

IDA

**CONFERENCE ROOM
LAKE PLEASANT, NY**

SEPTEMBER 6, 2012

The meeting was called to order by Chairman Towers at 2:00 P.M. with the following members present:

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

Absent: William Faro

Also Present:
Ann Melious, Executive Director
Laura Abrams, Secretary
Pete Klein, Press
Dick Dinolfo, CPA

Motion by Mr. Farber to accept the minutes of the June 19, 2012 meeting, seconded by Mr. Peck. Carried.

Payment of Bills:

Rose & Kiernan, Inc. (Commercial Crime)	\$251.00
Village of Speculator (Oak Mt. Water/Sewer)	\$375.88
Quill Corp. (QuickBooks Software)	\$229.99
National Grid (Cell Tower)	\$80.63
Blanchard Surveying (Oak Mt. Subdivision)	\$1,400.00
FMBF, PC (Oak Mt. Legal Services)	\$2,429.00

Ms. Melious stated that we will not be paying any more water/sewer bills. Surveying is related to the subdivision of the Oak Mt. property.

Motion to pay bills as audited by Mr. Morrison, seconded by Mr. Fink. Carried.

Review of 2011 audit with Dick Dinolfo, CPA:
Mr. Dinolfo reviewed the 2011 Audit Report with the Board.

Mr. Dinolfo left after his report.

Tarpon Tower Request:

Ms. Melious stated that Tarpon Tower has requested that we change the closing date from October 1st to November 1st; counsel does not see any problem with this, it is just corporate policy. Ms. Melious asked if the Board has any objection to this. Mr. Fink had a question for

counsel; he asked if we have any sort of claim if they do not go forward with this transaction. Ms. Melious stated that we would keep the deposit.

Mr. Fink made a motion that the Board is willing to extend the closing date to November 1, 2012 at the request of Tarpon Towers, but desires to notify them that time is of the essence in the completion of this transaction. Seconded by Mr. Farber. Carried.

Review of PILOT application from O'Briens:

Ms. Melious passed out copies of their application to the Board members. Ms. Melious explained that what they filled out was an application that was put together by Fitzgerald, Morris, Baker, Firth. There is not a lot of information in this application because we already have all of their financial information in their business plan.

Mr. Fink stated that we still have title, why do we have to do this? Ms. Melious stated that Bob Morris said to do it, so she is doing it. Mr. Fink stated we should ask Real Property if we still have the title are they going to have to pay taxes. Ms. Melious stated that they claim that because it is being operated by private entity that they would. The Chairman stated that there were conflicting opinions as to this. Ms. Melious stated that yes there was, and finally they said ok you have a Uniform Tax Exemption Policy, the O'Briens will sign the form and we will go forward with this PILOT, that was the advice of counsel.

The Chairman stated that going into this our intention always was that for the first two years they would have the benefit of us owning it and them leasing it.

Mr. Farber asked Ms. Melious to explain the role of the taxing jurisdictions in approving this. Ms. Melious stated that she does not believe that they have to approve it, but we are required under our Uniform Tax Exemption Policy to give them 30 days notice. Mr. Farber stated that under our Uniform PILOT they were all engaged Countywide in us adopting the Uniform PILOT, but then when we did, for example, the lease-leaseback with Oak Mt. initially there was not a role for them to individually approve or disapprove that. Ms. Melious stated that she does not believe there is a rule for approval; she thinks it is because this is a deviation from a standard schedule. Mr. Farber asked a deviation in what way. Mr. Farber stated it is less, the benefit is two years we are not contemplating a five year benefit. He stated that he is just trying to understand what the process is going to be. Ms. Melious stated we are not following the standard schedules from the UTEP, we are creating a new schedule, it is her understanding they have to have 30 days notice, which is not something they can approve or disapprove, but so that they can change their plans/budgets if it has an impact. Mr. Farber asked if under the existing PILOT program aren't the first two years no payments. Ms. Melious looked it up, and it is Schedule A is two years of 100% exemption, then it goes 50, 45, 40 etc. It is a ten year schedule.

Ms. Melious stated that we are just notifying taxing jurisdictions, we are not asking them to do anything. Basically we will notify them that this status is not changing, they are leasing this property.

Mr. Fink stated that the only thing that concerns him is that we have a two page application and the next agenda item we are going to say this is what we want. Mr. Fink stated that he went rapidly through it to see what pieces of it we might be giving up. Most of the items we already covered with the O'Briens in the sales transaction; benefit analysis, effect on economy, why we would even enter into a \$1 down \$50,000 at the end; all of those things have been sufficiently papered. What we would be giving up is the \$500 application fee, which we can specifically waive that, reason being because the transaction is already begun and is reasonably guaranteed.

The other thing we would be effectively waiving is a security deposit equal to ½ of 1% or \$10,000 whichever is greater to ensure that the project will proceed, the project is in fact proceeding. Mr. Farber stated that it is proceeding and our protection is different in that this is a installment purchase, not the typical lease-leaseback where we have the mountain at the end of the day. Ms. Melious stated that the \$500 fee does not exist on our books right now. Mr. Farber stated there is a rationale to waiving the \$500 fee; we just need to make it clear as to why we are waiving it.

Mr. Peck made a motion to pass the resolution with the understanding that we are waiving the fee. Ms. Melious stated that the fee does not exist at this time. Mr. Fink stated that we don't really need to do it, but we should acknowledge it. Mr. Farber stated that there is a difference between a transaction that is grandfathered in by the fact that we are in the midst of it. Mr. Peck stated we may decide that we want to make changes to the new PILOT application and we may not even do it until the November meeting.

RESOLUTION NO. 3-12

RESOLUTION TO ACCEPT THE PILOT REQUEST OF OAK MOUNTAIN LLC

DATED: SEPTEMBER 6, 2012

BY MR. PECK:

WHEREAS, the Hamilton County Industrial Development Agency has entered into an installment sale contract for Oak Mountain Ski Area in Speculator, NY with Oak Mountain LLC, its principals being Kevin and Elizabeth O'Brien, and

WHEREAS, the IDA retains ownership of the ski area for the next two years, with sale taking place under terms and conditions stipulated in that contract, after August 2, 2014, and

WHEREAS, the contract was executed with the understanding that operation of the ski area would require intensive investment and that tax exemption would be necessary to insure successful start-up operations of a private endeavor that is the largest wintertime employer in the county, therefore, be it

RESOLVED, that the IDA Board approve the Payment In Lieu of Taxes (PILOT) request of Oak Mountain LLC for exemption from taxes for a two year period, commencing August 3, 2012 and ending August 2, 2014 and that the process of notifying taxing jurisdictions and all legal requirements be undertaken in compliance with the agency's Uniform Tax Exemption Policy.

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

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

NAYS: NONE

ABSENT: FARO

Review and Discussion of New PILOT Application and Assistance Application Forms:

Ms. Melious stated that she had emailed everyone a draft of the new PILOT Application and Assistance Application Forms. Ms. Melious reported that we are supposed to have something like this up on the website. The Board decided they need time to review the documents; they will email comments out to everyone and review them at the November meeting.

Microenterprise Program:

Ms. Melious reported that the entrepreneurial training program was completed for seven microenterprise participants. It was held in Indian Lake at the library. All of those people should now have received their contract. They have to expend money first, and then they get reimbursed. It is a grant for 90%, they have to make an equity contribution. They have to show that they have made the expenditure on what they said they were going to make it on. Five people from Inlet said that they could not attend in the summer. They will be attending programs either in Tupper Lake or North Creek. The Chairman asked if they are going to be expending 100% of the money up front. Ms. Melious stated yes.

Liability Insurance for Oak Mt.:

Ms. Melious stated that she spoke with Rose & Kiernan about the liability insurance for Oak Mt., how it will change since we are going to be covered under another policy as additionally insured. Ms. Melious stated that she will have the complete binder from the O'Briens on Monday and will send it to Mr. Morrison for review. Ms. Melious stated that we will want to continue our liability coverage and possibly drop some other coverage. Mr. Morrison stated that the only things we could drop are the property coverage on the buildings, equipment and contents. They don't own any of it until we get a couple years down the road. Ms. Melious further stated that one of Rose & Kiernan's insurance providers inspected the main lodge and almost doubled its value. Mr. Morrison stated that we have an insurable interest until 2014.

Mr. Morrison stated that he thinks we had an agreement that they would do any maintenance on the Pisten Bully. Ms. Melious stated that is correct.

Ms. Melious stated that if the Board is amenable, she and Mr. Morrison will go over the O'Briens binder, talk to Rose & Kiernan and decide if there should be any adjustments. If we can save money we will. The Board agreed.

Next Meeting:

The next scheduled meeting is Thursday, November 1, 2012 at 2 PM in Indian Lake.

Miscellaneous:

Ms. Melious stated that there was an advertisement for Lake Pleasant Townhouses, which is the Lake Pleasant Lodge property. The Lake Pleasant Lodge has an outstanding balance with us in excess of \$45,000. Ms. Melious did speak with Don Rhodes, he is aware that once he stops operating a motel that his loan becomes due in full. It is not his intention to stop operating the motel until such time he sells the motel as an as is business or presells townhouse lodges.

Mr. Fink stated that he went on line to the Authorities Budget Office and found new provisions to the Public Authorities Reform Act of 2009. He printed and highlighted items to be looked into.

Mr. Fink stated that this is his last meeting. Mr. Fink further stated that he has had a lot of great years with some really intelligent people and he has enjoyed every moment of it. The Chairman thanked Mr. Fink for all of his time and effort.

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