

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
185 Court Street
Binghamton, New York 13901
Friday, September 11, 2015, 12:00 PM**

SYNOPSIS OF MEETING

PRESENT: J. Baumgartner, J. Bernardo, J. Davis, W. Howard, R. Nielsen Jr., J. Smith
J, Rounds and J, Stevens

ABSENT: T. Kane

GUESTS:
Jerry Marinich, Broome County Legislature
Aaron Martin, Broome County Legislature
John Solak, City of Binghamton resident
Jeremy Brotz, Carpenters Local 227
Scott Colton, Carpenters Local 277
Debra L. Hogan, Neighbors Against Crime

STAFF: K. McLaughlin, T. Gray, S. Duncan, C. Campon, N. Abbadessa

COUNSEL: J. Meagher

PRESIDING: W.Howard

Mr. Howard called the meeting to order at 12:02 PM.

ITEM #1. APPROVE MINUTES FOR THE August 14, 2015 BOARD MEETING: Mr. Howard requested approval of the minutes for the August 14, 2015 Board Meeting.

MOTION: To approve the August 14, 2015 Board Meeting minutes. On a MOTION by Mr. Nielsen, seconded by Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

ITEM #2. PUBLIC COMMENT: First to speak is Mr. Solak. He urged the Board to pull the plug on Sonostics, Inc. years ago. He would like to know how many workouts they are going to receive. Mr. Solak stated that the machine that this company produced called the Miowave has now been converted into a heart machine. Sonostics is selling this product for \$595. When Mr. Solak told the board to pull the plug he predicted that one workout would not suffice. He feels that no one would want a piece of the company. Mr. Solak implied that the reason the IDA and the Board is prolonging the agony on this company is due to the project coming out of the University. He stated that if you let Sonostics collapse, you will reassure

the public that it is not a guaranteed success. Mr. Solak then went on speaking about Modern Marketing Concepts. He told the Board that Jeff Platsky, from Gannett, called the IDA and Modern Marketing Concepts to converse about the deal that was in place. Apparently no one called him back. Mr. Solak feels that by not calling a reporter back says something about this deal. He was at the Empire Development Public Hearing and then at The Agency Public Hearing. In both cases Modern Marketing Concepts did not show up to either hearing. Mr. Solak feels that Modern Marketing Concepts should have shown up stating their case on record as to why they need so much funding. This tells Mr. Solak one thing, either Modern Marketing thinks this is a done deal already, or they were reluctant to state their case in front of a stenographer to have it on record. Lastly, Mr. Solak began speaking regarding the Labor Policy relating to Modern Marketing Concepts. He states that this policy governs the construction business, but what about a Labor Policy as to what goes inside the building when it is complete. Those are the bulk of the jobs that Modern Marketing Concepts are stating they are going to create when the project is complete. He would like to know if the Board will be concerned if there is local labor in this building or union labor. Next to speak is Debra Hogan, Coordinator for Neighbors Against Crime. She wanted to applaud and congratulate Mr. McLaughlin on his support on the incubator project taking place on Hawley Street in Binghamton. There were a few site maintenance issues that needed to be addressed and when Ms. Hogan reached out to Mr. McLaughlin he always called her right back and addressed the concerns that she had. Ms. Hogan says that she has been in talks with Chris Grassi from Fahs Construction with regards to these issues. Ms. Hogan had a suggestion for the Board. She would like to encourage the University to partner with the City and place one of the police cameras on the site during construction. Mr. Nielsen agreed and is in full support of the camera being placed on the Incubator job site. Mr. McLaughlin stated that he would bring this issue up with the City and the University.

MOTION: No motion necessary.

ITEM #3. EXECUTIVE DIRECTOR'S REPORT: Mr. McLaughlin stated that the Upstate Revitalization Initiative approved the final plan yesterday. He feels that Broome County, Vestal, Binghamton, Johnson City and Endicott, have a number of very good projects. In this round of CFA funding the housing project in downtown Johnson City took priority along with National Pipe and Plastics on Page Avenue and the new housing and retail project on 7 Hawley Street. As far as the Upstate Revitalization Initiative, the \$500 million, The Agency has a lot of projects that will be wrapped up in that. The main one is the \$20 million dollar fund that Binghamton, Johnson City and Endicott will receive to handle community issues such as housing and façade rehabilitation. The \$20 million dollar fund will come over a five year period, the first \$5 million was applied for this year. If The Agency gets the URI it would be funded. They would work with the City of Binghamton and the Town of Union to put together a complete program. Mr. McLaughlin states

another important project to both Binghamton and the University is what is known as the Greenway Project. This project will connect downtown Binghamton and the University via a trail along 434. This project has been on the books for years and has received high reviews. The Agency can take advantage of the URI funding for this project. The GoodWill Theater, a Micro Grid Pilot Project, and Regenerative Medicine Center at BU that is in talks, all are part of the Upstate Revitalization Initiative. Mr. McLaughlin stated that this plan was approved yesterday. It will go to the State on October 3, 2015. Susan Payne has worked very closely on this project with BU, as did Mr. McLaughlin, Ms. Duncan and Mr. Evangelisti. There is competition with six other regions and Mr. McLaughlin is hopeful for great results. Mr. Baumgartner made a comment pertaining to the Micro Grid. He stated that Mr. McLaughlin said that the funding for the Endicott Micro Grid is part of the URI. Mr. Baumgartner implied that this project falls into a whole separate category for funding. Mr. McLaughlin confirmed that this project is in fact part of the Upstate Revitalization Initiative. Mr. McLaughlin had a meeting with Mr. Marc Newman on behalf of the Land Bank regarding 50 Front Street. He stated that the proposal is put together and it will come out of Empire State Development in the next couple of weeks so that Mr. Newman can sign the paperwork and the project will move forward. Mr. Meagher is working with John Dowd at Modern Marketing Concepts for the formal contract of sale. This should be complete and ready to go for the October Board meeting. Mr. McLaughlin has also been working with BCC on the library project. He would like to see a decision made. The Agency has been sitting on this property for quite a few years now. Mr. Meagher is still negotiating the final price. Mr. McLaughlin has encouraged Kevin Drumm and some of the Board Members to make a decision pertaining to this project. He stated that it is a hard building to insure, due to the fact it remains empty. If nothing is going to happen with this building Mr. McLaughlin would like to be informed. He let the Board know that he will be on vacation starting Monday September 14, 2015 and returning Monday September 28, 2015. Mr. McLaughlin also stated that everything has been confirmed for the Retreat that will take place on October 1, 2015. He will have Ms. Duncan finalize plans and send the Board all information that is needed. Mr. Nielsen had a comment pertaining to the BCC library project. He stated that he would encourage our counsel to give some thought to negotiation with BCC. Perhaps including some unusual language in the contract that says something to the effect of a right of reverter. Mr. Nielsen's fear is that we may consummate a deal with them and the building may still sit there for three or four years before their leadership comes to an agreement regarding the funding it will require. Mr. Nielsen states that even if there is a sale he would still like to see a right of reverter stating; if nothing happens within a year it will come back to The Agency to create pressure on them. Mr. Meagher stated that unfortunately that is what happened last time. Mr. Nielsen said that the Board should rarely use their eminent domain power, but in some cases it is appropriate. If this power is used then the Board would need to make sure their partner

is serious. Mr. Nielsen asked about the Financial Report. He would like to know why there was \$500,000 in a non-bearing interest checking account. Mr. McLaughlin stated that The Agency just received the closing check from Newman Development Group. He assured the Board that the money will be transferred out.

MOTION: No motion necessary.

ITEM #4. LOAN FUNDS AVAILABILITY AS OF August 31, 2015: Mr. Gray presented the Loan Funds Availability report to the Board. The balances available to lend are \$212,787.49 (STEED) and \$27,612.19 (BDF). Mr. McLaughlin stated that The Agency is still working with the USDA on the \$750,000 application for the USDA Funds. He has asked Ms. Duncan to contact Congressman Hanna's office to push things along. Mr. Stevens would like the Board to take notice of the Summary of Accounts. It has been cleaned up and restructured. Mr. Nielsen commented and stated that it is much improved and he applauds everyone for that.

MOTION: No motion necessary.

ITEM #5. RESOLUTION TO APPROVE A PROFESSIONAL SERVICE CONTRACT WITH THE ROCHESTER GROUP FOR THE PURCHASE AND IMPLEMENTATION OF CRM/SALESFORCE MANAGEMENT SYSTEM:

Ms. Duncan started the discussion. She explained who The Rochester Group was and what they will be doing. She stated that they use a Salesforce platform for data collection, management, internal communication, program management, loan and financial data collection. They create the actual application, which is the interface. Ms. Duncan explained that this company builds the program on the front end. There is a robust data collection and recording program that the entire staff will be working from. Ms. Duncan feels that this is a more efficient way to operate. The Rochester Group would serve as The Agency's IT group with this software, if ever there are technical difficulties. Ms. Duncan expressed some of the reasons that The Agency would like to pursue this software, the first one being office efficiency. There tends to be a lot of different excel spreadsheets from different databases that The Agency works from. This program will collect all information and keep it in one central location. There would be better recording of correspondence on a daily basis, email, phone calls, etc. This software will also manage grants that The Agency receives. Another reason she feels this software would benefit The Agency is because one of the goals with the strategic plan implementation going into next year is a formalized business retention and business visitation program. There has been a lot of site tours and The Agency has met with several different businesses, but they do not have a formal protocol for how business retention is managed. Ms. Duncan feels this Salesforce system will be integral in being able to do this effectively in capturing the interactions they have with businesses. It will also provide a module for site surveys so The Agency can meet with businesses to create custom surveys. Ms. Duncan pointed out that

The Rochester Group has also worked with other economic organizations such as Cayuga County and Otsego County. The base system that would be provided would be a service contract of \$7500, any additional modules would be at an extra cost. Mr. McLaughlin states that from a database perspective this software will be very efficient. It will help the staff to work very closely together. Mr. Stevens asked Ms. Duncan if initially she is talking about the \$7500 contract. She states that the \$7500 contract would build the base system. The additional modules she was looking at were the Site Surveys and the Grant and Funds Management. Mr. Stevens asked what the cost of the additional modules were. Ms. Duncan stated the Site Survey would be \$2700 and the Grant and Funds Management would be \$900. Mr. McLaughlin would like to evaluate the base system first before any additional modules are purchased. Mr. Stevens states that he has had some exposure with CRM's in banking, he says that one of the most critical pieces to the system is updating and keeping it going on a regular basis. Ms. Duncan said that Ms. Abbadessa will keep it updated and manage it on a day to day basis. Mr. Rounds asked if there is a monthly maintenance fee. Ms. Duncan stated that this is built into the annual contract. Mr. Rounds then asked if this contract and fee was paid annually. Ms. Duncan said yes. Mr. Nielsen says that per the contract monthly fees would be additional, that The Agency would need to purchase their own licenses. He would like to know the cost of these. Ms. Duncan said the cost of each license is somewhere around \$60 per user per month. She also said that she is meeting with SaleForce and The Rochester Group to have conversation about getting the licenses at a deep discount or even free. Mr. Nielsen would like to know if The Agency has contacted other counties that have this system in place. He would like to know if they like the program and find it useful. Mr. McLaughlin stated that he has spoken with Monroe County and they found much success with it. As far as the other counties Ms. Duncan has not reached out as of yet. Mr. Davis feels that if this software will make the staffs' day more efficient, then he feels there is no reason for them not to have it. He also stated \$11,000 a year is more cost effective than hiring another staff member.

MOTION: To approve the professional service contract for a one year trial with the Rochester Group for the purchase and implementation of CRM/Salesforce Management System, subject to confirmation that Cayuga County is happy with this program. On a MOTION by Mr. Nielsen, seconded by Mr. Davis, the MOTION CARRIED UNANIMOUSLY.

ITEM #6. REQUEST FROM STEED BORROWER, SONOSTICS, INC., TO SUBORDINATE TO NEW DEBT:

Discussion took place at Executive Session.

ITEM #7. EXECUTIVE SESSION: Mr. Howard asked for a motion to enter Executive Session to discuss the acquisition and sale of real property for the BCIDA.

MOTION: To convene to Executive Session at 12:40 PM. On a MOTION by Mr. Stevens, seconded by Mr. Smith, the MOTION CARRIED UNANIMOUSLY.

ITEM #11. RECONVENE TO PUBLIC SESSION: Mr. Howard asked for a motion to reconvene to public session.

MOTION: To reconvene to public session at 1:20 PM. On a MOTION by Mr. Stevens, seconded by Mr. Baumgartner, the MOTION CARRIED UNANIMOUSLY.

Mr. Gray gave a summary of the request from STEED borrower, Sonostics to subordinate to new debt. He began by stating that The Agency's collateral position will essentially stay the same. Sonostics is in arrears to The Agency by approximately \$21,000; this will become current. The Agency's position on the mortgages of the two principals will remain the same, a third position. Due to those reasons, Mr. Gray is recommending that the Board look favorably on this request.

MOTION: To move to accept the request from STEED Borrower, Sonostics, Inc. to subordinate to new debt. On a MOTION by Mr. Nielsen, seconded by, Mr. Stevens, the MOTION CARRIED UNANIMOUSLY.

Mr. Rounds asked about the BAE building site. Mr. McLaughlin responded by stating that Al Gorick was having a sub-contractor go into the building and start demo on the inside. This should take place anytime now. Mr. Nielsen asked if activity will start soon at the incubator site on Hawley Street. Mr. McLaughlin stated that the fence has gone up and they have started digging.

ITEM #8. ADJOURNMENT: Mr. Howard requested a motion for adjournment.

MOTION: To adjourn the meeting. On a MOTION by Mr. Davis, seconded by Mr. Baumgartner, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 1:24 PM

The next meeting of the BCIDA Board of Directors is scheduled for October 9, 2015 at 12:00 PM at the Broome County Public Library, 185 Court Street, Binghamton, NY.