

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Broome County Public Library
185 Court Street
Binghamton, New York 13901
Monday, June 14, 2010, 12:00 p.m.**

SYNOPSIS OF MEETING

PRESENT: G. Akel, B. Fiala, E. Burns, P. Hankin, S. Herz, W. Howard and V. Pasquale

ABSENT: T. Grippen and J. Rounds

GUESTS: Darcy Fauci, Deputy Broome County Executive
Dan Reynolds, Broome County Legislature Chairman

COUNSEL: J. Meagher

STAFF: R. D'Attilio, P. Doyle, T. Gray and R. Fiato

PRESIDING: G. Akel

Mr. Akel called the meeting to order at 12:00 pm.

ITEM # 1. APPROVE MINUTES FOR MAY 10, 2010 REGULAR MEETING: Mr. Akel requested approval of the minutes for the May 10, 2010 meeting.

MOTION: To approve the May 10, 2010 minutes with revisions. On a MOTION by Mr. Howard, seconded by Mr. Hankin, MOTION CARRIED UNANIMOUSLY.

ITEM # 2. PUBLIC COMMENT: None

MOTION: No motion necessary.

ITEM #3. EXECUTIVE DIRECTOR'S REPORT: Mr. D'Attilio updated the board about the status of RFPs being received in the next few weeks for the sign and fence projects at the Charles Street Business Park. Mr. Akel requested a budget update on the development of Charles Street Business Park at the next meeting. Mr. D'Attilio also mentioned about the release of updated FEMA Flood Plain Maps and that a portion of the Emerson Building and additional plots in the Charles Street Business Park are listed in the 100 year flood plain. This could have an impact on future development of the business park and would require the purchase of flood insurance on the property. Mr. D'Attilio continued by stating that he along with Mr. Tim Bailey from Hawk Engineering have been scoping the feasibility of using a portion of the park for Seton High School's soccer/football/track & field complex. Mr. Bailey prepared a layout of the complex on the site but unfortunately the layout would not work due to lack of parking spaces necessary to accommodate the complex. Mr. D'Attilio also mentioned a meeting he had with Mr. Gordon Kniffen, Town of Kirkwood Supervisor and Mr. William Diffendorf, Jr., Council Member on the use/distribution of the Millennium Community Benefits fund. Mr. Kniffen and Mr. Diffendorf have requested to attend the July Board Meeting and make a presentation to the board regarding the distribution of those funds. A lengthy discussion ensued among the board members regarding this topic. Mr. D'Attilio reminded the board that at the July 17, 2009, the board passed a resolution on how to use the Millennium Community Benefits funds. The resolution states that, "the Agency will pay back the County \$1,230,918.14 for the Broome Corporate Park Debt over a five year period at \$246,183.63 per year. The Agency will use the annual payments of \$100,000 from the

Millennium Pipeline Company's Community Benefits Package Funds for five (5) years as well as taking \$146,183.63 out of their general fund for the balance of the payment. Payments will begin in 2010. The Millennium Community Benefits Package funding is for a ten (10) year period, the Board will revisit how to distribute the funds after the first five (5) years and that the motion passed unanimously". Numerous questions surfaced regarding this matter. Mr. Burns is concerned that if the board decided to change the original resolution, how would the Agency determine the amount of money allocated to each town/village. Ms. Fiala believes that since the economic climate has changed so much for the County that the use of the Millennium Community Benefits funds and the Agency's outstanding loan to the County should be two separate issues and that both need to be addressed. Mr. Herz has mentioned several times that certain towns have approached him stating their concerns over the use of the funds. Mr. Pasquale noted that the Agency agreed to pay back the County, which they should do but where the money comes from doesn't matter. Ms. Fauci stated that she has made some phone calls to the other IDAs who have received community benefits funds from Millennium and questioned how they were using the funds. Some IDAs are using the funds to promote economic development; others are using the funds for community projects and others are keeping the funds in their general fund. For the next board meeting, Mr. D'Attilio will provide the board with an updated five year cash flow statement of the Agency that includes the pay back to the County and previous minutes that include discussions and actions taken for the use of the Millennium Community Benefit Funds. Mr. D'Attilio advised the board that Delta Engineers will have the completed feasibility study for the library by the end of the week. The study has concluded that it will cost approximately \$2.5 million to have the building ready for tenant improvements and this includes 15% in contingency as well as prevailing wages. The completed feasibility study will then be given to Mr. John Miller to prepare an appraisal of the building. Mr. D'Attilio mentioned that he had been contacted by Mr. Gene Hulbert Sr., a member of the Binghamton/Johnson Sewage Treatment Plant Board with an opportunity to potentially lease the wetlands in the Broome Corporate Park to the USDA/NRSC for the purpose of managing the property in an effort to decrease the release of nitrogen into the Susquehanna Basin River and Chesapeake Bay.

MOTION: No motion necessary.

ITEM # 4. LOAN FUNDS AVAILABILITY AS OF MAY 31, 2010: Mr. Gray advised the board that the Blenheim Pharmacal loan closed on June 9, 2010 and the balances available to lend are \$412,840.16 (STEED) and \$631,832.19 (TITLE IX). Mr. Burns inquired about the status of Ithaca Produce and Digicon; Mr. Gray advised the board that Ithaca Produce has turned the keys over to the bank and the bank is entertaining offers on the real estate. As for Digicon, the Agency is in the process of foreclosing on a third mortgage that will put the Agency in a second collateral position.

MOTION: No motion necessary.

NEW BUSINESS:

ITEM# 5. RECOMMENDATION TO ACCEPT SOUTHERN TIER EAST REGIONAL PLANNING BOARD'S (STERPDB) REMAINING LOAN FUND: Mr. Gray advised the board of an offer by Southern Tier East Regional Planning Board to give the Agency approximately \$340,000 from an existing loan fund they no longer want to administer. The Agency will set up an additional loan program that will have the same criteria as the other two loan programs administered by the Agency.

MOTION: Resolution authorizing the acceptance of the \$340,000 loan fund balance from Southern Tier East Regional Planning Board. On a MOTION by Mr. Pasquale seconded by Mr. Howard the MOTION CARRIED UNANIMOUSLY.

ITEM# 6. A \$60,000 TITLE IX LOAN FUND REQUEST FROM GEARCOR, INC., TO ASSIST IT IN THE PURCHASE OF MACHINERY AND EQUIPMENT FOR USE AT ITS SOON TO BE PURCHASED FACILITY AT 1037-1039 POWERS ROAD, CONKLIN, NEW YORK:

Gearcor, Inc., has submitted an application for Title IX funds to assist the corporation in an expansion project totaling \$487,000. Be advised that this project is being presented on an exception basis since the business could be considered a retail company since at least 50% of sales are to individuals. Gearcor, Inc., is a woman owned E-Commerce Business distributing footwear, protective equipment and accessories to businesses, municipalities, the military and individuals throughout the United States. Due to significant increase in sales in the last three years, the company has outgrown its 2,000 square foot warehouse and is in the process of purchasing a new facility on Powers Road in Conklin, New York. It should also be noted that over 98% of sales are outside New York State. Title IX funds would be used exclusively for purchase of new equipment and equipment which will make its operations more efficient. Gearcor, Inc., currently has 10 full time employees and if the project proceeds as planned the applicant believes that 6 new full time jobs will be created over a three-year period.

MOTION: To approve \$60,000 Title IX Loan Fund request from Gearcor, Inc. On a MOTION by Mr. Burns, seconded by Mr. Herz, the MOTION CARRIED UNANIMOUSLY.

ITEM #7. EXECUTIVE SESSION TO DISCUSS CONFIDENTIAL PLANS OF CERTAIN AGENCY PROJECTS:

MOTION: To convene to Executive Session. On a MOTION by Mr. Pasquale, seconded by Mr. Hankin, the MOTION CARRIED UNANIMOUSLY.

ITEM #8. RESUMPTION OF PUBLIC SESSION:

MOTION: To reconvene back to public session. On a MOTION by Mr. Pasquale, seconded by Mr. Howard, the MOTION CARRIED UNANIMOUSLY.

ADDITIONAL ITEM: Resolution authorizing the Executive Director to enter into an agreement for the purchase of the Dick's Warehouse facility in the Broome Corporate Park at a purchase price of \$1.8 million contingent upon obtaining a NYS grant, either directly or as a pass thru, in the amount of \$1.5 million and upon such other terms and conditions as the Executive Director shall deem appropriate.

MOTION: On a MOTION by Ms. Fiala, seconded by Mr. Howard, THE MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS

ITEM #9. ADJOURNMENT: Chairman Akel requested a motion for adjournment.

MOTION: To adjourn the meeting. On a MOTION by Mr. Pasquale, seconded by Mr. Herz, THE MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned.

The next scheduled Board Meeting of the BCIDA Board of Directors is July 9, 2010 at 12:00 p.m., Broome County Public Library, Binghamton, NY.