

**IDA**

**COUNTY CONFERENCE ROOM  
LAKE PLEASANT, NY**

**SEPTEMBER 14, 2010**

The meeting was called to order by Chairman Towers at 1:00 P.M. with the following members present:

Brian Towers, Chairman  
William Farber, Vice Chairman  
Fred Fink  
Robin Morrison  
Tim Pine

Absent: William Faro and Robert Peck

Also Present:

William Osborne, Executive Director  
Laura Abrams, Secretary

Treasurer's Report: Mr. Osborne explained that there is not an updated Treasurer's Report since we met last week.

Payment of Bills:

NBT Bank	\$878.33
Lake Pleasant Central School	\$967.89
Timothy J. Schofield	\$1,300.00
Robert L. Morrison	\$245.00

Mr. Osborne explained that the Lake Pleasant Central School tax bill is for the cell tower. The property itself is tax exempt, but we will be billing back the individual lease holders for their share of these property taxes because that tax is based on the value of the equipment on the tower. He breaks it down and sends bills to each of the lease holders. The Tim Schofield bill was for him to redo the Indian Lake Market mortgage, etc.

Motion to pay bills as audited by Mr. Farber, seconded by Mr. Pine. Carried.

Executive Director's Report:

Mr. Osborne stated that at our last meeting we had a considerable discussion about the lease for Oak Mt. Ski Center. He believes he captured all of the comments and the lease has been reviewed by our attorney. The Village did not get back to him with any comments, so he assumes they have none. Mr. Osborne handed out a resolution and the revised lease. Mr. Fink asked, in regards to the significant repairs needed to the Pisten Bully, did the Village accept full responsibility. Mr. Osborne stated that he has indicated to the Mayor of the Village that it is this Board's opinion that they need to accept full responsibility for those repairs.

Pete Klein entered at this time.

The Board discussed Paragraph #3 in the lease, no changes were made.

After the resolution was placed on the floor Mr. Peck entered.

Mr. Osborne stated that the resolution states that we will negotiate a lease and that it is ok to sign it if it is approved by the Chairman and Vice Chairman. The Village may in fact have suggestions because they have not seen this specific version that we got back from the attorney this morning.

Paragraph #3 was discussed again. Mr. Osborne suggested changing it to “retain such persons or entities to operate certain enterprises located at Oak Mt. Ski Center”. Everyone agreed that narrows it down.

Mr. Osborne restated that the resolution gives him the authorization to negotiate the lease with the Village, if they have any changes in language that do not change the intent of the agreement, he then gets the ok from the Chairman & the Vice Chairman. Any changes in condition have to be approved by the full Board. Mr. Osborne asked if the Board would be willing to contemplate any changes in intent by the Village in the form of an email. Mr. Farber stated that he feels that if tangible changes are going to be made we need to convene a meeting. The Board agreed.

### **RESOLUTION NO. 2-10**

### **RESOLUTION FOR OAK MOUNTAIN LEASE**

**DATED: SEPTEMBER 14, 2010**

**BY MR. MORRISON:**

WHEREAS, the Village of Speculator is desirous of leasing Oak Mountain Ski Center and the Acorn Property for a period of three (3) years, and

WHEREAS, the Hamilton County IDA is desirous of leasing these properties to the Village of Speculator, therefore, be it

RESOLVED, the Executive Director of the Hamilton County IDA is authorized to negotiate and sign a lease with the Village of Speculator provided said lease is approved by the Chairman and Vice Chairman of the Agency.

Seconded by Mr. Pine and adopted by the following vote:

AYES: TOWERS, FINK, MORRISON, PECK, FARBER, AND PINE

NAYES: NONE

ABSENT: FARO

Mr. Osborne stated that at the last meeting the IDA had considerable discussion about the idea of providing the Village of Speculator with a bridge loan which would be payable in full on the 1<sup>st</sup> of February. The Village Board met last night and they are asking the IDA if they would consider making such a loan as they are wrestling with how to find monies needed to get the ski center open. Mr. Osborne handed out a resolution.

Mr. Fink stated that the last time we visited this, the language was to “ earmark funding”, and his concern was that the Village should acknowledge that this is a general obligation of the Village. Down the road he would be concerned that the Village would say they earmarked the funds but the funds aren’t coming and consequently it is no longer their obligation. He is reluctant, as presently worded, to visit this. Mr. Osborne stated he put the language in only to be informative, certainly the language could be taken out all together and just say loan the Village \$60,000. He doesn’t feel that there is anyone that feels that this wouldn’t be a general obligation of the Village, which could be dealt with in the promissory note.

The Board agreed to remove the language.

Mr. Peck asked if there was any problem with us loaning money to a municipality. Mr. Osborne stated he did not think there was a problem; these are pretty much unrestricted funds. Mr. Farber asked what the unrestricted balance is; he suspects it is not the \$100,000 exactly. Mr. Osborne stated, no but it is about \$100,000, he does not have the exact number but he can get it. Mr. Farber stated it was not a problem, he just thought we were going to have that number for this meeting. Mr. Osborne stated that he identified roughly \$100,000; he thought it was enough to cover this so he did not nickel and dime it, but will be more than happy to do that.

Mr. Farber stated that we should reaffirm for the membership here that there are not any loan applications or requests that Mr. Osborne knows about that would be impeded by the fact that this money would now be out until the beginning of February. Mr. Osborne stated there are none. He further stated that we have a loan request before us that we are going to talk about and he knows of one other that might be finalized before the end of this loan term, but there are funds available to cover that.

After the following resolution was placed on the floor, Mr. Farber stated that in light of the discussion at the last meeting, we had some basic questions about the Village’s capacity to borrow without the Comptroller’s approval, that was answered, we had some questions about the magnitude, the size of the loan, it has been reduced to more accurately reflect the needs of the Village; we had some questions with respect to the amount of funds that we have that are available for unrestricted loan, that was addressed; and Bill has reconfirmed that it is not impeding any other interest of the IDA, so to have the money sit in the IDA account accomplishing nothing for the promotion of the economy of the area verses a loan to the Village is, for him, a no brainer. A loan to the Village is financial of very little risk, there for he supports this resolution.

### **RESOLUTION NO. 3-10**

#### **RESOLUTION FOR A LOAN TO VILLAGE OF SPECULATOR**

**DATED: SEPTEMBER 14, 2010**

**BY MR. FARBER:**

WHEREAS, the Village of Speculator is desirous of leasing Oak Mountain Ski Center and the Acorn Property from the Hamilton County IDA and operating said ski center, and

WHEREAS, this lease is scheduled to become effective October 1, 2010, and

WHEREAS, the ski center is not scheduled to open to the public until late December, and

WHEREAS, considerable financial outlays will be required to open the ski center prior to realizing any revenues, and

WHEREAS, three Hamilton County municipalities have committed some \$60,000 to support the ski center, said monies not available until mid to late January, 2011, therefore, be it

RESOLVED, that the Hamilton County IDA will loan the Village of Speculator, Sixty Thousand Dollars (\$60,000) at zero (0) interest payable in full on February 1, 2011, and be it further

RESOLVED, that monies to make this loan are to come from the \$100,000 in unrestricted funds available as a result of the NBT Loan.

Seconded by Mr. Pine and adopted by the following vote:

AYES: TOWERS, FINK, MORRISON, PECK, FARBER, AND PINE

NAYES: NONE

ABSENT: FARO

Mr. Osborne stated that the IDA has discussed the loan with NBT and the idea of starting to amortize that loan. We are currently paying interest only. At the Board's request he checked with the bank for some options. Any changes in the collateral would require a refilling of the mortgage. Mr. Osborne handed out the options from the Bank. The different options were discussed. Mr. Osborne stated that the \$240,000 10 year repayment plan would be his recommendation. The Board agreed to have Mr. Osborne get a current rate and determine if the Bank would waive the appraisal or find out what the cost would be for the appraisal and have the information for the next meeting. Mr. Fink asked Mr. Osborne to ask the Bank if the IDA can place a revenue anticipation note, would that place the original loan subject to penalty or could we pay that off with the revenue anticipation note.

Mr. Osborne handed out a resolution to provide a challenge grant to the Friends of Oak Mountain. Mr. Osborne explained that a number of local citizens throughout the southern half of this County have been, for years, and are prepared to continue to pour their hearts and souls into keeping Oak Mt. running. They have formed a group called the Friends of Oak Mt. They are raising funds to that effect. He would like this Board to provide them with a challenge grant that they can use to incentivize donors with in order to raise funds to keep Oak Mt. going. He further stated that \$25,000 came to mind, but is not tied to anything in particular. It would be a match; these funds would be specifically used to make capital improvements to the property owned by the IDA. These funds would not go to ongoing operating expense, certainly not the match portion of it. He believes that a well maintained ski center is a more saleable asset. The Chairman asked what needs to be done at the ski center. Mr. Osborne stated the one lodge needs a roof, the snowmaking could be expanded, there may be parts that need to be replaced on the chair lift or the snowmaking equipment some of which could be capital improvements. Buying a new piece of equipment would be a capital improvement. Mr. Morrison stated that what he is hearing is that if something happened to the Pisten Bully, this is a back door way of us paying for the repairs. Mr. Osborne stated that the Village is required to maintain the equipment, if the Friends of Oak Mt. chooses to utilize money that they raise to repair the Pisten Bully, well they probably can.

Mr. Farber stated that generally part of his rationalization of this was that the discussion among some of the people that were inclined to donate to FOOM and the concern of what happens if they raised \$20,000, invested in snowmaking; the IDA sells the asset and the IDA benefits financially from their donations. Some type of partnership with FOOM makes sense, whether a grant to FOOM or just some sort of partnership on the expenditures for capital assets and commit to do that in a MOU. Mr. Osborne stated that the outdoor boiler of the main lodge has been cracked for some time and may need to be replaced and the parking lot needs substantial work. The Chairman stated that if you upgraded the parking lot you could probably get 2 or 3 more weeks out of the season. The Chairman stated he would be more comfortable with this if we had some type of capital plan and were specific about exactly what we would be doing and how much money we were spending.

Mr. Peck asked if it is limited to capital improvements, who will make the decision what these capital improvements are.

Mr. Fink stated that he would feel more comfortable if there was a game plan in place to market it; an operating ski center is more valuable and saleable than a closed ski area. There is nothing in place to either market it as an open ski area or a non-ski area. Right now, were this a bank, which we are not, we do have a right to add the other items into a disposal decision, non the less, if this were a bank it would be referred to a non-bankable asset, you could not invest into it, only maintain it. Mr. Osborne stated that this is an economic development agency. It is not a bank. We are not here to make money. We are not here to raise money. We are not here to own assets. We are here to create meaningful economic activity in our communities, and he can't think of a better way to spend \$25,000. Mr. Fink stated that if we had other lenders coming in the door, I don't know. Mr. Fink stated that there was an operator, which in a far better economic situation, could not make a go at it. Mr. Fink further stated that if he can trust the information that is in the press the Village has lost \$55,000. He is not sure that is a foundation to provide a cash flow for a capital analysis to say that this thing should be marketed at X price and we are putting a \$25,000 plus another \$25,000 is going to enhance salability as a ski area. At some point he would like to see some of this money be available for economic development into plans that might have a more effective and long standing economic benefit to the county. Mr. Osborne stated that it is all available and it is all marketed regularly to the rest of the county and there are no takers. Mr. Farber stated that he understands that, but the problem that you consistently hear in other areas of the county is: has the IDA put as much time and energy into trying to push any project anywhere else in the County. He has to concede that the answer is no. That doesn't mean that there have been people coming in and wanting assistance and we have turned them down. It seems when you listen to the comments around the room, that there would be a much greater level of comfort in the idea of approaching FOOM with the idea of creating a MOU that set out a capital plan, so they understand what they are raising money for and we understand what we are committing money to. The discussion continued.

Mr. Farber suggested that Mr. Osborne talk to FOOM about some of the capital investments that the IDA has suggested, i.e. the roof, the parking lot. Mr. Osborne stated that he would like to get an agreement in place that would give FOOM the opportunity to utilize the agreement to raise money. Discussion continued.

Mr. Osborne requested an Executive Session to review a loan application.

Motion to enter Executive Session to discuss the personal finances of a loan applicant by Mr. Morrison, seconded by Mr. Peck. Carried.

Motion to open session by Mr. Peck, seconded by Mr. Farber. Carried.

The Chairman stated that while in Executive Session the Board discussed the personal finances of a loan applicant, no action was taken.

Mr. Osborne handed out a resolution regarding a loan to Donald Rhodes.

Mr. Morrison asked if it should be included in the resolution that we will be taking personal guarantees on this loan. Mr. Osborne stated yes, he feels the conditions should be included.

After the following resolution was placed on the floor, it was decided to add the following conditions: the ability to get a third position mortgage on the property and unlimited personal guarantees of Mr. & Mr. Rhodes, individually and together. The motioner and seconder consent to these additions.

**RESOLUTION NO. 4-10**

**RESOLUTION TO LOAN \$50,000 TO DONALD RHODES, JR/LAKE PLEASANT LODGE**

**DATED: SEPTEMBER 14, 2010**

**BY MR. FARBER:**

WHEREAS, Donald Rhodes, Jr. has been in negotiations with NBT Bank, NYBDC and the owner of the Lake Pleasant Inn to purchase the property, and

WHEREAS, Mr. Rhodes plans to operate the property as a year round lodging facility, and

WHEREAS, Hamilton County is in need of additional lodging facilities, and

WHEREAS, NBT Band and NYBDC have both indicated participation from the Hamilton County IDA would strengthen Mr. Rhodes' application, therefore, be it

RESOLVED, the Hamilton County IDA loan Fifty Thousand Dollars (\$50,000) to Lake Pleasant Lodge for the term of twenty years (20 years) at an interest rate of three percent (3%) per annum with the following conditions: the IDA has a third position mortgage on the property and unlimited personal guarantees of Mr. & Mr. Rhodes, individually and together.

Seconded by Mr. Morrison and adopted by the following vote:

AYES: TOWERS, FINK, MORRISON, PECK, FARBER, AND PINE

NAYES: NONE

ABSENT: FARO

As there was no further business, motion to adjourn by Mr. Farber, seconded by Mr. Peck. Carried.