

**Minutes of the Meeting of the
County of Clinton Industrial Development Agency
December 12, 2016**

The meeting was called to order by D. Hoover, Vice Chairperson, at 12:11 p.m., at the offices of the County of Clinton Industrial Development Agency, 190 Banker Road, Suite 500, Plattsburgh, N.Y.

Members Present: David Hoover, Vice Chairperson
 Michael Zurlo, Secretary
 Kim Murray, Assistant Secretary
 Keith Defayette, Treasurer and CFO
 John VanNatten, Member

Excused: Trent Trahan, Chairperson
 Mark Leta, Member

Others Present: Melissa McManus, Executive Director
 George Cregg, Esq., Agency Counsel
 Barbara Shute, Recording Secretary

D. Hoover declared that a *quorum* was present.

D. Hoover waived the reading of the notice of the meeting published in the *Press-Republican* on December 11, 2015.

Appointment to Audit Committee

Due to the lack of a quorum and the need to conduct business, John VanNatten was nominated by M. Zurlo as a member of the IDA Audit Committee.

On a motion by M. Zurlo, seconded by D. Hoover, it was unanimously carried to approve the appointment of J. VanNatten to the IDA Audit Committee as discussed.

Recess Meeting to hold Audit Committee Meeting

On a motion by K. Defayette, seconded by J. VanNatten, it was unanimously carried to recess the regular meeting to conduct an Audit Committee meeting at 12:12 p.m.

Reconvene Meeting

On a motion by K. Murray, seconded by M. Zurlo, it was unanimously carried to reconvene the regular meeting of the CCIDA at 12:19 p.m.

Approval of the Minutes:

D. Hoover waived the reading of the minutes of the November 14, 2016 regular meeting. He asked if there were any questions or discussion regarding the draft minutes and there were none. On a motion by M. Zurlo, seconded by J. VanNatten, it was unanimously carried to approve the minutes of the November 14, 2016 regular meeting, as presented.

Public Comment: None

Treasurer's Report

K. Defayette reviewed the treasurer's report. There were no questions or concerns from the board.

On a motion by K. Murray, seconded by J. VanNatten, it was unanimously carried to approve the treasurer's report as presented by K. Defayette.

M. Zurlo noted the need to transfer money from the CCCRC to the CCIDA in the first quarter of 2017 to help cover expenses. Per G. Cregg, M. McManus will need to make a recommendation of an amount to be transferred and when that transfer needs to occur.

Hodgson Russ will develop a draft administrative services agreement between the CCIDA and the CCCRC which will allow for the transfer of money to pay for administrative services to be acted upon at the January meeting by both the CCCRC and the CCIDA.

Committee Reports

Audit Committee:

K. Defayette noted that the committee met prior to this meeting to review the results of the RFP for professional auditing services.

The sole submission was received from Martindale Keysor, a firm qualified to perform the required services. The cost for their services are on an escalating basis, and they begin at \$5,000 for 2016. The committee recommends approval of Martindale Keysor for professional auditing services and authorization to initiate the 2016 Agency Audit.

With no further discussion on a motion by M. Zurlo, seconded by K. Murray, it was unanimously approved to contract with Martindale Keysor for professional auditing services and to authorize the initiation of the audit for 2016.

Finance Committee:

K. Defayette stated that the committee and the Board reviewed the draft budget for 2017 in October to allow time for the draft budget to be posted on PARIS and at the County for 30 days. There have been no changes to the budget since that review. The committee is recommending adoption of the final budget for 2017.

With no further discussion, on a motion by K. Murray, seconded by J. VanNatten, it was unanimously approved to adopt the proposed budget for 2017.

Governance Committee:

M. Zurlo stated that the committee met prior to this meeting to review the draft versions of the following 2016 annual reports:

- 2016 CCIDA Mission and Operations Statement
- 2016 CCIDA Performance Measures Report
- 2016 CCIDA Operations and Accomplishments Report
- 2016 CCIDA Procurement Report

- 2016 CIDA Operations and Accomplishments Report

Staff recommended a few minor changes to the CCIDA goals on the Mission and Operations Report that the committee approved:

- GOAL #2 - ~~Secure commitments for Airport Facility Project~~
Expand this goal to: Support Redevelopment of Key Facilities and Linked Economic Sectors
- GOAL #3 – Proposed revised goal: Collaborate with Partners to Strengthen the County’s Economic Base
- GOAL #4 – Proposed revised Goal: Strengthen Administration, Monitoring and Operations

The committee had no concerns or questions regarding any of the reports and are recommending the board’s approval and authorization to post all 2016 reports on the Agency website.

With no further discussion, on a motion by K. Defayette, seconded by J. VanNatten, it was unanimously approved to accept all 2016 reports as discussed and to authorize posting all reports to the Agency website.

Old Business:

1. Saranac Power Partners – Request to Extend PILOT Agreement

Staff gave the members an overview of the public hearing and the meeting with the taxing jurisdictions. As a result of those meetings and discussion with agency counsel, staff are recommending a one-year extension of the current PILOT Agreement, with the payment and distribution to remain the same as 2016.

This one-year extension would allow time for staff to address questions raised by the taxing jurisdictions and to further explore potential options.

Staff discussed the one-year extension with J. Gokey, General Manager of Saranac Power Partners, and the company is amendable to this course of action.

Following M. Zurlo’s notification of the CCIDA that the Town of Beekmantown has requested a change in the method of County sales tax distribution that will result in a change in the Town property tax rate, agency council recommended reviewing any other PILOTs within the Town of Beekmantown to see if the formula for distribution of PILOT payments needs to be adjusted.

Accept Public Hearing Report

The members received a copy of the public hearing report with the meeting information. There were no questions or concerns regarding that report.

On a motion by K. Murray, seconded by J. VanNatten, it was unanimously approved to accept the report of the public hearing as submitted.

Approval of Resolution #12-16-01 Authorizing Extension of PILOT Agreement

The following resolution was offered by M. Zurlo, seconded by K. Murray, to wit:

Resolution No. 12-16-01

RESOLUTION AUTHORIZING (A) A DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY AND (B) THE AMENDMENT OF AN EXISTING PILOT AGREEMENT IN CONNECTION WITH THE SARANAC POWER PARTNERS, L.P. PROJECT.

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 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 commercial 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, on or about December 29, 1992 (the "Closing Date"), the Agency entered into an installment sale agreement dated as of December 29, 1992 (the "Installment Sale Agreement") between the Agency and Saranac Power Partners, L.P. (the "Company") and other related documents for the purpose of undertaking the following project (the "Project") for the benefit of the Company: (A) (1) the acquisition of fee title to, leasehold interests in and certain easements to various parcels of real property located in the Town of Plattsburgh, Clinton County, New York (the "Land"), (2) the construction on the Land of a 240MW natural gas-fired cogeneration facility and related transmission lines and electrical energy interconnection facilities (the "Facility") and (3) the acquisition and installation of various machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"); (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 sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (the "Financial Assistance"); and (C) the sale of the Project Facility to the Company pursuant to the Installment Sale Agreement; and

WHEREAS, on or about December 29, 1992, the Agency acquired various interests in the Land pursuant to various conveyance documents executed on or about December 29, 1992 from the Company to the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Installment Sale Agreement, (A) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of December 29, 1992 (the "Original Payment in Lieu of Tax Agreement", and sometimes hereinafter referred to as the "Existing Payment in Lieu of Tax Agreement") by and among the Agency, the Company and The Development Corporation Clinton County, New York

(f/k/a Clinton County Area Development Corp.), as agent (the "Pilot Mortgage Agent") for the Agency and the "Taxing Entities" (as such term is defined in the Original Payment in Lieu of Tax Agreement), pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility to the Clinton County Treasurer (the "Treasurer") for distribution to the appropriate Taxing Entities entitled to same pursuant to the provisions of the Existing Payment in Lieu of Tax Agreement, (B) the Agency filed with the assessor and mail to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Existing Payment in Lieu of Tax Agreement, and (C) the Company and the Agency executed and delivered a pilot mortgage dated as of December 29, 1992 (the "Original Pilot Mortgage", and sometimes hereinafter referred to as the "Existing Pilot Mortgage") from the Agency and the Company, as mortgagor, and the Pilot Mortgage Agent, as mortgagee (the "Pilot Mortgagee"), pursuant to which the Company and the Agency agreed to grant to the Pilot Mortgagee a mortgage lien on the Project Facility as security for, among other things, the obligation of the Company to make all payments and all other obligations of the Company for the benefit of the Agency and the Taxing Entities under the Original Payment in Lieu of Tax Agreement (the Installment Sale Agreement, the Original Payment in Lieu of Tax Agreement, the Real Property Tax Exemption Form and the Original Pilot Mortgage being sometimes collectively referred to as the "Basic Documents"); and

WHEREAS, the Original Payment in Lieu of Tax Agreement was amended by a first amendment to payment in lieu of tax agreement dated as of March 1, 2009 (the "First Amendment to Payment in Lieu of Tax Agreement"), and further amended pursuant to a second amendment to payment in lieu of tax agreement dated as of December 1, 2009 (the "Second Amendment to Payment in Lieu of Tax Agreement") and further amended pursuant to a third amendment to payment in lieu of tax agreement dated as of December 1, 2013 (the "Third Amendment to Payment in Lieu of Tax Agreement" and collectively with the First Amendment to the Payment in Lieu of Tax Agreement, the Second Amendment to Payment in Lieu of Tax Agreement and the Original Payment in Lieu of Tax Agreement, the "Existing Payment in Lieu of Tax Agreement") by and among the Agency, the Company and The Development Corporation Clinton County, New York (f/k/a Clinton County Area Development Corp.), as agent (the "Pilot Mortgage Agent") for the Agency and the "Taxing Entities" (as such term is defined in the Original Payment in Lieu of Tax Agreement); and

WHEREAS, pursuant to a request dated May 31, 2016 and supplemented by a follow-up request dated June 29, 2016 (collectively, the "Pilot Request"), the Company requested the Agency to once again amend the Existing Payment in Lieu of Tax Agreement to extend the term and reduce the payments due under the Existing Payment in Lieu of Tax Agreement (the "Fourth Amendment to Payment in Lieu of Tax Agreement"); and

WHEREAS, pursuant to the Pilot Request, the Agency, by resolution adopted on August 8, 2016 (the "Resolution Authorizing Pilot Deviation Letter and Public Hearing to Amend Pilot"), authorized the Executive Director of the Agency to (A) cause notice of a public hearing of the Agency (the "Public Hearing"), pursuant to Section 859-a of the Act, to be (i) mailed on November 3, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located (each, an "Affected Tax Jurisdiction"), (ii) published on November 11, 2016 in the Press Republican, a local newspaper of general circulation available to the residents of the Town of Plattsburgh, Clinton County, New York and (iii) posted on November 7, 2016 on the Agency's website and also as a public bulletin

board located at the Town of Plattsburgh offices located at 151 Banker Road in the Town of Plattsburgh, Clinton County, New York, (B) conduct the Public Hearing on November 30, 2016 at 3:00 o'clock p.m. in the office of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York, (C) prepare a report of the Public Hearing (the "Report") and give a copy of the Report to each member of the Agency, (D) give notice of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Pilot Request (the "Pilot Deviation Notice"), attached hereto as Exhibit A, to the chief executive officers of the Affected Tax Jurisdictions, and (E) invite comments from said chief executive officers with respect to the Pilot Request; 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), by the Resolution Authorizing Pilot Deviation Letter and Public Hearing to Amend Pilot, the Agency determined that the Pilot Request constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(26), and therefor that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Pilot Request and the Fourth Amendment to Payment in Lieu of Tax Agreement; and

WHEREAS, the Fourth Amendment to Payment in Lieu of Tax Agreement will be a deviation from the Agency's uniform tax exemption policy in that the Fourth Amendment to Payment in Lieu of Tax Agreement will revise the payments in lieu of taxes made by the Company each year under the Existing Payment in Lieu of Tax Agreement as outlined above and in the Pilot Deviation Notice; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such a deviation from the Agency's uniform tax exemption policy, the Agency must give the Affected Tax Jurisdictions prior written notice of the proposed deviation from the Agency's uniform tax exemption policy and the reasons therefore; and

WHEREAS, pursuant to the Pilot Deviation Notice, the Executive Director of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy; and

WHEREAS, as a result of discussions had by the Agency with the Affected Tax Jurisdictions, the Agency now desires to approve the Pilot Request, subject to the following modifications (collectively, the "Modifications"): (A) the term of the Fourth Amendment to Payment in Lieu of Tax Agreement shall be limited to one (1) year, not the original three (3) years requested by the Company and (B) the Fourth Amendment to Payment in Lieu of Tax Agreement shall require that the Company make the same Pilot Payment as outlined in the Existing Payment in Lieu of Tax Agreement; and

WHEREAS, having complied with the requirements of Section 859-a of the Act and with the requirements of SEQRA relating to the Fourth Amendment to Payment in Lieu of Tax Agreement, the Agency now desires to make its final determination whether to proceed with the Fourth Amendment to Payment in Lieu of Tax Agreement and to authorize the execution and delivery of a Fourth Amendment to Payment in Lieu of Tax Agreement incorporating the Modifications;

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

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Notice.

(B) The Agency has reviewed and responded to any written comments received from any Affected Tax Jurisdiction with respect to the proposed Pilot Request.

(C) The Agency has given reviewed the comments received from the Affected Tax Jurisdictions with respect to the proposed Pilot Request and Fourth Amendment to Payment in Lieu of Tax Agreement, and proposes to implement the Modifications in response to said comments.

Section 2. Based on the findings and determinations in Section 1 above, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed Fourth Amendment to the Payment in Lieu of Tax Agreement, said Fourth Amendment to the Payment in Lieu of Tax Agreement to contain the terms requested in the Pilot Request, as modified by the Modifications.

Section 3. The Agency hereby further determines that the Agency has now fully complied with the requirements of Section 859-a of the Act and the requirements of SEQRA that relate to the Fourth Amendment to Payment in Lieu of Tax Agreement and the Pilot Request.

Section 4. Upon preparation by counsel to the Agency of a Fourth Amendment to Payment in Lieu of Tax Agreement reflecting the terms of this resolution and approval of same by the Chairperson (or Vice Chairperson) of the Agency, the Chairperson (or Vice Chairperson) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Fourth Amendment to Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairperson (or Vice Chairperson), the execution thereof by the Chairperson (or Vice Chairperson) to constitute conclusive evidence of such approval.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Fourth Amendment to Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Fourth Amendment to Payment in Lieu of Tax Agreement binding upon the Agency.

Section 6. 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
David Hoover

VOTING
VOTING

EXCUSED
YES _____

Michael E. Zurlo	VOTING	YES
Kim Murray	VOTING	YES
Keith Defayette	VOTING	YES
Mark Leta	VOTING	EXCUSED
John VanNatten	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

Other Business As Required: None

New Business:

NorthStar 41 LLC

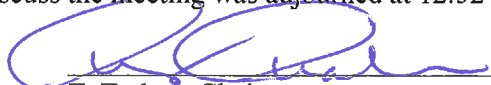
Staff spoke with K. Lamberton from NorthStar 41, LLC and determined that the company has not met the job requirement goal of 21 jobs per the purchase agreement with Empire State Development (ESD). The company is requesting a one-year extension, in the job creation goals which ESD has approved.

With no further discussion, on a motion by J. VanNatten, seconded by K. Defayette, it was unanimously carried to approve a one-year extension of the job creation goal for NorthStar 41, LLC.

Executive Directors Report

Project Monitoring: ARCP/DHC - A letter was sent to all known contacts for the project, outlining the potential loss of real property tax exemptions due to failure to comply with IDA conditions for real property tax exemption benefit (PILOT).

With no further items to discuss the meeting was adjourned at 12:52 pm.



T. Trahan, Chairperson