

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Board Meeting

Held on July 20, 2022, Commencing at
12:00 PM. Adjourned at 1:25 PM.

[See attendees at end of transcript.]

Digitally recorded proceeding
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CHAIRMAN BERNARDO: I'd like to call to order this meeting of the Broome County Industrial Development Agency of July 20, 2022, and I am looking for a motion relative to the transcript of our of June 15, 2022, Board Meeting.

MR. CROCKER: I'll make a motion to approve.

CHAIRMAN BERNARDO: Dan, thank you. Is there a second?

MR. MIRABITO: Second.

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

ALL: Aye.

CHAIRMAN BERNARDO: Any opposed? Moving on, we've come to the part of our agenda where we have a Public Comment session. Anybody wishing to speak on any matter concerning The Agency, please feel free to state your name and address for the record and limit your comments to five minutes in length. Would anybody like to speak at this session? Moving onward, Executive Director report, Stacey?

MS. DUNCAN: Sure. Just a few quick things to update the Board on. Some good news finally from New York State. Our first small business grant in partnership with Broome County will be actually paid out. That was to 434 Sportsplex. I think the total was \$50,000. The State has finally approved and signed off on that one, so we reached out to Chris Riley and his team and we'll reach out to the County, maybe do a check presentation for that first one. As you know we received a

total of \$1 million in grant funds, \$50,000 of which was kept by the LDC for administrative costs.

Nick Gregoris has been doing a fantastic job working with us this summer, and he's staying on with us post-graduation for a bit to work with Brendan and Natalie to vet the applications, get them prepared, and sent out to the State. So with this first one finally reaching the goal line we expect the rest will follow, so we'll be happy to get those checks out to those grant recipients.

Just a couple brief updates on DRI, Downtown Revitalization Initiative. I do serve on the local planning committee for Endicott. They are getting ready -- in fact I just submitted my ballot -- to submit their \$10 million worth of projects to the State for final approval. There's a lot of different projects in there, streetscape and facade enhancements, some projects that are supporting some nonprofits, and some mixed-use development in there. So more to come on that, but that process is wrapping up at least from the sort of planning perspective.

Brendan is also serving on the committee in the Village of Johnson City to develop a DRI application. They're about a year behind where Endicott was last year. Johnson City will be submitting a DRI application, and Brendan is sitting in as our rep on that to help devise some projects for that. Just a quick update, we are almost through expending our EPA grants. That's working really well.

We just completed phase one on the Titchener Building, which is owned by Broome County currently. We suspect that that will kick in the need for a phase two, given the former use of that building, but the EPA came back to us. We threw out a few ideas on potential reuses for that. They've given us some additional funds to do a reuse strategy. We're looking at a few

different concepts for that building. We are working with the City and the County on that, so more to come on that.

We're also expecting soon some concepts for the Endicott Forging site. We do not expect that any recommendations will be to do something other than grade level, given the environmental issues there, but we are putting together a few concepts that we'll share with the Village of Endicott on the reuse, maybe an urban park, something like that.

So we've made good use of those funds. We actually are in conversations with Elon, who wrote the initial grant for us, to submit a second grant award. These funds can come in handy and be a great partnership with our public sector partners, so that's been working well. I think other than that, I don't really have anything unless there's any specific questions on anything.

MS. SACCO: I have a question. I don't want to go too afar of your report, but all this grant talk. We're looking at the American Recovery money that Broome County had and some other entities, have we ever talked to them potentially about seeing if they could do grants for either like minority or women-owned businesses, sole proprietorships, because Broome County and other close communities have some of this money and the grants are going very well, even we've been talking about the potential Corporate Park. Have we talked about, have we thought, is anybody talking to you about trying to seek out more grant money?

MS. DUNCAN: Yeah. So that is a great question. With regard to the Corporate Park concept, I have had some very high-level conversations at this stage with the County, just that we are pursuing a site for that, and just recently, the County executive reached out about some ARPA dollars and I sort

of said, "Don't forget we have this sort of in the works," so I think we'll hopefully get to a stage where we'll have a more formal discussion on use of ARPA dollars for that.

We do have, through the Chamber side, the City of Binghamton has provided \$200,000 in funds to the Chamber for the purpose of promoting, assisting, and allocating some grant dollars to a number of events that take place in the city. They've asked us to sort of take on the role of getting those dollars to those organizations and helping to get the word out about them. So that's one partnership. They came to us with that. But as far as the MWBE, I think it's a great idea. I know our CDBG grant, we can work with MWBEs, but a more targeted program I think would make a lot of sense.

CHAIRMAN BERNARDO: So what would it take to pursue that?

MS. DUNCAN: I think just some conversations with either the County and/or City on what's already being done. I don't know all of the uses the City is doing with their ARPA dollars, and is there a pot of money that we could set aside for a specific targeted program? I think it's on us to maybe come up with some ideas and bring them to the County and the City.

MS. SACCO: The City has American Recovery money. The County does. Are there any others? I think those are the two main ones.

MS. DUNCAN: I think that's it. The villages got a small amount I think comparatively, so I would say-

CHAIRMAN BERNARDO: Very teeny.

MS. SACCO: I would suggest if we're interested that you have that conversation sooner rather than later before all that money is earmarked for something else.

MS. DUNCAN: Yeah. We will put some ideas together.

CHAIRMAN BERNARDO: I would reiterate, stress the urgency in both cases before all the money is gone. Mike Tanzini is on, so I'm going to ask him to cover his ears.

MS. DUNCAN: Right. We will. We will. We have lots of ideas, so that's a great idea, Cheryl.

MR. CROCKER: Stacey, the Endicott Forging site, is that on the corner of Hayes and North? Is that it? It seems like in today's technology, they could seal that ground so you could use it for development other than a park. I mean, once they demolish the old group down to McKinley, that'd be a nice job to do.

MS. DUNCAN: And that's why we initially pitched when we got the grant dollars to take that site all the way over to McKinley. This was pretty pre-Phoenix Investors coming in. That we could do a full phase one on the entirety of that site and come up with a reuse strategy. At the time, the Huron campus didn't want their part of that included, so we did the phase one on the Forging site. The few initial calls we had with DEC, they felt that really digging into that ground was just not a reality, but to your point, what could we do surface level?

MR. MIRABITO: Is there a lot of solvents in there?

MS. DUNCAN: Yeah.

MR. MIRABITO: Solvents, when you've got property, because solvents are so heavy. Petroleum and stuff is easy to clean up because it's lighter. The solvents just seek the bottom, so you just never know where you're going to end up.

MR. CROCKER: The toxic plume.

MR. MIRABITO: Yeah, that's the problem with the solvents.

MS. DUNCAN: So we felt that the best use would be something on a surface level.

MR. MIRABITO: Yeah. That makes sense.

MS. DUNCAN: So we're working with Elon on some ideas for that. It is a significant gateway into the village too. You have BAE and the whole Huron campus right there too.

MR. CROCKER: So they don't even allow you to dig and put footers in for a building because it will seep up through the concrete.

MS. DUNCAN: They pretty much said don't plan on digging into this ground.

MR. GATES: Would you go to work in that new building? Would you go to work every day in that new building?

MR. CROCKER: I've worked in the old one. [Crosstalk]. I guess you can't seal it off. You can't ever guarantee that it's not going to leach back out in vapor or-

MS. DUNCAN: Yeah. That was our impression. [Crosstalk].

MR. GATES: It's like 600 Main Street where the possibility of [inaudible].

MS. DUNCAN: Raise it. Yeah, which is a tricky thing to do over there.

MR. MIRABITO: It's the level you have to clean it to. The New York State standard is much different than some other states' standards. When it's a solvent, you just really can't get to that State standard.

MS. DUNCAN: Yeah. Right. If you've noticed, and I don't know the future plans, but if you've been over there you see the new paintwork on the some of the campus which looks fantastic. I noticed some of those buildings aren't done yet. I don't know if there's a final plan on those buildings, but should the possibility where they be reused or come down, how could the Forging site support it, even if it's just ancillary parking or something to that effect?

MR. CROCKER: And who's going to pay for tearing the bridge down?

MS. DUNCAN: I will turn your attention on our internal financial reports to Page 15, which is just our summary of bank deposits and investments. You'll see in the NBT transition account, there is not \$879,000 in there. We did have a number of maturities come due over the last month, and so there was just a delay. Those monies have been swept except for \$150,000 which was my request. Brad Eaton will often ask, "Do you have use for any of the funds?"

I have asked for about \$150,000 to be set aside, of which in the past we have used some of these funds for economic development studies or things germane to economic development. Our site inventory was one of those uses. I will be providing the Board some potential uses of some funds before the August meeting. So I do just wanted to point out those funds have been swept, with the exception of about \$150,000 that should still be sitting in there, and I'll have some recommendations or requests to the Board soon.

CHAIRMAN BERNARDO: On that note, the NBT money market account is paying 0.1%. Do we really need to keep \$3 million in there forever and ever? I know there's a target, the park and all that, but given the slowness of things, is it wise to not just put that into something longer term?

MS. DUNCAN: Generally, yes. That might change based on our conversation later during this meeting, yes otherwise.

CHAIRMAN BERNARDO: Are you going to spend it all, Joe. Is that what she's talking about?

MS. DUNCAN: He's nodding yes.

CHAIRMAN BERNARDO: \$3 million of it? What's the shortest treasury bond/note we can do?

MS. DUNCAN: Yeah. I'll talk to Brad. I'll get some recommendations from Brad on that one, but he actually thought that they're seeing slightly higher yields, but the market as you all know is-

CHAIRMAN BERNARDO: We'll make fun of Peter when he gets his [crosstalk]. Those yields are still ridiculous.

MS. DUNCAN: [Inaudible].

CHAIRMAN BERNARDO: Any other questions for Stacey on her report or on the internal financial report? Moving onward, the loan activity reports, any questions for Natalie? Natalie, there you are.

MS. DUNCAN: There are updates.

MS. ABBADESSA: A few updates. Between June and July we've had six loans paid off. Mountain Fresh Dairy was one of them, Better Offer Properties and T-Squared Custom Mill Work, Sirgany Eyecare, and Roberts Stone. They had two loans that they just paid off this month.

MR. MIRABITO: What was SpecOp Tactical Center?

MR. CROCKER: Guns.

MS. ABBADESSA: Guns and ammo. [Crosstalk].

MR. GATES: They're in Lisle, right?

MS. DUNCAN: They were.

CHAIRMAN BERNARDO: Hard times.

MR. MEAGHER: We found them though, believe it or not. The understanding we have is that he's at 50 Broome.

MS. DUNCAN: Is that right? Go ahead, Natalie.

MS. ABBADESSA: So we have Alice's Closet with a \$25,000 loan, Denise O'Donnell a \$10,000 loan, and then F.A. Guernsey is in bankruptcy so we [inaudible], and then SpecOp.

MS. DUNCAN: Which is in litigation, yeah.

MS. ABBADESSA: Alice's Closet, and Denise O'Donnell is a hairdresser. Just [crosstalk].

MS. DUNCAN: Yeah. They were two of our emergency loans.

MS. ABBADESSA: Yeah. So [inaudible].

CHAIRMAN BERNARDO: Any questions for Natalie? Natalie, thank you. New business, Resolution Approving an Extension of the September 1, 2021, Sales and Use Tax Exemption Agreement with Spark JC, LLC, from August 18, 2022, Through and Including August 18, 2023, the Total of Which Shall Not Exceed \$3,093,333.

MS. DUNCAN: Yes. So this is a request for an additional year on the use of that sales tax benefit. Much of the work so far at Oakdale Commons with Spark JC, as you can imagine given the variety of the multifaceted uses that are being planned, much of the work has just been planning and feasibility and programming, so they've really not had the need at this point in time to make use of that. But that will be changing in the months ahead, so they've requested an additional year.

CHAIRMAN BERNARDO: Any questions for Stacey? Dan, you raised an issue on Spark?

MR. CROCKER: No, we took care of it in committee.

CHAIRMAN BERNARDO: Very good. Mayor, tell me what the Governance Committee had to say about this?

MR. BUCCI: Moved it forward as a motion to approve.

CHAIRMAN BERNARDO: Is there a second?

MR. CROCKER: Second.

CHAIRMAN BERNARDO: Thank you, Dan. Any discussion? Let's have a vote? All those in favor say aye.

ALL: Aye.

CHAIRMAN BERNARDO: Any opposed? Any abstentions? Item No. 7, Resolution Approving the Extension of the August 24, 2021, Sales and Use Tax Exemption Agreement and the February 24, 2022, Revised Sales and Use Tax Exemption Agreement with LCP Group, Inc., from August 18, 2022, Through and Including August 18, 2023, the Total of Which Shall Not Exceed \$98,800. Stacey?

MS. DUNCAN: Yes. So similarly, this is just a request for an extension of time for an additional year by LCP Group, Inc. If you recall, the IDA approved a sales tax exemption for them for the purchase of the former National Pipe & Plastics building on Commerce Road in Vestal. A portion of that building has been used for their operations, and a portion is being renovated for leasable space. Given the post-pandemic world

with supply shortages, labor shortages, and delays on shipping, they are seeking some additional time.

CHAIRMAN BERNARDO: Mayor, Governance?

MR. BUCCI: We moved it forward as a motion to approve.

CHAIRMAN BERNARDO: Thank you, Mayor. Is there a second? Jim. Any discussion? Let's have a vote. All those in favor say aye.

ALL EXCEPT MS. SACCO: Aye.

CHAIRMAN BERNARDO: Any opposed?

MS. SACCO: One abstention.

CHAIRMAN BERNARDO: One abstention. Thank you. No. 8, Resolution Accepting an Application from 33 South Washington Street, LLC, Authorizing a New York State and Local Sales and Use Tax Exemption in an Amount Not to Exceed \$26,880, for a Term Not to Exceed 12 Months, Consistent with the Policies of The Agency in Connection with the Renovation and Revitalization of 33 - 39 South Washington Street, in the City of Binghamton, Broome County, New York.

MS. DUNCAN: Yes. So this is nice to see. It's the continuation of the renovation of the former Number 5 and adjacent parcel, the former La Tazza Building, by Brett Pritchard. Brett is on the line here, should the Board have any questions, but this is the continuation of the renovation of that site. It includes renovation and revitalization of 33 South Washington Street first floor, with office space and

retail location, and renovation and revitalization of 39 South Washington Street on the second floor, with health and wellness businesses.

If you haven't been over there, he's got some nice businesses located there. I know there's a juice business, and I know he's got some new businesses lined up. Total project cost on this is approximately \$503,000. The sales tax benefit to this project would be \$26,880.

CHAIRMAN BERNARDO: Thank you, Stacey. Any questions for Stacy or the developer? Okay Mayor, Governance?

MR. BUCCI: It was not considered in Governance because we had two conflicts/abstentions, so we just moved it directly to the Board.

CHAIRMAN BERNARDO: Okay. Is there a motion?

MR. BUCCI: Motion.

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

MR. CROCKER: I'll second.

CHAIRMAN BERNARDO: Dan, thank you. Okay, let's have a discussion.

MR. BUCCI: I just want to make one point. About 20 years ago, the city designated that part of the city as Southbridge as kind of to give it a moniker like Antique Row on Clinton Street, and I've just got to say that what the developer has done there has really kind of fulfilled the vision of what was hoped for when it was determined to be called Southbridge

Business District 20 years ago. So it really just couldn't have been planned any better I don't think, so it's just nicely kind of transformed into what I think the city envisioned at that time. So it's a great project.

MS. DUNCAN: Mirabito has a coffee shop now. [Crosstalk]. No, it does look really nice over there.

CHAIRMAN BERNARDO: Any other comments or questions? Is there a motion?

MR. BUCCI: Motion.

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

MR. CROCKER: I'll second.

CHAIRMAN BERNARDO: Thank you, Dan. Any further discussion? All those in favor say aye.

ALL: Aye.

CHAIRMAN BERNARDO: Any opposed? Any abstentions?

MR. MIRABITO: Abstention.

CHAIRMAN BERNARDO: Got it. Joe and Cheryl. Resolution passes. Item No. 9, Resolution Accepting an Application from Phoenix Endicott Industrial Investors, LLC, and Authorizing a New York State and Local Sales and Use Tax Exemption in an Amount Not to Exceed \$99,202.40, for a Term Not to Exceed 12 Months, Consistent with the Policies of The Agency in Connection with the Decommissioning of a Boiler and the

Purchase and Installation of a New 80 KPPH Industrial Watertube Boiler. [Inaudible]?

MR. CROCKER: 1,000 pounds of steam per hour.

MR. MEAGHER: You didn't know that?

MR. CROCKER: This is common knowledge.

CHAIRMAN BERNARDO: That's why I count on you, Dan.

MR. MIRABITO: It's a big one, John.

CHAIRMAN BERNARDO: It's a big one. Stay off the road when they're bringing it in. Industrial Watertube Boiler, to be Installed in Building 39, Located at 1701 North Street, in the Village of Endicott, Town of Union, County of Broome, and State of New York. Stacey?

MS. DUNCAN: Okay. I'll repeat myself from earlier. If you haven't been over there, I encourage you to drive through there. It's amazing what the new paint and the visible changes over at the Huron campus are taking place. It's bringing some new energy over there. So this project from Phoenix Investors, new owners of the Huron campus, would consist of the purchase of the as mentioned 80 KPPH Industrial Watertube Boiler to replace one that has previously failed. It will be installed in Building 39, which is essentially the existing utility plant and building for the campus.

There will be also work done to decommission the former boiler and install the new boiler. It will be the main boiler servicing the campus of just under four million square feet for both comfort heating and process steam for various

applications. Total project cost on this is about \$1,230,000, and the total benefit is \$99,202.40. Jake Tomachek representing Phoenix Investors is on the line should anybody have any questions.

CHAIRMAN BERNARDO: Any questions for Jake or Stacey? That's a question.

MS. DUNCAN: Oops. That's my daughter. That's my youngest. It's her ring.

CHAIRMAN BERNARDO: Mayor, Governance?

MR. BUCCI: We moved it forward as a motion to approve.

CHAIRMAN BERNARDO: Is there a second?

MR. CROCKER: Second.

CHAIRMAN BERNARDO: Thank you, Dan. Any discussion? Let's have a vote. All those in favor say aye.

ALL: Aye.

CHAIRMAN BERNARDO: Any opposed? Any abstentions? Thank you. That passes. Item No. 10, Resolution Authorizing The Agency to Require 25% of its Agency Fee to be Paid by Applicants Upon Approval of Sale/Leaseback Transaction or Lease/Leaseback Transaction Benefits, with the Remaining Balance of its Agency Fee to be Paid in 25% Increments Every Six Months, or in Full at the Time of Closing, Whichever Occurs First. Stacey?

MS. DUNCAN: Sure. So this essentially will create a policy of the collection of Agency fees that differs from our current practice. Currently, upon closing of a project, The Agency will collect its 1% fee on a project. As you know The Agency is self-funded. We receive our revenue through project fees and through the sale and/or lease of buildings, so that is our source of revenue, and there is a cost of doing business with us as such. We also make projections on this on an annual basis, and it does feed into our operating budget.

What we've found and what we've discussed with the Board is that - we know we're coming out of a strange time to understate that - projects are taking much longer to close or not closing. We feel that this is a process that will protect our operational finances. As I mentioned there is a cost to do business, and I think also it demonstrates the commitment at the time of approval. So at the time of approval of a project, that 25% of our fee would be required to be paid. So if there are any questions on that?

CHAIRMAN BERNARDO: If I may, and I fully support doing something, okay? What do you do with those that already have applications before you, like the Ideal Hospital as an example and Rocky DeFrancesco's project? What do you do with those? Is it retroactive?

MR. MEAGHER: I don't think you can make it retroactive. I think it's difficult to do.

CHAIRMAN BERNARDO: Okay. So let's roll it forward. A Rocky or Ideal, the new buyers if that ever closes, come to us and say we want an extension on it.

MR. MEAGHER: That would be an appropriate time to-

MS. DUNCAN: A time to negotiate it.

MR. MEAGHER: Well, negotiate some type.

MR. BUCCI: Is there a timeline on when somebody applies that the application is dead?

MS. DUNCAN: Yeah. After a year.

MR. BUCCI: So I mean, technically both these are dead, right? Ideal's dead.

MR. MEAGHER: No, Ideal has technically closed. We closed in escrow. They paid the fee.

MR. BUCCI: Okay. So it closed.

CHAIRMAN BERNARDO: Can we take our fee?

MR. MEAGHER: Pardon?

CHAIRMAN BERNARDO: Can we take our fee?

MR. MEAGHER: No.

CHAIRMAN BERNARDO: Why?

MR. MEAGHER: Because the escrow agreement provides that if it doesn't complete, they get their money back. We didn't want to go over the period. That was right after we installed the - What was it, one year?

MS. ABBADESSA: Six months, and then they have to come to you if they want another six months.

MR. MEAGHER: But it was right after we had put that in play that we determined that one way around this would be to close in escrow with them depositing the money, which is still on deposit in my trust account.

MR. BUCCI: What about the other project? Is that—

MS. DUNCAN: We've received no—

MR. BUCCI: But is that application dead because it has been more than a year?

MS. DUNCAN: It's approaching the year.

MR. BUCCI: Okay. So that might be a different story.

MS. DUNCAN: So we do need to revisit with them because they are approaching the year mark on this.

CHAIRMAN BERNARDO: Didn't Rocky indicate he was interested in obtaining an extension?

MS. DUNCAN: Yes.

MR. BUCCI: So then you'll have an opportunity to put this in place with that then, right?

CHAIRMAN BERNARDO: I think we have to do something.

MR. BUCCI: Ideal was the precipitous for doing this, so in a way we do benefit from what happened I guess.

MR. MEAGHER: It's never happened before.

MR. BUCCI: But I think with that one, it's only one project that we-

CHAIRMAN BERNARDO: But we're hostage right now for that whole thing.

MR. MEAGHER: Well, they're not paying any taxes now. That's the difference. It's owned by UHS, so it's tax exempt. This was going to change it and make it taxable with-

CHAIRMAN BERNARDO: With \$12 a year in taxes.

MR. MEAGHER: \$12 a year in taxes.

CHAIRMAN BERNARDO: We'll just forget about that part.

MR. MEAGHER: But it's not as if it delays it coming off the rolls. It's not on the rolls. It's unique in that, and that was the second time because remember, we had done that before with 60 Lester, going from the exempt roll to the non-exempt roll.

MS. DUNCAN: Yeah. I mean, we're watching it and we're basing our perspective on the patterns we're seeing where projects just languish, and of course this will be communicated at the front end that this fee is payable at that point in time. I don't know if it would do anything to tighten up-

CHAIRMAN BERNARDO: It destroys our budgeting for one thing. If it's a big project, you're underwater no matter no matter what. Now you're looking at-

MS. SACCO: Is this aggressive enough? Do we need to shorten it to six months? If it dies within a year, we're going to be potentially 75% of the [inaudible]. Is that sufficient to recoup for budgeting purposes?

MR. MEAGHER: I mean, that's a Board judgment if you will. It certainly puts skin in the game, knowing at 25%, they've got to walk away from that investment. I mean, it's a sunk cost then at that point in time.

MS. DUNCAN: Interestingly, I did talk to a few peers and they said, "We don't run into this issue."

CHAIRMAN BERNARDO: Ever?

MS. DUNCAN: I kid you not. I scratched my head.

MR. CROCKER: This is Broome County.

MR. BUCCI: Change it to increments every six months and take out "or in full," just making it increments every six months if you want to do that.

MR. MEAGHER: But in six months technically, they're in for 50%.

MS. DUNCAN: Six months is half.

MS. SACCO: So, the thought process is where we are is probably the least aggressive. The most aggressive would be

100% payment on application nonrefundable, which we may not want to go there. There seems to be a middle ground.

MR. MEAGHER: I mean, the fee is often wrapped in the financing. You've got to close for that. I mean, the bigger the project, obviously the less likely that is to occur. Anyone who is committed and the project is very big - Dick's isn't walking away from the project.

MS. HORNBECK: I was actually told that other counties don't have the one year because when I talked to different companies, from 2022 to 2023, I was surprised to hear that. That might be the reason why.

MR. CROCKER: It's a good idea. We don't operate here as a hobby.

CHAIRMAN BERNARDO: Given the effort that goes into these, I mean your time, Natalie's time.

MR. PEDUTO: We're accountable for a budget. We can't make a budget if we don't get fees.

MS. SACCO: Just one thought. Do we want to add in here to require nonrefundable?

MS. DUNCAN: Yes. That's a good point.

MR. MIRABITO: 25% per quarter for the year. Then the developer knows that every quarter he's got to send us some money.

MR. BUCCI: Now will that turn investors off? That's the question.

MS. SACCO: I would think not.

MR. MEAGHER: If you're at the point in time when you're applying to us, you should have this fairly well lined up. This shouldn't be a wish list.

MS. DUNCAN: Yeah. To me, I wonder if it will just bring these projects to us at a better state of readiness, for lack of a better term. I don't know if we're getting things-

CHAIRMAN BERNARDO: We're getting a catch 22 on it. If you take the affordable housing project on Watson for example, so they come in because they want to show New York State, they want to show HCR that they've got a PILOT. So they come in, they apply, they get their PILOT. Then their funding is dependent on the application, and six months later they're getting a decision from the State. So other than talking with officials, they're not sure they're going to get funded.

MS. DUNCAN: Sure. I would say affordable housing generally fits a different box because often their PILOT terms are also tied into the terms of their financing. I mean, would we put them in a different box? Yeah, that's an interesting one.

MR. PEDUTO: I don't know if we could differentiate because he thought he had the project, he budgeted the money. It's just a cost of their doing business.

MR. MIRABITO: It's risk and reward.

MR. PEDUTO: Yeah. Risk and reward. [Crosstalk]. I don't think we're talking about that much money, given the scope of projects.

MR. CROCKER: Kind of like an earnest check when you buy a home. Are you ready to do it, committed?

MR. PEDUTO: I don't see the harm if the project is closer to launch when we get it.

CHAIRMAN BERNARDO: I happen to agree with you.

MR. PEDUTO: It's better for us.

MR. BUCCI: Like Stacey said, maybe they'll be at a better state of readiness when they come to us. Rather than more of a concept, it'll be more of a project.

MR. GATES: Partnering concepts, when they come to us they only want to know what kind of free money they can get before they do anything.

MS. SACCO: We don't want to be the first.

MR. BUCCI: We've always been the person at five-yard line that gets you over the goal line.

MS. DUNCAN: Last in.

MR. BUCCI: Yeah, last in.

MS. DUNCAN: Fill the gap.

MR. BUCCI: Not first down, last down. You need us to just make it the last five yards.

MS. SACCO: Just practically speaking, the way this has been worded, with the nonrefundable, with the one-year timeline you have, that would allow us to recoup 75%, with the last 25% to be done at closing. That's actually pretty fair.

MR. MIRABITO: I think so.

MR. BUCCI: Yeah. I think so too.

CHAIRMAN BERNARDO: So the wording of this might change slightly to nonrefundable?

MS. DUNCAN: Yes. Add nonrefundable.

CHAIRMAN BERNARDO: And quarterly installments? Initial 25% and then quarterly thereafter?

MS. SACCO: Do we want to do quarterly or just at application and every six months. That would be a quarter at six months and a quarter at a year. Are we going to probably not see that quarter at a year?

CHAIRMAN BERNARDO: Probably not.

MS. SACCO: So change it from six months to quarterly then? [Crosstalk].

CHAIRMAN BERNARDO: So the consensus is quarterly?

MS. DUNCAN: And nonrefundable.

CHAIRMAN BERNARDO: Upon approval by us, and then quarterly thereafter, nonrefundable. Do you want me to read that again, Joe?

MR. MEAGHER: Please do.

CHAIRMAN BERNARDO: Did you guys look at this in Governance?

MR. BUCCI: Yes. We did.

CHAIRMAN BERNARDO: And you guys approved-

MR. BUCCI: We sent it as a motion to approve, and we did talk about it being refundable in Governance too.

CHAIRMAN BERNARDO: Okay. So, a resolution authorizing The Agency to require 25% of its agency fee to be paid by applicants upon approval of sale/leaseback transaction or lease/leaseback transaction benefits, which is nonrefundable with the remaining -- I guess I should say that all of this is nonrefundable -- with the remaining balance of its agency fee to be paid in 25% increments quarterly or in full at the time of closing, whichever occurs first, with all payments being nonrefundable.

MR. BUCCI: But you can't say at time at closing because we wanted 25/25. So at time of closing-

MR. MEAGHER: No, but if you close in six months.

MS. DUNCAN: If you close before then.

MR. BUCCI: Oh, I see. Whichever comes first.

MS. DUNCAN: Which many of them do, but we're finding they're shifting. [Crosstalk].

MR. BUCCI: I like that, yeah.

CHAIRMAN BERNARDO: So that was a motion, I guess? Yes?

MS. SACCO: I'll make that motion.

CHAIRMAN BERNARDO: Thank you, Cheryl. Cheryl made that motion. Is there a second?

MR. MIRABITO: Second.

CHAIRMAN BERNARDO: Thank you, Joe. Any further discussion? All those in favor say aye.

ALL: Aye.

CHAIRMAN BERNARDO: Any opposed? Very good. Moving onward. Are we going into Executive Session?

MS. DUNCAN: Yes. I have two items, one related to the purchase of property by the IDA and one related to the potential sale of property owned by the IDA.

CHAIRMAN BERNARDO: Okay. Is there a motion to go into Executive Session? Thank you, Jim. Second? Dan, thank you. All those in favor say aye.

ALL: Aye.

CHAIRMAN BERNARDO: Any opposed?

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CHAIRMAN BERNARDO: Back in regular session. Any Old Business to cover? Looking for a motion to adjourn.

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

[Attendees: John Bernardo, Rich Bucci, Jim Peduto, Cheryl Sacco, Joe Mirabito, Dan Crocker, Dan Gates, Stacey Duncan, Natalie Abbadessa, Carrie Hornbeck, Brendan O'Bryan, Amy Williamson, Nicolas Gregoris, Emma Augostini, Joe Meagher, John Scott, Brett Pritchard, Jake Tomachek, Michael Tanzini, Christina Pierce]

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 Board Meeting on July 20, 2022, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature: _____



Date: July 23, 2022