

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting Transcript

Held via Zoom, February 16, 2022, commencing at
11:01AM. Adjourned at 12:03PM.

[See attendees at end of transcript.]

Digitally recorded proceeding
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MR. BUCCI: We'll call the meeting to order, and the first item on the agenda is the acceptance of the February 7, 2022, Governance Committee Meeting transcript. Carrie sent this to all members. They had an opportunity to review it and make any revisions, so we will accept the transcript for the record.

The next item on the agenda is public comment. Members of the community have an opportunity to address the committee for five minutes. All we ask is that you give us your name and address, and the floor is yours. At this time, we'll open it up to public comment if there anyone who would like to speak at this time.

Okay. Seeing or hearing none, we'll close the public comments section of the meeting, and move on to our first item on the agenda, Review/Discussion/Recommendation to Accept an Application from Lehtonen Lumber, LLC D/B/A Foland Lumber & Building Supplies and Authorizing a New York State and Local Sales and Use Tax Exemption in an Amount Not to Exceed \$12,000, for a Term Not to Exceed 12 Months, Consistent with the Policies of The Agency in Connection with the Construction, Expansion, and Equipping of the Property and Building Located at 552 Old Front Street, in the Town of Dickinson. Stacey?

MS. DUNCAN: Thank you, Chairman. Yes, this is a nice project, an expansion project of a local business here, Foland Lumber, which has been in business in Broome County for quite some time. Brenda Lehtonen, I believe you just joined via telephone. Is that you? I think we do have Brenda Lehtonen.

MS. LEHTONEN: Yes. I did.

MS. DUNCAN: Thank you should the Governance Committee have questions. But just briefly, the project will include a first story addition of roughly just shy of 500 square feet, a second story office, conference, and break room of roughly 926

square feet, with adjoining stair vestibule of 164 square feet. The existing building includes an 8,962 square foot warehouse and covered storage area adjoining an existing showroom space of just about 962 square feet. The total project cost on this is about \$195,000. Eligible sales tax exemption would bring a benefit of \$12,000 to the project.

And as I mentioned, Brenda Lehtonen is on the phone, should the Board have any questions. But again, a nice project as they continue to grow and expand in the market.

MR. BUCCI: Any questions for either Stacey or Brenda?

MS. LEHTONEN: Do I have any questions?

MS. DUNCAN: No, Brenda, it's if the Governance Committee had any for you.

MS. LEHTONEN: I'm sorry.

MS. DUNCAN: No, that's okay.

MS. LEHTONEN: Okay. All right.

MR. BUCCI: Feel free to ask us questions if you like.

MS. LEHTONEN: No, I don't have any. Thank you.

MR. BUCCI: Okay. All right, I'll entertain a motion at this time.

MR. PEDUTO: Jim. So moved.

MS. SACCO: Second.

MR. BUCCI: Moved by Jim, second by Cheryl. All in favor?

ALL: Aye.

MR. BUCCI: Any opposed? Any abstentions? The motion is carried. The next item on the agenda is Review/Discussion/Recommendation to Approve an Extension of the June 10, 2021, Sales and Use Tax Exemption Agreement and the June 10, 2021, Sales and Use Tax Exemption Increase Agreement of EJ Victory Building, LLC, from February 17, 2022, Through, and Including, February 17, 2023, the Total of Which Shall Not Exceed \$1,848,000. Stacey?

MS. DUNCAN: Yes. As I think I mentioned in a previous meeting, I think any projects that we've approved through COVID are seeing the same situation occur, where they're either seeing increased costs or increased delays in supplies, so this one cost in that category. Matthew Paulus is seeking only an extension of the term, so he's just asking for extra time for that benefit due to a number of construction delays, material delays. The project itself, however, is on track.

Actually, Steph and I just met with Matthew recently. He's planning a groundbreaking event in early March which he would like the Board to attend. He plans to get underway very quickly with the project, and this benefit will just help him through the construction phase as is intended. I do believe Mark Jenkins who's representing Paulus Development just jumped on the call if anyone has questions for him.

MR. CROCKER: I have a question, Stacey. That Sales and Use Tax Exemption, they're supposed to adhere to the local labor language on that, correct?

MS. DUNCAN: Yes.

MR. CROCKER: From my understanding, the framing, finishing, and windows are all being handled by out-of-town contractors. Do you know what price is in?

MS. DUNCAN: Locals? Okay, I will check. I don't know if we've had a waiver request come in. I can go back and check on that. I don't recall. Mark -- I know Mark's just joined Paulus Development -- I don't know if you have any comments to Mr. Crocker's question or statement there?

MR. PAULUS: Stacey, I'm on the phone.

MS. DUNCAN: Hi, Matthew. I didn't see you there. Thanks.

MR. PAULUS: Dan, regarding those items that were referenced, I believe all of those have been in accordance with the policies that are required under the economic benefits provided. The windows in particular, these are custom historical replica windows which are only sourced and supplied by certain national vendors. In this case, the windows are being purchased by a company out of Buffalo. The processes were adhered to, and the Agency should have received -- if they haven't we will ensure that it is -- but I'm almost certain that we did provide a waiver request for that specific item.

It was very similar to the ANSCO Camera Factory project. The vendor is based out of Buffalo, out of New York State. The folks that are able to compete and bid on this project are national vendors, and we were able to keep that in New York State, which I think is a big win. The other question you had on the carpentry work, that was competitively bid. I know a lot of local firms bid on it, but based upon the scope of work and pricing, a waiver request was submitted on that. There was a

material difference on that, and that was also adhered to with the program.

What I would say for the most part, Dan, if we look at the MEPs and the major trades on this, from Schuler Haas to Slavic, the largest percentage of this project are local Broome County subcontractors, and LeChase Construction Services, which is a locally based construction management firm, is also the CM on the project as well.

MR. BUCCI: Stacey, how does the waiver process work? A developer submits a waiver to you, and then you approve it? It doesn't have to come to us, does it?

MS. DUNCAN: No, typically it would go to Operations, so Tom historically has approved those waivers. What would occur is we would request a demonstration of the competitive bidding process, so we can verify that as well. I think that's the most important piece, that we can demonstrate that local contractors had the opportunity to bid. We don't mandate that, but we do mandate that they have the opportunity to bid. I know with the windows, in the case of historic projects, there are limited vendors that can meet the State's criteria for historic tax credits.

I am checking on the waiver request with Natalie, and we will produce that for the Board just for our purposes, but that's typically the process. I'm checking with Tom as well.

MR. CROCKER: The last time I had asked Tom, he said there were no waivers at that time.

MS. DUNCAN: We're checking on that. Yeah, we're checking on that, Dan. Thank you for bringing that up.

MR. CROCKER: I know the company that's doing the drywall

and stuff, they've had past indiscretions let's say. They were made to pay back \$380,000 in wages to their workers, so I hope they've changed their ways since then. They were forced to pay those back wages. When contractors do that type of stuff, they damage the whole industry. They were paying them as independent contractors instead of employees, so that way they don't have to pay unemployment insurance and compensation on them. Those are unfair bidding practices. I just want to make sure everything's on the up and up.

MR. BUCCI: Where did they [inaudible], Dan?

MR. CROCKER: Liverpool and Syracuse.

MR. PAULUS: I'll check into it.

MR. BUCCI: Hopefully so. Any additional questions at this time for Stacey or Matt?

MR. PAULUS: Former Mayor Bucci, just to add to Stacey too, just to put this in perspective. This is obviously a massive investment into the area. The construction cost increases that this project has had to handle, although I'm sure there will be more in the future as we have not seen anything abate, but really we needed to develop a solution to put together a construction loan closing. As the Board is probably aware, we did close the construction loan right before Thanksgiving of this past year. Based upon the sheer size and scope of this project, it is a multiyear project.

At this point, we are not asking for an increase in terms of the economic benefits, but more or less the timeline to fit the project. The original application was submitted in February of 2021. The construction loan, we were not able to bring together all the sources and uses until November. We are

grateful for the Board and their support to help us do that and overcome some of those challenges, but we do anticipate this project most likely extending past February 1, 2023, and coming back to the Board and requesting some additional time with this.

It is 156 apartments. I think everyone's familiar with the building. It's a complex project, but we are on track. It is very exciting to see what has gone on so far. I know there's still a lot of room to go. There's a lot of supply chain and labor shortages that we'll have to work through over the coming months, but this is going to be a fantastic project and we are 100% invested behind this and appreciate the continued support of this Board.

As Stacey mentioned too, we will be sending out formal invites to everyone. We are looking to host a formal groundbreaking the first part of March and would appreciate if the Board could participate in celebrating at least this moment in time to start construction and to see some of the progress that is underway at the building.

MR. BUCCI: Very good.

MR. CROCKER: Thank you, Matt.

MR. BUCCI: Any additional questions for Matt or Stacey? Okay, thanks Matt.

MR. PAULUS: Thank you.

MR. BUCCI: I'll entertain a motion.

MS. SACCO: Motion.

MR. BUCCI: Motion Cheryl. Is there a second?

MR. PEDUTO: Jim.

MR. BUCCI: Second Jim. All in favor?

ALL: Aye.

MR. BUCCI: Any opposed? Motion carries.

MR. PAULUS: Thank you.

MR. BUCCI: The next item on the agenda is Review/
Discussion/Recommendation to Approve Summary Results of
Confidential Evaluation of Board Performance. Stacey?

MS. DUNCAN: Yes. This is part of an annual review that
we do administratively at this time every year. The Board was
sent out a survey of Board performance that has since been
completed, and those results were shared with the Board. I do
believe John reached out to you as well to discuss any items on
that list. Really the purpose for today is to accept and
approve the summary results of that evaluation.

MR. BUCCI: Any questions for Stacey at this time? Okay,
I'll entertain a motion.

MR. PEDUTO: Jim.

MR. BUCCI: Is there a second?

MS. SACCO: And the motion is just to send this to the
entire Board for discussion?

MS. DUNCAN: Yes.

MS. SACCO: Yeah. Second.

MR. BUCCI: All in favor?

ALL: Aye.

MR. BUCCI: Any opposed? Okay, motion carries. Next item is Review/Discussion/Recommendation to Approve the 2021 Mission and Measurement Report. Stacey?

MS. DUNCAN: Again, also an annual review that we do of our performance against strategic planning and annual budget. We do this for both the IDA and the LDC. It is a self-evaluation of 2021 performance for the IDA, and so some of those key items that were included in your packet are: facilitated for meetings and forums of key stakeholders to discuss physical and technology infrastructure necessary to support community economic development, continued to proactively work with municipalities to prepare for new business development, supported existing new businesses and developers by identifying grants and internal financing opportunities, filled project gaps and prepared and initiated asset and project development mapping for target areas in each community, continued to pursue new industry sector clusters and supply chain development to enhance local strengths such as healthcare, manufacturing, and energy storage, and expanded the reach of our business retention initiative. The purpose of today's action will be to approve the Mission and Measurement Report provided by the staff, and subsequently it will be posted to the website.

MR. BUCCI: Okay. Are there any questions at this time for Stacey? I'll entertain a motion.

MR. PEDUTO: Jim.

MR. BUCCI: Is there a second?

MS. SACCO: Second, Cheryl.

MR. BUCCI: Cheryl. All in favor?

ALL: Aye.

MR. BUCCI: Opposed? Okay, motion is carried. Next item on the agenda is Review/Discussion/Recommendation to Approve the Readoption of The Agency Bylaws and Policies and Procedures: Code of Ethics Policy, Whistleblower Protection Policy, Defense and Indemnification Policy, Compensation, Reimbursement, and Attendance Policy, and Travel Policy, with no changes. Stacey?

MS. DUNCAN: Again, our annual review-

MR. BUCCI: Summary first off.

MS. DUNCAN: What was that?

MR. BUCCI: Can you give us a summary of each one?

MS. DUNCAN: Yeah. Exactly. This is again our annual process of reviewing policies, procedures, and especially our bylaws and all related policies to essentially determine if any modifications should be changed due to changing market requirements, etc. Staff has reviewed, and at this time feels no need for changes to our policies as currently written.

MR. BUCCI: Any questions for Stacey? Earlier we talked about the conflict of interest. Did we make changes to that? We updated what the procedure was for notifying us of a conflict of interest. Does that fall under one of these?

MS. DUNCAN: The conflict of interest policy just sort of sets forth the framework for how we define a conflict. The action that we discussed was more the protocol or process involved. What we're trying to make sure of in advance of meeting dates is that a notification be provided to Governance Chair -- so that would be you, Mayor -- the Director, myself, and counsel, so that we have adequate time to review and counsel can review and determine if something is a conflict.

Sometimes there are questions of, "I'm on this board and I'm not sure if that's a conflict," those types of things. Sort of just defining in more detail the process by which Board members can notify us and we can verify that, but the policy and the framework for conflict of interest hasn't changed, per se. It's more just our internal action item.

MR. BUCCI: Our procedures for reviewing it, I guess. Okay, any other questions at this time? Okay, I'll entertain a motion.

MS. SACCO: Motion.

MR. BUCCI: Motion, Cheryl.

MR. PEDUTO: Second.

MR. BUCCI: Second, Jim. All in favor?

ALL: Aye.

MR. BUCCI: Any opposed? The motion is carried. Okay, the next one is on going into Executive Session. Is the Mayor on at this point? Do we know?

MS. DUNCAN: Yeah. I appreciate the feedback from Cheryl. I want to make sure moving forward that I do provide, per Authority Budget Office guidelines, a framework in public session of the purpose for our Executive Session. The purpose for today's Executive Session is related to the sale of property at 11 Court Street in the City of Binghamton, a potential purchase of land by the IDA in Broome County, and thirdly, a potential modification to a product agreement that I need to discuss with the Board in Executive Session.

MR. PEDUTO: I move that we go into Executive Session for those purposes.

MR. BUCCI: Is there a second?

MS. SACCO: Second.

MR. BUCCI: All in favor?

ALL: Aye.

MR. BUCCI: We will now move into Executive Session.

(OFF THE RECORD)

MR. BUCCI: Back in session. The next item on the agenda is No. 10, and I'll read what I think it should say. Correct me if I'm wrong. It's Review/Discussion/Recommendation to Authorize The Agency to Offer an Option for the Property Located at 11 Court Street in the City of Binghamton, Broome

County, to Boscov's for \$1 a year, so it would be \$2. Is that accurate?

MS. DUNCAN: Joe, are you comfortable with that language?

MR. BUCCI: So essentially what we're offering to Boscov's is to purchase the property at 11 Court Street for two years at \$1 a year. Does this need any additional discussion? Is there a motion?

MR. PEDUTO: Jim.

MS. SACCO: Second, Cheryl.

MR. BUCCI: Second by Cheryl. All in favor say aye.

ALL: Aye.

MR. BUCCI: Any opposed? The motion carries. I need a motion to adjourn.

[The meeting was adjourned on a motion by Ms. Sacco, seconded by Mr. Peduto, at 12:03PM.]

[Attendees: Rich Bucci, Jim Peduto, Cheryl Sacco, Dan Crocker, Stacey Duncan, Carrie Hornbeck, Brendan O'Bryan, Theresa Ryan, Amy Williamson, Patrick Doyle, Joe Meagher, Matthew Paulus, Mark Jenkins, Brenda Lehtonen, Mayor Kraham, Mayor Meaney, Michael Tanzini, Jim Ehmke.]

C E R T I F I C A T E

I, Elana Hulsey, certify that the foregoing transcript of the IDA Governance Committee Meeting on February 16, 2022, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature: _____



Date: February 19, 2022