

Essex County IDA Annual & Regular Board Meeting
March 25, 2020 at 9:00 AM
Conference Call

Present:	Darren Darrah	Also Present:	Jody Olcott
	John Boyea		Carol Calabrese
	Jamie Rogers		Sarah LaFountain
	James Bowen		Jen Briggs (9-10 AM)
	Roy Holzer		Ron Briggs
	Matthew Courtright		Tim Blatchly
	James Monty (joined at 9:30AM)		

Meeting was called to order by Chairman Darren Darrah at 9:00AM. Because of the Coronavirus (COVID-19) emergency and state and federal bans on large meetings or gatherings and pursuant to Governor Cuomo's executive order 220.1 issued on March 12, 2020 suspending the open meetings law, the Essex County Industrial Development Agency (IDA), the board meeting is held electronically via conference call instead of a public meeting open for the public to attend in person. Members of the public may call into the meeting and the meeting minutes when transcribed will be posted to the IDA website.

Adirondack Meat Company (Ticonderoga) Loan Default Presentation

Special Clinton County Prosecutor Tim Blatchly was asked to present findings on Adirondack Meat Company loan to the IDA Board and requested Ron Briggs participate as well. Ron Briggs notes the IDA had a security agreement or security interest in FF&E (furniture, fixtures and equipment) for the business. After the business closed, Glens Falls National Bank saw on Craigslist someone advertising for sale some of the FF&E that we had a security interest in that kind of tipped us off to get looking into it. Carol went down to business for site visit and saw that mostly all of the FF&E was missing. At that time the IDA contacted Ti PD and they tried to do an investigation to ascertain and try to get evidence that the FF&E was missing and for sale on Craigslist. As we understand when the Ti PD investigator spoke with the debtor's son who I think had the listing he immediately requested lawyer. So at that time the Ti PD had no real evidence of wrongdoing, enough to support the element of the crime. Tim Blatchly, special prosecutor worked with Ti PD and concluded there was not enough evidence to actually garnet the investigation. There was insufficient evidence to charge and really prosecute the case. That was only one problem. The other problem would be that the crime is a misdemeanor and if charges were brought the Ti PD would be responsible to extradite both Peter and Denise Ward from Florida to Ti court. They currently reside in Florida and, as we understand, Florida Law as a homestead exemption for the residents so their personal property (residence) is protected from creditors and there are no other assets that could be located. Ron did speak with Bank Council, they also concluded there are no other assets other than residence in Florida, which is protected under Florida law. So, it's one of those situations whereas I said that the best way to get money out of the debtor is to have a criminal case because that's tremendous leverage. But as Tim and the Ti PD concluded there is not enough evidence to bring a prosecutable case.

Tim Blatchly noted that he was assigned by Judge Meyers as special prosecutor to investigate this matter and has 20-years' experience as an attorney and 15 years as the prosecutor of Clinton

County and where he was the chief for about 10 years. The IDA must conclude that there is not a lot here, in fact, the only thing there is, is a misdemeanor for either fraudulent disposition of large property that under section 1 85 10 or fraud involving security interest which is again 1 85 05. Tim noted he can only give his findings to the Ti PD because that who is handling this investigation and the Ti PD must decide whether or not to charge a crime and if there is sufficient proof beyond a reasonable doubt.

IDA Board frustrated that the \$304,000 only is considered a misdemeanor. Ron Briggs noted the IDA does have a judgement against the Wards but without any assets to seize, the IDA cannot convert to judgement into money because there is nothing and that business could file bankruptcy, which would stop the IDA dead in its tracks. Ron Briggs noted that going forward the IDA can research if the Wards have acquired any new assets that might be reachable.

Slate of IDA Officers

Motion #2020 – 10: A motion to approve the Essex County IDA officers as: Darren Darrah as Chairman, James Bowen as Vice-Chairman and Jamie Rogers as Secretary and Treasurer was made by James Monty and seconded by James Bowen. All members were in favor.

Dual Development (North Elba) Straight Lease Presentation

Dual Development project is the conversion of the old Howard Johnson's building into a new resort. Business is requesting all three straight lease back incentives (PILOT, mortgage recording and sales tax exemption). The IDA Board was sent copy of application as well as proposed conceptual designs for the project. Bhavik Jariwalq and Jack Kelly joined conference call. Jack Kelly is a consultant for Dual Development and has been working with the owner in preparation of this application. Bhavik Jariwalq noted he is the principal developer for Oakfield Hospitality and owns and operates a portfolio of hotels, mostly in upstate New York. This North Elba project is something that we've been working on for a few years now on. The project received site plan approval in January were hoping to be positioned to start this fall but due to the recent pandemic they are uncertain. Project includes demolishing the existing 92 room Quality Inn which used to be the Ho Jo. Developer feels that Lake Placid needs a new hotel with a lot of energy that caters to millennials focusing on technology that today's consumers needs. Proposed project is \$30 million redevelopment project with two different brands. One will be an Extended Stay all-suite brand and the other half of the hotel will be Tru by Hilton, which is a new brand that has smaller guest rooms but has all the modern amenity that guests need and has large, inviting public areas that really have people gather in public spaces. Developer noted that the hotel industry is one of the most impacted industries in the entire country right now. Developer must focus on a 3 to 10-year outlook for this project because there's just so much impacted by the current pandemic. Last week the current lender bank all proposed hospitality loans on hold. Developer noted that IDA receipt of IDA incentives is critical as a go forward from pandemic. The project was awarded a \$6 million grant in the last CFA grant process.

IDA Board member Jim Bowen noted that getting over this pandemic Essex County may need a catalyst project. Developer noted that this project could add to occupancy tax base which we acknowledge will be greatly decreased over the next few years. Project will add approximately 200 construction jobs and 50 jobs upon completion. IDA Board inquired how long the current permits for the project are good for? Developer noted that he thinks the North Elba review board

approval is good for 2 or 3 years and noted that nationwide hotel projects are going to have delays, whether it's banking related or capital related. IDA Board member Jim Bowen noted that the IDA should show our support even as of today because of the recent pandemic and uncertainty of future investment in area. IDA staff noted the IDA Board has approved 6 other straight lease back hotel projects in the North Elba/Saranac Lake area and only approved sales tax incentive only based on local taxing entity recommendations and further discussions with Essex County. IDA Board noted that in order to keep project moving ahead they should approve all three incentives requested and then continue further discussions with all affected taxing entities after the pandemic is resolved and everyone can better assess. Some IDA Board members cautioned that this approval would send wrong impression to other projects recently approved before pandemic who are struggling for completion.

Motion #2020-11: A motion to approve sales tax exemption, PILOT and mortgage recording abatement to Dual Development was made by James Bowen and seconded by Darren Darrah. Matthew Courtright and John Boyea voted yes. Jim Monty, Jamie Rogers and Roy Holzer abstained. Motion passes. As a go forward further discussions will be needed with all taxing entities and IDA will need to schedule public hearing.

Barbara Dwyer – 2019 Financial Presentation

Barbara Dwyer noted that the emailed financials are a draft and further tweaking of notes are needed and will incorporate the notes Jody Olcott provided. Barbara noted the IDA did not do anything to debt this year, but IDA did recognize Adirondack Meat and the two Westport Golf loans that might not be collectible. Barbara encouraged the Board to discuss utilizing existing loan funds for the pandemic assistance. Barbara noted that operating costs are in line and administration expenses are minimal for the operation, New York State Pension costs aren't rising dramatically, the IDA had a great year with straight lease back transaction fees, the IDA provided the grant of the CDBG monies to Paradox Brewery and the required collection of CDBG monthly has caused a dramatic decrease in available loan balance for the IDA. Barbara noted the cash balances but stressed that a majority of those funds are restricted for loans and building maintenance. Barbara noted she will prioritize completing financials and required comptrollers reporting.

IDA 2019 Comptroller Report

IDA Board was provided with copy of all current project summaries in package. IDA must review each project annually to determine that project was met its projections and incentives provided each year are correct. New projects for 2019 include Paradox Brewery, Northwoods Inn and Saranac Lake Resort. All projects have met and exceeded their projections and no claw back of incentives is needed. IDA sends these requests to businesses in January of each year requesting documentation such as NYS-45 reports to document employment, copies of real property taxes paid, etc.

Motion #2020-12: A motion to adopt the 2019 NYS Comptroller's Annual Report was made by Jamie Rogers and seconded by Darren Darrah. All members were in favor.

Motion #2020-13: A motion to approve the 2019 Essex County IDA/CRC/Empire Zone Annual Report was made by Roy Holzer and seconded by John Boyea. All members were in favor.

Motion #2020-14: A motion to re-adopt the following policies with no changes: Mission Statement, Personnel Manual, Property Disposal Policy, IDA By-Laws, Audit & Payment Procedures, Travel & Expense Policy, Purchasing Policy, Code of Conduct, Investment Policy, Compensation Policy, Whistleblower Policy and Revolving Loan Program Guidelines with no changes was made by James Bowen and seconded by Jamie Rogers. All members were in favor.

Motion #2020-15 – A motion to designate Jen Briggs of Briggs Norfolk as the Records Access Officer (FOIL) was made by Darren Darrah and seconded by James Bowen. All members were in favor.

Motion #2020-16 – A motion to designate Champlain National Bank as official bank was made by Darren Darrah and seconded by John Boyea. James Monty abstained. Motion passes.

Motion 2020-17: A motion to designate Press Republican and Denton Publications as official newspaper was made by Matthew Courtright and seconded by Darren Darrah. All members were in favor.

Motion #2020-18: A motion to adopt the 2019 IDA Mission Statement & Performance Measurement Report for 2019 was made by Jamie Rogers and seconded by James Monty. All members were in favor.

Motion #2020-19: A motion to approve the election of the Audit & Governance officers for the IDA as a full board was made by Darren Darrah and seconded by James Bowen. All members were in favor.

Motion #2020-20: A motion to adjourn the annual meeting at 10:30AM was made by John Boyea and seconded by Jim Monty. All members were in favor.

Open of Monthly March Regular Board Meeting

Darren Darrah opened the monthly meeting at 10:32AM.

Motion #2020-21: A motion to approve the December 18, 2020 special meeting minutes was made by Darren Darrah and seconded by James Monty. Roy Holzer and James Bowen abstain. All other members were in favor. Motion passes.

Motion #2020-22: A motion to approve the January 31, 2020 meeting minutes was made by Darren Darrah and seconded by James Bowen. Jamie Rogers abstained. All other members in favor. Motion passes.

Motion #2020-23: A motion to approve the March 6, 2020 special meeting minutes was made by James Bowen and seconded by Jamie Rogers. Matthew Courtright and John Boyea abstain. Motion passes.

Monthly Loan Report

1. Normandie Beach Club (Westport) – IDA was notified that the property is being sold by bank and the IDA did not waive our mortgage on the property which was required.

Motion #2020-24: A motion to approve the discharge of mortgage for the Normandie Beach Club property was made by John Boyea and seconded by Darren Darrah. All members were in favor.

2. IDA existing loans shown on monthly report were notified that IDA Board has agreed to waive monthly loan payments for March, April and May due to pandemic.

Business Park Development

1. Moriah Business Park – IDA staff reported that lot #4 building (High Peaks Hospice) had no issues to report. WhistlePig (lot #3, #5 and #6 which is their existing 7 buildings) no issues to report. IDA staff noted the sale of that 1.5 acres on lot #4 closed the first week of March and Whistlepig working to resolve issue of building that arrived onsite. 8,900 square foot building was delivered instead 14,000 square foot building and the manufacturer has sent all the supplies to retrofit building to correct size. Contractor has been giving approval to start building the new building so building 8 should be going up within the next 30 days. Current Employment in January was 33 Full time with 7 Part time positions posted. Jody Olcott noted that the IDA closed on the purchase of the new property including 38 acres. Back taxes were paid. Jody contacted AES Northeast to price out aerial survey and topo. Awaiting prices. Jody also met with WhistlePig last week who is developing their short-term plan for additional property. WhistlePig should have something to the IDA within 90 days stating what their immediate needs are with the new property. WhistlePig has far exceeded what they said they were going to.

Workforce Development

1. Essex County Workforce Committee – Carol Calabrese noted that a Mad City Money event was held at Moriah Central School. Five schools sent seniors with 100 seniors in attendance. The committee is looking to increase attendance next year. Matthew Courtright stated that it was very well attended, educational and eye opening for seniors. Seniors found it very beneficial. A large career/job fair was scheduled for late April but that has been postponed due to pandemic.

Financials

1. January Financial Statement – Jody Olcott sent the financials in packages to the Board for review. No questions or comments.

New Business

1. COVID-19 Response – IDA has been working with regional partners to establish local loan programs available to businesses impacted. IDA staff would recommend reprogramming funds the IDA previously received from NYS Empire State Development originally for the Lake Champlain Bridge closure then reprogrammed for Hurricane Irene. IDA staff would recommend earmarking \$250,000 of the available funds. IDA has compared our proposed project to other funds that have been announced to confirm that IDA is in line with others in region. IDA staff will prepare draft loan guidelines and

proposed application to be reviewed and approved by the Essex County IDA board of directors at the next meeting.

2. The Adirondack Foundation has announced special and urgent needs funds for businesses and organizations affected by the COVID-19 pandemic. The Essex County IDA would like to apply for up to \$20,000. The Essex County IDA would be a pass-through organization to administer any grant funds received. The Essex County IDA would draft grant guidelines as well as an applications for business is IDA is approved for funding. Applications are due by March 30th.
3. Ticonderoga Micro-Enterprise Grant - 6 businesses applied and 6 were awarded for \$100,000 total. The board approved all of that via special board meeting a few weeks ago and Jen is working on Grant Agreements for each business. IDA will proceed with project when warranted.
4. March Abstract for Payment – Jody noted that there is no abstract for the month but will incorporate all bills that have been paid when quarantine is lifted. At this time, she is paying a majority of bills online in an effort not to have to seek two board member signatures on checks.
5. Hamilton County IDA 2020 Contract – Essex County IDA staff helps to administer Hamilton County IDA. Jody Olcott noted that in 2019 there was no billing time to them and in 2018 there was minimal time billed. The contract consists of the Essex County IDA being available to answer questions when necessary and billing at a rate of \$50 per hour as discussed.

Motion #2020-25: A motion to approve the Hamilton County IDA 2020 contract was made by James Bowen and seconded by Matthew Courtright. All members were in favor.

6. H. Sichertman & Company Inc. 2020 Contract – Carol Calabrese noted that that company is being utilized for credit reports only. IDA is currently providing underwriting for all loans and grants. In 2019 company only provided IDA with credit reports for the two HUB grants and Ti micro grants.

Motion #2020-26: A motion to approve the H. Sichertman & Company Inc. 2020 contract was made by Jamie Rogers and seconded by John Boyea. All members were in favor.

7. Next Meeting – April 23, 2020 at 9:00AM via teleconference.
8. IDA Office – IDA office is currently closed as directed by Chairman Darrah on March 16, 2020. IDA staff are working from home but do go to office when necessary to complete work. Jody Olcott contacted Chairman Darrah after office closed and noted it was difficult for staff to work from home on iPhones and IDA purchased three Macbook Airs from Best Buy to assist staff.

Adjourn

Motion #2020-27: A motion to adjourn the meeting at 11:25AM was made by Jamie Rogers and seconded by Darren Darrah. All members were in favor.

