

COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY

ELIGIBLE PROJECT POLICY

SECTION 1. PURPOSE AND AUTHORITY. (A.) Purpose of the Agency. The purpose of the County of Clinton Industrial Development Agency (the “Agency”) is to retain, promote, attract and develop job and business opportunities and economically sound commerce and industry in cities, towns and villages in the County of Clinton (the “County”). The Agency strives to assist and promote growing industry in the County by helping business to be competitive and profitable by offering:

- (1) financial assistance, including business incentives, tax exemptions and proceeds of bonds;
- (2) improved utilization and development of local infrastructure;
- (3) creation of investment, employment and wealth in the County; and
- (4) recruitment of new business.

The Agency gives preference to those businesses that have a market for products or services extending beyond the County, including “back office” operations and regional or national headquarters. The Agency will consider assisting companies selling their product or service in the County when it is clear their primary competition is from outside of the County.

(B) Authorized Projects Under the Act. Pursuant to Title One of Article 18-A of the New York General Municipal Law, as amended (the “Act”), the Agency is authorized to offer “financial assistance”, as defined in the Act (“Financial Assistance”), to various types of projects. The Act authorizes an industrial development agency to undertake numerous types of projects, including, but not limited to, manufacturing, warehousing, research, commercial, industrial, industrial pollution control, recreation, cultural, horse racing and railroad facilities. The Act also has from time to time contained legislature prohibitions on providing Financial Assistance to certain types of projects, such as retail facilities, allowing exceptions for tourist destination facilities, projects that otherwise will move out of state, or projects in highly distressed areas.

(C) Agency Policy. In an attempt to be consistent with the purposes of the Agency outlined in Section 1(A) above, the Agency has in the past undertaken manufacturing, industrial, warehousing, commercial, research, office, not-for-profit, railroad, recreation and tourism destination projects, but has in the past declined to undertake projects that the Agency has felt were not consistent with the purposes of the Agency outlined in Section 1(A) above.

(D) Purpose of this Policy. The purpose of this eligible project policy (the “Eligible Project Policy”) is to set forth in a single place the policies that the Agency has been following to determine the types of projects that the Agency will consider granting Financial Assistance to. Note that the fact that the Agency will consider granting Financial Assistance to a particular type of project does **not** mean that the Agency will in fact grant Financial Assistance to a particular project, even if that particular project is of a type that the Agency will consider granting Financial Assistance to. Under the Act and the policies of the Agency, the Agency must consider the application and related materials relating to a particular project, as well as input from the public and from the state-mandated environmental review process, before making a determination whether to grant Financial Assistance to a particular project.

(E) Date of Enactment. This Eligible Project Policy was adopted pursuant to a resolution enacted by the members of the Agency on July 8, 2013, and was amended by a resolution enacted by the members of the Agency on July 17, 2017.

SECTION 2. 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) “Act” means Title One of Article 18-A of the New York General Municipal Law, as amended.

(B) “Adaptive Reuse Project” means a project that will benefit the County by adapting old structures or sites for new purposes, including potentially a mix of business and commercial uses, and/or market rate housing, but excluding hotel and motel uses except as otherwise permitted within this Policy. Such a project may include redeveloping a blighted site or structure, promoting infill development utilizing existing infrastructure, creating new economic activity at difficult sites and buildings thus helping to eliminate neighborhood slum and blight, promoting re-use of existing buildings and sites, and/or helping to maintain a neighborhood’s fabric. Adaptive Reuse projects shall not include retail projects unless otherwise noted in Section (3)(G)(1) of this policy.

(C) “Affected Tax Jurisdiction” shall have the meaning assigned to such term in the Act.

(D) “Agency” shall mean County of Clinton Industrial Development Agency.

(E) “County” shall mean the County of Clinton.

(F) “Financial Assistance” shall have the meaning assigned to such term in the Act.

(G) “Highly Distressed Area” shall have the meaning assigned to such term in the Act. At the time of enactment of this Policy, the Act defined such term to include (among others) the following:

(1) a census tract or tracts or block numbering areas or areas or such census tract or block numbering area contiguous thereto which, according to the most recent census data available, has: (a) a poverty rate of at least twenty percent for the year to which the data relates or at least twenty percent of households receiving public assistance; and (b) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates; or

(2) an area which was designated an empire zone pursuant to Article 18-B of the New York General Municipal Law.

(G-1) “Mixed Use Project” shall mean a project that involves a building involving both nonresidential and residential uses, such a mixed retail and residential building.

(H) “Municipality” shall mean each city, town and village located within the County.

(I) “Permitted Retail Project” means a Retail Project that the Agency is permitted to undertake under the Act. At the time of enactment of this Policy, the Act prohibited a Retail Project unless the following conditions were met:

(1) the proposed Retail Project is a Tourism Destination Facility; or

(2) (a)(i) the proposed Retail Project is located in a Highly Distressed Area or (ii) the predominant purpose of the proposed Retail Project would be to make available goods or services which would not, but for such proposed Retail Project, be reasonably accessible to the residents of the city, town, or village within which the proposed Retail Project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services; and

(b) the Agency shall find after the public hearing required by Section 859-a of the Act that undertaking the proposed Retail Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the state; and

(c) after the Agency makes such a finding, and prior to the Agency providing any financial assistance to the proposed Retail Project, the chief executive officer of the County shall confirm the proposed action of the Agency with respect to the proposed Retail Project.

In order to form a basis for the Agency to decide whether a proposed Retail Project may constitute a Permitted Retail Project, the Agency may request that the applicant provide to the Agency documentary evidence that the proposed Retail Project meets the criteria to be a Permitted Retail Project, which documentation may include (i) an appropriate market analysis or a study prepared by a person or entity with apparent expertise in the field covered by such market analysis or study, in either case setting forth the facts upon which the Agency will rely in making a determination that the proposed Retail Project meets the criteria to be a Permitted Retail Project, or (ii) a letter a government official with appropriate expertise setting forth the facts upon which the Agency will rely in making a determination that the proposed Retail Project meets the criteria to be a Permitted Retail Project.

(J) “Retail Project” means 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. For the purposes of this definition, “retail sales” shall mean: (1) sales by a registered vendor under article twenty-eight of the New York Tax Law primarily engaged in the retail sale of tangible personal property, as defined in Section 1101(b)(4)(i) of the New York Tax Law; or (2) sales of a service to such customers.

(K) “Tourism Destination Facility” means a project in the County that the Agency determines (1) will attract and/or service a significant number of Tourists (either due to the nature of the project, or as demonstrated by an appropriate market analysis), (2) will entice more Tourists to come to the County, (3) is linked to other Tourism Destination Facilities in the County, and (4) will agree to pay (a) sales taxes and occupancy taxes related to the operation of said facility and (b) if not operated by a not-for-profit corporation or entity, real estate taxes and/or Pilot payments related to such facility. The Agency will also consider venues relating to arts, entertainment and recreation - examples include: hotels/motels, performing arts, theater companies, sports arenas, museums, historical sites, camp grounds, amusement and theme parks, themed typed destination restaurants, golf courses, skiing facilities, all open to the general public.

(L) “Tourist” means a project customer that is expected to come from outside the economic development region (as established by Section 230 of the New York Economic Development Law) in which the County is located.

SECTION 3. TYPES OF ELIGIBLE PROJECTS. Subject to compliance with all the requirements of the Act, proposed projects and/or projects with occupants whose businesses fall within the following categories are hereby determined to be eligible for Financial Assistance from the Agency:

(A) **“Industrial Project”** – This term includes manufacturing and industrial projects allowed under the Act, including industrial pollution control projects. The Agency targets the industrial sector because of the quality of the jobs this sector creates and because it is unlikely that such applicants will be competing with other businesses in the County. The Agency defines “industrial” very broadly to include, but not limited to, aerospace, computer software, agri-business, and printing and publishing.

(B) **“Warehousing Project”** - Any project which qualifies for financial assistance under the Act as a warehousing project. This term includes distribution facilities and other similar facilities.

(C) **“Research Project”** – Any project which qualifies for financial assistance under the Act as a research project. This term includes research and development facilities and other similar facilities.

(D) **“Tax-Exempt Project”** – Any project which qualifies for tax-exempt financing by the Agency under the Internal Revenue Code of 1986, as amended (the “Code”), provided that such project is permitted under the Act.

(E) **“Small Alternate Energy Projects”** – Any project that (1) is determined by the Agency to be primarily composed of a facility described in Section 487(1) of the Real Property Tax Law (including solar or wind energy equipment, a solar or wind energy system, farm waste electric generating equipment, and a farm waste energy system), (2) is installed or to be installed in, a farm or a small business located within the County and (3) is not a Wind Farm Project.

(F) **“Wind Farm Project”** – Any project that is primarily composed of a group of wind turbines and related facilities in the same location intended to be used for the production of electric power to be sold to third parties, including all related equipment determined by the Agency to be necessary or desirable for collecting such electric energy and delivering same to the electric grid, but shall not include the land and improvements that were included on the tax rolls of the Affected Tax Jurisdictions prior to the commencement of the project of which such Wind Farm Facility is a part.

(G) **“Commercial Projects”** - Any commercial project which (w) is not an Industrial Project, a Warehousing Project, a Research Project, a Tax-Exempt Project, a Small Alternate Energy Project or a Wind Farm Project, (x) qualifies for financial assistance under the Act, (y) if within the definition of a Retail Project, constitutes a Permitted Retail Project, and (z) is approved by the Agency. This term includes, but is not limited to, the following:

(1) **“Retail Projects”** – As a general rule, the Agency has traditionally refrained from assisting retail projects and for-profit medical facilities (such as doctor’s offices, clinics and laboratories) unless such projects were both permitted by the Act and were deemed by the Agency to provide sufficient public benefits to offset whatever public detriments might arise as a result of such project. Factors influencing whether the Agency will consider granting Financial Assistance to a particular retail/commercial project include, but are not necessarily limited to, the following:

- (a) Whether the proposed Retail Project is a Permitted Retail Project;
- (b) Whether the project is a critical part of a larger, planned development in the community;

(c) Whether the project has been endorsed by the local municipal chief executive officer or the local municipal governing body; and

(d) Whether the project is located in an economic development zone, Empire Zone or similar zone targeted for additional local or state financial assistance.

(2) **“Medical Projects”**- (a) A medical project which constitutes a Retail Project (such as a doctor’s office or a clinic) is generally not eligible for Financial Assistance from the Agency, unless such medical facility (i) is a Permitted Retail Project and (ii) is otherwise eligible for consideration by the Agency as a Retail Project as provided in Section 3(G)(1) above. The Agency may consider providing Financial Assistance to a medical project which constitutes a Retail Project if such project is both permitted by the Act and deemed by the Agency to provide sufficient public benefits to offset whatever public detriments might arise as a result of such project. Factors influencing whether the Agency will consider granting Financial Assistance to a particular medical project include, but are not necessarily limited to, the following: (i) a medical facility that provides leading edge technology facilities, with a demonstrated commercialization potential or associated local research component, (ii) a medical facility that provides medical services that are generally otherwise not available (provided that an appropriate market analysis confirming such unavailability is provided), or (iii) a medical facility with a demonstrated need, backed up with a qualified study outlining the need for the new facility or for the retention of the existing facility within the County.

(b) The Agency will consider providing Financial Assistance to a medical project which does **not** constitute a Retail Project if such project qualifies for financial assistance under the Act. An example of such a medical facility might be a back office medical support facility.

(3) **“Residential Project”** – As a general rule, the Agency has traditionally refrained from providing Financial Assistance to residential projects unless such projects were both permitted by the Act and were deemed by the Agency to provide sufficient public benefits to offset whatever public detriments might arise as a result of such project. The Agency will consider providing Financial Assistance to multi-tenant facilities, if such facilities can demonstrate a need in the college, university, commercial or manufacturing sector or otherwise promote employment opportunities and prevent economic deterioration, as confirmed by an appropriate expert study or a written analysis by a government official with appropriate expertise, and such a determination is made by the Agency based upon all of the relevant facts.

(4) **“Distributive Service Project”** – The Agency will consider providing Financial Assistance to a project that is primarily composed of facilities for distributive services, including but not limited to the following: (a) wholesaling durable and non-durable merchandise; (b) air, rail, water, truck and other transportation and distribution support activities; (c) warehousing and storage; (d) publishing; broadcasting and telecommunications; (e) distribution centers; and (f) information services and data processing services.

(5) **“Recreation Project”** – Any project that is composed primarily of facilities that qualify for financial assistance under the Act as recreation facilities. Pursuant to Section 854(9) and (10) of the Act, this term includes horse racing facilities and other facilities for the use of the general public as spectators or participants in recreation activities but shall not include automobile racing facilities or other similar facilities. The Agency may consider providing Financial Assistance to a recreation project if such project is (i) permitted by the Act and

(ii) deemed by the Agency to provide sufficient public benefits to offset whatever public detriments might arise as a result of such project.

(6) **“Adaptive Reuse Project”** – In order to prevent economic deterioration and promote employment opportunities in the County, the Agency will consider providing Financial Assistance to an Adaptive Reuse Project if such project is both (a) permitted by the Act and (b) is deemed by the Agency to provide sufficient public benefits to offset whatever public detriments might arise as a result of such project. Factors influencing whether the Agency will consider granting Financial Assistance to a particular Adaptive Reuse Project include the following: (i) the age of the structure and the challenges to its redevelopment; (ii) the time period during which the structure has been vacant or underutilized; (iii) whether the structure is generating significant rental income; (iv) whether the proposed Adaptive Reuse Project is compliant with the investment and growth criteria of the local master plan; (v) appropriate evidence indicating financial obstacles to the development of the project without Financial Assistance from the Agency or other public assistance; (vi) evidence of local governmental support; (vii) whether the structure or site presents a significant public safety hazard or its re-use would involve significant environmental remediation costs; (viii) whether the site or structure is located in a Highly Distressed Area; (ix) whether the structure presents significant costs associated with building code issues; (x) whether the site or structure is presently delinquent in property tax payments; and (xi) such additional criteria as may be developed by the Agency from time to time.

(7) **“Mixed Use Project”** - The Agency will consider providing Financial Assistance to a Mixed-Use Project if such project is both (a) permitted by the Act and (b) is deemed by the Agency based upon all of the relevant facts to advance priorities of a municipal downtown revitalization plan or otherwise promote employment opportunities and prevent economic deterioration. In order to form a basis for the Agency to decide whether to approve a proposed Mixed Use Project, the Agency may request that the applicant provide to the Agency documentary evidence that the proposed Mixed Use Project will advance priorities of a municipal downtown revitalization plan or otherwise promote employment opportunities and prevent economic deterioration, which documentation may include (i) an appropriate market analysis or a study prepared by a person or entity with apparent expertise in the field covered by such market analysis or study, in either case setting forth the facts upon which the Agency will rely in making a determination that the proposed Mixed Use Project will advance priorities of a municipal downtown revitalization plan or otherwise promote employment opportunities and prevent economic deterioration, or (ii) a letter a government official with appropriate expertise setting forth the facts upon which the Agency will rely in making a determination that the proposed Mixed Use Project will advance priorities of a municipal downtown revitalization plan or otherwise promote employment opportunities and prevent economic deterioration.

SECTION 4. PROCEDURES FOR DEVIATION. The Agency may determine to deviate from the provisions of this Eligible Projects Policy provided that the Agency adopts a resolution (A) setting forth, with respect to the proposed deviation, the reasons for the proposed deviation and (B) imposing such terms and conditions thereon as the Agency shall deem just and proper.

SECTION 5. ANNUAL REVIEW OF POLICY. At least annually, the Agency shall review this Eligible Projects Policy to determine relevance, compliance with law, effectiveness, and shall adopt any modifications or changes that it shall deem appropriate. The Governance Committee in conjunction with the Executive Director of the Agency shall be responsible for conducting an annual review of this Eligible Projects Policy and for an evaluation of the internal control structure established to ensure compliance with this Eligible Projects Policy, which review shall be submitted to the Agency for consideration by the Agency.