

Chemung County Industrial Development Agency

February 16, 2017

AGENDA

1. Public Comment
2. Approval of Minutes – January 13, 2017
3. Audit Committee Report
4. Finance Committee Report
5. Governance Committee Report
6. New Business
 - a. CVS PILOT Agreement Modification
 - b. SEPAC Sales Tax Exemption Request
7. Old Business
 - a. Maloney Enterprise LLC
 - Approving Resolution
 - b. West Washington Ave. School Project
 - Approving Resolution
8. Executive Session
 - Property Matter
9. Other Business
10. Adjournment

**Chemung County Industrial Development Agency
Minutes of the Meeting
February 16, 2017**

A meeting of the Chemung County Industrial Development Agency was held Thursday, February 16, 2017 at 10:30 AM at 203 Lake Street, Room 510 in Elmira, New York. The following members were present: Dawn Burlew, Donna Draxler, Thomas Santulli and Alan Winston.

Also present were: Michael Krusen, Executive Director to the Agency; Thomas O'Mara, Counsel to the Agency; Zsuzsi Kadar, Southern Tier Economic Growth; Mary Rocchi, Recording Secretary to the Agency; Jessica Edger-Hillman, Edger Enterprises; Jason Crane, Edger Enterprises; George Richter, Town of Chemung; Brian Hyland, Chemung County Legislature; Robert Thomas, First Arena; Theresa Murdock, Real Property Tax Service, Chemung County; local labor and media representatives.

Mr. Michael Hosey and Mr. Donald Quick were excused.

Mr. Winston called the meeting to order at 10:30 AM and reported that a quorum was present. A copy of the agenda and documents pertaining to items to be discussed today were received previously.

There was no public comment.

On Motion No. 2017-08 by Mr. Santulli, seconded by Mrs. Draxler and unanimously carried, the minutes of the January 13, 2017 were approved.

There was no audit committee report.

Mr. Krusen presented the financial report. Revenues exceeded expenses for January by approximately \$80,000. Staff is closing out the 2016 audit and will have a final report soon. On Motion No. 2017-09 by Mr. Santulli, seconded by Mrs. Draxler and unanimously carried, the financial report was approved.

There was no Governance report.

NEW BUSINESS

Mr. Krusen discussed the CVS PILOT agreement. An issue of payment distribution was reviewed by Theresa Murdock, Director of Real Property Tax Services for Chemung County. Ms. Murdock reviewed the agreement between the IDA and CVS that states the PILOT agreement would not go into effect until a certain percentage of the building was built. There was a change in the bond amount. Ms. Murdock offered two solutions for consideration. The guaranteed amount for CVS could be changed or we could change the disbursement to the County, Town and school district, which would increase not decrease distributions. The issue with the PILOT came to light over the past two years and the bond ended up larger than anticipated. The agreement with CVS would have to be amended. Ms. Murdock has discussed this with Mr. Lapier at CVS. On Motion No. 2017-10 by Ms. Burlew, seconded by Mrs. Draxler and unanimously carried, the following resolution to the CVS PILOT was made: During the first sixteen (16) years that payments in lieu of taxes are due pursuant to the terms of this Payment in Lieu of Tax Agreement the Company agrees that it shall make annual guaranteed payments in lieu of taxes (each a "guaranteed Payment in Lieu of Taxes") to the Chemung County Treasurer on behalf of the Taxing Entities, each such annual Guaranteed Payment in Lieu of Taxes to be, as follows (each the "Base PILOT Payment" which is the estimated base payment as may be reduced by the 2010 shortfall adjustment due to the Project Facility not being substantially complete by June 1, 2010). After payment of the obligation the remaining balance shall be paid as follows: Waverly Central School District - 66%, County of Chemung - 31% and Town of Chemung - 3%, was approved.

Mr. Krusen presented a request from SEPAC for a sales tax exemption on equipment purchases for a business they are acquiring. SEPAC will proceed with the acquisition of a business and relocate the business to their Elmira location. Mr. Krusen stated that this is an informational item and that a full application would have to be submitted. They have not requested a mortgage tax abatement. Mr. Krusen discussed waiving some of the agency fees since the company is only asking for sales tax. If the sales tax amount is under \$100,000, there will not need to be a public hearing.

OLD BUSINESS

Mr. Krusen reported that a public hearing was held for Maloney Enterprise LLC and there was no public comment. They do not need the mortgage tax abatement as there will be no commercial financing. The sales tax exemption will remain the same. The number of employees will be 42 not 43 as previously reported. Mr. O'Mara presented an approving resolution. On Motion No. 2017-11 by Ms. Burlew, seconded by Mr. Santulli and unanimously carried a RESOLUTION 1) ACCEPTING THE DETERMINATION BY THE CITY OF ELMIRA PLANNING COMMISSION TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE MALONEY ENTERPRISES, LLC (THE "COMPANY"), AND ACKNOWLEDGING RECEIPT OF THE NEGATIVE DECLARATION ISSUED WITH RESPECT THERETO, AND 2) AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION PROJECT FOR THE APPLICANT/COMPANY was approved.

Mr. Krusen reported that a public hearing was held for the Edger Enterprises of Elmira Inc. application and no public comment was received. Mr. Krusen noted that the project name has been changed to George Washington Apartments LLC as approved by the Internal Revenue Service. There are minor financial changes in the original application. The historic tax credits are slightly less and a commercial loan has been carried through. The difference in the total project is about \$70,000. Mr. Krusen recommended moving forward with the resolution. On Motion No. 2017-12 by Ms. Burlew, seconded by Mrs. Draxler and unanimously carried, the RESOLUTION 1) ACCEPTING THE DETERMINATION BY THE CITY OF ELMIRA PLANNING COMMISSION TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE EDGER ENTERPRISES OF ELMIRA, INC. (THE "APPLICANT") ON BEHALF OF EDGER DEVELOPMENT LLC A NEW YORK LIMITED LIABILITY COMPANY (THE "COMPANY") AND ACKNOWLEDGING RECEIPT OF THE NEGATIVE DECLARATION ISSUED WITH RESPECT THERETO, AND 2) AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION PROJECT FOR THE APPLICANT/COMPANY was approved.

On Motion No. 2017-13 by Mr. Santulli, seconded by Ms. Burlew and unanimously carried, Executive Session was convened to discuss a property matter.

On Motion No. 2017-14 by Mr. Santulli, seconded by Mrs. Draxler and unanimously carried, Executive Session was dismissed.

On Motion No. 2017-15 by Mrs. Draxler, seconded by Ms. Burlew and unanimously carried, the meeting was adjourned at 11:43 AM.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary