

IDA

**CONFERENCE ROOM
LAKE PLEASANT, NY**

JULY 3, 2014

The meeting was called to order by Chairman Towers at 2:30 P.M. with the following members present:

Brian Towers, Chairman
William Farber, Vice Chairman
Robin Morrison
William Faro
James Batemen

Absent:

Robert Peck
Tim Pine

Also Present:

Bill Osborne, Interim Executive Director
Laura Abrams, Secretary
Christy Wilt

Minutes:

Mr. Faro made a motion to accept the minutes of the May 1, 2014 meeting. Seconded by Mr. Morrison. Carried.

Financial Report:

Mr. Osborne reviewed the financial statement. All loans are current, with the exception of Ted Cooper; the agreement we had with him, he is two or three months behind on the \$200.00 a month payments he agreed to. Christy stated that a payment came in today. Mr. Osborne further explained that we are completely out from under the Indian Lake Market loan. We received a check paying it off in full.

Payment of Bills:

Port Jackson Media	\$ 3.85
Robin Morrison – mileage	\$33.60
James Bateman – mileage	\$56.00

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

Mr. Osborne gave an update on three projects. The paperwork is complete for the Adirondack Teleworks loan; it will close next Tuesday with the first installment of \$50,000 due at that point in time. The Woods Inn is scheduled to close next Friday. Kevin Elkin Tree Service has located a truck that he is going to look at.

Oak Mt.

Mr. Osborne stated he has received a request from AT&T to run fiber optic cable to the tower at the top of the mountain. They are asking for permission to deviate slightly from the agreed upon right of way, where they would ditch and put the cable just slightly outside the right of way because of rock ledge and some other issues. They have discussed it in detail with the O'Briens, the O'Briens are in full agreement. They already have a building permit from the Town. In order for them to move forward they need the IDA to sign off on it.

Mr. Farber made a motion to authorize Mr. Osborne to sign off on this request, contingent upon receiving a letter from the O'Briens stating that they are in agreement with it. Seconded by Mr. Morrison. Carried.

Mr. Osborne stated that we are scheduled to transfer ownership of the Oak Mt. property to the O'Briens on the 3rd of August, at which point in time they will owe us \$50,000. The O'Briens have applied for a CFA to do improvements to the mountain in the amount of \$203,000, \$162,000 of which is out of their pocket. That covers bringing the rental shop completely under the management of Oak Mt., expanding the snow making capability and repair and upgrade the parking lot. They are asking the IDA for a \$50,000 loan for one year; a balloon loan at 2% interest. This means that on August 3, 2015 they would owe us \$51,000.

Mr. Bateman asked, as of August 3, 2014 it will be transferred to the O'Briens and back on the tax rolls, correct? Mr. Osborne stated yes. Mr. Bateman asked what it is assessed for. Mr. Osborne stated that it was assessed for 1.2 million, it was successfully argued in front of the Board of Assessment Review, it was reduced to \$650,000, and it will be reassessed when the property changes hands. They are hoping to get it assessed at approximately \$400,000; that is what most of the people that are in the ski industry who have looked at the mountain agree that it is probably worth. That would be the current value. Titus Mt., which is twice the size of Oak Mt. with 10 lifts sold for 1.2 million but they also have a huge stone quarry on the property and that is where the owners make their money. \$650,000 right now is probably high.

Mr. Farber asked if there is sufficient information to make a decision today on the \$50,000 loan. Mr. Farber further stated that this is not the traditional loan where we would need someone to come in and explain the business.

Mr. Osborne stated that they have met the requirements that are in the purchase agreement in terms of their out of pocket investment. The Board reviewed the documentation showing this.

Mr. Farber made a motion to accept the accounting of the expenditures showing that the O'Briens met the criteria of the lease/sale agreement and with the payment of \$50,000 Oak Mt. Ski Area be transferred to the O'Briens and the Chairman be authorized to sign all the necessary documents to facilitate the transfer. Seconded by Mr. Bateman. Carried.

Mr. Faro made a motion that upon completion of a loan application from the O'Briens for a \$50,000 1 year balloon loan at 2% with the IDA having first position on the property and said loan application being emailed to all Board members and allowing 5 days to review and contingent on no objections

from the Board, the O'Briens be awarded a \$50,000 1 year balloon loan at 2% effective August 15, 2014. Seconded by Mr. Morrison. Carried.

Mr. Osborne discussed the access road to Oak Mt. Mr. Osborne stated that the access road, in the original agreement between the O'Briens and the IDA would be owned by the O'Briens. Mr. Farber clarified that the IDA retained access to the parcels owned by the IDA.

Mr. Osborne stated that the IDA owns property on both sides of that road. The three lots have been assessed at \$43,000, \$33,000 and \$32,000. That assessment has not been formalized. Mr. Osborne stated there is water and sewer access from Elm Lake Rd. for two of the lots, no water and sewer to the other lot. The largest lot has no road access at least two months out of the year because of the condition of the road. He has had meetings with the Hamilton County Highway Superintendent, Town of Lake Pleasant Highway Superintendent, the Village of Speculator Highway Superintendent; the Village Board has discussed this road in an open meeting. He stated that it is all very tentative but it would appear that if the IDA was willing to pay for the materials to upgrade the first ¼ mile of that road, which takes it to the end of our property, the Village, County and Town highway crews, with the approval of their Boards, would supply manpower and equipment to do the work. Once the road was improved to the point where it needed to be, the Village would then take ownership of it.

Mr. Osborne stated that this improvement would greatly improve the IDA's ability to sell the property on both sides of the road. The Village, Town and County are interested in seeing this property get back on the tax rolls. The estimate for materials to bring the road up to spec is about \$18,000, he was told to plan \$25,000. This would include grading the road, ditching it on both sides, sloping it, crowning it, putting down paper then up to a foot of crushed stone and gravel on top.

Mr. Farber asked if there was an issue with the sewer line. Mr. Osborne stated that they have determined that its location is not a problem, nor is the location of the water line, however there is an issue with capacity. There is no capacity to add any more homes; it would require new sewer and water lines to add anything. The cost of replacing the lines would probably be another \$25,000. This upgrade would include putting conduits under the road in two or three locations so that at some point in time in the future, water or sewer lines could go through those conduits from one side of the road to the other side of the road. Mr. Osborne stated that his feeling is that they would then try to sell the property with the understanding that any upgrades of water and sewer lines would be the responsibility of the purchaser. The Chairman stated that it would only be to the advantage of the one lot in the back, because the other two lots have road frontage on Elm Lake Rd., correct? Mr. Osborne stated that yes, as long as the buyer only built one house on it and did not develop any of the property behind it. Mr. Faro asked if the assessment of the third lot would be raised the \$25,000 to cover the cost of the road improvements? Mr. Faro asked if it is a legal expense for the IDA to put money into a road. Mr. Farber stated that his guess is that in terms of the road expense, he thinks you can envision a shared expense, but the idea that the IDA is the only one that benefits from that first segment of road improvement is arguable. There would be a question about whether the actual owner of the road, that you have a right of way across, that uses it for access; did they participate in the cost share? Mr. Osborne stated that under this concept, the IDA would have to retain ownership of the road; it wouldn't go to Oak Mt. in the property transfer. Mr. Farber pointed out that we just authorized the property transfer. In his opinion the IDA shouldn't have authorized closing out the Oak Mt. deal if we were going to go back and modify that arrangement.

Mr. Farber stated that he feels solving the water/sewer issue is more important than the access issue, in terms of the value of the lots.

Mr. Farber asked if we have any idea what the Town and the Village would like to see as outcomes for development of these lots. If we are going to just put them on the market and sell them and not try to direct some kind of development on these lots that would require twelve month access, it seems there is a good chance someone will buy those parcels that doesn't really care about the two months of the year when there is no access. If we were trying to promote utilization of these lots for a purpose then there would be some justification for needing twelve month access. If we are going to sell them with the idea that someone is going to have to figure out water/sewer later, he is not convinced that the lots really are enhanced by the cost of the road renovations.

The Board discussed zoning and subdividing the lots.

Mr. Faro stated he would like to try to sell the properties right now, the way they are to see what happens. Mr. Farber stated that we could keep open the opportunity to reject the bids.

Mr. Osborne stated that the issue we are confronted with right now is that today is the 3rd of July and we are supposed to close the deal on the ski center on the 3rd of August. The County, Town and Village are not going to spend any money or manpower to improve a road that belongs to Oak Mt. Ski Center. Mr. Osborne stated we need to make a decision on whether we are interested in retaining ownership of the road or not. If we let it go, chances are very good that the road will not be improved for a considerable period of time because it is a very expensive proposition. Mr. Farber stated that the fact that it is a very expensive proposition just demonstrates your providing a very expensive benefit to Oak Mt. Ski Center; the new owner is a private entity. If we are doing this for our lots and our benefit and we have a plan and a strategy that would be fine. The Chairman asked if there is a deeded right of way to our parcels. Mr. Osborne stated he does not know. Mr. Farber stated that he needs to contact the IDA attorney and confirm that before the transfer takes place, that there clearly is a deeded access to our lots. Mr. Farber stated that he feels that it is a lot of money to serve three lots, when two of the lots could already be served from Elm Lake Rd.

Mr. Faro suggested putting the lots on the market; it is the time of year when we have the most population here. Let's try to sell them to somebody this summer. Mr. Farber stated that our immediate step is to insure, through Fitzgerald, Morris, Baker, Firth that when the transfer takes place from the IDA to the O'Briens that provision has been made through the work of Ann and the surveyor to assure that those lots have access.

The Chairman suggested that because there is a snowmobile trail that goes through two of the lots that we reach out to the Town and Village and sit down and talk about what the goals are, let them know that we are going to put these lots on the open market. Mr. Osborne stated that there is no right of way for the snowmobile trail. Mr. Farber stated that is why we would be interested in sitting down with the Town and Village, to see if they are interested in securing a right of way.

The Chairman stated that he would be glad to sit down with the Town and the Village and have a discussion about what the long term options are.

Mr. Osborne stated for clarification: the IDA has no interest in upgrading the road; we have no interest in owning the road; we want to sell the property, if the new owner of the property wants to upgrade the road they need to have that discussion with Oak Mt. Ski Center because they will own the road. Everyone agreed.

Mr. Faro added that we should work with the Town and Village to get an easement for the snowmobile trails. Mr. Farber stated that if they are interested in an easement, we should secure that before we sell the lots, but it shouldn't preclude us from getting started on advertising the lots for sale.

Next Meeting: Mr. Osborne stated that we will probably have to meet in September. He will schedule it at a later date.

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