

HAMILTON COUNTY IDA

LAKE PLEASANT, NY

OCTOBER 19, 2023

The meeting was called to order by the Chairman at 3:00 P.M.

The Executive Director, Ms. Wilt, called the roll with the following Members answering:

Chris Rhodes, Chairman
William Farber, Vice Chairman
Tim Brownsell
Tim Pine
James Bateman

Absent:
Steve Tomlinson
Robert Peck

Also Present:
Christy Wilt, Executive Director
Laura Abrams, Secretary
Matt O'Brien – Oak Mt.

Motion to approve the minutes of July 18, 2023 by Mr. Farber, seconded by Mr. Brownsell. Carried.

Payment of Bills:

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|------------------------|---------|
| T. Brownsell – mileage | \$85.15 |
| J. Bateman – mileage | \$64.19 |
| T. Pine – mileage | \$36.03 |
| BST | \$1,500 |

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

Finance Report:

NBT Bank balance - \$729,629.26. Community Bank balance – \$96,636.06.

Loan balance report – Most loans are current. The Indian Lake Restaurant has fallen behind, but usually pays ahead then falls behind. Ms. Wilt sent her a note. Mr. Farber asked Ms. Wilt to refresh everyone on the restrictions on the funds in the Community Bank account. Ms. Wilt stated the restrictions are that it needs to be used for manufacturing, farming or agriculture type projects.

Old Business:

The Chairman stated that we need to review and amend the workforce housing agreement. Ms. Wilt reviewed the changes. She stated that one of the main things she wanted to address is the price of the property. A lot of the properties along Elm Lake Rd. she sold a few years ago and then they resold for much more and they were used as comparables. Ms. Wilt reviewed the comparables. Mr. Farber stated that he was not impressed with the appraisal. Ms. Wilt stated that it is high. Mr. Farber stated that the

appraisal is valuable to us if we are looking at a pure sale for a non-economic development purpose. If we wanted to just put it out to bid, the appraisal isn't important because the bid process establishes the market value. If we are going to do an economic development project, which the housing project is, we get to weigh the economic development factors against it.

The value of the property was discussed further. Everyone agreed they felt the appraisal is high, and the economic value of the project allows them to be flexible with the price.

Mr. O'Brien discussed the cabins. They have 4 that they will use, the IDA has 2, which they will manage. Mr. O'Brien asked how tenants that won't leave will be handled. Mr. Farber stated that the IDA can re-evaluate keeping 2 cabins for county, town, village, or other use. If the IDA decides they do want to do that, then those tenants become the IDA's responsibility. Mr. Farber further stated that if the cabins aren't used, he feels Mr. O'Brien should be able to use them, for workforce housing or short term rentals and we could come up with revenue sharing to make sure that he is not only made whole for the cost and expense but benefits from the management of it and we could use it as a pot of money that the IDA would have access to that we could be flexible with. Mr. Farber stated possibly use it to pay down the amount that is due.

Mr. Farber stated that he is not sure if everyone on the IDA is aware, but Mr. O'Brien is building this workforce housing because Oak Mt. has a redevelopment project on the horizon for next year. For him, this is what makes this so critically important for the IDA to do. Mr. O'Brien explained that they are moving forward with taking down the rental lodge and putting up a 40'x156' building, two stories, wedding venue, restaurant. It's a 2.5-million-dollar project. Mr. Farber stated that is a big investment project in the private business sector for Hamilton County. To him, that is what makes it logical for the IDA to participate in and help with the workforce housing that is a foundational piece they need.

The Chairman asked Mr. O'Brien, other than the tenant issue is there anything else you have concerns with. Mr. O'Brien stated that the agreement is for 10 years, he said that they had discussed 15. The Chairman stated that he thought they had discussed 20 years. Ms. Wilt stated that can be changed. Everyone agreed on 15 years.

Ms. Wilt stated that the interest rate will be corrected. It states 5% but 3% had been agreed to.

Mr. Farber asked what the turnaround time is for the cabins. Ms. Wilt stated we don't know; they were told it depends on how many he is building. She stated they don't have to come all at once.

The value of the property was discussed again. Ms. Wilt stated that if it was put on the market, it would be valued between \$52,650-\$56,500, it does have a snowmobile trail through it and does not have water. Mr. Farber stated that we can be flexible because of the economic impact of the overall project. Everyone agreed on \$45,000, the same as the lot that was sold across the street. What it will cost to turn the lot into a parking lot was discussed and applying that as a credit.

Mr. Farber stated that if we need to supplement the attorney's work by having a meeting that includes somebody from the Essex County IDA and a couple of our IDA members to make sure that we are giving her specific guidance, so this gets turned around quickly, lets do that. We have a standing contract with Essex County IDA and we have money in the County budget that allows us to support that. Let's make sure we turn this around quickly.

Ms. Wilt stated that once the terms were in place, she was going to send it to Essex County IDA to look it over.

Mr. O'Brien stated that he really needs the cabins delivered in the spring. Mr. Farber stated what is the worst-case scenario if we bought the cabins. Ms. Wilt stated we would just store them. Mr. Farber stated that we could sell them or put them to another use if something happened to this project. The Board discussed purchasing the cabins prior to the agreement with Mr. O'Brien being in place.

Mr. Farber made a motion to change the price of the property to \$45,000. Seconded by Mr. Brownsell. Carried.

The Chairman reviewed the corrections that are to be made to the agreement including the interest rate, a 15-year term and the numbers need to be re-run. The Chairman asked if the issue with the IDA's tenants should be addressed in the agreement. Mr. Farber stated that he doesn't feel it is in this agreement. There will be a separate agreement for that responsibility.

The Chairman asked how we apply Mr. O'Brien's investment. Is it the first year's payments from the term? Mr. Farber stated that Mr. O'Brien had come up with some numbers for creating the sites and site improvements for the parking. The Chairman stated the first year would be \$35,000, it is a little more than the cost of the site work for the cabins, the rest could go towards the development of the parking lot. Mr. O'Brien agreed that is reasonable. Mr. Farber reiterated that Mr. O'Brien will make the first-year payment by virtue of the site improvement and site work that is needed which benefits the overall project, part of which is the IDA housing units for our use. The board agreed that the first three payments (1 ½ year) will be in kind payment by site work.

Mr. Brownsell made a motion to authorize Ms. Wilt to work with the attorney to make the adjustments to the agreement that were discussed today. Seconded by Mr. Farber. Carried.

Mr. Bateman made a motion to purchase 6 cabins, not to exceed \$350,000, and confirming that at least 2 cabins can be delivered by May 1st and make the necessary initial deposit. Seconded by Mr. Pine. Carried.

Ms. Wilt informed the Board that she went to a North Country Alliance meeting yesterday and there was a presenter there from ESD and he was questioned a lot about their grants, and if they can do a round table or meet with someone about being able to get paid either smaller increments throughout time rather than just when the project is completed or halfway completed. They are going to try to form a round table to have that discussion on better ways to help projects move forward. Mr. Farber stated that the challenge with Empire State Development grants has been that you have a lot of applicants that have had a difficult time fronting the money for some of these big investments, then waiting an extensive amount of time for the state to make payment. North Country Alliance and others have been talking about having to have a loan fund just to cover gap financing.

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