

**CITY OF GLENS FALLS
INDUSTRIAL DEVELOPMENT AGENCY**

**POLICIES AND PROCEDURES MANUAL
*(as of March 12, 2015)***

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CITY OF GLENS FALLS INDUSTRIAL DEVELOPMENT AGENCY
DISPOSITION OF REAL PROPERTY GUIDELINES

ADOPTED PURSUANT TO SECTION 2896 OF THE PUBLIC AUTHORITIES LAW

SECTION 1. DEFINITIONS

A. "Contracting officer" shall mean the officer or employee of the Glens Falls Industrial Development Agency (hereinafter, the "Agency") who shall be appointed by resolution to be responsible for the disposition of property.

B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.

C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

A. The Agency shall:

(i) maintain adequate inventory controls and accountability systems for all property owned by the Agency and under its control;

(ii) periodically inventory such property to determine which property shall be disposed of;

(iii) produce a written report of such property in accordance with subsection B herewith; and

(iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 2 below.

B. The Agency shall

(i) publish, not less frequently than annually, a report listing all real property owned in fee by the Agency. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Agency and the name of the purchaser for all such property sold by the Agency during such period; and

(ii) shall deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State

Office of General Services, and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly).

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Agency. The Agency shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Agency property, pending its disposition, and the disposal of such property, shall be performed by the Agency or by the Commissioner of General Services when so authorized under this section.

C. Method of Disposition. Unless otherwise permitted, the Agency shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Agency and/or Contracting Officer deems proper. The Agency may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, no disposition of real property, any interest in real property, shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and provided further that no disposition of any other property which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

D. Sales by the Commissioner of General Services (the "Commissioner"). When the Agency shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Agency may enter into an agreement with the Commissioner pursuant to which Commissioner may dispose of property of the Agency under terms and conditions agreed to by the Agency and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the Contracting Officer shall be deemed to refer to such Commissioner.

E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Agency, purporting to transfer title or any other interest in property of the Agency in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

(i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Agency shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.

Section F; (ii) Whenever public advertising for bids is required under subsection (i) of this

(A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;

(B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and

(C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Agency, price and other factors considered; provided, that all bids may be rejected at the Agency discretion.

(iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:

(A) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(B) the fair market value of the property does not exceed fifteen thousand dollars;

(C) bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

(D) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;

- (E) under those circumstances permitted by subsection (v) below; or
 - (F) such action is otherwise authorized by law.
- (iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
- (1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars;
 - (2) any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;
 - (3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of \$15,000; or
 - (4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
- (B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under all applicable law not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Agency making such disposal.
- (v) Disposal of Property for less than Fair Market Value ("FMV").
- (a) No assets owned, leased or otherwise in the control of the Agency may be sold, leased, or otherwise alienated for less than its FMV except if:
- (1) Transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or
 - (2) Purpose of transfer is within purpose, mission or statute of the Agency; or
 - (3) Written notification to Governor, Speaker, and Temporary President. Such notification is subject to denial. Denial by Governor is in the form of a certification. Denial by legislature is in the form of a resolution. Denial must be made within 60 days of receiving notification during January through June. Provided no denial then Agency may effectuate transfer. If legislature receives the notification in July through December, then legislature may take 60 days from January 1 of the following year. However, the Agency may obtain local approval from the chief executive and legislature of the political subdivision in lieu of the notification to the Governor, Speaker and Temporary President

provided the Agency's enabling legislation provides for such approval and the property was obtained by the Agency from the political subdivision; or

(4) During the period of July 1 and December 31, this Agency at its option may obtain local approval from the Chief Executive (Mayor) and legislature of the City of Glens Falls (Common Council) in lieu of notification to the Governor, Speaker, and Temporary President as outlined in above (3) and the property was obtained by the Agency from the City.

(b) If below FMV transfer is proposed, the following information is required to be provided to the authority's board and the public:

- (1) Description of Asset;
- (2) Appraisal of the FMV of the asset;
- (3) Description of purpose of transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
- (4) Value received compared to FMV;
- (5) Names of private parties to the transaction and value received;
- (6) Names of private parties that have made an offer, the value of offer, and purpose for which the asset would have been used.

(c) Board must make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

The Guidelines are subject to modification and amendment at the discretion of the Agency board and shall be filed annually with all local and state agencies as required under all applicable law. Additionally this policy and all policies are to be posted on the Glens Falls IDA Website.

The designated Contracting Officer for the Agency is Edward Bartholomew.

*First Approved and adopted on the 13th day of July 2006.
Amended, approved and adopted the 20th day of March 2014.
Amended, approved and adopted the 8th day of May 2014.
Amended, approved and adopted the 11th day of September 2014.*

CITY OF GLENS FALLS INDUSTRIAL DEVELOPMENT AGENCY
TAX RELIEF - INCENTIVE GUIDELINES/CONSIDERATIONS

A. Sales Tax

1. Agency Projects provide sales tax exemption during initial construction and equipping of facility only. Does not provide on-going sales tax exemption for operating expenses.

2. Sales tax exemption letter agreement will have an expiration date, based upon estimated completion date plus six months to allow for possible delays and equipping. Extension of expiration dates must be approved by the Agency Board.

3. In order to be entitled to use this exemption, the project sponsor contractor must present to the supplier or other vendor of materials for the Facility, a completed "Exempt Purchase Certificate" (Form ST-123) and must give the supplier or vendor a copy of the letter agreement to show that the contractor is acting as agent for the Agency in making the purchase.

4. In addition, General Municipal Law §874(8) requires the project sponsor to file an Annual Statement with the New York State Department of Taxation and Finance on "Annual Report of Sales and Use Tax Exemptions" (Form ST-340) regarding the value of sales and use tax exemptions claimed by it pursuant to the Agency conferred with respect to the Project. The penalty for failure to file such statement is the removal of authority to act as Agent of the IDA. Upon each such annual filing, the Project Sponsor shall, within thirty (30) days of each filing, provide a copy of the same to the Agency; provided, however, in no event later than May 15th of each year.

5. The request of the Agency for authority for the sales tax exemption must contain some detail of the product covered by the requested exemptions because the Agency will have the duty to monitor the exemptions and report on them. Failure to do the required reports or stray beyond what the Agency authorizes results in the loss of the exemption and any improper exempt amounts must be repaid.

6. Project Sponsors must affirm that they have read and understand the requirements of Section 875 of the General Municipal Law.

B. Mortgage Recording Tax

1. All GFIDA projects are eligible for exemption from mortgage recording tax.

C. Uniform Tax Abatement Policy

1. GFIDA provides at a minimum 485(b) real property tax abatements for all IDA projects.

2. Manufacturing/R&D/Warehouse/Office Projects (minimum of 10 net new jobs): Eligible projects are limited to manufacturing, warehouse, wholesale/distribution, assembly remanufacturing, processing, product research and development, and certain office functions. Eligible office projects include the following functions: communications, computer programming, data processing, financial services (not real estate, insurance or travel agencies), or central administrative offices.

Minimum number of jobs is waived for projects to be located in buildings vacant for more than one year. Also applies to eligible projects to be located in "highly distressed" areas. Abatements are provided only on the increased assessed value attributable to the improvement resulting from the proposed project.

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

PILOT on New Construction or Major Renovation:

100% exemption for a period of 5 years;
50% exemption for the next 5 years;
100% of taxes after year 11.

3. All Other Eligible Projects (minimum of 25 net new jobs):
Eligible projects permitted by General Municipal Law, including but not limited to professional agencies, recreation facilities, railroad facilities, and "qualified" retail, mixed use structures and "qualified" civic facilities. "Qualified" civic facilities and retail projects are those authorized by the General Municipal Law.

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

PILOT on New Construction:

50% exemption for a period of 5 years.
25% exemption for the next 5 years.
100% of taxes after year 11.

D. Enhanced Real Property Tax Abatements

The Glens Falls Industrial Development Agency will consider providing enhanced real property tax abatements for IDA applicants who are proposing projects of great economic impact.

Any enhanced abatement will be provided only on the increased assessed value attributable to the improvements resulting from the proposed project. Current property tax levels already in place will continue to be paid on an existing building.

Proposed enhanced abatements will be considered on a case-by-case basis and may be up to 100% abatement on the improvements for a period of up to 15 years.

The Glens Falls IDA will use the following criteria for considering the provisions of enhanced real property tax abatements:

1. Number of jobs to be created.
2. Quality of jobs to be created (i.e., wages and benefits).

3. Capital investment by Company.
4. Brownfield and/or dilapidated site.
5. Extent to which local suppliers, contractors and workers are involved in the construction of the project.

PLEASE NOTE: The provision of enhanced real property tax abatements is a discretionary policy. The Glens Falls IDA will consider providing the enhanced abatement based upon the above guidelines. Each project will be reviewed on a case-by-case basis in determining whether such a project is eligible for the added incentive.

E. **Deviation from this Policy**

Deviations from the foregoing policy requires a deviation notice be sent by certified mail to each affected taxing jurisdiction at least ten (10) days before the public hearing on the project which notice shall contain an explanation of the deviation and the reasons therefor.