

**STEUBEN COUNTY AGRICULTURE, INDUSTRY AND PLANNING COMMITTEE**

*Wednesday, January 4, 2023*

*9:30 a.m.*

*Legislative Chambers, 3<sup>rd</sup> Floor, Annex Building  
Bath, New York*

**\*\*MINUTES\*\***

**COMMITTEE:** Aaron I. Mullen, Chair Carol A. Ferratella James Kuhl  
Paul E. Van Caesele

**EXTRAORDINARY  
CIRCUMSTANCE:** Hilda T. Lando, Vice Chair

**STAFF:** Jack K. Wheeler Christopher Brewer Jennifer Prossick  
Jennifer Galvan Tammy Hurd-Harvey Brenda Scotchmer

**LEGISLATORS:** Scott J. Van Etten Kelly H. Fitzpatrick K. Michael Hanna  
Jeffrey P. Horton Wendy Lozo John V. Malter  
Nicholas D. Pelham Frederick G. Potter

**OTHERS:** James Johnson, Executive Director, Steuben County Industrial Development Agency  
Tess McKinley, Executive Director, Steuben County Industrial Development Agency  
Mary Perham

**I. CALL TO ORDER**

Mr. Mullen called the meeting to order at 9:30 a.m. and announced that Mrs. Lando is attending under Extraordinary Circumstance.

**II. APPROVAL OF MINUTES**

**MOTION: APPROVING THE MINUTES OF THE DECEMBER 7, 2022, MEETING MADE BY MRS. FERRATELLA. SECONDED BY MR. KUHL. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

**III. DEPARTMENTAL REQUESTS**

A. Planning

1. **2023 Contracts** – Mr. Brewer presented the 2023 contracts for approval. He noted the appropriation for the Arts of the Southern Finger Lakes increased \$3,300. Additionally the appropriation for the Steuben County Conference and Visitors’ Bureau is back up to pre-pandemic levels, plus 2 percent. Mr. Wheeler clarified their appropriation was returned to the 2019 level and then we added 2 percent on top of that. All of these amounts are in the 2023 adopted budget.

**MOTION: APPROVING THE FOLLOWING 2023 CONTRACTS TO BE PAID OUT OF THE ECONOMIC DEVELOPMENT FUND: STEUBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY - \$75,000; APPROVING THE FOLLOWING 2023 CONTRACTS TO BE PAID OUT OF THE GENERAL FUND: BATH SNO FLAKES - \$17,000; FIRST TRANSIT - \$24,233; MARVIN RETHMEL (CODE ENFORCEMENT OFFICER) - \$20.00 PER HOUR REIMBURSED BY PERMIT FEES; QUAD COUNTY SNOWMOBILE CLUB - \$8,300; SOUTHERN TIER LIBRARY SYSTEM - \$79,600; STEUBEN COUNTY FEDERATION OF CONSERVATION CLUBS - \$4,000; TEN TOWNS SNOWMOBILE CLUB ASSOCIATION, INC. - \$15,500; SOUTHERN TIER SNOW RIDERS, INC. - \$5,000; APPROVING THE FOLLOWING 2023 CONTRACTS TO BE PAID OUT OF ROOM TAX: ARTS OF THE SOUTHERN FINGER LAKES - \$47,500; BATH CHAMBER OF COMMERCE, INC. - \$5,000; FINGER LAKES TOURISM ALLIANCE - \$29,500; FINGER LAKES WINE**

**COUNTRY - \$105,000; GREATER CORNING AREA CHAMBER OF COMMERCE, INC.; GREATER HAMMONDSPORT CHAMBER OF COMMERCE, INC. - \$15,000; HORNELL AREA CHAMBER OF COMMERCE - \$5,000; STEUBEN COUNTY DAIRY FESTIVAL - \$1,000; AND STEUBEN COUNTY CONFERENCE AND VISITORS' BUREAU - \$780,000 MADE BY MR. VAN CAESELE. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

2. **Steuben County Comprehensive Plan** – Mr. Mullen commented the public hearings on the Steuben County Comprehensive Plan will be held in Wayland, Hornell, Bath and Corning and will be scheduled around the last week of January. Mrs. Ferratella asked will the towns and villages be notified so they can participate? Mr. Mullen replied yes, they have been notified.

B. County Manager

1. **Hornell Humane Society** – Mr. Wheeler requested authorization to renew the contract with the Hornell Humane Society to provide the SPIRIT Program at the Jail, as well as the trap, spay neuter program for cats. The annual cost is \$8,500.

**MOTION: AUTHORIZING THE COUNTY MANAGER TO RENEW THE CONTRACT WITH THE HORNELL HUMANE SOCIETY FOR THE SPIRIT PROGRAM AT THE JAIL AS WELL AS THE TRAP, SPAY, NEUTER PROGRAM FOR CATS FOR AN ANNUAL COST OF \$8,500 MADE BY MRS. LANDO. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

2. **REDEC** – Mr. Wheeler requested authorization to renew the contract with REDEC to provide economic assistance. The annual cost is \$10,000 for administrative costs.

**MOTION: AUTHORIZING THE COUNTY MANAGER TO RENEW THE CONTRACT WITH REDEC FOR \$10,000 ANNUALLY FOR ADMINISTRATIVE COSTS MADE BY MRS. LANDO. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

3. **Occupancy Tax Law** – Mr. Wheeler stated last month we presented a draft local law that was sent out to the committee for review. He asked if there were any questions or comments.

Mrs. Ferratella stated she is in favor of this and it will be fair to those people that report, versus those that do not. Mr. Van Caesele stated he agrees.

Mr. Mullen stated this does apply to Airbnb, but is that how we generally understood it to be? Ms. Prossick replied that was not the intent or anticipated as the original local law was from the late 1990's. We did not know that Airbnb existed at that time. Mr. Mullen asked what about the bed and breakfast establishments? Ms. Prossick stated those were big before the online platforms. We are just tidying up the local law to make it very clear.

Mrs. Lando stated my concern is enforcement and how we will do that. Mr. Wheeler stated we have had conversations about that and we also have spoken with Yates County. There are a few methods and a lot of it will be dependent on how you want to start. He explained in Yates County they have a property owner list and property owners on their own, or through the platform, have to request through their Finance Office, to receive notifications of when their reimbursements are due. Through the online platform, the office would likely take care of that on the owner's behalf. Yates County has shared with us that word of mouth helps regulate it. They also have a contract with a vendor that will do compliance checks on the online platform and make sure the County is capturing the market share.

Mr. Mullen stated he is not sure how he feels about this. I like the idea of making it fair; however, I don't know that the County needs the money. However, I am inclined to pass this on to the Legislature to vote on. He stated that he does not like that we have the voluntary collection agreement that we entered into. Why can we not make that a blanket? Ms. Prossick explained we have a current voluntary collection agreement with Airbnb and we did

not want to be in breach of that. Mr. Wheeler commented some of the talk at the State level is that some of these voluntary collection agreements will likely go away. Right now we are collecting the market share under the voluntary collection agreement and that is 4 percent. Mr. Mullen asked can we check to see if there is a termination date in the agreement? Ms. Prossick replied we can check.

Mr. Hanna asked can we verify that Airbnb is doing the collections? Mr. Wheeler replied the Finance Office receives reports about their collections. Mr. Hanna asked what do we collect from them? Mr. Wheeler replied roughly \$50,000. Mr. Mullen asked if the collection agreement lapses and we breach the contract, what are the damages? Ms. Prossick replied I would have to review the contract. Mr. Wheeler explained the thought was that this allows you to put a local law in place if you choose, while we are waiting to see what is happening with Airbnb. If the collection agreement lapses, they would then fall under the provisions of the local law.

Mr. Mullen asked that the committee get the information regarding the termination of the contract and what damages the County might incur if the contract is breached. He asked what was the purpose of the disposition of revenue that we received? Ms. Prossick replied we were asked by this body what other counties did with the revenue. Mr. Mullen asked are we bound by the State with regard to how we use these revenues? Ms. Prossick replied you are bound by your local law. The State puts a minimum of what you can and cannot do with the revenues.

Mr. Mullen stated he would allocate a percentage to local infrastructure. The biggest burden is people coming in and using the infrastructure. Those revenues could maybe be used to improve the experience of both tourists and locals. Mr. Van Etten asked what infrastructure would you be looking at? Mr. Mullen replied roads, sewers, broadband, etc. Mr. Van Etten commented part of the problem is where private residences are hosting large groups when they may not have a sufficient septic system. Mr. Mullen stated he is not talking private infrastructure. He is talking more of the classic planning infrastructure. Mr. Van Etten stated we are always getting asked for funding for navigation patrol. Would that fall into the proper use? Ms. Prossick replied she would need to look at the definition of tourism. It could be as the lake is used for tourists and you would be providing safety. Mr. Mullen stated that he would also like to look at water quality issues. Mr. Van Etten commented law enforcement could be considered a supporting activity.

Mr. Mullen stated he is okay with sending this to the Full Legislature with the caveat that this is not necessarily what he would like to see as the end product. Mr. Van Caesele commented one of his concerns is passing a new tax with the way the economy is with inflation and the possibility of a long-term recession. One of my concerns is with the timing. Mr. Van Etten commented if you can afford \$6,000 to rent a cottage for a week, you can afford the tax. This is not taxing the resident; the tourist would be paying the tax.

Mr. Wheeler stated we can work with the Conference and Visitors' Bureau to see what is being collected. Because of the proliferation of the online platforms, he would not characterize this as a new tax. There is a loophole where we are not collecting on the short-term rentals. Business owners are already paying this. This is capturing the subset that are not going through Airbnb and are not collecting the tax.

Mr. Malter asked with the new local law, what is the estimated revenue that we will receive in addition to what we are already receiving from Airbnb? Mr. Wheeler replied a rough number is we are receiving \$50,000 from Airbnb and with this local law we might pick up an additional \$100,000 - \$125,000.

Mrs. Lando asked how does this affect the Vrbo efforts? Mr. Wheeler replied the property owners are required to comply with the rental tax. I would suspect Vrbo would take care of that for them. The property would have to comply with the tax. Mrs. Lando commented the local law would eliminate the fact that we have been asking for a voluntary collection agreement.

Mr. Mullen stated if we put this in place and the intent is to collect the 4 percent, is there an additional state and local hotel/motel tax? Mr. Wheeler replied no. Ms. Fitzpatrick stated sales tax is an opportunity to get funds from residents outside the County and outside the State. We use those sales tax dollars to keep the County tax

levels in check. It is not right for hotel owners to pay sales tax and room tax and to have someone have a vacation rental in their home and not pay.

**MOTION: PRESENTING A LOCAL LAW RELATIVE TO THE OCCUPANCY TAX MADE BY MRS. FERRATELLA. SECONDED BY MR. KUHL.**

Mr. Mullen stated this is being presented this month. In the meantime we will get data on the local and out-of-county usage. Mr. Van Etten asked will there be a one-year lag in the revenues brought in? Mr. Wheeler replied no. How you allocate and it and when you allocate it is up to you. Mr. Van Etten stated if anyone thinks of any changes, we will need to talk about them before the Legislative meeting.

**VOTE ON PREVIOUS MOTION: ALL BEING IN FAVOR. MOTION CARRIES 5-0. Resolution Required.**

**IV. OUTSIDE AGENCIES**

A. Steuben County Industrial Development Agency

1. **Activity Update** – Mr. Johnson stated thank you for your support of REDEC. That is a great organization and the IDA is continuing to fund them as well. Since pre-pandemic levels, the majority of the activity has been for Steuben County. He noted they just approved a loan application for an axe throwing facility in Hornell.

a. *Amazon* – Amazon held a job fair last week at the Best Western in Hammondsport. This was a pre-registration event and we have not heard the details on that, however, they are moving forward with the hiring process. Anticipated opening is the first half of 2023.

b. *Northside Place* – Ribbon cutting and ground breaking were held late November, early December. They will be starting new homes every 10 days until all 24 homes are built. There has been much discussion about this project statewide. One of the big issues we will see next year will be housing. There have been a lot of questions on how we started this project.

c. *LP* – This project is on schedule and the building is getting bigger and bigger. They are scheduled to be open in June or July.

d. *Family Life Network* – Over the last several weeks we have had several discussions with Family Life Network. They have a proposed project in the Town of Erwin and the zoning board of appeals denied a couple of their requests. A new proposal has been developed which they hope the town will be happy with. They are hoping the project will be able to move forward in the spring.

e. *Store-Flex* – Mr. Johnson stated they are proposing a major expansion in Riverside. They are looking to purchase the old Sitel Building on Canada Road in Erwin as they are growing their refrigeration business. This expansion project is contingent upon them receiving State assistance. This will be a \$300 million expansion and we are very excited about that.

f. *Momentum* – This is the recycling business in Bath that will be located behind Amazon. Construction will start in the spring.

g. *Dana Lyons* – They have submitted their application to the State. The new application addresses all of the issues that the funding source was looking for. The biggest hurdle and the last major hiccup will be the requirements of the New York State Climate Leadership and Community Protection Act (CLCPA). It will be up to the State Legislature to set policy. They were not going to allow projects to be submitted as gas heat as they wanted all new construction to be electric. We had to demonstrate in the application that there were no other viable options. He noted that Bath Electric Gas would have had to go out on the open market to purchase electric and that would have raised the rates for all of the municipal users. After a number of contentious emails and discussions, Dana Lyons were able to get a conditional waiver, however, during this process they had to work

with the utilities to determine if they can convert heat to electric. All appliances have to be electric. This is the first time that we have seen the impact of this new legislation. We will be seeing more of this and we will need to be cognizant of the new CLCPA requirements as this will have a major impact on economic development.

h. *2022 Annual Report* – Mr. Johnson distributed the 2022 Annual Report. He noted that 2022 was a record year with a record number of projects and investments. We are cautiously optimistic for 2023. The recession will look much different than past recessions because of the job market and consumer spending will not be as impacted. Part of our efforts include ramping up our business retention and expansion efforts as we now can get back out and meet with the businesses in person. We had been in constant electronic communication. We will go out and try to get a feel for what is going on in the market.

Mr. Mullen commented with regard to electric and gas, as recent as 2019 Bath Electric Gas & Water had a program where the State was paying people to run on natural gas and not electric. Mr. Johnson commented the CLCPA legislation states that by 2030 you will not be allowed to put gas run heat or appliances in homes. All new construction will need to be electrified. New construction requirements are effective now. The requirements for existing facilities have been pushed out to 2030. This Legislation was adopted in early December and there are still policies that need to be developed. The State is bent on making this happen. We are hearing already that other states are waiting for businesses to come to them. This is something that we should all be aware of. Businesses expect their electric costs to go up 40 percent. Mr. Johnson noted it will cost the average household \$30,000 to make the conversion over to electric. He doesn't know where people will come up with the money to do that. The Legislation allows for a credit for electric vehicles, however, only for those vehicles that are assembled in the United States.

Ms. Fitzpatrick asked with regard to Dana Lyons, with the continued delays, how much has that cost and does the new application include the component for the arts center? Mr. Johnson replied the Waterman Arts Center is still included in the application. There will be a cost increase because of the delays and the continued escalation of commodities. We anticipate there has been a 20 – 25 percent increase in costs. They are extremely hopeful that they will get the funding approved this time. They should know by the end of March.

## V. OTHER BUSINESS

A. *Workforce Navigator* - Mrs. Ferratella asked what is the status on the Workforce Navigator? Mr. Johnson replied there has been a verbal commitment from Chemung. We have not heard anything from Schuyler. Mr. Wheeler stated with Schuyler we are optimistic that they will participate at a lower level.

B. *Parking Lot* – Mrs. Ferratella asked what is the status of the new parking lot? Are the Court staff using it? Mr. Wheeler replied that has been a topic of discussion and we hope to wrap that up this week.

C. *Corning Courthouse* – Mr. Van Etten asked is ownership of the Corning Courthouse going to Three Rivers? Mr. Wheeler replied we are working on it. We have provided them with a lot of data on the utilities. Hopefully we will see some movement this month on this. Mrs. Lando stated people have told her that the stairs have not been cordoned off enough; people are going past the cones. Mr. Wheeler stated we can work on that.

**MOTION: TO ADJOURN MADE BY MR. VAN CAESELEE. SECONDED BY MRS. FERRATELLA. ALL BEING IN FAVOR. MOTION CARRIES 5-0.**

Respectfully Submitted by Amanda L. Chapman, Deputy Clerk, Steuben County Legislature

**\*\*NEXT MEETING SCHEDULED FOR\*\***

**Wednesday, February 1, 2023**

**9:30 a.m.**

**Please send agenda items to the Clerk of the Legislature's Office**

**NO LATER THAN NOON**

**Wednesday, January 25, 2023**