

IDA

**DSS CONFERENCE ROOM
INDIAN LAKE, NY**

JULY 14, 2011

The meeting was called to order by Chairman Towers at 11:00 A.M. with the following members present:

Brian Towers, Chairman
William Farber, Vice Chairman
William Faro
Robin Morrison
Tim Pine
Robert Peck

Absent: Fred Fink

Also Present:

Ann Melious, Executive Director
Laura Abrams, Secretary
Robert Morris and Kara Lais of FitzGerald, Morris, Baker & Firth
Pete Klein, Press

Motion to accept the minutes of the May 31, 2011 & June 23, 2011 meetings by Mr. Morrison, seconded by Mr. Peck. Carried.

The Chairman explained that the purpose of this meeting is to meet with Mr. Morris of FitzGerald, Morris, Baker & Firth to discuss the Oak Mt. sale procedure. Ms. Melious explained that she met with Mr. Morris and Ms. Lais after the last IDA meeting because she wanted to make sure that however we proceeded with the sale we would be doing it correctly. Mr. Morris made a number of suggestions to her that she felt the Board should review as a whole. Ms. Melious stated that she had sent a draft of the RFP that Mr. Morris had created out to the Board. Ms. Melious stated that in talking with Mr. Morris, he didn't feel that the Authority's Budget Office is going to penalize the IDA if we did not go with the double option of offering the ski area up for sale with deed restrictions or without.

Mr. Farber stated that he chaired the last meeting and tried to pass on to Mr. Morris some of the comments that were made. It struck him that what happened, was that between the time Ms. Melious spoke with Ms. Lais pre-meeting and the IDA made a decision during the meeting, it had become clearer that the IDA had some specific interest that made it evident that perhaps what we should be doing is an RFP as the open and public process rather than a sealed bid and that would give us greater flexibility to assure the things that are important to the IDA membership. Mr. Farber stated that he felt it was important to come back together and for the IDA members to actually affirm that they are comfortable with the process and give Mr. Morris a chance to answer questions and talk to him about how to evaluate the benefit that was being provided against the jobs created in this kind of scenario if we don't have some base value. Mr. Fink made a point at the last meeting that there needs to be some mechanism; if it is not two bids it is an appraisal, something to give us a baseline of the value of what the property would be without these deed restrictions that we are using to assure that there will be jobs created.

Mr. Morris stated that the RFP process is a type of bid process. It is envisioned in the Authority's Law, and is basically built into the IDA's property disposition guidelines, which mirror the state law. It does allow you to do the bidding; we call it a proposal because you want to know what they are going to do with it, not just sell to the highest bidder. The IDA is concerned what it is going to be used for because you have economic reasons for wanting it to continue as a ski area. The IDA is allowed to put that restriction on it and seek the bids you are looking for, you can look at the prices, evaluate the qualifications then you can negotiate after the opening. Mr. Morris stated he feels the IDA should do the RFP and get as much competition as you can and see who is interested. The IDA could choose to negotiate because of the nature of the ski area and try to get the best deal you can, you can have an exception if it is in the best interest of the economy of the area, creating jobs etc. The IDA would have to notify the Budget Authority 90 days before the closing explaining why you negotiated it and what the price is. Within the 90 days they may contact you and ask further questions. Mr. Farber asked if that has the potential of holding up the closing for 90 days. Mr. Morris answered yes. Mr. Farber stated that would be something the IDA would have to consider in terms of whether they elect to negotiate or not, whether we felt that there was something significant enough that could be gained from the negotiation to warrant postponing the sale.

The Chairman asked if the RFP is necessarily driven by price. Mr. Morris stated no. The Chairman stated that is the nice thing about an RFP, we can look at all of them and if one is not the price but meets our long term goals best we could still do that. Mr. Morris stated that the law specifically says you can consider other things. The State generally doesn't second guess the local board's analysis of what is best for their community.

During the Chairman's question, Katy Novosel-Diedrich entered.

The Chairman asked if that addresses Mr. Fink's concern regarding creating a base line price. Mr. Farber stated that he sees it as two questions. At this point we are discussing the RFP and how that process works differently and how you can use it to assure that we are not only getting the best deal but that it will continue as a ski area. Along with that, we have the second question that relates to the fact that the Comptroller's Office continues to be critiquing IDAs and evaluating their job creating techniques and whether they are doing a good enough job. As we wrap this up we need to discuss and drill down on the second piece and how we assure we are making the right economic decisions. Mr. Morris stated that is up to the IDA. The IDA may decide they don't care if it is a ski area anymore and just do a RFP and see what comes in. Mr. Morris further stated that the ski area has been here a long time and the IDA may want it to continue to be a ski area and they can focus on that. Mr. Farber clarified that in Mr. Morris' opinion that because of the long history as a ski area, it is being advertised the same way to each of the proposers etc. the IDA is not required to just sell it to the top bidder. Ms. Melious asked because of our history of preserving the ski area as a ski area, who would go to the trouble of responding to an RFP for a ski area without deed restrictions when they know that is not what the IDA is predisposed to. Mr. Farber stated maybe someone that was going to offer two million dollars and thought the money would be attractive to the IDA. That was Mr. Fink's point at the last meeting; that we are making the assumption that there isn't somebody out there that is very interested in buying that property as a subdivision. Mr. Farber further stated that he feels knowing the IDA membership, knowing the commitment they have demonstrated to a ski area, having Mr. Morris' opinion as a backdrop, that the IDA has a lot of latitude to evaluate what is best for the economy. Mr. Farber stated that he won't discount Mr. Fink's point that it is possible that if there really was this person out there that wanted to offer a huge bid for it in an

unrestricted way so that they could chop it up and it was no longer a ski area, there may be members that would entertain it.

Mr. Peck stated it sounds like we have the option to re-evaluate what our goal may be as we look at the RFPs. What is our requirement to negotiate this; that when we end up with what we think we want; how do we know that no one else would have put in a RFP. Mr. Farber stated that is the process of submitting to the Public Authority Budget Office and them taking the 90 days to review it. Mr. Morris stated that yes; you have to explain your reasons. Mr. Peck asked if the IDA writes the analysis. Mr. Morris stated yes.

The Chairman stated the IDA does the RFP, we accept the RFPs, if there is no negotiation then the 90 day window does or does not kick in? Mr. Morris clarified that if you do not negotiate there is no 90 day window, but he expects there will be some negotiation.

Ms. Melious stated that the 90 day window pushes us past realistic operation by the new owners for this winter. Mr. Farber stated that he feels you have to take that into consideration when the proposals come in. He understands the sense that these things typically get negotiated, but he thinks that the fact that we are so close to the ski season will have to carry heavy weight with this Board when they look at how significant the negotiation is, is it worth the risk of pushing this off up to 90 days in terms of the ability to get it open as a ski area this winter.

Mr. Morris stated that he is concerned with the short time frame. To get a party that has never seen Oak Mt. interested they have to come and look at it, maybe do an environmental assessment, analysis of the equipment so forth and you want this done by the end of August, it is an awful tight timeline. Mr. Farber stated that was part of what brought us to the idea of needing a meeting, we really ought to modify the date. Mr. Morris stated that is the only thing you could be criticized for, is if you don't give enough time to get some real competition. Mr. Morris suggested 60 days and added that it is just his opinion, not the law. Mr. Farber agreed that it should be 60 days.

Mr. Farber asked if the Public Authority's Budget Office would be sensitive to time restraints. Is there any opportunity that they might be able to help by turning it around in less than 90 days? Mr. Morris stated he did not know, they have never inquired to that. Mr. Farber stated that it may be worth at least asking.

The Board discussed how to include the lots in the RFP process. Mr. Farber stated that we could give the proposer the option to buy the lots at an amount that they set forth to buy it for in three years. That would give everybody the same opportunity to make it part of their proposal.

The Chairman asked if we have separated the property from ski area. Ms. Melious stated that she has walked the property with Chris Diedrich. We will be subdividing the portion that is in the Village. The Chairman asked if we have determined the value of the property yet. Mr. Farber stated that this RFP process will determine the value; we are using this open RFP process to go out to the market with an equal opportunity to bid on it. Discussion on selling the lots continued.

Mr. Farber asked Mr. Morris if the RFP allows the proposers to have the option to bid on the lots, is that sufficient to cover the needs for property disposition. Mr. Morris stated that his understanding is that the only reason you are doing this is as an incentive. Everyone agreed, yes. Mr. Morris stated that is fine.

It was agreed that Ms. Melious would make the zoning maps available if anyone wants them, they won't be attached to the RFP. Ms. Melious stated that the RFP would be available on the website. A fee for the RFP packet was discussed. It was decided on a \$10.00 fee.

Ms. Melious stated that if we advertise it in next week's paper, the 60 days brings us to the week of September 19th. It was decided to reschedule the already scheduled September 1st meeting to September 20th. It was further decided to have the RFPs due and opened on September 16th at 2 PM at the Lake Pleasant Conference Room. The IDA will then meet on September 20th at 10 AM in Lake Pleasant.

Mr. Farber made a motion to reschedule the scheduled September 1st meeting to September 20th at 10 AM in Lake Pleasant, seconded by Mr. Pine. Carried.

The Chairman asked Mr. Morris if he had everything he needed to put the RFP together. Mr. Morris stated yes, he will revise the RFP based on today's meeting. There is some information that needs to be added by Ms. Melious. Mr. Morris stated that it will be ready by next Wednesday, when it will be advertised.

Mr. Farber stated that he is not sure that the Board really resolved whether or not there is generally, of the membership, a feeling that we need some mechanism for determining base line value so that the IDA, if we get bids in, can determine what the value is of what the IDA is offering, to create 23 or 40 jobs, whatever the number ends up being. He is not making the case that the IDA needs to do that, he feels that Mr. Morris explained why he is confident that the IDA doesn't need to do that for the Public Authorities Budget Office. Certainly it has been an issue that has come up at prior IDA meetings. The idea that if you are not going to offer the option to sell it with no deed restrictions, that the course of action should be to get an appraisal for the property and the inventory so that there is a point of comparison. Mr. Farber further stated that he is not as convinced as everybody is that a simple appraisal of the property or an appraisal of the equipment is going to be terribly meaningful. He is not sure what we are going to use as comparables for that particular parcel that are going to be awfully relevant in terms of our deliberations, he therefore worries about the quality of an appraisal.

The Chairman stated that we had a couple of figures from a ski area appraiser, which was a lot more money than he was willing to expend. He would take Mr. Morris' advice that through this RFP process that basically does create some kind of floor. He is comfortable with that. Mr. Morris stated that the thing is that it is a ski area and you want to keep it a ski area. Mr. Farber asked that as an IDA is there any obligation to ferret out what is the best use of the property and what it is worth and is it something that we are going to be criticized over for not doing. Mr. Morris stated that if you don't want to keep it a ski area or aren't sure you want to keep it a ski area than you can do a different type of RFP that deals with different options, but his understanding is that the community and the IDA want a ski area. Mr. Morris stated it is what the IDA wants, you are the economic force in the county and what you feel is best for the economic wellbeing of the people in the county.

Ms. Melious reiterated that there will be an option to exercise right to purchase the lots at the end of three years at an amount that will be set forth as part of this proposal and a deed restriction for operation as a ski area for five years.

Mr. Farber made a motion to modify the process that was discussed at the last meeting as set forth here today by Mr. Morris and Ms. Melious with the stipulation that it be advertised in next

week's paper and the bids be returned as previously mentioned on the 16th at 2PM with the next meeting to deliberate on the 20th. Seconded by Mr. Faro. Carried.

Motion to cancel the scheduled August 11, 2011 meeting by Mr. Farber, seconded by Mr. Peck. Carried.

Mr. Morris and Ms. Lais left at this time.

The Chairman stated that the next thing on the agenda is a letter that was handed out by Ms. Melious from WCSS (a radio station). Ms. Melious stated that they would like to put unspecified amounts of stuff on our tower in return for letting the IDA advertise on their station. Mr. Farber pointed out the difference between this situation and the arrangement with North Country Public Radio. After a short discussion Mr. Peck made a motion to have Ms. Melious contact WCSS and decline their offer, seconded by Mr. Pine. Carried.

Ms. Melious discussed the Press Release for the new jobs at Technidock in Morehouse. Mr. Farber stated that we talked a lot about entrepreneurs and lack of capital being the barrier, but the reality is that another real problem for employers is being able to attract people and get them trained. If we have an opportunity like this where we have an employer that is ready to hire that many people and we can't make it work as WIA, the IDA or the Hamilton County Economic Development, it is one of those situations that it is going to be a long time before anybody else takes this kind of leap of faith. It is really important that we find a way to step up and make sure he doesn't go away from this process disappointed.

Ms. Melious stated that we haven't received the bill for the Criminal Bond Insurance yet, but we will be. It will have to be paid before the next meeting so she is looking for authorization to circulate that bill by email for approval to pay.

Mr. Farber made a motion to authorize to pay the Criminal Bond Insurance bill when it comes in, in an amount not to exceed \$300.00. Seconded by Mr. Morrison. Carried.

As there was no further business, motion to adjourn by Mr. Farber, seconded by Mr. Faro. Carried.