

**Broome County Industrial Development Agency
Governance Committee Meeting**

June 14, 2023 – 10:00 AM
The Agency Conference Room, 2nd Floor
FIVE South College Drive, Suite 201
Binghamton, NY 13901

Committee Members Present: R. Bucci, J. Peduto and M. Sopchak

Absent: Peter Newman

Board Members Present: Elaine Miller

Guests: Mayor Jared Kraham, City of Binghamton

Sarah Glose, City of Binghamton

Jeff Smetana, UB Family LLC

Chuck Shager, City of Binghamton

Staff: S. Duncan, N. Abbadessa, B. O'Bryan and A. Williamson

Presiding: R. Bucci.

Agenda Item 1: Mr. Bucci called the meeting to order at 10:05 AM

Agenda Item 2: Accept the Governance Committee Minutes from May 17, 2023. Mr. Bucci stated that the minutes were forwarded to all members; they had an opportunity to review them. Mr. Bucci accepted the minutes for the record.

Motion: Mr. Sopchak moved the Motion for approval, seconded by Mr. Peduto; the MOTION CARRIED.

AGENDA ITEM 3: Public Comment: No Public Comments were made. Mr. Bucci closed the portion of the meeting.

AGENDA ITEM 5: Mr. Bucci moved Agenda Item 5 above Agenda Item 4 as the guests present were all associated with the project to be discussed under Agenda Item 5.

REVIEW/DISCUSSION/RECOMMENDATION OF ACCEPTING AN APPLICATION FROM UB FAMILY, LLC (THE COMPANY) FOR A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE FINANCING OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE 120 +/- APARTMENTS SITUATE WITHIN FIVE FLOORS LOCATED ABOVE A NEW FIVE LEVEL MUNICIPAL PARKING GARAGE AT 183 WATER STREET IN THE CITY OF BINGHAMTON, BROME COUNTY, NEW YORK, TO PROVIDE FOR A SALES AND USE TAX EXEMPTION BENEFIT IN AN AMOUNT NOT TO EXCEED \$1,152,280.00, TO PROVIDE FOR A MORTGAGE TAX EXEMPTION IN AN AMOUNT NOT TO EXCEED \$242,200.00, TO PROVIDE FOR A REAL PROPERTY TAX EXEMPTION, DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY, IN AN AMOUNT NOT TO EXCEED \$11,532,830.00, AND AUTHORIZING THE AGENCY TO SET AND CONDUCT A PUBLIC HEARING WITH RESPECT THERETO. Ms. Duncan reviews the project with the committee briefly before giving the floor to the UB Family, LLC representative, Jeff Smetana, and the City of Binghamton Mayor, Jared Kraham. All three parties noted that the portion the IDA is considering for benefit is not the garage portion and that there is a piece that is intrinsically connected to both. However, when looking at the cost, it does not include the parking garage in the total project cost. Mayor Kraham noted that the vision for the project was a mixed-use public, private partnership to provide roughly 500 parking spaces with a five-story garage and new market-rate housing for the downtown targeted towards young professionals. The city's investment in the garage portion is roughly 22 million. The project's overall goal is to make the

City of Binghamton and surrounding employers more competitive when attracting candidates, as while the city boasts a high quality of life, it lacks quality housing across all income brackets. Mr. Smetana explained there would be 120 units in the building, 114 of which will be market-rate housing and 6 of which will be workforce housing at 100% of the Area Median Income to attract professionals such as firefighters, teachers, etc. The project will make better use of the riverfront space, and align with existing properties such as the Holiday Inn, Boscov's, and Double Tree, continuing to increase the vibrancy of that downtown corridor. Mr. Bucci asked a question regarding Boscov's lease to the mayor, to which Mayor Kraham responded that they were still finalizing negotiations on investment from Boscov's. The city will own the parking garage through its local development corporation. Then UB Family LLC will make air rights payments to the city for roughly one million dollars. Committee members asked questions regarding the delay in the project, as this was previously brought to the Board for consideration in December 2021, to which Mr. Smetana noted the increase in interest rates and construction costs. Mr. Smetana also noted that the United Group and the City communicated as the project dynamics evolved. The Committee also asked about access to the riverwalk, the property will be right behind the MLK Park entrance. The project also includes a green roof component to model for future projects in the City of Binghamton. Questions were asked regarding traffic studies by Mr. Sopchak; Mr. Smetana replied that the traffic studies were completed as part of the site review and approval process with the City and BMTS. Mr. Bucci asked a question regarding additional structural support for the apartments on top of the garage; Mr. Smetana noted that the engineers had considered this and that half a million dollars are being invested in additional foundations to support the housing. Mr. Bucci asked for a clarifying question regarding the grant dollars from the city, Mayor Kraham responded that the city would be providing \$2.5 million, 1.5 million for the units, and another million for the sustainability of the project from ARPA dollars the city had previously received. Mr. Sopchak asked a question regarding what the rents will be, to which Mayor Kraham and Jeff Smetana responded would be calculated by a HUD formula for the workforce housing with a 100% AMI. The market-rate apartments will be similarly priced to those at 50 Front Street, noted Mr. Smetana. Mr. Bucci asked about the length of the PILOT and how it pertains to the workforce units. Ms. Duncan explained that typically when projects seek tax credits, the tax credit program through the state will often require a PILOT term to run co-term with mortgage financing. Ms. Duncan and Mr. Smetana noted the unique financing structure for this PILOT, utilizing PILOT Increment Financing, which Ms. Duncan is within the authority of the I D A to provide the opportunity for this type of PILOT structure. Ms. Duncan continued that because a proportion of this pilot payment is being proposed to be used to pay down the pilot bond financing or the bond financing for the podium piece of the structure, meaning a proportional payment is being diverted from the taxing jurisdictions on this, the project must first receive approval by resolution that they support this structure from the corresponding taxing jurisdictions, including the county, the city, and the Binghamton City school district. Ms. Duncan noted she attended the Broome County Finance Committee Meeting on May 28th and the Committee unanimously advanced the project; the full Legislature will be meeting tomorrow, June 15th, to discuss. The City Council and City School District meetings will be on June 28th and July 6th. Ms. Duncan noted she has spoken with Superintendent Thompson ahead of the school board meeting and expects there to be questions about the project. Ms. Duncan continued that a third-party analysis will be completed by the National Development Council, where a summary of findings will be presented at the full Board Meeting on June 21, 2023. Mr. Bucci asked a question regarding the relationship between the City, UB Family, and PIKE Development, the company overseeing the garage development, and Mr. Smetana noted that they are in the process of finalizing the MOUs for each piece of the project, but no formal relationship currently exists; Mr. Smetana anticipates this to be one of the final steps of the process to be completed in the coming months as financing is finalized. Mr. Smetana hopes that construction will begin in August and noted that construction for the garage could start as early as next week. Board Member, Elaine Miller, asked a question regarding the soil quality. If testing was done, Mr. Smetana noted that

foundation testing had been completed, which did not cause any concern. Additional pillars would be brought in to support the garage foundation. Mr. Bucci asked about the investment by United Group, 6.5 million in equity, which Mr. Smetana confirmed. Mr. Bucci asked if any additional questions were needed; none were provided.

MOTION: Mr. Peduto moved the Motion to Recommend to the entire Board for Approval, seconded by Mr. Sopchak; the MOTION CARRIED.

AGENDA ITEM 4: REVIEW/DISCUSSION/RECOMMENDATION OF AUTHORIZING A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE ACQUISITION, RENNOVATION AND EQUIPPING OF PROPERTY LOCATED AT 47-51 PINE CAMP DRIVE IN THE TOWN OF KIRKWOOD, BROOME COUNTY, NEW YORK, TO BE USED AS A WAREHOUSE/WHOLESALE FACILITY FOR THE STORAGE OF ELECTRICAL MATERIALS AND SUPPLIES AND APPOINTING GMS REALTY LLP, A VERMONT LIMITED LIABILITY PARTNERSHIP DOING BUSINESS IN NEW YORK AS GMS REALTY PARTNERS LLC (THE "COMPANY"), AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING, 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, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT "A" AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESEPECT THERETO. Ms. Duncan reviewed the project with the committee, reminding the committee why the already approved project that was to take place in Endicott could not happen and that the project would now take place in Kirkwood. She stated that the new building is approximately 287,000 square feet, and GMS Realty, LLP will be leasing 70,000 square feet and occupying the rest. Its affiliated entity, Green Mountain Electric Supply, Inc. (GMES), has been a wholesale supplier of electrical supplies and a third-generation family-owned business since 1953. GMES will use the facility for electrical materials and supplies for its wholesale business. This facility will help fulfill its 11 New York branch locations - including the recent location it opened in Binghamton. GMES will hire 20 or more people after the completion of the project. These jobs include warehousing positions, driving positions, and some management positions. Ms. Duncan noted that a public hearing was held on June 8, 2023, in the Town of Kirkwood, Broome County, New York, and the transcript was made available to board members. Mr. Bucci asked if the company will be purchasing the building, and Mr. Sopchak asked if they planned to use the whole space, and Ms. Duncan noted that they would be purchasing the property in addition to leasing out 700,000 square feet of space to an existing tenant. Mr. Bucci asked who the tenant would be. Ms. Duncan noted that GMS Realty has yet to disclose this information and that the representative from GMS Realty was unavailable to meet today but will attend the Board Meeting to answer any additional questions. Mr. Bucci asked if the company was looking elsewhere besides Greater Binghamton, to which Ms. Duncan said she did not believe so. Ms. Duncan noted that they still owned the property in Endicott, but there are no plans to develop there yet. Mr. Bucci asked if any additional questions were needed; none were provided.

MOTION: Mr. Sopchak moved the Motion to Recommend to the entire Board for Approval, seconded by Mr. Peduto; the MOTION CARRIED.

AGENDA ITEM 6: Adjournment: Mr. Bucci asked for a Motion to Adjourn.

MOTION: On a MOTION by Mr. Sopchak, seconded by Mr. Peduto, the MOTION CARRIED, and the meeting was adjourned at 10:54 a.m.

The next meeting of The Agency Governance Committee is to be determined.