

**COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY**

5 Warren Street, Suite 210

Glens Falls, New York 12801

Tel. (518) 792-1312

The June Board Meeting for Warren Washington Industrial Development Agency was held on Tuesday, June 21, 2022 at the Washington County Municipal Building and via Zoom at 4:00 pm. The following were:

PRESENT:

Dave O'Brien	Chair
Nick Caimano	Member
Mike Wild	At-Large Member
Craig Leggett	Vice Chair
Dan Bruno	Park Chair
Chuck Barton	Member
Michael Bittel	Sec/Treasurer
Ginny Sullivan	Member
Brian Campbell	Member

ABSENT:

Mary King	Member
-----------	--------

The following were also present:

Kara Lais, Esq.	FitzGerald Morris Baker Firth, PC
Michael Ostrander	Executive Director
Tim Robinson	CFO
Josh Bagnato	Vice President of Product Development, TDI

Minutes were taken by:

Alie Weaver	Office Administrator
-------------	----------------------

May Minutes: Mr. Bittel made a motion to approve the May board meeting minutes and Mr. Bruno seconded. All voted in favor by voice vote.

Accounts Payables and Financial Analysis: Mr. Campbell made a motion to approve the May payables and Mr. Bittel seconded. All voted in favor by roll call vote.

Mr. Robinson stated that the balance sheet is liquid and has a strong equity position and noted that the land transfer is the biggest change in the line sheet in comparison to last year.

Mr. Robinson also stated that Sun Valley Apartments and Bucks County Biscotti have closed in June, creating an additional \$112,000 in revenue.

TDI Update: Mr. Bagnato from Transmission Development Inc. stated that the Environmental Management and Construction Plan (EMCP) has been filed for review and approval by the Public Service Commission, noting that construction cannot start until this approval, which is estimated to start by the Fall. He also stated that TDI is owned by Blackstone, a NYC private equity firm, who will do a financial close in August to secure the project construction debt. He noted that Hydro-Quebec was awarded the contract by NYSERDA and approved by the Public Service Commission in April. He also noted that no payments are made by NYSERDA until the project is operational and project completion date is 12/2025.

Mr. Bagnato explained the layout of anticipated construction as starting in Whitehall on the CP Railroad right-of-way to Fort Ann and then all the way through Washington, Saratoga, Schenectady, Albany, and Greene Counties with minor excursions outside of the right-of-way until entering the Hudson River in Catskill to a nine-mile stretch of sensitive habitat in Rockland County, then back in the Hudson River to the Harlem River, past Yankee Stadium, through Manhattan and Queens. He noted that north of Washington County to the Canadian Border will be in Lake Champlain.

Mr. Bagnato stated that as much notice will be given to areas prior to construction and encouraged communication of concerns.

Executive Director Report: Mr. Ostrander stated the following:

- Attended the Glens Falls Downtown Revitalization
- Attended the Triple Chamber Mixer
- Met with a business in Bolton interested in expansion
- Toured the old Lake George Forum with Mr. Pensel for updates on Prospect Mountain Venture's project
- Attended the Warren County EDC luncheon
- Will be addressing the Glens Falls Rotary on Thursday
- Working on the next Economic Development Forum
- Will be meeting with Grasshopper Gardens to go over Canalside land maintenance

ONGOING BUSINESS

Delineation Update – Mr. O'Brien stated that the jurisdictional determination on Lots 4 and 5 have been submitted to Mr. Connell and he currently has no further updates on the remaining hybrid delineation submittal on the remaining vacant lots.

Canalside Energy Park – Mr. Bruno stated that LaBella's proposal for the DEC has been delayed until next week. He noted that this proposal states that the Washington County Sewer Plant can accept 100,000 gallons of water daily from the Canalside Energy Park and will also include sewer capacity, treatment plant capacity, infiltration and inflow, and mitigation information. He noted 400,000 gallons would need to be mitigated daily and the cost of this mitigation will be included in LaBella's proposal.

To answer Mr. Campbell's question of what the next step would be after DEC approval, Mr. Bruno stated that a detailed design of the conveyance system will be established from the Canalside Energy Park to the Washington County Sewer Treatment Plant.

He noted that this process would help determine the types of facilities and number of employees that would be a good fit in the park.

Project Updates – Mr. O'Brien stated that a company from Minnesota has toured the Canalside Energy Park. He also stated that a company is interested in storing grain in one of the buildings in the park and TDI is interested in leasing a section of the park for equipment storage. He noted that a lease agreement, appraisal and 90-day notice would need to be sent to the ABO should TDI decide to lease this property. Mr. O'Brien noted that the appraisal and engineer report on the condition of the Canalside road have not been completed yet, stating that these will need to be done prior to Fort Edward taking possession.

Mr. Wild asked what strategy of marketing the Canalside Energy Park is planned.

Mr. O'Brien stated that CBRE has been contracted to oversee the marketing effort and noted that the lack of sewer in the park and the location of the park has been detrimental thus far. He also stated that WCC has been replying to leads as well.

Mr. Campbell stated that the water and sewer infrastructure and outstanding taxes should be priority prior to extensive marketing strategies. He noted that the park is in an Opportunity Zone and that the assessment should be the burden of the new owner.

Mr. Barton stated that the IDA has been following the recommendations of the Opportunity Analysis Study and noted that as the infrastructure gets improved, so will the commercial real estate interest.

UTEP Policy – Mr. O'Brien stated that the revised UTEP policy was included in the meeting packets and asked if there were any comments. He also noted that the committee should meet again to discuss further changes.

Misc. – Mr. O'Brien presented Mr. Bittel with a plaque commending Mr. Bittel's contributions to the WWIDA as this was Mr. Bittel's last meeting with the IDA.

Adjournment – Mr. Campbell made a motion to go into Executive Session to discuss contract negotiations and personnel matters. Mr. Leggett seconded, and all voted in favor by voice vote.

Mr. O'Brien stated that no action will be taken and will adjourn out of the Executive Session.

06/14/22

WWIDA

Balance Sheet

As of May 31, 2022

	May 31, 22	May 31, 21
ASSETS		
Current Assets		
Checking/Savings		
200 - Cash	620,929.35	323,344.80
220 - Checking GFNB 0736	0.10	0.00
250 - Certificates of Deposit	356,921.00	479,713.00
Total Checking/Savings	977,850.45	803,057.80
Accounts Receivable		
380A - Accounts Receivable	20,425.00	2,740.44
380B - Accounts Receivable - PILOTS	105.31	71.01
Total Accounts Receivable	20,530.31	2,811.45
Other Current Assets		
210 - Petty Cash	143.10	143.10
381 - Insurance Receivable	2,750.15	2,594.48
480 - Prepaid Insurance	4,265.03	2,335.03
Total Other Current Assets	7,158.28	5,072.61
Total Current Assets	1,005,539.04	810,941.86
Fixed Assets		
101 - Land	1,126,948.09	1,023,649.09
102 - Land-Canalside Energy Park	10,500,000.00	0.00
104 - Machinery and Equipment	9,197.74	10,806.74
114 - Accumulated Depreciation	-9,197.99	-9,197.99
Total Fixed Assets	11,626,947.84	1,025,257.84
TOTAL ASSETS	12,632,486.88	1,836,199.70
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
600 - Accounts Payable	6,642.47	35,722.45
Total Accounts Payable	6,642.47	35,722.45
Other Current Liabilities		
602 - Payroll Liabilities	2,168.95	517.40
615 - Customers' Deposit	0.00	17,404.89
631 - Due to other governments	4,757.51	-108.64
Total Other Current Liabilities	6,926.46	17,813.65
Total Current Liabilities	13,568.93	53,536.10
Total Liabilities	13,568.93	53,536.10
Equity		
924 - Net Assets - Unrestricted	1,994,078.86	1,231,149.64
Net Income	10,624,839.09	551,513.96
Total Equity	12,618,917.95	1,782,663.60
TOTAL LIABILITIES & EQUITY	12,632,486.88	1,836,199.70

WWIDA
Profit & Loss Prev Year Comparison
 January through May 2022

Ordinary Income/Expense	Jan - May 22	Jan - May 21	\$ Change	% Change
Income				
Nonoperating revenue				
Donations - Land	10,500,000.00	469,892.00	10,030,118.00	2,134.6%
Investment Earnings				
2401 - Interest Income				
2401.1 - Interest Income CDs	-0.03	-552.78	552.75	100.0%
2401 - Interest Income - Other	72.27	58.94	13.33	22.6%
Total 2401 - Interest Income	72.24	-493.84	566.08	114.6%
Total Investment Earnings	72.24	-493.84	566.08	114.6%
2675 - Lot Sales				
Sale of Land	5,000.00	0.00	5,000.00	100.0%
Total 2675 - Lot Sales	5,000.00	0.00	5,000.00	100.0%
Total Nonoperating revenue	10,505,072.24	469,388.16	10,035,684.08	2,138.0%
Operating Revenue				
Charges for Services				
2116 - Application Fees	4,500.00	3,000.00	1,500.00	50.0%
2116.1 - Project Fees - Existing	7,128.52	5,250.00	1,878.52	35.8%
2116.2 - Project Fees - New	174,559.94	218,464.67	-43,904.73	-20.1%
Total Charges for Services	186,188.46	226,714.67	-40,526.21	-17.9%
Grant Revenue - National Grid	86,597.00	0.00	86,597.00	100.0%
Grant Revenue - USDA	0.00	12,627.25	-12,627.25	-100.0%
Other Operating Revenue				
2770 - Project - Legal Reimb 3.4	1,700.00	3,352.34	-1,652.34	-49.3%
2770.2 - Misc Income - operating	0.00	0.00	0.00	0.0%
Total Other Operating Revenue	1,700.00	3,352.34	-1,652.34	-49.3%
Total Operating Revenue	274,485.46	242,694.26	31,791.20	13.1%
Total Income	10,779,557.70	712,082.42	10,067,475.28	1,413.8%
Gross Profit	10,779,557.70	712,082.42	10,067,475.28	1,413.8%
Expense				
Nonoperating Expenses				
107 - Airport Industrial Park				
Property/Sewer/Water Taxes AIP	850.00	11,187.50	-10,337.50	-92.4%
107 - Airport Industrial Park - Other	0.00	14.00	-14.00	-100.0%
Total 107 - Airport Industrial Park	850.00	11,201.50	-10,351.50	-92.4%
Total Nonoperating Expenses	850.00	11,201.50	-10,351.50	-92.4%
Operating Expenses				
Other operating expenses				
Miscellaneous	-0.10	0.00	-0.10	-100.0%
1910.4 - Insurance				
Public Officials Liability	1,719.29	1,719.29	0.00	0.0%
Workers' Comp Insurance	88.55	264.92	-176.37	-66.6%
Total 1910.4 - Insurance	1,807.84	1,984.21	-176.37	-8.9%
2675.1 - Sale of Lots				
Land conveyance	386.00	0.00	386.00	100.0%
Legal Exp. for Lot Sales 3.4	0.00	0.00	0.00	0.0%
Total 2675.1 - Sale of Lots	386.00	0.00	386.00	100.0%

WWIDA
Profit & Loss Year Comparison
 January through May 2022

	Jan - May 22	Jan - May 21	\$ Change	% Change
6460.4 - Contractual Services				
Advertising	0.00	570.27	-570.27	-100.0%
Computer & Website Related				
Dues	1,098.40	616.21	482.19	78.3%
Rent	1,055.00	0.00	1,055.00	100.0%
Subscriptions	5,000.00	3,000.00	2,000.00	66.7%
Telephone and Internet	597.91	404.96	192.95	47.7%
Telephone and Internet	1,040.45	858.23	182.22	21.2%
6460.4 - Contractual Services - Other	2,417.22	2,503.10	-85.88	-3.4%
Total 6460.4 - Contractual Services	11,208.98	7,952.77	3,256.21	40.9%
Total Other operating expenses	13,402.72	9,936.98	3,465.74	34.9%
Professional service contracts				
Accounting	11,300.00	11,100.00	200.00	1.8%
Engineering - Phase I & General	11,174.62	-42,698.35	53,872.97	126.2%
Legal				
Fees for Project 3.4 billing	53,317.04	23,881.99	29,435.05	123.3%
Total Legal	53,317.04	23,881.99	29,435.05	123.3%
Total Professional service contracts	75,791.66	-7,716.36	83,508.02	1,082.2%
Reimbursable Prof. Svc Contract	0.00	49,380.00	-49,380.00	-100.0%
6460.45 - Staff Payroll - WWIDA	41,823.64	10,696.00	31,127.64	291.0%
6460.5 - Supplies and Materials				
Misc Office Expenses				
Bank Fees	102.47	0.00	102.47	100.0%
Misc Office Expenses - Other	220.00	0.00	220.00	100.0%
Total Misc Office Expenses	322.47	0.00	322.47	100.0%
Office Supplies	1,049.27	606.48	442.79	73.0%
Postage	277.40	136.35	141.05	103.5%
Total 6460.5 - Supplies and Materials	1,649.14	742.83	906.31	122.0%
9000 - Employee Benefits				
Medicare - Company	659.49	96.08	563.41	586.4%
Social Security - Company	2,695.87	754.31	1,941.56	257.4%
Unemployment Insurance	0.00	211.42	-211.42	-100.0%
VEHICLE ALLOWANCE	1,250.00	0.00	1,250.00	100.0%
Total 9000 - Employee Benefits	4,605.36	1,061.81	3,543.55	333.7%
Operating Expenses - Other	0.00	0.00	0.00	0.0%
Total Operating Expenses	137,272.52	64,101.26	73,171.26	114.2%
10000 - Dewatering Facility				
10005 - Sales/Misc Income	-2,094.08	0.00	-2,094.08	-100.0%
10100 - Dewatering Expenses				
10115 - Dewatering Insurance	9,129.40	0.00	9,129.40	100.0%
10125 - Land & Building Maintenance	7,145.00	85,084.00	-77,939.00	-91.6%
10135 - Dewatering Gas & Electric	2,200.58	181.68	2,018.90	1,111.2%
Total 10100 - Dewatering Expenses	18,474.98	85,265.68	-66,790.70	-78.3%
Total 10000 - Dewatering Facility	16,380.90	85,265.68	-68,884.78	-80.8%
6460.47 - Staff Telephone Allowance	200.00	0.00	200.00	100.0%
66900 - Reconciliation Discrepancies	-0.03	0.02	-0.05	-250.0%

WWIDA
Profit & Loss Prev Year Comparison
January through May 2022

	Jan - May 22	Jan - May 21	\$ Change	% Change
Total Expense	154,703.39	160,568.46	-5,865.07	-3.7%
Net Ordinary Income	10,624,854.31	551,513.96	10,073,340.35	1,826.5%
Net Income	10,624,854.31	551,513.96	10,073,340.35	1,826.5%

UNIFORM TAX EXEMPTION POLICY

SECTION I. PURPOSE AND AUTHORITY. Pursuant to Section 874(4)(a) of Title One of Article 18-A of the General Municipal Law (the "Act"), the Counties of Warren and Washington Industrial Development Agency (the "Agency") is required to establish a Uniform Tax Exemption Policy applicable to the provision of any financial assistance of more than one hundred thousand dollars to any project.

SECTION II. DEFINITIONS. All words and terms used herein and defined in the Act shall have the meanings assigned to them in the Act, unless otherwise defined herein or unless the context or use indicates another meaning or intent. The following words and terms used herein shall have the respective meanings set forth below, unless the context or use indicates another meaning or intent:

(A) "Administrative fee" shall mean a charge imposed by the Agency to an applicant or project occupant for the administration of project.

(B) "Agency fee" shall mean the normal charges imposed by the Agency on an applicant or a project occupant to compensate the Agency for the Agency's participation in a project. The term "Agency Fee" shall include not only the Agency's normal administrative fee, but also may include (1) reimbursement of the Agency's expenses, including, but not limited to legal fees, (2) rent imposed by the Agency for use of the property imposed by the Agency, and (3) other similar charges imposed by the Agency.

(C) "Applicant" shall mean an applicant for financial assistance.

(D) "County" shall mean the Counties of Warren or Washington.

(E) "PILOT" or "Payment in Lieu of Tax" shall mean any payment made to the Agency or an affected tax jurisdiction equal to all or a portion of the real property taxes or other taxes which would have been levied by or on behalf of an affected tax jurisdiction with respect to a project but for tax exemption obtained by reason of the involvement of the Agency in such project, but such term shall not include Agency fees.

(F) "School District" shall mean any school district located in the County.

(G) "Tax exemption" shall mean any financial assistance granted to a project, which is based upon all or a portion of the taxes which would otherwise be levied and assessed against a project but for the involvement of the Agency.

(H) "Town" shall mean any town located in Warren or Washington Counties.

- (I) "Village" shall mean any village located in the County.

SECTION III. GENERAL PROVISIONS.

(A) General Policy: The general policy of the Agency is to grant tax exemption as hereinafter set forth to any project who qualifies based on the terms of this UTEP and as allowed by law. Any Company which has been or will be financed by the issuance by the Agency of bonds, notes or other evidences of indebtedness with respect thereto shall also qualify for incentives as outlined in this document, as may be applicable.

(B) Exceptions. The Agency reserves the right to deviate from such policy in special circumstances. In determining whether special circumstances exist to justify such a deviation, the Agency may consider factors which make the project unusual, which factors might include but not be limited to the following factors: (1) the magnitude and/or importance of any permanent private sector job creation and/or retention related to project; (2) whether the affected tax jurisdictions will be reimbursed by the project occupant if the project does not fulfill the purposes for which tax exemption was granted; (3) the impact of the project on existing and proposed businesses and/or economic development projects; (4) the amount of private sector investment generated or likely to be generated by the project; (5) demonstrated public support for the project; (6) the estimated value of the tax exemptions requested; and (7) the extent to which the proposed project will provide needed services and/or revenues to the affected tax jurisdictions. In addition, the Agency may consider the other factors outlined in Sections 874(4)(a) of the Act.

(C) REVIEW AND NOTIFICATION OF TOWN NECESSARY: All enhanced real property tax abatements will be subject to the review and notification of proposed benefit as required by GML 874 of the town within which the project is located. The town will be required to take into consideration the needs of the school district and/or village within which the project is located. Town approval is not required but comments provided by town should be considered in the Agency review process.

(D) Application. No request for a tax exemption shall be considered by the Agency unless an application and environmental assessment form are filed with the Agency on the forms prescribed by the Agency pursuant to the rules and regulations of the Agency. Such application shall contain the information requested by the Agency, including a description of the proposed project and of each tax exemption sought with respect to the project, the estimated value of each tax exemption sought with respect to the project, the proposed financial assistance being sought with respect to the project, the estimated date of completion of the project, and whether such financial assistance is consistent with this part.

(E) Federal, State, County or Planning Board Approvals: Financial benefits will not be granted until the project has received necessary Federal, State, County, or Planning Board Approvals. NOTE there may be the need to a two part close for sales tax and PILOT approvals.

(F) Use of Local Contractors, and Workers and Suppliers: It is the intent of the Agency to encourage applicants to make every effort to use local suppliers, contractors and workers during the construction phase.

SECTION IV. SALES AND USE TAX EXEMPTION.

(A) General. State law provides that purchases of tangible personal property by the Agency or by an agent of the Agency, and purchases of tangible personal property by a contractor for incorporation into or improving, maintaining, servicing or repairing real property of the Agency, are exempt from sales and use taxes imposed pursuant to Article 28 of the Tax Law. The Agency has a general policy of abating sales taxes to the initial acquisition, construction, expansion, renovations, equipping of each project, and any other form as allowed by law with respect to which the Agency grants financial assistance. The Agency has no requirement for imposing a payment in lieu of tax arising from the exemption of a project from sales and/or use taxes applicable to the initial acquisition, construction, expansion, renovations, equipping of each project, and any other form as allowed by law, except (1) as described in subsection (E) below or (2) in the circumstance where (a) a project is offered sales tax exemption on the condition that a certain event (such as the issuance of bonds by the Agency with respect to the project) occur by a certain date and (b) such event does not occur, in which case the Agency may require that the applicant make payments in lieu of sales tax to the New York State Department of Taxation and Finance.

(B) Period of Exemption. Except as set forth in subsection (A) above, the period of time for which a sales tax exemption shall be effective (the "tax exemption period") shall be determined as follows:

- (1) General. Unless otherwise determined by the Agency, the tax exemption for sales and use taxes shall be for the tax exemption period commencing with the issuance by the Agency of bonds, notes or other evidences of indebtedness with respect to the project and ending on the date of completion of the project. Tax exemption will begin for all projects not receiving forms of indebtedness from the Agency at the time of the execution of the Project Agreement and Agent Agreement and payment of any Agency fees due at that time.
- (2) Early Commencement. If applicable, the tax exemption period may, at the discretion of the Agency, commence earlier than the date of issuance by the Agency of the Agency's debt relating to the project, provided that (a) the Agency has complied with the requirements of Section 859-a of the Act, (b) the Agency thereafter adopts a resolution determining to commence such period earlier (c) the applicant agrees to the conditions of such resolution and supplies to the Agency the materials required to be supplied to the Agency thereunder, and (d) the authorized officer of the Agency acknowledges satisfaction of all conditions to the granting of such tax exemption set forth in such resolution.
- (3) Normal Termination. The tax exemption period will normally end upon the completion of the project. On construction projects, the parties shall agree on the estimated date of

completion of the project, and the tax exemption shall cease on the earlier of (a) the actual date of completion of the project or (b) such date as approved by the Board. On non-construction project, the parties shall agree on the estimated date of completion of the project, and the tax exemption shall cease on the earlier of (a) the actual date of completion of the project or (b) the date, which is three (3) months after the estimated date of completion of the project. If the Agency and the applicant shall fail to agree on a date for completion of the project, the Agency shall on notice to the applicant make the determination on the basis of available evidence.

(4) Later Termination. The Agency, for good cause shown, may adopt a resolution extending the period for completion of the project and/or extending the tax exemption period.

(C) Items Exempted. The sales and use tax exemption granted by the Agency shall normally extend only to the following items acquired during the tax exemption period described in subsection (B) above:

- (1) Items incorporated into the real property;
- (2) Tangible personal property, including furniture, furnishings and equipment used to initially equip the project or otherwise forming part of the project, if purchased as agent of the Agency;
- (3) the rental of tools and other items necessary for the construction and/or equipping of the project, if rented as agent of the Agency; and
- (4) office supplies, fuel and similar items consumed in the process of acquiring, constructing and/or equipping the project, if purchased as agent of the Agency.

(D) Items Not Exempted. A sales and use tax exemption shall not be granted for the following:

- (1) purchases occurring beyond the tax exemption period described in subsection (B) above;
- (2) repairs, replacements or renovations of the project, unless such repairs, replacements or renovations constitute major capital-type expenses approved by the Agency as a separate project in the manner contemplated by the Act; or
- (3) operating expenses, unless such operating expenses constitute major capital-type expenses approved by the Agency as a separate project in the manner contemplated by the Act.

(E) Percentage of Exemption. Unless otherwise determined by resolution of the Agency, the sales and use tax exemption shall be equal to one hundred percent (100%) of the sales and/or use

taxes that would have been levied if the project were not exempt by reason of the Agency's involvement in the project. If an exemption of less than one hundred percent (100%) is determined by the Agency, then the applicant shall be required to pay a PILOT to the Agency equal to the applicable percentage of sales and/or use tax liability not being abated. The Agency shall remit such PILOT within thirty (30) days of receipt by the Agency to the affected tax jurisdictions in accordance with Section 874(3) of the Act.

(F) Confirmation Letter. The final act of granting a sales and/or use tax exemption by the Agency shall be confirmed by the execution by an authorized officer of the Agency of a confirmation letter by the Agency. Each such confirmation letter shall describe the scope and term of the sales and use tax exemption being granted.

(G) Required Filings. The New York State Department of Taxation and Finance requires that proper forms and supporting materials be filed with a vendor to establish a purchaser's entitlement to a sales tax exemption. For example, TSB-M-87(7) outlines the materials that must be filed to establish entitlement to sales tax exemption as "agent" of the Agency. It is the responsibility of the applicant and/or project occupant to ensure that the proper documentation is filed with each vendor to obtain any sales tax exemptions authorized by the Agency.

(H) Required Reports and Records. (1) Pursuant to Section 874(8), the applicant and/or project occupant is required to annually file with the New York State Department of Taxation and Finance a statement of the value of all sales and use tax exemptions claimed under the Act by the applicant (ST-340) and/or the project occupant and/or all agents, subcontractors and consultants thereof. The project documents shall require that (1) a copy of such statement will also be filed with the Agency and (2) that the project occupant shall maintain, for a period ending seven (7) years after the last purchase made under the sales and use tax exemption, and make available to the Agency at the request of the Agency, detailed records which shall show the method of calculating the sales and use tax exemption benefit granted by the Agency.

(2) Pursuant to Section 874(9) of the Act, the Agency is required to file within thirty (30) days of the date that the Agency designates an applicant to act as agent of the Agency a New York State Department of Taxation and Finance form ST-60. The form identifies the agent of the Agency, provides a brief description of the project and an estimate of the value of the sales tax exemption and certain other information. The project documents shall require the applicant to assist the Agency in completing the form.

SECTION V. MORTGAGE RECORDING TAX EXEMPTION.

(A) General. State law provides that mortgages recorded by the Agency are exempt from mortgage recording taxes imposed pursuant to Article 11 of the Tax Law. The Agency has a general policy of abating mortgage recording taxes for the debt obtained by approved projects which will be secured by a mortgage upon real property. In instances where the initial financing commitment provides for a construction financing of the Agency to be replaced by a permanent financing upon the completion of the project, the Agency's general policy is to abate the mortgage recording tax on both the construction financing and the permanent financing.

(B) Refinancing. In the event that the Agency retains title to or otherwise has jurisdiction over a project, it is the general policy of the Agency to abate mortgage recording taxes on any debt for the purpose of refinancing prior debt, and on any modifications, extensions and renewals thereof, so long as the Agency fees relating to same have been paid and the Agency has consented to said exemption upon written request to the Agency.

(C) Non-Agency Projects. In the event that the Agency does not hold title to or have jurisdiction over a project, it is the policy of the Agency not to join in a mortgage relating to that project and not to abate any mortgage recording taxes relating to that project.

(D) Non-Agency Financings. Where the Agency holds title to or jurisdiction over a project, the project occupant needs to borrow money for its own purposes (working capital, for example), and the lender will not make the loan to the project occupant without obtaining a fee mortgage as security. In such instances, the policy of the Agency is to consent to the granting of such mortgage and to join in such mortgage, so long as the following conditions are met:

(1) the documents relating to such proposed mortgage make it clear that the Agency is not liable on the debt, and that any liability of the Agency on the mortgage is limited to the Agency's interest in the project;

(2) the granting of the mortgage is permitted under any existing documents relating to the project, and any necessary consents relating thereto have been obtained by the project occupant; and

(3) the payment of the Agency fee relating to same.

(E) Exemption Affidavit. The act of granting a mortgage recording tax exemption by the Agency is confirmed by the execution by an authorized officer of the Agency of an exemption affidavit relating thereto.

(F) NON EXEMPT MORTGAGE. If the Agency is a party to a mortgage that is not to be granted a mortgage recording tax exemption by the Agency (a "nonexempt mortgage"), then the applicant and/or project occupant or other person recording same shall pay the same mortgage recording taxes with respect to same as would have been payable had the Agency not been a party to said mortgage (the "normal mortgage tax"). Such mortgage recording taxes are payable to the County Clerk of the County, who shall in turn distribute same in accordance with law. If for any reason a non-exempt mortgage is to be recorded and the Agency is aware that such nonexempt mortgage may for any reason be recorded without the payment of the normal mortgage tax, then the Agency shall prior to executing such non-exempt mortgage collect a PILOT equal to the normal mortgage tax and remit same within thirty (30) days of receipt by the Agency to the affected tax jurisdiction in accordance with Section 874(3) of the Act.

SECTION VI. REAL ESTATE TRANSFER TAXES.

(A) Real Estate Transfer Tax. Article 31 of the Tax Law provides for the imposition of a tax upon certain real estate transfers. Section 1405(b)(2) of the Tax Law provides that transfers into the Agency are exempt from such tax, and the New York State Department of Taxation and Finance has ruled that transfers of property by the Agency back to the same entity, which transferred such property to the Agency are exempt from such tax. The general policy of the Agency is to impose no payment in lieu of tax upon any real estate transfers to or from the Agency.

(B) Real Property Transfer Gains Tax. Article 31-B of the Tax Law provides for the imposition of a tax upon gains derived from the transfer of certain real estate in New York State. Certain transfers are exempt from such tax. It is the policy of the Agency to comply with the law, and to file the appropriate documentation with the New York State Department of Taxation and Finance to obtain preclearance by that department for any documents transferring real property to or from the Agency.

(C) Required Filings. It shall be the responsibility of the applicant and/or project occupant to ensure that all documentation necessary relative to the real estate transfer tax and the real estate transfer gains tax are timely filed with the appropriate officials.

SECTION VII. REAL ESTATE TAX EXEMPTION.

(A) General. Pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, property owned by or under the jurisdiction or supervision or control of the Agency is exempt from general real estate taxes but not exempt from special assessments and special ad valorem levies. However, it is the general policy of the Agency that, notwithstanding the foregoing, every nongovernmental project will be required to enter into a payment in lieu of tax agreement (a "PILOT Agreement"), either separately or as part of the project documents. Such PILOT Agreement shall require payment of PILOT payments in accordance with the provisions set forth below.

(B) PILOT Requirement. Unless the applicant and/or project occupant and the Agency shall have entered into a PILOT Agreement acceptable to the Agency, the project documents shall provide that the Agency will not file a New York State Department of Taxation and Finance, Division of Equalization and Assessment Form EA-412-a (an "Exemption Form") with respect to the project, and the project documents shall provide that the applicant and/or the project occupant shall be required to make PILOT payments in such amounts as would result from taxes being levied on the project by the taxing jurisdictions if the project were not owned by or under the jurisdiction or supervision or control of the Agency. The project documents shall provide that, if the Agency and the applicant and/or project occupant have entered into a PILOT Agreement, the terms of the PILOT Agreement shall control the amount of PILOT payments until the expiration or sooner termination of such agreement.

(C) PILOT Agreement. Unless otherwise determined by resolution of the Agency, all PILOT Agreements shall satisfy the following general conditions:

(1) Amount of Abatement: The general policy of the Agency is to allow the assessor of the municipality in which the project is located to ascertain the BASE assessed value of a project owned by the Agency as of the date of the PILOT Agreement. The BASE value generally is the assessed value of the land and the improvements as it exists as of the date of the PILOT Agreement. Once the assessed BASE value is established it will remain the BASE for the term of the PILOT Agreement and one hundred percent of all taxes assessed by the respective taxing jurisdictions will be paid on the BASE value. The assessed value of the eligible improvements on the property, once determined will be reduced by the exemption percentage established by the Agency, and the resulting value will become the value for PILOT purposes (the "PILOT value"). The PILOT payment will then be computed for each taxing jurisdictions in each year by multiplying the PILOT value by the applicable tax rate of the respective taxing jurisdictions in such year.

(D) UNIFORM TAX ABATEMENT SCHEDULES

(1) TYPES OF PROJECTS:

(a) MANUFACTURING/R & D:

Eligible projects are limited to manufacturing, re-manufacturing, assembly processing, warehouse, wholesale/distribution, research and development, software development

BASE PILOT:

Continue to pay 100% of taxes on land and existing buildings.
Continue to pay 100% of water, sewer and special assessments.

PILOT ON NEW CONSTRUCTION:

100% exemption on New Construction for a period of 5 years; 50% exemption for the next 5 years. At the 11th year the exemption will be 0%.

(b) OTHER ELIGIBLE PROJECTS:

Eligible projects permitted by General Municipal Law 874 except as otherwise mentioned in this policy

BASE PILOT:

Continue to pay 100% of taxes on land and existing buildings.
Continue to pay 100% of water, sewer and special assessments.

PILOT ON NEW CONSTRUCTION:

50% exemption on New Construction for 5 years; 25% exemption for the next 5 years. At the 11th year the exemption will be 0%.

(c) HOTELS, MIXED USE, PUDs*,
HOUSING**, RESORTS***,
PRDs****

Projects considered for this tax abatement include but are not limited to Motels, Hotels, Housing, Resorts, Planned Unit Developments and Mixed Use Projects

BASE PILOT:

Continue to pay 100% of taxes on land and existing buildings.
Continue to pay 100% of water, sewer, and all special assessments

PILOT ON NEW CONSTRUCTION:

Abatements start at 50% of new construction and decline 5% until the tenth year. At the 11th year the exemption will be 0%. An accelerated abatement may be considered.

*Planned Unit Developments can include single-family homes, condos, commercial property like retail stores or all of these property types

**** HOUSING PROJECTS ARE CONSIDERED COMMERCIAL PROPERTIES AND AS SUCH ARE ELIGIBLE FOR TAX ABATEMENTS UNDER THIS WWIDA UNIFORM TAX EXEMPTION POLICY.**

***** RESORTS DESTINATION FOR VACATIONS OR RECREATION, OR WHICH IS FREQUENTED FOR A PARTICULAR PURPOSE.**

****** PLANNED RECREATIONAL DEVELOPMENTS AND PUBLIC FACILITIES DESIGNED AND USED TO PROVIDE RECREATIONAL OPPORTUNITIES TO THE PUBLIC.**

Note: The term "New Construction" as used in this Policy shall be deemed to include improvements, renovations or expansions to existing properties as may be approved by the Agency..

2. ADDITIONAL TYPES OF TAX EXEMPTIONS WHICH MAY BE CONSIDERED

A. Green Power Facilities: The Agency may consider extending the abatement period from 10 to up to 30 years for hydro, SOLAR, Wind, and transmission line facilities if the project sponsor can demonstrate an extension is critical to the economic viability of the project.

B. Purchase of Existing Facilities

1. Industrial projects consisting of the purchase and refurbishment of an existing facility will have taxes frozen at the amount (annual property tax liability) in place at the time of purchase for the first 5 years subsequent to the purchase. In year 6-10, any tax increase in the amount of annual property taxes, over the above frozen amount, will be abated by 50%.
2. Commercial projects consisting of the purchase and refurbishment of an existing facility will have taxes frozen at the amount (annual property tax liability) in place at the time of purchase for the first 3 years subsequent to the purchase. In years 4 and 5, any tax increase in the amount of annual local property taxes, over the above the frozen amount, will be abated by 50%. In years 6-10, any tax increase in the amount of annual local property taxes, over above the frozen amount, will be abated by 25%.

Commented [KIL1]: Do you want to include specifics on how the PILOT would be calculated or indicate that such PILOTs shall be negotiated on a case by case basis.

Commented [KIL2R1]: This should probably be listed in the types of projects area.

CB. ADDITIONAL ELIGIBILITY FOR SALES TAX AND MORTGAGE TAX ABATEMENT: The Agency shall consider providing Sales Tax and Mortgage Tax Abatement for projects who decline PILOT benefits should the Applicant be able to show that the project will not be viable without this relief.

DC. Special District Taxes. As indicated above, the Agency is not exempt from special assessments and special ad valorem levies, and accordingly these amounts are not subject to abatement by reason of ownership of the Project by the Agency. The PILOT Agreement shall make this clear and shall require that all such amounts be directly paid by the applicant and/or project occupant. However, applicant and project occupants should be aware that the courts have ruled that an Agency sponsored project is eligible to apply for a tax-exemption under Section 485-b of the Real Property Tax Law. If an applicant or project occupant desires to obtain an exemption under Section 485-b, it is the responsibility of the applicant and/or project occupant to apply for same.

ED. Payee. Unless otherwise determined by resolution of the Agency, all PILOT payments payable to an affected tax jurisdiction shall be assessed, billed and collected directly by the Agency. Pursuant to Section 874(3) of the Act, such PILOT payments shall be remitted to each affected tax jurisdiction within thirty (30) days of receipt.

EE. Enforcement. An affected tax jurisdiction, which has not received a PILOT payment due to it under a PILOT Agreement may exercise its remedies under Section 874(6) of the Act. In addition, such affected tax jurisdiction may petition the Agency to exercise whatever remedies that the Agency may have under the project documents to enforce payment and, if such affected tax jurisdiction indemnifies the Agency and agrees to pay the Agency's costs incurred in connection therewith, the Agency may take action to enforce the PILOT Agreement.

F. G. Required Filings. As indicated in subsection (B) above, pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, no real estate tax exemption with respect to a particular project shall be effective until an exemption form is filed with the assessor of each county, city, town, village and school district in which such project is located (each, a "Taxing Jurisdiction"). Once an exemption form with respect to a particular project is filed with a particular Taxing Jurisdiction, the real property tax exception for such project does not take effect until (1) a tax status date for such Taxing Jurisdiction occurs subsequent to such filing, (2) an assessment roll for such Taxing Jurisdiction is finalized subsequent to such tax status date, (3) such assessment roll becomes the basis for the preparation of a tax roll for such Taxing Jurisdiction, and (4) the tax year to which such tax roll relates commences.

G.H. Real Property Appraisals. Since the policy of the Agency stated in subsection (C)(1) is to base the value of a project for payment in lieu of tax purposes on a valuation of such project performed by the Assessor of the Town, normally a separate real property appraisal is not required. However, the Agency may require the submission of a real property appraisal if (1) the assessor of any particular Taxing Jurisdiction requires one or (2) if the

Formatted: Normal, Indent: Left: 0.25", No bullets or numbering

Formatted: Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 8 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

valuation of the project for payment in lieu of tax purposes is based on a value determined by the applicant or by someone acting on behalf of the applicant, rather than by an assessor for a Taxing Jurisdiction or by the Agency. If the Agency requires the submission of a real property appraisal, such appraisal shall be prepared by an independent MAI certified appraiser acceptable to the Agency.

H.I. Employment Filings. If the Agency grants the applicant an exemption under this Section VII, the applicant will be required to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 8 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

H.J. RECAPTURE BENEFITS POLICY: The recapture policy of the Agency of the real property tax abatements will be incorporated into all PILOT agreements.

Formatted: Font color: Auto

Formatted: Numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 8 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

SECTION VIII: CRITERIA FOR CONSIDERING APPLICATIONS

A. Project Feasibility

- (1) The applicant must provide information which demonstrates that the proposed project is feasible. The term "Project" means the activity or group of integrally related activities which are to be carried out by the applicant and all public and private participating parties.

Project feasibility includes but is not limited to (1) evidence that costs, both capital and operating, are reasonable; (2) that a reasonable, well thought out business plan exists; (3) that appropriate management and financial accounting capabilities are in place; (4) that there is a market for the proposed service, activity or product(s) and that a reasonable marketing plan is in place; (5) that revenue estimates are reasonable and that all sources of project funds, including Industrial Development Bond buyers, are firmly committed or can reasonably be expected to be firmly committed prior to closing.

In determining Project feasibility, the Agency shall examine the information and documentation it deems necessary to make an informed judgment which may include, but not be limited to, the following:

- Company's Financial Statement
- Personal Financial Statements (partners and 5% owners of corporations)
- Project Capital Cost Estimate and Equipment Quotes
- Working Capital Needs
- Projection of Income Operating Expenses
- Cash Flow and Net Profit
- Business Plan
- Job Projections - retained and created
- Evidence of Equity and Other Firm Financial Commitments

(2) After receipt of a completed Application, the Agency shall provide a copy of the Application to the Town Supervisor and Assessor in which the Project is located. The Town Supervisor or his representative shall be invited to the Agency's executive meeting or the Agency's meeting at which the application is presented to the board and the applicant is present. Prior to the date of the Public Hearing the Town may submit any comments on the project for the Agency's consideration in its evaluation of Project's Application requesting financial assistance. The Agency shall not be bound by the input of the Town but may take comments into consideration during the final approval of the Project and will notify the Town in writing of the reasons for its decision to modify the grant or denial of financial assistance.

(3) Project feasibility issues that are not resolved to the satisfaction of the Agency are an appropriate reason for refusal.

B. Impact on Local Economy

The Counties of Warren and Washington Industrial Development Agency will use the following criteria for reviewing Agency applications:

All applications for Agency financing and straight lease transactions will be reviewed by the Agency in order to determine whether or not they would have a significant beneficial impact upon the County's economy. Measures of significance would include, but not be limited to, the following:

1. Jobs:
 - a. Number and type of local jobs retained and used during the construction phase of the project.
 - b. Number and type of jobs retained and created by project upon commencement of operation of the facility.
2. Tax Abatements: The tax abatements available to and requested by the applicant will be considered by the Agency.
3. Cost: Total Cost of project, including the amount of private sector investment.
4. Cost Benefit: Agency inducement results in a project that provides additional revenues to the county, city, town, village, and school district in which the project is located.
5. Timely Completion: Developers ability to complete the project in a timely fashion.
6. Economic Benefits: The economic benefits which support the local economy.

7. Tenant Characteristics: Manufacturing facilities and back office operations; corporate headquarters; moderate priced rental space for start-up and small businesses; incubator space for research and development; tourist destination facilities; research and development activities; energy generation; etc.

8. Uniqueness: Business serves previously under-served segment of market; upgrades a distressed area; project provides amenities for the public; project is supported by the community; project involves redevelopment of an old structure for new purpose; location on a Brownfield site; etc.

9. Existing Business: The effect the project will have on existing businesses will be considered by the Agency.

NOTE: The above significant indicators are not all inclusive and are not in priority order. They are simply meant as examples of measurements to be used when reviewing each application on its merits.

C. MATERIAL TERMS

At the time of project approval the Agency shall identify "Material Terms" which will be used to determine if a project applicant has met the obligations required for the incentives received by the applicant. These "Material Terms" will be described in the inducement resolution approving the project, as well as the preliminary agreement between the parties.

These "Material Terms" as defined for the particular project will be utilized by the Agency in setting and monitoring project benchmarks during the term of the incentives for the purposes of administering the Agency's recapture policy.

For certain numerical "Material Terms" such as job creation/retention or investment amount an achievement factor of 80% will constitute compliance. For non-numeric "Material Terms" such as redevelopment of an old structure for a new purpose or location on a Brown Field site, a determination of compliance will be made upon completion of the project.

It is understood that these "Material Terms" may vary depending on project type and project specifics, and may be selected from the criteria set forth herein. .

It is the intent of the Agency to encourage applicants to make every effort to use local suppliers, contractors and workers during the construction phase.

D. FINANCING DECISIONS

Before making its final decision, the Agency will perform and put in writing an estimated cost benefit analysis that identifies the extent to which the project will create or retain permanent, private sector jobs; the estimated value of any tax exemption to be provided; the amount of private sector investment generated or likely to be generated by the proposed project; the likelihood of accomplishing the proposed project in a timely fashion; and the extent to which the proposed project will provide additional source of revenue for municipalities and school districts; and any other public benefits that might occur as the result of the project.

SECTION IX: CRITERIA FOR CONSIDERING ASSISTANCE TO RETAIL PROJECTS

Section 862 of the General Municipal Law states that no financial assistance of the Agency shall be provided in respect of any project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost.

Retail projects are permitted in the following limited circumstances:

- I. Tourist destination facilities (projects that attract a significant number of visitors from outside the economic development region).
- II. Notwithstanding the foregoing, a retail project can be funded if the Agency finds that:
 - a. The predominant purpose of the project would be to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the city, town, or village within which the proposed project would be located because of lack of reasonably accessible retail trade facilities offering such good or services; or
 - b. The project is located in a "highly distressed" area as defined in Section 854 (18) of the NYS General Municipal Law.
 - c. The project is located in an area designated as a former Empire Zone.
- III. The Agency must find after a duly constituted public hearing for the project that the undertaking of the project will serve the public purposes of Article 18-A of the general Municipal Law by preserving permanent, private sector jobs, or increasing the overall number of permanent, private sector jobs in the state.

SECTION X. ANNUAL REVIEW OF POLICIES. At least annually, the Agency shall review its tax exemption policies to determine relevance, compliance with law, effectiveness, and shall adopt any modifications or changes that it shall deem appropriate.