

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the Counties of Warren and Washington Industrial Development Agency (the “Agency”) on the 14th day of April 2025, at 12:30 pm local time, at the Whitehall Municipal Center, 57 Skenesborough Drive, Whitehall, NY 12887. The public hearing may also be live streamed on You Tube under Warren Washington IDA or available via ZOOM as follows:

<https://us02web.zoom.us/j/88276073287?pwd=OSRs2EwBQK5bSkdv2Y1QIRbViVzuxN.1>

Meeting ID: 882 7607 3287

Passcode: 033696

Wood Creek Holding LLC, a limited liability company established pursuant to the laws of the State of New York, having an address of PO Box 87, Hampton, New York 12887 (the “Company”) has requested that the Agency provide financial assistance in the form of a real property tax abatement, mortgage recording tax exemption and a sales tax abatement regarding a certain manufacturing and processing project (the “Project”) to consist of: (i) the acquisition by the Agency of a leasehold interest in certain real property located at 9740 State Route 4 (Purdy Way) in the Town of Whitehall, County of Washington, New York and being known as tax map parcel number 60.-2-12 and consisting of approximately 6.59 acres (the “Land”); (ii) the planning, design, construction, operation and maintenance by the Company of an approximately 6,400+/- square foot facility (the “Improvements”); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the “Equipment” and, collectively with, the Land and the Improvements, the “Facility”) to be leased to HQ Powder Coating Inc., a provider of metal finishing services; and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the “Straight Lease Transaction”), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the “Act”), as amended.

The Agency may be providing financial assistance with respect to the Project in the form of sales tax exemptions related to the construction and equipping of the Project Facility; a mortgage recording tax exemption on qualifying mortgages and a payment in lieu of taxes, which are consistent with the policies of the Agency. Should other financial assistance be requested, it shall be consistent with the policies of the Agency.

A representative of the Agency will be in attendance at the above-stated time and place to hear and accept written comments from all persons with views in favor of or opposed to the granting of financial assistance contemplated by the Agency or the location or nature of the Facility. The application of the Company is available for public inspection during normal business hours at the offices of the Agency, located at 5 Warren Street, Glens Falls, New York 12801.

Minutes of the hearing will be made available to all necessary parties.

Counties of Warren and Washington
Industrial Development Agency
Juan Gonzales, Chairman
Published: April 3, 2025

Resolution 02-25

Adopted March 17, 2025

Introduced by Mr. Nick Caimano
who moved its adoption.

Seconded by Mr. Brian Campbell

RESOLUTION ACCEPTING AN APPLICATION FOR FINANCIAL ASSISTANCE SUBMITTED BY WOOD CREEK HOLDING LLC (THE "COMPANY") RELATING TO A CERTAIN PROJECT; AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND DESCRIBING THE FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT TO THE PROJECT

WHEREAS, Wood Creek Holding LLC, a limited liability company established pursuant to the laws of the State of New York, having an address of PO Box 87, Hampton, New York 12887 (the "Company") has requested that the Agency provide financial assistance in the form of a real property tax abatement, mortgage recording tax exemption and a sales tax abatement regarding a certain manufacturing and processing project (the "Project") to consist of: (i) the acquisition by the Agency of a leasehold interest in certain real property located at 9740 State Route 4 (Purdy Way) in the Town of Whitehall, County of Washington, New York and being known as tax map parcel number 60.-2-12 and consisting of approximately 6.59 acres (the "Land"); (ii) the planning, design, construction, operation and maintenance by the Company of an approximately 6,400+/- square foot facility (the "Improvements"); (iii) the acquisition of and installation in and around the Land and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment" and, collectively with, the Land and the Improvements, the "Facility") to be leased to HQ Powder Coating Inc., a provider of metal finishing services; and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"), all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended; and

WHEREAS, Section 859-a of the Act requires that prior to granting financial assistance of more than \$100,000.00 to any project, an Agency must (i) adopt a resolution describing the project and the financial assistance contemplated by the Agency with respect thereto, and (ii) hold a public hearing in the city, town or village where the project proposes to locate upon at least ten (10) days published notice and, at the same time, provide notice of such hearing to the Chief Executive Officer of each affected taxing jurisdiction within which the project is located; and

WHEREAS, the Agency is in the process of reviewing and considering the Company's Application requesting the Agency to provide financial assistance for the proposed Project

(collectively the "Financial Assistance") in the form of (i) an exemption from all State and local sales and use taxes with respect to qualifying personal property included in and incorporated into the Facility or used in the acquisition, construction or equipping of the Facility, (ii) an exemption for mortgage recording tax on eligible mortgages, and (iii) a real property tax abatement through a payment in lieu of tax agreement (the "PILOT Agreement") pursuant to the Agency's uniform tax exemption policy (the "UTEP"), pursuant to which the Company would make payments in lieu of real property taxes to each affected tax jurisdiction (the "Affected Tax Jurisdictions"), which shall be consistent with the UTEP of the Agency; and

WHEREAS, the Agency desires to (i) accept the Application; (ii) authorize the scheduling and conduct of a public hearing; and (iii) negotiate, but not enter into an Agent Agreement and Project Agreement, pursuant to which the Agency will designate the Company, as its agent for the purpose of acquiring, constructing and equipping the Project and a Lease Agreement and a Payment in Lieu of Tax Agreement with the Company with the Company.

NOW, THEREFORE, BE IT RESOLVED:

1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's Application, the Agency hereby finds and determines that:

(a) Pursuant to the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Agency has the authority to take the actions contemplated herein under the Act; and

(c) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Warren and Washington Counties, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(d) The Project will result in the abandonment of one or more facilities of the Company but the Company has indicated in its application that such relocation within the County of Washington is necessary to preserve its competitive position in the industry; and

(e) The Project has a retail component pursuant to Article 28 of the Tax Law and pursuant to Section 862 of the General Municipal Law; however, the cost of the retail component of the Project does not meet the 33% cost threshold.

(f) The estimated total Project cost is \$915,000.00.

2. The proposed financial assistance being contemplated by the Agency includes (i) an exemption from all state and local sales and use taxes with respect to the qualifying personal

property included within the Project or used in the acquisition, construction or equipping of the Project in the estimated amount of \$27,300.00 based on purchases in the amount of \$390,000.00; (ii) a partial exemption from mortgage recording tax for qualifying mortgages in the estimated amount of \$5,470.00 based on mortgages in the approximate amount of \$437,500.00; and (iii) a partial real property tax abatement through a PILOT Agreement, pursuant to which the Company would make payments in lieu of real property taxes to the Affected Tax Jurisdictions, for a term of 10 years with an 100% exemption of real property taxes on the value of the improvements for years 1 through 5 and a 50% exemption of real property taxes on the value of the improvements for years 6 through 10. The PILOT has an estimated value of \$130,606.00, based on the current tax rates and assessed values, without escalation figures and calculations prepared by the Agency.

The Base Value for the parcel shall be the assessed value of the parcel as of March 1, 2025 for the term of the PILOT.

3. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to cause the issuance of public hearing notices, hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) the Agent Agreement and Project Agreement, whereby the Agency appoints the Company as its agent to undertake the Project, (B) an underlying Lease Agreement whereby the Company leases the Project to the Agency, (C) a related Lease Agreement conveying the Project back to the Company, (D) a PILOT Agreement, whereby the Company agrees to make certain payments-in-lieu-of real property taxes and (E) related documents; provided (i) the rental payments under the Agent Agreement and Lease Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

4. The Agency is hereby authorized to schedule and conduct a public hearing pursuant to Article 18-A of the General Municipal Law and at a date and time determined by the Chairman. The Agency hereby further authorizes the posting and publication of a Notice of Public Hearing for the Project in accordance with the Act and the Agency's policies and procedures.

5. This resolution shall take effect immediately.


Member	Yes	No	Abstain	Absent
Brian Campbell	x			
Tim Robinson	x			
Ginny Sullivan				x
Tricia Rogers				x
Dan Bruno	x			
Juan Gonzales	x			
John Taflan	x			
Nick Caimano	x			
Jim Nolan	x			
Total	7	0	0	2

The foregoing resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS:
COUNTY OF WARREN)

This is to certify that I, Alie Weaver, Records Management Officer for the Counties of Warren and Washington Industrial Development Agency, do hereby certify that the foregoing is a true and correct copy and the whole thereof of a Resolution duly adopted by the Counties of Warren and Washington Industrial Development Agency, Glens Falls, New York on the 17th day of March 2025.

In witness whereof, I have hereto set my hand and affixed the official seal of the Counties of Warren and Washington Industrial Development Agency on this 17th day of March 2025.



Alie Weaver
Counties of Warren and Washington
Industrial Development Agency

[SEAL]



Wood Creek Holdings LLC Application For HQ Powder Coating, Inc. Manufacturing Facility At 9740 State Route 4, Whitehall, New York For Investment Incentives From The Warren & Washington Industrial Development Agency

From: Chuck Barton, Chief Executive Officer

Date: March 18, 2025

The purpose of this memorandum is to set forth the facts and considerations utilized by the Counties of Warren and Washington Industrial Development Agency ("WWIDA") in rendering a decision to provide financial assistance to Wood Creek Holdings LLC for the construction and development of a new HQ Powder Coating, Inc. manufacturing facility located at 9740 State Route 4 in the Town of Whitehall.

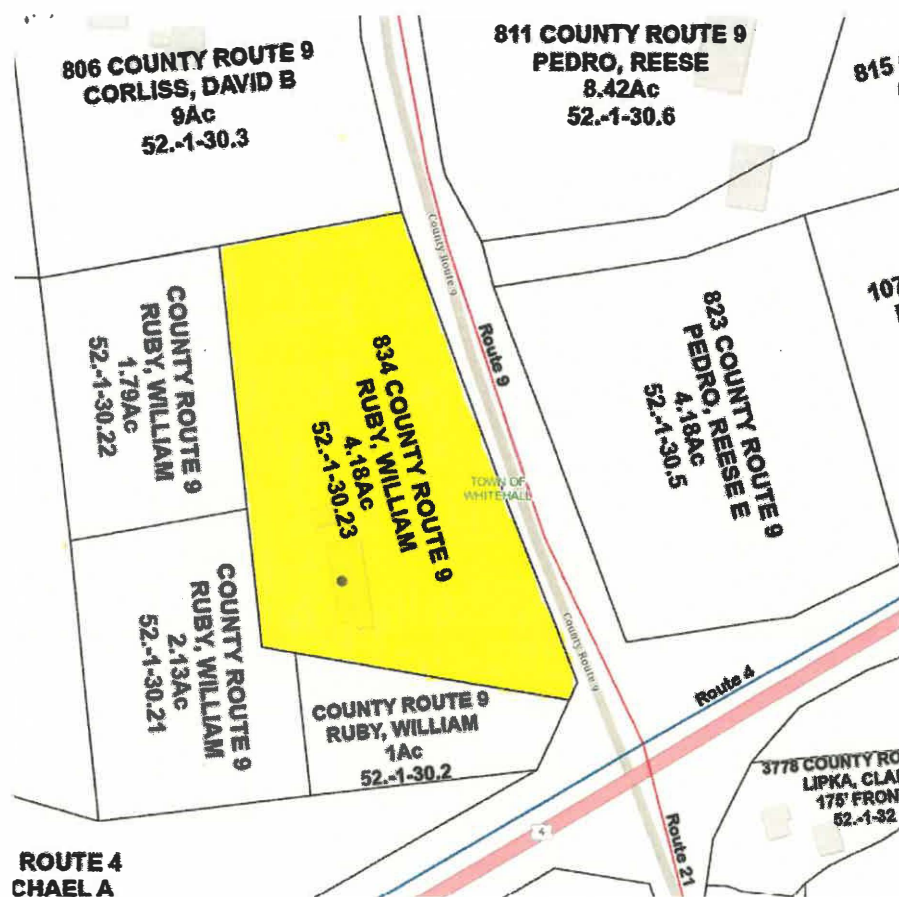
This document recognizes several factors considered by the WWIDA and is intended to provide a concise record of the issues considered as well as the justification for the investment incentive package, if offered by the WWIDA Board.

COMPANY DESCRIPTION

HQ Powder Coating, Incorporated (HQPC) was founded by Joseph Mead in 2017. The powder coating operation is located in a leased 4,000 square foot facility at 834 County Route 9 in Whitehall, NY (highlighted in map on next page). HQPC has outgrown the facility and needs more space to continue growing its business.

HQPC is a full-service powder coating and sand blasting shop with 5 employees to service commercial and residential needs. Powder coating is widely used across various industries due to its durability, environmental benefits (no solvents or VOCs), and high-quality finish. Common applications include automotive parts, machinery equipment parts, agricultural equipment, pipes and valves, window frames, appliances, indoor/outdoor

furniture, lawn equipment, fitness equipment, electrical enclosures, control panels, medical equipment, and many other items.



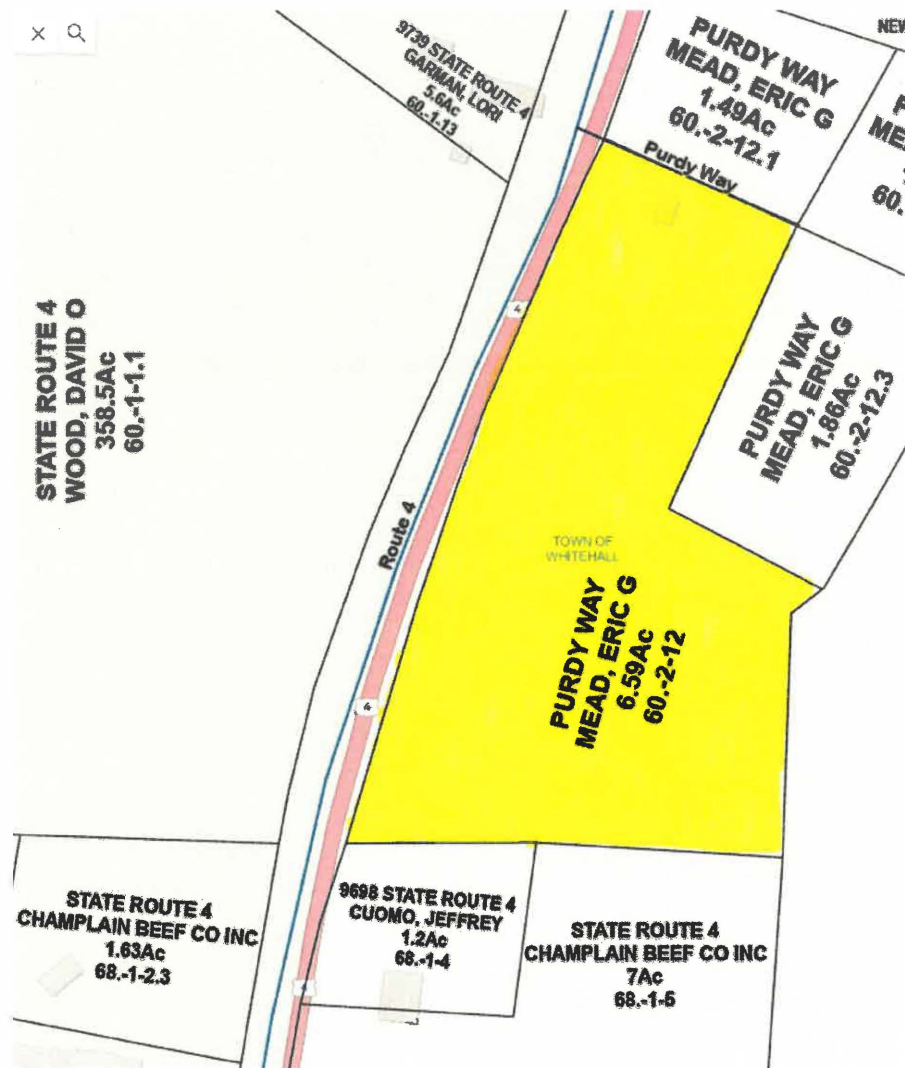
The business has grown its customer list to over seventy customers in Washington and Warren Counties, and the greater Northeast region. Customers include Bonacio Construction, Fronhofer Tools, Ludlow Electrochemical, Monahan & Loughlin, Portland Stone Ware, Rozell Process Solutions, Tymetal Corporation, and Vermont Stone Fixtures. The Better Business Bureau (BBB) has assigned HQ Powder Coating Inc. a favorable A+ rating.

Wood Creek Holdings (WCH) was established in 2023 by Joe and family members to build a larger manufacturing facility on a new site to support HQPC growth. WCH is owned by Wayne and Tina Evans, and Joseph Mead. There will be a lease arrangement.

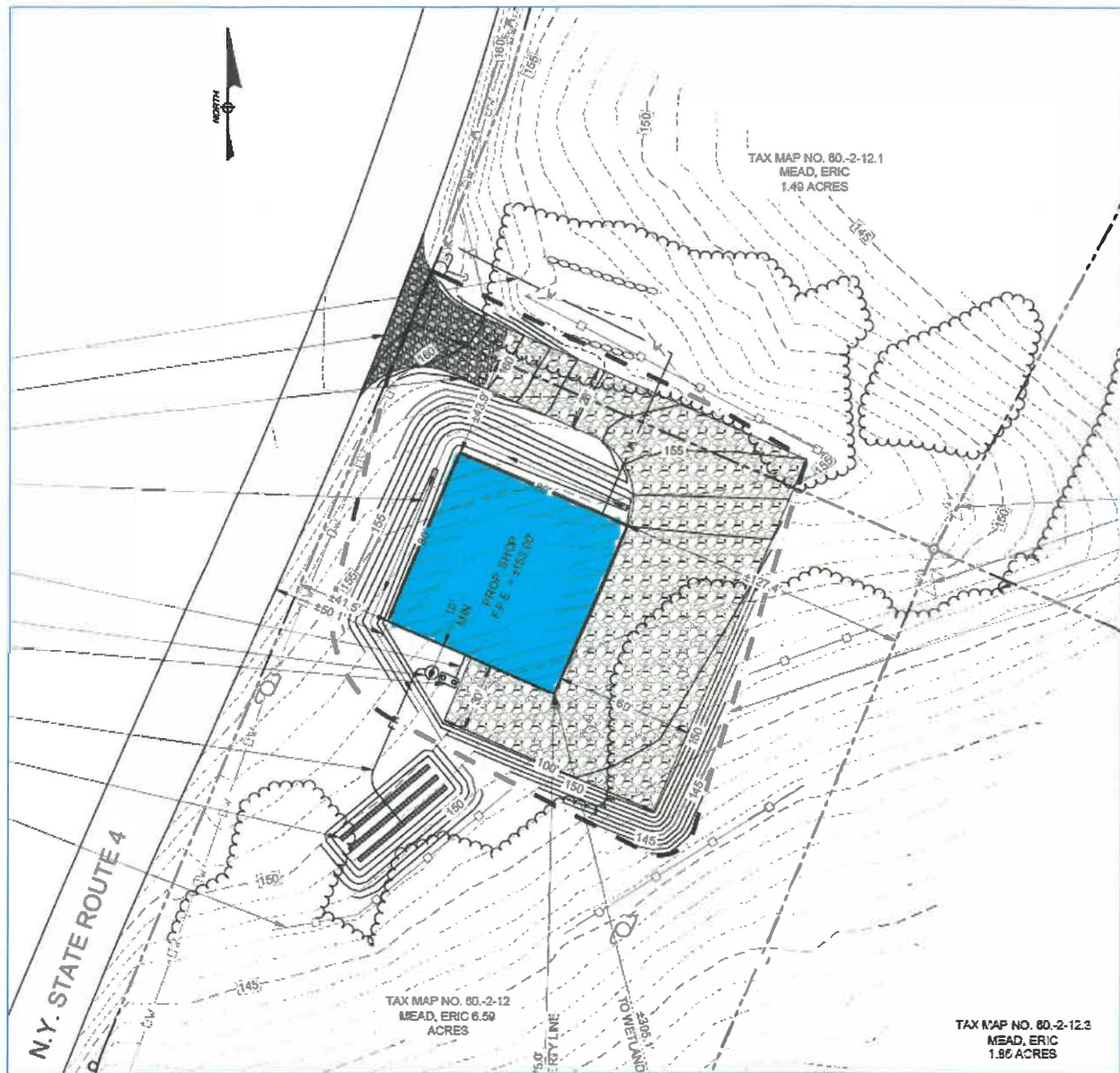
The lease at the County Route 9 location will be terminated after HQPC relocates to the new WCH facility. Other commercial activity is expected to continue at the Route 9 site.

PROJECT DESCRIPTION

Wood Creek Holding is proposing to build an industrial facility on a 6.6 acres site located at 9740 State Route 4 in the Town of Whitehall (adjacent to the Champlain Beef site). The lot number is 60.-2-12. WCH will provide a triple net leasing arrangement with HQPC and pass along any investment incentives.



The new 80'x80' building cited at the northern end of the lot will have 6,400 square feet of gross floor area for powder coating operations, warehouse space, shipping docks, breakroom, lobby/showroom, and offices.



The site entrance off Route 4 will lead around the facility to the parking lot and building main entrance.

The site and facility plans have been submitted to the Town of Whitehall. Joseph Mead is confident that the review and approval process will proceed without complications.

The project total investment is expected to be \$895,000. The major cost elements are:

- Land Acquisition \$20,000
- Building Construction \$850,000
- Soft Costs, Design, Insurance, & Other \$25,000

The project is expected to be financed by a \$350,000 SBA loan and \$437,500 Arrow Bank loan. The equity investment is expected to be \$107,500.

The 2024 total assessment value of parcel number 60.-2-12 is \$30,200. “Base” annual property taxes on the lot total \$298.

REGIONAL ECONOMIC IMPACT

The construction and operation of the proposed Wood Creek Holdings facility will have a positive economic impact on the region.

HQ Powder Coating will further support regional construction, manufacturing, and housing businesses.

Construction labor will comprise 35 part- and full-time positions for approximately 6 months valued at an estimated \$275,000.

Construction materials estimated at \$390,000 will be sourced 5% from within Washington County and 60% from within New York State.

The operation of the new facility will have favorable impact with 2.5 new staff positions and modest sales tax generation over 10 years. Wages and benefits will be over an estimated \$1.3 million. Sales tax generation of a conservatively estimated \$35,000 for residential activity. (Commercial manufacturing activity is not subject to sales tax.)

The detailed community economic impact analysis is in the Appendix.

ANALYSIS OF PILOT AND ABATEMENT REQUEST

Wood Creek Holdings' requested investment incentives for the HQ Powder Coating manufacturing facility at 9740 State Route 4, Whitehall project are:

1. **Property tax incentives** in the form of a Payment In Lieu of Taxes (PILOT). The project qualifies for a PILOT within WWIDA's Uniform Tax Exemption Policy. The PILOT payments will be for a term of 10 years with a 100% exemption of real property taxes on the value of the improvements for years 1 through 5 and a 50% exemption of real property taxes on the value of the improvements for years 6 through 10, after construction is completed. This totals an estimated \$42,406 in payments over ten years versus an estimated \$169,626 without the investment incentive. **The estimated property tax benefit is \$127,219 over 10 years** (see Appendix for details.).
2. State and County **sales tax abatement** totaling 7% based on \$390,000 in purchases subject to sales tax. **The estimated benefit is \$27,300.**
3. Mortgage tax abatement of 1.25% from an estimated non-SBA financing loan of \$437,500. **The estimated mortgage tax benefit is \$5,469.**

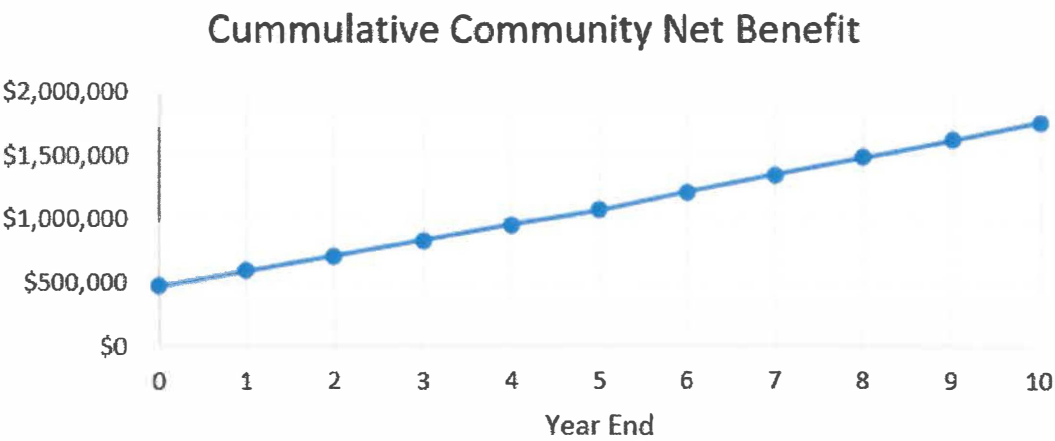
The proposed total gross investment incentive for WCH is an estimated \$159,988 before fees. The WWIDA administrative fee is \$8,055 for servicing the incentives including the 10-year PILOT. The estimated legal fee is \$10,000. **The estimated total net investment incentive is \$141,933.**

Wood Creek Holdings and HQ Powder Coating emphasized that WWIDA financial incentives program will reduce the tax burden and lower the cost of HQPC's lease agreement with WCH. This support is crucial for maintaining cash flow during HQPC's early expansion into a new facility. Without it, the financial risk of expansion increases significantly, as high lease payments, labor costs, and taxes could strain HQPC's ability to expand. Approval of tax exemptions will lower project costs, making the expansion viable, and position HQPC for future growth.

COMMUNITY IMPACT SUMMARY and OVERALL RECOMMENATION

The community and economic benefits of the proposed Wood Creek Holdings and HQ Powder Coating project over ten years:

- 1. Support the regional construction, manufacturing, and housing industries.
- 2. Generate an estimated 35 local part- and full-time construction jobs valued at \$275,000.
- 3. Generate construction materials sales with estimated value \$390,000 with 60% sourced in New York State.
- 4. Create an estimated 2.5 full-time equivalent employment positions with estimated total wages and benefits of \$1.3 million.
- 5. Generate Sales Tax conservatively estimated at \$35,000.
- 6. Generate PILOT payments estimated at over \$42,000.
- 7. Generate Community Cost Benefit Ratio with benefits is estimated at 1 to 12 over the ten years.
- 8. The Community Net Benefit over ten years is estimated at over \$1.7 million (or \$1.4 million at a 4% net present value rate).



In conclusion, approving the Wook Creek Holdings LLC application and supporting the construction of the new Whitehall manufacturing facility would be in the community and economic interests of the residents of Washington and Warren Counties and the greater region.



5 Warren Street, Glens Falls, NY 12801

IDA Project Applicant: Wood Creek Holdings LLC

Project Name: HQ Powder Coating Facility

Project Type: Manufacturing

Project Street Location: 9740 State Route 4

Project Municipality: Town of Whitehall

Parcel Identification: 60.-2-12

Project Description: New Powder Coating Facility

Total Project Investment: \$895,000

Project Material Terms: Construct 6,400 GFA SF facility on 6.6-acre site

IDA Benefits Provided: PILOT
Sales Tax Exemption
Mortgage Tx Exemption

Estimated
Community Benefits
Over Ten Years:

- a. Support regional industries
- b. Generate local \$850K construction activity
- c. Generate 2.5 new full positions valued at \$132K/year
- d. Generate \$35K Sales Tax
- e. Community Cost Benefit Ratio: 1 to 12
- f. Net Community Benefit: \$1,445K (NPV @ 4%)

Appendix

100% FIRST FIVE YEARS AND 50% SECOND FIVE YEARS

60.-2-12 Base Assessment	New Construction Dollar Value	Estimated New Assessed	2025 County Tax Rate / 1000	2025 Town Tax Rate / 1000	Village Tax Rate /1000	2024-25 WH Sch. Tax Rate / 1000		
\$30,200	\$850,000	\$880,200	\$6.55000	\$3.59000		\$9.81599		
PILOT YEAR	% PAYMENT	COUNTY PILOT AMOUNT	TOWN PILOT AMOUNT	VILLAGE PILOT AMOUNT	SCHOOL PILOT AMOUNT	TOTAL PILOT	FULL PAYMENT W/O PILOT	NET EXEMPTION
1	0%	\$0	\$0	\$0	\$0	\$0	\$16,963	\$16,963
2	0%	\$0	\$0	\$0	\$0	\$0	\$16,963	\$16,963
3	0%	\$0	\$0	\$0	\$0	\$0	\$16,963	\$16,963
4	0%	\$0	\$0	\$0	\$0	\$0	\$16,963	\$16,963
5	0%	\$0	\$0	\$0	\$0	\$0	\$16,963	\$16,963
6	50%	\$2,784	\$1,526	\$0	\$4,172	\$8,481	\$16,963	\$8,481
7	50%	\$2,784	\$1,526	\$0	\$4,172	\$8,481	\$16,963	\$8,481
8	50%	\$2,784	\$1,526	\$0	\$4,172	\$8,481	\$16,963	\$8,481
9	50%	\$2,784	\$1,526	\$0	\$4,172	\$8,481	\$16,963	\$8,481
<u>10</u>	<u>50%</u>	<u>\$2,784</u>	<u>\$1,526</u>	<u>\$0</u>	<u>\$4,172</u>	<u>\$8,481</u>	<u>\$16,963</u>	<u>\$8,481</u>
Totals		\$13,919	\$7,629	\$0	\$20,859	\$42,406	\$169,626	\$127,219
FULL PAYMENT CALCULATION		\$5,568	\$3,052	\$0	\$8,344		\$16,963	
Estimated Tax Exemption Benefits:								
		Assumptions:						
Property	\$127,219			Total Project Cost	\$895,000	Includes Land/Acq. \$20K		
Sales & Use	\$27,300	\$390,000		Net Benefit	\$141,933			
<u>Mortgage 1.25%</u>	<u>\$5,469</u>	\$437,500		Benefit / Cost Ratio	15.9%			
Subtotal	\$159,988							
Admin Fee 0.09%	(\$8,055)							
<u>Legal Fee</u>	<u>(\$10,000)</u>							
Net Benefit	\$141,933							

Final 03 10 2025

Year	Community Tax Exemption "Costs"					Community "Benefit"						Net "Benefit"
	State 4% Sale Tax <u>Exempt.</u>	County 3% Sale Tax <u>Exempt.</u>	Mortgage Tax <u>Exempt.</u>	Net Property <u>Exempt.</u>	TOTAL Gross <u>Exempt.</u>	Incremental 2.5 FTE Wages & <u>Benefits</u>	Construction <u>Labor</u>	Construction Matls in NYS	New Sales Tax <u>Generated</u>	PILOT	TOTAL	
0	(\$15,600)	(\$11,700)	(\$5,469)		(\$32,769)	\$0	\$275,000	\$234,000	\$0	\$0	\$509,000	\$476,231
1				(\$16,963)	(\$16,963)	\$132,500			\$3,500	\$0	\$136,000	\$119,037
2				(\$16,963)	(\$16,963)	\$132,500			\$3,500	\$0	\$136,000	\$119,037
3				(\$16,963)	(\$16,963)	\$132,500			\$3,500	\$0	\$136,000	\$119,037
4				(\$16,963)	(\$16,963)	\$132,500			\$3,500	\$0	\$136,000	\$119,037
5				(\$16,963)	(\$16,963)	\$132,500			\$3,500	\$0	\$136,000	\$119,037
6				(\$8,481)	(\$8,481)	\$132,500			\$3,500	\$8,481	\$144,481	\$136,000
7				(\$8,481)	(\$8,481)	\$132,500			\$3,500	\$8,481	\$144,481	\$136,000
8				(\$8,481)	(\$8,481)	\$132,500			\$3,500	\$8,481	\$144,481	\$136,000
9				(\$8,481)	(\$8,481)	\$132,500			\$3,500	\$8,481	\$144,481	\$136,000
10				(\$8,481)	(\$8,481)	\$132,500	\$0	\$0	\$3,500	\$8,481	\$144,481	\$136,000
TOTAL	(\$15,600)	(\$11,700)	(\$5,469)	(\$127,219)	(\$159,988)	\$1,325,000	\$275,000	\$234,000	\$35,000	\$42,406	\$1,911,406	\$1,751,418
	The Cost to Benefit Ratio is ==>					1	to =====>					11.9
Net Benefits - Net Present Value @ 4%												\$1,445,960