

**CITY OF GLENS FALLS INDUSTRIAL DEVELOPMENT AGENCY  
MEETING MINUTES**

The regular meeting of the City of Glens Falls Industrial Development Agency was held on Thursday, January 11, 2018 in the Mayor's Conference Room, 42 Ridge Street, Glens Falls, New York 12801.

Members Present: Judith Calogero; Dan Hall; Mary Gooden; Maury Thompson; Todd Feigenbaum

Members Absent: Lois Robinson

Also Present: Edward Bartholomew, CEO; Attorney Kara Lais; Michael Goot, The Post Star

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Judith Calogero opened the meeting and determined there was a quorum present.

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Chair Judy Calogero began the meeting by thanking Jack Diamond for all of his years of service to the IDA Board and his commitment to the City. She next noted that the IDA received a resignation letter from Roy Thomas. She thanked Mr. Thomas for his many years of service to the Board and accepted his resignation.

Ms. Calogero stated that the first item on the agenda is to approve the minutes from the December 7, 2017 regular meeting as presented.

RESOLUTION NO. 1-2018:

On the motion of Dan Hall, seconded by Maury Thompson and, all voting affirmatively, the December 7, 2017 regular meeting minutes were approved.

The next items on the agenda is a presentation from Tyler Herrick from the Queensbury Hotel. CEO Bartholomew explained that Mr. Herrick submitted a request from to the IDA to increase the project cost. Mr. Herrick explained that the project estimates were exceeded and so additional funds are required to complete the original proposed improvements. He stated that they will be completing the guestroom, improving the elevators and restoring the front desk as well as upgrading the bathrooms in the conference area. He noted that at the time the hotel was purchased there were 39 employees and now there are 74 employees.

RESOLUTION NO. 2-2018:

On the motion of Mary Gooden, seconded by Maury Thompson and, Todd Feigenbaum abstaining, the following resolution was duly approved:

**RESOLUTION APPROVING OF THE INCREASED PROJECT COST AND ASSOCIATED LOAN DOCUMENTS WITH GLENS FALLS NATIONAL BANK & TRUST COMPANY AND APPROVING OF THE AMENDMENT TO THE LEASE AGREEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF THE SAME IN CONNECTION WITH THE 88 RIDGE ROYALE, LLC PROJECT**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Sections 856 and 923-b of the General Municipal Law of the State of New York (collectively, the (“Act”), the City of Glens Falls Industrial Development Agency (the “Agency”) was created and granted the authority to enter into agreements for the purpose of acquiring, constructing and equipping certain industrial facilities; and

WHEREAS, 88 Ridge Royale, LLC (the “Company”) is a New York limited liability company with an offices at 88 Ridge Street, Glens Falls, New York, 12801; and

WHEREAS, the Agency and the Company entered into a Lease Agreement and related documents all dated as of September 30, 2016 in regard to a certain project (the “Project”), as more particularly defined therein; and

WHEREAS, on May 25, 2016, the Agency approved of the Project at a total estimated cost of \$5,500,000, which included a loan from Glens Falls National Bank & Trust Company (GFNB) in the amount of \$2,400,000 and a private investment of \$3,100,000; and

WHEREAS, on May 25, 2016, the Agency approved of the execution and the delivery of a mortgage and assignment of leases from the Agency and the Company in favor of GFNB to secure a borrowing of up to \$2,400,000 resulting in an estimated mortgage tax exemption of \$30,000.00, however, the Company closed on said loan from GFNB prior to the Company’s closing with the Agency, thereby not receiving the aforementioned mortgage tax exemption at the time of the recording of the mortgage; and

WHEREAS, on January 5, 2018, the Company submitted a request to the Agency seeking an increase in the total project costs in the amount of \$911,000 and an increase of the expenditures subject to the sales tax exemption in the amount of \$1,5000,000 for the following improvements: completion of guest room accommodations; installation of bathroom facilities; front desk modifications; and updates to the elevator cabs, which were all contemplated in the Company’s original Application of Assistance; and

WHEREAS, said increases in the total project costs and sales tax exempt eligible expenditures are a result of unforeseen issues and unexpected cost increases during the initial project phase; and

WHEREAS, in order to complete the Project, the Company has requested that the Agency approve of an increase in the Project cost and sales tax exempt eligible expenditures, approve of certain loan documents with GFNB and approve of certain amendments to the Lease Agreement to include references to the loan documents with GFNB; and

WHEREAS, the Company is not in default of any of the terms of the Lease Agreement or the PILOT Agreement.

**NOW, THEREFORE, BE IT RESOLVED**

1. That the Agency does hereby approve of the increase in the Project cost in the estimated amount of \$911,000 for a total Project cost of \$6,411,000, for the following improvements: completion of guestroom accommodations; installation of bathroom facilities; front desk modifications; and updates to the elevator cabs. That, further, the Agency does hereby determine that the aforementioned improvements shall be taken into consideration, as may be applicable and as determined by the Assessor, when calculating the “Added Value” as defined in the PILOT Agreement dated September 30, 2016 by and between the Company and Agency and that the Agency determines that amount of benefit received by the Company from the real property tax exemption will likely increase beyond the \$205,000, as calculated based on the initial Project cost.

2. That the Agency does hereby approve of the increase of the total sales tax exempt eligible expenditures in the amount of \$1,500,000 for a total sales tax exempt amount of \$3,000,000 resulting in a total sale tax exemption of \$210,000 and that the Agency agrees to extend the project completion date and sales tax exemption authorization to June 30, 2019.

3. That the Agency does hereby approve of the execution and the delivery of a mortgage and assignment of leases from the Agency and the Company in favor of GFNB to secure a borrowing of up to \$1,261,000 resulting in an estimated mortgage tax exemption of \$15,763, as prepared by GFNB.

4. That the Agency does hereby approve of the execution and the delivery of a subordination agreement, subordinating the Lease Agreement dated September 30, 2016 by and between the Agency and the Company to the mortgage and assignment of leases from the Agency and the Company in favor of GFNB, as described herein, as prepared by GFNB.

5. That the Agency does hereby approve of any necessary amendments to the Lease Agreement to include references to the loan documents with GFNB and approves of any necessary amendments to the sales tax documents.

6. That the Company shall be responsible for any fees, costs and expenses relating to this transaction, including the administrative fee due the Agency, Agency’s legal fees and County recording fees, and shall provide documentation to the Agency that the aforementioned were duly approved by the Company.

7. That the Agency does hereby authorize the Chief Executive Officer or the Chairman of the Agency, upon advice and consent of Agency Counsel, to execute and deliver on behalf of the Agency any documents necessary to consummate the transaction.

8. This Resolution shall take effect immediately.

The next item on the agenda is the consideration of the payment of bills. The following bills were presented at the meeting for payment:

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| i.   | Upstate Appraisals (2 Properties)           | \$3,000.00 |
| ii.  | EDC Warren County (4 <sup>th</sup> payment) | \$1,875.00 |
| iii. | FitzGerald Morris Baker Firth PC            | \$1,875.00 |
| iv.  | FitzGerald Morris Baker Firth PC            | \$1,040.00 |

#### RESOLUTION 3-2018:

On the motion of Todd Feigenbaum, seconded by Mary Gooden and, all voting affirmatively, the payment of the above bills were approved.

Ms. Calogero stated that the next item on the agenda was the CFO Report. CEO Bartholomew noted that Mr. McCarthy could not attend the meeting but that there has been no unusual activity.

Ms. Calogero stated that the next item on the agenda was the CEO Report. CEO Bartholomew noted that he will defer his full report to the LDC meeting.

Ms. Calogero noted that the next item on the agenda is the discussion and consideration of resolutions.

#### RESOLUTION NO. 4-2018

On the motion of Mary Gooden, seconded by Maury Thompson and, all voting affirmatively, the following actions were duly approved:

- i. Approval of the addition of Daniel L. Hall as signatory to all IDA bank accounts at Glens Falls National Bank & Trust Company and remove John A. Diamond as signatory on said accounts;
- ii. Approval of a shared services agreement with the Glens Falls Civic Development Corporation and the Glens Falls Local Development Corporation and authorize the Chairperson to execute any necessary documentation to effectuate this resolution;
- iii. Approval to make a payment in the amount of \$5,700.00 pursuant to the shared services agreement to the GGFLDC Payroll Account at Glens Falls National Bank & Trust Company;

- iv. Approval to make payment to the EDC Warren County pursuant to an annual service agreement in the amount of \$8,500.00 to be made in four equal installments on April 1, 2018, July 1, 2018, September 1, 2018 and December 1, 2018 and to authorize the Chairperson to execute any necessary documentation to effectuate this resolution;
- v. Approval of the designation of the LA Group as qualified under RFQ process for certain SEQRA, environmental, technical and administrative services for DRI projects and to further authorize the IDA to enter into negotiations with the LDC and the City for pricing and proposed contract terms;
- vi. Approval of the recommendation to NYS DRI regarding a minor budgetary adjustment for additional funding as requested by SUNY Adirondack (\$100,000.00) for the SUNY Culinary Downtown Project to be allocated by transferring funding from two project budgets of \$50,000 each within the DRI;
- vii. Approval of the designation of the LA Group as being qualified for administrative and technical working under two state grants- Brownfield Opportunity Area (BOA) Step 1 Warren Street and BOA Step 2 South Street and to further authorize the LDC to enter into negotiations for pricing and proposed contract terms.

Ms. Calogero stated that the next item on the agenda was to go into execution session to discuss the financial creditworthiness of an applicant.

#### RESOLUTION NO. 5-2018

On the motion of Mary Gooden, seconded by Maury Thompson and, all voting affirmatively, the IDA members entered into executive session to discuss the financial creditworthiness of an applicant.

#### RESOLUTION NO. 6-2018

On the motion of Mary Gooden, seconded by Maury Thompson and, all voting affirmatively, the IDA members exited executive session and noted for the record that no action was taken during executive session.

Ms. Calogero noted that the 70 Warren LLC project closed in 2015 and there were construction delays, but it appears that the project is moving forward again. She stated that in October the planning board approved changes to the plans and the IDA is in receipt of additional information that it previously requested concerning the project status and budget. Mayor Hall noted that many people had fought hard to avoid having the building demolished so he hopes that the renovation will move forward.

#### RESOLUTION NO. 7-2018:

On the motion of Mary Gooden, seconded by Maury Thompson and, Todd Feigenbaum abstaining, the following resolution was duly approved:

**RESOLUTION APPROVING OF THE INCREASED PROJECT COST, EXTENSION OF PROJECT COMPLETION DATE AND ASSOCIATED LOAN DOCUMENTS WITH NBT BANK, NA AND APPROVING OF THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE 70 WARREN, LLC PROJECT**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Sections 856 and 923-b of the General Municipal Law of the State of New York (collectively, the (“Act”), the City of Glens Falls Industrial Development Agency (the “Agency”) was created and granted the authority to enter into agreements for the purpose of acquiring, constructing and equipping certain industrial facilities; and

WHEREAS, 70 Warren, LLC (the “Company”) is a New York limited liability company with an offices at 100 Glen Street, Suite 3A, Glens Falls, New York, 12801; and

WHEREAS, the Agency and the Company entered into a Lease Agreement and related documents all dated as of March 5, 2015 in regard to a certain project (the “Project”), as more particularly defined therein; and

WHEREAS, on November 27, 2017, the Company submitted a request to the Agency to: (a) amend the Project description to consist of only commercial space, as opposed to a mixed-use structure with an apartment; (2) seek approval to increase the total project cost by approximately \$495,000 for a total project cost of approximately \$1,645,000; (3) seek approval to extend the Project completion date to January 31, 2018; (4) seek approval to reinstate and extend the sales tax exemption through January 31, 2018 and (5) seek approval to increase the expenditures subject to the sales tax exemption to an amount of \$1,430,000; and

WHEREAS, the Agency has not found the Company to be in default of any of the terms of the Lease Agreement or the PILOT Agreement.

**NOW, THEREFORE, BE IT RESOLVED**

1. That the Agency does hereby approve of the amendment of the Project description to consist of only commercial space, as opposed to a mixed-use structure, inclusive of an apartment and to extend the project completion date to January 31, 2019.
2. That the Agency does hereby approve of the increase in the Project cost in the estimated amount of \$495,000 for a total Project cost of \$1,645,000.
3. That the Agency does hereby approve of the increase of the total sales tax exempt eligible expenditures in the amount of \$430,000 for a total sales tax exempt amount of \$1,430,000 resulting in a total sale tax exemption of \$100,100 and further approves of the extension of said exemption until January 31, 2019.

4. That the Agency does hereby approve of the execution and the delivery of a mortgage and assignment of leases from the Agency and the Company in favor of NBT Bank, NA to secure a borrowing of up to \$1,718,866, resulting in an estimated mortgage tax exemption of \$21,486, as prepared by NBT Bank, NA.

5. That the Company shall be responsible for any fees, costs and expenses relating to this transaction, including the administrative fee due the Agency, Agency's legal fees and County recording fees, and shall provide documentation to the Agency that the aforementioned were duly approved by the Company.

6. That the Agency does hereby authorize the Chief Executive Officer or the Chairman of the Agency, upon advice and consent of Agency Counsel, to execute and deliver on behalf of the Agency any documents necessary to consummate the transaction.

7. This Resolution shall take effect immediately.

There being no further business. Ms. Calogero noted that the next meeting will be held on February 8, 2018 at 7:30am. Ms. Calogero called for a motion to adjourn the meeting.

RESOLUTION NO. 8-2017:

On the motion of Mary Gooden, seconded Todd Feigenbaum, all voting affirmatively it was

Resolved that the City of Glens Falls Industrial Development Agency hereby adjourns the January 11, 2018 regular meeting.