

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting

Held via Zoom, June 13, 2022, commencing at
12:01PM. Adjourned at 12:15PM.

[See attendees at end of transcript.]

Digitally recorded proceeding
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MR. BUCCI: Okay. Good morning. We'll call the Governance Committee Meeting to order. Our first item on the agenda is to accept the May 18, 2022, Governance Committee Meeting transcript that was sent out to all of members to review. Any revisions were forwarded back to Carrie, so we will accept that for the record.

The next item on the agenda is Public Comment. If there is anyone who wishes to address the Governance Committee, we ask that you to state your name and address, and you have five minutes to make your comments. So, we'll open that portion of the meeting now. If there's anyone wishing to address us? Hearing and seeing none, we'll close the Public Comment section.

The first item on the agenda is Review/Discussion/Recommendation to Accept an Application from OCSH Binghamton Holdings, LLC and to Authorize a New York State and Local Sales and Use Tax Exemption in an Amount Not to Exceed \$37,176.00, for a Term Not to Exceed Twelve Months, Consistent with the Policies of The Agency in Connection with the Construction, Renovation, and Equipping of the Property and Building Located at 257 Washington Street in the City of Binghamton.

MS. DUNCAN: All right. Thank you. So just a few items this month, the first being an application to our Small Business Incentive Program, which is our Sales Tax Exemption Program. This is at 257 Washington Street, which I think once upon a time was an old Boys and Girls Club.

MR. BUCCI: Right. Yeah.

MS. DUNCAN: Kevin Findley, the developer, is on the call should the Board have any questions directly for him, but the project includes the conversion of existing apartments into

one-bedroom units and studio apartments, the construction of five new studio apartments on the lower level, the construction of a community room, installation of heat pumps in the renovated apartments and new studios, a modernized controlled access system, and the installation of new roofs and doors on the south side of the building and the replacement of windows that are more than six years old currently.

The total project cost for this renovation is approximately \$756,560.00. Of that, about \$465,000.00 is eligible for sales tax, 8% of that is the savings of \$37,176.00. So, the action by the Board today would approve this exemption for this project.

MR. BUCCI: Now is there already housing in here? Was this already converted to housing originally?

MS. DUNCAN: I believe there are at least— Kevin, how many apartments currently? There are some apartments in there currently, yes?

MR. FINDLEY: Yes. Can everybody hear me?

MS. DUNCAN: We can hear you.

MR. FINDLEY: Okay. Good. There's 13. The lower level, we ran out of money, so the lower level was never completed. But what we ran into is we built large units kind of targeting families. The building was designed prior to the '07 financial crisis, and since then the world has changed. Families aren't being formed, and the only calls I'm getting for is one bedrooms and studios. We don't do student housing here for the record. I don't know if that is something that's relevant to

this conversation, but we've always been focused on market-rate housing, non-students, and we've been doing okay.

My one-bedrooms, I have four one-bedroom units. They're always full. They're always rented. And that's one thing that's hurting me from an operational and an economic return let's say, is my vacancies on the large units are way too high. It's above 30%, and that's the short and long of it.

MR. BUCCI: Yeah. I think, especially in Binghamton, there's not a lot of one-bedroom or studio apartments, and I know people are looking for those.

MR. FINDLEY: There's not a lot of people chasing the market-rate. I know Marc Newman, I think he sold that. 50 Front is not student housing. I know they accept students as tenants down there. I'm trying to think, the renovation at AnSCO, I believe they were-

MR. BUCCI: Market rate.

MR. FINDLEY: Market rate, but my understanding is they accept undergrads. We do accept students. It's just not undergrads. We accept post-grads, master's degrees, PhDs, but fortunately, we've been bumping into students that are here, medical school students that are doing their clinicals, and then from time to time we have doctors who are doing their residency here, so that has been a very good experience. But other than that, we have lawyers, engineers, government employees.

Let me think who else we have here in the building, some self-employed people. It's a mix. I hate the word young professionals because not all of them are that young. They're in my category.

MS. DUNCAN: Just professionals, yeah.

MR. FINDLEY: They are professionals. Let me think who else we have here.

MS. DUNCAN: Well, I think the key is, these are being built as by the room rentals, and the vacancy rate right now is very low for these kinds of amenities.

MR. BUCCI: How many units will you have when you're all done?

MR. FINDLEY: It'll be 25. Even though we're saying we're cutting up these large units into single units, they're not tiny. There's a couple smaller studios, but everything's priced based on size and other intangibles I guess that are a little bit more subjective. They're not small, but I do need to make them what the market is demanding is the short and long of it.

MR. BUCCI: Okay. Well, thank you. Any additional questions or comments at this time? Okay, I'll entertain a motion.

MR. PEDUTO: Jim, so moved.

MR. BUCCI: Is there a second?

MS. SACCO: Second.

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

ALL: Aye.

MR. BUCCI: No nays. Motion is carried.

The next item on the agenda is Review/Discussion/Recommendation to Authorize the Board of Directors of The Agency to Approve the Request to Close the ARC Grant and Subsequent Amendments Totaling \$1,727,472.79 Plus Net Program Income. In addition, a Revised Revolving Loan Fund Plan is recommended by the Executive Director and the staff that will follow the Access to Capital Projects Application and Operating Guidelines updated on May 16, 2022.

Resolved further that the RLF Plan shall provide guidance for the new RLF and is directed to assist local businesses and to strengthen the area's investment capital and improve economic development. Further, that the RLF Plan outlines the purpose of the RLF, new ARC reporting requirements, and flexibilities permitted by ARC during the life of the RLF. Someone want to translate all that into English? Or Latin?

MS. ABBADESSA: Yes. To refresh your memory, the STEED Revolving Loan Fund provides low-interest financing to small businesses in eight counties of the region that are unable to fully finance their projects with equity, conventional financing, or other private loan sources. So back in 1995, we received over \$1.7 million from ARC for the STEED Revolving Loan Fund. Since that time, ARC has established new operating guidelines for its programming, and in order for us to be able to adopt those new guidelines and continue using the funds, we must agree to close out our existing program. With the new guidelines, the program will continue to be essentially the same, but with a few changes. We're now able to lend to nonprofits, local government, and social enterprises, so that was really the big piece there.

The other big piece is the annual reporting on the STEED Loan Program is no longer required. This will lessen the administrative burden internally. ARC feels that if you have had a successful RLF program for over seven years - which we have - there's no need for them to continue to track the funds or require this arduous reporting. We will continue to report internally and advise the Board with the yearly reports as we presently are doing.

ARC's only requirement is that we update our guidelines to reflect these new changes, present them a Board Resolution with the language that Rich stated, so that came from the ARC. Joe called them, "What is this?" Then we just have to sign the agreements.

MR. BUCCI: This is simplified supposedly, right?

MS. ABBADESSA: And then sign the agreement to close the ARC Revolving Loan Fund award, the original one. I provided you all with the new STEED guidelines - The Agency's STEED guidelines - and the new ARC operating guidelines, so anyone have questions? It's very confusing. I understand.

MR. BUCCI: Right. Are there any additional questions? No, I don't think so. I mean, it's a positive-

MS. ABBADESSA: It is.

MR. BUCCI: That it's going to reduce the reporting requirements, which is good.

MS. DUNCAN: Yeah. And it does open up a new potential pool of applicants. I know some don't have that access to the debt financing they need. Then our ALC, our Advisory Loan

Committee, will still review those as they would any other commercial potential private sector.

MR. BUCCI: So, we got this in 1995, this grant? They haven't increased it over the years, have they? They haven't added to it.

MS. DUNCAN: No.

MR. BUCCI: They just gave it to us to keep revolving it?

MS. DUNCAN: Yeah. It's such a successful program, and just a reminder, STEED is the program that we administer, but it does provide support regionally. We go outside of Broome as well.

MR. BUCCI: Any additional questions or comments from anyone? Okay, is there a motion? Motion, Jim. Is there a second?

MS. SACCO: Second.

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

ALL: Aye.

MR. BUCCI: Motion is carried. That was a good synopsis by the way.

MS. ABBADESSA: I was trying.

MR. BUCCI: The next item on the agenda is Review/Discussion/Recommendation to Authorize The Agency, IDA Board of

Directors and All Committees to Use Videoconferencing Technology to Participate in Public Meetings Under Extraordinary Circumstances, as Set Forth in Exhibit A. So, Stacey, comments?

MS. DUNCAN: Yeah. So just as a follow up from our discussion last month on what would qualify as extraordinary circumstances, we did provide a very broad scope of factors that would preclude a Board member from being in person and require video conferencing. Just a few notes, we are still under the Executive Order allowing for remote meetings. That does expire tomorrow unless it is renewed, as it's been month to month essentially. We are okay for Wednesday because our meeting notification went out prior to the expiration date of tomorrow.

With this new law, or change to OML, just a reminder, moving forward we would need to have a quorum of members present. You can videoconference, however your vote - if you have a quorum - would not be counted towards that quorum. Then there are these set of extraordinary circumstances that would preclude someone from coming in person and require video. It could be things such as extreme weather, medical emergency of oneself or a family member, car trouble or other accident, personal illness, necessary medical appointments, house emergency, military obligations, jury duty, state of emergency by county executive or governor, or bereavement leave.

So, we wanted to keep those broad based because we do that things come up. Vacations are pretty much the only thing not covered. Any questions on that?

MR. PEDUTO: So, car trouble, but not a[inaudible]?

MR. BUCCI: Then you can call in.

MS. DUNCAN: Exactly. Yeah, that would be the requirements that we would recommend moving forward.

MR. BUCCI: Any discussion? Anyone? Is there a motion? Motion, Jim.

MS. SASSO: Second.

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

ALL: Aye.

MR. BUCCI: Motion is carried. No other new business at this time, so a motion to adjourn?

[The meeting was adjourned on a motion by Mr. Peduto, seconded by Ms. Sacco, at 12:15PM.]

[Attendees: Rich Bucci, Jim Peduto, Cheryl Sacco, Stacey Duncan, Natalie Abbadessa, Carrie Hornbeck, Brendan O'Bryan, Theresa Ryan, Amy Williamson, Emma Augustini, Joe Meagher, Kevin Findley, Mike Tanzini]

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 Governance Committee on June 13, 2022, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature:  _____

Date: June 15, 2022