

**PILOT DEVIATION NOTICE RESOLUTION  
SCHLUTER SYSTEMS L.P. PROJECT**

A regular meeting of County of Clinton Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York on August 8, 2016 at 12:00 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairperson of the Agency and, upon roll being called, the following members of the Agency were:

**PRESENT:**

Trent Trahan	Chairperson
David Hoover	Vice Chairperson
Michael E. Zurlo	Secretary
Keith Defayette	Treasurer
Kim Murray	Assistant Secretary
Mark Leta	Member
John VanNatten	Member

**EXCUSED:**

**AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:**

Paul A. Grasso, Jr.	Interim Executive Director
Barbara Shute	Executive Assistant
George W. Cregg, Jr., Esq.	Agency Counsel

The following resolution was offered by M. Zurlo, seconded by J. VanNatten, to wit:

**Resolution No. 08-16-01**

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED SCHLUTER SYSTEMS L.P. PROJECT.**

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 225 of the 1971 Laws of New York, as amended, constituting Section 895-f of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities,

health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Schluter Systems L.P., a New York limited partnership (the “Company”) submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a portion of an approximately 11.75 acre parcel of land located at 194 Pleasant Ridge Road (Tax Map Nos. 232.-3-10.1, 232.-3-11.1 and 232.-3-11.2) in the Town of Plattsburgh, Clinton County, New York (collectively, the “Land”), (2) the construction on the Land of an approximately 45,000 square foot industrial facility to include material storage silos, loading docks, parking area and other site improvements (collectively, the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute a manufacturing facility and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Agency on March 28, 2016 (the “Public Hearing Resolution”), the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on June 15, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on June 15, 2016 on a public bulletin board located at the Town of Plattsburgh Town Hall located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York, as well as on the Agency’s website, (C) caused notice of the Public Hearing to be published on June 21, 2016 in the Press Republican, a newspaper of general circulation available to the residents of the Town of Plattsburgh, Clinton County, New York, (D) conducted the Public Hearing on July 5, 2016 at 10:00 a.m., local time at the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on July 11, 2016 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the Town of Plattsburgh Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B)

acknowledged receipt of a negative declaration from the Planning Board dated September 15, 2015 (the “Negative Declaration”), in which the Planning Board determined that the Project to be a Type I Action and will not have a “significant environmental impact on the environment” and accordingly, that an environmental impact statement is not required to be prepared with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, in connection with the Application, the Company has made a request to the Agency (the “Pilot Request”) to deviate from the its uniform tax exemption policy (the “Policy”) with respect to the payments to be made under a payment in lieu of tax agreement by and between the Agency and the Company (the “Proposed Pilot Agreement”) as outlined in the proposed pilot deviation letter attached hereto as Exhibit A (the “Pilot Deviation Letter”); and

WHEREAS, the Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the “Improvements”) in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement; and

WHEREAS, pursuant to Section 874(4) of the Act and the Agency’s Policy, prior to taking final action on such request for a deviation from the Agency’s Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) no fewer than thirty (30) days prior written notice of the proposed deviation from the Agency’s Policy and the reasons therefor; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Having considered both the Application and the Pilot Request, the Agency hereby authorizes the Executive Director of the Agency to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions informing them that the Agency is considering a proposed deviation from its uniform tax exemption policy with respect to the Project and the reasons therefore, in substantially the form of the draft of the Pilot Deviation Letter, and soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 2. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Trent Trahan	VOTING	YES
David Hoover	VOTING	YES
Michael E. Zurlo	VOTING	YES
Keith Defayette	VOTING	YES
Kim Murray	VOTING	YES
Mark Leta	VOTING	YES
John VanNatten	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF CLINTON                 )

I, the undersigned (Assistant) Secretary of County of Clinton Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 8, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 8<sup>th</sup> day of August, 2016.

  
Michael E. Zurlo, Secretary

(SEAL)

EXHIBIT A  
PROPOSED FORM OF PILOT DEVIATION LETTER

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY

190 Banker Road  
Suite 500  
Plattsburgh, New York 12901  
Tel: 518-563-3100  
Fax: 518-562-2232

August \_\_, 2016

Harry J. McManus, Chairperson  
Clinton County Legislature  
Clinton County Government Center  
137 Margaret Street, Suite 208  
Plattsburgh, New York 12901

Jay C. Lebrun, Superintendent  
Plattsburgh City School District  
49 Broad Street  
Plattsburgh, New York 12901

Michael Cashman, Supervisor  
Town of Plattsburgh  
151 Banker Road  
Plattsburgh, New York 12901

Leisa Boise, School Board President  
Plattsburgh City School District  
49 Broad Street  
Plattsburgh, New York 12901

RE: Proposed Deviation from Uniform Tax Exemption Policy by  
County of Clinton Industrial Development Agency in connection with its  
Proposed Schluter Systems L.P. Project

Dear Ladies and Gentlemen:

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

On March 28, 2016, County of Clinton Industrial Development Agency (the “Agency”) adopted a resolution (the “Public Hearing Resolution”), pursuant to which the Agency agreed to accept an application (the “Application”) from Schluter Systems L.P. (the “Company”), which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project to consist of the following: (A) (1) the acquisition of an interest in a portion of an approximately 11.75 acre parcel of land located at 194 Pleasant Ridge Road (Tax Map Nos. 232.-3-10.1, 232.-3-11.1 and 232.-3-11.2) in the Town of Plattsburgh, Clinton County, New York (collectively, the “Land”), (2) the construction on the Land of an approximately 45,000 square foot industrial facility to include material storage silos, loading docks, parking area and other site improvements (collectively, the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the “Equipment”) (the Land, the Facility, and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute a manufacturing facility and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”);

and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Application, the Company has made a request to the Agency to enter into a payment in lieu of tax agreement (the “Proposed Pilot Agreement”) which terms would deviate from the Agency’s Uniform Tax Exemption Policy (the “Policy”). Capitalized terms not otherwise defined herein are defined in the Policy.

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed Pilot Agreement would be for a term of 20 years, with the Company making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

SCHLUTER SYSTEMS - PROPOSED PILOT DEVIATION					
Full tax assessment est. \$471,500.00					
	Tax Year	Exemption	Taxes est. on assessment*	Tax Incentive - abated taxes	Taxes Paid
1	2017	100%	\$ 12,641	\$ 12,641	0
2	2018	100%	\$ 12,641	\$ 12,641	0
3	2019	100%	\$ 12,641	\$ 12,641	0
4	2020	85%	\$ 12,894	\$ 10,960	\$ 1,934
5	2021	80%	\$ 13,152	\$ 10,521	\$ 2,630
6	2022	75%	\$ 13,415	\$ 10,061	\$ 3,354
7	2023	70%	\$ 13,683	\$ 9,578	\$ 4,105
8	2024	65%	\$ 13,957	\$ 9,072	\$ 4,885
9	2025	60%	\$ 14,236	\$ 8,541	\$ 5,694
10	2026	55%	\$ 14,521	\$ 7,986	\$ 6,534
11	2027	50%	\$ 14,811	\$ 7,405	\$ 7,405
12	2028	45%	\$ 15,107	\$ 6,798	\$ 8,309
13	2029	40%	\$ 15,409	\$ 6,164	\$ 9,246
14	2030	35%	\$ 15,717	\$ 5,501	\$ 10,216
15	2031	30%	\$ 16,032	\$ 4,810	\$ 11,222
16	2032	25%	\$ 16,352	\$ 4,088	\$ 12,264
17	2033	20%	\$ 16,680	\$ 3,336	\$ 13,344
18	2034	15%	\$ 17,013	\$ 2,552	\$ 14,461
19	2035	10%	\$ 17,353	\$ 1,735	\$ 15,618
20	2036	5%	\$ 17,700	\$ 885	\$ 16,815
			\$ 295,955	\$ 147,917	\$ 148,038

\* The Taxes based on assumed assessment and with a 2% assumed increased for years 6-20



The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: the Company would have the benefit of a 50% abatement in real property taxes on the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the “Improvements”) in year one of the payment in lieu of tax agreement with a five percent per year increase over the term of the ten year payment in lieu of tax agreement.

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at its meeting scheduled for September 12, 2016 at 12:00, local time at the offices of the Agency located in the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York (the “Meeting”). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires a thirty (30) day notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Agency’s Uniform Tax Exemption Policy).

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

1. **The nature of the Project:** Manufacturing.
2. **The present use of the property:** Vacant land.
3. **The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area:** \_\_\_\_\_  
\_\_\_\_\_.
4. **The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:** On the long term aspect for jobs, six positions will be created at the beginning of operation with a potential growth to ten to twelve total job opportunities. This increment of production could be supported by a second shift using the same production capabilities in place. The market reaction to the new products would determine the need of more employees on site. Those positions will be available for a Plant Manager, Quality Control Technician, Forklift Driver and Plant Operators and Shipping and Receiving Clerks. The jobs which are established for this new facility will reinforce the staffing at our existing warehouse and the likelihood of additional jobs will be the result of the success of the Project. The product supervisor will have a wage rate of \$100,000, the lab technicians will have a wage rate of \$55,000 and the machine operators will have a wage rate of \$40,000, annually.
5. **The estimated value of new tax exemptions to be provided:** \_\_\_\_\_.
6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The affected jurisdictions through the Proposed Pilot Agreement will be reimbursed in equal and applicable percentages of the tax liability.
7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The impact of this Project on

proposed business is significant. For example, Schluter at the Plattsburgh location as it is our North American Head Office offers a host of workshops and seminars geared towards professionals (architects, planners and others) of the tile industry. Due to the number of seminars hosted in Plattsburgh and the surrounding area, plans are in discussion to construct an Educational Facility on campus to support this business model. This would have a significant and direct impact on local businesses in hospitality, restaurant and tourism industry.

Schluter Systems L.P. holds workshops monthly, which attracts up to 70 installers from the region for a 2 night/3 day workshop. Over the course of the workshops, we place these individuals at local hotels, provide local transportation to and from our facility, and provide all meals for our guests. We utilize several local catering companies, such as My Cup of Tea, The Hungry Bear, The Homestead Restaurant and Orchard House to provide breakfast, lunch, and snacks throughout the day. Additionally, we treat our guests to dinner for both nights at high end locations such as Anthony's Restaurant and The Orchard House. The total amount of funds expended on such initiatives is significant, landing in the hundreds of thousands of dollars invested in local vendors and suppliers. In addition to the installation workshops, we host similar events for our commercial architects and top tier customers who receive similar treatment. Additionally, we host student programs at our facility with local high schools giving exposure to a manufacturing environment to students interested in developing a skilled trade. Further, it is important to note that we support a buy local philosophy whenever possible at Schluter. All of our supplies and boxes for packaging are purchased locally from Lakeside Container. We also consistently use local office suppliers, such as W.B. Mason, for furniture and other sundry items. We also maintain this buy local philosophy within our building projects by utilizing local general contractors and subcontractors.

**8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** The Project will be privately funded by the Company or related companies.

**9. The effect of the Proposed Pilot Agreement on the environment:** The Town of Plattsburgh Planning Board determined that this Project is a Type I action under SEQR that will not have a "significant effect on the environment".

The Facility will be LEED certified which stands for Leadership in Energy and Environmental Design and is a certification program focused primarily on new, commercial-building projects and based upon a points system for sustainability issues, i.e., less usage of water, energy efficient lights and reduced dust emissions.

**10. Project Timing:** \_\_\_\_\_.

**11. The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** Presently, there is no further capacity allowing for expansion to our facility on the west side of 1-87 to the Industrial Zoned District within the Town of Plattsburgh.

This Project will provide the reinforcement of existing gas lines crossing the Northway to the western side of 1-87 to our campus as well as increase capacity for planned future expansion (including this Project). In working on this Project we have identified that currently there is no

further capacity at this side of the Industrial Park to serve the remaining 40+ acres of Industrial Zoned Land. This Project will fund the NYSEG improvement.

**12. Anticipated tax Revenues:** \_\_\_\_\_.

**13. The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** The Company host several groups of students both through vocational school as well as employment placement agencies for youths that are considered high risk (meaning they are considering dropping out of high school) or are looking to enter manufacturing as an alternative to college. The Company hosts approximately 6 of these events a year, reaching 80-90 youths. Additionally, we have offered co-op or internship opportunities to students at Plattsburgh State University and Clarkson University to assist in the development of real-world knowledge of a manufacturing firm with global implications.

The most significant aspect of education at the Company is through our business model which is to educate and train people within the trade (tile installers and setters) on our products and how to utilize them. Also, it is important to note that the workshops offered at our campus in Plattsburgh are for those within our geographical northeast region.

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

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

Paul A. Grasso, Jr.  
Interim Executive Director