

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

IDA Board Meeting Transcript

Held telephonically, May 19, 2021, commencing at
12:00 p.m. Adjourned at 1:25 p.m.

[See attendees at end of Transcript.]

REPORTED BY:

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Broome County Industrial Development Agency

Chairman Bernardo: I'd like to call to order this meeting of the Broome County Industrial Development Agency of May 19th, 2021.

I presume everybody has reviewed the transcript from the April 21st Board meeting, and assuming there are no comments, additional comments since we circulated that, I'd look for a motion to accept and approve those -- approve that transcript.

Mr. Crocker: I read the transcript. I'll make a motion.

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

Ms. Sacco: I'll second. Cheryl seconds.

Chairman Bernardo: Cheryl, thank you. Any discussion? All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Okay. Moving on, we come to the part of our agenda where we have a Public Comment session. Anybody wishing to speak on any matter concerning the Industrial Development Agency, we would ask that you keep your comments to five minutes in length, and ask that you state your name and address for the record.

Would anybody like to speak? Okay, we'll call that a no.

Moving on to the Executive Director's Report. Stacey, please bring us up-to-date on things.

Ms. Abbadessa: Stace, you're muted.

Chairman Bernardo: Stace, you there? There you go.

Ms. Duncan: Sorry. So, start over. Good afternoon, everyone. I just have a few things that I wanted to update the Board and those in attendance on. Just -- we are coming off a busy two weeks actually -- the other half of our Leadership Alliance celebrated National Tourism Week two weeks ago. There are a lot of great things happening in the tourism economic development front, including -- you may have seen the announcement of the Upstate Eats Trails, which we've already actually ran into some people from outside the area. I was over at Lupo's and saw somebody who's here just for that purpose. So, that was a great announcement in collaboration among our upstate New York tourism partners. And as well, National Economic Development week was also last week, and we decided to launch and publish our 2020 Report to the Community. And I'm very proud to say that during a challenging

year like 2020, we provided -- we supported more than 420 million dollars in investment and financial assistance -- your PILOTs, Tax Exempt Bond issuance, as well as our Small Business Assistance programs. Our Emergency Loan Program provided more than one million dollars to small businesses during COVID, and we continued to expand our reach through our very successful digital marketing campaign efforts, of which I think the Board received some slides yesterday on the performance of those. Our click-through rates on both our Business, Retention and Expansion program and our Good Life Quality of Life program are reaching above average, click-throughs -- about three to four times better than the industry average, which has been a great way to get not only information on our services, but site selection, and as well, to promote the community. We've also advanced a number of new technology updates to our website including the Broome County dashboard, a partnership with data from eImpact data, which provides real time economic data to the community, or those looking at the community, and will soon be up launching an updated Site Selection page that also will have a Mapme function, so individuals will be able to click and hover on projects that we've

supported. In addition to releasing our Annual Report last Friday, we launched a community survey related to the ongoing efforts of the Leadership Alliance to develop an Economic Blueprint Plan for the future. The survey will close out a wide range of community input that we've done over the last two months and it's our plan to bring the two Boards together in June to review those results. I just would like to thank the staff for their hard work in the last year and of course, thank our Board and our government and community partners for supporting our work in this last year. A couple other updates. We will be -- staff will be attending a Public Hearing of the County Legislature tomorrow regarding the potential participation in a COVID Recovery Fund, which I believe I shared some information with the Board previously. But as a refresher, County Planning Office will submit an application for funds from Community Development Block Grant stimulus dollars and has asked us to participate in administering a program that would provide small grant assistance to businesses. So, we're excited to potentially partner with the County in this endeavor. And then lastly, we are beginning our effort to utilize our EPA Assessment

Grant on the Endicott Forging site. We had a great session with the DEC recently, as well as the Town of Union and Village of Endicott. [Inaudible] to the completion of a Phase I and Phase II Environmental Assessment and will also be able to use these funds to complete a higher-level analysis -- redevelopment analysis for the property beginning at the corner of McKinley over to Hayes Ave. So, how do we redevelop potentially that entire block -- so more to come on that. That's all I had for my report. Happy to provide any updates.

Chairman Bernardo: Thank you, Stacey. Does anybody have any questions regarding the updates? Okay. As -- I trust everybody's had a chance to review the Internal Financial Report through April 30th? Any questions relative to that? Theresa is on with us, as is the rest of the staff.

Mr. Rose: One question and I probably should know the answer, but I don't. There's a -- on the BCIDA Fees -- the Sale Leaseback Fees, there was a budget of a little over 200,000, an actual of 76,000 -- do you want to explain that, rather significant development?

Ms. Duncan: Yeah, it's basically just timing. Right now, we have two projects pending closing. So, we have paperwork into the -- Northland Power for the Bluestone project, which we expect to be closing soon. We're targeting July 1 for that, and as well, we're hoping to begin the process of closing the Paulus Development 59 Lester Ave. -- the Victory project. So, it's really just a timing issue.

Chairman Bernardo: Thank you, Stacey.

Ms. Duncan: Um-hm.

Chairman Bernardo: Any other questions?
Moving on. Loan Activity Reports. I trust everybody's had a chance to review those through April 30th. Are there any questions for Tom Gray relative to that report?

Mr. Bucci: Yeah, John, I just have one for Tom. Tom, Roberts Stone. Does that seem like -- are we losing that one? I mean, they're not -- what are they -- 90 days behind?

Mr. Gray: Well, Rich, I have an appointment to meet with those folks next week to answer that question. My guess is that we haven't lost them yet, but we need to give them -- get them on some better

footing. So, I think maybe after my meeting next week, I'll have a better answer for you.

Mr. Bucci: Yeah, okay. I mean, I think even if they can start to pay something. I mean, they've been here a long time and hate to see them fall through the cracks. But I know there's not a lot of options. So yeah. All right. I'll wait till the next meeting, and hopefully, they're moving in a positive direction.

Mr. Gray: Yes.

Mr. Bucci: Okay. Thank you.

Chairman Bernardo: Any other questions for Tom, relative to loan activity?

Mr. Mirabito: There's no new developments on Mountain Fresh, either, right? Still in the courts?

Attorney Meagher: Still in the courts, Joe.

Mr. Mirabito: [Laughs.] Okay.

Ms. Duncan: Just a quick note on our Emergency Loan Program, when we shifted that last April. One of the terms with that was no P&I for a 12-month period. So, we'll be -- beginning in June 1, we'll start to receive our payments -- will start

coming back in on those loans that we provided last year.

Chairman Bernardo: Very good. Any other questions for Tom or Stacey relative to Loan Activity?

Okay, moving on to New Business. Resolution Authorizing an Extension of the June 2nd, 2020 Sales Tax Agreement with National Pipe and Plastics, Inc., from June 19th, 2019 Through and Including June 19th, 2022, of Which the Total Shall not Exceed \$418,000.00. Stacey.

Ms. Duncan: Thank you, John. As I noted in Governance, what we're seeing is really the continued sort of, COVID effect with regard to the duration of our sales tax exemptions. This one similarly. So National Pipe and Plastics was approved for a sales tax, in the amount of 418,000 that was set to expire June 19th of 2021. Due to production and delays in materials and equipment, they're seeking -- and because of COVID -- they're seeking a one-year extension of the term, no changes to the actual dollar amount. And as a refresher, this project is the construction of their new headquarters in the Village of Endicott.

Chairman Bernardo: And it's a beautiful facility, I have to say. I drive by it every morning. Are there questions for Stacey relative to this resolution? Mayor, this came through Governance?

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

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

Mr. Mirabito: I second. Joe.

Chairman Bernardo: Any -- thank you, Joe. Any discussion? I'll have a vote. All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any nays? Any abstentions? Carried.

Number Seven. Resolution Approving an Increase in the Amount of 408,000 to EJ Victory Building, LLC (The Company), in Addition to the Sales and Use Tax Exemption Approved in the Amount of \$1,440,000.00 on February 17th, 2021, Which Total Sales and Use Tax Benefit to The Company Shall not Exceed \$1,848,000.00. Stacey.

Ms. Duncan: Yes, thank you. Well, shortly after our February meeting, Matthew Paulus, who is

here on the call if -- should anyone have questions for him directly -- reached out to me and expressed the potential need for an increase in the dollar amount for his sales tax benefit. But the purpose, I think, is for a great reason. The proposed scope of work will provide 156 market rate apartments on the second, third and fourth floors, as well as commercial space on the fifth floor -- a great spot for a commercial space up there, enclosed parking on the first floor and amenities in the Victory Building. So, it's an expansion of the originally-proposed two floors. It's continuing that project now, rather than doing that later, so there's no modification to the PILOT benefit, only a request for an increase in the sales tax benefit to us -- from us, excuse me. And again, Matthew's here, if anyone should have questions, or I'm happy to answer any.

Chairman Bernardo: Thank you, Stacey. Does -- do any of the Board members have any questions relative to this for Stacey, or for the developer? Okay. Mayor, this went through Governance, as well?

Mr. Bucci: Yes, so we move 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. Any discussion? All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any abstentions or opposition? Carried.

Resolution Number Eight. Resolution Authorizing a Lease/Leaseback Transaction to Facilitate the Financing of the Construction, Rehabilitation, Renovation and Equipping the Greater Binghamton Sports Complex Located at 1500 Country -- County Airport Road, my apologies, in the Town of Union, Broome County, New York, and Appointing Kashou Enterprises, Inc. (The Company), as Agent of The Agency for the Purpose of Financing the Construction, Rehabilitation, 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 and 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, and a Real

Property Tax Exemption in an Amount not to Exceed \$620,721.83. Stacey.

Ms. Duncan: Thank you. Yes, so, this project, for consideration is for the approval of the benefits, as was stated. The action today would approve those benefits. We did host a Public Hearing on Monday evening, which I believe the transcript has been provided to the Board. Bob Kashou, who is here with us today, is planning to reconstruct what was at the site of the former Greater Binghamton Sports Complex -- the reconstruction of the dome facility, with a 98,000 square foot metal building, looking to expand into new sports programming and event hosting. The new event center on Airport Road will house five indoor turf fields, a two-story clubhouse, which can include amenities, such as food and beverage, retail space and several other amenities related to sports. The Kashou family has owned and operated this business for more than 20 years, and grown it into some of the most successful sports programming in the northeast. A copy of the Cost Benefit Analysis and Project Review Form has been included in your packet. The request is for a 10-year standard PILOT. Happy to answer questions.

Chairman Bernardo: Are there any questions by the Board for Stacey or for the developer, who is on the call, Mr. Kashou? Okay, Mayor, this too, came through Governance, correct?

Mr. Bucci: Yes, it did. We move it forward, as a motion to approve.

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

Mr. Cornwell: Cornwell seconds.

Chairman Bernardo: Thank you, Steve. Any discussion? Let's have a vote. All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposition? Any abstentions? Carried.

Item Number Nine. Resolution Authorizing a Lease/Leaseback Transaction to Facilitate the Construction and Equipping of the Altura at Skye View Heights Housing Project, Located at 105-1/2 Skye Island Drive in the Village of Endicott, Town of Union, Broome County, New York and Appointing American Horizons Group, LLC (The Company), as Agent of The Agency, for the Purpose of Constructing 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 and a Sales and Use Tax Exemption Benefit in an Amount not to Exceed \$800,000.00, to Provide a Mortgage Tax Exemption in an Amount not to Exceed \$160,000.00, and a Real Property Tax Exemption in an Amount not to Exceed \$8,811,446.24. Stacey.

Ms. Duncan: Thank you. I will make my comments brief. So, I know there'll be some potential questions and discussion. Rocky DiFrancesco is on the call with us today. As you know, he is proposing to construct a new housing development, Altura at Skye View Heights, in the Village of Endicott, including more than 120 market rate apartments for individuals 55 and over. The project is building on the success of the Skye View Heights Housing Development, also constructed by Mr. DiFrancesco, which has currently -- is at full capacity, and I believe has a waiting list. For consideration by the Board today is the approval of the benefits proposed. It is a deviation. It is a 23-year PILOT structure, to ensure that the project will be able to move forward. In doing some analysis the PILOT payment represents approximately 70 percent

of what would have been the full tax burden without the benefit, or a net benefit of 8.9 million. Sixteen million dollars of taxes will be generated from this project, with approximately half going to the Union Endicott School District and more than five million to the Village over the term of the PILOT. In addition, the project will retain -- work to retain all the residents in our community, and specifically in the village of Endicott, and serve as the largest new housing construction project in the Village, since I believe, Skye View. The PILOT schedule has been reviewed by the Town's assessing unit, the IDA. We had preliminary discussions on this, to bring to the Board, and as well, with the Village of Endicott and found no structural concerns at this time. For these reasons, staff and I do recommend approval. I do want to note -- as was asked in the previous -- in our Governance meeting, the Village Board did approve the PILOT schedule before you, by vote of three to two. So, I'm happy to answer questions. And again, Rocky is here, somewhere, on our Zoom.

Chairman Bernardo: Thank you, Stacey. Are there any questions by Board members relative to the project for Stacey or Rocky, who is on the call?

Mr. Rose: I do have some questions. The -- so, I'm referring to -- at least in our packet or some version of our packet, though, it begins on page 89. I'm going to have a couple of questions about revenue expenses, and then there's a calculation about captions -- Capitalization Rate Development. Those are the documents I'm referring to. So, on the revenue side -- 120 units -- there's one bedrooms [sic], two bedrooms and two bedrooms with dens. How many of each type of unit is there?

Mr. DiFrancesco: Anthony is still working on that -- laying out the building. I'm not sure if I want to put all the one bedrooms [sic] on one floor and the bedrooms [sic] on another floor. So, we're still working out the ratio and exactly how we're going to layout the inside.

Mr. Rose: Okay.

Mr. DiFrancesco: Twenty-one-acre site and it has a footprint of 45,000 square foot -- so about an acre. So, a lot of it will be left green space with trees. It would have been nice if the lower Phase I had some trees left on it, but there wasn't even a bush on that hill.

Mr. Rose: So, the number I'm looking at -- you've got 2,100 is an average monthly rental. How did you get to that number, then what's behind that?

Mr. DiFrancesco: Well actually, that looks a little steep, but I gotta [sic] tell ya [sic], I've made the paper a lot during this approval process. My phones are ringing every day from all over the country -- not just local -- of people wanting more information and reserve an apartment there. The lower levels of Phase I has [sic] no amenities. Up above, they're going to get indoor/outdoor pool, jacuzzi, gym, community room, and a gathering area with a gas firepit outside. It can have spectacular views, if you hand select the hardwood trees and make it like a park setting -- make it look like a Swiss Chalet sitting up nestled in the trees. Um, I think that it will be successful. There is a waiting list to get into Skye View. But more importantly, Brian, like the lower level, this was a very difficult site to develop. When I bought Skye View, I had friends that are developers that said, I think you made an error there Rocky. I don't know what you're going to do with that slope. Well, I think it's pretty nice -- when I got it done. I took the fill from the lower

tiers and kept moving it up. I didn't go out on the public street, tracking mud all over the roads, I cut my own snaked road up to that top tier, and I compacted that. That place has been there -- I'm in my sixth year. When I bought that property, Franklin Street was flooded every time it rained. In the winter, it was a solid sheet of ice. I remedied all that at my own cost and expense. Endicott didn't contribute five cents to that. Plus, the neighbors up on top of Dunlap Hill had no water pressure. At my own cost and expense, I ran an eight-inch copper main, which was not cheap, all the way up there. I tied in my villas, and then I deadend it up by the old neighborhoods, and the Village came in and tapped into that water line and replaced everyone's water service. So, everybody has water pressure on that hill. There is one thing that I wanted to tell you too, Brian. I appreciate what you said about the taxes are here -- and with this PILOT program, they're going to go here -- that's neither here, nor there. The thing that I see is a site, that isn't a site. If it was 300 foot of road frontage down on Country Club Road, it would be an easy development site. This isn't easy. This property was owned, over the last 20 years, by the

Grasso family. They sold me that land because they really didn't do anything with it. They did have a plan originally to build some houses up there, but it never came to fruition. That property is rocks and trees. It pays diddly squat in taxes right now, and it is of no benefit to the community. And more importantly, I think, and in my opinion -- and I grew up a half a block away from this development site -- I grew up on East Wendell Street, and I grew up as a teenager on Squires Avenue on the knob, and I think that what I see in the Village of Endicott, is there has been no new housing built there in decades. If you don't do something, I feel that the blight -- the presidential streets down on the flats, are deplorable. I mean, I think that Dunlap Hill, where Skye View is located -- that's what that hill is called -- I think that Skye View has become part of that neighborhood. And I'm there almost every day and I see people improving their houses, putting in new driveway, changing their windows out, putting new siding and roofing on their houses. I think that hill was very transitional, and could have gone either way. I think that this project, as well as the first phase of Skye View, has secured that entire hill

as part of West Endicott and the knob. So, I think that there are a lot of benefits to approving a project like this. I think I've talked about being a commercial developer for 40 years -- I'm kind of reinventing myself building these senior housing complexes. But in five years, a third of this population is going to be retired. If we don't give them some sort of a nice place to retire and spend your golden years, I think they're going to go elsewhere. I mean, you talk about good money, bad money. A lot of the people that have come to Skye View have come from other areas to retire in Endicott, New York, and a lot of them grew up as children in Endicott. I love Endicott and I put my heart and soul in the first community, and I know that this upper community will be a great contribution to the Village of Endicott.

Mr. Rose: Thank you. I mean, I accept a lot of what you're describing. What I'm really trying to get at is just kind of, some of the business terms in a sense of trying to determine the scale of a PILOT, right?

Mr. Pannicia: Brian, I have your answer for you. This is Anthony. There's 122 units preliminary

laid out -- there's 66 one-bedroom units, 36 two-bedroom units, and 23-bedroom units.

Mr. Rose: Okay. And then the number of 2,100 per month -- is that like a weighted average based upon the anticipated rents of that inventory? Or is there a market study? How did you get to 2,100?

Mr. DiFrancesco: Well, the rents are a couple hundred more -- that was the point I was starting to make, and I kind of got carried away with talking about the project, itself. The rents down below average around 1,900 a month. These are going to be a couple hundred dollars or more, but they have a lot of amenities. So, I feel that the market has leased that community and felt that the rent was fair. I don't think a couple hundred dollars more a month to be in a gated community with those amenities is farfetched.

Mr. Rose: Okay. So, you're basing it upon your existing rents in the lower part of the project that exist.

Mr. DiFrancesco: And rents of other retirement communities -- Reynolds Pointe, Good Shepherd, and Hilltop -- and we're under their market, so, I think they're fairly priced.

Mr. Rose: Okay. On the expenses side, you show a number of 258,790 on the PILOT payment. How did you calculate that? Is that just a weighted average over the number of years of the PILOT?

Mr. DiFrancesco: Yeah, I believe that that's how they did calculate it.

Mr. Rose: Yeah. Then you've got a page -- or I mean, I keep on saying you -- I'm not sure who prepared it, but there's a page called Capitalization Rate Development. And I don't completely understand the math there or the reason I'm looking at these numbers. And so, there's a table that says loan to value ratio 70 percent. I get that. There's a mortgage interest rate of 4.5 percent and a term. I get those two numbers. There's a factor labeled Mortgage Constant. What is that and why is it -- why should I pay attention to it?

Mr. DiFrancesco: Well, that's prepared by my CPA and they're not there. They helped me understand the numbers. I look at the bottom line. I look at the income stream, and what I think it's going to cost to build. If I had built Skye View today, the cost would be at least 50 to 60 percent more than it costs, and I am a little concerned with the rising

costs, and more importantly, limited supplies of building materials right now due to COVID. So, I felt the original numbers that that project could be built for about 16 million -- I'm questioning that right now. I certainly wouldn't want to get involved in a project that may end up costing double that, or getting halfway through the project and not being able to get the materials to finish it. So, the numbers right now that I used six months ago, may be very different upon the starting this project, but that's something I'm gonna [sic] have to work out with Anthony.

Mr. Rose: So, maybe a better, more efficient way to get at what I'm trying to get at here is to kind of, give you my end game and then work backwards from it. So, there is a -- we're being asked to approve a PILOT. The PILOT we're being asked to approve is a deviation from our standard PILOTS, right. And, so, I don't know if other Board members think about it in this way -- I can only explain how I think about it. I accept that we have high tax burdens generally, and so to the extent that we want development, we want to -- we're going to need to make some -- provide some incentive for that development.

And, I look at the standard PILOT rates as sort of a floor, if you will, of what our estimate is, of -- that's a crude way of thinking about it -- but all right, we got to provide at least this. And then, your proposal asks us to do more than that. And, I think about it from this point of view -- conceptually, we shouldn't want to relieve any developer of more tax burden that is necessary to have the project go forward, all right. So, how do you figure out how much relief do you provide?

Mr. DiFrancesco: Well. . .

Mr. Rose: Go ahead.

Mr. DiFrancesco: Well, Brian, I really can explain this very easily. When I built Skye View, I carried that construction loan -- which I personally guarantee all my development loans have been personally guaranteed -- and they're all financed by Visions here, locally. Um, sixteen million dollars, we're going to use that number -- loan to carry it, and until I had Skye View, Phase I stabilized, I carried that loan -- that construction loan, for four years. I mean, on a 10-year PILOT, the numbers just don't work. That's why I'm asking for a deviated PILOT, here. This is an expensive project. I

certainly couldn't carry that kind of burden for four years. This project is more than twice the size of Skye View Phase I, on a ten-year PILOT. It just doesn't work.

Mr. Rose: I get ya [sic]. I'm just trying to figure out how we should think about how much more, is necessary. I've taken up a lot of time. So, I will stop at this point. Thank you. I appreciate your feedback.

Mr. DiFrancesco: Thank you, Brian.

Chairman Bernardo: Any other questions for Stacey or the developer, by the Board? Okay, gonna [sic] move it to -- Mayor. You reviewed this in Governance?

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

Chairman Bernardo: Thank you. Is there a second?

Mr. Crocker: Dan. I'll second.

Chairman Bernardo: Thank you, Dan. Any discussion?

Mr. Rose: I'll throw out one. . .

Chairman Bernardo: Go ahead.

Mr. Rose: . . . thought in the form of discussion. The -- at the end of the day, we have a pattern of giving some deference to the judgment of the municipalities when they approve PILOTs. We've had the opportunity through staff to participate in this one, and so I accept all of that. What I'm really driving at, and I think it's for the Board to discuss on a going-forward basis, rather than holding this particular project up to a different standard that we've applied in the past. I'd like to feel more confident that we're making judgments about the value of PILOTs -- because these are big numbers, right -- in a way where we're not offering substantially more tax benefit than is necessary to provide a reasonable rate of return to the developer of any particular project. I could play around with cap rates and things on this project -- and I ran some numbers myself and all of that. If I could roll back the clock two months, and I was sitting there at the table, I'd push a little bit, frankly, in terms of where we are, but that's for us to discuss, I think, as a Board, on a going-forward basis, and I'll leave it at that.

Chairman Bernardo: Right.

Mr. Bucci: John, I'd like to add a comment to what Brian said.

Chairman Bernardo: Go ahead.

Mr. Bucci: Brian, I agree with you. I think we talked in the past, about sitting down, and looking carefully at the criteria we use to determine PILOTs. And when a developer comes to us, and says they need a PILOT for various financial reasons -- and I'm [inaudible] referring to this particular case -- but I'm -- when we have developers come to us, do we have a way to validate what is being presented to us? So, I agree with you. I think, we've talked about having a kind of a work session, to sit down and kind of review our policy and how we make a determination on what the size of the PILOT should be, and things of that nature. So, I agree with where you're coming from. I think this is something -- we can't change the rules in the middle of the game, obviously, but I think we ought to spend more time of looking at the broad concept.

Chairman Bernardo: And, if I may weigh in, as we all know, an application is presented to us and assuming it's been vetted by staff and that it's a complete application, it certainly gets consideration.

Included is a Cost Benefit Analysis. Does it meet that criteria? Included is -- when we're talking about a deviated PILOT, the support of the municipality. And lastly, we consider the character or the history of the developer. Can they actually complete the project? Are we sure that we're allowing business to be done with non-nefarious characters, we'll say? So, with those factors in mind, that's what we use -- our good judgment. That's the basis for our good judgment. I would ask, and Mayor, I know we throw a lot at you because you're the head of Governance, but I would ask if we need to change that, or we need to expand that set of criteria, I'm going to throw it back to you, to take the lead on that, if you don't mind. What I would also suggest is we be cognizant of the municipalities' input on this, because at the end of the day, if a municipality feels strongly about a project, and one could debate strongly or not -- a majority of a Board supports a project -- I start to take a step back, given my past in municipal government and say, who the hell is the IDA to be second-guessing our decisions? After all, it's our tax jurisdiction. But with that in mind, I

think we should have that discussion. See if there's more to talk about.

Mr. Bucci: Sure. Okay.

Chairman Bernardo: Thank you.

Ms. Duncan: John, if I may, I mean, from a staff perspective, I think, the Cost Benefit Analysis is a component and, that the ABO provides and requires of us. So, the Cost Benefit Analysis that you get is being used across IDA's throughout the state -- it does not mean that we -- then there are the intangibles that we try to factor in through conversations with the municipalities and other factors. As far as term -- I know we've talked about and others are doing -- is when it comes to residential, because we're seeing more and more residential projects -- how do we establish sort of, a baseline and we do look at previous PILOTs awarded -- we look at the -- does the term makes sense for potentially the term of the financing? Does it run, coterminous with what we think the financing would be? Is there a requirement that the financing and the PILOT match up, as often is the case with affordability -- affordable projects, as well? So, there are a lot of factors. I will say, I've seen

with the last number of PILOTs, and the two on this list -- agenda today, and as well, one that is hopefully in the pipeline, there's been great, great, and I think improved communication with talking with the assessing unit, talking among the IDA at the development stage, and bringing some of these concerns of the Board, if you will, to those conversations -- so you're not getting these things at the final moment -- that there is a lot of that conversation happening. And they've been great conversations, and I think, very productive. I will say, one of the things we are working as a group throughout the state is with the way in which we are -- how we're measuring these projects, as well, and that criteria at the state level, because IDA's aren't doing just commercial and industrial projects anymore. We're doing things like housing, things like renewables. So, I think all of this is well-timed to look at how we may want to modify or tweak or do something, and we'd be very interested in having those conversations -- getting the Board's feedback on that.

Chairman Bernardo: Thank you, Stacey. We have a motion and a second on the floor. Are there

any other comments or any other questions? Let's take a vote. All those in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Any abstentions?

Mr. Gates: One abstention, John.

Chairman Bernardo: Thank you, Dan. Motion carried.

Number Ten. A slightly revised resolution, as you all know -- Resolution Consenting to the Assignment by L3 Technologies, Inc. and 147 Industrial Drive, LLC, to Spirit Realty, L.P., of a Certain Lease Agreement, Leaseback Agreement and Payment in Lieu of Tax Agreement, Dated as of May 12th, 2020, Covering Premises Located at 147 Industrial Park Drive, in the Town of Kirkwood, County of Broome and State of New York, as set Forth in Exhibit A, Attached Hereto.

Stacey.

Ms. Duncan: Yes, thank you. So, the reason for the revision was -- of this was within the language of the resolution to accurately reflect the transfer of the PILOT request and all parties involved. So, what we have here is a request from

from L3 Technologies and 147 Industrial Park Drive, LLC to transfer the benefit that was previously provided to them to Spirit Realty, and as well, CAE USA. So, Spirit Realty will be the new owner of 147 Industrial Park Drive, and will be leasing that to CAE USA, which is a subsidiary of CAE, which is a Canadian-based firm. CAE USA has purchased L3 Harris located in Kirkwood. They plan to keep the facility running and operating in the same manner as which L3 has run that facility. It is CAE USA -- their core competency is in the area of flight simulation, manufacturing and engineering. So, we see no substantive changes, and as well, they have stated that they maintain -- will maintain jobs located at the facility. So, the purposes of today is [sic] for the Board to approve a transfer of the PILOT benefit from 147 Industrial Park Drive and L3 Technologies Inc., to Spirit Realty. If you have questions on that, let me know.

Chairman Bernardo: Any questions for Stacey on this particular item?

Mr. Mirabito: Stacey? Do we -- Spirit Realty -- do we know who they are? I'm a little confused here.

Ms. Duncan: That's -- Carrie Wenban, with LGT is on the call to answer questions related to the transaction. Carrie, you're with us?

Ms. Wenben: I am. Good afternoon. So, with respect to the transaction -- in February of 2021, I was approached by CAE's counsel -- their corporate counsel DLA Piper -- they had entered into an agreement effective February 27th, with L3 Harris Technologies in terms of transferring -- in purchasing L3's Military Training Division and acquiring that as part of CAE. We became aware recently that the property owner is currently looking to sell the property to Spirit Reality -- that I believe is a company that may be out of Texas. Our office is not representing Spirit in that transaction, but we have become aware of it. My -- the property is leased currently, exclusively to L3 Harris Technologies, and CAE would assume that lease and look to assume the PILOT benefits, but separately the property owner, 147 Industrial Drive, has entered into a separate transaction to sell that to Spirit Realty, which I believe is a Texas company, and that is being handled by a -- The Woods Oviatt firm, I believe, and Lillian Levy, I think is involved with that transaction, as

well. I can ask Lillian for some further information about Spirit Realty and can send that to Stacey, if you would like.

Attorney Meagher: Joe, this is Joe. As part of this transaction, Spirit Realty will be held to all the same obligations that 147 Track Drive is and should they fail to live up to any of those obligations with respect to employment reporting, etc., the PILOT's at risk -- we can discontinue to PILOT the same as we could with any other company who has received these benefits in the past.

Ms. Wenben: And just to follow up to what Joe was saying, the employment numbers are actually -- the employees are all L3 . . .

Attorney Meagher: Correct.

Ms. Wenben: . . . employees, that would be CAE -- becoming their employer. Spirit Realty, 147 Track Drive, are just the property owners who lease it currently to L3. All of those employment obligations would become CAE's, which they acknowledge they need to continue to employ those individuals and comply with terms of the agreement and PILOT, and we had a pre-call prior to this call, with two CAE

representatives, so Stacey would have an opportunity to meet them prior to the Board meeting today.

Mr. Mirabito: Yeah, I saw that. I just wonder if it's common practice just to make -- we make sure that their credit-worthy, but I don't know if that's our job or not. I mean, Joe says we have. . .

Ms. Duncan: We have the full -- yeah, we have the full -- the same recapture clause would apply . . .

Mr. Mirabito: Right.

Ms. Duncan: . . .to this, as would to any . . .

Attorney Meagher: And they're obviously paying Steve Wozniak, 147 . . .

Mr. Mirabito: Yeah, right.

Attorney Meagher: . . . Track Drive. He's not giving it away.

Mr. Mirabito: Yeah, no, no. [Laughs.]

Mr. Keller: Stacey and Joe, this is Ben Keller. I'm Spirit Realty's counsel at Woods Oviatt, in Rochester, New York. Nice to meet everyone. And just to give a little background on Spirit Realty, they're a publicly-traded Real Estate Investment Trust, based out of Dallas, Texas. They're publicly

traded on the New York Stock Exchange, and they are under contract, with Steve Wozniak's LLC to purchase 147 Industrial Park Drive. And this is one of the items that they need to get cleared for closing -- is to have the PILOT and the Lease/Leaseback from the IDA transferred over to them, as the new fee owner.

Mr. Mirabito: Okay, thank you.

Chairman Bernardo: Any other questions for Stacey, or any of the attorneys on the call?

[Laughs.]

Attorney Meagher: We got enough of them, Joe? Or John?

Chairman Bernardo: Yeah, I was waiting for one of you to say that. Thanks, Joe. [Laughs.]
Mayor, this came through Governance?

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

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

Mr. Cornwell: Cornwell seconds.

Mr. Mirabito: I'll second.

Chairman Bernardo: Steve beat you to it, Joe.

Mr. Mirabito: Okay, good.

Chairman Bernardo: Any further discussion?
If not, we'll have a vote. All those in favor, say
aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Any opposed? Any
abstentions? Carried.

Item Number Eleven. I heard the last
comments from the Mayor coming out of Governance, that
this topic has been tabled for the time being, as
Stacey reaches out to the municipal leaders at the
request -- rightfully so -- the county officials to
seek some input from them before we proceed with our
further discussion, and possibly establishing a new
set of PILOT parameters for Solar and other energy
products. Is that correct, Mayor?

Mr. Bucci: Yes, it is. The County would
just like to broaden the input on the policy and they
asked the IDA to reach out to local municipal leaders
to get their input. So, Stacey and her staff is [sic]
in the process of doing that. So, until we get some
feedback from them, we're just putting this on a hold.

Chairman Bernardo: Excellent. With that
said, is there a motion? Are we going into Executive
Session, Stacey?

Ms. Duncan: I just have one item I wanted to update the Board on.

Chairman Bernardo: Okay, I'm looking for a motion to go into Executive Session.

Mr. Rose: So, moved. Brian.

Ms. Sacco: Second.

Chairman Bernardo: Is there a second?

Ms. Sacco: Cheryl.

Chairman Bernardo: All in favor, say aye.

Unknown: [Aye -- in unison.]

Chairman Bernardo: Natalie, will you please put us into Executive Session mode?

Ms. Abbadessa: Yes. One minute.

Chairman Bernardo: You'll probably switch to Stacey, right?

Ms. Duncan: Yeah. Nat, can you make me host?

Ms. Abbadessa: Put everyone in the waiting room?

Ms. Duncan: Yeah. Just tell me when -- blue nod, when I'm host. Okay. I'm again, not as quick as Natalie is with this, but -- getting there. Let's see. Tom, you're on, right? Okay. Just about

there. Steve, your 624-5560, correct? I don't want to put you in the waiting room.

Mr. Cornwell: Correct. Yep.

Ms. Duncan: Thank you. Carrie reminded me to stop the recording.

Ms. Abbadessa: . . . First and Second to come out of Executive Session.

Ms. Duncan: Rich made the motion and Brian seconded.

Ms. Abbadessa: Perfect, thank you.

Ms. Duncan: And oh, wait. I don't know if that was on the record. Rich made the motion, Brian seconded.

Chairman Bernardo: All right. With that in mind, looking for a motion to adjourn.

Mr. Crocker: Motion, Dan.

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

Mr. Gates: Second, Dan?

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

Unknown: [Aye -- in unison.]

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

[The Board Convened to Executive Session at 12:49 p.m. on a motion by Mr. Rose, seconded by Ms. Sacco.]

[The Board Reconvened from Executive Session at 1:25 p.m. on a motion by Mr. Bucci, seconded by Mr. Rose.]

[The meeting was adjourned on a motion by Mr. Crocker, seconded by Mr. Gates at 1:25 p.m.]

[Attendees: John Bernardo, Jim Peduto, Rich Bucci, Dan Crocker, Brian Rose, Cheryl Sacco, Dan Gates, Joe Mirabito, Stephen Cornwell, Stacey Duncan, Tom Gray, Natalie Abbadessa, Carrie Hornbeck, Theresa Ryan, Brendan O'Bryan, Amy Williamson, Joe Meagher, Bob Kashou, Monarco "Rocky" DiFrancesco, Anthony Pannicia, Mayor Deemie, Carrie Wenben, Matthew Paulus, Michael Tanzini, Robert O'Donnell, Benjamin Keller, Sarah Kwiatkowski, Tom (USA Today).]

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 May 19,
2021.

Carrie Hornbeck / signed electronically

CARRIE HORNBECK

Executive Assistant

The Agency Broome County

Industrial Development Agency

FIVE South College Drive

Binghamton, NY 13905