



ESSEX COUNTY IN THE PARK
INDUSTRIAL DEVELOPMENT AGENCY

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November 28, 2023

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Town of Schroon
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15 Leland Avenue
Schroon NY 12870

Dr. Harry Brooks, Interim Superintendent & School Board
Schroon Lake Central School
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Chairman Shaun Gilliland & Board of Supervisors
Essex County Board of Supervisors
PO Box 217
7551 Court Street
Elizabethtown NY 12932

RE: Proposed Deviation from Uniform Tax Exemption Policy by Essex County Industrial Development Agency in connection with The Lodge at Schroon, LLC Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

In February of 2022, the Essex County Industrial Development Agency (the "Agency") approved an application (the "Application") from The Lodge at Schroon, LLC (the "Company"), for a "straight-lease" arrangement as defined in Section 854(15) of the General Municipal Law of the State of New York (the "State"), as amended for the purpose of financing the costs of a certain project (the "Project") consisting of: (A) (i) the renovation and equipping of a building in Schroon Lake, New York, to be owned by the Company and operated by a third party operator as an approximately 120-unit resort (the "Facility"), (ii) the acquisition and installation of various machinery, equipment and furnishings for the Facility, including substantial rehabilitation (the "Equipment"), and (iii) certain necessary preliminary and incidental expenses related thereto (the Facility and the Equipment hereinafter collectively referred to as the "Project"); and (B) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal law) with respect to the Project and its financing, including potential exemptions from New

York State sales and use tax and mortgage recording tax (collectively the “Financial Assistance”); and (C) the sale of the Project to the Company or such other person as may be designated by the Company and agreed upon by the Agency (During the lease term, the Project will be owned by the Agency and leased to the Company.); all as contemplated by and in furtherance of the purposes of the General Municipal Law.

In connection with the Project, the Company has made a request (the “PILOT Request”) to the Agency to enter into a payment in lieu of tax agreement (the “Proposed PILOT Agreement”) which terms would deviate from the Agency's Uniform Tax Exemption Policy (the “Policy”) Capitalized terms not otherwise defined herein are defined in the Policy. The PILOT request is being requested in order to ensure predictability with operating expenses in order to continue to provide the level of service and the level of employment a Resort of this nature demands. Predictability is essential to (1) maintain the project’s year round capacity, rather than return to a seasonal employer, (2) budget and allocate necessary capital improvement funds to continue the up-leveling of the resort to meet industry standards and evolve as the market demands, (3) make greater secondary and tertiary tax and tourism impact in the region, and (4) invest in marketing efforts necessary to demonstrate the region as a premier tourist destination as identified in the Town of Schroon Revitalization Plan 2018.

The Proposed PILOT Agreement would not provide any abatements for any special assessments levied on the Project Facility. Special assessments include Highway 2 3 4, Ambulance District, Fire District and Park District. The Proposed PILOT Agreement would be for a term of [10] years, with the Company making the payments in each year as a PILOT Payment to each Affected Tax Jurisdiction as follows:

PROPOSED PILOT UTEP SCHEDULE

FIXED ASSESSMENT \$4,573,500	PILOT SCHEDULE	ESSEX COUNTY	TOWN OF SCHROON	SCHROON CENTRAL SCHOOL
YEAR 1	75% exemption	\$3,423.59	\$2,343.37	\$8,313.64
YEAR 2	50% exemption	\$6,847.19	\$4,686.74	\$16,627.29
YEAR 3	35% exemption	\$8,901.35	\$6,092.76	\$21,615.47
YEAR 4	30% exemption	\$9,586.07	\$6,561.43	\$23,278.20
YEAR 5	25% exemption	\$10,270.79	\$7,030.10	\$24,940.93

YEAR 6	20% exemption	\$10,955.50	\$7,498.78	\$26,603.66
YEAR 7	15% exemption	\$11,640.22	\$7,967.45	\$28,266.38
YEAR 8	10% exemption	\$12,324.94	\$8,436.12	\$29,929.11
YEAR 9	10% exemption	\$12,324.94	\$8,436.12	\$29,929.11
YEAR 10	5% exemption	\$13,009.66	\$8,904.80	\$31,591.84

The Policy provides that, for a facility similar to the Project Facility, the appropriate “Town Assessor” of the respective affected tax jurisdictions in which a project is located (each an “Assessor”) will determine the interim assessment of the Project as construction progresses thereon and a final assessment (the “Final Assessment”) when construction is completed, which will be the basis of taxation of the project for an initial period (not to exceed 10 years). The Town of Schroon has provided a final assessment in the amount of \$4,573,500 which includes Tax Map #147.13-2-2.000/1, #147.13-2-2.000, #147.13-5-1.000 and #147.13-2-7.000.

The purpose of this letter is to inform you of such PILOT Request and that the Agency is considering whether to grant the PILOT Request and to approve a Proposed PILOT Agreement conforming to the terms of the PILOT Request and expects to consider whether to approve the terms of the Proposed PILOT Agreement at its next scheduled meeting in December of 2023 (the "Meeting"). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires notice prior to the Agency taking final action with respect to the Proposed PILOT Agreement (if said Proposed PILOT Agreement may deviate from the provisions of the Agency's Uniform Tax Exemption Policy).

The Agency considered the following factors in considering the proposed deviation:

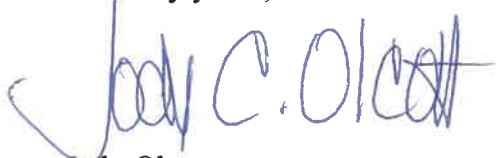
1. The nature of the Project: Resort Facility aligned with the Town of Schroon Revitalization Plan of 2018.
2. The present seasonal utilization of the property.
3. The economic multiplying effect that the Project will have on the area based on annual operations.
4. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs. Current new employment: 26 full-time, 13 part-time, 26 seasonal with annual payroll \$1,910,881.
5. The estimated value of new tax exemptions to be provided.

6. The economic impact of the Proposed PILOT Agreement on affected tax jurisdictions:
7. The impact of the Proposed PILOT Agreement on existing and proposed businesses and economic development projects in the vicinity.
8. The amount of private sector investment generated or likely to be generated by the Proposed PILOT Agreement.
9. The effect of the Proposed PILOT Agreement on the environment.
10. The extent to which the Proposed PILOT Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services.
11. Anticipated New Tax Revenues.
12. The extent to which the Proposed PILOT Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located.

The Agency will consider the Proposed PILOT Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments from affected taxing entities regarding this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review any comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at (518) 873-9114 or by email at jolcott@essexcountynida.com

Sincerely yours,



Jody Olcott
Co-Executive Director