

Public Hearing – Benton Ridge Trusses, LLC

Tuesday, March 20, 2018 - 9:00 A.M.

Minutes of Proceedings

Attendance: Steve Griffin, CEO, Finger Lakes EDC, Mike Lipari Economic Development Specialist, Finger Lakes EDC, Doreen Jensen, Administrative Assistant/CFO, Finger Lakes EDC, and Glenn Quackenbush, Town of Benton Councilperson and resident.

The Public Hearing on the proposed straight leaseback transaction by the Finger Lakes Economic Development Center on behalf of Benton Ridge Trusses, LLC was held in the Town of Benton, 1000 Route 14A, Town of Benton, Yates County, New York on Tuesday, March 20, 2018 at 9:00 A.M.

The Public Hearing notice was published in the legal section of The Finger Lakes Times; on March 8, 2018. The Notice of Public Hearing was also posted on the bulletin board of the Yates County Courthouse and Town of Benton Bulletin Board on March 6, 2018 and copies of the Notice were mailed to the affected taxing jurisdictions (Yates County, Town of Benton, Penn Yan Central School District) on March 6, 2018. The Notice of Public Hearing was also posted to the Finger Lakes Economic Development Center's website on March 7, 2018.

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

Mr. Griffin gave an overview of the Benton Ridge Trusses, LLC project. This project consists of construction of a 16,800-square foot facility for a truss manufacturing facility. This is a standard straight leaseback project with property tax abatement with a proposed \$1,195,000 total capital investment. They are projecting 17 full time jobs created over the next three years. Total incentives are approx. \$111,181 over 15 years. The projected benefits savings are \$19,680 in sales tax on materials, \$6,950 in mortgage tax recording, and \$84,551 in property tax over 15 years. The total projected benefit economic impact to the community will be \$11,174,142 million when taking into account initial company investment, salaries paid and PILOT payments made over the 15 year period. The community benefit to investment ratio is 105:1.

S. Griffin reported a small portion of the facility would be rented to Sugar Creek Construction.

Mr. Quackenbush inquired whether the FLEDC would own the building and then lease the building to them? S. Griffin explained how the Straight Leaseback works. FLEDC will take title to the property for the sole purpose of property tax abatements but the company will enjoy full rights of ownership. S. Griffin reported we are just a conduit – legal mechanism.

Mr. Quackenbush inquired as to what happens if they don't hire 17 people? They said they would be hiring 4-5 in the Town of Benton Planning Board meeting. Mr. Griffin replied the 17 jobs are over a three year period. Mr. Quackenbush commented that they will put local truss manufacturers out of business. S. Griffin explained they discussed they are able to build larger trusses than are currently made locally. S. Griffin further stated he understood the concern that many existing companies have when a new company comes into the area but it is our mission to help both new and existing businesses in order to create jobs and wealth. The attraction of new companies to the area will help do both. Mr. Quackenbush asked about the local tax incentive programs. S. Griffin explained the 485-b program. Mr. Quackenbush thinks that is all the break they need.

S. Griffin reported that we have clawback provisions in place to help protect against companies that don't meet their projections. They could include having to pay back any savings if they don't meet their projections. Companies that receive these incentives are required to report their sales tax exemption, mortgage tax exemption, PILOT payments and number of employees to us each year. When a company doesn't meet their projections we will work with them to see the reasons behind it. S. Griffin reported that we have terminated PILOTS in the past if the project doesn't meet requirements or move forward. We have not yet gone back to collect on incentives already received as in most cases the businesses are not purposely missing their projections.

Mr. Quackenbush commented that they are overly optimistic on their job numbers. Mr. Quackenbush didn't feel that it was right that they could rent to another business. Mr. Quackenbush stated that he is inquiring as a resident of the Town of Benton and also as a Councilperson for the Town of Benton.

Mr. Quackenbush commented that the Town of Benton has had questions regarding this project.

S. Griffin explained the justification of the project. There will be competition of employees which is good for the employee with increased wages. This creates jobs and wealth for the community. S. Griffin will double check with them on their job numbers. Those numbers are based on their current operation and employment in PA.

S. Griffin reported he inquired of the Company what they were doing to address zoning when they applied. Mr. Quackenbush reported they had to go before the Zoning Board of Appeals. Mr. Quackenbush still thinks their job numbers are off.

Mr. Quackenbush commented that P & R Truss has companies all over New York State. You can have your order within two weeks. Faulkner Truss and P & R Truss are within pennies of each other.

Mr. Quackenbush commented that he heard they make 80' trusses. They are not going to be able to transport them in one piece. They won't be able to make the turn into the intersection. S. Griffin will inquire as to how they plan to transport trusses and make the turns into the intersection.

Mr. Quackenbush commented that he is not against the project but thinks we are giving them an unfair advantage over others. S. Griffin stated other businesses could come to us and ask for the same incentives if they were doing a similar project.

Mr. Quackenbush inquired on whether the FLEDC distributes the PILOT payment. S. Griffin explained how PILOTS are billed. The only PILOTS the FLEDC distributes are the Empire Pipeline Project and Finger Lakes Railway. The amount that is distributed to the municipalities in those examples are calculated by the Yates County Treasurer, Nonie Flynn.

S. Griffin reviewed the process the FLEDC has to go through if we want to deviate from our current PILOT program. Sometimes a PILOT is used as a way to reach agreement on tax payments without having to go to court. In those cases, the FLEDC is asked to grant a PILOT to meet the agreed to payment schedules. In other instances, the PILOT is an advantage to the municipalities. One example is the solar farm project in the Town of Middlesex. They would not receive any tax revenue unless they had a PILOT through the FLEDC.

Mr. Quackenbush inquired whether we had a PILOT with or if we assisted Nelson Parts? S. Griffin reported no, but they could have applied to the FLEDC. They chose not to utilize our programs.

Mr. Quackenbush wanted to know if this project is approved, how will this stop others from coming and applying? S. Griffin replied that is what we are working for is more businesses!

Mr. Quackenbush inquired whether the FLEDC would lose money if we issued a loan/grant to the project. Mr. Griffin replied no, the FLEDC does not issue grants, but we do have a revolving loan fund program.

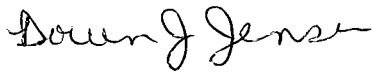
Mr. Griffin gave an overview of the FLEDC revolving loan program. We currently have approved 114 loans.

Mr. Quackenbush inquired where the money comes from for our revolving loan program Mr. Griffin answered we have 7 loan funds with most of the funds coming through State grant programs. Our application process is similar to a bank.

There were no objections to the project.

There being no other comments the Public Hearing was closed at 9:36 A.M. by Mr. Griffin.

Submitted by:



Doreen J. Jensen
Chief Financial Officer