

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
Minutes of Meeting  
July 21, 2011

A meeting of the Chemung County Industrial Development Agency was held on Thursday July 21, 2011, at 8:30 AM in 5<sup>th</sup> floor conference room of the Hazlett Building, 203 Lake Street, Elmira, New York. The following members were present: Cornelius Milliken, Thomas J. Santulli, Alan Winston, Donald Quick, John Burin and Michael Hosey.

Also present were George Miner, President of STEG; Sherri Geary, STEG; Thomas F. O'Mara, Agency Counsel; and Sharon Chrisjohn, recording secretary.

Chairman Milliken called the meeting to order.

Mr. Santulli stated that with the State budget cuts court security does not open the doors until 8:30 and suggested the meetings start at 8:40 to give the media and public the opportunity to be present at the start of the meeting.

Mr. Hosey asked to address the Board as President of Elmira Savings Bank regarding closure of the Lake Street Bridge. He presented transcripts of meetings with Mayor Tonello and City Council. The bank and other area businesses have lost business due to closing the bridge. He urged the IDA members to support Elmira Savings Bank and other businesses in keeping the bridge open.

There was no public comment.

On Motion No. 2011-25 by Mr. Santulli, seconded by Mr. Winston, and unanimously carried, the minutes of May 31, 2011 were approved as presented.

Mr. Quick reviewed the financial report for the period ending June 30, 2011.

On Motion No. 2011-26 by Mr. Burin, seconded by Mr. Winston and unanimously carried, the financial report was approved as presented.

Mr. Miner advised that several years ago Sonwill was approved for 40,000 sq. ft of space; now they would like to build a spec building and have been offered sales tax, mortgage tax, and 50% of property tax abatement over 10 years.

On motion by Mr. Quick and seconded by Mr. Santulli, the attached Resolution No. 2011-27 "RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR SONWIL DEVELOPMENT GROUP, L.L.C. (THE "COMPANY") was unanimously carried.

Mr. Miner reported that we have held the public hearing for Chemung Supply on the Magee Street property. They are now looking at two more projects – a two story office building on Corning Road and a manufacturing facility on Philo Road.

On motion by Mr. Burin and seconded by Mr. Hosey, the attached Resolution No. 2011-28 "RESOLUTION AUTHORIZING A PUBLIC HEARING REGARDING THE PROPOSED MANUFACTURING PROJECT FOR CHEMUNG SUPPLY CORPORATION (THE "COMPANY") was unanimously carried.

On motion by Mr. Burin and seconded by Mr. Hosey, the attached Resolution No. 2011-29 "RESOLUTION DIRECTING THE EXECUTIVE DIRECTOR OF CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN MANUFACTURING PROJECT FOR CHEMUNG SUPPLY CORP. (THE "COMPANY") was unanimously carried.

Mr. Miner explained that Chemung County is entering into an agreement with Grace Real Properties (Gary Wick) to buy a 2.06 acre parcel to give for polo arena property to be converted into the new Wings of Eagles Museum access to Daniel Zenker Road and utilities to put in a storm water pollution prevention system. We need to start construction and need a lease between the County and IDA and a CCIDA sub-lease to Wings of Eagles. We also need a funding agreement between the CCIDA and Chemung County for the \$ 3 million project. The CCIDA has \$1,700,000 in State grants. Mr. Miner further advised that within the next 30 days the County will be closing on the Grace Real Property and ESB properties. He would like authorization for the following 4 documents: Property Lease Chemung County to IDA; Property Sub-Lease IDA to Wings of Eagles; County/IDA funding agreement; and Streeter/IDA construction agreement.

On Motion No. 2011-30 by Mr. Santulli, seconded by Mr. Burin and carried, the Chemung County Industrial Development Agency is authorized to enter into the following agreements subject to review and approval of agency counsel:

- a. Property Lease Chemung County to IDA
- b. Property Sub-Lease IDA to Wings of Eagles
- c. County/IDA funding agreement
- d. Streeter/IDA construction agreement.

Mr. Hosey abstained from voting.

Mr. Miner advised that STEG has been working with the City for the last 4 years on the West Water Street Redevelopment Project. The State has recognized that the site is not redevelopable and Empire State Development Corp. has given us authorization to demolish the Rosenbaum's building and Marvin's with \$2,300,000 in Restore NY grant funds. We are looking for a source to buy Damonics. We have a commitment letter from Elmira Savings Bank to borrow \$180,000 over 5 years at 5.5% interest. Mr. Miner is requesting authorization to buy Damonics and tear it down and to enter into a commitment letter with Elmira Savings Bank for \$180,000 secured by two community development grants. Attorney O'Mara asked where we are on the purchase of the Damonics building and Mr. Miner advised we are waiting for the signed purchase offer.

On Motion No. 2011-31 by Mr. Santulli, seconded by Mr. Burin and carried, the Chemung County Industrial Development Agency is authorized to execute a commitment letter with Elmira Savings Bank for \$180,000 secured by two community development grants and purchase the Damonics building.

Mr. Hosey abstained from voting.

Mr. Miner advised that the CCIDA did a loan with Equilibrium Equities for \$400,000 to assist with renovation to the long vacant Remington Rand plant in Southport. Equilibrium Equities wants to borrow additional bank funds to make further renovations to the parking lot. The building is fully leased. The bank is requesting that the CCIDA agree to subordinate our position to their second mortgage.

On Motion No. 2011-32 by Mr. Quick, seconded by Mr. Santulli and unanimously carried, the Chemung County Industrial Development Agency is authorized to subordinate our loan to the third position behind the two loans of Susquehanna Bank for Equilibrium Equities for renovations to the former Remington Rand plant.

In response to the Annual Performance Report of IDA's from the State Comptroller's Office, Mr. Santulli thinks we should defend our position as an IDA when there are negative comments in the media. This community is a different place today because of the IDA and the Empire Zone.

Mr. Santulli also advised that the State sent out bills yesterday to businesses for a surcharge for increased unemployment; we should be public about it.

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