

There will be a **Regular Meeting**

of the

Seneca County IDA

as follows:

Thursday,
May 5, 2022
@ 12:00 pm

Heroes Conference Room
Seneca County Office Bldg., 3rd Floor
One DiPronio Drive
Waterloo, New York

****This meeting is being held "in person" and is open to the public****

The meeting will be livestreamed on our website at:

<https://www.senecacountyida.org/livestream>



LOCAL VALUES. FORWARD VISION.

SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

Thursday May 5, 2022
12:00 P.M.
Heroes Conference Room
One DiPronio Dr., Waterloo NY

Agenda

1. Approval of IDA Meeting Minutes of March 24, 2022 R _____
2. Approval of IDA Financial Statements thru March 2022 R _____
3. Approval of Amended 2021 Audited Financials and Re-Posting to PARIS R _____
4. Discussion/Approval of IDA Resolution No. 2022-09 / Transfer del Lago IDA Incentives to Churchill Downs R _____
5. Discussion/Approval of IDA Resolution No. 2022-10 / Sale of Deer Run Lots 1 & 2 to Bestmade Products R _____
6. Discussion/Approval of IDA Resolution No. 2022-11 / Bestmade Products Project / Final R _____
7. Discussion/Approval of Contract with H. Sicherman & Company, Inc. d/b/a The Harrison Studio R _____
8. Standing Item – Update / Seneca County Chamber of Commerce– Jeff Shipley
9. Standing Item – Update / Seneca County Board of Supervisors – Don Trout
10. Other Business
11. Consideration of Executive Session
12. Adjournment

SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
MEETING MINUTES

Regular Meeting
Thursday, March 24, 2022
12:00 Noon
Heroes Conference Room
One DiPronio Drive, Waterloo NY 13165

Attendance:

Board Members Present:	Steven Brusso, Chair; Thomas Kime; Tom Murray; Bruce Murray and Jeff Shipley
Board Members Absent:	Suzanne Cirencione, Don Trout
Staff Attending:	Sarah Davis, Executive Director; Patricia Jones, Deputy Director; Kelly Kline, Office Manager
Others Attending:	Robert Kernan, CFO; Rob Halpin, The Halpin Law Firm and Mitch Rowe, County Manager

Call to Order:

Chairman Brusso called the meeting to order at 12:00 p.m. A quorum of the Agency's members were present.

Approval of IDA Meeting Minutes of February 3, 2022:

The minutes of the Agency's meeting of February 3, 2022, had been sent to Board members prior to the meeting. A motion was made by Mr. Bruce Murray to approve the minutes. Seconded by Mr. Shipley. Motion carried.

Approval of 2021 IDA Annual Audit, Single Audit and Management Letter:

The 2021 IDA Audit, Single Audit and Management Letter had been mailed to board members prior to the meeting. Mr. Kernan advised Board Members that the 2021 Audit, Single Audit and Management letter were accepted by the Audit Committee at their meeting on March 14, 2022, and approval by the full board is recommended. Mr. Kernan noted that the auditors have issued a clean opinion with no material weaknesses or deficiencies in internal controls. A motion was made by Mr. Tom Murray approving the 2021 IDA Audit, Single Audit and Management Letter and authorizing staff to post to PARIS, per the recommended approval of the Audit Committee. Seconded by Mr. Kime. Members, Brusso, Shipley, Kime, B. Murray, T. Murray voted "yea". Mr. Trout and Mrs. Cirencione were absent. Motion carried.

Review of IDA Long Term Forecast:

A copy of the Long-Term Forecast was provided to the board prior to the meeting. Ms. Davis presented the Agency's long-term financial plan projecting out seven years with worst and average case scenarios. In the worst case, the IDA could exhaust its cash in 2029. In the average case, and using total projected income of \$400,000 a year, the IDA would be financially stable thru 2029. Ms. Davis noted two primary streams of revenue are agency fees and annual funds received from the County. Other types of potential revenue would come from the sale of land at the IDA-owned Deer Run Industrial Park and minimal application fees. This forward-looking view is reviewed twice a year, with the budget in the fall and the audit in the spring. It is for informational purposes only.

Approval of ABO Measurement Report:

A copy of the New York State Local Public Authority Mission Statement and Measurement Report was provided to Board members prior to the meeting. The agency is required to provide a self-evaluation of the prior year's performance. In calendar year 2021 the Seneca County IDA supported 27 active projects, which have leveraged \$553,668,013 of private investment. These projects retained 2,013.14 FTE jobs and 100 FTE Construction jobs, of which 769.64 were created as a result of public support leveraging private investment. Job creation is significantly understated due to employee leasing by some employers, and the inability to accurately track the number of jobs at

the Waterloo Outlet mall. Board members acknowledged having read and understood the answers to the five questions in the final section of the document referred to as "Governance Certification." A motion was made by Mr. Kime approving the Measurement Report and posting to PARIS. Seconded by Mr. B. Murray. Motion carried.

Approval of Resolution 2022-08 | Conveyance of Retained Parcels to Deer Haven Park:

A copy of the proposed resolution was provided to board members prior to the meeting. Ms. Jones advised board members that the IDA received the Deed from the Army for the 283 acre Retained Sites for the Depot Conservation Area. These sites were part of the environmental clean-up and were approved for transfer by EPA and DEC. These are a total of 9 sites: five (5) within the Deer Haven Park (236.955 acres) and four (4) within the First Light Property (45.82 acres). When the IDA completed the PAAA Notice for transfer of the Conservation Area – we included these environmental sites in the acreage. The First Light property can be transferred upon execution of the PAAA notice. A motion is needed to approve the transfer of the Retained Environmental Sites from the IDA to Deer Haven Park. The resolution was presented as follows:

**RESOLUTION APPROVING THE CONVEYANCE OF A PORTION OF THE FORMER SENECA ARMY
DEPOT PROPERTY FROM THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO DEER
HAVEN PARK LLC**

A motion was made by Mr. T. Murray approving the resolution. Seconded by Mr. Kime. Members, Brusso, Shipley, Kime, B. Murray, T. Murray voted "yea". Mr. Trout and Mrs. Cirencione were absent. Motion carried.

Standing Item – Update / Seneca County Chamber of Commerce– Jeff Shipley:

Mr. Shipley noted that it is a busy time at the Chamber. They are currently putting together their programming for the summer / fall tourism season and there will be another round of digital advertising as well as updates to the county's tourism facing website. There are a number of distribution contracts that the chamber is finalizing in order to get the annual visitor guide produced and shipped to the various outlets. Mr. Shipley then noted they are definitely experiencing cost increases from a year ago. Everything from printing to distribution. There are definitely concerns the chamber faces when it comes to promoting tourism, but he stated they are confident that this is going to be another very solid year for Seneca County, in terms of the tourism and the tourism economy. And on the chamber side, Mr. Shipley noted that they are very happy to be bringing back "in-person" events. The first one is the Coffee & Conversation series, which is a breakfast educational series.

Quarterly Report | IDA Executive Director – Sarah Davis:

Mrs. Davis provided the following quarterly report to the board: As we reflect on our progress from the first quarter of 2022 and look ahead to the rest of the year, there are a few key updates and items worth mentioning, the first being our progress on 3 key indicators: number of Business Retention & Expansion (BR & E) visits, number of projects in our pipeline, and number of project wins. As an organization, we are about one-fifth of the way to our year-end goal in terms of BR & E visits, and of the 25 projects in our pipeline currently, 5 have a strong chance of moving forward with applications this year.

Other items worth mentioning are as follows:

- Governor Hochul has included \$200 million in her state budget for a new grant program called the Focused Attraction of Shovel-Ready Tracts New York (FAST NY), which aims to develop sites to attract high-tech manufacturing, warehousing, distribution, and logistics businesses to NYS. It is the IDA's intent to pursue one of these grants through Empire State Development—should it make it into the final state budget—to support our development of an industrial park.
- The federal ONSHORE Act (Opportunities for Non-Developed Sites to Have Opportunities to be Rehabilitated for Economic Development) would provide \$100 million per year for 5 years through the Economic Development Administration for grants to support site and utility readiness, workforce development, distribution, and logistics. Should this grant program come to fruition, the IDA would apply to support its industrial park buildout.
- The Executive Director has been in contact with NYSEG regarding electrical substation upgrades that are needed in Fayette to service Keystone Mills' grain mill expansion.

- The IDA is in the process of working with local ITT Goulds management to evaluate alternatives to closing the Seneca Falls foundry.
- Del Lago has announced that Churchill Downs plans to acquire Peninsula Pacific Entertainment, which owns the casino. They do not expect to see significant changes in the day-to-day local operations. IDA Board approval will be needed to transfer Del Lago's PILOT agreement and other benefits to the new ownership.
- The IDA and County Board of Supervisors have formed a joint committee to interview and recommend candidates for appointment to the 2 open IDA Board seats. Interviews are expected to be scheduled starting the week of March 28th.
- IDA staff have a job description put together for a Grants and Development Specialist, which we will be circulating to the Governance Committee for comment prior to actively advertising for the position.

Other Business:

None

Executive Session:

None

Adjournment:

A motion to adjourn the meeting was made by Mr. T. Murray. Seconded by Mr. Shipley. Motion carried. The meeting adjourned at 12:33 p.m.

The next regular scheduled meeting will be held on **May 5, 2022, 12:00 Noon**, Heroes Conference Room, One DiPronio Dr, Waterloo NY 13165

Respectfully submitted,

Sarah R. Davis
Executive Director

pc: Margret Li, Clerk to the Board of Supervisors

April 15, 2022

Mr. Michael J. DeBadts, CPA, Partner
Mengel Metzger Barr & Co. LLP
100 Chestnut St. Suite 1200
Rochester, NY 14604

Dear Mr. DeBadts:

We are contacting you regarding an error in the 2021 Seneca County IDA Audited Financial Statements that was identified by our accountant, Thomas Palmer.

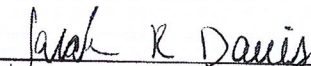
Mr. Palmer noticed a discrepancy between the current portion and long-term portion of the notes receivable. Specifically, the amount that is shown on page 7 of the audited financial statements for the current net loans receivable is \$220,710 while the final trial balance report shows \$118,792. The noncurrent net loans receivable shows \$216,577 on the financial statements while the final trial balance shows \$318,495. This difference is due to the final entry that was booked for the audit when a new amortization was received: Reclassification entry #201.

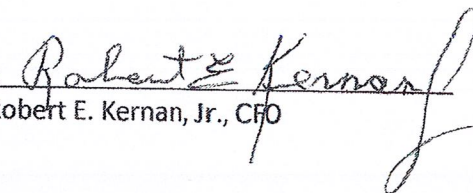
These discrepancies also appear on page 16 of the audited financial statements. The first table under heading "B- Maturity Schedules" shows a current portion that ties to page 7's entry of \$220,710, which should be \$118,792 based on the updated trial balance and journal entries. The maturity schedule below it has been updated to show the correct current portion of \$118,792 and does not need revision.

In summary, we believe that the audited financial statements should be updated to match the final trial balance reports and journal entries that had been provided, and we respectfully request their immediate revision so that we may make the appropriate changes to our annual PARIS reports, which were already submitted for the year.

Please do not hesitate to contact our office with any questions at 315-539-1722.

Sincerely,

x 
Sarah R. Davis, Executive Director

x 
Robert E. Kernan, Jr., CFO

SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A Component Unit of Seneca County, New York

STATEMENT OF NET POSITION

December 31, 2021
(With Comparative Totals for 2020)

<u>ASSETS:</u>	<u>2021</u>	<u>2020</u>
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 2,184,455	\$ 2,218,724
Cash restricted	747,654	761,632
Accounts receivable, net	-	177,826
Prepaid items	6,522	8,084
Loans receivable, net	118,792	119,077
Total Current Assets	\$ 3,057,423	\$ 3,285,343
<u>Noncurrent Assets -</u>		
Loans receivable, net	\$ 318,495	\$ 300,483
Investment in Industrial Park	136,584	136,584
Total Noncurrent Assets	\$ 455,079	\$ 437,067
<u>Capital Assets -</u>		
Land and improvements	\$ 250,400	\$ 250,400
Equipment and fixtures	32,375	32,375
Accumulated depreciation - equipment and fixtures	(32,375)	(32,375)
Buildings and improvements	1,388,679	1,388,679
Accumulated depreciation - buildings and improvements	(625,163)	(589,919)
Infrastructure	-	1,036,968
Accumulated depreciation - infrastructure	-	(331,788)
Total Capital Assets	\$ 1,013,916	\$ 1,754,340
TOTAL ASSETS	\$ 4,526,418	\$ 5,476,750
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Deferred outflows of resources	\$ 77,987	\$ 99,313
<u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Accounts payable	\$ 25	\$ 325
PIF deposits held	34,349	38,530
Deferred Revenue	65,000	65,000
Total Current Liabilities	\$ 99,374	\$ 103,855
<u>Noncurrent Liabilities -</u>		
Net pension liability	\$ 215	\$ 100,236
TOTAL LIABILITIES	\$ 99,589	\$ 204,091
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred inflows of resources	\$ 78,680	\$ 4,616
<u>NET POSITION:</u>		
Net investment in capital assets	\$ 1,013,916	\$ 1,754,340
Restricted - revolving loan and industrial park	1,287,177	1,279,245
Unrestricted	2,125,043	2,333,771
TOTAL NET POSITION	\$ 4,426,136	\$ 5,367,356

(The accompanying notes are an integral part of the financial statements)

SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A Component Unit of Seneca County, New York

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For Year Ended December 31, 2021
(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
<u>OPERATING REVENUES:</u>		
Rent and lease income	\$ 100,000	\$ 100,000
Agency fees	34,949	235,480
Program income	11,846	14,147
TOTAL OPERATING REVENUES	<u>\$ 146,795</u>	<u>\$ 349,627</u>
<u>OPERATING EXPENSES:</u>		
<u>Personnel services and employee benefits -</u>		
Salaries	\$ 194,092	\$ 156,693
Benefits	65,491	62,529
Pension	23,018	57,486
<u>Contractual expenses and depreciation -</u>		
Administrative and technical assistance	21,442	30,804
Professional fees and services	59,794	127,253
Travel and conferences	4,003	1,445
Marketing and promotion	5,000	5,000
Office, postage, copying and printing	5,378	15,674
Repairs and maintenance	4,415	11,576
Insurance	6,925	6,824
Miscellaneous	705,235	515
Depreciation	52,524	56,888
TOTAL OPERATING EXPENSES	<u>\$ 1,147,317</u>	<u>\$ 532,687</u>
OPERATING INCOME (LOSS)	<u>\$ (1,000,522)</u>	<u>\$ (183,060)</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>		
County support	\$ 54,000	\$ 54,000
Grant income	-	70,208
Interest income	5,032	19,519
Site development	270	(30,800)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 59,302</u>	<u>\$ 112,927</u>
CHANGE IN NET POSITION	<u>\$ (941,220)</u>	<u>\$ (70,133)</u>
NET POSITION - BEGINNING OF YEAR	<u>5,367,356</u>	<u>5,437,489</u>
NET POSITION - END OF YEAR	<u><u>\$ 4,426,136</u></u>	<u><u>\$ 5,367,356</u></u>

(The accompanying notes are an integral part of the financial statements)

(II.) (Continued)

The Agency had previously reported \$1,036,968 in infrastructure assets relating to a sewer line. This asset was the result of the PILOT increment financing arrangement (PIF) entered into by the Agency which indicated that title to these assets remains with the IDA until the PIF is completed. Now that the PIF is complete the Board authorized the transfer of the sewer lines and title was transferred in 2021.

III. **Loan Funds:**

A. **Revolving Loan Funds**

A common function of the Agency is to administer revolving loan funds for the purpose of fostering economic development. The source of funds to finance the loan payment may be from state, federal, or private grants, or from funds of the Agency itself. Whether the loan funds are restricted by a grant agreement or funded from Agency monies, they are established directly from retained earnings and reported as a reservation of retained earnings. Thus, grants received from outside sources which will be used to make loans from a revolving fund are recorded as "non-operating revenue". Loans to commercial enterprises and principal repayments are not recorded through revenue and expense. Any interest income is restricted to make future loans and is credited to revenues and closed to the reserved retained earnings.

B. **Maturity Schedules**

The Revolving Loan Fund has notes receivable from various Seneca County businesses at December 31, 2021. The notes bear interest at rates ranging from 2.0% to 5.0% and mature at various dates through 2026. Scheduled future principal payments on these notes are as follows at December 31, 2021:

<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 12/31/2021</u>
2011	2026	2.44%	\$ 130,913
2018	2023	3.56%	129,640
2021	2031	2.44%	176,734
Subtotal			\$ 437,287
Less: Current Portion			(118,792)
Total Long-Term Notes Receivable			\$ 318,495

An allowance for potential loans losses is established based upon a review of the repayment status of outstanding loans.

Maturities of the notes receivable are as follows:

<u>Year</u>	<u>Notes</u>
2022	\$ 118,792
2023	103,380
2024	47,984
2025	49,168
2026	28,986
Thereafter	88,977
Total	\$ 437,287

RESOLUTION
(Lago Resort & Casino, LLC)

A special meeting of Seneca County Industrial Development Agency on May 5, 2022, at 12:00 p.m.

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

Resolution No. 2022-09

**RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT
AGENCY (THE “AGENCY”) CONSENTING TO THE TRANSFER OF
INTERESTS IN LAGO RESORT & CASINO, LLC**

WHEREAS, Lago Resort & Casino, LLC (“Lago”) has operated del Lago Resort & Casino (the “Casino”) since March 2017;

WHEREAS, in connection with Lago’s development of the Casino, Lago and the Agency entered into certain agreements, including (without limitation) a certain Agency Tax Agreement, Leaseback Agreement and Benefit Recapture Agreement, dated December 15, 2015 (collectively, the “Agency Documents”); and

WHEREAS, Lago has represented to the Agency that PGP Investors, LLC, d/b/a Peninsula Pacific, through itself and affiliates controlled by M. Brent Stevens (collectively, “Peninsula Pacific”), owns and controls a majority of the economic and voting equity in Lago; and

WHEREAS, Peninsula Pacific and Churchill Downs Incorporated, through itself and/or affiliates controlled by Churchill Downs Incorporated (collectively, “CDI”) have entered into an agreement pursuant to which Lago will become a wholly-owned subsidiary of CDI, and Peninsula Pacific will no longer hold any economic or voting equity in Lago (the “Transfer of Lago Interests”); and

WHEREAS, the Agency Documents require the Agency’s consent for the Transfer of Lago Interests;

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

RESOLVED, the Agency hereby consents to the Transfer of Lago Interests, and to the subsequent transfer and/or creation of direct or indirect equity or non-equity interests in Lago, provided that in all cases CDI shall at all times retain more than fifty percent of the voting control in Lago.

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:

	Yea	Nay	Abstain	Absent
Steven Brusso				
Thomas L. Kime				
Donald Trout				
Bruce Murray				
Jeffrey Shipley				
Ben Guthrie				
Thomas Murray				
Ralph Lott				

The Resolutions were thereupon duly adopted.

RESOLUTION

(Sale of Lots 1 and 2 Deer Run Corporate Park)

A regular meeting of the Seneca County Industrial Development Agency was convened on May 5, 2022.

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

Resolution No. 2022-10

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") APPROVING THE SALE OF LOTS 1 AND 2, DEER RUN CORPORATE PARK

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 63 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, the Agency is the owner of property situated in the Town of Seneca Falls, Seneca County, New York, known as Lots 1 and 2 of the Deer Run Corporate Park (the "Property"); and

WHEREAS, Bestmade Products, Inc., for itself or on behalf of an entity to be created (the "Buyer") has contracted to purchase the Property from the Agency pursuant to that certain Purchase and Sale Agreement dated on or about June 3, 2021 (the "Contract"); and

WHEREAS, pursuant to the Contract, in connection with the acquisition of the Property Buyer will commit to develop the Property with a manufacturing/warehousing facility, which development will promote employment opportunities and prevent economic deterioration in Seneca County, and otherwise further the purposes of the Agency; and

WHEREAS, the Agency obtained an appraisal of the Property by Keuka Appraisal Services, Inc., dated June 24, 2021, a copy of which is attached hereto (the "Appraisal") and incorporated by reference herein; and

WHEREAS, the Agency prepared and submitted an explanatory statement pursuant to Section 2897(6)(d) of the New York Public Authorities Law (the "Explanatory Statement"), a copy of which is attached hereto and incorporated herein; and

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

Section 1. The Agency hereby finds and determines that:

(A) The Agency adopts the above recitals as findings.

(B) The current estimated fair market value of the Property as determined by the Appraisal is \$88,000.

(C) The value to be received by the Agency pursuant to the Contract is \$37,000.

(D) The purpose of the sale of the Property to Buyer is to facilitate the development of a manufacturing/warehousing facility at the Property and promote the related economic development and job creation activity.

(E) The sale and conveyance of the Property to Buyer pursuant to the Contract furthers the purposes of the Agency and is authorized by the Act.

(F) There is no reasonable alternative to the proposed transfer of the Property to Buyer, pursuant to the terms as described in the Explanatory Statement, which would achieve the same purpose as such transfers.

Section 2. The sale and conveyance of the Property to Buyer is authorized and approved, and all prior acts by or on behalf of the Agency in connection therewith are ratified and confirmed. The Agency's Chairman, Vice Chairman or Executive Director are each authorized to execute and deliver for and on behalf of the Agency such deed(s), transfer form(s), easement(s) and other documents and agreements as are necessary in furtherance of this Resolution.

Section 3. These Resolutions shall take effect immediately.

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

The Resolutions were thereupon duly adopted.

	Yea	Nay	Abstain	Absent
Steven Brusso				
Thomas L. Kime				
Donald Trout				
Bruce Murray				
Jeffrey Shipley				
Thomas Murray				
Ben Guthrie				
Ralph Lott				

RESOLUTION
(Bestmade Products, Inc. Project)

A regular meeting of Seneca County Industrial Development Agency on May 5, 2022, at 12:00 p.m. (noon).

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

Resolution No. 2022-11

RESOLUTION AUTHORIZING THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO (i) UNDERTAKE A CERTAIN PROJECT (AS DEFINED BELOW) FOR THE BENEFIT OF BESTMADE PRODUCTS, INC. (THE "COMPANY"), (ii) NEGOTIATE, EXECUTE AND DELIVER A LEASE AGREEMENT, LEASEBACK AGREEMENT, AGENT AGREEMENT, PAYMENT IN LIEU OF TAX AGREEMENT, AND RELATED DOCUMENTS, (iii) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (a) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE UNDERTAKING OF THE PROJECT, (b) A PARTIAL REAL PROPERTY TAX ABATEMENT UNDER A PAYMENT IN LIEU OF TAX AGREEMENT, AND (c) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (iv) EXECUTE A MORTGAGE AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 63 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter, the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **BESTMADE PRODUCTS, INC.**, a New York corporation, for itself or on behalf of an entity to be formed by it or on its behalf (the "Company") has submitted an application (the "Application"), a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition of approximately 5.2 acres located at Deer Run Corporate Park, Town of Seneca Falls, Seneca County, New York (the "Land"), (ii) the construction on the Land of a residential boat dock production and warehousing facility and related amenities (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, by resolution adopted on September 2, 2021 (the "Inducement Resolution"), the Agency (i) accepted the Application, and (ii) directed that a public hearing be held pursuant to General Municipal Law section 859-a;

WHEREAS, pursuant to General Municipal Law section 859-a, on November 23, 2021, at 1:00 p.m. at the Town of Seneca Falls Offices, 130 Ovid Street, Seneca Falls, New York, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as defined in the Inducement Resolution) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, copies of the minutes of the Public Hearing, written submissions and the notice of the Public Hearing published and forwarded to the affected taxing jurisdictions at least then (10) days prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, the Agency has prepared a cost-benefit analysis with respect to the Project and the contemplated Financial Assistance and has reviewed the results of said cost-benefit analysis; and

WHEREAS, in reviewing the Application, the Agency has considered (i) the nature of the Project, (ii) the economic condition of the area and the multiplying effect the Project will have on the area; (iii) the extent to which the Project will create permanent, private sector jobs; (iv) the estimated value of tax exemptions contemplated to be provided; (v) the economic impact of the Project and proposed tax exemptions on affected taxing jurisdictions; (vi) the impact of the Project on existing and proposed businesses and economic development projects in the vicinity of the Project; (vii) the amount of private sector investment likely to be generated by the Project; (viii) the extent to which the Project will require the provision of additional services; (ix) the extent to which the Project will provide additional sources of revenue for the municipalities and school district in which the Project is located; and (x) the benefit of the Project not otherwise available to the area in which the Project is located; and

WHEREAS, the Town of Seneca Falls Planning Board (the “Lead Agency”) has acted as lead agency in a coordinated review of the Project pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as “SEQRA”), with the Agency as an involved agency in such review; and

WHEREAS, as a result of its review pursuant to SEQRA, the Lead Agency adopted a resolution on January 26, 2022 determining that the Project did not present a potential significant adverse environmental impact (the “Negative Declaration”);

WHEREAS, the Agency has been provided with written notice of the Lead Agency’s Negative Declaration and copies of relevant resolutions and assessment forms; and

WHEREAS, the Negative Declaration is binding upon the Agency pursuant to 6 N.Y.C.R.R. § 617.6(b)(3)(iii);

WHEREAS, the Agency desires to adopt a resolution (i) acknowledging that the Public Hearing was held in compliance with the Act, (ii) authorizing Financial Assistance to the Company in excess of \$100,000, (iii) authorizing the execution and delivery of the Lease Agreement, the Leaseback Agreement, the Agent Agreement, the PILOT Agreement (as all of the foregoing are defined in the Inducement Resolution) and all documents related thereto (collectively, the "Transaction Documents"), and (iv) authorizing the execution and delivery of one or more mortgages and related documents related to the financing of the Project.

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

Section 1. The Agency hereby finds and determines:

- (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; and
- (b) The Project will promote employment opportunities and prevent economic deterioration in Seneca County, and otherwise further the purposes of the Agency, and that by entering into the PILOT Agreement and otherwise providing financial assistance for the Project the Agency will be increasing employment opportunities in Seneca County and otherwise furthering the purposes of the Act; and
- (c) The Facility constitutes both a commercial facility and a manufacturing facility as contemplated by the Act, and a "project" as such term is defined in the Act; and
- (d) The leasing of the Facility from and the subleasing back of the Facility to the Company will promote and maintain job opportunities, health, general prosperity and economic welfare of the citizens of the County of Seneca and State of New York and improve their standard of living and thereby serve the public purposes of the Act; and
- (e) Based upon the representations and warranties of the Company, the Facility conforms with local zoning laws and planning regulations of the County of Seneca and all regional and local land use plans for the area in which the Facility is located; and
- (f) Based upon the representations and warranties of the Company, the Facility and the operations conducted thereon will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York or the County of Seneca; and
- (g) It is desirable and in the public interest for the Agency to acquire an interest in the Facility; and
- (h) The Lease Agreement will be an effective instrument whereby the Company leases the Facility to the Agency; and
- (i) The Leaseback Agreement will be an effective instrument whereby the Agency subleases the Facility back to the Company; and
- (j) The PILOT Agreement will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their agreement regarding the Company's payment of payments in lieu of real property taxes; and
- (k) The Agent Agreement will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their agreement regarding the Agency's appointment of the Company as its agent for the Project; and

(1) The Public Hearing held by the Agency on November 23, 2021 concerning the Project and the Financial Assistance was duly held in accordance with the Act, including but not limited to the giving of at least ten (10) days published notice of the Public Hearing (such notice also provided to the Chief Executive Officer of each affected tax jurisdiction), affording interested parties a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

Section 2. In consequence of the foregoing, the Agency hereby determines to (a) acquire a leasehold interest in the facility pursuant to the Lease Agreement, (b) sublease the Facility back to the Company pursuant to the Leaseback Agreement, (c) authorize the undertaking of the Project and appoint the Company as its agent for purposes of acquiring, constructing and/or equipping the Facility, subject to the Company entering into the Agent Agreement, and (d) provide financial assistance for the Project in the form of (i) a sales and use tax exemption for purchases and rentals related to the undertaking of the Project, subject to the terms and conditions of the Agent Agreement, the total value of the exemption not to exceed \$40,800, (ii) a partial real property tax abatement, subject to the terms and conditions of the PILOT Agreement, and (iii) a mortgage recording tax exemption for financing related to the Project.

Section 3. The foregoing resolutions notwithstanding, the Agency's appointment of the Company as its agent for purposes of undertaking the Project is subject to and conditioned upon the Company's agreement, in accordance with Section 875(3) of the New York General Municipal Law, that, if the Company receives New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") from the Agency, and it is determined that: (i) the Company is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project, then the Company will (A) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (B) promptly pay over any such amounts to the Agency that the Agency demands in connection therewith, and that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine New York State and local sales and use taxes due from the Company, together with any relevant penalties and interest due on such amounts.

Section 4. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Transaction Documents in substantially the forms presented to this meeting, and all documents related thereto, with such additions, changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director, shall approve, which agreements may provide for the forfeiture and/or recapture of financial assistance where projected employment goals have not been met. The execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency shall constitute conclusive evidence of such approval.

Section 5. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized , on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions and required by any lender or financial institution identified by the Company providing financing for the Project, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval, provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. 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 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 7. These Resolutions shall take effect immediately.

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

	Yea	Nay	Abstain	Absent
Steven Brusso				
Thomas L. Kime				
Donald Trout				
Bruce Murray				
Jeffrey Shipley				
Thomas Murray				
Ben Guthrie				
Ralph Lott				

The Resolutions were thereupon duly adopted.

AGREEMENT

Made this day of , 2022 by and between **SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit agency organized and existing under the laws of the State of New York with offices at One DiPronio Drive, Waterloo, NY 13165 (hereinafter "SCIDA") and **H. SICHERMAN & COMPANY, INC. d/b/a The Harrison Studio**, a New York Corporation with offices at 160 Washburn Street, Suite 200, Lockport, New York 14094 (hereinafter "Contractor")

WITNESSETH:

WHEREAS, Contractor provides economic development consulting services to municipalities, public agencies, and nonprofit corporations; and

WHEREAS, the parties hereto are desirous of entering into an agreement for the provision of services by Contractor to SCIDA;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

SCOPE OF SERVICES

At the request of SCIDA, Contractor shall provide services to the SCIDA to:

1. EDA Revolving Loan Fund
 - a. Loan application processing including underwriting services.
 - b. Technical assistance regarding program administration, reporting, loan closings, portfolio management, and miscellaneous federal requirements.
2. General Economic Development Services

Such other services as may be requested by SCIDA regarding the planning, financing, and implementation of economic development projects and programs.

Contractor shall work at the direction of, and in coordination with, SCIDA staff in its provision of all services.

REMUNERATION

1. Contractor labor shall be charged at the following rates through December 31, 2022:

Harry Sicherman\$185.00 per hour
R. Charles Bell\$165.00 per hour
Michael Thomas\$145.00 per hour
Diane Church\$145.00 per hour
Michael Zimmerman\$145.00 per hour
Greg Merriam II\$130.00 per hour
Karen Burke\$ 98.00 per hour
Rate in travel status\$ 80.00 per hour (all personnel)

2. Travel by private automobile shall be charged at the maximum Federal reimbursement rate.
3. All other expenses will be charged at cost.
4. Total contract charges shall not exceed the sum of \$10,000.00.
5. Requisitions for payment shall be presented to SCIDA by Contractor in a standard invoice format and shall include a reasonable description of labor charges and expenses, including copies of receipts where appropriate. Payment shall be made by SCIDA within sixty (60) days of receipt of such requisition. For any delinquent payments due Contractor pursuant to this agreement, SCIDA shall pay to Contractor a late fee equal to one percent (.01) per month of the overdue amount.

MISCELLANEOUS

1. SCIDA and any of its duly authorized representatives shall have access to any books, papers, documents, and records of Contractor which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions.
2. Contractor shall retain all required records that are directly pertinent to this Agreement for three years after SCIDA has made final payment under this Agreement and all other pending matters are closed.
3. Contractor agrees that none of its officers or employees will hold themselves out as, or claim to be, an officer or employee of SCIDA or its agents, and that neither Contractor, nor any of its officers or employees will by reason therefore, make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of SCIDA.
4. Contractor acknowledges and agrees that neither Contractor nor its agents, officers, or employees shall be covered by any Worker's Compensation Insurance policy or Disability Insurance policy maintained by SCIDA, and that Contractor shall be solely responsible for maintaining such coverage to the extent required by law.
5. This Agreement may be amended or otherwise modified only upon the written agreement of the parties.
6. This Agreement shall supersede all prior agreements, written or oral, between the parties regarding the scope of services herein set forth.

TERM OF AGREEMENT

1. This Agreement shall become effective as of the date first above written.
2. This Agreement may be terminated by either party at any time without cause to be effected by written notification.
3. This Agreement shall terminate no later than December 31, 2024.

AGREED TO:

SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Steven Brusso, Chair

H. SICHERMAN & COMPANY, INC.

By: _____
Harry Sicherman, President