



ESSEX COUNTY IN THE PARK
INDUSTRIAL DEVELOPMENT AGENCY

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Essex County IDA Board Meeting
April 25, 2018 at 9:00AM
7566 Court Street, Elizabethtown, NY

Present: Darren Darrah
John Boyea
Jamie Rogers
James Bowen
Gerald Morrow
Matthew Courtright

Also Present: Jody Olcott
Carol Calabrese

Absent: Joseph Kusalonis

Open of Meeting

Chairman Darren Darrah opened the meeting at 9:00AM.

Public Comment

No Comment

Presentations

1. Big Slide Brewery (Lake Placid) – Chris Ericson reported that sales revenues exceeded projections for 2017 for Big Slide which also resulted in cash flow issues for Lake Placid Pub & Brewery as their sales were down slightly. Big Slide has secured restaurant consultant and internally has proposed organization changes: Accountant team reviewed all company's recommendations: hire full-time bookkeeper to free up Chris' time. Consultant to look at all aspects of all operations (menus, pricing, etc.). Cash flow challenges from start up overages, very short-term note for contractor/vendor payments. Big Slide has also realized that they are not in the position yet to distribute beer as most of the beer produced is consumed in restaurant. IDA Board had previously approved interest only plus late payment fees for January-April 2018. Big Slide is requesting interest only payments for May and June 2018 and also has proposed restructure of loan with following options: restructure/restart and amortized over 10 years, add an additional \$30,000 for working capital and amortize over 10 years or add additional \$85,000 for working capital and amortize over 10 years (this would pay short-term loan for contractor and free up money for working capital).

Motion #2018-28: A motion to approve interest only payments for May & June 2018 and review of additional request and long-term restructure was made by Gerald Morrow and seconded by Matthew Courtright. All members were in favor.

2. Magdi Lake Drive LLC. (Lake Placid) - Enzo Di Ciocco was available on conference call to discuss proposed project. He noted the property was purchased in 2016 by Enzo Di Ciocco and his partner. Demolition of existing school completed and construction underway. Enzo noted that transaction fees for the project are estimated at \$73,000 and the sales tax exemption savings are estimated at \$150,000. He requested transaction fee to be based from the \$3 million in

finishing costs instead of the total project of \$7 million as by the time project potentially closes the sales tax savings and project would be further along. Potential transaction fees of project if based on finishing budget of \$3 million and framing completed after potential closing would be \$15,000 Bond (bond counsel), \$22,500 (IDA) and \$2,010 (Briggs Norfolk). IDA Board instructed Enzo to call back with updated sales tax savings estimates based on finishing budget. Enzo also inquired about mortgage recoding tax abatement which project could be eligible for if financing is secured during the time when the sales tax exemption is still valid. Enzo decided he needed further review of project before deciding to move forward with inducement and will call IDA staff at a later time to follow up.

Approval of Minutes

1. March 21, 2018 Annual & Regular Meeting Minutes

Motion #2018-29: A motion to approve the March 21, 2018 annual & regular meeting minutes was made by Gerald Morrow and seconded by Jamie Rogers. All members were in favor.

Financial Services/Programs

1. Monthly Loan Report
 - a. Defaults: Westport Golf & Hospitality (Westport) – Judgement filed against John & Lynn Hall. John Hall in discussions with Ron Briggs.
 - b. Adirondack Meat Company (Ticonderoga) – James Bowen reached out to Briggs Norfolk to inquire if criminal charges could be brought for the missing equipment. At this time the Essex County DA’s office is reviewing case.
2. Straight Lease Back Transactions
 - a. Paradox Brewery (North Hudson) – Groundbreaking held for campground and Paradox Brewing. Paradox Brewing began construction Monday.
3. Bond Transactions
 - a. International Paper

Motion #2018-29: Resolution authorizing the execution and delivery by the Essex County Industrial Development Agency of an amendment to the financing agreement relating to its \$15,000,000 solid waste disposal revenue refunding bonds (international paper company project) series 2015a; the execution and delivery of modified bonds; and the approval of the forms of the first amendment to financing agreement and the modified bonds. WHEREAS, pursuant to the Financing Agreement, dated as of December 1, 2015 (the “Original Agreement”), among the Essex County Industrial Development Agency (the “Issuer”), a body corporate and politic and a public benefit corporation of the State of New York, International Paper Company, a New York corporation (the “Company”), and Banc of America Preferred Funding Corporation (the “Lender”), the Issuer issued its Solid Waste Disposal Revenue Refunding Bonds (International Paper Company Project), Series 2015A, currently outstanding in the aggregate principal amount of \$15,000,000 (the “Original Bonds” and, together with the Original Agreement, the “Original Bond Documents”), for the purpose of refinancing the costs of the acquisition, improvement, construction and installation of certain solid waste disposal facilities at the Ticonderoga Mill of the Company, located in Essex County, New York; WHEREAS, the Company has requested that the Issuer adopt this resolution to approve and provide for the modification of the Original Bond Documents in order to amend the interest rate on the Original Bonds and to make certain other changes, all as more particularly described in the form of the First Amendment to Financing Agreement (the “First Amendment to Financing Agreement”), among the Issuer, the Company and the Lender (collectively, the “Modification”); and WHEREAS, the Issuer has determined to approve the Modification and authorize the other actions herein described. NOW, THEREFORE, BE IT RESOLVED BY THE ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, ESSEX COUNTY, NEW YORK: The Issuer authorizes and approves the Modification, the amendment of the Original Agreement pursuant to

and in accordance with the First Amendment to Financing Agreement and the amendment of the Original Bonds in the form attached to the First Amendment to Financing Agreement (the "Modified Bonds" and, together with the First Amendment to Financing Agreement, the "Modified Bond Documents"). The execution and delivery of the Modified Bond Documents in substantially the forms presented to the Issuer with such changes as the executing officer shall approve (his or her execution to be conclusive evidence of such approval) on behalf of the Issuer, are hereby authorized and directed. The Modified Bond Documents shall be executed and delivered on behalf of the Issuer by the Chairperson or Vice Chairperson of the Issuer and attested by the Secretary of the Issuer, and the seal of the Issuer affixed thereto by the Secretary. The forms and contents of the Modified Bond Documents, which are hereby approved and which are made a part hereof, shall be substantially in the form as submitted to this meeting. The Chairperson or the Vice Chairperson, in the Chairperson's absence, is hereby authorized to make and/or approve such changes in the terms of the Modified Bond Documents, as presented to the Issuer with this Resolution, as are mutually negotiated by and between the parties thereto and consistent with the public purpose of the Issuer prior to the delivery of the Modified Bond Documents. The Chairperson or Vice-Chairperson of the Issuer is hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution. The proper officers, directors, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Modified Bond Documents as executed, and are further authorized to take any and all further actions and to execute and deliver any and all other documents as may be necessary in the execution, delivery and performance of the Modified Bond Documents. All acts and things of the officers of the Issuer which are in conformity with the purposes and intents of this Resolution and in furtherance of the execution, delivery, approval and performance of the Modified Bond Documents shall be, and the same hereby are, in all respects ratified, approved and confirmed. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict. This Resolution shall take effect immediately. International Paper has also requested reduced transaction fee for this project as it requires very little paperwork and previous transaction fee for original bond transaction in 2015 was \$35,000. A motion to approve modification and approve \$2,500 transaction fee was made by Darren Darrah and seconded by John Boyea. All members were in favor.

Business Park Development

1. Moriah Business Park
 - a. Lot #1 Building (Pre-Tech Plastics) – Received contract for proposed purchase of building and \$5,000 check. IDA staff reviewing financial documents for loan transaction. IDA still awaiting Straight Lease Back application in order to move forward with PILOT Agreement request.
 - b. Lot #4 Building (High Peaks Hospice) – No issues to report
 - c. Lots #3, #5 & #6 (Whistlepig) – Construction is expected to begin this week on buildings
2. Ticonderoga Commerce Park – No Update
3. Chesterfield Commerce Park – No Update

Business Development Updates

1. Marketing
 - a. Internet Based Marketing Monthly Report – No comment
2. Grant Administration
 - a. ADK HUB Micro-Enterprise Grant Round 2 – Two businesses were previously approved for extensions until June (Trailhead Resort & ESF). ESF (Masten House) project has not

moved forward and IDA received a letter declining grant in the amount of \$69,995.80. The IDA spoke to DEC in regards to awarding remaining funds to the next businesses under scoring system originally scored by grant review committee. IDA staff recommends requesting updated financials, tax returns, updated source and use and summary for potential new awardees. The IDA would give new recipient businesses until August 31, 2018 to complete their projects.

Motion #2018-30: A motion to accept ESF declination of grant in the amount of \$69,995.80 and approve grants to the following businesses: Adirondack Fishing Adventures \$16,923.43 (70% requested), Adirondack Hamlets to Huts \$31,183 (70% requested) and remaining balance of grant to Adirondack Rafting Company \$21,885.37 (46.03% requested) was made by James Bowen and seconded by Jamie Rogers. All members were in favor. IDA staff will follow up with new approved businesses and discuss grant and requested documentation.

3. Workforce Development

- a. International Paper – Working on employee recruitment because of aging employment. IDA assisting with setting up multiple meetings to discuss with area schools, colleges and CV-TEC.

Financials

1. March 2017 Financial Statements – No comments

New Business

1. April Abstract for Payment

Motion #2018-31: A motion to approve the April Abstract for Payment was made by John Boyea and seconded by Jamie Rogers. All members were in favor.

2. Next Meeting – June 6, 2018 at Champlain Valley Milling at 9:00AM.

Adjourn

Motion #2018-32: A motion to adjourn the meeting at 11:10AM was made by Darren Darrah and seconded by Gerald Morrow. All members were in favor.