

Chemung County Industrial Development Agency
Minutes of the Meeting
April 28, 2016

A meeting of the Chemung County Industrial Development Agency was held on Thursday, April 28, 2016 at 8:40 AM at 203 Lake Street, Room 510, Elmira, New York.

The following members were present: Dawn Burlew, Donna Draxler, Michael Hosey, Donald Quick, Thomas Santulli and Alan Winston.

Also present were: Michael Krusen, Executive Director to the Agency; Thomas O'Mara, Legal Counsel to the Agency; Mary Rocchi, Recording Secretary; local labor representatives and media.

There was no public comment.

On Motion No. 2016-30 by Mr. Santulli, seconded by Mrs. Draxler, and unanimously carried, the minutes of the February 23, 2016 meeting were approved.

Mr. Quick reviewed the audited financials. A meeting was held with the external auditors to review audit results. The IDA received a clean opinion and there were no comments in the management letter. The biggest change on the balance sheet was the sale of the Sikorsky building. On Motion No. 2016-31 by Mr. Hosey, seconded by Mrs. Draxler and unanimously carried the audited financials were approved.

Mr. Quick reviewed the IDA's financials through March. There is \$174,000 of income due to fees and rental income. With the sale of the Sikorsky building, the IDA has cash on hand. Everything is in order for the first quarter of the year. On Motion No. 2016-32 by Mr. Hosey, seconded by Mrs. Draxler and unanimously carried, the financial report was approved.

Mr. Hosey reported that the Governance Committee will meet in May. New model assistance applications and best practice policies have been developed by the EDC in collaboration with the NYS Comptroller's Office that will be reviewed at a May Governance Committee meeting.

Mr. Krusen asked that the Carubba Collision Corporation application be tabled. Mr. Krusen will work with legal counsel to see if this business is considered a retail business or commercial business.

Mr. Krusen discussed the Corning Shared Services Building. A tenant will be occupying the building and creating 450 jobs over three years. The landlord is requesting that the IDA provide sales tax exemption during reconstruction. This property is also eligible for the Start-Up NY program. The IDA would participate by taking a leasehold interest in the property involved in the project by providing a lease/leaseback agreement with the project applicant. Corning Community College, which is an eligible college, has 200,000 square feet of program benefit eligible space for privately held locations. A request has been made by the landlord, Yunis-Welliver to provide a financial investment and reimbursement on leasehold improvements up to \$100,000 for reconstruction of the building. Mr. O'Mara stated that since the benefits do not exceed \$100,000, no public hearing is needed and the SEQR finding is a Type 2 action and no further actions needs to be taken. On Motion No. 2016-33 by Mr. Santulli, seconded by Mrs. Burlew and unanimously carried, the request to approve the sales tax exemption and provide financial investment of \$100,000 to assist with project development subject to the issuance of a certificate of occupancy to the tenant for project C and since the benefits do not exceed \$100,000 there

is no need for a public hearing and is considered a SEQR Type II action with no further action needed, was approved. The company is hoping to hire in the 4th quarter of 2016.

Mr. Krusen presented a Site Entry Agreement from Chemung River Friends. The group would like access to the wetland area at Airport Corporate Park South to use for education of high school students. The IDA has been additionally insured on the Chemung River Friends insurance policy. On Motion No. 2016-34 by Mr. Quick, seconded by Mr. Hosey and unanimously carried, the Site Entry Agreement between the Chemung County Industrial Development Agency and Chemung River Friends was approved.

Mr. Krusen discussed a reimbursement to Southern Tier Economic Growth from the Chemung County Industrial Development Agency. STEG advanced payment for locker room renovation designs and a facility condition report for First Arena to expedite the process. On Motion No. 2016-35 by Mrs. Draxler, seconded by Mr. Hosey and unanimously carried, the Chemung County Industrial Development Agency will reimburse Southern Tier Economic Growth in the amount of \$11,728.44 for payment of invoices to EIS Rinks LLC and Foor & Associates Architects was approved.

Mr. Krusen discussed a transfer of county property to the CCIDA. The Chemung County Legislature approved the County Executive's request to transfer the former restoration hangar, Tax Map #57.02-260, to the CCIDA for future development and potential sale to a third party. Proceeds of the sale would be used for future economic development projects. An appraisal of the value of the property needs to be done in order for the CCIDA to proceed with a sale. On Motion No. 2016-36 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried the former restoration hangar will be transferred to the Chemung County Industrial Development Agency for future economic development activity, was approved.

Mr. Krusen presented a Commercial Lease Agreement for Greenstar Services Incorporated. The company will lease approximately 3,000 square feet in the Schweizer building consistent with terms from previously approved leases at the property. On Motion No. 2016-37 by Mrs. Draxler, seconded by Mrs. Burlew and unanimously carried, the Commercial Lease Agreement between the Chemung County IDA and Greenstar Services Incorporated for a one year lease was approved.

Mr. Krusen discussed a request from Park Grove Realty who is the developer on the West Water Street development project. Park Grove Realty is planning to construct and develop 25,000 square feet of commercial and 50,000 square feet of residential space at the West Water Street site. The National Development Council (NDC) is providing project analysis to be sure the developer's investment and public investment are in proper alignment. The developer has requested funds up to \$50,000 to help off-set the cost of the site development plan and site investigation process. M. Krusen suggested that the CCIDA partner with STEG on this development project and provide the funds. On Motion No. 2016-38 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, the Chemung County Industrial Development Agency will partner with Southern Tier Economic Growth to provide funds for project assistance from NDC and to offset the cost of the site development plan and site investigation, was approved.

Mr. Krusen discussed a PILOT for the New York Barber and Beauty Academy, which is located in the former Department of Labor building on Baldwin and Market Streets. The owners have invested over \$240,000 in renovating the property and have created four jobs and plan to create additional positions. During the reconstruction phase the assessment was set at \$75,600 and the full assessment has been set at \$217,000 for the building and \$25,000 for the land. Mr. Krusen suggested providing an abatement schedule for an assessment over \$75,600 and a sales tax exemption for the reconstruction build out. The estimated cost of these benefits is less than \$100,000 therefore a public hearing will not be necessary. Since this is a Type II Action for SEQR, no further action is needed. Mr. O'Mara will prepare a

deviation letter to all taxing entities as part of the resolution. On Motion No. 2016-39 by Mr. Santulli, seconded by Mrs. Draxler and unanimously carried, a RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF NEW YORK BEAUTY AND BARBER ACADEMY, LLC DOES NOT REQUIRE A PUBLIC HEARING; THE PROJECT IS A TYPE II ACTION AND NO FURTHER ACTION IS REQUIRED UNDER SEQRA WITH RESPECT THERETO; AUTHORIZING THE EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION PROJECT FOR THE BENEFIT OF THE COMPANY AND A PILOT DEVIATION LETTER TO BE SENT TO ALL TAXING ENTITIES , was approved.

Mr. Krusen discussed the Envision Elmira (Werdenberg's) project. Since the project was approved at the February 19, 2016 meeting, the project received \$120,000 in funding but was unsuccessful in securing the New York Main Street grant for \$250,000. SJ Adams, the project sponsor, is requesting additional financial assistance for leasehold improvements from the CCIDA. This project will be done in two phases with Phase 1 being residential development and Phase II being commercial development. Mr. O'Mara stated that since the benefit will be less than \$100,000, there is no need for a public hearing. The project is a Type II action for SEQR, therefore no further action is needed. On Motion No. 2016-40 by Mrs. Draxler, seconded by Mrs. Burlew and unanimously carried, up to \$75,000 will be invested in the Envision Elmira project to assist with architectural/engineering expenses and other associated application or legal fees which would be payable upon issuance of a certificate of occupancy for the project, was approved.

Mr. Krusen discussed the projects that need to be completed. The most critical projects are Southerntier Custom Fabricators and New York Beauty and Barber School, which have to be done by the end of May to receive tax abatement.

On Motion No. 2016-41 by Mr. Hosey, seconded by Mr. Hosey, seconded by Mr. Santulli and unanimously carried, the Board convened Executive Session.

On Motion No. 2016-42 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, Executive Session was dismissed.

On Motion No. 2016-43 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, the Executive Director of the Chemung County Industrial Development Agency and Legal Counsel to the Agency will request an appraisal of 1250 Schweizer Road and pursue the sale of the building was approved.

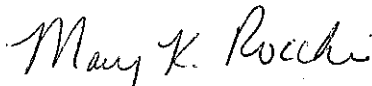
On Motion No. 2016-44 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, the Chemung County Industrial Development Agency will pursue purchasing First Arena from the current owners, Thomas Freeman and Nathan Cook as is stated in the Memorandum of Understanding with the following conditions was approved.

- The Chemung County IDA and the County are able to renegotiate the Memorandum of Understanding and the IDA is able to renegotiate the purchase contract between the IDA and First Excelsior relative to the Acquisition of the Arena.
- The County and the IDA enter into an agreement requiring the County to pay a stated amount for a restrictive covenant to be recorded by the IDA upon acquisition requiring the Arena remain open to the public as a recreational facility for a stated term.
- Empire State Development Corporation consents to the IDA's purchase of the Arena, solicitation of offers pursuant to the RFP and subsequent sale.
- TTED and the IDA agree on management of the team.

- The IDA and Victory agree to the terms of License Agreement pursuant to which Victory will use the Arena for the hockey team. The new License Agreement to be effective upon Acquisition.
- Thomas Freeman and Nathan Cook agree to discharge the ELM Mortgage.
- First Excelsior and STEG record the Deed in Lieu to convey title to the Arena in First Excelsior.
- At closing on the Acquisition, the Chemung County Industrial Development Agency will pay \$1.2 million and the County will assign the Casella Instrument to the IDA and the IDA assigns the Casella Instrument to Chemung Canal Trust Company in satisfaction of the first mortgage. Lender discharges its first mortgage. The IDA and the Lender can look only to Casella for payment of the \$1 million.
- Upon the IDA's Acquisition, the Main Street Bar License Agreement between First Excelsior and Main Street Bar is terminated by the IDA.
- Upon Acquisition, the IDA enters into a management agreement with a third party for the operation/management of the Arena and the food and beverage concessions.
- Following/contemporaneously with the Acquisition, the IDA issues an RFP to sell the Arena.
- The IDA is authorized to use any remaining proceeds from the \$1 million initial deposit to cover any operating expenses for the 2016/2017 season for the interim period prior to a sale, that are not currently covered by Arena/Jackals revenues.
- The IDA directed the Executive Director and Legal Counsel to proceed with completion of the conditions necessary to proceed with the acquisition, finalize and issue a request for proposals for sale of the arena and develop and solicit an arena management agreement for the interim period.

On Motion No. 2016-45 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, the meeting was adjourned at 10:15 AM.

Respectfully submitted,



Mary K. Rocchi
Recording Secretary