

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

548 Broadway
Monticello, New York 12701
(845) 428-7575 - Voice
(845) 428-7577 - Fax
www.sullivanida.com
TTY 711

MEETING NOTICE

TO: Suzanne Loughlin, IDA Chairperson
Edward Sykes, IDA Vice Chairman
Carol Roig, IDA Secretary
Howard Siegel, IDA Treasurer & Chief Financial Officer
Scott Smith, IDA Assistant Treasurer
Paul Guenther, IDA Member
Sean Brooks, IDA Member
Chairman and Members of the Sullivan County Legislature
Josh Potosek, Sullivan County Manager
John Kiefer, IDA Chief Executive Officer
Walter Garigliano, Esq., IDA Counsel

FROM: Jennifer Flad, Executive Director

DATE: February 9, 2022

PLEASE TAKE NOTICE that there will be a Regular Meeting of the County of Sullivan Industrial Development Agency scheduled as follows:

Date: Monday, February 14, 2022
Time: 11:00 AM
Location: Via Zoom Videoconference Call

Because of the Novel Coronavirus (COVID-19) pandemic and in accordance with Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and which allows state and local government meetings that are normally held in person to be held remotely instead, this meeting will be held via Zoom videoconference call.

Members of the public may attend the meeting by dialing 929-205-6099 and entering Meeting ID 678-518-8985 or by using the following meeting link:
<https://us06web.zoom.us/j/6785188985>

This meeting video will also be livestreamed on the [IDA's YouTube Channel](#).

Meeting documents will be posted online [here](#).

SEE REVERSE FOR AGENDA

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AMENDED MEETING AGENDA

Monday, February 14, 2022

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MEETING MINUTES

January 10, 2022 Meeting—Recessed to January 24, 2022

IV. BILLS AND COMMUNICATIONS

V. STAFF ACTIVITY REPORT & QUARTERLY FINANCIAL REPORT

VI. NEW BUSINESS

Resolution: (I) Accepting the Conveyance of Real Property from the Sunset Lake Local Development Corporation, and (II) Authorizing the Execution and Delivery of a Lease to Agency, Leaseback to Company, PILOT Agreement and Related Documents

Resolution: (I) Authorizing the Agency to Take Official Action to Reaffirm, in Part and Amend, in Part its Current Uniform Tax Exemption Policy and Create One Additional Program, to Wit: Sullivan County International Airport Program in Accordance with the Report of the Committee to Review the Agency's Uniform Tax Exemption Policy and the Recommendations as Hereinafter Set Forth; and (II) Authorizing the Agency's Staff to Provide Notice to All Affected Taxing Jurisdictions of the Proposed Recommended Amendments to the Agency's Uniform Tax Exemption Policy

Resolution: Authorizing a Second Amendment to the Payment in Lieu of Taxation Agreement Relating to the Forestburgh Property LLC and Forestburgh Hospitality LLC Project

Resolution: Authorizing and Approving the Execution and Delivery of Any and All Agreements, Certificates, Documents and Instruments Necessary to Apply to the United States Department of Agriculture for Rural Business Development Grants or Other Available Grant Funds

Discussion and Approval: SVG 26 LLC Request for Amendment of AgriBusiness Lease

Discussion and Approval: Sullivan Catskills Regional Food Hub, Inc. Request for Amendment of Building and Equipment Leases

Discussion and Approval: AgriBusiness Lease to AJMR, LLC

Discussion and Approval: Agency Procurement Policy, Investment Policy, and Property Disposal Policy

Discussion and Approval: Agency Mission Statement and Performance Measurements

Any and All Other Business Before the Board

VII. PUBLIC COMMENT AND ADJOURN

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548 Broadway

Monticello, New York 12701

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REGULAR MEETING MINUTES

Monday, January 10, 2022 (Recessed) and Monday, January 24, 2022 (Reconvened)

I. CALL TO ORDER

Chairperson Suzanne Loughlin called to order the regular meeting of the County of Sullivan Industrial Development Agency at approximately 11:01 AM via video conference.

II. ROLL CALL

Members Present-

Suzanne Loughlin
Edward Sykes
Howard Siegel
Carol Roig
Paul Guenther
Scott Smith

Members Absent-

Sean Brooks

Staff Present-

John Kiefer, Chief Executive Officer
Jennifer Flad, Executive Director
Julio Garaicoechea, Project Manager

Staff Absent-

None

Others Present-

Walter Garigliano, Agency Counsel
Ken Walter

III. APPROVAL OF MEETING MINUTES

On a motion made by Mr. Smith, and seconded by Mr. Sykes, the minutes of the December 13, 2021 Regular Meeting were unanimously approved.

IV. BILLS AND COMMUNICATIONS

On a motion made by Mr. Guenther, and seconded by Mr. Sykes, the schedule of payments showing 11 payments totaling \$9,577.81 was unanimously approved. Ms. Flad noted that the Agency received and disbursed \$597,234.85 in PILOT.

V. STAFF ACTIVITY REPORT

Ms. Flad stated that the annual audit performed by RBT CPAs is set to begin in the next few weeks.

VI. NEW BUSINESS

On a motion made by Mr. Siegel, and seconded by Mr. Sykes, the Board reviewed and discussed a resolution extending the Sales Tax Abatement Period for Catskill Hospitality Holding LLC and Catskill Hospitality Operating LLC Project from February 1, 2022 through and including July 31, 2022. Attorney Garigliano stated that the project is delayed and needs more time to complete the project. Mr. Garaicoechea stated that while the project has filed timely reports and fees, the total authorized purchases claimed and sales tax abated account for approximately 20% of the project. Attorney Garigliano advised to review the filings when the project is completed. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

Ms. Flad gave an update from the UTEP Review Committee. The Committee met with local officials, received input, and is currently synthesizing and drafting a report detailing recommendations for changes to the UTEP that will be available by February.

Attorney Garigliano asked for an update on whether the Montreign Operating Company project required an extension of the Sales Tax Abatement Period. Ms. Flad stated that she has had conversations with the project and the project has not yet provided a detailed listing of eligible expenditures.

VII. PUBLIC COMMENT AND RECESS

Chairperson Loughlin asked those present for public comment. There was none. On a motion made by Mr. Siegel, and seconded by Mr. Sykes, at approximately 11:15 AM the meeting was recessed to January 24, 2022 at 11:00 AM at the Sullivan County Government Center.

VIII. RECONVENE

Chairperson Suzanne Loughlin reconvened the recessed regular meeting of the County of Sullivan Industrial Development Agency at approximately 11:04 AM via video conference on January 24, 2022.

IX. ROLL CALL

Members Present-

Suzanne Loughlin
Edward Sykes
Howard Siegel
Carol Roig
Scott Smith
Sean Brooks

Members Absent-

Paul Guenther

Staff Present-

John Kiefer, Chief Executive Officer
Jennifer Flad, Executive Director
Julio Garaicoechea, Project Manager

Staff Absent-

None

Others Present-

Walter Garigliano, Agency Counsel
Michael McGuire, Sullivan County Attorney
Joseph Abraham, *Sullivan County Democrat*
Richard Robbins, Chairman of the Forestburgh Planning Board
Ken Walter

IX. BILLS AND COMMUNICATIONS

On a motion made by Mr. Sykes, and seconded by Mr. Siegel, the schedule of payments showing three payments totaling \$227.72 was unanimously approved.

X. NEW BUSINESS

Ms. Flad discussed the **Draft Report and Recommendations of Committee to Review the Agency's Uniform Tax Exemption Policy**. The Board discussed the recommendations yet took no action at this time.

On a motion made by Mr. Siegel, and seconded by Mr. Sykes, the Board discussed a resolution terminating the **Temporary Pause on Receiving New Applications** under certain of the Agency's Uniform Tax Exempt Policy. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

On a motion made by Mr. Sykes, and seconded by Mr. Siegel, the Board reviewed and discussed a resolution to authorize engagement of **Jacobowitz and Gubits as Special Counsel** to assist with certain amendments of

the Agency's Uniform Tax Exemption Policy. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

On a motion made by Mr. Brooks, and seconded by Mr. Sykes, the Board discussed and reviewed a resolution authorizing and directing the Executive Director to send a letter to the affected taxing jurisdictions informing them of a proposed deviation from the Agency's Uniform Tax Exemption Policy in connection with the proposed **Sunset Lake Local Development Corporation** application. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved.

XI. PUBLIC COMMENT AND ADJOURN

Chairperson Loughlin asked those present for public comment. The Board recognized the comments of Ken Walter and Joseph Abraham. On a motion made by Mr. Siegel, and seconded by Mr. Sykes, the meeting was adjourned at approximately 11:38 AM.

Respectfully submitted:
Julio Garaicoechea, Project Manager
##

DRAFT

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

548 Broadway, Monticello, NY 12701

845-428-7575

SCHEDULE OF PAYMENTS: FEBRUARY 14, 2022

No.	Vendor	Description	Amount
1	Cardmember Services	Zoom, Adobe	\$ 31.18
2	Callicoon Cooperative Insurance Company	Food Hub Property Policy Renewal 3/21/22-3/21/23	\$ 1,597.15
3	Garigliano Law Offices	Retainer- February 2022	\$ 250.00
4	Kristt Kelly Office Systems Corp.	Printer and Toner	\$ 448.00
5	New Southern Tier Title Agency LLC	Office Rent- March 2022	\$ 2,700.00
6	Shepstone Management Company, Inc.	Cost-Benefit Analysis: Sunset Lake Local Development Corp.	\$ 975.00
7	Time Warner Cable	Telephone and Internet Service- February 2022	\$ 259.95
8	USDA Rural Development	RMAP Loan Repayment - February 2022	\$ 2,370.41
TOTAL			\$ 8,631.69

I certify that the payments listed above were audited by the Board of the IDA on February 14, 2022 and allowed in the amounts shown. You are hereby authorized and directed to pay each of the claimants in the amount opposite its name.

2/14/2022

Signature

Date

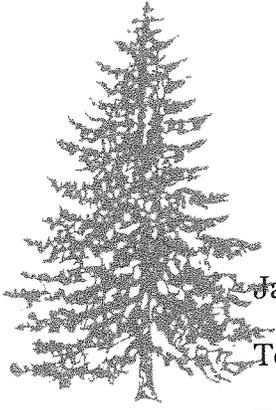
Expenses Approved and Paid Since Last Meeting (1/24/22)

No.	Vendor	Description	Amount
1	Mike Preis, Inc.	D&O Policy Renewal 2/5/22-2/5/23 (approved 2/1/22)	\$ 3,395.00
TOTAL			\$ 3,395.00

Other Expenses and Items Paid Since Last Regular Meeting (12/13/21)—no approval required

No.	Vendor	Description	Amount
1	Francotyp Postalia	Postage for Postage Meter 1/31/22	\$ 200.00
2	Payroll Expenses	Payroll Check Dates: 1/14/22, 1/28/22, 2/11/22	\$ 25,821.29
TOTAL			\$ 26,021.29

PILOT Distribution #2, 1/28/22	457 Equities	Be Neet & Jeff Sanitation	Beaverkill Studio, Inc.	Bethel Perf. Arts Center	BRR Brothers III	Catskill Hospitality	Dimifini/ Rolling V	Doetsch I & II (Seminary Hill Cidery)	Doetsch III (Seminary Suites)	Ella Ruffo LLC	Kohl's	Millennium	Mogenavland LLC	Peck's	Regency Manor	Theowins	Veteran NY 55 Sturgis LLC	Taxing Juris. Totals
Sullivan County	\$ 6,883.94	\$ 3,871.77	\$ 1,798.08	\$ 14,346.82	\$ 5,316.71	\$ 6,903.12	\$ 4,462.24	\$ 1,614.53	\$ 2,302.85	\$ 842.25	\$ 126,179.43	\$ 288,715.08	\$ 28,557.36	\$ 5,515.93	\$ 3,020.12	\$ 3,469.56	\$ 6,398.44	\$ 510,198.23
T. Bethel				\$ 13,025.22								\$ 8,090.78	\$ 14,599.04					\$ 35,715.04
T. Callicoon														\$ 3,099.07				\$ 3,099.07
V. Jeff.														\$ 2,885.82				\$ 2,885.82
T. Cochection												\$ 46,561.47						\$ 46,561.47
T. Delaware		\$ 2,686.41						\$ 1,120.24	\$ 1,597.83			\$ 31,604.82						\$ 37,009.30
T. Fallsburg					\$ 6,312.61		\$ 5,298.08											\$ 11,610.69
T. Forestburgh												\$ 15,558.73						\$ 15,558.73
T. Fremont												\$ 24,031.38						\$ 24,031.38
T. Highland												\$ 22,152.07						\$ 22,152.07
T. Liberty			\$ 1,837.22							\$ 553.26								\$ 2,390.48
V. Liberty										\$ 1,829.36								\$ 1,829.36
T. Lumberland												\$ 33,522.94						\$ 33,522.94
T. Mamakating										\$ 71,877.86								\$ 71,877.86
T. Rockland																\$ 2,923.25		\$ 2,923.25
T. Tusten												\$ 5,179.16	\$ 6,640.80					\$ 11,819.96
T. Thompson	\$ 1,496.53					\$ 2,863.92									\$ 656.56		\$ 1,390.98	\$ 6,407.99
V. Monticello	\$ 16,218.85														\$ 7,115.51		\$ 15,074.97	\$ 38,409.33
Eldred School												\$ 141,027.35						\$ 141,027.35
Eldred Library												\$ 186.62						\$ 186.62
Ellenville School											\$ 334,874.80							\$ 334,874.80
Ellenville Library											\$ 12,049.27							\$ 12,049.27
Fallsburg School					\$ 15,150.32		\$ 12,715.44											\$ 27,865.76
Fallsburg Library					\$ 323.26		\$ 271.31											\$ 594.57
Liberty School			\$ 5,724.46							\$ 2,681.43								\$ 8,405.89
Liberty Library			\$ 153.14							\$ 71.73								\$ 224.87
Liv. Manor School																\$ 7,146.73		\$ 7,146.73
Liv. Manor Library																\$ 133.10		\$ 133.10
Monticello School	\$ 13,955.98			\$ 31,703.35		\$ 13,994.85						\$ 12,280.48	\$ 39,545.22		\$ 6,122.75		\$ 12,971.70	\$ 130,574.33
Port Jervis School												\$ 53,726.76						\$ 53,726.76
Port Jervis Library												\$ 2,005.27						\$ 2,005.27
S-W School		\$ 6,100.25		\$ 10,601.14				\$ 2,543.81	\$ 3,628.31			\$ 309,206.22	\$ 15,317.35	\$ 9,246.51				\$ 356,643.59
S-W Library		\$ 311.75						\$ 130.00	\$ 185.42			\$ 15,801.79	\$ 782.78	\$ 472.54				\$ 17,684.28
Project Totals	\$ 38,555.30	\$ 12,970.18	\$ 9,512.90	\$ 69,676.53	\$ 27,102.90	\$ 23,761.89	\$ 22,747.07	\$ 5,408.58	\$ 7,714.41	\$ 5,978.03	\$ 544,981.36	\$ 1,009,650.92	\$ 105,442.55	\$ 21,219.87	\$ 16,914.94	\$ 13,672.64	\$ 35,836.09	\$ 1,971,146.16



TOWN OF FORESTBURGH
332 King Road
Forestburgh, New York 12777

Tel. (845) 794-0611
Fax (845) 794-0678

January 10, 2022

To: Sullivan County IDA Board Members

From: Forestburgh Town Board

Dear Sullivan County IDA board members,

The Forestburgh Town Board, after much consideration, is requesting that you suspend tax abatement programs in Forestburgh under the following categories;

- Destination Resort Program
- Retail Sales Program
- Tourism Industry Program

Forestburgh is currently faced with reduced property tax revenue due to various issues in addition to significant tax abatements on large tracts of land via 480a forestry tax abatements and two tax exempt Boy Scout Camps. These tax revenue issues and the desire to reduce our current tax burden has prompted the Forestburgh Town Board to seek your approval of this request to suspend IDA programs in our town.

Noting that the Town of Forestburgh does appreciate the work of the Sullivan County IDA to assist Sullivan County with commercial development, we do not feel that current PILOT programs in the aforementioned categories suit our needs at this time. We would like to keep the lines of communication open regarding tax exempt policies and would like to explore options to cap PILOT programs at ten years in the future.

The Forestburgh Town Board respectfully requests that the Sullivan County IDA honor our petition to opt out of tax abatement programs at this time.

Sincerely,

Daniel S. Hogue Jr.,

Town of Forestburgh Supervisor

ACTIVITY REPORT – JANUARY 2022
COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY (IDA), SULLIVAN
COUNTY FUNDING CORPORATION (SCFC), THE SULLIVAN COUNTY
INFRASTRUCTURE LOCAL DEVELOPMENT CORPORATION (TSCILDC)

February 8, 2022

At its regular monthly meeting on January 10, the IDA Board approved an extension of the sales tax abatement period for the **Catskill Hospitality Holding LLC and Catskill Hospitality Operating LLC** project, for the development of a Hampton Inn in the Town of Thompson.

The January 10 meeting recessed and reconvened on January 24. At the reconvened meeting the Board began a discussion of the **Draft Report and Recommendations of the Committee to Review the IDA's Uniform Tax Exemption Policy**. Once the Draft Report and Recommendations have been finalized, the IDA Board will determine which recommendations they wish to accept, reject, or modify, and whether they wish to make any other changes to the Uniform Tax Exemption Policy. After the IDA Board has finalized its list of proposed changes, staff will notify all affected taxing jurisdictions of the proposed changes and invite input. After the public comment period, the IDA Board will adopt a resolution amending the Uniform Tax Exemption Policy. Related, the Board authorized the engagement of **Jacobowitz and Gubits** to advise on the implementation of the Committee's recommendations. Also on January 24, the Board adopted a **resolution terminating the temporary pause on new applications**. Finally, the Board began a discussion of a new application from **Sunset Lake Local Development Corporation**, relating to the Care Center at Sunset Lake. The approval of this application would require a deviation from the IDA's Uniform Tax Exemption Policy. The Board directed staff to notify the County of Sullivan, Town of Liberty, and Liberty Central School District of the proposed deviation.

The Board of The Sullivan County Infrastructure Local Development Corporation (TSCILDC) also met on January 10 to conduct routine business.

During January IDA staff collected and disbursed the second of its 2022 payments in lieu of taxes (PILOTs). This second distribution totaled \$1,971,146.14. We will continue collecting and disbursing PILOT payments during February.

During January RBT CPAs, LLP began its annual audits of the IDA, SCFC, and TSCILDC. Staff has been furnishing documents and information as requested, and field work is expected to begin on February 10.

##

County of Sullivan Industrial Development Agency
Profit & Loss Budget vs. Actual
January through December 2021

	Jan-Mar 21	Apr-Jun 21	Jul-Sep 21	Oct-Dec 2021	Jan-Dec 2021	2021 Budget	% of Budget
Ordinary Income/Expense							
Income							
4000 · Project Fees (one time)	152,219.08	28,717.71	10,909.22	229,423.18	421,269.19	194,000.00	217.15%
4002 · Agency Annual Fees	511,567.00	0.00	0.00	0.00	511,567.00	515,567.00	99.22%
4003 · Application Fees	0.00	250.00	250.00	250.00	750.00	2,000.00	37.50%
4004 · Interest Income-Bank & CD	1,516.75	770.91	775.74	781.75	3,845.15	12,500.00	30.76%
4005 · Interest Income- Loans	799.31	862.37	700.64	372.06	2,734.38	8,500.00	32.17%
4006 · Late Fee & Misc. Income	0.00	181.47	2.93	0.00	184.40	500.00	36.88%
4011 · Rental Income- Food Hub Bldg	0.00	0.00	0.00	0.00	0.00	0.00	
4013 · Farm Assistance RLF	25,436.37	30,363.98	38,082.68	23,700.17	117,583.20	142,000.00	82.81%
4022 · SCFC Mgt & Admin Svcs	5,000.00	5,000.00	5,000.00	5,000.00	20,000.00	40,000.00	50.00%
4023 TSCILDC Mgt & Admin Svcs	0.00	0.00	0.00	12,000.00	12,000.00	12,000.00	100.00%
Anticipated New Agency Fees	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00%
Total Income	696,538.51	66,146.44	55,721.21	271,527.16	1,089,933.32	932,067.00	116.94%
Gross Profit	696,538.51	66,146.44	55,721.21	271,527.16	1,089,933.32	932,067.00	116.94%
Expense							
6000 · Personnel **	57,519.84	69,603.80	71,404.65	62,904.08	261,432.37	272,800.00	95.83%
6001 · Promotion (SC Partnership)	18,750.00	18,750.00	18,750.00	0.00	56,250.00	75,000.00	75.00%
6002 · Subscriptions	869.54	1,048.39	852.69	2,014.50	4,785.12	5,000.00	95.70%
6003 · Office Supplies & Misc. Exp.	5,517.88	1,666.98	1,252.29	1,373.29	9,810.44	15,000.00	65.40%
6003.1 · Non Reimb. Legal Fees	35,823.28	3,010.00	850.00	1,350.00	41,033.28	60,000.00	68.39%
6003.2 · Non Reimb. Accounting	4,600.00	4,600.00	3,288.10	0.00	12,488.10	9,200.00	135.74%
6003.3 · Non Reimb. Consulting	0.00	570.00	0.00	213.75	783.75	5,000.00	15.68%
6007 · Rent Expense	8,100.00	8,100.00	8,100.00	8,100.00	32,400.00	32,400.00	100.00%
6008 · Telephone/Fax/Computer	921.76	1,076.52	1,054.74	871.42	3,924.44	3,000.00	130.81%
6009 · Insurance	4,849.56	0.00	11,039.91	-5,236.45	10,653.02	15,000.00	71.02%
6010 · Postage	1,045.14	628.06	386.85	286.85	2,346.90	2,000.00	117.35%
6012.3 · Conferences & Seminars	0.00	95.00	49.00	45.00	189.00	2,000.00	9.45%
6035 Travel Expenses	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00%
6012.4 · Storage	0.00	0.00	2,993.88	0.00	2,993.88	2,400.00	124.75%
Equipment Purchases- In House	0.00	3,124.52	0.00	0.00	3,124.52	1,000.00	312.45%
6011 Repairs & Maintenance	0.00	0.00	0.00	0.00	0.00	250.00	0.00%
6012.6 · Dues	6,000.00	0.00	0.00	0.00	6,000.00	6,650.00	90.23%
6017 · Advertising	0.00	0.00	64.83	0.00	64.83	500.00	12.97%
6012.5 Credit Reports	0.00	0.00	0.00	0.00	0.00	250.00	0.00%
6040 Expense Reserve	0.00	0.00	0.00	0.00	0.00	3,000.00	0.00%
6019 · Ret'd Ck/Svc Chrg	45.00	0.00	0.00	0.00	45.00	0.00	
Total Expense	144,042.00	112,273.27	120,086.94	71,922.44	448,324.65	512,950.00	87.60%
Net Ordinary Income	552,496.51	-46,126.83	-64,365.73	199,604.72	641,608.67	419,117.00	153.09%
Net Income	552,496.51	-46,126.83	-64,365.73	199,604.72	641,608.67	419,117.00	153.09%

2/8/2022

County of Sullivan IDA Balance Sheet Comparison

ASSETS	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021
Current Assets					
Cash & Cash Equivalents	\$ 5,517,313.00	\$ 6,052,645.61	\$ 6,003,038.46	\$ 5,905,807.16	\$ 6,421,328.42
Restricted Cash	\$ 1,471,692.00	\$ 1,222,396.72	\$ 1,348,769.08	\$ 1,461,706.77	\$ 1,434,807.00
Accounts Receivable	\$ 53,832.00	\$ 274,486.56	\$ 251,361.43	\$ 246,046.75	\$ (3,669.78)
Prepaid Expense	\$ 2,700.00	\$ 2,700.44	\$ 2,700.44	\$ 2,700.44	\$ 2,700.44
Notes Receivable- Current	\$ 237,290.00	\$ 54,071.86	\$ 48,383.93	\$ 41,818.45	\$ 40,442.84
Due from Fed Agency	\$ -	\$ -	\$ -	\$ -	\$ -
Due from Related Party	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 7,282,827.00</u>	<u>\$ 7,606,301.19</u>	<u>\$ 7,654,253.34</u>	<u>\$ 7,658,079.57</u>	<u>\$ 7,895,608.92</u>
Total Current Assets					
Non Current Assets					
Notes Receivable	\$ 62,088.00	\$ 49,655.47	\$ 39,038.54	\$ 54,951.38	\$ 49,779.26
Capital Assets	\$ 3,207,541.00	\$ 3,207,540.67	\$ 3,210,665.19	\$ 3,210,665.19	\$ 3,210,665.19
	<u>\$ 3,269,629.00</u>	<u>\$ 3,257,196.14</u>	<u>\$ 3,249,703.73</u>	<u>\$ 3,265,616.57</u>	<u>\$ 3,260,444.45</u>
Total Non Current Assets					
TOTAL ASSETS	<u>\$ 10,552,456.00</u>	<u>\$ 10,863,497.33</u>	<u>\$ 10,903,957.07</u>	<u>\$ 10,923,696.14</u>	<u>\$ 11,156,053.37</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 17,553.00	\$ 29,020.05	\$ 6,347.20	\$ (2,071.52)	\$ 12,027.44
Accrued Payroll	\$ 12,625.00	\$ 8,862.91	\$ 8,862.91	\$ 8,862.91	\$ 8,862.91
Unearned Revenue	\$ 21,000.00	\$ 48,002.77	\$ 48,002.77	\$ 48,002.77	\$ 48,002.77
Proj Escrow Liability	\$ 83,077.00	\$ 56,074.24	\$ 56,074.24	\$ 61,074.24	\$ 36,074.24
PILOT Escrow Liability	\$ 365,392.00	\$ 113,520.11	\$ 206,718.58	\$ 298,867.18	\$ 361,569.66
Sales Tax Escrow Liability	\$ 444,826.00	\$ 442,838.36	\$ 437,495.98	\$ 440,044.50	\$ 440,161.65
Current Portion of Note Payable	\$ 22,893.00	\$ 23,008.10	\$ 23,123.33	\$ 23,239.14	\$ 23,355.53
	<u>\$ 967,366.00</u>	<u>\$ 721,326.54</u>	<u>\$ 786,625.01</u>	<u>\$ 878,019.22</u>	<u>\$ 930,054.20</u>
Total Current Liabilities					
Non Current Liabilities					
Note Payable	\$ 265,136.00	\$ 259,340.28	\$ 253,516.06	\$ 247,662.67	\$ 241,779.96
	<u>\$ 265,136.00</u>	<u>\$ 259,340.28</u>	<u>\$ 253,516.06</u>	<u>\$ 247,662.67</u>	<u>\$ 241,779.96</u>
Total Non Current Liabilities					
TOTAL LIABILITIES	<u>\$ 1,232,502.00</u>	<u>\$ 980,666.82</u>	<u>\$ 1,040,141.07</u>	<u>\$ 1,125,681.89</u>	<u>\$ 1,171,834.16</u>
TOTAL NET POSITION	<u>\$ 9,319,954.00</u>	<u>\$ 9,882,830.51</u>	<u>\$ 9,863,816.00</u>	<u>\$ 9,798,014.25</u>	<u>\$ 9,984,219.21</u>

2/8/2022

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
548 Broadway
Monticello, New York 12701
845-428-7575
APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION:

Company Name: Sunset Lake Local Development Corporation

Address: c/o Sullivan County Manager's Office, 100 North Street, Monticello, New York 12701

Phone No.: (845) 807-0147

Telefax No.: _____

Email Address: SunsetLakeLDC@co.sullivan.ny.us

Fed Id. No.: _____

Contact Person: Lowell Feldman - Chair

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Principal Owners (Shareholders/Members/Owners): Sullivan County - Sole Member

Directors/Managers: Lowell Feldman - Chair/Director; William Chellis - Vice Chair/Director

Officers: Michell Huck - Secretary/Treasurer; Nadia Rajszyk - Director; Albee Bockman - Director

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

Corporation (Sub-s) (Not-for-Profit Corporation pursuant to Section 1411 of the N-PCL)

Date of incorporation: September 16, 2020

State of incorporation: New York

Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation: _____

Jurisdiction formation: _____

_____ Limited Liability Company/Partnership (number of members _____)

Date of organization: _____

State of organization: _____

_____ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes___ No___ N/A_____ (If so, please append Certificate of Authority.)

APPLICANT'S COUNSEL

Name: Harris Beach PLLC, Shawn M. Griffin

Address: 99 Garnsey Road, Pittsford, New York 14534

Phone No.: (585) 419-8800

Telefax No.: (585) 419-8801

Email Address: sgriffin@harrisbeach.com

II. REQUESTED FINANCIAL ASSISTANCE

Real Property Tax Abatement (estimated)
Mortgage Tax Exemption
Sales and Use Tax Exemption
Issuance by the Agency of Tax Exempt Bonds

Estimated Value

\$ -0-
\$ -0-
\$ -0-
\$ -0-

III. PROJECT INFORMATION

A.) Project Location:

Project Address: 256 Sunset Lake Road, Liberty, New York 12754
Tax Map Number(s): 23.-1-126.6
Located in the Village of: _____
Located in Town of Liberty
Located in the School District of Liberty
Located in Hamlet of _____

(i) Are Utilities on Site?

Water/Sewer X Electric X
Gas _____ Storm Sewer X

(ii) Present legal owner of the site: Sunset Lake Local Development Corporation

If other than Applicant, by what means will the site be acquired for this Project:

(iii) Zoning of Project Site: Current: R-1 Proposed: _____

(iv) Are any variances needed: Applicant proposes to continue the current nonconforming use.

(v) Principal Use of Project upon completion: 146-bed skilled nursing facility.

B.) Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? NO; If yes, please explain:

C.) Will the Project result in the abandonment of one or more Plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? NO; If yes, please explain:

D.) If the answer to either question B or C above is yes, you are required to indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Applicant or such Project Occupant in its industry? Yes _____; No _____. If yes, please explain:

2. Is the Project reasonably necessary to discourage the Applicant or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes _____; No _____. If yes, please explain:

E.) Will the Project include facilities or property that will be primarily used in making retail sales of goods or provide services to customers who personally visit such facilities? NO; If yes, please contact the Agency for additional information.

F.) Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or all equipment purchases). Identify specific uses occurring within the Project. Describe any and all tenants and any/all end users. Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary.

See cover letter.

G.) **COSTS AND BENEFITS OF THE PROJECT**

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ -0-
Estimated Mortgage Tax Exemption	\$ -0-
Estimated Property Tax Abatement	\$ -0-
Estimated Interest Savings IRB Issue	\$ -0-

Benefits= Economic Development

Jobs created	\$ _____
Jobs retained	\$ <u>Approximately \$9,000,000.00</u> in estimated annual salary payroll
Private funds invested	\$ _____
Other Benefits	\$ _____

Estimate how many construction/permanent jobs will be created or retained as a result of this Project:

Construction: _____
 Permanent: _____
 Retained (at current facility): 150

Project Costs (Estimates)
 Land and Existing Buildings \$ _____
 Soft Costs (5%) \$ _____
 Other \$ _____
 Total \$ _____

In addition to the above estimated capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources and an estimate of both the amount to be invested by the Applicant and the amount to be borrowed to finance the Project.

In addition to the job figures provided above, please indicate the following:

- 1) The projected number of full time equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

Approximately 150 jobs retained

- 2) The projected timeframe for the creation of new jobs.

- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

The Facility currently employs approximately 150 local care givers with salaries ranging from approximately \$32,000.00 to \$88,000.00.

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The

labor market area defined by the agency (Mid-Hudson Economic Development Region)

2,329,896

H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency The Agency's financial assistance will induce Infinite Care to provide \$3,000,000 in improvements to the Facility.

IV. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A) Job Listings. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B) First Consideration for Employment. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

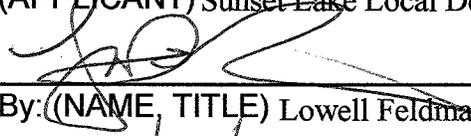
- E) Absence of Conflicts of Interest. The Applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.
- F.) The Applicant represents that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- G.) The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- H.) The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

(APPLICANT) Sunset Lake Local Development

By:  (NAME, TITLE) Lowell Feldman, Chair

Date: 1/24/2022

(APPLICANT)

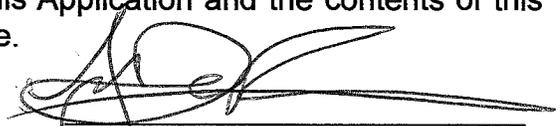
By: LOWEN S. FELDMAN, Chairman (NAME, TITLE)

Date: 1/24/2022

STATE OF NEW YORK)
COUNTY OF SULLIVAN) ss.:

Lowell Feldman, being first duly sworn, deposes and says:

1. That I am the Chair of Sunset Lake LDC (collectively, the "Applicant") and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.


(NAME) Lowell Feldman

Subscribed and affirmed to me under penalties of perjury
this 24 day of January, 2022.


(Notary Public)

RITA J. SHEEHAN
Notary Public, State of New York
Sullivan County Clerk's #2216
Commission Expires July 6, 20 22

THIS APPLICATION SHALL BE SUBMITTED WITH (I) TWO CHECKS: ONE COVERING A \$250.00 APPLICATION FEE AND THE SECOND COVERING A \$5,000.00 UP-FRONT ESCROW DEPOSIT; AND (II) APPLICANT'S FORMATION DOCUMENTS (IE: IF A CORPORATION: ITS CERTIFICATE OF INCORPORATION AND BYLAWS; IF A LIMITED LIABILITY COMPANY: ITS ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT; IF A LIMITED PARTNERSHIP: ITS CERTIFICATE OF LIMITED PARTNERSHIP AND LIMITED PARTNERSHIP AGREEMENT; OR IF A PARTNERSHIP: ITS PARTNERSHIP AGREEMENT TO:

**COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
Executive Director
548 BROADWAY
MONTICELLO, NEW YORK 12701**

HOLD HARMLESS AGREEMENT

Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(APPLICANT) Sunset Lake Local Development

[Signature]
By: (NAME, TITLE) Lowell Feldman, Chair

Date: 1/24/2022

(APPLICANT)

Lowell S. Feldman

By: (NAME, TITLE)

Date: 1/24/2022

Sworn to before me this 24th day of January, 2022.

[Signature]
Notary Public

RITA J. SHEEHAN
Notary Public, State of New York
Sullivan County Clerk's #2216
Commission Expires July 6, 2023

Supporting Attachment
to
County of Sullivan Industrial Development Agency
Application for Financial Assistance

This explanation is attached to and made part of the Application of Sunset Local Development Corporation (the “*Applicant*”) to the County of Sullivan Industrial Development Agency (the “*CSIDA*”).

Reference is made to Section II. REQUESTED FINANCIAL ASSISTANCE, the Applicant seeks a deviation from CSIDA’s Uniform Tax Exempt Policy (“*UTEF*”).

The project consists of the property located at 256 Sunset Lake Road, Liberty, New York (the “*Property*”) and the 146-bed skilled nursing facility (the “*Facility*”) situated on the Property, known as The Care Center at Sunset Lake. The Applicant is the current fee title holder of the Property. The County of Sullivan (the “*Facility Operator*”) leases the Property from the Applicant and is the licensed operator of the Facility. The Facility Operator entered into that certain Consulting Agreement (the “*Consulting Agreement*”) by and between the Facility Operator and Sunset Lake Consulting LLC d/b/a Infinite Care (“*Infinite Care*”) dated as of August 15, 2021.

Pursuant to the Consulting Agreement, Infinite Care will provide certain consulting services to the Facility Operator and assist in the transition of the Facility’s operating certificate together with the real property lease to Infinite Care – effective upon Infinite Care receiving an operating certificate to operate the Facility (the “*CON Transition Date*”). Infinite Care is a for profit company and pursuant to the Consulting Agreement is obligated to pay the operating shortfalls related to operation of the Facility.

The County of Sullivan has operated the Facility since 1990. In addition to the long-term nursing care and short-term rehabilitation services that the Facility provides for local residents, it employs approximately 150 local caregivers.

The Applicant seeks financial assistance from the CSIDA in the form of property tax abatement and proposes to enter into a payment in lieu of tax (“*PILOT*”) agreement with the Agency, with the Facility Operator as the party in interest for so long as it continues as the licensed operator of the Facility, with the intention that Infinite Care will enter into a negotiated PILOT agreement with the Agency once it becomes the licensed operator of the Facility.

The Consulting Agreement guarantees that Infinite Care will invest \$3,000,000 in the Facility within the first three (3) years of operation, followed by an \$800,000 annual fee paid to the Applicant thereafter. As required by its charter, the Applicant will remit those funds to the County of Sullivan.

The project seeks to improve the services rendered to those who receive care at the Facility, relieve taxpayers of having to cover operational shortfalls each year and preserve and promote job opportunities and quality of life for staff and residents.

The Applicant proposes (1) a fixed PILOT payment of \$350,000 commencing in January 2023 with increases by Consumer Price Index capped at two percent (2%) per annum; and (2) for the PILOT to extend beyond the traditional 20-year limit provided for in the UTEP with the initial term being the current interim period plus an additional 20-year term commencing on the CON Transition Date to Infinite Care. The below schedule depicts a 20-year PILOT payment schedule fixed at \$350,000 with a two percent (2%) increase per annum - it being understood that the CON Transition Date is undetermined at this time.

PILOT Year	School District Tax Year	Total PILOT Payment
Year 1	2022-2023	\$350,000
Year 2	2023-2024	\$357,000
Year 3	2024-2025	\$364,140
Year 4	2025-2026	\$371,423
Year 5	2026-2027	\$378,851
Year 6	2027-2028	\$386,428
Year 7	2028-2029	\$394,157
Year 8	2029-2030	\$402,040
Year 9	2030-2031	\$410,081
Year 10	2031-2032	\$418,282
Year 11	2032-2033	\$426,648
Year 12	2033-2034	\$435,181
Year 13	2034-2035	\$443,885
Year 14	2035-2036	\$452,762
Year 15	2036-2037	\$461,818
Year 16	2037-2038	\$480,475
Year 17	2038-2039	\$490,084
Year 18	2039-2040	\$499,886
Year 19	2040-2041	\$509,884
Year 20	2041-2042	\$520,082

The estimated combined Town/County 2023 tax assessment and Liberty School District 2022-2023 tax assessment is \$350,000, and thus, the proposed PILOT payment schedule will not be unfavorable to the Town, County or Liberty School District budgets. The above proposed arrangement is beneficial to the municipality, the operator of the facility, the Facility employees, and those depending on the services provided by the Facility.

SHEPSTONE MANAGEMENT COMPANY, Inc.

100 Fourth Street, Suite 32, Honesdale, PA 18431

(570) 251-9550

FAX 251-9551

Planning and Research Consultants

mail@shepstone.net

www.shepstone.net

Thomas J. Shepstone

January 27, 2022

Jennifer M. Flad
Executive Director
County of Sullivan Industrial Development Agency
548 Broadway
Monticello, New York 12701

Re: Sunset Lake Local Development Corporation
Benefit/Cost Analysis

We have, at your request, analyzed the benefits and costs associated with the Industrial Development Agency's ("Agency") assistance to the Sunset Lake Local Development Corporation ("Sunset Lake").

The Sunset Lake application to the Agency proposes a project in the Town of Liberty consisting of the following:

- (a) the acquisition of an interest in a 23.74 acre parcel of land improved by the County of Sullivan Adult Care Center;
- (b) the granting of certain financial assistance" providing for a fixed amount payment in lieu of real property taxes; and
- (c) the lease of the Agency's interest in the project to Sunset Lake.

Sunset Lake and the Town of Liberty are in a dispute regarding the taxable status of the real property upon which the project is located. Notwithstanding this, if the Agency takes an interest in the project, the underlying real property will be exempt from ad valorem real estate taxes. Moreover, the proposed fixed rate PILOT payments, starting at \$350,000 annually, are expected to be substantially equal to the estimated ad valorem real estate taxes that will be due.

Therefore, as a practical matter, there will be no real property tax abatement and any taxes collected will be new to taxing jurisdictions, the enterprise having previously operated as fully tax-exempt. There will also be no mortgage or sales tax abatements involved.

Given that this project involves no identifiable mortgage, real property or sales tax abatements, the benefits/costs analysis factors are limited to the impacts on the general economy and the fiscal impacts of the operation itself on government.

The economic benefits of the project, independent of its value in addressing a social service need of Sullivan County, include wages paid that would otherwise be lost, the multiplier effects of this income and the impacts of materials, supplies and services purchases by Sunset Lake and/or its contracted operator on the local business economy.

The project will retain approximately 150 jobs, producing annual wages of roughly \$9 million. The U.S. Department of Commerce RIMS II employment multiplier for "Nursing and Residential Care Facilities" for Sullivan County is 1.2268 and the earnings multiplier is 1.2678, meaning there are another 34 jobs and an additional \$2.4 million in wages affected throughout the economy, bringing the total impacts to 184 jobs and \$11.4 million in wages.

The typical nursing home spends 33% of its budget on items such as pharmaceuticals, food and building maintenance. The cost of those items varies depending on occupancy and other factors but given the \$9 million in wage costs and a 33% proportion of the budget for materials, supplies and contracted services, it is reasonable to assume there is in excess of \$4 million spent on these items and, given a RIMS II value-added factor of 0.9681, this means an almost equal amount of multiplier effects from these expenditures rippling through the economy, taking the total impact in this case to roughly \$8 million.

The net fiscal impacts on government are generally quantifiable from a Sullivan County Cost of Services study that found commercial land uses in the Town of Liberty generated \$1.00 in taxes for every \$0.40 in costs of community services provided. Therefore, the \$350,000 per year in PILOT payments (adjusted for inflation) represent a net benefit to local government of approximately \$210,000 annually, compared to \$140,000 in costs. That is equivalent to benefit/cost ratio of 1.5.

This is far from the total in benefits, though. Adding the positive general benefits to the economy with the net fiscal impacts to government, indicates total benefits of roughly \$19.6 million annually. This supports a conclusion the project has a very positive benefit/cost ratio/

Please contact me if you should need additional information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas J. Shepstone".

THOMAS J. SHEPSTONE

548 Broadway
Monticello, New York 12701
(845) 428-7575
(845) 428-7577
TTY 711



January 25, 2022

HAND DELIVERED

Joshua Potossek, County Manager
County of Sullivan
Sullivan County Government Center
100 North Street
Monticello, New York 12701

Robert A. Doherty, Chairman
Sullivan County Legislature
County of Sullivan
Sullivan County Government Center
100 North Street
Monticello, New York 12701

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Frank DeMayo, Supervisor
Town of Liberty
120 North Main Street
Liberty, New York 12754

Dr. Patrick Sullivan, Superintendent
Liberty Central School District
115 Buckley Street
Liberty, New York 12754

John L. Nichols, President
Board of Education
Liberty Central School District
P.O. Box 2
White Lake, New York 12786

RE: Proposed Deviation from Uniform Tax Exemption Policy by the County of Sullivan Industrial Development Agency (“Agency”) in connection with the proposed Sunset Lake Local Development Corporation

Honorable Sirs:

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

Sunset Lake Local Development Corporation, a New York Not-for-Profit Corporation (the “Company”), has presented an application to the Agency (the “Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) the

acquisition of an interest in a 23.74 acre parcel of land improved by the County of Sullivan Adult Care Center; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) by making provision for a fixed amount payment in lieu of real property taxes; and (C) the lease of the Agency's interest in the Project to the Company or such other entity as may be designated by the Company and agreed upon by the Agency.

The Application requests the Agency deviate from its Uniform Tax Exemption Policy ("Policy") with respect to the payments proposed to be made under a fixed amount payment in lieu of tax agreement by and between the Agency and the Company (the "PILOT Agreement") and with respect to the duration of the PILOT which may exceed twenty (20) years ("collectively, the PILOT Request").

The Proposed PILOT Agreement would be for a term exceeding twenty (20) years. The PILOT Request is for the period the Project is leased to the County of Sullivan and a period not to exceed twenty (20) years thereafter.

The PILOT Request proposes the Company pay the Agency a PILOT Payment due January, 2023 in the amount of THREE HUNDRED FIFTY THOUSAND and 00/100 (\$350,000.00) DOLLARS, with the annual amount of the PILOT Payment increasing by the percentage increase in the Consumer Price Index but with no annual increase exceeding two (2%) percent.

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 PILOT Agreement at its meeting scheduled for February 14, 2022 at 11:00 a.m. (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 and the Policy, which requires notice prior to the Agency taking final action with respect to the Proposed PILOT Request.

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

1. The Company and Town are in a dispute regarding the taxable status of the real property upon which the Project is located (the "Dispute").
2. If the Agency takes an interest in the Project, the underlying real property will be exempt from ad valorem real estate taxes.
3. The proposed fixed amount PILOT payment due January 1, 2023 is substantially equal to the estimated ad valorem real estate taxes which would be due for the 2022/2023 School Tax year and 2023 County and Town Tax year if the Agency was not involved with the Project.
4. The Agency's interest in the Project will make the outcome of the Dispute irrelevant as to ad valorem real estate taxes due from and after September 1, 2022

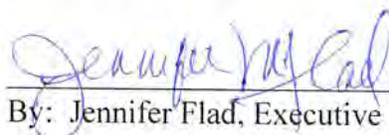
("School Tax") and January 1, 2023 ("County and Town Tax") for the life of the Project.

5. The Company, the Affected Taxing Jurisdictions and any prospective transferee of the Project from the Company can budget for and expect to pay or receive a sum certain or a sum rationally predictable as a PILOT payment and avoid the uncertainty associated with final resolution of the Dispute.

The Agency will consider the Proposed PILOT Agreement (and the proposed deviation from the Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Policy. 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 from the Agency's Uniform Tax Exemption Policy.

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

Sincerely,
COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY


By: Jennifer Flad, Executive Director

/sj
cc: Walter F. Garigliano, Esq., Agency Counsel
Suzanne Loughlin, Chairperson
Shawn Griffin, Esq.
Michael F. McGuire, Esq., County Attorney

70319-030v4



LIBERTY CENTRAL SCHOOL DISTRICT

OFFICE OF THE SUPERINTENDENT

Dr. Patrick Sullivan, Superintendent of Schools



February 10, 2022

Ms. Jennifer Flad
Executive Director
Sullivan County Industrial Development Agency
548 Broadway
Monticello, NY 12701

Re: Proposed Deviation from Uniform Tax Exemption Policy
–Sunset Lake Local Development Corporation Project

Dear Ms. Flad:

We are in receipt of the request to comment on a proposed deviation (the “Deviation Notice”) from the Uniform Tax Exemption Policy of the Sullivan County Industrial Development Agency (the “Agency”) in connection with the Sunset Lake Local Development Corporation Project (the “Project”). The Deviation Notice was sent in accordance with the provisions of Section 874 of the General Municipal Law (the “Act”).

The School District does not believe the Deviation Notice is sufficient to fulfill the requirements of the Act. The Act requires the Deviation Notice to set forth the benefits of the Project and the proposed deviation for the community in general and for the School District in particular. Other than describing the settlement of the Dispute, no benefit to the community or the School District is provided. In addition, while the Deviation Notice states that the proposed fixed amount PILOT is “substantially equal” to the estimated ad valorem real estate taxes which would be due for the 2022/2023 school year, since the budget for that school year has not been prepared or published for a vote by the general public, the statement is not supported by the facts currently available. Finally, the benefit of budgeting for the Project sponsor is irrelevant to the required benefits for the community, which is not stated.

Accordingly, the School District objects to the proposed deviation from the Agency’s Uniform Tax Exemption Policy.

Sincerely,

Dr. Patrick Sullivan
Superintendent of Schools
PS/td

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on February 14, 2022 at 11:00 a.m. local time via videoconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director
John W. Kiefer, Chief Executive Officer
Julio Garaicoechea, Project Manager
Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by _____, and seconded by _____, to wit:

Resolution No. __ - 22

RESOLUTION OF THE AGENCY AUTHORIZING A STRAIGHT LEASE TRANSACTION BETWEEN THE AGENCY AND THE SUNSET LAKE LOCAL DEVELOPMENT CORPORATION AND EXECUTION OF A PAYMENT IN LIEU OF TAX AGREEMENT (“PILOT AGREEMENT”) AND RELATED DOCUMENTS WITH RESPECT TO THE COUNTY OF SULLIVAN ADULT CARE CENTER

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, on January 24, 2022, Sunset Lake Local Development Corporation, a New York Not-for-Profit Corporation (the “Company”), submitted an application to the Agency (the “Application”), a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) the acquisition of an interest in a fifty (50.00) acre parcel of land depicted on the Town of Liberty Tax Map as Section 23, Block 1, Lot 126.6 (“Land”) improved by the County of Sullivan Adult Care Center; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to making provision for a fixed amount payment in lieu of real property taxes; and (C) the lease of the Agency’s interest in the Project back to the Company or such other entity as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Application would require the Agency to deviate from its Uniform Tax Exemption Policy (“UTEP”) since the UTEP has no provision for a fixed amount payment in lieu of real property taxes and the overall term of the proposed PILOT would exceed twenty (20) years; and

WHEREAS, on January 24, 2022 by resolution #03-22 the Agency authorized and directed the Executive Director of the Agency to send a letter to the Affected Taxing Jurisdictions informing them of the proposed deviation from the Agency’s UTEP; and

WHEREAS, by letter dated January 25, 2022 (the “UTEP Deviation Notice”), Jennifer Flad, the Agency’s Executive Director, notified the Affected Taxing Jurisdictions of the proposed deviation from the Agency’s UTEP by hand delivering the UTEP Deviation Notice to:

Joshua Potosek, County Manager
County of Sullivan (“County”)

Robert A. Doherty, Chairman
Sullivan County Legislature

and by mailing the UTEP Deviation Notice to:

Frank DeMayo, Supervisor
Town of Liberty (“Town”)

Dr. Patrick Sullivan, Superintendent
Liberty Central School District
 (“School District”)

John L. Nichols, President
Board of Education

; and

WHEREAS, it is contemplated that the Agency will (i) enter into a straight lease transaction with the Company; (ii) negotiate and enter into a PILOT Agreement with the Company pursuant to which the Company shall make a fixed amount payment in lieu of real property taxes; (iii) hold a leasehold interest in the Land and the improvements thereon which constitute the Project; and (iv) sublease the Agency’s leasehold interest back to the Company; and

WHEREAS, the total financial assistance being contemplated by the Agency is less than ONE HUNDRED THOUSAND and 00/100 (\$100,000.00) Dollars and therefore the proposed action was not subject to a public hearing; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (“SEQR”), the Agency constitutes a “State Agency”; and

WHEREAS, the action involves no construction activity or physical changes to the Land and the Agency has determined that the Project is a Type II Action under SEQR; and

WHEREAS, the Agency has considered the following matters in considering the Project:

- A. Permanent private sector job retention;
- B. Estimated value of the future PILOT payments compared to future real estate taxes;
- C. The benefit to the Company and taxing jurisdictions of resolving the dispute over the Project’s entitlement to an exemption;
- D. The amount of private sector investment generated or likely to be generated by the Project if and when transferred by the Company to a private operator;
- F. Support of the Application by the County and Town;
- G. Extent to which the Project will serve the public purposes of the Act by preserving permanent jobs in the State;

; and

WHEREAS, the Agency has obtained an independent analysis of the benefits and costs associated with the arrangement contemplated by the Application; and

WHEREAS, by letter dated January 27, 2022, Shepstone Management Company, Inc. has issued its opinion and concluded that benefits of approving the Application are greater than the cost associated therewith; and

WHEREAS, the County and Town have each supported the proposed deviation; and

WHEREAS, by letter dated February 10, 2022, the School District objected to the proposed deviation; and

WHEREAS, the Executive Director has negotiated the PILOT Agreement with the Company; and

WHEREAS, the Lease to Agency, Leaseback to Company and PILOT Agreement (“Transaction Documents”) have been drafted by Agency counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Company has presented to the Agency, among other things, an Application in form acceptable to the Agency.

Section 2. Based upon the representations made by the Company to the Agency, the Agency hereby determines that the Project is a Type II under the SEQR.

Section 3. The Agency has determined that the proposed financial assistance is less than ONE HUNDRED THOUSAND and 00/100 (\$100,000.00) Dollars and therefore was not subject to a public hearing.

Section 4. Based upon representations made by the Company to the Agency, the Agency hereby makes, finds and determines as follows:

- (A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;
- (B) It is desirable and in the public interest for the Agency to (i) acquire a leasehold interest in the Land and improvements constituting the Project; (ii) lease the Land and improvements constituting the Project back to the Company pursuant to the Lease and subject to the Leaseback; and (iii) enter into a PILOT Agreement with a fixed amount payment in lieu of real estate taxes of THREE HUNDRED FIFTY THOUSAND and 00/100 (\$350,000.00) Dollars due January 1, 2023, with the amount of the PILOT payment increasing two (2%) percent annually;
- (C) The Agency has the authority to take the actions contemplated therein under the Act; and
- (D) The action to be taken by the Agency will assist with resolution of a dispute as to the taxable status of the Project.

Section 5. The Agency has considered the School District's objection and in connection therewith finds:

- (A) The UTEP Deviation Notice fulfills the requirements of the Act. The avoidance of cost and uncertainty of litigation is a benefit to both the community and the School District;
- (B) One possible outcome of a 2022 exemption application by the Company is that the Assessor will grant the exemption, in which event the School District will receive no tax revenue from the Project;
- (C) One possible outcome of a 2022 exemption application is the denial of an exemption by the Assessor but a court decision that the Project is entitled to an exemption, in which event the School District will receive no tax revenue from the Project;
- (D) One possible outcome of a 2022 exemption application is that the exemption will be denied by the Assessor and the Assessor's denial upheld by the courts but that the assessed value will be reduced, in which event the tax

revenue to be received by the School District from the Project is uncertain;
and

- (E) By approving the Application, the PILOT payment to be made to the Affected Taxing Jurisdictions will be known and budgets can be prepared based on a predictable revenue from the Project.

Section 6. The Transaction Documents which were negotiated by the Executive Director, are hereby approved as to form and substance on condition that: (i) the payments under the Leaseback include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) while the terms of the PILOT Agreements are not consistent with the Agency's Uniform Tax Exemption Policy a deviation therefrom has been approved by the Agency.

Section 7. The Chairperson, Executive Director or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Transaction Documents in the form presented at this meeting all with such changes, variations, omissions and insertions as the Chairperson, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairperson, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 8. The officers, employees and agents of the Agency are hereby authorized and directed in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such 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 this resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 9. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 10. The Executive Director, Chief Executive Officer or Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 11. 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:

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolution was thereupon duly adopted.

STATE OF NEW YORK :
 :SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the Agency with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened via videoconference on February 14, 2022 at 11:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconference and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via videoconference as authorized by Chapter 417 of the Laws of 2021, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 14th day of February, 2022.

Carol Roig, Secretary

REPORT AND RECOMMENDATIONS OF
COMMITTEE TO REVIEW
COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY'S
UNIFORM TAX EXEMPTION POLICY

INTRODUCTION

Periodically, the County of Sullivan Industrial Development Agency (“Agency”) reviews its Uniform Tax Exemption Policy (“Policy”) to be certain that such policy is aligned with the economic development needs of the County of Sullivan (“County”). A comprehensive review was undertaken in 2004 by a committee appointed by Christopher A. Cunningham, then Chairman of the Sullivan County Legislature (“2004 Committee”). Following that review, the Agency amended its Policy effective September 14, 2004. Due to significant changes in the overall economy of Sullivan County between 2004 and 2006, Chairman Cunningham and the County Legislature were of the opinion that another review was warranted in 2006. On October 17, 2006 Chairman Cunningham appointed a committee (“2006 Committee”) to undertake another comprehensive review of the Policy. The Agency's policies were amended following that review effective April 8, 2008. Since that time the County has undergone significant change demographically and commercially. Large-scale projects including the Resorts World Catskills Casino, Kartrite Resort and Indoor Waterpark, and others have been completed. Over the past 18 months we have navigated a worldwide pandemic, the effect of which may not be known for many years to come. We are now in the midst of a nationwide labor crisis and a local boom real estate market. Given these developments and the passage of time, it is important to review the Policy to ensure that it meets the County’s current and future needs and appropriately addresses the needs of commercial enterprises seeking to develop and expand here.

On September 30, 2021, Robert Doherty, Chairman of the County Legislature, appointed a six (6) member committee (“Committee”) to review the Policy as it now exists and assess the Policy’s strengths and weaknesses in providing assistance to individuals or companies that seek to establish or expand businesses and create employment in the County. The Committee consists of the following individuals:

Joshua Potosek, Sullivan County Manager

Heather Brown, Sullivan County Deputy Commissioner of Planning and Environmental Management

Kirsten Harlow Foster, Foster Supply Hospitality

Phil Vallone, Rolling V Enterprises

Howard Siegel, Agency Treasurer and Chief Financial Officer

Edward Sykes, Agency Vice Chairman

HISTORY OF THE AGENCY'S UNIFORM TAX EXEMPTION POLICY

A Certificate of Establishment of the Agency was filed with the New York Secretary of State on November 6, 1970. The Agency was formed for the benefit of the County and its inhabitants to accomplish any or all of the purposes specified in Article 18-A of the General Municipal Law of the State of New York ("GML") under authority granted pursuant to Section 906 of the GML. The founding members of the Agency adopted a single "one-size-fits- all" tax abatement policy applicable to all projects. That policy still exists today and is called the General Abatement Program (as hereinafter defined).

Effective January 1, 1996, the County implemented a charter form of government replacing its Board of Supervisors with elected legislative district representatives comprising the County Legislature. On February 9, 1996, the County Legislature appointed Robert Kunis, Allan C. Scott, Harold Gold, Joyce Salimeno, Raymond Walter, Edward T. Sykes and Ronald Gozza to serve as members of the Agency. The post-1996 Agency members, working closely with the County Legislature and the County Office of Planning and Community Development ("County Planning Department") undertook a review of industrial development agencies' policies and procedures in place elsewhere. The County Planning Department, with the aid of the Agency and the Partnership for Economic Development in Sullivan County, Inc. ("Partnership") commissioned a study, which ultimately resulted in a two (2) volume report entitled Rebuilding Sullivan County – An Economic Development Strategy ("Strategy"). The Strategy concluded that it would be beneficial for the Agency to establish programs targeted to benefit certain industries believed to be well-suited to the County's infrastructure and goals.

Coincidentally, in 1997, Section 874 of the GML was amended requiring the Agency to review and re-adopt its Uniform Tax Exemption Policy on or before April 1, 1999 and setting forth the procedure therefor. Following review of the Strategy the Agency, in accordance with the procedures set forth in Section 874 of the GML, reaffirmed its General Abatement Program and adopted the following additional programs:

Tourism Industry

Agricultural Industry

Manufacturing

Retail Sales

Thereafter, the Agency on its own initiative adopted several additional programs: Disaster Impacted Businesses Program (1998); the Return of Tax Exempt Property to Taxable Status Program (1999); Green Technology Manufacturing Program (2008); Destination Resort Program (2008); Tax Credit Participation Program (2008); Arts Industry Program (2016); Community Distributed Generation Program (2016); and Commercial/ Industrial Park Program (2021).

COMMITTEE'S REVIEW PROCEDURE AND SUMMARY OF THE AGENCY'S UNIFORM TAX EXEMPTION POLICY

At the Committee's initial meeting held on October 19, 2021, the Committee agreed to extend an invitation to the Supervisor of each of the County's fifteen (15) towns and the Mayor of each of the County's six (6) villages to review, discuss and provide input on the Policy. Each Supervisor and Mayor was also asked to invite up to two other local representatives.

Invitations were extended to the following local governments to meet on the following dates:

Date	Local Governments
November 3, 2021	Towns of Callicoon, Cochecton, Delaware, Fremont, and Tusten; Village of Jeffersonville
November 10, 2021	Towns of Bethel, Forestburgh, Highland, and Lumberland
November 17, 2021	Towns of Fallsburg, Mamakating, and Thompson; Villages of Bloomingburg, Monticello, Woodridge, and Wurtsboro
December 1, 2021	Towns of Liberty, Neversink, and Rockland; Village of Liberty

The Committee also invited representatives of the Partnership, Sullivan County Chamber of Commerce, Sullivan Catskills Visitors Association, SUNY Sullivan, Sullivan BOCES, Sullivan County Center for Workforce Development, and the Agency to a meeting on December 8, 2021, to discuss the Policy.

Accompanying each invitation to meet with the Committee was a package of information prepared by Agency staff and legal counsel containing a copy of the current Policy, a listing of active projects approved under each program since January 1, 2011, and a copy of the 2008 Report and Recommendations of the Committee to Review the Policy.

Each County Legislator was invited to participate in at least one meeting of the municipality or municipalities located within his or her legislative district.

A summary of the Agency's Uniform Tax Exemption Policy in place at the time of review is as follows:

GENERAL ABATEMENT PROGRAM

Program Overview.

After a Certificate of Establishment of the Agency was filed with the New York Secretary of State on November 6, 1970, an original tax exemption policy was adopted by the founding members of the Agency under authority granted pursuant to Section 906 of the General Municipal Law of the State of New York. That basic policy still exists today and is called the General Abatement Program. The Agency readopted its General Abatement Program as required by Law on December 28, 1993 and in 1997, 1998, and 1999. During the 2004 review process, the 2004 Committee determined that the development of tourism destination projects in close proximity to gaming related facilities will occur with or without financial assistance from the Agency. Therefore the 2004 Committee recommended that the General Abatement Program be amended so as not to provide tax abatements to applicants proposing tourism destination facilities within the Town of Thompson, where several gaming related facilities were proposed for development. The General Abatement Program was amended on September 14, 2004 to eliminate benefits for applicants proposing tourism destination facilities within the Town of Thompson.

Program Tax Abatements.

The tax abatements associated with the General Abatement Program are as follows:

Sales. Sales tax abatements are provided in connection with all taxable items purchased by projects under this program.

Mortgage. All mortgage tax on loans financing projects under this program is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at fifty (50%) percent for year one (1) with the abatement decreasing two and one-half (2½%) percent per year for years two (2) through twenty (20). This type of abatement program, commonly called a 485-b "stretch", provides benefits similar to benefits that are available under Section 485-b of the New York Real Property Tax Law ("RPTL"), but over a twenty (20) year period versus the ten (10) year period provided for in the RPTL.

Employment Goals.

Employment goals are determined on a project by project basis. Real property tax abatements are reduced in future years if the project's employment goals are not met.

TOURISM INDUSTRY PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program for the tourism industry ("Tourism Industry Program") on December 31, 1998. Prior to adoption of this targeted tax exemption program the Agency had many meetings and discussions relative to the "Sweet Spots" of the Sullivan County economy. For scores of years the tourism industry (together with the agricultural industry) was a backbone of the County's economy. Tourism facilities typically purchase most of their goods and services locally, while attracting customers and guests to the County from outside the region. Benefits of tourism industry projects include substantial employment in the tourism industry and the import of tourism dollars from elsewhere to the County economy.

The Tourism Industry Program was amended in 2004 following recommendations from the 2004 Committee. In 2004, the Tourism Industry Program was amended to prohibit the Agency from accepting applications or providing tax abatements to any Tourism Industry Program applicant developing a project within the Town of Thompson.

Program Tax Abatements.

The following tax abatements are associated with the Tourism Industry Program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with tourism industry projects.

Mortgage. All mortgage tax on loans necessary for tourism industry projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at one hundred (100%) percent for years one (1) through five (5) with the abatement decreasing ten (10%) percent per year for years six (6) through fifteen (15).

Employment Goals.

Minimum employment goals are established for projects receiving benefits under this program.

Employment goals are determined on a project by project basis. Real property tax abatements are reduced in future years if the project's employment goals are not met.

AGRICULTURAL INDUSTRY PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program for the agricultural industry on September 14, 1998 ("Agricultural Industry Program"). Prior to adoption of this targeted tax exemption program the Agency had many meetings and discussions relative to the "Sweet Spots" of the Sullivan County economy. For scores of years the agricultural industry (together with the tourism industry) was a backbone of the County's economy. This industry provides the County with both direct and measurable benefits, as well as important indirect benefits. Benefits that are direct and measurable include the substantial employment in the agricultural industry and the sale of agricultural products outside of the County market area resulting in the import of money from elsewhere to the County economy. Indirect benefits include the preservation of open space and the County's rural landscape.

Program Tax Abatements.

The tax abatements associated with the Agricultural Industry Program are as follows:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with the agricultural projects. This is of little benefit to production farms that are statutorily exempt from sales tax. However, this is an important benefit for services or suppliers to production farms and to businesses processing farm products.

Mortgage. All mortgage tax on loans necessary for agricultural industry projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at one-hundred (100%) percent for years one (1) through five (5) with the abatement decreasing ten (10%) percent per year for years six (6) through fifteen (15). This is of reduced benefit to production farms that qualify for agricultural value assessment. However, this is an important benefit for suppliers to production farms and to businesses processing farm products.

Employment Goals.

There are no minimum employment goals associated with this program.

TARGETED MANUFACTURING PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program for manufacturing ("Targeted Manufacturing Program") on May 11, 1999. This program was developed in cooperation with the Partnership and the County Planning Department. By way of background, in 1997 the County Legislature adopted Rebuilding Sullivan County-- An Economic Development Strategy. This strategy recommended targeted tax incentives to be used "to attract particular businesses or industries ... well suited or beneficial to the economy"... of the County. Additionally, the Business Retention and Expansion Study which was conducted in the course of preparing the Strategy also recommended "targeted efforts ... to produce job growth through business expansion." The survey

indicated twenty-nine (29%) percent of existing businesses were considering expansion. The most often cited reason for businesses considering relocating out of the County was "high taxes," a factor identified by nineteen (19%) percent of respondents. This targeted tax abatement program was designed to address this problem by converting such disincentives to incentives for those businesses with particular potential for job growth in industries identified to be well suited to the County's economy. This targeted tax abatement program was originally made available to the following types of manufacturing businesses:

SIC Code	Type of Manufacturing
20	Food and Kindred Products
24	Lumber and Wood Products, Except Furniture
25	Furniture and Fixtures
27	Printing, Publishing and Allied Industries
2834	Pharmaceutical Preparations
2836	Biological Products, Except Diagnostic Substances
32	Stone, Clay, Glass and Concrete Products
34	Fabricated Metal Products, Except Machinery and Transportation Equipment
35	Industrial and Commercial Machinery and Computer Equipment
36	Electronic and Electrical Equipment and Components, Except Computer Equipment

The Targeted Manufacturing Program was amended in 2004 in accordance with the 2004 Committee's recommendation that certain of the above-listed SIC codes were likely to produce low-wage paying jobs, which jobs were no longer viewed as attractive given the County's then present unemployment levels. The 2004 Committee recommended, and the Agency did so ultimately amend, its Manufacturing Program so as to eliminate various SIC Codes. Effective September 14, 2004, the Targeted Manufacturing Program is now available only to the following types of manufacturing businesses:

SIC Code	Type of Manufacturing
24	Lumber and Wood Products, Except Furniture
2834	Pharmaceutical Preparations
2836	Biological Products, Except Diagnostic Substances
34	Fabricated Metal Products, Except Machinery and Transportation Equipment
36	Electronic and Other Electrical Equipment and Components, Except Computer Equipment

Program Tax Abatements.

The following tax abatements are associated with the Manufacturing Program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with manufacturing projects.

Mortgage. All mortgage tax on loans necessary for manufacturing projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated in accordance with the following schedule:

Year	% of Real Estate Taxes Abated
1	90.00%
2	90.00%
3	80.00%
4	80.00%
5	70.00%
6	70.00%
7	60.00%
8	60.00%
9	50.00%
10	50.00%
11	50.00%
12	50.00%
13	40.00%
14	40.00%
15	30.00%
16	30.00%
17	20.00%
18	20.00%
19	10.00%
20	10.00%

Employment Goals.

Minimum employment goals are established for projects receiving benefits under this program. Employment goals are determined on a project-by project basis. Real property tax exemptions are proportionally reduced if employment goals are not met.

RETAIL SALES PROGRAM

Program Overview.

Industrial development agencies must follow strict guidelines when providing financial assistance to retail projects ("Retail Sales Program"). These guidelines are set forth in Section 862 of the GML. The general rule is that industrial development agencies cannot provide financial assistance to any project that is primarily engaged in retail sales to customers who personally visit the project's facility to obtain such goods or services, if such sales constitute more than one-third (1/3) of the total project costs, unless:

(i) the predominant purpose of the project would be to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the city, town, or village within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services; or

(ii) the project is located in a highly distressed area.

If the proposed project meets either exception above, then an industrial development agency may approve the application for financial assistance only if:

- (i) the Agency finds that undertaking the project will preserve or increase the overall number of permanent, private sector jobs in New York State, and
- (ii) the proposed action of the Agency with respect to the project is confirmed by the County Manager.

The Agency's Retail Sales Program was amended in 2004 following the recommendation of the 2004 Committee. In keeping with the 2004 Committee's belief that the development of tourism destination projects in close proximity to gaming related facilities will occur with or without financial assistance from the Agency, the Agency amended its Retail Sales Program effective September 14, 2004 so as to not provide tax abatement benefits under the Agency's Retail Sales Program to applicants proposing tourism destination facilities within the Town of Thompson. No changes were made to the Retail Sales Program following the 2008 review.

Program Tax Abatements.

Sales. Sales tax abatements are provided in connection with taxable items purchased by retail projects.

Mortgage. All mortgage tax on loans necessary for financing retail projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at fifty (50%) percent for year one (1) with the abatement decreasing by five (5%) percent per year for years two (2) through ten (10). This abatement mirrors Section 485-b of the New York Real Property Tax Law. For years eleven (11) through fifteen (15), payments in lieu of taxes ("PILOT payments") are equal to "full taxes"; although the value of the project for PILOT purposes remains fixed.

Employment Goals.

There are no minimum employment goals associated with this program.

DISASTER IMPACTED BUSINESSES PROGRAM

Program Overview.

The targeted tax abatement program for Disaster Impacted Businesses ("Disaster Impacted

Business Program") was adopted by the Agency in July, 1998. The purpose of this program is to provide incentives for businesses, which have been substantially destroyed by fire, flood, or other natural disasters, to rebuild in the County. Moving a business from one location to another involves a myriad of challenges. Notwithstanding the challenges, businesses routinely relocate. When the assets of a business are reduced to the form of an insurance company check the challenges associated with moving a business from one location to another cease to exist. Whether a business chooses to reestablish in its former location or move to a new location (either within or outside the County) can be greatly influenced by a targeted program designed to assist a disaster impacted business in its time of need.

Program Tax Abatements.

The following tax abatements are associated with the Disaster Impacted Businesses Program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with the rebuilding of the disaster impacted business.

Mortgage. All mortgage tax on loans necessary to rebuild the disaster impacted business is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at one-hundred (100%) percent for year one (1) with the abatement decreasing ten (10%) percent per year through year (5) five and then at five (5%) percent per year years six (6) through fifteen (15).

Employment Goals.

Since the Disaster Impacted Businesses Program is a business retention tool, there are no minimum employment goals associated with this program.

ENCOURAGING THE RETURN OF TAXABLE PROPERTY TO TAXABLE STATUS PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program encouraging the return of tax exempt property to taxable status ("Encouraging the Return of Taxable Property to Taxable Status Program") on June 8, 1999. In adopting this targeted tax exemption program, the Agency recognized that historically many properties within the County receive real property tax exemptions as a result of ownership and use by not-for-profit organizations. Many of these properties, if returned to the tax rolls, would require substantial improvements. As adopted in 1999, this was a twenty-year program, under which real estate taxes on the increased value resulting from improvements were abated at fifty (50%) percent for year one (1) with the abatement decreasing at two and one-half (2-1/2%) percent per year for years two (2) through twenty (20). The 2008 Review committee, recognizing the substantial number of tax exempt properties in the County, recommended that the Agency enhance the abatement schedule to provide a more meaningful incentive for property owners considering undertaking projects. The Agency accepted this recommendation and amended the Program to provide the abatement schedule below. Further, the 2008 Committee recommended that the Agency require that a project seeking benefits under this program be limited to properties that have been tax exempt for a minimum of three (3) years,

and that the assessed value established by the assessing jurisdiction be utilized in computing PILOT payments for the term of the program. The Agency accepted all recommendations of the 2008 Committee with respect to the Encouraging the Return of Taxable Property to Taxable Status Program and amended the program to reflect these changes on April 8, 2008.

Program Tax Abatements.

The following tax abatements are associated with this program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased by a project in connection with this program.

Mortgage. All mortgage tax on loans necessary for projects constructed under this program is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated according to the following schedule:

Year	% of Real Estate Taxes Abated
1	100.00%
2	100.00%
3	100.00%
4	91.67%
5	83.33%
6	75.00%
7	67.67%
8	58.33%
9	50.00%
10	41.67%
11	33.33%
12	25.00%
13	16.67%
14	8.33%
15	0.00%

Employment Goals.

As this program focuses on taxable status, there are no minimum employment goals associated with the program.

GREEN TECHNOLOGY MANUFACTURING PROGRAM

Program Overview.

The Green Technology Manufacturing Program was adopted by the Agency on April 8, 2008 at the recommendation of the 2006 Committee. This program is targeted to businesses locating in the Green Technology Park located at SUNY Sullivan.

Program Tax Abatements.

Sales. Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation, and equipping of the project.

Mortgage. There is a mortgage tax abatement on all loans financing projects under this program.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated over a twelve-year period, at one-hundred (100%) percent for first three (3) years, seventy-five (75%) percent the next three (3) years, fifty (50%) percent the following three (3) years, and twenty-five (25%) percent the last three (3) years.

Location Restriction.

To be eligible for benefits under this program, a project must be located in the Green Technology Park at SUNY Sullivan.

Employment Goals.

Minimum employment goals are established for projects receiving benefits under the Green Technology Manufacturing Program. Employment goals are determined on a project-by-project basis. Real property tax abatements are proportionally reduced if the project's employment goals are not met.

DESTINATION RESORT PROGRAM

Program Overview.

The Agency adopted its Destination Resort Program on April 8, 2008, at the recommendation of the 2008 Review Committee. This program is designed to offer meaningful incentives for large-scale tourism projects, which have numerous direct and indirect benefits for Sullivan County. These projects generally invest significant funds in their projects, attract tourism dollars that are spent in the County, and create many jobs. To qualify for the Destination Resort Program, a project must meet each of the following criteria:

- (i) \$25,000,000 in total project costs;
- (ii) total project investment of not less than \$250,000 per room; and
- (iii) a minimum job creation of one (1) full-time equivalent employee ("FTE") for every four (4) rooms.

Program Tax Abatements.

Sales. Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation and equipping of the project.

Mortgage. Mortgage tax abatement on all loans financing projects under this program.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated over sixteen (16) years as follows:

Year	% of Real Estate Taxes Abated
1	100.00%
2	100.00%
3	100.00%
4	100.00%
5	100.00%
6	100.00%
7	100.00%
8	100.00%
9	87.50%
10	75.00%
11	62.50%
12	50.00%
13	37.50%
14	25.00%
15	12.50%
16	0.00%

Employment Goals.

At least one (1) FTE for every four (4) rooms must be created and maintained during the term of the project. Real property tax abatements are proportionally reduced if the project's employment goals are not met.

TAX CREDIT PARTICIPATION PROGRAM

Program Overview.

The Tax Credit Participation Program was adopted by the Agency on April 13, 2010. Lenders underwriting requirements typically require participation in federal tax credit programs to form single purpose entities as conduit borrowers. Normally these single purpose entities are not exempt from taxation, even in cases where the entity is an affiliate or subsidiary of an entity entitled to exemption under RPTL § 420 and qualified and operating under Section 501(c)(3) of the Internal Revenue Code. The purpose of the Tax Credit Participation Program is to facilitate participation in the Federal New Markets Tax Credit Program, the Federal Historic Tax Credits Program or similar federal and state programs involving the use of federal tax credits.

This program does not apply to residential projects. All program participants must be an affiliate or subsidiary of an entity (i) exempt from real property taxes under RPTL § 420 and (ii) qualified and operating under Section 501(c)(3) of the Internal Revenue Code. An entity meeting

the requirements of (i) and (ii) above shall be a qualifying subsidiary or affiliate if the applicable exempt entity is (x) the owner of or majority of the beneficial interest in such subsidiary or affiliate or (y) is the managing member of such subsidiary or affiliate.

Program Tax Abatements.

Sales: All sales tax on the lease or purchase of tangible personal property acquired under this program is abated.

Mortgage: All mortgage tax on loans financing projects under this program is abated.

Real Estate: All real estate tax for the period of the financing program but not exceeding thirty (30) years are abated.

Employment Goals.

There are no employment goals associated with this Program.

ARTS INDUSTRY PROGRAM.

Program Overview.

The Agency adopted the Arts Industry Program on June 13, 2016. This program benefits for-profit businesses in the arts industry. The program was designed to capitalize on then-current efforts introduced to establish Arts and Cultural Districts throughout New York; to further encourage the development of the County's arts industry by providing a significant comparative advantage to companies seeking to locate specifically in proposed Arts and Cultural Districts in Sullivan County with incentives from local municipalities, the County, and the State; to build on New York State's efforts to incentivize qualified film production companies that produce feature films, television series, relocated television series, television pilots, films for television, and/or incur post-production costs associated with the original creation of these productions through the Film Tax Credit Program for upstate counties; to further develop Sullivan County's tourism industry, which has long been a pillar of our economy, by providing incentives to arts and cultural businesses; to complement recently completed major development projects in Sullivan County; and to foster an industry that provides clean jobs that can strengthen the economy in our region while preserving the rural assets to which people are drawn.

Program Tax Abatements:

Sales: Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation, and equipping of the project.

Mortgage: Mortgage tax abatement on all loans financing projects under this program.

Real Estate: Real estate taxes on the increased value resulting from improvements are abated over a fifteen year period as follows: one hundred percent (100%) for years one (1) through five (5); ninety percent (90%) for year six (6); eighty percent (80%) for year seven (7); seventy percent (70%) for year eight (8); sixty percent (60%) for year nine (9); fifty percent (50%) for year ten (10); forty percent (40%) for year eleven (11); thirty percent (30%) for year twelve (12); twenty percent (20%) for year thirteen (13); ten percent (10%) for year fourteen (14); and zero percent (0%) for year fifteen (15).

Employment Goals.

Employment goals are determined on a project-by-project basis. Real property tax abatements are proportionally reduced if the project's employment goals are not met.

COMMUNITY DISTRIBUTED GENERATION PROGRAM

Program Overview.

The Community Distributed Generation Program was adopted by the Agency on December 12, 2016. In light of changes to the financial and regulatory framework affecting solar development, the program was amended and re-adopted on September 14, 2020. The purposes of this program are (i) to support New York State's "Reforming the Energy Vision" Initiative, which is intended to encourage renewable energy development that will spur economic growth and develop new energy business models; (ii) to bring community distributed generation projects to Sullivan County, where existing low electricity rates would otherwise inhibit investment in solar installations; (iii) to administer a single County-wide uniform tax exempt policy, allowing municipalities to collect long-term predictable PILOT monies without the burden of developing and administering PILOT agreements at the local government or school district level; (iv) to respect variations in local policy by requiring that each project application includes a letter affirming that the host municipality supports the project; (v) to foster the development of residential and small business on-site solar energy systems, which are not eligible for Agency benefits, by requiring that 1) towns recommending projects to the Agency also participate in New York State's Real Property Tax Law (RPTL) Section 487 program; and 2) school districts within which projects are proposed also participate in the RPTL Section 487 program; (vi) to assist project developers by offering a single County-wide uniform tax exempt policy, eliminating the need to negotiate PILOTs with the County and the various towns, villages, and school districts; (vii) to enhance developers' prospects for financing community distributed generation projects by offering a uniform PILOT structure that is simple and therefore more appealing to lenders; (viii) to benefit Sullivan County residents and businesses by requiring community distributed generation projects to offer them a local buying preference and an electricity rate of 10 percent less than the utility company's default rate, averaged over a 36 month period; (ix) to stimulate Sullivan County's transition to a sustainable energy economy by fostering the generation of local solar energy that is purchased and used within the County; and (x) to bring short- and long-term jobs to Sullivan County.

Program Tax Abatements.

Sales: Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation, and equipping of the project.

Mortgage: Mortgage tax abatement on all loans financing projects under this program.

Real Estate: Real estate taxes on the increased value resulting from improvements are abated over a twenty-year period. The annual PILOT payment is expressed as a dollar value per megawatt (MW) of the facility's nameplate capacity. The dollar value per megawatt depends upon the level of incentives the project receives from New York State through the Public Service Commission's Value of Distributed Energy Resources (VDER), or Value Stack, mechanism. The PILOT dollar value per MW is the same for all Agency projects receiving a particular level of incentives through VDER. The PILOT is divided among all

affected taxing jurisdictions in proportion to their tax rates.

Employment Goals.

There are no employment goals associated with this Program.

COMMERCIAL/ INDUSTRIAL PARK PROGRAM

Program Overview.

The Commercial/ Industrial Park Program was adopted by the Agency on April 21, 2021. This program is designed to encourage owners of land zoned for commercial or industrial uses to invest in roads and infrastructure without a concern about additional real estate taxes becoming a burdensome carrying cost while the commercial or industrial park land or lots are being marketed to end users.

This program is limited to projects undertaken on land with zoning that allows commercial or industrial uses and shall be applicable to only the Towns of Liberty, Thompson and Mamakating, along Interstate Route 86 and the Towns of Fallsburg and Bethel, where commercial or industrial parks are located.

It is anticipated that persons or entities purchasing or leasing land (or the owner constructing improvements) will apply for tax abatements on projects to be constructed on the improved commercial or industrial park land. At the time of adoption of this program, such future abatements shall receive financial assistance under the Agency's General Abatement Program unless 1) the proposed use qualifies for abatements under the Agency's Manufacturing or other applicable Abatement Program or 2) the proposed project seeks and is granted a deviation from the Agency's General Abatement Program.

Program Tax Abatements.

Sales: Sales tax abatements are provided in connection with all taxable items purchased or leased in connection with the development of the qualifying commercial or industrial park. The Agency's sales tax reporting protocols shall apply to all such expenditures. The abatement is subject to the Agency's one (1%) percent sales tax abatement fee.

Mortgage: All mortgage recording taxes ("MRT") on real estate mortgages securing loans for development of qualifying industrial parks shall be abated. The abatement is subject to the Agency's MRT abatement fee of the greater of one-tenth (1/10%) percent of the original principal amount of the debt secured or Five Thousand and 00/100 (\$5,000.00) Dollars.

Real Estate: Real estate taxes on the increased value of the land following installation of roads and infrastructure shall be abated at one hundred (100%) percent for a period not to exceed ten (10) years. All projects relying on this program shall enter into a Master Development and Agency Agreement ("MDAA"). The MDAA shall provide that when a part of the commercial or industrial park is sold, leased or a building permit related thereto is issued, the land or lot subject to the sale, lease or permit shall no longer qualify for real estate tax abatement under this program.

Employment Goals.

There are no employment goals associated with this Program.

COMMITTEE RECOMMENDATIONS RELATING TO THE AGENCY'S UNIFORM TAX
EXEMPTION POLICY

The Committee reviewed the eligibility criteria, tax abatement schedules, employment goals, and other information relating to each program within the Agency's Uniform Tax Exemption Policy. The Committee also reviewed each of the foregoing with representatives of the towns, villages, and economic development agencies who accepted the invitation of the committee to provide feedback on the Policy.

At its meeting on January 5, 2022, the Committee finalized its proposed recommendations to the Agency relating to the Agency's Uniform Tax Exemption Policy and commissioned this report. Thereafter, this report was revised and finalized for submittal to the Agency for consideration.

SUGGESTED AMENDMENT OF THE GENERAL ABATEMENT PROGRAM

During the review process, representatives of local governments expressed concern that the Agency's abatement programs are too generous. Recognizing the concerns of local governments that are burdened by many types of real property tax exemptions and recognizing that the County's economy has changed and improved substantially since the General Abatement Program was adopted, the Committee recommends that the Agency amend the General Abatement Program so that the total value subject to payment in lieu of taxes ("TVSP") is fixed by the Agency for only the first ten (10) years of the program. The Committee recommends that, after the ten (10) year "freeze period", the assessed value established by the assessing jurisdiction be utilized in computing payments in lieu of taxes ("PILOT Payments") for the remaining ten (10) years of the program.

Further, the Committee recognizes the dramatic changes in the local, regional, national and global economic development landscape since the last review. With the advent of electronic commerce over the past many years, and an increasing reliance on electronic commerce since the onset of the COVID-19 pandemic, thousands of distribution centers have been constructed to keep up with consumer demand for fast, reliable deliveries. The Committee believes distribution centers create jobs and increase the local tax base. However, as of November 2021 Sullivan County's unemployment rate was 3.9%, compared with 5.5% statewide, and employers around the County are struggling to fill open positions. The Committee urges the Agency to exercise caution when incentivizing projects like distribution centers, which creates jobs but for which there seem to be few potential employees, with few or no housing options. To offset the possible negative side-effects of incentivizing distribution centers, the Committee recommends that the Agency require distribution center projects to provide, through construction or renovation, market rate workforce housing at a minimum rate of one (1) housing unit per twelve thousand five hundred (12,500) square feet of distribution center space and a maximum rate of one (1) housing unit per five thousand (5,000) square feet of distribution space, in order to be eligible for benefits under the General Abatement Program. Market rate workforce housing units must be renovated or constructed within Sullivan County, and within twenty-five (25) miles of the distribution center project. Further, the Committee believes the Agency's tax incentives will do little to attract distribution centers, whose greatest expenses are transportation costs.

SUGGESTED AMENDMENT OF THE TOURISM INDUSTRY PROGRAM

The Committee recommends that the Tourism Industry Program offer two levels of real property tax abatements. The first would be identical to the current abatement schedule: real estate taxes would be abated on the increased value resulting from improvements at one-hundred (100%) percent for years one (1) through five (5) with the abatement decreasing ten (10%) percent per year for years six (6) through fifteen (15). The second would be as follows: real estate taxes would be abated on the increased value resulting from improvements at one-hundred (100%) percent for years one (1) through eight (8), with the abatement decreasing twelve and a half (12.5%) percent per year for years nine (9) through sixteen (16). To be eligible for the enhanced sixteen (16) year abatement schedule, a project would need to meet two criteria: 1) the project must create one full-time equivalent employment position for every two (2) rooms constructed as part of the Tourism Industry project, and 2) the project must provide, through construction or renovation, market rate workforce housing at a minimum rate of one (1) unit for every four (4) rooms and a maximum rate of one (1) unit for every one (1) room renovated or constructed as part of the Tourism Industry project. Market rate workforce housing units must be renovated or constructed within Sullivan County, and within twenty-five (25) miles of the Tourism Industry project.

SUGGESTED AMENDMENT OF THE TARGETED MANUFACTURING PROGRAM

The Committee recommends that the Agency leave this program intact, and ensure that green technology manufacturing businesses are included in the list of SIC codes that are eligible for Agency benefits.

SUGGESTED AMENDMENT OF THE RETAIL SALES PROGRAM

The requirements of Section 862 of the GML have been amended since the 2008 review. The Committee recommends the Agency amend the language of the Retail Sales Program to exactly mirror the current requirements of the General Municipal Law, as set forth in the Policy Overview above.

SUGGESTED INTEGRATION OF THE GREEN TECHNOLOGY MANUFACTURING PROGRAM INTO THE TARGETED MANUFACTURING PROGRAM

The Committee recognizes that, more than ever, the County of Sullivan and the Agency are committed to sustainable energy and a sustainable economy. We also recognize that green technology manufacturing is a global market and several international firms wield control of this market. We recommend that, rather than limiting incentives for green technology manufacturing to the SUNY Sullivan Campus, the Agency eliminate the Green Technology Manufacturing Program as a standalone program and instead integrate green technology manufacturing into the Agency's Targeted Manufacturing Program. This would ensure that manufacturers of green technology could locate anywhere in the County and realize the benefits of Agency involvement. We believe SIC Major Group 36, "Electronic and Other Electric Equipment," encompasses green technology manufacturing. This SIC Major Group is included in the listing of SIC codes eligible for benefits under the Targeted Manufacturing Program.

SUGGESTED INTEGRATION OF THE DESTINATION RESORT PROGRAM INTO THE

TOURISM INDUSTRY PROGRAM

The Committee recognizes the tremendous positive impact of large-scale tourism projects on Sullivan County's economy. We also understand the strain on new and existing employers, who struggle to attract employees to Sullivan County without an adequate supply of housing. To simplify the Agency's programs and to encourage large-scale tourism businesses to consider market rate workforce housing as an integral component of their business plans, we recommend that the Destination Resort Program be eliminated as a standalone program and instead be integrated into the Tourism Industry Program, with an enhanced level of benefits for the kinds of large-scale projects that are currently part of the Destination Resort Program, as outlined above in our suggested amendments to the Tourism Industry Program.

SUGGESTED ELIMINATION OF THE TAX CREDIT PARTICIPATION PROGRAM

Since this program was created in 2010, one project has received benefits under the program. Given the narrow focus and low utilization of this program, and the changing landscape of federal and state tax credit programs, the Committee recommends that the Agency eliminate the Tax Credit Participation Program at this time. The Agency may wish to consider investigating and creating a new program that aligns with current and future tax credit programs offered at the federal and state levels.

SUGGESTED AMENDMENT OF THE COMMUNITY DISTRIBUTED GENERATION PROGRAM

During our meetings with local elected officials, it became apparent that there is great variation among municipalities with respect to solar energy development as a land use planning issue. Many Sullivan County towns are amenable to solar facilities locating within their boundaries, but some towns do not wish to encourage the development of solar facilities. To respect variations in local policy, the Agency's Community Distributed Generation Program requires that each project application include a letter affirming that the host municipality supports the project. We recommend this requirement be preserved.

The Program now in effect only authorizes the Agency to provide financial assistance to projects located in an area where no taxing jurisdiction has opted out of RPTL §487. The Committee does not believe there is a good reason to prevent Agency involvement in a project where a taxing jurisdiction has opted out under RPTL §487. The Committee recommends this limitation be eliminated and recommends that the exemption provided by the Agency be for the entire twenty (20) year abatement period.

SUGGESTED CREATION OF THE SULLIVAN COUNTY INTERNATIONAL AIRPORT PROGRAM

The Sullivan County International Airport presents an important opportunity for economic growth. While the County may be willing to lease airport land to developers at favorable rates, the Committee believes the high cost of property taxes deters potential developers from constructing hangars and other aviation-related facilities. In particular, we understand that in many neighboring states, real estate taxes are not assessed on airport properties. To overcome this

competitive disadvantage and capitalize on the opportunity presented at the Airport, the Committee recommends that the Agency create a new Sullivan County International Airport Program. Such a program would only be available to developers proposing the construction of aircraft hangars or other aviation-related facilities.

The following program benefits are suggested:

Program Tax Abatements.

Sales. Sales tax abatement on all taxable purchases made in connection with acquisition, construction, installation and equipping of the project.

Mortgage. Mortgage tax abatement on all loans financing projects under this program.

Real Estate. A thirty (30) year abatement schedule is proposed whereby seventy-five (75%) percent of the assessed value established by the assessing jurisdiction is abated each year, from years one (1) through thirty (30).

Location Restriction.

Only projects located on the approximately six hundred (600) acres owned by the County of Sullivan and located at the Sullivan County International Airport would be eligible for benefits under this program.

Employment Goals.

No employment goals are proposed.

CONCLUSION

The Committee requests that, in accordance with its recommendations, the Agency reaffirm, in part and amend or establish, in part its Uniform Tax Exemption Policy, as follows:

- 1) reaffirm its Agricultural Industry Program; Disaster Impacted Businesses Program; Encouraging the Return of Tax Exempt Property to Taxable Status Program; and Arts Industry Program;
- 2) amend its General Abatement Program, to (i) use the assessed value established by the assessing jurisdiction as the TVSP when computing PILOT payments for years eleven (11) through twenty (20) of the Program; and (ii) balance job creation with the need for housing by allowing benefits for distribution center projects under this Program only if those projects construct or renovate market rate workforce housing at a minimum rate of one (1) unit per twelve thousand five hundred (12,500) square feet of distribution center space and a maximum rate of one (1) unit per five thousand (5,000) square feet of distribution center space, with such market rate workforce housing located within Sullivan County and within twenty-five (25) miles of the distribution center project;
- 3) amend its Tourism Industry Program, to offer an enhanced level of real estate tax abatements, specifically 100% abatement of new real estate taxes resulting from improvements for years one (1) through eight (8), decreasing twelve and one-half (12 ½%) percent per year for years nine (9) through sixteen, for projects that (a) create and maintain one FTE for every two (2) rooms constructed, and (b) construct or renovate market rate workforce housing at a minimum rate of one (1) unit for every four (4) rooms and a maximum rate of one (1) unit for every one (1) room renovated or constructed as part of

- the Tourism Industry project, with such market rate workforce housing units located within Sullivan County and within twenty-five (25) miles of the Tourism Industry project;
- 4) amend its Targeted Manufacturing Program as needed to include all SIC codes that apply to businesses manufacturing green technologies;
 - 5) amend its Retail Sales Program to reflect the requirements of Section 862 of the GML;
 - 6) remove its Green Technology Manufacturing Program as a standalone program limited to the SUNY Sullivan campus, and incentivize green technology manufacturing projects anywhere in the County under the Targeted Manufacturing Program;
 - 7) remove its Destination Resort Program as a standalone program and incentivize large-scale tourism projects through an enhanced benefits schedule under the Tourism Industry Program as described above;
 - 8) eliminate its Tax Credit Participation Program;
 - 9) amend its Community Distributed Generation Program to eliminate the limitation on Agency involvement in areas where a taxing jurisdiction has opted out under RPTL §487; and
 - 10) create the Sullivan County International Airport Program through which an applicant seeking to develop an aircraft hangar or other aviation-related facility on land owned by the County of Sullivan at the Sullivan County International Airport receives sales tax abatements on taxable purchases made in connection with the project; mortgage tax abatement on all loans financing the project; and a real estate tax abatement on the total assessed value over a thirty (30) year period, at seventy-five (75%) of the assessed value established by the assessing jurisdiction for years one (1) through thirty (30).

The review undertaken by the Committee identified some areas where exploring solutions could not be accommodated in the timeframe for issuance of this report, as follows:

1. The Committee is hopeful that enhancing benefits under the Tourism Industry Program if market rate workforce housing units are developed and requiring development of market rate workforce housing as a condition for a distribution center to obtain financial assistance under the General Abatement program, will lead to development of sorely needed market rate workforce housing in the County. More work needs to be done to develop additional programs and incentives to promote housing opportunities.
2. The Committee recognizes that lack of childcare options in the County has resulted in some parents not being able to enter the workforce. Accordingly, development of incentives for childcare projects is necessary.
3. The Committee believes that strategies for redevelopment of the County's "Main Streets" is worthy of further exploration. The Committee recognizes that tax exemptions and financial assistance standing alone will not be an effective tool to accomplish this complicated goal.

If the County Legislature is in support of continued work by the Committee, the Committee is willing to continue to explore these areas of concern and if solutions or recommendations are developed, issue a supplemental report to the Agency.

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on February 14, 2022 at 11:00 a.m. local time via videoconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

The following persons were also present:

- Jennifer M. Flad, Executive Director
- John W. Kiefer, Chief Executive Officer
- Julio Garaicoechea, Project Manager
- Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by _____, and seconded by _____, to wit:

Resolution No. __ - 22

RESOLUTION (I) AUTHORIZING THE AGENCY TO TAKE OFFICIAL ACTION TO REAFFIRM, IN PART AND AMEND, IN PART ITS CURRENT UNIFORM TAX EXEMPTION POLICY AND CREATE ONE (1) ADDITIONAL UNIFORM TAX EXEMPTION POLICY; TO WIT: SULLIVAN COUNTY INTERNATIONAL AIRPORT PROGRAM; AND (II) AUTHORIZING THE AGENCY'S EXECUTIVE DIRECTOR TO PROVIDE TWENTY (20) DAYS NOTICE TO ALL AFFECTED TAXING JURISDICTIONS OF THE PROPOSED AMENDMENTS TO THE AGENCY'S UNIFORM TAX EXEMPTION POLICY

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, on September 13, 2021, by its resolution No. 27-21, the Agency imposed a temporary pause on new applications (“Temporary Pause”) under certain programs within the Agency’s Uniform Tax Exemption Policy (“UTEP”); and

WHEREAS, on September 30, 2021, Robert Doherty, Chairman of the Sullivan County Legislature (“County Legislature”), appointed a six (6) member committee (“Committee”) to review the Agency’s UTEP as it now exists and assess the UTEP’s strengths and weaknesses in providing assistance to individuals or companies that seek to establish or expand businesses and create employment in the County; and

WHEREAS, The Committee consisted of the following individuals:

Joshua Potosek, Sullivan County Manager

Heather Brown, Sullivan County Deputy Commissioner of Planning and Environmental Management

Kirsten Harlow Foster, Foster Supply Hospitality

Philip Vallone, Rolling V Enterprises

Howard Siegel, Agency Treasurer and Chief Financial Officer

Edward T. Sykes, Agency Vice Chairman; and

WHEREAS, the Temporary Pause was terminated by the Agency on January 24, 2022, following receipt by the Agency of the Draft Report and Recommendations of the Committee to Review the Agency’s UTEP; and

WHEREAS, following an extensive review process including meetings with local elected officials and economic development agency representatives, the Committee has completed its review of the UTEP; and

WHEREAS, the following is a history of the Agency's UTEP:

HISTORY OF THE AGENCY’S UNIFORM TAX EXEMPTION POLICY

A Certificate of Establishment of the Agency was filed with the New York Secretary of State on November 6, 1970. The Agency was formed for the benefit of the County and its inhabitants to accomplish any or all of the purposes specified in Article 18-A of the General Municipal Law of the State of New York ("GML") under authority granted pursuant to Section 906 of the GML. The founding members of the Agency adopted a single "one-size-fits- all" tax abatement policy applicable to all projects. That policy still exists today and is called the General Abatement Program (as hereinafter defined).

Effective January 1, 1996, the County implemented a charter form of government replacing its Board of Supervisors with elected legislative district representatives comprising the County Legislature. On February 9, 1996, the County Legislature appointed Robert Kunis, Allan C. Scott, Harold Gold, Joyce Salimeno, Raymond Walter, Edward T. Sykes and Ronald Gozza to serve as

members of the Agency. The post-1996 Agency members, working closely with the County Legislature and the County Office of Planning and Community Development ("County Planning Department") undertook a review of industrial development agencies' policies and procedures in place elsewhere. The County Planning Department, with the aid of the Agency and the Partnership for Economic Development in Sullivan County, Inc. ("Partnership") commissioned a study, which ultimately resulted in a two (2) volume report entitled Rebuilding Sullivan County – An Economic Development Strategy ("Strategy"). The Strategy concluded that it would be beneficial for the Agency to establish programs targeted to benefit certain industries believed to be well-suited to the County's infrastructure and goals.

Coincidentally, in 1997, Section 874 of the GML was amended requiring the Agency to review and re-adopt its UTEP on or before April 1, 1999 and setting forth the procedure therefor. Following review of the Strategy the Agency, in accordance with the procedures set forth in Section 874 of the GML, reaffirmed its General Abatement Program and adopted the following additional programs:

Tourism Industry

Agricultural Industry

Manufacturing

Retail Sales

Thereafter, the Agency on its own initiative adopted its Disaster Impacted Businesses Program (1998) and Return of Tax Exempt Property to Taxable Status Program (1999). On September 14, 2004, following a review by a committee established by the Sullivan County Legislature ("2004 Committee"), the Agency amended certain of its programs. On April 8, 2008, following a review commenced in 2006 by a committee established by the Sullivan County Legislature ("2006 Committee"), the Agency further amended certain of its programs, and adopted its Destination Resort Program and Green Technology Manufacturing Program. Thereafter, the Agency adopted its Tax Credit Participation Program (2010); Arts Industry Program (2016); Community Distributed Generation Program (2016); and Commercial/Industrial Park Program (2021); and

WHEREAS, to assist the Committee to review the Agency's UTEP, the Agency's staff and general counsel prepared a package of information containing a copy of the current UTEP, a listing of active projects approved under each program since January 1, 2011, and a copy of the 2008 Report and Recommendations of the Committee to Review the UTEP; and

WHEREAS, at the Committee's initial meeting held on October 19, 2021, the Committee agreed to extend an invitation to the Supervisor of each of the County's fifteen (15) towns and the Mayor of each of the County's six (6) villages to review, discuss and provide input on the UTEP. Each Supervisor and Mayor was also asked to invite up to two other local representatives.

Invitations were extended to the following local governments to meet on the following dates:

Date	Local Governments
November 3, 2021	Towns of Callicoon, Cochection, Delaware, Fremont, and Tusten; Village of Jeffersonville
November 10, 2021	Towns of Bethel, Forestburgh, Highland, and Lumberland
November 17, 2021	Towns of Fallsburg, Mamakating, and Thompson; Villages of Bloomingburg, Monticello, Woodridge, and Wurtsboro
December 1, 2021	Towns of Liberty, Neversink, and Rockland; Village of Liberty

The Committee also invited representatives of the Partnership, Sullivan County Chamber of Commerce, Sullivan Catskills Visitors Association, SUNY Sullivan, Sullivan BOCES, Sullivan County Center for Workforce Development, and the Agency to a meeting on December 8, 2021, to discuss the UTEP.

Accompanying each invitation to meet with the Committee was a package of information prepared by Agency staff and legal counsel containing a copy of the current UTEP, a listing of active projects approved under each program since January 1, 2011, and a copy of the 2008 Report and Recommendations of the Committee to Review the UTEP.

Each County Legislator was invited to participate in at least one meeting of the municipality or municipalities located within his or her legislative district; and

WHEREAS, a summary of the Agency’s UTEP in place at the time of review is as follows:

GENERAL ABATEMENT PROGRAM

Program Overview.

After a Certificate of Establishment of the Agency was filed with the New York Secretary of State on November 6, 1970, an original tax exemption policy was adopted by the founding members of the Agency under authority granted pursuant to Section 906 of the General Municipal Law of the State of New York. That basic policy still exists today and is called the General Abatement Program. The Agency readopted its General Abatement Program as required by Law on December 28, 1993 and in 1997, 1998, and 1999. During the 2004 review process, the 2004 Committee determined that the development of tourism destination projects in close proximity to gaming related facilities will occur with or without financial assistance from the Agency. Therefore the 2004 Committee recommended that the General Abatement Program be amended so as not to provide tax abatements to applicants proposing tourism destination facilities within the Town of Thompson, where several gaming related facilities were proposed for development. The General Abatement Program was amended on September 14, 2004 to eliminate benefits for applicants proposing tourism destination facilities within the Town of Thompson.

Program Tax Abatements.

The tax abatements associated with the General Abatement Program are as follows:

Sales. Sales tax abatements are provided in connection with all taxable items purchased by projects under this program.

Mortgage. All mortgage tax on loans financing projects under this program is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at fifty (50%) percent for year one (1) with the abatement decreasing two and one-half (2½%) percent per year for years two (2) through twenty (20). This type of abatement program, commonly called a 485-b "stretch", provides benefits similar to benefits that are available under Section 485-b of the New York Real Property Tax Law ("RPTL"), but over a twenty (20) year period versus the ten (10) year period provided for in the RPTL.

Employment Goals.

Employment goals are determined on a project by project basis. Real property tax abatements are reduced in future years if the project's employment goals are not met.

TOURISM INDUSTRY PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program for the tourism industry ("Tourism Industry Program") on December 31, 1998. Prior to adoption of this targeted tax exemption program the Agency had many meetings and discussions relative to the "Sweet Spots" of the Sullivan County economy. For scores of years the tourism industry (together with the agricultural industry) was a backbone of the County's economy. Tourism facilities typically purchase most of their goods and services locally, while attracting customers and guests to the County from outside the region. Benefits of tourism industry projects include substantial employment in the tourism industry and the import of tourism dollars from elsewhere to the County economy.

The Tourism Industry Program was amended in 2004 following recommendations from the 2004 Committee. In 2004, the Tourism Industry Program was amended to prohibit the Agency from accepting applications or providing tax abatements to any Tourism Industry Program applicant developing a project within the Town of Thompson.

Program Tax Abatements.

The following tax abatements are associated with the Tourism Industry Program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with tourism industry projects.

Mortgage. All mortgage tax on loans necessary for tourism industry projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at one hundred (100%) percent for years one (1) through five (5) with the abatement decreasing ten (10%) percent per year for years six (6) through fifteen (15).

Employment Goals.

Minimum employment goals are established for projects receiving benefits under this program. Employment goals are determined on a project by project basis. Real property tax abatements are reduced in future years if the project's employment goals are not met.

AGRICULTURAL INDUSTRY PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program for the agricultural industry on September 14, 1998 ("Agricultural Industry Program"). Prior to adoption of this targeted tax exemption program the Agency had many meetings and discussions relative to the "Sweet Spots" of the Sullivan County economy. For scores of years the agricultural industry (together with the tourism industry) was a backbone of the County's economy. This industry provides the County with both direct and measurable benefits, as well as important indirect benefits. Benefits that are direct and measurable include the substantial employment in the agricultural industry and the sale of agricultural products outside of the County market area resulting in the import of money from elsewhere to the County economy. Indirect benefits include the preservation of open space and the County's rural landscape.

Program Tax Abatements.

The tax abatements associated with the Agricultural Industry Program are as follows:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with the agricultural projects. This is of little benefit to production farms that are statutorily exempt from sales tax. However, this is an important benefit for services or suppliers to production farms and to businesses processing farm products.

Mortgage. All mortgage tax on loans necessary for agricultural industry projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at one-hundred (100%) percent for years one (1) through five (5) with the abatement decreasing ten (10%) percent per year for years six (6) through fifteen (15). This is of reduced benefit to production farms that qualify for agricultural value assessment. However, this is an important benefit for suppliers to production farms and to businesses processing farm products.

Employment Goals.

There are no minimum employment goals associated with this program.

TARGETED MANUFACTURING PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program for manufacturing ("Targeted Manufacturing Program") on May 11, 1999. This program was developed in cooperation with the Partnership and the County Planning Department. The 1997 Rebuilding Sullivan County-- An Economic Development Strategy recommended targeted tax incentives to be used "to attract particular businesses or industries ... well suited or beneficial to the economy"... of the County. Additionally, the Business Retention and Expansion Study which was conducted in the course of preparing the Strategy also recommended "targeted efforts ... to produce job growth through

business expansion." The survey indicated twenty-nine (29%) percent of existing businesses were considering expansion. The most often cited reason for businesses considering relocating out of the County was "high taxes," a factor identified by nineteen (19%) percent of respondents. This targeted tax abatement program was designed to address this problem by converting such disincentives to incentives for those businesses with particular potential for job growth in industries identified to be well suited to the County's economy. This targeted tax abatement program was originally made available to the following types of manufacturing businesses:

SIC Code	Type of Manufacturing
20	Food and Kindred Products
24	Lumber and Wood Products, Except Furniture
25	Furniture and Fixtures
27	Printing, Publishing and Allied Industries
2834	Pharmaceutical Preparations
2836	Biological Products, Except Diagnostic Substances
32	Stone, Clay, Glass and Concrete Products
34	Fabricated Metal Products, Except Machinery and Transportation Equipment
35	Industrial and Commercial Machinery and Computer Equipment
36	Electronic and Electrical Equipment and Components, Except Computer Equipment

The Targeted Manufacturing Program was amended in 2004 in accordance with the 2004 Committee's recommendation that certain of the above-listed SIC codes were likely to produce low-wage paying jobs, which jobs were no longer viewed as attractive given the County's then present unemployment levels. The 2004 Committee recommended, and the Agency did so ultimately amend, its Targeted Manufacturing Program so as to eliminate various SIC Codes. Effective September 14, 2004, the Targeted Manufacturing Program is now available only to the following types of manufacturing businesses:

SIC Code	Type of Manufacturing
24	Lumber and Wood Products, Except Furniture
2834	Pharmaceutical Preparations
2836	Biological Products, Except Diagnostic Substances
34	Fabricated Metal Products, Except Machinery and Transportation Equipment

Electronic and Other Electrical Equipment and Components, Except
Computer Equipment

Program Tax Abatements.

The following tax abatements are associated with the Manufacturing Program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with manufacturing projects.

Mortgage. All mortgage tax on loans necessary for manufacturing projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated in accordance with the following schedule:

Year	% of Real Estate Taxes Abated
1	90.00%
2	90.00%
3	80.00%
4	80.00%
5	70.00%
6	70.00%
7	60.00%
8	60.00%
9	50.00%
10	50.00%
11	50.00%
12	50.00%
13	40.00%
14	40.00%
15	30.00%
16	30.00%
17	20.00%
18	20.00%
19	10.00%
20	10.00%

Employment Goals.

Minimum employment goals are established for projects receiving benefits under this program. Employment goals are determined on a project-by project basis. Real property tax exemptions are proportionally reduced if employment goals are not met.

RETAIL SALES PROGRAM

Program Overview.

Industrial development agencies must follow strict guidelines when providing financial assistance to retail projects ("Retail Sales Program"). These guidelines are set forth in Section 862 of the GML. The general rule is that industrial development agencies cannot provide financial assistance to any project that is primarily engaged in retail sales to customers who personally visit the project's facility to obtain such goods or services, if such sales constitute more than one-third (1/3) of the total project costs, unless:

(i) the predominant purpose of the project would be to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the city, town, or village within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services; or

(ii) the project is located in a highly distressed area.

If the proposed project meets either exception above, then an industrial development agency may approve the application for financial assistance only if:

- (i) the Agency finds that undertaking the project will preserve or increase the overall number of permanent, private sector jobs in New York State, and
- (ii) the proposed action of the Agency with respect to the project is confirmed by the County Manager.

The Agency's Retail Sales Program was amended in 2004 following the recommendation of the 2004 Committee. In keeping with the 2004 Committee's belief that the development of tourism destination projects in close proximity to gaming related facilities will occur with or without financial assistance from the Agency, the Agency amended its Retail Sales Program effective September 14, 2004 so as to not provide tax abatement benefits under the Agency's Retail Sales Program to applicants proposing tourism destination facilities within the Town of Thompson. No changes were made to the Retail Sales Program following the 2008 review.

Program Tax Abatements.

Sales. Sales tax abatements are provided in connection with all taxable items purchased by retail projects.

Mortgage. All mortgage tax on loans necessary for financing retail projects is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at fifty (50%) percent for year one (1) with the abatement decreasing by five (5%) percent per year for years two (2) through ten (10). This abatement mirrors Section 485-b of the New York Real Property Tax Law. For years eleven (11) through fifteen (15), payments in lieu of taxes

("PILOT payments") are equal to "full taxes"; although the value of the project for PILOT purposes remains fixed.

Employment Goals.

There are no minimum employment goals associated with this program.

DISASTER IMPACTED BUSINESSES PROGRAM

Program Overview.

The targeted tax abatement program for Disaster Impacted Businesses ("Disaster Impacted Business Program") was adopted by the Agency in July, 1998. The purpose of this program is to provide incentives for businesses, which have been substantially destroyed by fire, flood, or other natural disasters, to rebuild in the County. Moving a business from one location to another involves a myriad of challenges. Notwithstanding the challenges, businesses routinely relocate. When the assets of a business are reduced to the form of an insurance company check the challenges associated with moving a business from one location to another cease to exist. Whether a business chooses to reestablish in its former location or move to a new location (either within or outside the County) can be greatly influenced by a targeted program designed to assist a disaster impacted business in its time of need.

Program Tax Abatements.

The following tax abatements are associated with the Disaster Impacted Businesses Program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased in connection with the rebuilding of the disaster impacted business.

Mortgage. All mortgage tax on loans necessary to rebuild the disaster impacted business is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated at one-hundred (100%) percent for year one (1) with the abatement decreasing ten (10%) percent per year through year (5) five and then at five (5%) percent per year years six (6) through fifteen (15).

Employment Goals.

Since the Disaster Impacted Businesses Program is a business retention tool, there are no minimum employment goals associated with this program.

ENCOURAGING THE RETURN OF TAXABLE PROPERTY TO TAXABLE STATUS PROGRAM

Program Overview.

The Agency adopted its targeted tax abatement program encouraging the return of tax exempt property to taxable status ("Encouraging the Return of Taxable Property to Taxable Status Program") on June 8, 1999. In adopting this targeted tax exemption program, the Agency recognized that historically many properties within the County receive real property tax

exemptions as a result of ownership and use by not-for-profit organizations. Many of these properties, if returned to the tax rolls, would require substantial improvements. As adopted in 1999, this was a twenty-year program, under which real estate taxes on the increased value resulting from improvements were abated at fifty (50%) percent for year one (1) with the abatement decreasing at two and one-half (2-1/2%) percent per year for years two (2) through twenty (20). The 2006 Committee, recognizing the substantial number of tax exempt properties in the County, recommended that the Agency enhance the abatement schedule to provide a more meaningful incentive for property owners considering undertaking projects. The Agency accepted this recommendation and amended the Program to provide the abatement schedule below. Further, the 2006 Committee recommended that the Agency require that a project seeking benefits under this program be limited to properties that have been tax exempt for a minimum of three (3) years, and that the assessed value established by the assessing jurisdiction be utilized in computing PILOT payments for the term of the program. The Agency accepted all recommendations of the 2006 Committee with respect to the Encouraging the Return of Taxable Property to Taxable Status Program and amended the program to reflect these changes on April 8, 2008.

Program Tax Abatements.

The following tax abatements are associated with this program:

Sales. Sales tax abatements are provided in connection with all taxable items purchased by a project in connection with this program.

Mortgage. All mortgage tax on loans necessary for projects constructed under this program is abated.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated according to the following schedule:

Year	% of Real Estate Taxes Abated
1	100.00%
2	100.00%
3	100.00%
4	91.67%
5	83.33%
6	75.00%
7	67.67%
8	58.33%
9	50.00%
10	41.67%
11	33.33%
12	25.00%
13	16.67%

14	8.33%
15	0.00%

Employment Goals.

As this program focuses on taxable status, there are no minimum employment goals associated with the program.

GREEN TECHNOLOGY MANUFACTURING PROGRAM

Program Overview.

The Green Technology Manufacturing Program was adopted by the Agency on April 8, 2008 at the recommendation of the 2006 Committee. This program is targeted to businesses locating in the Green Technology Park located at SUNY Sullivan.

Program Tax Abatements.

Sales. Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation, and equipping of the project.

Mortgage. There is a mortgage tax abatement on all loans financing projects under this program.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated over a twelve-year period, at one-hundred (100%) percent for first three (3) years, seventy-five (75%) percent the next three (3) years, fifty (50%) percent the following three (3) years, and twenty-five (25%) percent the last three (3) years.

Location Restriction.

To be eligible for benefits under this program, a project must be located in the Green Technology Park at SUNY Sullivan.

Employment Goals.

Minimum employment goals are established for projects receiving benefits under the Green Technology Manufacturing Program. Employment goals are determined on a project-by-project basis. Real property tax abatements are proportionally reduced if the project's employment goals are not met.

DESTINATION RESORT PROGRAM

Program Overview.

The Agency adopted its Destination Resort Program on April 8, 2008, at the recommendation of the 2006 Committee. This program is designed to offer meaningful incentives for large-scale tourism projects, which have numerous direct and indirect benefits for Sullivan County. These projects generally invest significant funds in their projects, attract tourism dollars that are spent in

the County, and create many jobs. To qualify for the Destination Resort Program, a project must meet each of the following criteria:

- (i) \$25,000,000 in total project costs;
- (ii) total project investment of not less than \$250,000 per room; and
- (iii) a minimum job creation of one (1) full-time equivalent employee (“FTE”) for every four (4) rooms.

Program Tax Abatements.

Sales. Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation and equipping of the project.

Mortgage. Mortgage tax abatement on all loans financing projects under this program.

Real Estate. Real estate taxes on the increased value resulting from improvements are abated over sixteen (16) years as follows:

Year	% of Real Estate Taxes Abated
1	100.00%
2	100.00%
3	100.00%
4	100.00%
5	100.00%
6	100.00%
7	100.00%
8	100.00%
9	87.50%
10	75.00%
11	62.50%
12	50.00%
13	37.50%
14	25.00%
15	12.50%
16	0.00%

Employment Goals.

At least one (1) FTE for every four (4) rooms must be created and maintained during the term of the project. Real property tax abatements are proportionally reduced if the project’s employment goals are not met.

TAX CREDIT PARTICIPATION PROGRAM

Program Overview.

The Tax Credit Participation Program was adopted by the Agency on April 13, 2010. Lenders underwriting requirements typically require participation in federal tax credit programs to form single purpose entities as conduit borrowers. Normally these single purpose entities are not exempt from taxation, even in cases where the entity is an affiliate or subsidiary of an entity entitled to exemption under RPTL Section 420 and qualified and operating under Section 501(c)(3) of the Internal Revenue Code. The purpose of the Tax Credit Participation Program is to facilitate participation in the Federal New Markets Tax Credit Program, the Federal Historic Tax Credits Program or similar federal and state programs involving the use of federal tax credits.

This program does not apply to residential projects. All program participants must be an affiliate or subsidiary of an entity (i) exempt from real property taxes under RPTL Section 420 and (ii) qualified and operating under Section 501(c)(3) of the Internal Revenue Code. An entity meeting the requirements of (i) and (ii) above shall be a qualifying subsidiary or affiliate if the applicable exempt entity is (x) the owner of or majority of the beneficial interest in such subsidiary or affiliate or (y) is the managing member of such subsidiary or affiliate.

Program Tax Abatements.

Sales: All sales tax on the lease or purchase of tangible personal property acquired under this program is abated.

Mortgage: All mortgage tax on loans financing projects under this program is abated.

Real Estate: All real estate tax for the period of the financing program but not exceeding thirty (30) years are abated.

Employment Goals.

There are no employment goals associated with this Program.

ARTS INDUSTRY PROGRAM.

Program Overview.

The Agency adopted the Arts Industry Program on June 13, 2016. This program benefits for-profit businesses in the arts industry. The program was designed to capitalize on then-current efforts introduced to establish Arts and Cultural Districts throughout New York; to further encourage the development of the County's arts industry by providing a significant comparative advantage to companies seeking to locate specifically in proposed Arts and Cultural Districts in Sullivan County with incentives from local municipalities, the County, and the State; to build on New York State's efforts to incentivize qualified film production companies that produce feature films, television series, relocated television series, television pilots, films for television, and/or incur post-production costs associated with the original creation of these productions through the Film Tax Credit Program for upstate counties; to further develop Sullivan County's tourism industry, which has long been a pillar of our economy, by providing incentives to arts and cultural businesses; to complement recently completed major development projects in Sullivan County; and to foster an industry that provides clean jobs that can strengthen the economy in our region while preserving the rural assets to which people are drawn.

Program Tax Abatements.

Sales: Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation, and equipping of the project.

Mortgage: Mortgage tax abatement on all loans financing projects under this program.

Real Estate: Real estate taxes on the increased value resulting from improvements are abated over a fifteen year period as follows: one hundred percent (100%) for years one (1) through five (5); ninety percent (90%) for year six (6); eighty percent (80%) for year seven (7); seventy percent (70%) for year eight (8); sixty percent (60%) for year nine (9); fifty percent (50%) for year ten (10); forty percent (40%) for year eleven (11); thirty percent (30%) for year twelve (12); twenty percent (20%) for year thirteen (13); ten percent (10%) for year fourteen (14); and zero percent (0%) for year fifteen (15).

Employment Goals.

Employment goals are determined on a project-by-project basis. Real property tax abatements are proportionally reduced if the project's employment goals are not met.

COMMUNITY DISTRIBUTED GENERATION PROGRAM

Program Overview.

The Community Distributed Generation Program was adopted by the Agency on December 12, 2016. In light of changes to the financial and regulatory framework affecting solar development, the program was amended and re-adopted on September 14, 2020. The purposes of this program are (i) to support New York State's "Reforming the Energy Vision" Initiative, which is intended to encourage renewable energy development that will spur economic growth and develop new energy business models; (ii) to bring community distributed generation projects to Sullivan County, where existing low electricity rates would otherwise inhibit investment in solar installations; (iii) to administer a single County-wide uniform tax exempt policy, allowing municipalities to collect long-term predictable PILOT monies without the burden of developing and administering PILOT agreements at the local government or school district level; (iv) to respect variations in local policy by requiring that each project application includes a letter affirming that the host municipality supports the project; (v) to foster the development of residential and small business on-site solar energy systems, which are not eligible for Agency benefits, by requiring that 1) towns recommending projects to the Agency also participate in New York State's Real Property Tax Law (RPTL) Section 487 program; and 2) school districts within which projects are proposed also participate in the RPTL Section 487 program; (vi) to assist project developers by offering a single County-wide uniform tax exempt policy, eliminating the need to negotiate PILOTs with the County and the various towns, villages, and school districts; (vii) to enhance developers' prospects for financing community distributed generation projects by offering a uniform PILOT structure that is simple and therefore more appealing to lenders; (viii) to benefit Sullivan County residents and businesses by requiring community distributed generation projects to offer them a local buying preference and an electricity rate of 10 percent less than the utility company's default rate, averaged over a 36 month period; (ix) to stimulate Sullivan

County's transition to a sustainable energy economy by fostering the generation of local solar energy that is purchased and used within the County; and (x) to bring short- and long-term jobs to Sullivan County.

Program Tax Abatements.

Sales: Sales tax abatement on all taxable purchases made in connection with the acquisition, construction, installation, and equipping of the project.

Mortgage: Mortgage tax abatement on all loans financing projects under this program.

Real Estate: Real estate taxes on the increased value resulting from improvements are abated over a twenty-year period. The annual PILOT payment is expressed as a dollar value per megawatt (MW) of the facility's nameplate capacity. The dollar value per megawatt depends upon the level of incentives the project receives from New York State through the Public Service Commission's Value of Distributed Energy Resources (VDER), or Value Stack, mechanism. The PILOT dollar value per MW is the same for all Agency projects receiving a particular level of incentives through VDER. The PILOT is divided among all affected taxing jurisdictions in proportion to their tax rates.

Employment Goals.

There are no employment goals associated with this Program.

COMMERCIAL/ INDUSTRIAL PARK PROGRAM

Program Overview.

The Commercial/ Industrial Park Program was adopted by the Agency on April 21, 2021. This program is designed to encourage owners of land zoned for commercial or industrial uses to invest in roads and infrastructure without a concern about additional real estate taxes becoming a burdensome carrying cost while the commercial or industrial park land or lots are being marketed to end users.

This program is limited to projects undertaken on land with zoning that allows commercial or industrial uses and shall be applicable to only the Towns of Liberty, Thompson and Mamakating, along Interstate Route 86 and the Towns of Fallsburg and Bethel, where commercial or industrial parks are located.

It is anticipated that persons or entities purchasing or leasing land (or the owner constructing improvements) will apply for tax abatements on projects to be constructed on the improved commercial or industrial park land. At the time of adoption of this program, such future abatements shall receive financial assistance under the Agency's General Abatement Program unless 1) the proposed use qualifies for abatements under the Agency's Manufacturing or other applicable Abatement Program or 2) the proposed project seeks and is granted a deviation from the Agency's General Abatement Program.

Program Tax Abatements.

Sales: Sales tax abatements are provided in connection with all taxable items purchased or leased in connection with the development of the qualifying commercial or industrial park. The Agency's sales tax reporting protocols shall apply to all such expenditures. The abatement is subject to the Agency's one (1%) percent sales tax abatement fee.

Mortgage: All mortgage recording taxes (“MRT”) on real estate mortgages securing loans for development of qualifying industrial parks shall be abated. The abatement is subject to the Agency’s MRT abatement fee of the greater of one-tenth (1/10%) percent of the original principal amount of the debt secured or Five Thousand and 00/100 (\$5,000.00) Dollars.

Real Estate: Real estate taxes on the increased value of the land following installation of roads and infrastructure shall be abated at one hundred (100%) percent for a period not to exceed ten (10) years. All projects relying on this program shall enter into a Master Development and Agency Agreement (“MDAA”). The MDAA shall provide that when a part of the commercial or industrial park is sold, leased or a building permit related thereto is issued, the land or lot subject to the sale, lease or permit shall no longer qualify for real estate tax abatement under this program.

Employment Goals.

There are no employment goals associated with this Program; and

WHEREAS, the Agency, by this Resolution will take official action to:

(i) Reaffirm the following Programs without amendment or revision:

Agricultural Industry Program
Disaster Impacted Businesses Program
Encouraging the Return of Tax Exempt Property to Taxable Status Program
Arts Industry Program

(ii) amend its General Abatement Program, to (i) use the assessed value established by the assessing jurisdiction as the TVSP when computing PILOT payments for years eleven (11) through twenty (20) of the Program; and (ii) balance job creation with the need for housing by allowing benefits for distribution center projects under this Program only if those projects construct or renovate market rate workforce housing at a minimum rate of one (1) unit per twelve thousand five hundred (12,500) square feet of distribution center space and a maximum rate of one (1) unit per five thousand (5,000) square feet of distribution center space, with such market rate workforce housing located within Sullivan County and within twenty-five (25) miles of the distribution center project;

(iii) amend its Tourism Industry Program, to offer an enhanced level of real estate tax abatements, specifically 100% abatement of new real estate taxes resulting from improvements for years one (1) through eight (8), decreasing twelve and one-half (12 ½%) percent per year for years nine (9) through sixteen, for projects that (a) create and maintain one FTE for every two (2) rooms constructed, and (b) construct or renovate market rate workforce housing at a minimum rate of one (1) unit for every four (4) rooms and a maximum rate of one (1) unit for every one (1) room renovated or constructed as part of the Tourism Industry project, with such market rate workforce housing units located within Sullivan County and within twenty-five (25) miles of the Tourism Industry project;

- (iv) amend its Targeted Manufacturing Program as needed to include all SIC codes that apply to businesses manufacturing green technologies;
- (v) amend its Retail Sales Program to reflect the requirements of Section 862 of the GML;
- (vi) amend its Community Distributed Generation Program to eliminate the limitation on Agency involvement in areas where a taxing jurisdiction has opted out under RPTL Section 487;
- (vii) eliminate the Green Technology Manufacturing Program as a standalone program limited to the SUNY Sullivan campus, and incentivize green technology manufacturing projects anywhere in the County under the Targeted Manufacturing Program;
- (viii) eliminate the Destination Resort Program as a standalone program and incentivize large-scale tourism projects through an enhanced benefits schedule under the Tourism Industry Program as described above;
- (ix) eliminate its Tax Credit Participation Program;
- (x) create the Sullivan County International Airport Program through which an applicant seeking to develop an aircraft hangar or other aviation-related facility on land owned by the County of Sullivan at the Sullivan County International Airport receives sales tax abatements on taxable purchases made in connection with the project; mortgage tax abatement on all loans financing the project; and a real estate tax abatement on the total assessed value over a thirty (30) year period, at seventy-five (75%) of the assessed value established by the assessing jurisdiction for years one (1) through thirty (30); and

WHEREAS, the Agency recognizes that the Committee identified various areas where exploring solutions could not be accommodated in the timeframe for issuance of its Report and Recommendations, as follows:

- (i) The Committee is hopeful that enhancing benefits under the Tourism Industry Program if market rate workforce housing units are developed and requiring development of market rate workforce housing as a condition for a distribution center to obtain financial assistance under the General Abatement program, will lead to development of sorely needed market rate workforce housing in the County. More work needs to be done to develop additional programs and incentives to promote housing opportunities.
- (ii) The Committee recognizes that lack of childcare options in the County has resulted in some parents not being able to enter the workforce. Accordingly, development of incentives for childcare projects is necessary.
- (iii) The Committee believes that strategies for redevelopment of the County's "Main Streets" is worthy of further exploration. The Committee recognizes that tax exemptions and financial assistance standing alone will not be an effective tool to accomplish this complicated goal.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Agency is hereby authorized to take any and all official action necessary to reaffirm its Agricultural Industry Program, Disaster Impacted Businesses Program, Encouraging the Return of Tax Exempt Property to Taxable Status Program and Arts Industry Program.

Section 2. The Agency is hereby authorized to take any and all official action necessary to amend in part its General Abatement Program as follows:

PROPOSED AMENDMENT OF THE GENERAL ABATEMENT PROGRAM

During the review process, representatives of local governments expressed concern that the Agency's abatement programs are too generous. Recognizing the concerns of local governments that are burdened by many types of real property tax exemptions and recognizing that the County's economy has changed and improved substantially since the General Abatement Program was adopted, the Committee has recommended and the Agency now proposes to amend the General Abatement Program so that the total value subject to payment in lieu of taxes ("TVSP") is fixed by the Agency for only the first ten (10) years of the program. After the ten (10) year "freeze period", the assessed value established by the assessing jurisdiction will be utilized in computing payments in lieu of taxes ("PILOT Payments") for the remaining ten (10) years of the program.

Further, the Committee recognized the dramatic changes in the local, regional, national and global economic development landscape since the last review. With the advent of electronic commerce over the past many years, and an increasing reliance on electronic commerce since the onset of the COVID-19 pandemic, thousands of distribution centers have been constructed to keep up with consumer demand for fast, reliable deliveries. The Committee believes distribution centers create jobs and increase the local tax base. However, as of November 2021 Sullivan County's unemployment rate was 3.9%, compared with 5.5% statewide, and employers around the County are struggling to fill open positions. The Committee has urged the Agency to exercise caution when incentivizing projects like distribution centers, which creates jobs but for which there seem to be few potential employees, with few or no housing options. To offset the possible negative side-effects of incentivizing distribution centers, the Committee has recommended and the Agency now proposes to require distribution center projects to provide, through construction or renovation, market rate workforce housing at a minimum rate of one (1) housing unit per twelve thousand five hundred (12,500) square feet of distribution center space and a maximum rate of one (1) housing unit per five thousand (5,000) square feet of distribution space, in order to be eligible for benefits under the General Abatement Program. Market rate workforce housing units must be renovated or constructed within Sullivan County, and within twenty-five (25) miles of the distribution center project. Further, the Agency concurs with the

Committee's belief that tax incentives will do little to attract distribution centers, whose greatest expenses are transportation costs.

Section 3. The Agency is hereby authorized to take any and all official action necessary to amend in part its Tourism Industry Program as follows:

PROPOSED AMENDMENT OF THE TOURISM INDUSTRY PROGRAM

The Committee has recommended and the Agency now proposes to amend the Tourism Industry Program to offer two levels of real property tax abatements. The first will be identical to the current abatement schedule: real estate taxes will be abated on the increased value resulting from improvements at one-hundred (100%) percent for years one (1) through five (5) with the abatement decreasing ten (10%) percent per year for years six (6) through fifteen (15). The second will be as follows: real estate taxes will be abated on the increased value resulting from improvements at one-hundred (100%) percent for years one (1) through eight (8), with the abatement decreasing twelve and a half (12.5%) percent per year for years nine (9) through sixteen (16). To be eligible for the enhanced sixteen (16) year abatement schedule, a project must meet two criteria: 1) the project must create one full-time equivalent employment position for every two (2) rooms constructed as part of the Tourism Industry project, and 2) the project must provide, through construction or renovation, market rate workforce housing at a minimum rate of one (1) unit for every four (4) rooms and a maximum rate of one (1) unit for every one (1) room renovated or constructed as part of the Tourism Industry project. Market rate workforce housing units must be renovated or constructed within Sullivan County, and within twenty-five (25) miles of the Tourism Industry project.

Section 4. The Agency is hereby authorized to take any and all official action necessary to amend in part its Targeted Manufacturing Program as follows:

PROPOSED AMENDMENT OF THE TARGETED MANUFACTURING PROGRAM

The Committee has recommended and the Agency now proposes to leave this program intact, and ensure that green technology manufacturing businesses are included in the list of SIC codes that are eligible for Agency benefits.

Section 5. The Agency is hereby authorized to take any and all official action necessary to amend in part its Retail Sales Program as follows:

PROPOSED AMENDMENT OF THE RETAIL SALES PROGRAM

The requirements of Section 862 of the GML have been amended since the 2008 review. The Committee has recommended and the Agency now proposes to amend the language of the Retail Sales Program to exactly mirror the current requirements of the General Municipal Law, as set forth in the Program Overview above.

Section 6. The Agency is hereby authorized to take any and all official action necessary to amend in part its Community Distributed Generation Program as follows:

PROPOSED AMENDMENT OF THE COMMUNITY DISTRIBUTED GENERATION PROGRAM

During meetings with local elected officials, the Committee learned that there is great variation among municipalities with respect to solar energy development as a land use planning issue. Many Sullivan County towns are amenable to solar facilities locating within their boundaries, but some towns do not wish to encourage the development of solar facilities. To respect variations in local policy, the Agency's Community Distributed Generation Program requires that each project application include a letter affirming that the host municipality supports the project. At the recommendations of the Committee, the Agency proposes to preserve this requirement.

The Program now in effect only authorizes the Agency to provide financial assistance to projects located in an area where no taxing jurisdiction has opted out of RPTL Section 487. The Committee did not identify a good reason to prevent Agency involvement in a project where a taxing jurisdiction has opted out under RPTL Section 487. At the recommendation of the Committee, the Agency proposes to eliminate this limitation and to provide an Agency exemption for the entire twenty (20) year abatement period.

Section 7. The Agency is hereby authorized to take any and all official action necessary to integrate the Green Technology Manufacturing Program into the Targeted Manufacturing Program as follows:

PROPOSED INTEGRATION OF THE GREEN TECHNOLOGY MANUFACTURING PROGRAM INTO THE TARGETED MANUFACTURING PROGRAM

The Committee recognized that, more than ever, the County of Sullivan and the Agency are committed to sustainable energy and a sustainable economy. The Committee further recognized that green technology manufacturing is a global market and several international firms wield control of this market. Rather than limiting incentives for green technology manufacturing to the SUNY Sullivan Campus, the Committee has recommended and the Agency now proposes to eliminate the Green Technology Manufacturing Program as a standalone program and instead integrate green technology manufacturing into the Agency's Targeted Manufacturing Program. This will ensure that manufacturers of green technology can locate anywhere in the County and realize the benefits of Agency involvement. The Agency believes that SIC Major Group 36, "Electronic and Other Electric Equipment," encompasses green technology manufacturing. This SIC Major Group is included in the listing of SIC codes eligible for benefits under the Targeted Manufacturing Program.

Section 8. The Agency is hereby authorized to take any and all official action necessary to integrate the Destination Resort Program into the Tourism Industry Program as follows:

PROPOSED INTEGRATION OF THE DESTINATION RESORT PROGRAM INTO THE TOURISM INDUSTRY PROGRAM

The Committee recognized the tremendous positive impact of large-scale tourism projects on Sullivan County's economy, and understood the strain on new and existing employers, who struggle to attract employees to Sullivan County without an adequate supply of housing. To simplify the Agency's programs and to encourage large-scale tourism businesses to consider market rate workforce housing as an integral component of their business plans, the Committee has recommended and the Agency now proposes to eliminate the Destination Resort Program as a standalone program and instead integrate it into the Tourism Industry Program, with an enhanced level of benefits for the kinds of large-scale projects that are currently part of the Destination Resort Program, as outlined above in the proposed amendment to the Tourism Industry Program.

Section 9. The Agency is hereby authorized to take any and all official action necessary to eliminate the Tax Credit Participation Program as follows:

PROPOSED ELIMINATION OF THE TAX CREDIT PARTICIPATION PROGRAM

Since this program was created in 2010, one project has received benefits under the program. Given the narrow focus and low utilization of this program, and the changing landscape of federal and state tax credit programs, the Committee has recommended and the Agency proposes to eliminate the Tax Credit Participation Program. The Agency will consider investigating and creating a new program that aligns with current and future tax credit programs offered at the federal and state levels.

Section 10. The Agency is hereby authorized to take any and all official action necessary to create the Sullivan County International Airport Program as follows:

PROPOSED CREATION OF THE SULLIVAN COUNTY INTERNATIONAL AIRPORT PROGRAM

The Sullivan County International Airport presents an important opportunity for economic growth. While the County may be willing to lease airport land to developers at favorable rates, the Agency concurs with the Committee's belief that the high cost of property taxes deters potential developers from constructing hangars and other aviation-related facilities. In many neighboring states, real estate taxes are not assessed on airport properties. To overcome this competitive disadvantage and capitalize on the opportunity presented at the Airport, the Committee has recommended and the Agency proposes to create a new Sullivan County International Airport Program. This program will only be available to developers proposing the construction of aircraft hangars or other aviation-related facilities.

The following program benefits are proposed:

Program Tax Abatements.

Sales. Sales tax abatement on all taxable purchases made in connection with acquisition, construction, installation and equipping of the project.

Mortgage. Mortgage tax abatement on all loans financing projects under this program.

Real Estate. A thirty (30) year abatement schedule is proposed whereby seventy-five (75%) percent of the assessed value established by the assessing jurisdiction is abated each year, from years one (1) through thirty (30).

Location Restriction.

Only projects located on the approximately six hundred (600) acres owned by the County of Sullivan and located at the Sullivan County International Airport will be eligible for benefits under this program.

Employment Goals.

No employment goals are proposed.

- Section 11. The Agency further clarifies the UTEP to document the lifting of the location restriction imposed on September 14, 2004, which eliminated benefits under the Tourism Industry Program, General Abatement Program, and Retail Sales Program for applicants proposing tourism destination facilities within in the Town of Thompson.
- Section 12. Recognizing the areas of concern identified by the Committee, the Agency hereby authorizes and directs its Executive Director to notify Robert Doherty, Chairman of the Sullivan County Legislature, of these areas of concern and to encourage Chairman Doherty to request the Committee to continue working to propose recommendations and solutions to address these areas of concern.
- Section 13. The Agency hereby authorizes its Executive Director to provide twenty (20) days' notice of the proposed amendments to the Agency's UTEP.
- Section 14. The Chairperson, Executive Director or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver any and all agreements, documents and certificates necessary to effectuate the foregoing resolutions; all in the form approved by Counsel to the Agency and with such changes, variations, omissions and insertions as the Chairperson, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairperson, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.
- Section 15. 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 and to execute and deliver all such 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency

Section 16. 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:

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolution was thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the Agency with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened via videoconference on February 14, 2022 at 11:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconference and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via videoconference as authorized by Chapter 417 of the Laws of 2021, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 14th day of February, 2022.

Carol Roig, Secretary

From: [Alana Unterberg](#)
To: [Walter Garigliano](#); [Jennifer Flad](#)
Cc: [Craig Unterberg](#)
Subject: Pilot program for Forestburgh Property 80 Tannery Road
Date: Tuesday, February 8, 2022 10:15:05 AM

Hi all -

This is a formal statement for the IDA meeting next week.

I am asking that we please amend the Pilot payment for Forestburgh Property and make the payments equal to the taxes for the next three years. The project is moving forward in some capacity and this will enable us to do so.

Thank you!

Alana Unterberg

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on February 14, 2022 at 11:00 a.m. local time via videoconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director
John W. Kiefer, Chief Executive Officer
Julio Garaicoechea, Project Manager
Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by _____, and seconded by _____, to wit:

Resolution No. __ - 22

***RESOLUTION AUTHORIZING A FURTHER AMENDMENT TO PAYMENT
IN LIEU OF TAXATION AGREEMENT RELATING TO THE
FORESTBURGH PROPERTY LLC (“FORESTBURGH PROPERTY”) AND
FORESTBURGH HOSPITALITY LLC (“FORESTBURGH HOSPITALITY”
TOGETHER WITH FORESTBURGH PROPERTY, COLLECTIVELY, THE
“COMPANY”) PROJECT***

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the “Act”), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, on or about December 6, 2018, the Company submitted an Application For Financial Assistance to the Agency consisting of the (i) acquisition, construction, installation and equipping of (a) an approximately 100 fully-assembled, canvas bell tents for overnight camping (“Tents”); (b) an approximately 650 square foot general store (“General Store”); (c) an approximately 1750 square foot bath house with showers, toilets and sinks (“Bath House”); and (d) an approximately 3800 square foot lodge for entertainment (“Building” together with the Tents, General Store, Bath House collectively, the “Campground”) situate on seven (7) parcels of real estate consisting of approximately 320 acres located at 80 Tannery Road, Town of Forestburgh (“Town”), County of Sullivan (“County”), State of New York and identified on the Town tax map as Section 24, Block 1, Lots 3; 26.3; 26.4; 26.5; 26.6; 26.7; and 26.8 (“Land”); (ii) construction and equipping of the Campground; (iii) the construction, reconstruction, renovation and/or repair of water and sewer infrastructure located on the Land; (iv) the construction, reconstruction, renovation and/or repair of roadway and drainage infrastructure located on the Land; (v) the construction, reconstruction, renovation and/or repair of lighting, electricity and connectivity infrastructures on the Land and the development of infrastructure (collectively, (iii), (iv) and (v) are referred to as the “Infrastructure Improvements”); (vi) acquisition, construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools (“Equipment”); (vii) construction of improvements to the Campground, the Land, the Infrastructure Improvements and the Equipment (collectively, the Campground, the Land, the Infrastructure Improvements and the Equipment are referred to as the “Facility” or the “Project”); and (viii) lease of the Project from the Agency to the Company; and

WHEREAS, on December 17, 2018 by resolution #54-18 the Agency approved the Project; and

WHEREAS, on or about February 1, 2019, the Company and the Agency entered into a Payment in Lieu of Tax Agreement (“2019 PILOT Agreement”); and

WHEREAS, on or about November 9, 2020, the Agency and Company entered into a First Amendment to Payment in Lieu of Tax Agreement to, among other things, suspend employment goals during the then applicable period of delay in the construction of the Project (“First Amendment” and together with the 2019 PILOT Agreement, the “PILOT Agreement”); and

WHEREAS, construction of the Project has been delayed in part as a result of the untimely death of Andrew Unterberg, the majority owner of the Company; and

WHEREAS, the Total Value subject to PILOT established in the PILOT Agreement is slightly less than the assessed value of the Land as determined by the Forestburgh Assessor; and

WHEREAS, the Agency has determined that as a result of the delay in construction, that the Agency will terminate the Project unless the Company is willing to amend the PILOT Agreement so that during a future period of delay of construction of the Project, the PILOT Payment will be equal to what real estate taxes would be if the Agency was not involved with the Project; and

WHEREAS, the Company has consented to a further amendment of the PILOT Agreement to align PILOT Payments with what real estate taxes would be without the Agency involvement, so long as the further amendment (a) suspends employment goals until the year following the Project commencing operations and (b) the time for completion of construction of the Project is extended to February 15, 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Agency hereby authorizes a further amendment of the PILOT Agreement (a) so that future PILOT Payments prior to completion of the Project shall be in an amount equal to what real estate taxes would be if the Agency was not involved with the Project; and (b) to suspend employment goals until the year following the Project commencing operations.

Section 2. The Agency hereby authorizes amendment of the Agent and Project Agreement to establish a deadline for completion of the Project at February 15, 2025.

Section 3. The Chairperson, Chief Executive Officer or Executive Director of the Agency, each acting individually, are hereby authorized, on behalf of the Agency, to execute and deliver a further amendment of the PILOT Agreement and amendment of the Agent and Project Agreement.

Section 4. 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 and to execute and deliver all such 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency

Section 5. 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:

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain

The resolution was thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the Agency with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened via videoconference on February 14, 2022 at 11:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconference and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via videoconference as authorized by Chapter 417 of the Laws of 2021, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 14th day of February, 2022.

Carol Roig, Secretary

RESOLUTION

A regular meeting of County of Sullivan Industrial Development Agency (“Agency”) was convened on February 14, 2022 at 11:00 a.m. local time via videoconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director
John W. Kiefer, Chief Executive Officer
Julio Garaicoechea, Project Manager
Walter F. Garigliano, General Counsel

The following resolution was duly offered by _____, and seconded by _____, to wit:

Resolution No. ____ - 22

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF ANY AND ALL AGREEMENTS, CERTIFICATES, DOCUMENTS AND INSTRUMENTS NECESSARY TO APPLY TO THE UNITED STATES DEPARTMENT OF AGRICULTURE (“USDA”) FOR RURAL BUSINESS DEVELOPMENT GRANTS (“RBDG”) OR OTHER AVAILABLE GRANT FUNDS (“OTHER GRANTS” AND TOGETHER WITH RBDG, “USDA GRANTS”)

WHEREAS, the Agency was created by Chapter 560 of the Laws of 1970 of the State of New York, as amended, pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the “Act”) as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Agency contemplates applying for USDA Grants to assist in the development and expansion of Sullivan County agriculture businesses and/or food and beverage businesses; and

WHEREAS, the proposed projects will create and retain jobs, enable local businesses to grow, expand and enhance the overall economy of Sullivan County; and

WHEREAS, funding is sought to purchase equipment to be leased to the ultimate recipient businesses and to provide technical assistance; and

WHEREAS, the Agency contemplates executing and delivering to the USDA any and all related agreements, certificates, documents and instruments necessary in connection with the applications for the USDA Grants.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Chairman, Vice Chairman, Executive Director and Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any and all related agreements, certificates, documents and instruments necessary to make applications for USDA Grants all in the form approved by Counsel to the Agency and with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 2. 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 and to execute and deliver all such certificates, instruments, documents, and 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 on behalf of the Agency desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all the terms, covenants and provisions of the documents for and on behalf of the Agency.

Section 3. These resolutions 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:

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolution was thereupon duly adopted.

STATE OF NEW YORK :
:SS.:
COUNTY OF SULLIVAN :

I, the undersigned Secretary (or Assistant) of the Agency DO HEREBY CERTIFY THAT:

- I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency (“Agency”) with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
- Such resolution was passed at a meeting of the Agency duly convened via video conference call on February 14, 2022 at 11:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconferencing and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via videoconference as authorized by Chapter 417 of the Laws of 2021, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 14th day of February, 2022.

Carol Roig, Secretary



County of Sullivan
Industrial Development Agency
548 Broadway
Monticello, New York 12701

Attention Jennifer Flad.

Bethel, 1/19/2022

Subject: Parts for the Borelli bottling line and Enos Labeling line. Lease Agreement
5/24/2021.

We hereby present a request for the support of the relative expenses for the activation of the automatic bottling and labeling line in mechanical parts for approximately \$ 15,000 as per the attached estimate of the Vintner Vault company to which shipping, and assembly costs must be added. . As mentioned, the final amount needed can be added to the lease contract in force.

We remain at your disposal for any information and clarification needed.

Solomon Ellner



"IT'S WHERE THE WINE INDUSTRY SHOPS"

The Vintner Vault

3230 Riverside Ave
 Paso Robles CA 93446
 805-226-8100
 805 226-8188

Layaway

Layaway #: 4812
 Transaction #: 0
 Account #: ALTONDISTILLERY
 Page: 1 of 1
 Date: 1/18/2022
 Time: 9:59 AM
 Cashier: 2
 Register #: 1

Bill To: Pietro Bortolotti
 Alton Distillery
 PO Box 275
 Bethel, NY 12720
 845-866-2899

Ship To: Pietro Bortolotti
 Alton Distillery
 2037 State Route 17B
 Bethel, NY 12720
 845-866-2899

Rep	Item Lookup Code	Description	Quantity	Price	Extended
	Comment	As Per Quote 1-17-22	1	\$0.00	\$0.00
		Quantity RTD:	0		
		Quantity On Order:	1		
		Quantity Picked Up:	0		
	BRL-1035	Borelli Change Parts Custom	1	\$11,290.45	\$11,290.45
		Quantity RTD:	0		
		Quantity On Order:	1		
		Quantity Picked Up:	0		
	BL-1025	Enos Change Parts Custom	1	\$260.00	\$260.00
		Quantity RTD:	0		
		Quantity On Order:	1		
		Quantity Picked Up:	0		
	SHIPP	SHIPPING	1	\$0.00	\$0.00
		Quantity RTD:	0		
		Quantity On Order:	1		
		Quantity Picked Up:	0		

Thank you for shopping
 The Vintner Vault
 Please come again!

Sub Total	\$11,550.45
Sales Tax	\$0.00
Total	\$11,550.45
Deposit Payment	\$5,775.00
Total Purchased	\$0.00
Total Due	\$5,775.00
Credit Card Tendered	\$5,775.00
Change Due	\$0.00
Remaining Deposit	\$5,775.00
New Balance	\$5,775.45



The Vintner Vault



3230 Riverside Ave Suite 140 Paso Robles, CA 93446

Ph: (805) 226-8100 Fax: (805) 226-8188

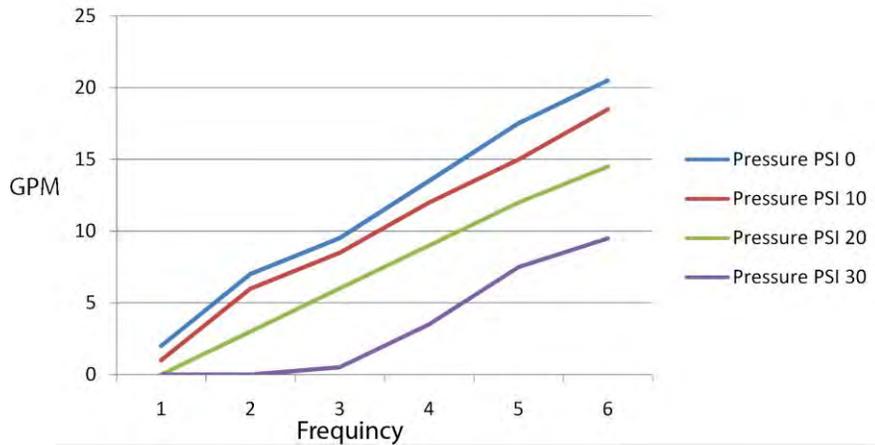
www.TheVintnerVault.com

Alton Distillery

Pietro Bortolotti

845-866-2899

pietro@altondistillery.com



Mini Vigor Variable Speed Flex Impeller Pump

Technical Characteristics:

- All AISI-304 Stainless Steel Construction
- From 0 to 22 GPM
- Self Priming, Dual Direction
- 1 1/2" Tri-Clover Fittings
- Variable Speed Wired Remote Control
- Fully programmable for remote press pans, bottling lines, etc.
- 110V

Price (with Wired Remote).....\$2,500.00*

TERMS AND CONDITIONS:

- Prices are for goods Paso Robles, CA
- Applicable Sales Taxes Not Included in Quote
- UPS Shipping Not Included
- Payment: Due in Full Prior to Delivery
- Delivery time: To be agreed upon

This Quotation expires 30 days from today's date. We hereby offer to purchase the item(s) Described above under the general: Please use our purchase order No.....

Date 1/25/2022.....Company ALTON DISTILLERY.....Signature *Pietro Bortolotti*.....



The Vintner Vault



3230 Riverside Ave Suite 140 Paso Robles, CA 93446

Ph: (805) 226-8100 Fax: (805) 226-8188

www.TheVintnerVault.com

Alton Distillery

Pietro Bortolotti

845-866-2899

pietro@altondistillery.com



Eagle T-100 Carton Sealer

General:

The Eagle T100 is the #1 Selling Eagle Carton Sealer! Best suited for medium volume production. Side belt drive ensures proper carton sealing even with cartons that are short in height, but long in length. Tape head can accept 2 and 3 tape with simple adjustments.

Features:

- Side drive belts
- Locking casters
- Adjustable table work height
- Dual mast w/ top squeezers
- Top & bottom tape heads
- Extension roller tables



The Vintner Vault



3230 Riverside Ave Suite 140 Paso Robles, CA 93446

Ph: (805) 226-8100 Fax: (805) 226-8188

www.TheVintnerVault.com

Specifications:

- Power Supply: 110V / 60Hz, single phase
- Sealing Speed: 30 cartons/min.
- Carton Size*
 - Length 6" - infinity
 - Width 4.25" - 19.75"
 - Height 4.5" - 19.75"
- Tape Width: 2" or 3"
- Max Load: 80 lbs.
- Tape: BOPP
- Machine Dimensions: 43.75" x 35.125" x 51.75"
- Shipping Weight: 520 lbs.

Price.....\$4,500.00*

TERMS AND CONDITIONS:

- Prices are for goods Paso Robles, CA
- Applicable Sales Taxes Not Included in Quote
- Shipping: Freight from Manufacture Not Included
- Payment: 50% Deposit to Place Order, Balance Due in Full Prior to Delivery
- Lead Time: 4 Weeks Production plus shipping
- Delivery time: To be agreed upon

This Quotation expires 30 days from today's date. We hereby offer to purchase the item(s) Described above under the general: Please use our purchase order No.....

Date.....

Company.....

Signature.....

Quotation Prepared by Andrew Berg

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

PROCUREMENT POLICY

A. Introduction

1. Scope – In accordance with Article 18-A of the General Municipal Law (the “IDA Act”), Section 104-b of the General Municipal Law, and the Public Authorities Accountability Act of 2005, the County of Sullivan Industrial Development Agency is required adopt procurement policies which will apply to the procurement of goods and services not subject to the competitive bidding requirements of Section 103 of the GML and paid for by an IDA for its own use and account.
2. Purpose – Pursuant to Section 104-b of the GML, the primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procurement Policy

1. Determination Required – Prior to commencing any procurement of goods and services, the Executive Director or an authorized designee shall prepare a written statement setting forth the basis for (1) the determination that competitive bidding is not required for such procurement, and if applicable (2) the determination that such procurement is not subject to any requirements set forth in this policy. Such written statements shall be maintained by the Executive Director or such authorized designee in a specially designated procurement file.
2. Procedure for determining whether Procurements are subject to Competitive Bidding – The procedure for determining whether a procurement of goods and services is subject to competitive bidding shall be as follows:
 - a. The Executive Director or an authorized designee shall make the initial determination as to whether competitive bidding is required. This determination will be based on Section 103 of the GML which requires competitive bidding for expenditures of (1) more than \$35,000 for the performance of any public works contract (services, labor or construction), and (2) more than \$20,000 for any purchase contract (acquisition of commodities, materials, supplies or equipment).

- b. The Executive Director or such authorized designee shall review the purchase request against prior years' expenditures and a good faith effort will be made to determine whether it is known or can reasonably be expected that the aggregate purchases of a similar nature will exceed the above competitive bidding procedures shall be followed for said expenditure.
 - c. The Executive Director or such authorized designee shall present any legal issues regarding the applicability of the competitive bidding requirements stated herein to the Agency's Counsel.
- 3. Methods of Competition to be used for Non-Bid Procurements and Procurements Exempt by Statute – Alternative proposals or quotations for goods and services shall be secured by use of written requests for proposals or written quotations, verbal quotations or any other method of procurement which furthers the purposes of this Section except for items excepted herein (see 9 below) or procurements made pursuant to:
 - a. GML, Section 103 (3) (through county contracts), or
 - b. GML, Section 104 (through state contracts), or
 - c. State Finance Law, Section 175-b (from agencies for the blind or severely handicapped), or
 - d. Correction Law, Section 186 (articles manufactured in correctional institutions).
- 4. Procedures for the Purchase of Commodities, Equipment or Goods under \$20,000.
 - a. Up to \$3,000 The discretion of the Executive Director or authorized designee.
 - b. \$3,001 - \$10,000 Documented verbal quotations from at least three vendors.
 - c. \$10,001 - \$20,000 Written/fax quotations from at least three vendors.
- 5. Procedures for the Purchase of Public Works or Services under \$35,000.
 - a. Up to \$6,000 The discretion of the Executive Director or authorized designee.

b. \$6,001 - \$20,000 Documented verbal quotations from at least three vendors.

c. \$20,001 - \$35,000 Written/fax quotations from at least three vendors.

6. Basis for the Award of Contracts – Contracts will be awarded to the lowest responsible vendor who meets the specifications.

7. Circumstances justifying an Award to other than the Lowest Cost quoted.

a. Delivery requirements

b. Quality requirements

c. Quality

d. Past vendor performance

e. The unavailability of three or more vendors who are able to quote on a procurement.

f. It may be in the best interests of the Agency to consider only one vendor who has previous expertise with respect to a particular procurement.

8. Documentation

a. For each purchase made the Executive Director or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.

b. The basis for any determination that competitive bidding is not required shall be documented, in writing, by the Executive Director or such authorized designee, and filed with the purchase order or contract therefore.

c. For those items not subject to competitive bidding such as professional services, emergencies, purchased under city contracts or procurements from sole sources, documentation should include a memo to the files which details why the procurement is not subject to competitive bidding and include, as applicable:

(1) a description of the facts giving rise to the emergency and that they meet the statutory criteria; or

(2) a description of the professional services; or

(3) written verification of city contracts; or

(4) opinions of Counsel, if any; or

(5) a description of sole source items and how such determinations were made.

d. Whenever an award is made to other than the lowest quote the reasons for doing so shall be set forth in writing and maintained in the procurement file.

e. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

9. Exceptions to Bidding

a. Emergency Situation – An emergency exists if the delay caused by soliciting quotes would endanger the health, welfare or property of the County or of the citizens. With approval by the Executive Director such emergency shall not be subject to competitive bidding or the procedures stated above.

b. Resolution Waiving Bidding Requirements – The Agency may adopt a resolution waiving the competitive bidding requirements whenever it is determined to be impracticable.

c. Sole Source – Defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown that the item needed has unique benefits, the cost is reasonable for the product offered and there is no competition available. In this situation, a request for a resolution waiving bidding requirements, as described above, is required.

d. True Lease – Prices will be obtained through quotations whenever possible. The award shall be made on the basis of goods and/or services to be provided, ability to meet the specifications desired and price.

e. Insurance – All insurance policies shall be procured in accordance with the following procedures:

- (1) Premium less than \$10,000 – documented telephone quotations from at least three agents (if available).
 - (2) Premium over \$10,001 – written quotations/fax or proposals from at least three agents (if available)
- f. Professional Services – This category includes services which require special education and/or training, license to practice or are creative in nature. Examples of professional services are: lawyers, doctors, accountants, engineers, artists, etc.
- 10. Minority and Women Business Enterprises – The Agency shall comply with all applicable legal requirements relating to the hiring of such businesses.
- 11. Input from members of the Agency – Comments concerning the procurement policy shall be solicited from the members of the Agency from time to time.
- 12. Annual Review – the Agency shall annually review its policies and procedures.
- 13. Unintentional Failure to Comply – The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Agency or any officer thereof.

Approved and adopted this 18th day of May, 2006.
Modified and readopted this 9th day of February, 2015.
Modified and readopted this 8th day of February, 2021.

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT
AGENCY AMENDED AND RESTATED INVESTMENT POLICY

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objectives – The primary objectives of the local government’s investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Agency’s funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Agency to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Agency’s funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Agency’s funds or which could impair their ability to make impartial investment decisions.
4. Diversification – It is the policy of the Agency to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.
5. Internal Controls

- a. All money's collected by an officer or employee of the Agency shall be immediately deposited in such depositories and designated by the Agency for the receipt of such funds.
- b. The Agency shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Agency for investment and deposit purposes.
- c. The Agency is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

6. Designation of Depositories

In accordance with the IDA Act, the Agency shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to said law.

B. Investment Policy

1. Permitted Investments

Pursuant to GML Section 11, the Agency is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;*
- b. Certificates of deposit;*
- c. Obligations of the United States of America;**
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;**
- e. Obligations of the State of New York;*

* Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were

obtained and (2) they are collateralized in the same manner as set forth in Section VII (C) below for deposits of public funds.

** All investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within two years of the date of purchase.

2. Authorized Financial Institutions and Dealers

The Agency shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Agency. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Executive Director or Chairman is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Agency may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the GML where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the governing board
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be

confirmed in writing to the Agency by the bank or trust company shall be held pursuant to a written custodial agreement as described in GML Section 10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

C. Deposit Policy

1. Collateralization of Deposits

In accordance with the provisions of GML Section 10, all deposits of the Agency, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By pledge of “eligible securities” with an aggregate “market value” as provided by GML Section 10, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least on nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the governing board.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Agency or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

Approved and adopted this 12th day of August, 2019.

60394-006

EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- 1) Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
- 2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- 3) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.
- 4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of the State of New York or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys
- 5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- 6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- 7) Obligations of counties, cities and other governmental entities of another state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- 8) Obligations of domestic corporations rated one of the four highest rating categories by at least one nationally recognized statistical rating organization.
- 9) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.
- 10) Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest-short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.

11) Zero-coupon obligations of the United States government marketed as “Treasury STRIPS”.

COUNTY OF SULLIVAN 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 County of Sullivan 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 2. 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, except in compliance with all applicable law, no disposition of real property, any interest in real property, or any other property which because of its unique nature is not subject to fair market pricing 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.

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.

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

(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's 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 is of a nature and quantity which, if 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, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;

(E) the disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the Agency, the state or a political subdivision (to include but not limited to, the prevention or remediation

of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the authority's enabling legislation permits or other economic development initiatives), the purpose and the terms of such disposal are documented in writing and approved by resolution of the board of the Agency; 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) through (5) of this subparagraph;

(3) any real property disposed of by lease for a term of five years or less, if the estimated fair annual rent is in excess of one hundred thousand dollars for any of such years;

(4) any real property disposed of by lease for a term of more than five years, if the total estimated rent over the term of the lease is in excess of one hundred thousand dollars; or

(5) 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.

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.

The designated Contracting Officer for the Agency is Jennifer Flad, Executive Director.

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Monticello, New York 12701
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Authority Mission Statement and Performance Measurements-- FY 2021

Name of Public Authority: County of Sullivan Industrial Development Agency

Public Authority's Mission Statement:

The County of Sullivan Industrial Development Agency (IDA) was created by an act of the New York State Legislature in 1970, as a public benefit corporation of the State of New York, under Section 906 of the General Municipal Law, to grant tax abatements and to help advance such projects.

Industrial development agencies were created in New York State to attract and enhance industrial and economic development, help create jobs and maintain economic stability within municipal or regional boundaries. Because New York's Constitution prohibits municipalities from making gifts or loans to private companies or individuals, the creation of IDAs provided a viable mechanism to accomplish commercial, recreational, and industrial development goals. Support of a healthy economy, the creation and retention of jobs, on a local, regional and State level is an important policy objective.

The County of Sullivan Industrial Development Agency's primary goal is to promote economic welfare, recreation opportunities, prevent unemployment and economic deterioration, ensure the prosperity of Sullivan County's inhabitants, and promote tourism and trade.

Date Adopted: 1970.

List of Performance Goals:

- To meet all legal requirements of the Agency.
- To review project employment goals and the achievement of those goals.
- To make decisions consistent with the Agency's mission statement.
- To make decisions that will promote and ensure the prosperity of the inhabitants of Sullivan County.

Performance Measurement Questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?
2. Do the board members affirm its membership, board, committee, and management structure?
3. Has the agency complied with the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009?
4. Does the agency conduct business in an environment that fosters transparency?
5. Does the agency install and uphold high ethical conduct within the entire organization?

Discussed, reviewed, and approved by County of Sullivan Industrial Development Agency Board of Directors— (date).

##

Authorities must complete this form and submit the entire document on or before March 31 to the State Authority Budget Office via email to: info@abo.state.ny.us

Authorities are also required to post and maintain their mission statement and performance report on their website.