

IDA

**CONFERENCE ROOM
LAKE PLEASANT, NY**

SEPTEMBER 20, 2011

The meeting was called to order by Vice Chairman Farber at 10:00 A.M. with the following members present:

William Farber, Vice Chairman
William Faro
Robin Morrison
Tim Pine
Robert Peck
Fred Fink

Absent:

Brian Towers, Chairman

Also Present:

Ann Melious, Executive Director
Laura Abrams, Secretary
Pete Klein, Press

Motion to accept the minutes of the July 14, 2011 by Mr. Peck, seconded by Mr. Morrison. Mr. Fink abstained as he was not present at said meeting. Motion Carried.

Payment of Bills:

Fitzgerald, Morris, Baker & Firth PC	\$879.00
Christopher Diedrich, surveyor	\$7,781.00
Tim Schofield	\$1,500.00
Wm. J. Kline (legal ad)	\$42.76
Hamilton County Treasurer (cell tower taxes)	\$992.28
Robin Morrison (mileage)	\$349.20
Camoin Associates	\$1,000.00
Village of Speculator (zip line)	\$7,500.00
National Grid	\$70.75

Motion to pay the bills as audited by Mr. Faro. Mr. Fink stated that he wanted it noted that he did not support the zip line. He is approving this bill because it is something that the Board approved, not as a demonstration of his support. Seconded by Mr. Pine. Carried.

Oak Mt. RFP:

Ms. Melious stated that there were not any proposals submitted. She further stated that she attended a meeting of FOOM and she spoke with Letty Rudes, the Mayor of the Village. Ms. Rudes cannot call an emergency meeting of the Village Board because everyone is out of town; their next meeting will be next Monday. Ms. Rudes did state that the Village has a two year commitment to Oak Mt. because of the contract with the IDA. Ms. Melious also stated that FOOM is ready to move forward, even though they were disappointed. The need for capital going forward is extensive.

Ms. Melious stated that the IDA needs to look at this ski season and then look at the issue of putting the mountain up for sale again in a different way. Ms. Melious discussed the concerns the interested parties had with the way it was being sold.

Ms. Melious stated that after the RFP was put out, we found out that we are in violation of code with the septic system; it needs a substantial investment to bring it up to code. She has two quotes that state that the cost would be between \$20,000 and \$30,000, it may be less.

Mr. Farber discussed how the IDA got to this point. He further discussed the IDA restructuring the sale so that rather than doing it with deed restrictions, instead talk in the RFP about the kinds of incentives that IDAs offer in general terms to support businesses. He further stated that he felt it would make more sense to develop a RFP so that we could advertise it and go out in the beginning of January so that potential buyers could observe the mountain while it is operational.

Mr. Farber discussed the septic system. His suggestion was to reach out to some people with construction expertise or maybe even an engineer that does some work for the county to go and take a look at the facility and see if there is a way to bring this into compliance and make the repair that is not quite so costly for the IDA.

Mr. Farber stated that his view of the role for the IDA with respect to Oak Mt. and it being operational is that the Village has a summer loan that they have the expectation of paying back in the near future, as an IDA member he would be very supportive of the idea of extending that loan so that they are not trying to pay it back at the same time they are trying to raise money for the opening.

Ms. Melious discussed the upfront costs to getting the mountain open for this year. Ms. Melious further stated that another challenge is the fact that Matt and Laura O'Brien have resigned and will be leaving the community for a job in Vermont as of the 30th of September.

Mr. Farber discussed taking some of the feedback we got during this RFP process from the some of the serious buyers and meld that into our thinking when we make our second effort to sell it.

Mr. Fink asked if the Village and FOOM are desirous of operating Oak this coming season. Mr. Farber stated that he is not sure he would use the word desirous, but he thinks they are committed to doing it because they believe it is the right thing to do for the Village. Mr. Farber stated that it will only be an obstacle or road block that they can't surmount that keeps the ski area from opening this winter. Mr. Fink stated that then forces the issue on the septic. He further asked if this is a septic issue of the nature which really commands a cease and desist. In other words we can't do anything unless this is repaired in some acceptable form. Mr. Farber stated that it is his understanding that it is a violation with respect to our property that is significant enough that it probably would command not only cease and desist, but possibly disconnecting our facility from the Village sewer system as non-compliant. Ms. Melious stated that it is a Village violation and we are also in violation of DEC standards.

Ms. Melious reviewed the two proposals she got for repairing the septic system.

Mr. Farber stated that he understands the proposals and they are probably dead on, similarly he recognizes that we have people in the area that have found creative compliant solutions to resolve these kinds of issues. He stated that he would favor that type of approach.

Mr. Fink made a motion to empower Mr. Farber to seek local resolution of the septic system problem at a cost less than the proposals currently on the table. Seconded by Mr. Peck. Mr. Farber discussed the challenges the IDA has faced up to this point. Motion carried.

Mr. Peck asked that if we need to go in the direction of the proposals, how long will it take. Will we have to go through a bid process? Mr. Fink asked if it would be an emergency situation. Mr. Farber stated that the design piece is carved out as a professional service, and he feels we can find some help with the labor components which will dramatically reduce the cost.

Mr. Faro stated that he would like to discuss the email he sent out. He stated that he would like to talk about giving Oak Mt. to Lake Pleasant. He stated there was no minimum bid and people did not even bid a \$1, there is no value to it. Mr. Farber stated that he thinks the municipal structures, not unlike the IDA are feeling a little overwhelmed. There is a real sense that we need to develop a strategy that gets it off the local burden. It was very disappointing that it didn't sell, but we need to look at the vehicle we tried to use to make sure that it ended up a ski area. He is not sure the IDA did not make a mistake by trying to do it with deed restrictions instead of a RFP that talked about a clean deal and the incentives that would be available from the IDA. Mr. Farber further stated that it was too big of a risk for buyers, if they had a couple of bad winters they could lose what they paid the IDA plus whatever they invested and end up with nothing. Discussion continued.

Mr. Farber asked the members how they feel about extending the existing bridge loan and possibly a new bridge loan. Ms. Melious explained that the Village has a bridge loan now to cover the summer through fall season for \$25,000; it is not due until the end of November. They are ramping up their season pass sales, and Ms. Melious has offered to help with some marketing. Mr. Faro asked where they stand with a Mountain Manager. Ms. Melious stated that they have to advertise for the position.

Mr. Fink asked for an update on the status of the Levi Lumber loan. Mr. Faro stated that he did not think they will be applying. Mr. Fink asked Ms. Melious if she felt there is enough money to fund operation of Oak on a short term basis without impacting any other borrowers in the county. Ms. Melious stated that if we are not going to see a loan application from Levi Lumber, then yes. Ms. Melious further stated that she has received 12 months worth of payments from Richard Dwyer.

Mr. Farber asked if everyone supports the extension of the existing loan and possibly a new loan. Mr. Faro stated that he is good with it but he is starting to get reservations. Mr. Farber agreed and stated that everyone has at some point in this process, he further feels that we need to not lose the momentum that the IDA gained by putting it on the market once before, we need to figure out how to get an advertisement out that we are going to do a RFP so that it runs during the ski season, so potential buyers can see it in operation. He further stated that he believes that if you sell it without deed restrictions you will get bids.

Mr. Farber discussed the Regional Council process and how one of the biggest things that the tourism workgroup that is dealing with the whole north country region is looking at is the lack of tourism infrastructure; not just lodging properties but the kind of amenities that have to be packaged in an area to create demand for the lodging properties even if you have the lodging properties in place. Their argument for why the entirety of the regional council should be supportive of that is because that builds quality of community simultaneously.

Mr. Faro asked Mr. Farber to refresh his memory with what the hang ups are with the deed restrictions. Mr. Farber stated that the deed restriction was that if it failed to continue as a ski area it basically came back to the IDA. The Board discussed further.

Mr. Fink asked Ms. Melious to contact the people that did the initial appraisal and ask them how much it would be to do an update. Ms. Melious stated she would.

Mr. Peck asked if we felt we have gained the value of the survey that Chris Diedrich did. Mr. Farber stated that by virtue of his survey we can sell the mountain; the cell tower isn't the only thing we could liquidate right now. There are 20 acres that now have a map. Mr. Farber stated that he feels that with the ski season coming up, selling the ski mountain should be our focus.

Small Business Loan Request:

Ms. Melious stated that we have a request from Mary Tracy and Whitney Baur, they would like a \$50,000 loan to open a café and bakery in a preexisting site that is currently the Chinese restaurant on Main St. in Speculator. They have not closed yet; it is supposed to happen in two weeks. They have a very complete business plan. The problem being is that she is not sure one of the principals qualifies as low to moderate income. There are two principals and they may or may not hire two part time people. The information handed out today is just for informational purposes. We may be ready to move forward with this when the IDA meets for a special meeting. The ability to loan money to this would not be implicated one way or the other by a Village loan.

Miscellaneous:

Mr. Fink apologized for next being at the last meeting. Through the minutes, he still has some questions regarding what the base fair market value of Oak we should be using as well as the issue of what are our responsibilities from the original grant from the State verses what is our asset that we own from the first mortgage that we purchased. He would like to reach out to Bob Morris and he would also like to have some discussions with the Comptroller's Office and the Authority Budget Office. Mr. Farber suggested that once we dodge the immediate bullet of figuring out what to do over the next two meetings to get the mountain open, than the next step in the process, if everyone agrees, would be to figure out what we want to advertise in January. He suggested the IDA may want to talk about whether or not we would be willing to entertain lease to own in the RFP and then we may want to have a small group meet with Bob Morris and go through it. Then we can get the answers we need from Bob and since Bob has experience dealing with the Comptroller's Officer and the Authority Public Budget Office on these issues for other IDAs, we might be able to get the answers we are looking for. Ms. Melious asked if Mr. Fink received her email from Housing and Community Development about the Small Cities closeout. He stated he did, but often it is how the question is asked. Mr. Fink stated he accepts that they closed the grant out, but does that mean that all of the obligations we have under the original grant document are satisfied, are we completely unfettered? Ms. Melious stated, no. After we pay off liabilities related to Oak Mt. if there is cash left it has to be lent in the same way as the original grant. Mr. Fink stated he would rather find these answers out now. Mr. Fink agreed with Mr. Farber's idea of meeting with Mr. Morris.

Motion to adjourn by Mr. Faro, seconded by Mr. Pine. Carried.