

**SPECIAL MEETING OF THE NORTH HORNELL VILLAGE BOARD
MAY 22, 2006**

Attendance: Deputy Mayor William McNelis
Trustees: Glenn Thomas, Joseph Dick & Frank Libordi
Clerk: Kristene Libordi
Town of Hornellsville Supervisor Kenneth Isaman
Town of Hornellsville Board: Angela Caldwell, Ronald Kennell
William Giese

Meeting called to order by Deputy Mayor William McNelis at 7:00 PM.

PAY BILLS & TRANSFER FUNDS

A motion was made by Frank Libordi to pay bills, second by Glenn Thomas and carried.

A motion was made by Joseph Dick to Transfer funds, second by Glenn Thomas and carried.

Transfer Funds from:

A1490.12 to A1490.4	\$906.62
A3120.2 to A3120.4	\$35.54
A3410.2 to A3410.4	\$12.82
A1990.4 to A5110.4	\$87.28
A8989.4 to A8320.4	\$2000.00
A1620.4 to A8320.4	\$530.99
A1490.12 to A9060.8	<u>\$161.31</u>
Total	\$3734.56

EXECUTIVE SESSION

Deputy Mayor William McNelis called for executive session at 7:05 PM.
Executive session will be on tape for the purpose of taking minutes.
Town Supervisor Kenneth Isaman was not in favor of recording the session.

Supervisor Isaman said there are two questions to solve in regards to the Lowes issue. First do we want the City of Hornell to annex and if we do, how do we share the revenues. One is the Pilot as presented by Jim Griffin eight months ago and that pilot is weighted heavily in favor of the Village of North Hornell \$129,000, the City of Hornell would get \$54,000 and the Town approximately \$42,000. The second revenue source is the sales tax issue.

That issue is a big one. If we use the \$50mill figure of Mr. Griffin as Lowes sales that relates to \$750,000 in sales tax revenue. Correspondence from Bobby Mathews & Mark Coty from New Landmark Group who work as incentive consultants for Lowes recently followed up on a request for sales tax information. They are estimating that Lowes will start at \$24 mill and go up 5.26% per year. They anticipate sales will flatten out at \$50mill in about 10 years. (Mr. Griffin and Mayor Shawn Hogan have been talking to this group). . At \$24mill in sales, that relates to \$360,000 in sales tax revenue. We can't share the sales tax revenue with the city, but we could come up with a figure with annexation.

Concerns about the Pilot are that the Wegmans Plaza in its 21st year goes to about 20% of what we are getting now. The same thing will happen if the Robbins' property if it is annexed - Pilot for 20 years and drop to 15 – 30% of the City tax thereafter. It is the City sharing there taxes with the town & village. Right now the City tax is \$15 per thousand.

In 20 years if we projected a 50% rise it would be \$24 per thousand and North Hornell would receive \$48,000.

Supervisor Isaman used a comparison chart showing Lowes figures of 5.26% growth - take sales tax figures and divide by 3(municipalities) - we all shared equally. (Figures are for illustration purposes only). On the other side of the chart use the CPI at 3% with the Town and Village using the 3% and the remainder going to the city. The city will have an opportunity to get ahead in the later years. If the city is concerned that

Lowes will not hit that \$24Mill mark – they will still make money and we could also build in some safe guards for the coming years.

Supervisor Isaman asked Bob Mathews how important are the incentive to Lowes for this project. He replied huge. Mr. Griffin asked how close the village and the town were in discussion. Supervisor Isaman replied that Mayor Hogan and Mr. Griffin need to agree on how we are to share in the second part. Mr. Griffin replied that Mayor Hogan will not go for the second part at all. Mr. Isaman replied that this is a problem.

What does the town bring to the table? The village is part of the town and the town has a stake in this too. The Town board believes that North Hornell should come out of this far better than the Town.

The city brings the basket of goodies - the incentives. At this time Supervisor Isaman introduced Ms. Stacey Schieder from Real Property Inc., who has been working with Taylor McDermott & David Schumacher from Lowes. Mr. McDermott & Mr. Schumacher are making the decisions to come into this community. Ms. Scheider sent an e-mail to Mr. McDermott after the conversation with Supervisor Isaman about the incentives that Mr. Griffin referred to.

Her e-mail said, when we first talked I asked what are you going to require from the community. If they can hand you incentives what do they need to do to get this off the ground. Your reply at that time was, we are coming to bring something to the community not for what the community can do for us. Is this still your philosophy? Mr. McDermott called Ms. Schieder after receiving the e-mail. He said they are having a problem with two issues. One is The Dep of Natural Resources and the second is the revenue sharing between the municipalities. Mr. McDermott said revenue sharing should not be a problem. He had a meeting with Mayor Hogan and Mr. Griffin and told them at that time (Mark Coty was also present that time), we don't come into a community and expect one municipality to brow beat another. There will be no brow beating - we will not take part in that. Everyone has to agree on their share of what will happen in the municipalities. Ms. Schieder told Mr. McDermott that Mr. Griffin is saying (per Mark Coty) that the incentives are huge and it's not going to happen without these incentives. This goes against everything the men at Lowes told Ms Schieder. Mr. McDermott said he will fire Mark Coty. Incentives or no incentives – they will come into this community.

Ms. Schieder reminded the two boards that Lowes is not going to get in the middle of a fight between three municipalities. They will leave. It has taken 4 years to get them to this point under contract. The option is due to take effect into a contract in July and due to close in September. Lowes is excited about bringing the jobs and the sales tax to the community.

Mr. Isaman talked to Mr. McDermott and he told Mr. Isaman to tell the Mayor of North Hornell that he, Mayor Falci, is in the driver's seat. Lowes doesn't expect to have sewer and water held over his head. If sewer and water is held over our head, it is political suicide for the Mayor Hogan and the city.

Supervisor Isaman continued that what the city is bringing to the table is not necessarily what Lowes wants. However, maybe what the city is bringing to the table is what we want, if we can share in revenue. In an annexation agreement we can agree to do a lot of things you wouldn't agree to do in a normal contract. Such as money. Trustee Glenn Thomas said he was under the impression that you could not share in sales tax. Supervisor said you can't & that is why he suggested picking a number close to the first year's sales tax and increase it by the CPI. As part of an annexation agreement the pilot would not be mentioned. That would be separate. We could agree to annex 35 acres into the city of Hornell and for this we shall receive a monetary amount to be determined. We are insuring that the residents in the town and village are going to receive something forever.

There are projects in the town that are being held up because of the Lowes project. In a meeting with Shawn Hogan, Supervisor Isaman was told the city is not going to agree to any water and sewer till this Lowes thing is done.

Deputy Mayor McNelis mentioned that the city has a gamble with their putting in the infrastructure. Supervisor Isaman responded that Lowes will do most of the work. They will do the infrastructure. 90% of the infrastructure is state & federal money. Everyone pays for it.

Superintendent Isaman concluded that we need to come out of this meeting knowing that we want to annex the property and what do we think is fair for all parties.

Mr. Griffin stated that he talked to Dr. Robbins several times and they were going to annex this any way. Dr. Robbins said he has not talked to him. It has to be 51% land owner asking for annexing. The two boards need to come up with what will sell the city - annexation for the right amount of money. It was asked of Supervisor Isaman that if the sales tax is divided, will the Village residents no longer pay town tax. He replied that he would have to check the figures. At this time it was decided to have all three municipalities meet with a possible mediator such as Mark Alger. This should be done as soon as possible. The water & sewer issue should be discussed at this time. Each entity will present their proposal. It was also mentioned that the village and town attorney be present. Executive session ended and the meeting was adjourned at 8:00PM on a motion by Frank Libordi, second by Joseph Dick and carried.

Village Clerk
Kristene Libordi