

IDA

**CONFERENCE ROOM
LAKE PLEASANT, NY**

SEPTEMBER 18, 2019

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

Steve Tomlinson, Chairman
William Farber, Vice Chairman
Tim Brownsell
James Bateman

Absent:
Robert Peck
Tim Pine

Also Present:
Christy Wilt, Executive Director
Laura Abrams, Secretary
Jon Lane

Essex County IDA – On Speaker Phone

Financial Report:

Ms. Wilt handed out and reviewed the Financial Report. The NBT account has a balance of \$198,178.29. The Community Bank account has a balance of \$65,823.74.

Motion to approve the Financial Report made by Mr. Farber, seconded by Mr. Bateman. Carried.

Payment of Bills:

Rose & Kiernan – Commercial Crime	\$248.00
SAX BST – Annual Audit Service	\$4,500.00
Jim Bateman – Mileage	\$56.84
Tim Brownsell - Mileage	\$74.40

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

New Business:

PILOT Request for New Project – Ms. Wilt explained that Jon Lane, owner of Charlie Johns Store is here today. He has a PILOT request for a new project. He is looking for an incremental PILOT. He is requesting 5 years at 100%, then 0% thereafter. It is for an expansion of a wing off of the store. He can't start the project until the IDA approves the PILOT. At the time she spoke with him he was looking

for mortgage tax and sale tax exemptions. He may not be getting a mortgage, may be just a loan. He will discuss further.

Mr. Lane handed out drawings of the addition. He will be getting a mortgage, so he will be requesting exemption for the mortgage tax as well. Mr. Lane explained that this addition will give him more room to expand the general merchandise areas that he currently has. He doesn't feel it will be a hardware store, but will allow him to get deeper into some of those areas that he is limited on space in the current store. They are open at least 12 hours a day, with exception of three days a year. He feels it will serve the community well to have access to more products. Mr. Lane continued to review the project.

Jody, Essex County IDA reviewed the details of the project with Mr. Lane.

Jody reviewed the basics of doing a straight leaseback transaction like this. She asked if the HCIDA has an application, Ms. Wilt doesn't know if we have one. Jody stated they have a standard application on their website; Ms. Wilt can convert it for HCIDA use. The HCIDA has an approved Uniform Tax Exemption Policy, which covers projects like this. Jody reviewed how the policy works and the procedure they use. She also discussed the 485B exemption, which only applies to the new the addition.

Ms. Wilt explained that Mr. Lane is only asking for the exemption on the addition, not the entire existing property.

Jody stated that they need to weigh the situation. She does a cost benefit analysis at the start of a project. Doing a straight leaseback transaction with the IDA is a very legal intensive procedure, because they have to take an interest in the property, there are a lot of legal fees. Make sure that the fees aren't going to be more than the incentives you are going to receive. They don't recommend a project for a straight leaseback unless it is upwards of a million dollars. It is still worth putting the cost analysis together to see what the savings will be.

The 485B was discussed, there is no fee, but you don't get the mortgage recording tax abatement and you don't get sales tax exemption.

First step is an application. The HCIDA needs to adopt an application. They could do the cost analysis before the application is filled out. You should explore the 485B, go to the County RPTS and ask if the County adopted it, what towns adopted it.

Mr. Lane asked how long is the process, when can he start the project. Jody explained that the IDA would need a completed application, reviewed by their bond council and ready for inducement. After the inducement date, technically the project could be started. The problem is you have to get all your information together, you're not going to close on the mortgage recording tax abatement until the IDA has finished their process. Typically, they close on a project 90-120 days.

Jody will send Ms. Wilt their application in word for her to convert for Hamilton County and have approved by the Board.

Essex County IDA ended the call.

Mr. Farber stated that he feels bad that we didn't have this conversation with Essex County IDA two weeks ago, and had the application and the information to discuss.

Mr. Lane stated seven years ago he came to the IDA to upgrade his refrigeration and coolers, which was a PILOT, that was only equipment and he believes he received the sales tax exemption and mortgage tax. It was approved at that meeting. Ann Melious was the Executive Director at the time.

The 485B was discussed. Mr. Baker, Hamilton County Real Property Tax Service Director was asked to check what entities in Hamilton County have approved the 485B.

Mr. Baker joined the meeting. Mr. Baker explained that there is something called the Business and Improvement Exemption (485B). It is a local option; each jurisdiction has to adopt it. The Town of Lake Pleasant has adopted it. That is the only jurisdiction, in relation to this project that has adopted it that he is aware of. Mr. Baker explained that if the other jurisdictions wanted to approve this it would have to be in place by March 1 to have exemptions apply to 2020 and 2021 taxes. Mr. Farber stated, when thinking about the real property process, Mr. Lane wouldn't see any change in assessment until March 1. If in the intervening period the municipalities all acted, he would gain the benefit, but you wouldn't know for sure up front.

Mr. Baker left at this time.

Mr. Lane didn't realize how involved it was going to be, he doesn't want to waste everyone's time and have it breakeven at the end of the process. Mr. Lane asked if there is a way to get the sales tax exemption and/or the mortgage tax as he did for his prior project.

Mr. Farber stated we will take a look at what we did with the prior project and get an opinion on if that is something we can do and what the process would be for approving it.

Mr. Lane left at this time.

Long Lake Hotel Refinance – Ms. Wilt stated she received a call from North Country Alliance, they were having a meeting because Carol Young has had some septic issues at the Adirondack Hotel and she is refinancing her first mortgage. Our interest will be in the same place, but will be subordinate to a higher amount of debt. She is taking her loan with a balance of \$165,000 to Community Bank and is seeking \$365,000. Her appraised value is \$648,000, assessed value is \$725,000. The North Country Alliance wanted Mr. Wilt to check with the IDA to see if we have any issue with this.

Mr. Farber made a motion to approve the request. Seconded by Mr. Bateman. Carried.

Agreement with BST for 2019 Annual Audit Services – Ms. Wilt explained that BST visited her with the new proposal. It is the same as last year, the rate is flat. We have to change our lead every three years, but we don't have to change the company. Ms. Wilt stated she was happy with their service.

Motion to approve BST as the Auditor for the 2019 Audit Services by Mr. Tomlinson, seconded by Mr. Brownsell. Carried.

Old Business:

Ms. Wilt stated that we are still short one Board Member. Mr. Farber stated he didn't have any ideas, but we need to work at getting someone. We should also have a conversation with Mr. Peck about his interest in continuing to participate in the IDA.

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