

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting Transcript

Held telephonically, February 17, 2021, commencing at
11:00 a.m. Adjourned at 11:21 a.m.

[See attendees at end of Transcript.]

REPORTED BY:

Carrie Hornbeck, Executive Assistant

Broome County Industrial Development Agency

Chairman Bucci: It's 11:00 a.m. We'll call the meeting to order. First order of business is to accept the January 20th, 2021 Governance Committee Meeting Transcript. Those were sent out to all members. Members had an opportunity to review them. Any additions, deletions or revisions were sent back to Carrie. So, we will accept the transcript, as presented or as/or changed, whatever it may be.

Next is our Public Comment section. We'll open up the meeting to Public Comment. Anyone who would like to speak, we ask that you give us your name and address, and you'll have five minutes to address the committee. So, at this point, I'll open the meeting up for any Public Comment.

Okay, hearing none, we'll close that portion of the meeting and move on to our first item agenda.

It's a Review, Discussion, Recommendation to Authorize a Lease/Leaseback Transaction to Facilitate the Financing of the Acquisition, Renovation and Equipping of 108 Market Rate Housing Apartments at 7,500 Square Feet of Commercial Space, Located at 59 Lester Ave., in the Village of Johnson City, Appointing the EJ Victory Building, LLC (the Company), as the Agent of The Agency for the Purpose of

Financing the Acquisition, Renovation and Equipping of 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 and a Sales Tax Exemption in the Amount not to Exceed \$1,440,000.00, to Provide a Mortgage Tax Exemption in an Amount not to Exceed \$250,000.00, and a Real Property Tax Exemption in an Amount not to Exceed \$2,700,538.00. Stacey.

Ms. Duncan: Thank you, Mayor. So just for some background on the project for consideration today was the approval of PILOT benefits for the adaptive and historic reuse of the former EJ Victory Building at 59 Lester Ave., in the Village of Johnson City. Matthew Paulus, Principal at Paulus Development, is the project owner. He could not be here for Governance, but will be at our full Board meeting, should the Board have any questions for him later this morning. The EJ Victory Building project includes, as was mentioned, the renovation and redevelopment of the historic building into 108 market rate apartments. That's a Phase I. He does anticipate adding more apartments over time, but for purposes of this

project, 108 market rate apartments and approximately 7,500 square feet of commercial space. The redevelopment of this building connects an important corridor between the emerging Health Sciences Campus to the south and central business district along Main Street, in Johnson City. Apartments created will serve the continued demand that we're seeing for modern market rate housing for professionals, and potentially students -- graduate students, and/or faculty associated with the Pharmacy School or Decker College of Health Sciences. Previous attempts at the redevelopment of this gigantic building, as we know, have fallen short, which is why we were especially pleased to see that Paulus Development has invested time and money into the due diligence, at this stage on this project, and has moved forward with this application. Paulus Development, as you may know, completed the ANSCO Lofts in 2019, in the City of Binghamton, with support from the IDA, and is fully-leased with a significant waiting list. In addition, Paulus Development's Dietz Lofts, in Syracuse, has received awards for Excellence in Redevelopment through New York State Historic Preservation, and he is currently working on a smaller adaptive reuse of

the Smith Restaurant Supply Store, in Syracuse. The project will utilize Historic Tax Credits and Brownfield Tax Credits, in addition to seeking benefits from The Agency. Total project cost is approximately \$30 million. It is expected the project will create 100 to 125 construction jobs on the front end and Paulus Development will create four-to-five permanent jobs connected with the building. In December of 2020, the Village of Johnson City Board of Directors unanimously approved a 30-year PILOT for this project. The -- a copy of the PILOT schedule, a Project Review Form and Cost Benefit Analysis have been provided to the Board. Staff is very excited about this project and strongly encourages your support and be happy to answer any questions.

Chairman Bucci: Are there any questions for Stacey? Okay, hearing none, I'll entertain a motion.

Mr. Peduto: Jim, so moved.

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

Mr. Rose: Second, Brian.

Chairman Bucci: Second, Brian. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed?

Ms. Sacco: I'm going to abstain.

Chairman Bucci: Okay. So, we have three ayes, one abstention. The motion is carried.

The next item on the agenda is a Review, Discussion, Recommendation to Authorize an Amendment to the Sales and Use Tax Exemption Agreement for Canopy Growth USA, LLC Lease/Leaseback Project, to Include an Extension from December 18th, 2019 through and including, December 18th, 2021. Stacey.

Ms. Duncan: Thank you, Mayor. Just a little bit of contextual background for our new Board members. When we approve a sales tax exemption, that exemption program lasts for 12 months. During that time, we notify -- usually, with about 60 days prior to the expiration of that -- we will notify the recipient of that benefit, should they find a situation where they need to extend either time, or in some cases, an increased amount. In this case, with Canopy Growth, we do have a request for an extension of time on that sales tax exemption, that we awarded in December of 2019. The letter that you have in your packet states that due to a delay in regulatory certainty regarding hemp and hemp products, Canopy USA

and HIP NY, have not been able to complete their planned activities and improvements, and to fully utilize the IDA sales tax exemption as expected, per the agreement. They are requesting an extension through the end of this year -- so, December 31, 2021. I did have conversations with both their CFO and counsel. Both have expressed their commitment to the project. As you know, through New York State, regulations with hemp manufacturing and development have taken longer than expected, so they do expect to remain conservative on additional capital expenditures, but they do remain committed to fully realizing this project. Any questions?

Chairman Bucci: Okay, hearing none, I'll entertain a motion.

Mr. Rose: I'll move it. Brian.

Chairman Bucci: Brian. Is there a second?

Mr. Peduto: Jim.

Chairman Bucci: Second, Jim. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Four ayes.

The motion is carried.

Next item on the agenda is Review,
Discussion, Recommendation to Approve Summary Results

of Confidential Evaluation of Board Performance.
Stacey.

Ms. Duncan: Thank you. So, the next several items are just annual sort of housekeeping items, if you will, that we update with the Board, the first being our annual Summary Results and Confidential Evaluation of Board Performance. It's pretty straightforward. As you can see from what's in your packets, I would be happy to answer any questions, on that. I do want to note however, for purposes of this Board evaluation, it was our previous Board -- so end of last year -- so, it included the feedback from both John Stevens and Wayne Howard. So, going into next year's year, it'll reflect this current Board makeup. I don't know if there's any specific questions on that, or discussion?

Chairman Bucci: Any questions? Okay.
Entertain a motion.

Mr. Peduto: Jim.

Chairman Bucci: Jim. Is there a second?

Ms. Sacco: Second. Cheryl.

Chairman Bucci: Second. Cheryl. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Motion carries.

Next item on the agenda is a Review, Discussion, Recommendation to Accept an Application from 4 Clarke Street, LLC, and Authorizing a Sales and Use Tax Exemption in an Amount not to Exceed \$3,560.00, Consistent with the Policies of The Agency in Connection with the Renovation of the Property and Building Located at 14-16 Willow Street in the Village of Johnson City. Stacey.

Ms. Duncan: Yes, so we have another Johnson City project. I'm sure the Mayor is happy to see that -- to see the spectrum of development and investment we're seeing in Johnson City. So, 4 Clarke Street, LLC is an application from Tom, and I believe Danielle Dimmick, building owners at 14 to 16 Willow Street in the village. Their application is to our Small Business Incentive Program. So, that's our sales and/or mortgage recording tax only, benefit program. The project includes the purchase and renovation of 14-16 Willow Street in the village for eight, one-to-two-bedroom apartments. And there is currently commercial space occupied by a dance studio. The total project cost for this renovation is \$555,000.00.

And their combined sales and mortgage recording tax exemption benefit would be \$10,760.00. We are excited about this project and the grounds [sic], as I mentioned before, it's -- we're starting to see that continuation of that Main Street development, because of the larger scale investments by BU, UHS, and as we're talking today, Paulus Development, we're starting to see that small business investment happening, so we're excited to support this application.

Chairman Bucci: Any questions? Stacey, on the apartments -- what's their intent on the apartments, do you know? Is it market rate or student?

Ms. Duncan: Market rate. They're looking to -- similarly with 250 Main Street, for example, they've been successful in attracting some -- I think, some professionals at UHS, anybody associated, maybe, at the Pharmacy School, or the Decker College of Health Sciences -- potentially graduate students -- but these are not by the bed, unit apartments. They're by the apartment, pricing.

Chairman Bucci: Okay, any additional questions for Stacey? Entertain a motion.

Mr. Rose: Brian will move.

Mr. Peduto: Jim will second.

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

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Motion carries.

Next item on the agenda is a Review, Discussion, Recommendation Consenting to the Assignment by 31 Washington Street Associates, LLC, to Harrison Street Real Estate, LLC, of a Certain Leaseback Agreement Dated as of August 31st, 2010, Covering Premises Set Forth in Exhibit A. Stacey.

Ms. Duncan: Okay. On an annual basis, you have in your packets, our Mission and Measurement report. This is -- once approved by the Board, this goes into -- included in our PARIS reporting to the Authorities Budget Office, as well as posted on our website. Essentially what this is, is a self-evaluation, a staff evaluation, unlike the one we just reviewed with the Board, of our performance against our strategic objectives. So, Tom and -- reviews with staff and creates this report and then we provide that to you. I guess if there's any questions on any

specific items, that might be the best way to approach.

Mr. Peduto: This is Jim. Is that item nine on the list . . .

Chairman Bucci: Yeah. . .

Mr. Peduto: . . . or are we talking about number eight?

Chairman Bucci: Yeah, Stacey. We're talking about the 31 Washington Street.

Ms. Duncan: Oh, I apologize. I jumped ahead here. . .

Chairman Bucci: That's okay.

Ms. Duncan: . . .on the agenda. 31 -- yes -- 31 Washington Street Associates is an administrative action of the assignment of a leaseback and PILOT agreement owned by Washington Street Development Associates, for the property at 45 Washington Street, in the City of Binghamton, which is more commonly known as Twin River Commons. The Washington Street Development Associates has entered into a sale agreement with Harrison Street Real Estate, LLC. Harrison Street, LLC will assume all obligations under the leaseback and PILOT agreements with the IDA. The buyer has attested that the

premises will remain as a student housing project, as was originally approved by the IDA. There is no modification or change to the existing PILOT. The term and the schedule remains [sic] the same. This is, again, more of an administrative assignment of our leaseback and PILOT agreement to the new owner.

Chairman Bucci: Any questions for Stacey? Okay, hearing none, entertain a motion?

Mr. Rose. Hold on. I'm sorry. I couldn't unmute myself. I did have one question, Mayor.

Chairman Bucci: Oh, go ahead. Go ahead, Brian.

Mr. Rose: I know what Harrison Street is. I mean, they're a big real estate concern that has several tranches out of Chicago, and they buy student housing, and they tend to hold it for a few years, and then flip it back out. What -- do we know if they're changing anything about the management company? Or is this just behind the scenes who gets to keep it in their portfolio? Do we know?

Ms. Duncan: My understanding is there's no change to the management company. Joe, did you get it -- have any conversations with their counsel? I'm not

aware of any changes to the management company -- just the transfer of the property [inaudible] portfolio?

Attorney Meagher: Actually, there is a change.

Ms. Duncan: There is a change. Okay, that . . .

Attorney Meagher: Well, in that Newman will not continue to manage.

Ms. Duncan: Okay. So, the new group will bring their own management team.

Attorney Meagher: Correct.

Ms. Duncan: Okay.

Mr. Rose: Did they tell us who they [are] bringing in? Do we know?

Attorney Meagher: I don't know any specific entity. It was my understanding -- I took from the conversation that they were going to manage, and that, at least -- at the very least, Newman Group was going to be out.

Mr. Rose: And I'm only inquiring, because there are a couple of operators in that space that I would be concerned about in terms of the ongoing performance of the asset. But, if Harrison itself is taking it on, understood.

Attorney Meagher: Okay.

Chairman Bucci: Any additional questions?

Okay, I'll entertain a motion.

Mr. Peduto: Jim.

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

Mr. Gates: I'll second. Dan.

Chairman Bucci: There's a second. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed?

Ms. Sacco: I'm abstaining.

Chairman Bucci: Three affirmative, one abstention. Motion carries.

Next item on the agenda is a Review, Discussion, Recommendation to Approve the 2020 Mission and Measurement Report. Stacey, here we are.

Ms. Duncan: Here we are again -- I say -- if you remember everything I said, then we'll [inaudible].

Chairman Bucci: I do.

[Laughs.]

Ms. Duncan: We'll just . . . yes.

Essentially, it's a staff evaluation of our

performance against our Strategic Plan objectives for the previous year and also outlining this year's objectives. So, I think, you know, best way might be the field any questions the Board may have on the document we included.

Mr. Gray: I couldn't have said that any better.

[Laughs.]

Ms. Duncan: I jumped in, Tom.

Mr. Gray: That's okay.

Chairman Bucci: Is there any questions for Tom or Stacy? Okay, I'll entertain a motion.

Ms. Sacco: Motion by Cheryl.

Chairman Bucci: Motion by Cheryl. Is there a second?

Mr. Rose: Brian.

Chairman Bucci: Second, Brian. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Motion carries.

The next item on the agenda is a Review, Discussion, Recommendation to Approve the Readoption of The Agency Bylaws and Policies and Procedures, Code

of Ethics Policy, Whistleblower Protection Policy, Defense and Indemnification Policy, Compensation, Reimbursement and Attendance Policy and Travel Policy, with no Changes. Tom.

Mr. Gray: This is another annual requirement, excuse me, of the Authority Budget Office that the staff and Board review the Bylaws and its Policies and Procedures on an annual basis to make sure that they are in line with the Board's direction. The staff has reviewed these documents and we're recommending that the Board readopt the Bylaws and Policies and Procedures, with no changes.

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

Ms. Sacco: Motion by Cheryl.

Chairman Bucci: Motion by Cheryl. Is there a second?

Mr. Gates: Second.

Chairman Bucci: Second.

Mr. Gates: Dan.

Chairman Bucci: All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Any opposed? Motion carries.

That concludes our agenda for the Governance Committee meeting. So, I'll entertain a motion to adjourn.

Mr. Rose: So, moved. Brian.

Chairman Bucci: Is there a second?

Ms. Sacco: Seconded. Cheryl.

Chairman Bucci: Cheryl. All in favor?

Unknown: [Aye -- in unison.]

Chairman Bucci: Okay. Then, we will reconvene at 11:30 for the LDC Governance Committee meeting.

Ms. Duncan: Thank you.

[Meeting adjourned on a motion by Mr. Rose, seconded by Ms. Sacco at 11:21 a.m.]

[Attendees: Rich Bucci, Jim Peduto, Brian Rose, Cheryl Sacco, Dan Crocker, Dan Gates, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Amy Williamson, Kevin Wu, Joe Meagher, Mayor Deemie, Joe Moody, Michael Tanzini, John Solak.]

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 February 17, 2021.

Carrie Hornbeck / signed electronically

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

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