Meagher: If they buy a machine in Syracuse, the sales tax exemption applies in Tioga County -- or Onondaga County.

Chairman Bernardo: I gotcha.

Attorney Meagher: Unlike the real property tax, which is 100 percent local. The sales tax doesn't -- just like if there's a project in Onondaga and they purchase a machine down here. We have to honor their sales tax exemption.

Chairman Bernardo: Gotcha.

Attorney Meagher: Okay.

Ms. Duncan: We did this. . . Joe. . .

Chairman Bernardo: . . .feel a little better.

Ms. Duncan: . . .2013, Joe? 2013 to 14, we did it for only about a year. . .

Attorney Meagher: For a year -- it was unworkable.

Ms. Duncan: We split it in half, so they got a four percent, not a full eight -- and it proved to be -- and we can get you some background -- and it proved to be a little bit problematic, for the reasons Joe . . .

Attorney Meagher: A lot of problems.

Ms. Duncan: . . .was outlining on that. But if I may just comment to Jim's point. I wholeheartedly support that and we'll begin working with Governance on a separate and distinct policy related to, I think, what is needed for large-scale renewables. [Inaudible] this has demonstrated the need for a lot of deliberation on that moving forward, for sure.

Chairman Bernardo: Thank you, Stacy. Look -- and I appreciate everyone's attention to this. This has been a long process. With that in mind, I look for a motion to go into Executive Session to discuss -- a short executive session, Stacey -- to discuss the sale of real property.

Mr. Mirabito: I make the motion.

Chairman Bernardo: Thank you, Joe. Is there a second?

Mr. Peduto: Jim.

Chairman Bernardo: Thank you, Jim. All those [inaudible.]

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Okay. Brendan, will you put us in Executive Session, please?

Mr. O'Bryan: It's all ready.

Chairman Bernardo: Say that again.

Mr. O'Bryan: I'll give you a go, when it's all ready to go.

Chairman Bernardo: Yep. Thank you.

Mr. O'Bryan: I think we're all set now.

[The Board Reconvened from Executive Session at 8:23 p.m. on a motion by Mr. Crocker, seconded by Mr. Rose.]

Chairman Bernardo: Okay, before we adjourn, I just want to make a couple of comments -- in the -- at the January meeting, in light of the late -- the lateness of this meeting, and the lateness of our hearing from the Legislature, as to changes in the Board's complexion -- we will honor our esteemed colleagues, John Stevens and Wayne Howard, at our January meeting. They've certainly served us well

over the years and they will be missed. And we're looking forward to the New Year, and I want to wish everybody a Happy New Year.

Ms. Duncan: John -- gentlemen, thank you, on behalf of the staff -- you guys have been ardent supporters of ours and you will both be missed tremendously -- but come to the January meeting. Maybe we'll even get a cake or something, too.

[Laughs.]

Chairman Bernardo: We'll zoom a cake to you. How's that sound?

Ms. Duncan: Oh, yeah, that's right. Oh, let's see -- if I keep forgetting, even though I'm staring at you all from a screen. Yes. A little virtual cake and [inaudible]. Yes.

Mr. Howard: We'll take anything to go.

[Laughs.]

Ms. Duncan: We'll have cupcakes delivered to you. . .yes, but, please attend because we would like to honor you, as we welcome our new members, as well. All right.

Chairman Bernardo: Is there a motion to adjourn?

Mr. Howard: So, moved.

Chairman Bernardo: Thank you, Wayne. Is there a second?

Mr. Mirabito: Second.

Chairman Bernardo: Thank you, Joe. All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any oppose?

Mr. Howard: Happy New Year to everybody.

Unknown: [Happy New Year -- in unison.]

[The Board Convened to Executive Session at 8:16 p.m. on a motion by Mr. Mirabito, seconded by Mr. Peduto.]

[The Board Reconvened from Executive Session at 8:23 p.m. on a motion by Mr. Crocker, seconded by Mr. Rose.]

[The meeting was adjourned on a motion by Mr. Howard, seconded by Mr. Mirabito at 8:25 p.m.]

[Attendees: John Bernardo, Wayne Howard, John Stevens, Rich Bucci, Dan Crocker, Jim Peduto, Brian Rose, Joe Mirabito, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Joe Meagher, Carolyn Price, Kermit Mott, Brady Begeal, Dan Spitzer, Anne Lawrence, Michael Dundon, Rob Aikens, Valdi Weiderpass, Kelvin Herrala, Joan McKiernan, Chris Stanton, Robert O'Donnell, Joanne McGibney, Tony Wagner, Tim Lewis, David Lawrence, Genevieve Kelly, Dr. Laurence Snyder, Carol Hill, James Donowick, Dorothy Braun, LaShawn Burnett, Paul VanSlyke, K. VanSlyke, Al Landi, Ginger Schroder, Paul Beam, Bill Pratt, Jeffrey, David Lawrence.]

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 Special Meeting, held telephonically, on December
29, 2020.

Carrie Hornbeck / signed electronically

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

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