

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

IDA Board Meeting Transcript

Held telephonically, April 21, 2021, commencing at
12:00 p.m. Adjourned at 1:47 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 meeting of the Broome County Industrial Development Agency of April 21st, 2021. Want to welcome everyone here. Looking for approval of the transcript from our March 17th Board meeting, or comments related thereto.

Mr. Crocker: I read the transcript [inaudible] for approval.

Chairman Bernardo: Is that in the form of a motion?

Mr. Crocker: Yes, it is.

Chairman Bernardo: Thank you. 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 opposed? Okay, we've accepted the transcript. We've come to the part of our agenda we have a Public Comment period. Anybody wishing to speak on any matter concerning the Broome County IDA, feel free, but please state your name and address for the record and acknowledge,

because there's a lot of people on this call. We'll observe the five-minute rule, if you don't mind.

Ms. Ferranti-Lechner: I would like to speak.

Chairman Bernardo: Yes, ma'am.

Ms. Ferranti-Lechner: Okay, so my name is Diane Ferranti-Lechner. I reside at 58 Rose Lane, Johnson City, New York. I was in attendance at the previous Governance Committee meeting, and I made some comments there. So, pardon me if some of you will hear these again. And I do have some additional comments and questions. So, as in my previous appearance before the Governance Committee, I have a serious concern about the fact that the PILOT Agreement that was entered into between the Village of Endicott Board and American Horizon Group was made -- was presented at a Special Meeting in which the Board lacked Public Comment. In addition, the public really has had no opportunity for a review of the facts contained in the agreement. I was able to find the agreement in its entirety on your website, in the documents section, but I had to look high and low for those documents. They were not forthcoming from the Village of Endicott Board. Secondly, in the prior

Governance Committee meeting, I think director -- the director stated that the Altura project is being categorized as a commercial enterprise. And I'm wondering how that can be if there are no -- if no commerce is being conducted on the premises. In fact, the courts have held in the past 20 to 30 years of challenges, that real estate construction projects may be -- may have the PILOT extended to them -- the PILOT benefit extended to them, only if there is significant job creation and the ability to increase economic opportunity within the IDA area. So, again, referencing those documents that are publicly available on the IDA website, the number of jobs that are listed in the Project Review Form for the first year are zero. The number of jobs in the second year are eight, I think, if I'm not mistaken -- I may be mistaken. There are 190 construction jobs listed, but in all honesty, those construction jobs are finite. I mean, they will exist for the length of the project, and then when the project is completed, they will go away. So thirdly, the developer has had multiple PILOTs extended to him. So, I'm wondering when is it reasonable for the developer to undertake the costs of his own project without taxpayer money, especially

when we have -- the taxpayers have not had an opportunity to review the agreement in a public way and make Public Comments? And then, lastly, why is this a deviated PILOT, rather than a traditional PILOT? We're talking about 23 years, a term which I think is rather excessive for a project like this. Thank you.

Chairman Bernardo: Thank you, Diane. Would anybody else like to speak at this Public Comment period?

Ms. Abbadessa: Rocky has his hand up.

Chairman Bernardo: I can't see his hand. I'm sorry.

Ms. Abbadessa: No, that's okay. I'm just telling you. Go ahead, Rocky.

Chairman Bernardo: Rocky, hold that for just a second, please. I'm going to save you for last, if you don't mind. Would any -- Mr. Coppola, would you like to speak?

Mr. Coppola: Just a brief moment, again, as I said, previously, I wholeheartedly endorse this project. I have -- do have some concerns with the PILOT itself, as my email has indicated, but -- and I would just like to highlight one -- is that somehow

this is senior living, which is laudable in and of itself, but I feel that if we're going to engage in a 23-year-old -- 23-year PILOT -- a 22-year PILOT, I feel it is essential that we get some sort of assurance that what was built for seniors remains with seniors, and that if there is any deviation from the original plan -- that being senior living -- that the PILOT would have to be reviewed. And I must say that I have no objections that the Board move this forward to Public Comment. I understand at this point in time, you're just voting to either move the project forward, or not. And I have really no objection to moving it forward. I just would seek in the future, some alterations. Thank you for your time.

Chairman Bernardo: Thank you, Larry. Would anybody else like to speak at this Public Comment period?

Ms. Duncan: John. . .

Mr. Solak: John would.

Chairman Bernardo: John . . .

Ms. Duncan: Hi John.

Chairman Bernardo: Feel free, please.

Mr. Solak: Okay, John Solak. Binghamton, New York. Can you hear me all right?

Chairman Bernardo: Yes, sir.

Mr. Solak: Okay, a couple of items.

Anything to do with solar shouldn't have a PILOT on it. There is a land shortage in this country, as it relates to solar energy. And solar energy is wickedly subsidized by the Federal and State Government. So, if you're considering any solar project, you shouldn't grant any PILOT at all. In fact, you should get premium taxation because of the shortage. Now, I note with interest that Monarco DiFrancesco is a resident of Pennsylvania. And I say this only in the context that you're chasing down someone in New Jersey for a few hundred thousand dollars that is owed, and sometimes state lines complicate matters. If you look at the Payment in Lieu of Taxes schedule, what you see is the equity in the project is generated by the first few years of the payment schedule. If you were to give this to a homeowner who built a new home, somebody could come in with zero money, and in a few years have a substantial equity position because you lowered the tax rates. And you know, you've got letters in your file from bank -- people want to know why the file is 23 years. That's a banking thing. The IDA has letters in its filing from at least one

lender -- not on this project, but on others -- saying that if there's no PILOT, there's no lending. And that is, in my mind, a conflict of interest. The -- I wonder if Mr. DiFrancesco would grant a tenant, a 20-year lease, assuming his base rent of 2,100 -- I wonder if you would grant, a tenant a 23-year lease with the same escalations that are in the PILOT Agreement. In other words, no rent increases for the first three years and just mimic that schedule? I don't think he would. I don't think he would. Now, if you go to the end of the schedule, what you seek, in my mind, is something that is unsustainable, because you would have to have -- to pay that last payment or to pay the payment after it goes off -- you'd have to have rents five, seven, eight thousand dollars an apartment. So, it is not a believable schedule to me. As far as the jobs go, I'm intrigued. I'm always intrigued by your Labor Policy that makes a big deal out of the construction jobs, but doesn't enforce, and is non-curious about all the other people that work -- whether they had -- would have the benefit of a Labor Policy that would benefit them. So, this is a crazy deal, and I think the best point so far that I've heard is the concentration of Payment

in Lieu of Taxes in the hands of one individual. I think there should be limitations on that. I don't think you're thinking it through. Another thing that you're not thinking through, is that this could very well be sold to a nonprofit entity, in which your Payment in Lieu of Taxes becomes moot. So, there's a lot of unintended consequences. And finally, do you view this as an asset or a liability? And who's got the liability -- and that's the taxpayers -- and who's got the asset? Well, it's the developer. So, I know what happens around here, and what happens is simply this -- land goes undeveloped for a long time, projects are turned down -- worthy projects, for whatever reason, and then there becomes an attitude. Well, we've got to do something -- we've got to put something up there. And if we're getting more money than we were getting -- all these are rather simple hypotheses, and to tell you the truth, just have Mr. DiFrancesco tell you how much rent he will need, throughout the entire schedule -- spell it out. Because I don't think this project sustains itself with any kind of rent increases, and I think -- just like City Center -- Newman City Center in Ithaca -- subsidized project . . .

Ms. Abbadessa: Five seconds.

Mr. Solak: . . .was flipped for ninety million -- fifty million into it. This is just a capital gain, a special favor. Thanks.

Chairman Bernardo: Thank you, John. Would anybody else like to speak relative to this or any other topic concerning the agency? Okay, Rocky, would you like to offer comments?

Mr. DiFrancesco: Yeah, I sure would. Stacey, you did a great job giving an overview of Altura at Sky View Heights, but I would like to just mention a few things. I keep hearing about no one had a chance to make Public Comment on the agreement at the Village of Endicott. Eileen Konecny, the Deputy Mayor, held the meeting over. Once that was done, they had to vote on it. And there has been no agreement. They only approved the numbers and the years, but the actual agreement is drawn up by the IDA. I keep hearing about the benefit to the developer. The project that I built down below, on Franklin Street -- the previous developers clear-cut a hill -- they had a severe water problem. Franklin Street froze and flooded every time it rained or snowed. I corrected all of that. I literally took a

sheared-off cliff that nobody would have touched with a 10-foot pole, and I literally moved a mountain. The improvements to the site were many million dollars. I think Anthony could better address that -- and the water retention problem. I didn't get any help from the village or ask for any help, for all the water and sewer that were brought in. The people up on that hill had no water pressure in their homes. I brought an eight-inch main up that mountain and let the village tie into it, so that those people had water pressure in their homes. I think that Stacey made mention of retaining that demographic of people -- 55-plus. This isn't subsidized housing. These are people with spendable income and for many years of my life, I've been a commercial developer. There needs to be a balance between residential and commercial. You need the people to support your businesses. If you're looking for any future development on Washington Avenue, I think you need population with spendable income. I also wanted to address the fact that aesthetically, at my own cost and expense, I ran all utilities underground, I bought all the street lights, I paved all the roads to code. I did all the curbing, I put the fire hydrants in. This is a gated

community, with indoor/outdoor pool, gym, jacuzzi, and an area to congregate with a gas fire pit. Because the views up there are extensive. I really would have liked more trees at Sky View, however they were -- the hillside was clear-cut -- it's not the way I would have done the project, but the landscaping that I did put in, is doing well. It's taken me a few years to get it to grow. But I also wanted to talk about the benefit -- not only if that Altura property stays as it sits, over the term of this PILOT, it'll pay 160,000. I know the 23 years seems like a long time, but I've already been down on Franklin Street seven years, and it's taken me a good portion of that to get that project built and rented. And in the meantime, I have many, many million-dollar bills owed and due for the construction loans. This is the biggest housing project since George F. Johnson. Without this project, this project isn't feasible. So, I'm asking the Board -- we need projects like this. If you don't give affordable new housing, that's handicap accessible for our seniors, they're going to leave our area along with our young people. If you look at the statistics over the next five years, our seniors -- senior population in New York State, is going to . . .

Ms. Abbadessa: Five seconds.

Mr. DiFrancesco: . . .be increasing and our young people are decreasing. But I only want to make one more comment. At the end of seven years, I will be paying more taxes than Huron Campus. I'm building 160,000 square foot; Huron Campus has two million square foot on a 50-acre site. So, I don't think you have to look 23 years to see what the benefit to the Village of Endicott is. I think you only have to look down the road a few years. Like I said, the Sky View Project on Franklin is already in its seventh year. Thanks so much.

Chairman Bernardo: Thank you, Rocky. We will close the -- unless someone else has something to say, we will close the Public Comment period. Okay, Executive . . .

Ms. Ferranti-Lechner: Excuse me, I do have an additional question -- follow-up question, if I may.

Chairman Bernardo: Go ahead.

Ms. Ferranti-Lechner: So, this Altura project is not under the auspices of the Housing for Older Persons Act?

Mr. DiFrancesco: Yes, it is. And by that law, I heard Mr. Coppola say, he wanted to tie the hands of this project where he only wants it to be seniors. I would like that very much because it was built for seniors and it's about 99 percent handicap assessable, for people getting older. They're beautifully appointed. They have grab bars by all the johns in the shower; they're all walk-in showers. They have lever [sic] handle faucets and doorknobs, and a garage, where they can walk right into the unit. But I really feel that the upper tier is -- I keep hearing that they'd like more amenities. They'd like a swimming pool; they'd like a gym. I'm trying to accommodate people as they get older, more conducive living. I don't know if I answered your question.

Ms. Ferranti-Lechner: Okay. Well, I mean, the Housing Act that I referenced, requires that the units be 80 percent occupied by at least one person who is 55 and older.

Mr. DiFrancesco: Yes.

Ms. Ferranti-Lechner: Do you anticipate your project to have that 80 percent, 55 and older occupancy rate?

Mr. DiFrancesco: Yes, I think we're about 90 percent at Sky View. We do have some young people that are still working, and it's really worked out well. And I think even the younger people enjoy living up there. We already are at 100 percent occupancy and we have a waiting list to get in. So, I really feel that all indications are there is enough people in that demographic to fill another 120 units.

Ms. Ferranti-Lechner: I don't know how many questions I'm allowed to ask.

Chairman Bernardo: Go ahead.

Ms. Ferranti-Lechner: But I mean, this is the Public Hearing portion of your . . .

Chairman Bernardo: Actually, it's not. But if the Board approves moving this forward, which means if we approve acceptance of the application, we will immediately call for a Public Hearing, and it will come about in the coming weeks. At which time, you can ask all the questions you wish to relative to this project.

Ms. Ferrante-Lechner: Okay.

Chairman Bernardo: But you are welcome. . . I'll give you -- go ahead. One more -- if you would like this ask one more.

Ms. Ferrante-Lechner: Okay. So, Mr. DiFrancesco also mentioned water issues. And I am also aware of some water issues in the Village of Endicott, and it is my understanding that the Village of Endicott has to buy water from Johnson City in months where the demand exceeds the supply. And that will probably indicate that there will be additional infrastructure needed to accommodate the additional population at Altura. So, what are your plans for the additional infrastructure that may or may not be put in place? And are you undercutting the cost personally? Or will those costs be subsidized within the scope of this PILOT project?

Mr. DiFrancesco: That's a good question, Stacey. We had to not only look at the use -- water to just sustain the tenants in there, we had to look at fire protection. God forbid there was ever a fire -- do we have the pressure to hook fire hoses up? Well, the answer to the tank up on Sky Island was no, from the engineer that the Village hired to oversee this project, and by the way, he's the same engineer that oversaw for the Village, the first phase of Sky View. But they did find a dead-end water line on Jenkins Street, which they said it would help that

area opening that line up, and with the two water supplies, there is ample water pressure in the event of a fire. So, I am willing to share in the cost of opening that road up and hooking up to that line, but it is also a benefit to people that live in the Jenkins Street area. So, I think that the Village may agree to participate in that because it's going to help that neighborhood, as well as giving Altura the water pressure it needs in case of an emergency.

Ms. Ferranti-Lechner: Thank you.

Chairman Bernardo: Thank you both.

Mr. Pannicia: Chair Bernardo, this is Anthony Pannicia from Delta. Can I just make a few comments?

Chairman Bernardo: You may, Anthony.

Mr. Pannicia: I just want to touch base on Rocky's project. We were the designers of the Franklin Street project -- the first one. And at that project, Rocky had to move 80,000 cubic yards of dirt, create three retention detention ponds, and in doing so, he mitigated a problem that existed for the Village of Endicott for ten years, which was flooding of Franklin, as well as icing of the road -- sidewalks on Franklin. He did that at his own cost because he

wanted to be a good neighbor and show the village he was willing to work at it. Secondly, in reference to the Altura project, we're only in preliminary design right now and we did floor plans and some analysis, but we did do the fire protection analysis and we determined that the project could not work without some additional design and what Rocky spoke about there with the dead-end line -- it's on Jenkins Street between Roble and Cornell, and if Rocky helps pay for that installation, there'll be ample supply and pressure for the people on Sky Island, and also to accommodate his development. I think in working with him in the past, he has gone over and above to meet the demands of not only his development, but address some of the current concerns that the village has had. I found him to be trustworthy, honest, and he always goes over and above. And then, you know, John Solak made a comment about assets and liabilities. I'm a business owner. I mean, Rocky has to first qualify for a project of this magnitude. Not too many people in this community can build a twenty million dollar project. Secondly, from an asset liability, they're all on Rocky's side. No bank will allow you to move forward without a personal guarantee. So, there's

significant exposure to the developer in this, and I think sometimes when I sit here, and I listen to these comments, I kind of just want to put things into perspective. This is a benefit to the community, it meets a significant need, and I think you have a developer who's committed. He grew up -- I don't know if you knew -- right around the corner there, so he he's committed to the Village of Endicott, and he just wants to do the right thing. That's all, John. Thank you. Thank you.

Chairman Bernardo: Thank you. I was muted by accident. Thank you. Okay. Moving on to the Executive Director's Report. Stacey, would you give us some updates, please?

Ms. Duncan: Sure. Just a few things. I know we have a full agenda, so just a few things to update the Board on. I would like to just refresh and remind -- two very, I think, positive economic development announcements in the course of the last two weeks. As some of you may have seen, we've been working with . . .

Unknown: [Inaudible.]

Chairman Bernardo: Natalie, can you mute that, please?

Ms. Abbadessa: Everybody's muted, John. Tom, Tom Gray, I need you to log out again, because they're using your name, and I don't know which one is you, so. . .I'm sorry.

Ms. Duncan: As I was saying, as was noted recently, we've been working with the Town of Conklin to site a last-mile distribution facility for Amazon, as they've been making their way to this smaller last-mile model. They've sited Conklin, and the Town of Bath for two locations. And, as well, good news that some of you may have been made aware of in the last 24 to 48 hours, manufacturing operations plans for Imperium3 at the Huron Campus, announced recently, receiving funding necessary to begin some of those operations. We're excited to see this process continue to progress and certainly as they start to build out at the Huron Campus, workforce and housing needs will be something we'll be working with them on. As I sent to the Board, previously, I just wanted to refresh and remind you we've been very proud to have provided more than one million dollars in funds through our BC Emergency Loan Fund that just hit one year point on April 1st. This program -- we've decided because of, we think, still continued need,

we're going to keep the terms and conditions open for another six months to monitor the health of our small businesses. We've been able to help a diversity of businesses from restaurants to small commercial operations, and other community -- other businesses in our community. We currently have about \$350,000.00 of funds remaining to lend. My thanks to Tom, Natalie and Theresa for managing the process. I think it has been a great service. Just to inform the Board -- myself and Brandon participated, I thought, in a [sic] informative and productive conversation with the DEC and other stakeholders on the Endicott Forging site. So, it's a very Endicott theme today. We learned and got a lot of information on the status of things at that site. We know that ultimately, it will be an integral part of development in Endicott. We will be utilizing, as many of you know -- have an EPA Assessment Grant that we were awarded in 2019 -- with these funds, and this is why we wanted to meet with the DEC, was to see how we could couple and compliment their efforts on cleanup. And we will be utilizing our grant funds to do some environmental resources outside of the scope of what DEC is looking at, and also to work with the Village and the Town and the DEC

on the development of a potential -- at least a pathway towards a redevelopment reuse plan, I should say for that site. And my thanks to Brendan for leading in that effort. And then finally, just with regard to the Leadership Alliance, Economic Blueprint, something we've been working on for many months, I just want to thank Amy Williamson on staff for doing a tremendous job. She's been facilitating more than a dozen, almost probably two dozen now, focus group discussions focused on the priorities that the two Boards laid out back in December. We'll be looking to pull the two Boards back together in May to review and present an outline of our first draft. That's all I have, John. If there's any questions, I'm happy to take them.

Chairman Bernardo: Thank you, Stacey. Are there any questions for Stacey? Okay, thank you.

Internal Financial Reports through March 31st, 2021. Are there any questions for Stacey or Tom, relative to the Financials, or Theresa for that matter? We'll take that as a no.

Loan Activity Reports, as of March 31st. I don't know if Tom's back on or not. Is he?

Mr. Gray: I am John. I don't have anything to add to the report, unless anybody has any questions.

Chairman Bernardo: Does anybody have any questions for Tom relative to loan activity? Very good.

Moving on to New Business, looking at a Resolution approving the renewal of The Agency's Contract with the National Development Council for an Additional 12-Month Period, a Copy of Which is Attached to your Packet. Are there questions or comments relative to this? I know it was covered in Governance. Mayor, was it reviewed in Governance and what was the outcome?

Mr. Bucci: It was and we move it forward, as a motion to approve.

Chairman Bernardo: Thank you, Mayor. Are there -- is there a second, relative to that?

Mr. Rose: Second, Brian.

Chairman Bernardo: Thank you, Brian. Are there any comments beyond that? All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Any abstentions? Thank you.

Moving on to the second Resolution that being Item Number Seven. Resolution Authorizing an Extension of the June 12th, 2020 Sales Tax Agreement with GJS Property Group from May 20, 2021, Through and Including May 20, 2022, Which the Total Should not Exceed \$60,000.00. Questions or comments relative this? I believe this went through Governance, Mayor, did it?

Mr. Bucci: It did and we move it forward, as a motion to approve.

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

Mr. Mirabito: Joe, second.

Chairman Bernardo: Joe, thank you. Any comments relative to this topic? Resolution? Let's take a vote. All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Any abstentions? Motion carried.

Resolution Approving an Increase. This one's a hard one to read, so, I'm going to be very careful because I was confused when I read it the

first three times. Resolution Approving an Increase in the Amount of \$25,312.84 to the Binghamton ASC, LLC (The Company); \$34,392.38 Portion of the \$79,549.00 Sales and Use Tax Exemption Provided to The Company and Ophthalmic Associates of the Southern Tier, P.C., Under the Sales and Use Tax Exemption Agreement Dated September 23rd, 2020, Which Total Sales and Use Tax Benefit to The Company Shall not Exceed \$59,705.22. So, it's an increase of \$25,000.00 for a total of 59,705.22. That said, this was covered in Governance, I believe, Mayor?

Mr. Bucci: Yes, we have several chalkboards and. . .

Chairman Bernardo: [Laughs.] I was hoping you had an easier time reading it than I did.

Mr. Bucci: [Laughs.] It was and we move it forward as a motion to approve.

Chairman Bucci: Mayor, thank you. Is there a second?

Mr. Gates: Second.

Chairman Bernardo: Dan, thank you. Any comments on this? All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Motion carried. I'm looking at Natalie. Okay. Can you ask Cheryl Sacco? Natalie, are you directing that to me? Whether she . . .

Ms. Abbadessa: I was, but I found out its actually Cheryl Chapman. I just wanted -- it just says Cheryl's iPad and I knew Cheryl Sacco wasn't going to be here. I just want to know if . . .

Ms. Duncan: . . .Cheryl jumped on.

Ms. Abbadessa: Thank you. Sorry.

Chairman Bernardo: Thank you. Okay, Resolution -- this is Item Number Nine. Resolution Accepting an Application from Kashou Enterprises, Inc. (The Company), for a Lease/Leaseback Transaction to Facilitate the Financing of the Construction, Rehabilitation, Renovation and Equipping of the Greater Binghamton Sports Complex Located at 1500 County Airport Road in the Town of Union, Broome County, New York, to Provide for a Sales and Use Tax Exemption Benefit in an Amount not to Exceed \$240,000.00, to Provide for a Mortgage Tax Exemption in an Amount not to Exceed \$30,000.00, to Provide for a Real Property Tax Exemption in an Amount not to Exceed \$620,721.83, and Authorizing The Agency to Set

and Conduct a Public Hearing with Respect Thereto.
So, I'll kick this to Stacey. Stacey, I know you've worked on this for a while. Tell us a little bit more about it, and then we'll go to the Mayor for his comments.

Ms. Duncan: Sure, yeah. Staff is pleased to present this application to the Board for consideration. This is on behalf of the Greater Binghamton Sports Complex and project applicant Kashou Enterprises. This includes the reconstruction of the Greater Binghamton Sports facility to a -- an approximate 100,000 square foot steel metal building. So, this is a new structure. A newly designed structure. As many of you may know, unfortunately, the former structure had significant damage due to the four feet of snow that we had earlier in this year. But we're thrilled that the Kashou family is looking to rebuild. They are looking to expand the new sports -- into a new sports program and event venue. The new event center on Airport Road will house five indoor turf fields, a two-story clubhouse that would include restaurant, retail space, and several other entities or tenants that could be located there, that are in relation to sports. It is a family-owned business

that has been in the field of sports -- youth sports specifically often, for more than 20 years, and has grown all field sports in the Broome County area and created some of the most successful programs in the Northeast. We had the opportunity to meet with the Kashou family, and also, we met with the Town of Union and review of the PILOT structure, and we present to you a standard 10-year PILOT term that will help facilitate the reconstruction of this -- or the redevelopment of this facility.

Chairman Bernardo: Stacey, thank you. Are there any questions for Stacey? Okay, Mayor, this was covered in Governance?

Mr. Bucci: It was and we move it forward, as a motion to approve.

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

Mr. Gates: Second, Dan.

Chairman Bernardo: Dan Gates, thank you. Any comments or points to make on this? Let's have a vote. All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Opposed? Abstentions?
Motion carried.

Mr. Kashou: Thank you very much folks.

Ms. Duncan: Thank you.

Chairman Bernardo: Good seeing you, Bob.

Mr. Kashou: Thank you, thank you, John.

Chairman Bernardo: Going on to Item 10.

Resolution Accepting an Application from American Horizons Group, LLC (The Company), for a Sale/Leaseback or a Lease/Leaseback Transaction to Facilitate the Construction and Equipping of the Altura at Sky View Heights Housing Project located at 105-1/2 Sky Island Drive, in the Village of Endicott, Town of Union, Broome County, New York, to Provide for a Sales and Use Tax Exemption Benefit in an Amount not to Exceed \$800,000.00, to Provide for a Mortgage Tax Exemption in an Amount not to Exceed \$160,000.00, and to Provide for a Real Property Tax Exemption in an Amount not to Exceed \$8,811,446.24, and Authorizing The Agency to Set and Conduct a Public Hearing with Respect Thereto. Stacey, would you please kick this off?

Ms. Duncan: I will. I'd be happy to. I - - a few points that came up, I think, during the Public Comment, that I'd like to just make some points of clarification to. With regard to commercial

entities -- anything -- any residential unit at approximately four or more residences, would be considered a commercial project. We work ultimately with Empire State Development and other state funding agencies, and that's how they would view that -- as a commercial project. Currently, as it stands with our Uniform Tax Exemption Policy, that would align with our commercial 10-year, and typically with housing projects, that 10-year term does not help to make the project move forward. Were we -- and staff and I have been communicating on developing essentially, as many IDAs have, a uniform residential criteria [sic], I would recommend that we would begin at a bare minimum of a 20-year, if not a 22-year term on that, as we've seen many projects actually need more time than this one currently has. So, just as a refresher, we have the 50 Front, 59 Lester, ANSCO, all at or above, significantly, the 22 or 23-year term seat, currently being sought. We also have -- it's not uncommon, and we have had success with -- providing a PILOT benefit to a developer on more than one project. So that is -- we're not setting a precedent with that, per se. We have done that in the past. I just wanted to provide a project description. And then one more thing I do

want to note, because I know, as far as looking at job creation with housing units -- as we've known for years, throughout the state, more and more housing projects require the PILOT benefit because of the significant property tax cost per unit on these projects. And it has been communicated with the Authorities Budget Office, and they do recognize the need to evaluate performance on these projects, in some way other than just a typical job creation number because with these, you're not going to create long-term, a lot of high number, long-term permanent jobs. But you do, and I think it's certainly a value to create those front-end construction jobs, as Dan Crocker has often pointed out -- are incredibly valuable, as well. So, I just wanted to clarify a few things hopefully, that were noted in the beginning of the meeting. As far as a project description, our Governance members will hear a lot of this for a second time. But American Horizons Group is proposing a 21 -- is proposing a housing development on a 21-acre site at 105-1/2 Sky Island Drive in the Village of Endicott. This is contiguous with Sky View Heights, but it is a separate and distinct project. And yes, we do have an existing PILOT with American

Horizon Group for Sky View. It's been seven years already, it's hard to believe. The project has maintained compliance with all applicable terms and agreements of the PILOT Agreement related to the project and is currently fully-occupied and, as was noted earlier, has a waiting list, thus creating the demand for this new development. The development will be called Altura at Sky View Heights -- will also be geared towards a 55 and older rental community. It will be a gated community with 120 units of one and two-bedroom units, ranging from 800 square feet to 1,500 square feet, and as Rocky mentioned, include amenities such as indoor pools and community areas. The project is seeking a 22-year term PILOT and it was presented to the Village Board and approved -- the PILOT -- proposed PILOT Schedule, thus enabling us to consider it for today to move to a Public Hearing. We also provided a Project Summary Form and Cost Benefit Analysis on the project, and provided Minutes from the Special Meeting held earlier last week. A few things that we look at when we look at these housing projects is: does the project address the continued demand for market rate rental housing? We believe that it does, as all of our -- currently all of our market rate

rental projects are fully-occupied, and most all -- I think all have a waiting list, currently. Thus, we do believe there's still significant demand for market rate rental housing -- this one being targeted towards the 55 and over population. We think this is important for the retention of that age cohort, which is an important constituency for tax base stabilization, and also inputs to sales tax revenue. We do think potentially it could open up more housing. As we know our inventory currently is very tight, and this could have a positive impact on that. The developer has a proven track record of completing projects and hired in the manner by which the project was described and the community we think will be served well to work on another project with this developer. As was noted earlier, with -- were this project not to be developed, tax revenue over the period of time being sought -- the term of the PILOT, would be approximately \$160,000.00 in total, of the 22 or more years. With the project and proposed PILOT, taxing jurisdictions will receive more than sixteen million dollars in new tax revenue, with about half of that going to the Union-Endicott School District. And as was noted, the developer will be a participant in

the required costs of road and infrastructure improvements. And we do believe that this -- the PILOT payments and ultimately, financial benefit to the Village will cover any increase in services. For those reasons, staff and I strongly recommend that you accept this application and move it to a Public Hearing.

Chairman Bernardo: Stacey, thank you. Any questions for Stacey, for anybody -- obviously, Governance has talked about this. But, any questions beyond that?

Mr. Crocker: I have a question. This is Dan. I mean, I assume this is a stick-built structure. It's not prefabricated?

Ms. Duncan: No this -- no, this is a stick-built structure. Yes.

Mr. Crocker: And it sounded like there's going to be fire protection on it?

Ms. Duncan: Yes.

Mr. Crocker: As in wet fire protection sprinkler system?

Ms. Duncan: That, I will defer to the -- Rocky or Anthony, who are on the call and part of the design team.

Mr. Pannicia: We haven't determined that yet, but it will probably be wet.

Mr. Crocker: That's good. [Inaudible.]
Thank you.

Mr. Pannicia: You're welcome.

Chairman Bernardo: Any other questions from the Board? Okay, Mayor, you covered this in Governance. Tell us a little bit about that.

Mr. Bucci: We did cover it in Governance, but there is no recommendation from the Governance Committee.

Chairman Bernardo: Okay, I'll ask one more time. Any other questions for the developer, for Stacey, for the engineer/architect of the project? Okay, looking for a motion to move this forward in the form of. . .

Mr. Cornwell: Hey, John. Steve Cornwell.

Chairman Bernardo: Go ahead, Steve. I'm sorry.

Mr. Cornwell: It's all right. I was having trouble -- I was double-muted. So, I had to figure that out. [Laughs.] I did have a little bit -- wanted a little more clarification, maybe from Mr. Pannicia, with regard to the water supply. Is it --

do you do have a report that you expect soon, that will be available to us? I think that's a concern of mine that I wanted to be able to see that addressed.

Mr. Pannicia: The Village of Endicott retained Hunt Engineers, who did a nodal analysis of the Village of Endicott's water system. Based on that nodal analysis, the project being built right now would not be able to be accommodated with the water supply they have. If the dead-end pipe from Cornell Ave. to Vermont Ave. is put in, there's sufficient water to meet the needs of that structure, as well as improve the pressure to Skyline Drive. That report is done by another consulting firm, and I guess you can ask the Village of Endicott for that information. They've done that analysis.

Mr. Cornwell: Okay, that's where I wanted to look, then -- I wanted clarification on that. So, I would be . . .

Ms. Duncan: Steve. . .

Mr. Cornwell: . . . interested in getting that.

Ms. Duncan: Steve, we can reach out to the Village and provide that to the Board.

Mr. Cornwell: Great. Yeah, I just want to make -- just want to make sure if we can get a copy of that before the Public Comment.

Chairman Bernardo: Any other questions from Board members? Okay. Would someone. . .

Ms. Duncan: I don't know if . . .

Chairman Bernardo: Go ahead.

Ms. Duncan: John, sorry. [Inaudible.]

Rocky, do you have your hand up, intentionally? Did you need to add something -- I can't? I don't know.

Mr. DiFrancesco: I did want to make one comment, 'cause I've heard it mentioned several times and it hasn't been addressed. The first phase of Sky View was modular built. There wasn't a lot of construction jobs. The new project will be stick-built. It will employ people. But I wanted to go one step further. Since Sky View has been there, all the plumbing repairs are done by a local vendors [sic]. Any blacktop on that site has been all done by local businesses. All of our electrical work is done by local electricians. All of our landscaping is all maintained by TruGreen. It's a local outfit out of Endicott. I think that a lot of people look at this, like how many jobs is it going to create? It creates

a lot of jobs over the long haul of this project, because everything that we buy is bought local, and anyone we employ, is employed locally. So, I just wanted to make that comment.

Chairman Bernardo: Thank you, Rocky.

Mr. Cornwell: Stacey or John, if I could follow up on that. From my perspective, I mean, that sounds great. I don't know what safeguards are -- what checks and balances we can have to ensure that's the case. But I certainly take him at his word, and he's shown that in the past. And I would want to mention also my position with these jobs is that someone who relied on a construction job for half of their life -- these, although we're calling -- they're not permanent jobs, sustainable jobs -- they actually are, because as soon as the project ends, if somebody didn't approve another project, you're unemployed. So, by going from job to job to job, that's what makes and keeps these construction jobs going -- and not going away, for lack of a better word. So, I appreciate Rocky's comments about hiring local contractors. Thank you.

Chairman Bernardo: Thanks, Stephen.

Ms. Duncan: Stephen, I just want to -- I do want to just address your comment and question. We do have within the process, a Local Labor Utilization Verification Form, which has to be attested to and provided to us so, we do track that, and as well, if there's for some reason, that project would need to require a contractor or vendor outside of our local labor catchment area, there's a waiver process that they have to go through, as well. And I -- and yes, I'm not -- I guess I'll just -- if I may, answer a couple questions, coming up in the chat. We do have a PILOT Agreement, which sets the terms and conditions of compliance and there is -- the question is, is there enforcement mechanisms? Yes, we do have a Recapture Policy for projects that don't meet those terms and conditions, and it's been -- those could be things such as a transfer of the project type, a lack of compliance with our Local Labor Policy that runs the gamut, failure to meet required PILOT payments to the taxing jurisdictions, etc. And yes, are the contracts open to bid as part of our policy? A project applicant has to notify specific contracting labor organizations and provide the opportunity to bid on every project. So, just wanted to address those.

Chairman Bernardo: Thank you, Stacey. Any other comments or questions relative to this topic? Okay, I'm looking for a motion to accept the application and to call for a Public Hearing. Is there a motion?

Mr. Crocker: This is Dan. I'll make that motion.

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

Mr. Mirabito: Joe seconds.

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

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Any abstentions? Motion carried. Thank you, all.

Moving on to Item Number 11. Resolution Authorizing Financial Assistance to the Broome County Planning -- to the Broome County Planning Southern Tier ARC Power Grant for Broadband, in an Amount not to Exceed \$15,000.00. Mayor -- Stace, do you want to talk on this? Or are you -- do you believe we've read all -- there was a lot . . .

Ms. Duncan: There was a lot in there. I -- if the Mayor wants to reference Governance action, or

if there's any specific questions from those that didn't participate in Governance, I'm happy to answer or . . .

Chairman Bernardo: Mayor. Please speak up.

Mr. Bucci: It was considered in Governance, and we move it forward as a motion to approve.

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

Mr. Crocker: Dan. I'll second.

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

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Any abstentions? Motion carried.

Item Number 12. Discussion on the Establishment of Exemption Criteria as it Relates to Solar and Other Energy Storage Products. I came in to the tail end of the Governance Committee meeting. It sounded like there were additional suggestions. I know the Mayor made one that sounded very interesting. What -- where do we go with this, Stacey, if you don't mind?

Ms. Duncan: Sure. Following a discussion at Governance, one of the key items that I'm going to

research is the total megawatt cost. I'll do some scanning regionally and statewide on the total megawatt cost that these projects are receiving, or that communities are receiving, and the breakdown of PILOT to HCA benefit. I know that was one of the things we wanted to try to nail down is, how much of a PILOT -- how much of a benefit is PILOT payment versus other. My recommendation was that we set out -- as the goal of this is to set a uniform exemption criteria [sic]. We can set what our PILOT rate will be and leave the discussions on any HCA with the municipality, as was recommended by many peers throughout the state. One -- so I'm going to look -- do a scan, and bring back some information to the Board on that. And the other thing that I think you're referring -- that the mayor brought up -- is some communities have -- is do we want to look at a scaled model where smaller projects -- the cost per megawatt increases on a scale of the size of the project, or if we're looking at premium land. I mean, typically, what I'm finding is many of these projects are being developed on fallow land, that otherwise would not be developable. Certainly -- is some of the case where we've seen some solar in Broome County, but

it certainly, if there's an instance where it's classified prime ag land, prime development land, we may want to set aside a different price point on that, essentially.

Chairman Bernardo: How do you judge that, though, objectively?

Ms. Duncan: Well, if it's, I mean, if it's ag land, it'll have a classification rating of this is -- and as well, really, with other commercial or industrial land. A lot of times when we're looking at some of the sites, say, for example, in our Corporate Park land -- it's land that might have some challenges with wetland, or it's just less desirable, more fallow areas -- which I know in Steuben County, where they've cited at least almost a dozen now, they're finding that they're not utilizing that prime developable, development land.

Chairman Bernardo: Okay.

Ms. Duncan: Joe, you had a -- you were about to say something, I think.

Mr. Mirabito: Yeah, yes. Yeah, Stacey. I know we've had this discussion before. One of my concerns would be like, are we going to have a minimum size that qualifies? Because when you're looking at

these projects, roughly one megawatt will take five acres, okay. So, if you got a five-megawatt thing, you need a 30-acre thing. If we're going to, like grant these things to people, my neighbor could put up a little solar operation. He's got five acres, and now we're going to be giving him some PILOT on that stuff? I am trying to understand the size.

Ms. Duncan: Yeah, and I think you bring up a valid point. And I mean, I know that there is one being cited here in Broome County, that I think it's roughly 3.8 megawatts. So, I agree, I think one might be something too small. So, what's that -- and maybe just preference -- not ones that we want to get involved with, as providing a benefit. But, this one that is -- that I'm aware of that is sort of, the furthest along in Broome, is about 3.8, so just shy of four megawatts. So, we may want to set a benchmark at three and above, just as a thought.

Mr. Mirabito: Yeah, okay. All right. Yeah. Because I mean, we don't want these popping up in all our neighbors' yards and everybody getting these PILOTs. Okay.

Ms. Duncan: I did look at that, when researching this, and I think I want to say I didn't

hone in on it, but I want to say in my scan, they were in the one to two megawatt [sic], but there's no reason why if this group feels, we should start at a higher minimum threshold, we can do that.

Mr. Mirabito: Yeah, I mean, 'cause, I mean, we've looked at quite a few of these projects, and like a five megawatt one, you need to invest about nine, nine and a half million dollars. So, I think we should make sure that these are commercial developments, is my point.

Chairman Bernardo: Agreed.

Mr. Mirabito: Yep.

Ms. Duncan: I agree. So, John, I guess -- to where we left it was, I'm gonna [sic] go back and do a little bit more due diligence on some of these questions that came up. But the intent would be to bring this back in May, as a resolution up for adoption of the criteria, as part of our UTEP. So, it would be a sort of, a two-step action, because we'd also have to -- at that point in time -- approve a modification to our UTEP to include exemption criteria for solar and energy storage projects, and as well, one thing we're looking at, and the Mayor brought up is, do we want to include wind? What I want to do is

just make sure that wind projects -- if there have any nuances that would be make them separate and distinct from this, I'll go back and look at that. I don't know the answer, but I feel like there may be some nuances and have a separate one for wind.

Mr. Mirabito: Yeah, one of the nuances, Stacey, is gonna [sic] be the type of credit you earn. So, they're much different. Of course, solar ones are ever-changing, right now. But there is significant -- I mean, I agree with John Solak on something . . .

[Laughs.]

Ms. Duncan: Once in a while. . .

Mr. Mirabito: Among the credits and subsidies, so you get into how much should a PILOT be worth? I mean, they're very significant.

Ms. Duncan: And that's -- yeah, that's -- going into this, I had a sense to keep wind, as separate, and I'll just confirm or affirm that my hunch on that was correct. And then the only point of information -- and I don't know if it impacts immediately what we want to accomplish with this -- just a point of information -- myself and peers throughout New York State, and our State Association NYEDC, met with NYSERDA, and it was a nice opportunity

to provide the IDA perspective on these, which isn't always available. A few things that came up were organizationally, performance measurements, and housing is similar. We're measured on -- still traditionally measured on job creation, yet, the recognition that project-seeking benefits are from a permanent job, and I appreciate Steve's point on the construction and I agree with it, wholeheartedly -- the construction jobs are equally, a value. But we're still often measured on -- what's that permanent job number? And I think the ABO and the OSC is starting to realize that projects are changing. The other issue was -- and I think NYSERDA will attempt to provide some uniformity among how these are valued. And as fast -- as there's a lot of -- depending on community by county, they're using different approaches to the assessed -- coming up with that assessed value. And it looks as though there may be some attempts to create some uniformity, which I think would be a benefit in looking at these projects, so, but just thought I'd share that.

Mr. Bucci: John?

Chairman Bernardo: Yes, Mayor.

Mr. Bucci: Just to piggyback a little bit on what Stacey said, one of the things I did outline was the possibility of including wind in this document. And she noted that there may be some things we may have to double-check. In retrospect, though, even if wind is different, which it could be, and Stacy's gonna [sic] check that -- we could still include it in the overall policy as just, chapter two, or something. In other words, it could be all in one document. . .

Chairman Bernardo: [Inaudible], yeah.

Mr. Bucci: Wind could be broken out just as a separate point. We can even go battery, solar, wind, and just -- even if battery and solar are the same, we can just break them all out in one policy document.

Chairman Bernardo: I agree with you.

Mr. Bucci: The other thing I just -- she alluded to, too, is that -- and I think Joe alluded to, too -- is that a lot of these projects are heavily subsidized. And so, the question is, what, reasonably or, what can we gain in regards to PILOT benefits? And I know, there seems to be a consensus that \$6,000.00 per megawatt in regards to solar right now

is kind of the consensus -- but I sent out to everybody, a few weeks ago, Schoharie County is putting in \$20,000.00 a megawatt. And that maybe -- I don't know how viable that is, but the one I like is -- and Stacey alluded that she would look into it -- is that I think was Cattaraugus County, and I think even Chautauqua -- their -- they ramp it up, based on megawatts. So, for example, zero to five megawatts is \$6,000.00 per megawatt, five to ten megawatts is \$7,500.00 per megawatt, 10 to 25 is 9,000 per megawatt, and over 25 is something that's negotiated. So, if 20,000 seems maybe over the top, maybe this gradual -- the bigger the project -- maybe, the more we should assess in regards to a per megawatt fee. And that's something that Stacey said she would look at.

Ms. Duncan: Yeah, but I think -- is that -- it was either Chautauqua or Cattaraugus, I think you're referencing, so. . .

Mr. Bucci: And just two other quick comments. One thing I think is important, is included in our document, is the decommissioning fund. Obviously, you want to make sure these things go off -- that there's a fund -- a legitimate fund there, to

make sure that they're cleaned up adequately. And then the last point -- Stacey, you brought up about the land. I'm just wondering -- this is outside our purview, but this may be something the county may want to look at in regards to zoning. They may want to restrict, so that these things don't go to prime property -- that maybe there are certain parcels, there may be some -- they might want to zone it in [a] certain way that -- that it's going to land that may not be the most viable. I don't know if that's possible, or not. But you're not outlying them, but you might be zoning them to certain areas.

Chairman Bernardo: Wouldn't that fall to a lower municipality, Mayor? I'm not . . . [inaudible].

Mr. Bucci: Yeah, you're right. It might be county and lower -- it's obviously not, I don't think, really an issue in the City of Binghamton, per se. It might be a bigger issue in the rural -- even the Town of Union, Town of Vestal -- in the rural towns. But yeah, it could be. There may be something they may want to consider. But that's like I said, that's outside our purview. But in order to kind of make sure that you don't get the kind of thing like Joe was saying -- that you might have little megawatt solar

farms popping up all over the place. There's an image in my mind -- if anybody's familiar with Western New York, our St. Bonaventure is in the Northern Tier of Pennsylvania, there, there's a lot of land where there's these little pumping wells -- oil wells are on people's back yards, they're on their front yards. There's a town just south of the border called Wellsville. And there's all these little pumps that are like, on people's properties. Pumping, because there was so much oil out there -- but they're still going. But it just -- that's the image of -- they're not as obtrusive, maybe as a solar farm, but in a way, aesthetically, when you see these little oil pumps all over the place -- it's probably not the best image for a residential neighborhood.

Chairman Bernardo: Good point. Very good point. Okay, so we'll take this up again, at our next meeting. And before then, Stacey as soon as you . . .

Ms. Duncan: Yep, I have my points of information I will go back and get and I'll send an updated draft, prior to May's meeting.

Chairman Bernardo: Excellent. Thank you. Looking for a motion to go into Executive Session.

Mr. Peduto: Jim. So, moved.

Chairman Bernardo: Jim, thank you. Is there a second?

Mr. Crocker: Dan.

Chairman Bernardo: Dan, I think that was you, Dan?

Mr. Crocker: Yes, sir.

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

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? We're going into Executive Session. For those of you who want to remain, we'll put you into a waiting room and we'll bring you back in when we're done with the Executive Session.

Ms. Duncan: Okay, I believe we are recording again.

Chairman Bernardo: Yep. Is there any old business to cover?

Ms. Hornbeck: John, can you say who was first and who was second, on coming back in, please.

Chairman Bernardo: Yes. The Mayor was the first and who was the second? I'm sorry. I don't remember. Dan Gates.

Ms. Hornbeck: Okay. Thank you.

Chairman Bernardo: Let me ask, is there any old business? Okay, I'm looking for a motion to adjourn.

Mr. Crocker: Dan. Motion.

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

Mr. Gates: Double Dan. Motion.

[Laughs.]

Chairman Bernardo: Mr. Gates, thank you. All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? We are adjourned. Thank you all.

[The Board Convened to Executive Session at 1:08 p.m. on a motion by Mr. Peduto, seconded by Mr. Crocker.]

[The Board Reconvened from Executive Session at 1:47 p.m. on a motion by Mr. Bucci, seconded by Mr. Gates.]

[The meeting was adjourned on a motion by Mr. Crocker, seconded by Mr. Gates at 1:47 p.m.]

[Attendees: John Bernardo, Rich Bucci, Jim Peduto, Brian Rose, Dan Crocker, Dan Gates, Joe Mirabito, Steve Cornwell, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Amy Williamson, Kevin Wu, Joe Meagher, Bob Kashou, Monarco "Rocky" DiFrancesco, Diane Ferranti-Lechner, Larry Coppola, Anthony Pannicia, John Solak, Annie McQuillan, Michael Tanzini, Aaron Martin, Nick Burlingame, Beth Lucas, Dan Reynolds, Cheryl Chapman, Jerry S.]

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 Board Meeting, held telephonically, on April 21,
2021.

Carrie Hornbeck / signed electronically

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

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