



ESSEX COUNTY IN THE PARK
INDUSTRIAL DEVELOPMENT AGENCY

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**Essex County IDA Board Meeting
January 30, 2019 at 9:00 AM
7566 Court Street, Elizabethtown, NY**

Present: Darren Darrah (conference call)
John Boyea (conference call)
Jamie Rogers (conference call)
Gerald Morrow (conference call)
James Monty (conference call)

Absent: James Bowen
Matthew Courtright

Also Present: Jody Olcott (conference call)
Carol Calabrese (conference call)
Jen Briggs (conference call)

Open of Meeting

The meeting was opened at 9:00AM by Chairman Darren Darrah.

Public Comment

No Comment

Approval of Minutes

1. December 6, 2018 Meeting Minutes
2. December 21, 2018 Special Meeting Minutes

Motion #2019-1: A motion to approve the December 6, 2018 meeting minutes and the December 21, 2018 meeting minutes was made by James Bowen and seconded by John Boyea. All members were in favor.

Financial Services/Programs

1. Monthly Loan Report – At this time Big Slide Brewery January payment is due. Ida staff have a site visit scheduled for January 31, 2019 and will remind business.
2. Loan Defaults Updates:
 - a. Westport Golf & Hospitality (Westport) – No Update
 - b. Adirondack Meat Company (Ticonderoga) – IDA was notified that Glens Falls National Bank is proceeding with auction on February 7, 2019 at 10:30AM at the Essex County Court House. Ticonderoga Police Department is meeting today with James Ward (nephew) to discuss IDA equipment missing and will hopefully have access to building. Glens Falls National Bank has requested the IDA sign off on liens filed on building in order to show potential bidders there are no additional liens and if purchased the title to the building will be clear. At this time, the IDA will await further discussions with Ticonderoga Police Department.
3. Straight Lease Back Transactions:

- a. Pre-Tech Plastics (Moriah) – Sale of building closed on December 21, 2018. IDA working with County Attorney to approve PILOT Agreement, have Chairman sign and record at Essex County Clerk’s Office before taxable assessment date of March 1, 2019.
- b. Northwoods Inn (North Elba) – IDA cannot proceed to close on sales tax exemption until business receives financing terms from bank.
- c. Saranac Lake Resort (North Elba)

Motion #2019-2: WHEREAS, the Essex County Industrial Development Agency (the “Agency”) is a corporate governmental agency, constituting a public benefit corporation created pursuant to Chapter 563 of the Laws of 1973 of the State of New York (the “State”), as amended, and is authorized and empowered by the New York State Industrial Development Agency Act, Chapter 1030 of the Laws of 1969 of the State (Title 1 of Article 18-A of the New York General Municipal Law of the State), as amended (the “Act”), to promote the economic welfare and prosperity of the inhabitants of Essex County, New York (the “County”) and to actively promote, attract, encourage and develop economically sound commerce and industry within the County; and WHEREAS, the Agency desires to assist Saranac Lake Resort Owner, LLC, a Delaware limited liability company (the “Company”) located in Lake Placid, New York, and its successors and assigns (the “Company”), located in Lake Placid, New York in its acquisition, construction, equipping and furnishing of the Project (hereinafter defined); and WHEREAS, the Company desires (a) to acquire, construct, equip and furnish a 93-key LEED certified hotel with 3,000 square feet of meeting space, full-service spa, fitness center, banquet facilities, two food and beverage outlets and a 36-slip marina to be located on Lake Flower in the Village of Saranac Lake, County of Essex, New York, to be operated by the Company as a hotel (the “Facility”), (b) to acquire and install various machinery, equipment and furnishings for the Facility, including substantial rehabilitation, and including certain necessary preliminary and incidental expenses related thereto (the “Equipment”), (the Facility and the Equipment hereinafter collectively referred to as the “Project”); and WHEREAS, pursuant to the Act the Agency is authorized and empowered to finance the Project through a “straight-lease transaction” (as defined in Section 854(15) of the General Municipal Law of the State of New York); and WHEREAS, the Agency took official action toward approving the application of the Company and agreeing to enter into a “straight-lease transaction” with the Company and grant a mortgage on the Project to secure conventional financing therefor by resolution at a meeting duly held on September 26, 2018; and WHEREAS, the Agency in reviewing the Company’s application has preliminarily determined that the Company meets the provisions of Section 862 (2) of the General Municipal Law or that such provisions are not applicable. Any financial assistance which the Agency may provide to the Company shall be subject to the “clawback” provisions of Section 875 of the General Municipal Law, and the Company shall at all times cooperate with and indemnify and hold harmless the Agency in the Agency’s colorable and good faith compliance with said Section 875; and WHEREAS, in order to assist the Company, the Company has agreed to ground lease the Project to the Agency pursuant to a Ground Lease Project Agreement, between the Agency and the Company, for good and valuable consideration and certain “financial assistance” (as defined in Section 854(15) of the General Municipal Law of the State of New York), whereby the Company will be obligated to ground lease the Project to the Agency; and WHEREAS, the Agency’s retention of a ground lease interest in the Project will enable the Agency to pass on State law tax benefits; to wit, sale tax exemption used in the construction of the Project, to the Company; and WHEREAS, the Agency is authorized to grant a mortgage and security interest in and with respect to the Project and assign the Ground Lease Project Agreement to a lender secured by the Company, as collateral, as may be required by such lender; and WHEREAS, all determinations necessary to be made by the Agency under t Article 8 of the State Environmental Quality Review Act (“SEQRA”) and the regulations promulgated thereunder by the New York Department of Environmental Conservation have been made and appropriate resolutions have been adopted by the Agency pursuant to SEQRA; NOW, THEREFORE, BE IT RESOLVED by the Essex County Industrial Development Agency, as

follows: Section 1. Ground Lease and Ground Lease Project Agreement and Terms Thereof. The Agency hereby authorizes and approves the assistance to be provided to the Company and the ground lease by the Company to the Agency of the Project pursuant to the Ground Lease and Ground Lease Project Agreement. The Agency finds and determines, after a public hearing dated November 8, 2018 as required by Section 859-a of the General Municipal Law of the State, that such assistance under the terms of the Ground Lease and Ground Lease Project Agreement, limited to sales tax exemption for materials used in the construction of the Project, will further the public purpose of the Act by preserving permanent, private sector jobs and/or increase the overall number of permanent, private sector jobs in the State. The Ground Lease and Ground Lease Project Agreement in substantially the form attached hereto as Exhibit A is hereby approved with such changes as may be made by the Chairman of the Agency as authorized herein. Section 2. Agency Documents. To provide for the consummation of the transaction contemplated herein, the Chairman, Vice Chairman or any other appropriate officer of the Agency, alone or in conjunction with such officers, are hereby authorized and directed to execute, acknowledge and deliver, for and in the name and on behalf of the Agency, the Ground Lease and Ground Lease Project Agreement in substantially the form attached hereto as Exhibit A, and any documents in connection with the financing of the Project by the Company (collectively, the "Agency Documents") upon the advice of special counsel to the Agency, including, if applicable, a mortgage and security agreement and assignment of the lease and project agreement and any documents in connection therewith.. The Agency Documents are hereby approved with changes, including changes submitted by the Company or its counsel, which are not inconsistent with this Resolution, and are not substantially adverse to the Agency, which are permitted by the Act, and which are approved by the officer or officers executing the respective Agency Documents. The approval of those changes by the officer or officers and the character of those changes, as not being substantially adverse to the Agency, shall be evidenced conclusively by the execution of the respective Agency Documents by the officer or officers. Section 3. Other Documents. The Chairman, Vice Chairman or any other appropriate officer of the Agency, alone or in conjunction with such officers, are authorized and directed to execute, deliver and, if applicable file, for and in the name and on behalf of the Agency, any certifications, financing statements, assignments and other instruments and documents which are necessary or appropriate to perfect the assignments contemplated in the Agency Documents and to consummate the transactions contemplated in the Agency Documents and, if applicable, the Loan Documents. Section 4. Compliance with Open Meeting Requirements. It is found and determined that all formal actions of the Agency concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Agency, and that all deliberations of the Agency that resulted in those formal actions were in meetings open to the public, in compliance with the law. Section 5. Effective Date. This Resolution shall take effect and be in force immediately or at the earliest time permitted by law. A motion to approve was made by Jamie Rogers and seconded by Darren Darrah. All members were in favor.

4. Bond Transactions

- a. CRC Project – North Country School (North Elba) – The school is working with new bank and CRC will continue with financing.

Business Park Development

1. Moriah Business Park

- a. Lot #4 Building (High Peaks Hospice) – High Peaks Hospice took occupancy of new space on January 14, 2019. A 10-year lease was sent to High Peaks Hospice for signature.
- b. Lots #3, #4 & #6 (Whistlepig) – Building 6 is under construction. Still awaiting further direction of additional lands from Whistlepig.

- c. Future Land – The IDA Board would like to pursue securing additional land for the park. The IDA will contact land owners to discuss.

New Business

1. OCR Revolving Loan Program – IDA was notified by Whistlepig that at this time they are not interested in pursuing office building on lot #4 at the park. IDA staff then reached out to Paradox Brewery to discuss potential shovel ready projects that are currently approved in the economic development use of funds. IDA staff spoke with funding source (Office of Community Renewal) and proposed project for new canning line for Paradox Brewery which will greatly increase sales as well as allow them to contract can for other breweries. The new equipment would cost \$365,000 and Paradox Brewery estimates this would create 11 FTE positions over two years.

Motion #2019—3: A motion to approve grant in the amount of \$325,000 for the purchase of canning line for Paradox Brewery was made by Jamie Rogers and seconded by Gerald Morrow. All members were in favor.

2. Next Meeting – February 21, 2019 at 9:00AM.

Adjourn

Motion #2019-4: A motion to adjourn the meeting at 9:40AM was made by James Bowen and seconded by Darren Darrah. All members were in favor.