

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Minutes of Meeting
February 11, 2010

A meeting of the Chemung County Industrial Development Agency was held on Thursday, February 11, 2010, at 8:30 a.m. in 5th floor conference room of the Hazlett Building, 203 Lake Street, Elmira, New York. The following members were present: Cornelius Milliken, Thomas J. Santulli, G. Thomas Tranter, Jr., Alan Winston and John Burin.

Also present were George Miner, President of STEG; Jamie Johnson, Vice President of STEG; Thomas F. O'Mara, Esq., Agency Counsel; labor representatives; media; Kenneth Franasiak and Jocelyn Bos, RM14 Holdings LLC (Calamar); Harold Halpern, General Counsel for RM14; Art Ambrose, Realty USA; William Ross, Chairman, Niagara County Legislature; and Sharon Chrisjohn, recording secretary.

Chairman Milliken called the meeting to order and asked if anyone wished to speak.

Dave Blauvelt, IBEW 139, informed the Board there are 20 electricians working at the CVS site.

On Motion No. 2010-7 by Mr. Santulli, seconded by Mr. Tranter and unanimously carried, the minutes of January 29, 2010 were approved as presented.

Mr. Miner reported that they have closed on the loan with Riverside Realty LLC and they will start paying principal and interest.

Mr. Santulli stated while he was in Albany this week he found out that IDA's will be taxed based on the assets of the organization; it's money we don't have so be prepared. Mr. Miner added that we get money which is passed through. Hodgson Russ (bond counsel for the IDA) suggested that we meet with our auditors.

Mr. Miner introduced Mr. Franasiak and Ms. Bos from Calamar who gave a presentation on the project. Mr. Franasiak explained that this is a 120 one and two bedroom unit senior housing project to be located on Sing Sing Road and Broad Street in Horseheads. Calamar has done a marketing study and 77% of the people will be local residents so it will not have an impact on the village services. This will only address about 17% of the demand for senior housing. Without the assistance of the IDA, the project is not possible and you will retain seniors in this community. Calamar is a New York corporation headquartered in Buffalo; they have operations throughout North American and Canada. Chairman Ross stated that he has spent the last 3 days with the Chairman of NYSAC (Mr. Santulli) and he is doing a good job for the State. Senior housing is a very important issue for elected officials. What Mr. Franasiak did for Niagara is provide 300 units of senior housing. He urged Chemung County IDA to take a good look at this project. At the public hearings, there was not one person who was against these projects. Mr. Burin remarked that if this project fills 17% of demand, that means there's quite a gap. Why aren't rents adjusted? Mr. Milliken asked if everyone had enough information. Mr. Tranter stated that there is a resolution opposing the project; he is personally against the project as it is currently structured. Mr. Santulli added that the problem is not Calamar or the project. Unlike Niagara County, when he conducted the public hearing for Appleridge, you couldn't get into the room. He thinks the issue here is the abatement. Calamar is a for-profit organization and rents are based on a 15 year abatement. In the first two years, they will only pay 20% of taxes. Mr. Miner added that this requires a deviation because it is more aggressive. Mr. Burin agrees with the Village's position; he would have a very difficult time supporting this. This project is not competitive with other general apartment units. Mr. Halpern advised that this is for those 55 or 60 who cannot live in their own homes; there will be social services available. There is an increase in the amount of taxes to the taxing authorities so you will be able to provide more services. What you are concerned about are the private apartment owners. Don't

deprive seniors because of protecting the owners. Mr. Santulli stated that our economy is not good. What is different? If he said to the other apartment complexes that their taxes are going down 80%, wouldn't their rent go down? Mr. Burin stated that this is a \$10,000,000 project and asked what the assessment would be. Mr. Santulli would be willing to look at the project under a different PILOT formula. The abatement is aggressive. Mr. Tranter stated that the assessment is based on value of the units. \$10,000,000 is what's invested. Mr. Santulli is not prepared to act today; we are not working with real numbers. Mr. Miner advised that he has suggested Calamar ask for mortgage and sales tax abatement. Mr. Winston cannot support the margin of abatement. Mr. Milliken believes more work has to be done and suggested that Mr. Miner meet with Calamar.

On Motion No. 2010-8 by Mr. Santulli, seconded by Mr. Winston and unanimously carried, the meeting went into Executive Session relative to a property acquisition.

On Motion No. 2010-9 by Mr. Santulli, seconded by Mr. Winston and unanimously carried, the meeting resumed.

There being no further business, on motion by Mr. Santulli, seconded by Mr. Tranter and unanimously carried, the meeting adjourned.