

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
FIVE South College Drive; Suite 201, 2nd Floor
Binghamton, New York 13905
Wednesday, April 18, 2018, 12:00 pm**

SYNOPSIS OF MEETING

PRESENT: T. Kane, W. Howard, J. Bernardo, J. Stevens, D. Marusich, R. Bucci, M. Pinker and J. Rounds

ABSENT: S. Feehan

GUESTS: Kevin McManus, Deputy County Executive
Brian Haynes, Resident
Matthew Paulus, Paulus Development
Michael Palermo, Paulus Development

STAFF: K. McLaughlin, T. Gray, S. Duncan, C. Norton, N. Abbadessa and C. Hornbeck

COUNSEL: J. Meagher

PRESIDING: T. Kane

Mr. Kane called the meeting to order at 12:00 p.m.

ITEM #1. APPROVE MINUTES FOR THE MARCH 21, 2018 BOARD MEETING: Mr. Kane requested approval of the minutes for the March 21, 2018 Board Meeting. Mr. Kane asked if there were any corrections or deletions, or conversations to go along with those minutes. Seeing none, Mr. Kane requested a motion to approve.

MOTION: Resolution to approve the March 21, 2018 Board Meeting minutes. On a MOTION by Mr. Howard, seconded by Mr. Stevens, the MOTION CARRIED.

Item #2. Mr. Kane stated that the IDA and LDC Governance Committees met prior to this meeting and made a recommendation that the minutes be approved with a new format going forward; the Board will use that format at the next Board meeting. Mr. Kane further stated that it is a prudent, legally-correct manner in which to accept the minutes.

MOTION: No motion necessary.

ITEM #3. PUBLIC COMMENT: None.

ITEM #4. EXECUTIVE DIRECTOR'S REPORT: Mr. McLaughlin provided the following updates:

1. Mr. McLaughlin participated with the Town of Union and the City of Binghamton in designating six opportunity zones within the Binghamton, Johnson City and Endicott areas.
2. Mr. McLaughlin and Kevin Drumm, SUNY Broome, participated in a Binghamton City Council Work Session regarding a 30-year extension for the Carnegie Library PILOT project.
3. Letter from Mayor David allows The Agency to move ahead with Matthew Paulus' project.
4. Mr. McLaughlin and Ms. Duncan met with Vicki Giarrantano, Cooperative Extension, and Assemblywoman Donna Lupardo, to tour a hemp-growing facility in Windsor, NY.
5. Space at L3 is anticipated to be rented by a group designated as a Regional Processing Facility.
6. Projects in line for consideration by the Agency:
 - Development of 7 Hawley Street by Pike Development
 - Vestal Nursing Home
7. Agency staff plans to tour Triumph Business Center (old Putnam Building).

ITEM #5. LOAN FUNDS AVAILABILITY AS OF MARCH 31, 2018: The Loan Funds Availability Report was presented to the Board. The balances available to lend are \$342,210.05 (STEED) and \$530,024.26 (BDF). Mr. Stevens referred the Board to the Investment Portfolio Report provided at the Board Meeting. Mr. Rounds commented about loans; specifically, Robert Stone being behind 60 days. Mr. Gray explained the discrepancy; that a conversation took place with Joe Roberts, and a payment schedule has been developed. The Agency will be receiving a check the next three Fridays, in succession. Mr. Rounds then inquired about Mountain Fresh Dairy, whom Mr. Gray confirmed is currently 30 days in arrears. Mr. Gray stated that he and Counsel, Mr. Meagher, are trying to schedule a meeting with Bob Murphy at the City of Binghamton. Mr. Gray stated he has tried to contact Mr. Rothchild several times, however, voicemail stated he does not accept phone calls, only e-mails. Mr. Gray stated he e-mailed Mr. Rothchild advising The Agency needs to discuss payment being 30 days overdue and asked, "Are you in operation? Are you going out of business? Are you in trouble? Is there something we can do to help? If you don't communicate with us, we will have no recourse, but to turn over to the Mayor." Mr. Gray has received no response. A lengthy discussion ensued.

MOTION: No motion necessary.

ITEM #6. RESOLUTION AUTHORIZING A LEASE/LEASEBACK TRANSACTION TO FACILITATE THE ACQUISITION, RENOVATION AND EQUIPPING OF AN APARTMENT BUILDING, COMMERCIAL OFFICE SPACE, AND PARKING LOT PROJECT APPOINTING FREEWHEELIN ANSCO, LLC (THE "COMPANY"), AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, RENOVATING, EQUIPPING, AND LEASING 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: Mr. McLaughlin stated the \$23,500,000 project, providing 100 market-rate apartments and 50,000 square feet of commercial space, was brought before the Board last month. Since that meeting, there was a public hearing, transcript of which was made available to the Board. Mr. McLaughlin noted one gentlemen commented about PILOTS. Mr. McLaughlin further stated the project was presented to City Council, wherein the Mayor gave his consent; formal approval from City Council will follow. A discussion ensued.

MOTION: To authorize a Lease/Leaseback Transaction to Facilitate the Acquisition, Renovation and Equipping of an Apartment Building, Commercial Office Space, and Parking Lot Project Appointing Freewheelin ANSCO, LLC (The "Company"), Agent of the Agency for the Purpose of Acquiring, Renovating, Equipping, and Leasing 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. On a MOTION by Mr. Bucci, seconded by Ms. Marusich, the MOTION CARRIED UNANIMOUSLY.

ITEM #7: RESOLUTION AUTHORIZING THE AGENCY TO ENTER INTO AN AGREEMENT WITH ELAN PLANNING, DESIGN & LANDSCAPE ARCHITECTURE, PLLC FOR A REDEVELOPMENT FEASIBILITY STUDY ON 600 MAIN STREET, JOHNSON CITY, TOWN OF UNION, BROOME COUNTY, NEW YORK: Ms. Duncan advised that The Agency issued an RFP to planning and consulting firms for the redevelopment of the former BAE site; \$200,000 in grant funds was awarded through the Department of Defense and Senator Schumer's office to look at site development costs and market feasibility for a new use on this site. Elan was selected by The Agency out of five firms submitting proposals. Ms. Duncan stated a strength of Elan is their partnering with local firms, Woldt Engineering and Dan Griffiths Engineering, who have extensive knowledge in flood control and flood mitigation issues relevant to the site. Ms. Duncan further stated Stakeholder Meetings have been tentatively scheduled and expect Elan's recommendations to develop an RFP for developers to be completed by no later than November, 2018. A discussion followed.

MOTION: To enter into an Agreement with Elan Planning, Design & Landscape Architecture, PLLC, for a Redevelopment Feasibility Study on 600 Main Street, Johnson City, Town of Union, Broome County, New York. On a MOTION by Mr. Stevens, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ITEM #8: TRIPLE CITIES METAL FINISHING CORPORATION JOB CREATION REQUIREMENTS: Mr. Gray stated that recipients of The Agency's loan funds are required to either create, or retain a certain number of jobs in exchange for financing. When objectives are not met, it is the responsibility of the Board to determine reasons why a recipient did not attain these goals and take appropriate action, which can include increasing the interest rate, calling the note or choosing to take no action. Triple Cities Metal Finishing Corporation (Triple Cities Metal Finishing) did not create the 12 jobs promised; they also lost 19 jobs from the base they started with, due to the loss of a large contract. In addition, Mr. Gray stated Triple Cities Metal Finishing's sales dropped \$2 million in the last three years, forcing the company to take cost-cutting measures of which personnel is a part. Mr. Gray continued that Triple Cities Metal Finishing has an excellent payment history with The Agency; and expects their balance of approximately \$63,000 will be paid off in two years. Mr. Gray stated it appears Triple Cities Metal Finishing was unable to create the jobs through no fault of their own, and recommended the Board take no punitive action. A lengthy discussion followed, including an explanation of STEED guidelines; as well as instances when punitive actions were imposed by the Agency against past recipients. Mr. Bucci acknowledged mitigating circumstances and suggested not raising the interest rate or calling the loan. Ms. Marusich stated no opposition, however requested the Board revisit in one year. Mr. Pinker acknowledged Triple Cities Metal Finishing Corporation is working in good faith; just losing contracts, which is not unusual in this market.

MOTION: That no action will be taken against Triple Cities Metal Finishing and will be reviewed monthly. On a MOTION by Mr. Howard, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #9: A REQUEST FROM F.A. GUERNSEY CO., INC., FOR A SECOND RESTRUCTURING OF ITS EXISTING LOAN WITH THE BCIDA: Mr. Gray stated that F.A. Guernsey, Co., Inc., a nursery in Schoharie County that has been in business 128 years, made a second request to restructure its debt with The Agency. Mr. Gray advised the Board that The Agency assisted the business with financing in 2012, after sustaining \$800,000 in losses from Hurricane Irene. F.A. Guernsey Co., Inc. was unable to cash flow its P&I obligations to Farm Credit East. F.A. Guernsey Co., Inc., Farm Credit East and The Agency agreed the monthly debt service the company could maintain was under \$6,000. Mr. Guernsey refinanced his equipment loan; which, coupled with Farm Credit East mortgage of \$3,100, meant The Agency's payment would need to be under \$1,000 per month in order to cash flow and remain in business. The Advisory Loan Committee and Mr. Gray

recommend that the current balance of \$120,420.21 be recast and amortized over 20 years with a 10-year call, resulting in a P&I payment of \$643.41, effective June 1, 2018 through June 1, 2028. An extensive discussion took place.

MOTION: For a second restructuring of F.A. Guernsey Co., Inc.'s existing loan with the BCIDA. On a MOTION by Mr. Stevens, seconded by Mr. Howard, the MOTION CARRIED 7 to 1. Ms. Marusich opposed.

ITEM #10: RESOLUTION APPROVING THE AGENCY BYLAWS AND POLICIES AND PROCEDURES WITH NO

CHANGES: Mr. Gray stated it is a requirement of the Authority Budget Office (ABO) that the Bylaws, as well as Policies and Procedures, be approved annually, either as they stand or with changes. As there were no changes, Mr. Gray recommended approval of the Bylaws and Policies and Procedures as they currently stand.

MOTION: To approve The Agency Bylaws and Policies and Procedures with no changes. On a MOTION by Mr. Rounds, seconded by Mr. Pinker, the MOTION CARRIED UNANIMOUSLY.

ITEM #11: RESOLUTION APPROVING THE AGENCY'S 2017 MISSION AND MEASUREMENT REPORT:

The ABO requires an annual Mission & Measurement Report. The Agency's performance has been tied to actual objectives outlined in two strategic plans and also reflects goals for 2018, as outlined in that strategic plan. This report is an accurate reflection of both The Agency's accomplishments in 2017, and expectations for 2018.

MOTION: To approve The Agency's 2017 Mission and Measurement Report. On a MOTION by Ms. Marusich, seconded by Mr. Bucci, the MOTION CARRIED UNANIMOUSLY.

ITEM #12: REVIEW SUMMARY RESULTS OF CONFIDENTIAL EVALUATION OF BOARD PERFORMANCE:

Ms. Norton stated that the ABO requires that Boards conduct a confidential self-evaluation of their performance for the entire year. The Board's summary responses for 2017 were contained in the packet. At the beginning of the meeting, Ms. Norton passed out the performance review for 2016. The evaluations are for the Board's acknowledgement; the results were sent to the ABO.

MOTION: No motion necessary.

ITEM #13: EXECUTIVE SESSION: TO DISCUSS THE SALE OF REAL PROPERTY.

MOTION: To convene to Executive Session at 12:44 p.m. On a MOTION by Mr. Stevens, seconded by Ms. Marusich, the MOTION CARRIED UNANIMOUSLY.

ITEM #14: RECONVENE TO PUBLIC SESSION.

MOTION: To reconvene back to public session at 12:53 p.m. On a MOTION by Mr. Bucci, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #15: ADJOURNMENT: Mr. Kane requested a motion for adjournment.

MOTION: To adjourn the meeting. On a MOTION by Ms. Marusich, seconded by Mr. Rounds, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 12:54 p.m.

The next meeting of The Agency Board of Directors is scheduled for Wednesday, May 16, 2018 at 12:00 p.m. at FIVE South College Drive, Suite 201, Binghamton, NY 13905.