

Public Hearing – Parker’s Grille, Inc.

Monday, November 5, 2018 - 9:00 A.M.

Minutes of Proceedings

Attendance: Steve Griffin, CEO, Finger Lakes EDC, Mike Lipari, Economic Development Specialist, Finger Lakes EDC, Mike Hibbard, Finger Lakes Times, John Christensen, Chronicle Express, Leslie Church, Supervisor, Town of Milo, Patrick Grimaldi, Assessor, Town of Milo, Rita Gow, Member, Finger Lakes EDC Board.

The Public Hearing on the proposed straight leaseback transaction by the Finger Lakes Economic Development Center on behalf of Parker’s Grille, Inc. was held in the Town of Milo Office, 137 Main Street, Town of Milo, Village of Penn Yan, Yates County, New York on Monday, November 5, 2018 at 9:00 A.M.

The Public Hearing notice was published in the legal section of The Chronicle Express on October 24, 2018. The Notice of Public Hearing was also posted on the bulletin board of the Yates County Courthouse and Town of Milo Bulletin Boards on October 23, 2018 and copies of the Notice were mailed to the affected taxing jurisdictions (Yates County, Town of Milo, Village of Penn Yan, Penn Yan Central School District) on October 23, 2018. The Notice of Public Hearing was also posted to the Finger Lakes Economic Development Center’s website on October 26, 2018.

Steve Griffin, CEO for the Finger Lakes Economic Development Center, called the Public Hearing to order at 9:00 A.M.

Mr. Griffin reviewed the proposed incentives for the Parker’s Grille, Inc. project. Parker’s Grille, Inc is purchasing 11 Main Street Penn Yan. Parker’s Grille will renovate and purchase equipment to build and outfit the building into a full-service restaurant. The total projected project investment is \$750,000. There were twenty-eight jobs reported in the application, this is likely the total number of employees. Based on financials provided, this converts to twelve full-time equivalents.

Mr. Griffin reported that the total proposed incentives for the straight lease back is projected to be \$118,598; which consists of, \$40,000 in sales tax exemption, \$3,500 mortgage tax exemption and \$75,000 property tax abatement over the ten-year PILOT.

Leslie Church inquired what is the total tax loss? Mr. Griffin replied there is not a business open in that location currently.

Mr. Griffin reported that the projected increased assessed value would be \$400,000. This is probably high but Mr. Griffin needs to talk to Patrick Grimaldi, Assessor for the Town of Milo. This project will bring an additional \$6,100 in tax revenues for the Village of Penn Yan. PILOT payments will bring in \$27,500, on top of current assessed value. The Town of Milo will receive an additional \$2,500-\$2,600 in tax revenues.

Mr. Griffin reported the proposed PILOT will be a 10-year traditional non-manufacturing PILOT. There will be 100% break on the increased assessed value and then 10% reduction each subsequent year. Proposed benefits are over \$100,000 therefore the public hearing was required.

Mr. Griffin reported in 2007 Shepstone Management did a study for Peebles. That study reported, \$5.93 million in sales lost as a result of restaurant leakage. Three hotels have opened since the study.

In 2008, a downtown survey was completed and out of 595 responses, 40% indicated they would like more restaurants, 29% indicated they would like more cafes. Mr. Griffin reported that NY State has declared the Town of Milo as economically distressed and the Village of Penn Yan as moderately distressed. As a result, a retail study is not required to offer a PILOT for the Parker's Grille, Inc. project.

Leslie Church inquired as to what the economically distressed is based off of. Mr. Griffin replied that NY State has measurements and makes that determination.

Leslie Church reported she was aware that some of the PILOTS, specifically the hotels were able to collect real estate tax revenue. S. Griffin reported the county made payments to the Village for reimbursement of the tax abatements. This was not requested for this project.

Leslie Church inquired if there was any to make up the difference or is this a discussion to have with the county? Mr. Griffin replied the Village has not said anything about it.

Patrick Grimaldi, who arrived late, inquired about what kind of PILOT is being requested? Mr. Griffin replied a 10-year PILOT with a 100% abatement for year 1. Patrick Grimaldi inquired if this was based on 2019 or 2020 taxes.? Mr. Griffin answered most likely 2020. Mr. Griffin reported he was guessing a \$400,000 increase. Patrick Grimaldi replied we will have to wait to see. It probably won't be that high. It's hard to guess until you see the final project.

Patrick Grimaldi inquired if this is a 10% reduction each year after the first year, are they getting the regular breaks on mortgage and sale tax, these are the big incentives for these types of projects. Mr. Griffin confirmed.

John Christensen commented that hotel projects required new builds, this project does not. There is no need to reimburse the Village as the parcel is already on the tax rolls.

Patrick Grimaldi commented that there will not be much loss for the Village as it is on the increased assessment, which would not exist if the restaurant was not going in.

Leslie Church commented that based on the investments going in, it's definitely going to positively affect the Village.

Patrick Grimaldi commented that it is a Pete Mitchell project. He will impact the surrounding buildings. Leslie Church commented that it is really exciting. We need to keep people here that are staying in the hotels. We don't want them going to Geneva or Hammondsport.

Patrick Grimaldi added same for the people who live here.

John Christensen commented that there is not enough quality in town.

Leslie Church added there are people that want quality.

John Christensen added that you can have the same argument with the wineries. If there was one winery how many tourists would come to the Finger Lakes to try wines? With restaurants you would have a whole selection. We need a non-Sysco option.

Patrick Grimaldi asked when the project will start? Mr. Griffin replied soon. The deal for the building is contingent on financing. He needs to close by the end of the year and then build out will start.

Leslie Church inquired whether the building needed a lot of renovation? Mr. Griffin replied that it is a good building but needs full renovation to accommodate a restaurant.

Patrick Grimaldi commented that the date for the tax abatement has to be right. The first tax abatement for the school tax will be 2020. The exemption will come between 2019 and 2020.

John Christensen commented that that no one is losing any money they would have received, they are just not getting as big of an increase.

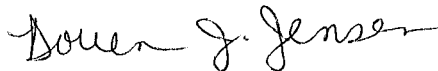
Patrick Grimaldi commented that 10 years starting in 2019, the restaurant would lose one year of tax abatement, you do not want that for a restaurant.

John Christensen inquired when will you have the economic benefit figure? Mr. Griffin replied later this morning, as he was not positive on the wage figures. I will email to you and Mike Hibbard as soon as completed.

Mike Hibbard asked if there were any more approvals for the project? Mr. Griffin commented yes, we will take back the public hearing comments to the board. From there they can make their final decision on approval.

There being no other comments the Public Hearing was closed at 9:21 A.M. by Mr. Griffin.

Submitted by:



Doreen J. Jensen
Chief Financial Officer