

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

IDA Special Board Meeting Transcript

Held via Zoom, March 22, 2022, commencing at
4:00PM. Adjourned at 4:14PM.

[See attendees at end of transcript.]

Digitally recorded proceeding
Transcribed by: Elana Hulsey
Reporters Transcription Center
P.O. Box 903
Binghamton, NY 13902

CHAIRMAN BERNARDO: Thank you all for joining us at this special meeting of the Broome County Industrial Development Agency of March 22, 2022. Looking at this time for anybody wishing to speak on any matter concerning The Agency or this topic. Feel free to state your name and address for the record, and please limit your comments to five minutes if possible. Would anybody like to speak?

No hands up, moving on to Item No. 3, Resolution Accepting an Application from 4301 Watson Boulevard, LLC (the "Company") for a Lease/Leaseback Transaction to Facilitate the Financing of the Demolition, Construction, and Equipping of the Building Located at 4301 Watson Boulevard in the Town of Union, Broome County, New York, to Provide a Sales and Use Tax Exemption Benefit in an Amount Not to Exceed \$1,754,866, to Provide for a Mortgage Tax Exemption in an Amount Not to Exceed \$395,767, to Provide for a Real Property Tax Exemption in an Amount Not to Exceed \$559,922, and Authorizing The Agency To Set and Conduct a Public Hearing with Respect Thereto.

Keep in mind this was brought up at our regular Board Meeting last week. Because we did not have sufficient time to truly review the materials, we decided that it would be better to hold a special meeting, give the Board members a chance to look at the documents, and now I'm going to hand it off to Stacey, who can give us background on it, and maybe the developers if they're participating.

MS. DUNCAN: Absolutely. My pleasure. Good afternoon, everyone. Thank you to the Board for making time to do this special meeting. It is exciting to bring this project to the stage that we're in, which is to just accept the application for the purposes of doing our more public due diligence and setting a public hearing date ultimately considering benefits. This project includes the redevelopment of the former IBM

Country Club, which the Broome County LDC is now a proud owner of.

The proposed development by Conifer Realty and LeChase Construction will include the demolition of the current structure at the site and the construction of a new double loaded corridor apartment building. A project rendering has been included in your packet. The proposed development will create 75 new mixed-income apartments affordable to families earning between 30 and 90% of the area median income. We expect that this project's rents will range somewhere from the \$700 range to capping potentially below or around \$1,000.

The three-story double loaded corridor elevator building will be approximately 35 feet tall and contain 18 one-bedroom apartments, 38 two-bedroom apartments, and 19 three-bedroom apartments. Vehicular access will be provided off of Watson Boulevard, with the parking lots on both ends of the building. The central drive connecting the lots will provide a drop-off area in front of the main entrance, and it will also provide ADA accessible parking. Some of the units will be set aside for those with a disability. Conifer Realty has already been in touch with Springbrook and is talking with others potentially on a partnership there for management of those apartments.

The proposed development will be constructed as a wood frame structure that will hold all 75 apartments, as well as communal amenities such as a fitness center, community room with kitchenette, laundry facilities, outdoor patio, and playground. There will be on-site management and maintenance. Conifer does manage their properties. They are also in communication with the Town on some area -- I believe it's to the southwest corner of this site -- to do some green spacing in partnership with the Town that would be available to the community and the surrounding neighborhood there.

You also have in your packet one of our new form of cost/benefit analysis, which provides you an example of the economic impact over the life of the PILOTs. If you turn to the last page of that document, at the bottom you'll see that the benefit to the public is estimated over the life of the PILOT at \$33,120,619 at a public cost of just shy of \$2.7 million, so it has a strong ratio of 12 to 1 as far as public benefit to the benefits received.

The PILOT structure, as I noted last week, is with our new Standard Affordable Housing Schedule, where we look at the PILOT at 10% of the sheltered rents. Those are the restrictions that the project will have per New York State law in order to receive the tax credits. It does have an estimated real estate property tax savings of about \$560,000. I think that was it actually. I did speak with HCR on this project. They are aware of the project. They speak very highly of Conifer Realty. They like the location of this project in a high-performing school district.

Next step for today for the Board would be to accept the application. This would enable Conifer Realty to finalize their application to New York State Homes and Community Renewal for Low-Income Housing Tax Credits or LIHTC. That is due by the end of this month. We expect with maybe an expeditious timeline that the State may come back with a determination of financing on the tax credit side as early as summer, in which case we will be able to advance the process further.

With that, I do have Michael Birkby representing Conifer Realty on the call, and I'd be happy to take any questions.

CHAIRMAN BERNARDO: From the Board, any questions for Stacey or Michael?

MR. GATES: You've got money for the demolition?

MS. DUNCAN: Yes. There's \$2 million. When we issued the RFP, we issued it the second time around with an amount up to \$2 million that could be allocated towards the project. This is included in their pro forma. I should note that we are working with the National Development Council on reviewing all project pro formas. It does include the \$2 million. I think next steps are to figure out the demolition process of the existing building. That \$2 million was essentially set aside for site development, so the question is, just how quickly can we get the building down?

MR. GATES: Shouldn't the cost be 4.6, not 2.6?

MS. DUNCAN: That is in the cost/benefit analysis?

MS. HORNBECK: Yeah. It's not represented in the cost/benefit analysis.

MS. DUNCAN: No, it is represented. It's in the project costs, but I see what you're saying. You're saying it's [crosstalk].

MS. HORNBECK: It is. Yes, it is.

MS. DUNCAN: We can update that.

MR. GATES: So, it's \$4.6?

MS. DUNCAN: Right. In addition to the tax exemptions.

MR. MIRABITO: So that's a grant, right? It's a grant, okay.

MS. DUNCAN: Yep. We can adjust that and modify that cost/benefit accordingly.

CHAIRMAN BERNARDO: If it's already out of the construction costs, meaning it's a net, so you've got to adjust it on both sides of the transaction. Right, Stacey?

MS. DUNCAN: Yes.

CHAIRMAN BERNARDO: Good catch, Dan. Very good point. Any additional questions for Stacey or for Mike from the Board?

MR. MIRABITO: On your timeline, this is the proposal they gave us. This is pushing it way ahead, right? I mean, because when I was looking at it, they were going to go to the HCR in August of 2022.

MS. DUNCAN: Michael, correct? Is that when you expect a potential determination of financing in August of 2022? But the application deadline is March 31 of this year, yeah.

MR. MIRABITO: Because then it's got construction in December of 2023, so that's 18 months away or more. Is that right?

MS. DUNCAN: Yes. We expect, per our Purchase Contract Agreement, we would close by end of 2023, I believe is what we have in there.

MR. MIRABITO: Oh, I see. [crosstalk].

MR. MEAGHER: They would have a right to extend.

MS. DUNCAN: Yeah. They would have a right to extend. We've offered a right to extend into 2024, but the timeline is we just secured the closing. We did receive a condemnation letter from Delta Engineers. We are now finalizing the Purchase Contract Agreement which does state closing sometime on or around December 2023, with potential for extension if necessary.

On Conifer's end, the timeline is to get the application in by the end of March per New York State guidelines, and I think they've just issued that RFP not that long ago -- it's a quick turnaround from New York State's perspective -- and then anticipated determination mid to late summer. That's an expeditious timeline with New York State.

The thing we're working and communicating with Conifer on is who will do the demolition? Will we as owners do that? It does affect potentially the grant dollars as well, if the LDC as owner ends up doing that. Those are a few things we're still working out in the process because the property is deteriorating quickly.

MR. MIRABITO: So, if we did it though, would we get the \$2 million?

MS. DUNCAN: We would utilize those funds, and that's probably why on the cost/benefit-

MS. HORNBECK: Yeah. You're right.

MR. GATES: At the end of the day, it's still-

MS. DUNCAN: Yeah. It's still a public [crosstalk]. There's still an incentive into the project.

MR. GATES: [inaudible - crosstalk].

CHAIRMAN BERNARDO: Joe, in fairness to the developer, because I'm in this same game as you know, the State's targets seem to move pretty regularly. What we were expecting as an application deadline last November just came out at the end of February. It is due at the end of March. At one point they even indicated that there would be more than two rounds per year, but at the rate they're going, quite frankly it'll be a stretch to get two rounds in this year. The timeline is moving, not by choice.

MS. DUNCAN: Yeah. That was part of the reason for the sort of expediting this application. Yeah, that RFP came out at the end of February. They basically have a month to prepare all the docs, which includes our Purchase Agreement, the completed Application for Benefits with, at minimum, an Inducement Resolution, so that's the purpose of today, is to get them to their Inducement Resolution.

MR. MIRABITO: To get it moving.

MS. DUNCAN: So they can submit the application.

MR. MIRABITO: Because it says in here a PILOT approval is anticipated for March 2023. That's been pushed forward.

MS. DUNCAN: Yeah. Right.

MR. MIRABITO: Okay. I got it. I got it, yeah.

MS. DUNCAN: Right. This just kind of sets the process, so any time after today theoretically, we can schedule a public hearing. That could be next month. It could be months away, as we continue to navigate the project.

CHAIRMAN BERNARDO: Any other questions for the developer or for Stacey on this project?

MR. MIRABITO: I got one question. After it's built, they have a management team that runs the facility, to make sure it stays nice and get it up and running, so that's part of their business?

MS. DUNCAN: Yeah. Conifer does their own management. Some developers will outsource the management.

MR. MIRABITO: But they do their own?

MS. DUNCAN: They do their own in-house.

MR. MIRABITO: Okay. That's good.

MS. DUNCAN: They retain ownership of the property as well.

MR. MIRABITO: Good.

CHAIRMAN BERNARDO: Once again, any additional questions? Okay, with that in mind, I'm looking for a motion to move forward with this. Is there a motion?

MR. PEDUTO: Jim.

CHAIRMAN BERNARDO: Thank you, Jim. Is there a second?

MR. MIRABITO: Second.

CHAIRMAN BERNARDO: Thank you, Joe. Any additional discussion? We'll have a vote. All those in favor say aye.

ALL: Aye.

CHAIRMAN BERNARDO: Any opposed? Any abstentions? Motion carried. Looking for a motion to adjourn this meeting.

[The meeting was adjourned on a motion by Mr. Crocker, seconded by Mr. Gates, at 4:14PM.]

[Attendees: John Bernardo, Jim Peduto, Cheryl Sacco, Dan Crocker, Dan Gates, Joe Mirabito, Stacey Duncan, Natalie Abbadessa, Carrie Hornbeck, Brendan O'Bryan, Amy Williamson, Shamoy Dixon, Joe Meagher, Michael Birkby, Linda Jackson, Michael Tanzini, Chris Potter.]

C E R T I F I C A T E

I, Elana Hulsey, certify that the foregoing transcript of the Broome County Industrial Development Agency Special Board Meeting on March 22, 2022, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature: _____



Date: March 24, 2022