

MINUTES OF MEETING HELD JUNE 27, 2016

THE MEMBERS OF THE BOARD OF DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

A meeting of the Members of the Board of Directors of the Warren County Local Development Corporation (LDC) was held on June 27, 2016 at 11:30 a.m. in the Committee Room at the Warren County Municipal Center, pursuant to the Notice of Meeting emailed June 20, 2016.

The meeting was called to order by Peter McDevitt, Chairman of the Warren County Local Development Corporation at 11:52 a.m.

The following Directors were present:

Peter McDevitt	Eugene Merlino
Matthew Simpson	Frank Thomas
Craig Leggett	

The following Directors were absent:

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Jennifer Switzer, CFO, Warren County Local Development Corporation
Kevin B. Geraghty, Chairman, Warren County Board of Supervisors
John Strough, Warren County Supervisor
Claudia K. Braymer, Warren County Supervisor
Matt MacDonald, Warren County Supervisor
Rachel Seeber, Warren County Supervisor
Douglas Beaty, Warren County Supervisor
Ronald Montesi, Warren County Supervisor
Mary Elizabeth Kissane, Warren County Assistant Attorney
Kristy Miller, Confidential Secretary to the County Administrator
Don Lehman, *The Post Star*

Chairman McDevitt called the meeting to order. He asked for a motion to approve the minutes of the June 1, 2016 Regular Board meeting. Motion made by Director Merlino and seconded by Director Simpson. Motion carried unanimously.

Chairman McDevitt continued with the agenda regarding the review and approval of the May 2016 Financial Statements. Ms. Switzer begins with the May 31, 2016 Balance Sheet and indicates a good cash position of approximately \$571,000 to loan with a small \$1,250 balance in accounts receivables for funds received for the Microenterprise program that is run with EDC (Economic Development Corporation) and SUNY Adirondack. She continues with the May Profit & Loss Budget vs. Actual and explains that there is nothing out of the ordinary besides the \$500 accounting expense for the LDC tax preparation. Ms. Switzer states that the January through May 2016 Profit & Loss Budget vs. Actual continue to show approximately \$3,500 above budget for interest, which is due to the various loans that closed this year. She continues

to explain that the bad debt showing is for the Weavertown Country Store and the Marketing expense is for the various newspaper advertisements for the loan program offered in the spring.

Chairman McDevitt asked for a motion to approve the May 2016 Financial Statements. Motion was made by Director Simpson and seconded by Director Thomas. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the Financial Report for May 2016.

Ms. Switzer apprises that the \$571,000 includes the \$50,000 loan that closed last week for Queensbury Seamless Gutters, which was not an anticipated closing. Mr. Bartholomew explains that the loan was to assist the small business with the purchase of additional inventory and restore the building due to a fire.

Chairman McDevitt states that he recently watched an interesting story on CNBC and explains that mortgage rates are tied to 10 year treasury bonds and most experts are saying that it is foreseeable that interest rates will be going down in the future, which will be a good time for individuals to start a business or buy a home.

Mr. Bartholomew explains that earlier this month on behalf of the EDC (Economic Development Corporation) he attended public hearing at the Town of Johnsbury Board regarding the renegotiations of the contract with ORDA (New York State Olympic Regional Development Authority) wherein, Mike Pratt gave a presentation on behalf of ORDA to outline the areas of interest that could be expanded in the off seasons of Spring, Summer and Fall in particular areas of trails used by mountain bikes and zip-lines up at the old Gore area. He states that the current agreement is for 20 years and has been in place for 10 years and that they are seeking to renegotiate to incorporate additional terms. He continues to explain an article that was posted in *New York Times* and how a big problem faced by Gore Mountain is a housing shortage in the area and that the EDC (Economic Development Corporation) will be working with the State to see what can be done for more housing and hotel accommodations in the northern part of Warren County.

Mr. Bartholomew further explains the film production tax credit that was discussed last month. He states that new legislation incorporating Warren, Washington and Saratoga Counties was passed in the Senate and Assembly and forwarded to Governor's Office. He credited Senator Elizabeth Little for leading the way which will allow for a 10% film production tax credit on films that cost at least \$500,000 to produce. He apprises that a more official announcement will be made in the near future on a film that will be produced in Warren County.

Mr. Bartholomew states that the initial procurement technical committee meeting for Exit 20 took place and that Chairman Geraghty appointed 2 representatives to represent Warren County, Supervisor Merlino and Kevin Hajos, as members of the technical committee only, and Supervisor Strough appointed himself, and the representative for the EDC (Economic Development Corporation) will be Erin Frankenfeld from the Adirondack Glens Falls Transportation Counsel, as a member. He explains that the study will be focused on the area of Route 9 and Route 149 down to Weeks Road and Sweet Road and will focus on the potential impact and development in

the lower area for economic development with some light manufacturing of traffic impact, better improvements for pedestrians, bicyclists, transit, and a potential roundabout to eliminate traffic confusion.

Director Simpson states that he was recently in a traffic backup at Exit 20 with the two lanes coming off the Northway being backed-up and the traffic backup at the off-ramps coming towards the Municipal Center making it difficult to enter the Municipal Center. Mr. Bartholomew also points out a concern with Emergency vehicles in that area due to the Route 9 traffic backups for which the study will focus on as well.

Mr. Bartholomew then directs attention towards the concern of Zombie Properties and explains that these types of properties are owned by individuals who have a mortgage with a lending institution and have vacated or abandoned the property. The lending institutions are unable to locate the property owners and therefore, are unable to begin the foreclosure process making the process more time consuming in order for the banks to obtain jurisdiction. He indicates that in the interim, New York State has no law or obligation on the lending institutions that hold the 1st mortgage on said property. He explains that these Zombie Properties have become a major problem in the local areas as the municipalities are unable to enter upon these properties without having significant evidence of an animal problem or windows being smashed in order to obtain a Court Order to enter the property; however, there was no guarantee after the municipality entered the property and made the repairs that the cost could be added to the tax bill to recoup the cost. He continues to explain that the Governor has signed Bill that will mandate a certain time period for the bank to do an appraisal and deem the property vacant and abandoned. The property then has to be register with the State of New York which becomes public information and the bank must for a certain time period maintain the property. He states that Warren County can now create a Local Law that will enable municipalities within Warren County to determine if a property is vacant and abandoned, which would enable them to make improvements to these properties, add the costs for such improvements to the tax bills, and make it the banks responsibility to pay.

Chairman McDevitt indicates that he would fully support what Mr. Bartholomew is suggesting and for Warren County to develop a Local Law to be more involved with these Zombie Properties. Mr. Bartholomew states that he will be providing this information to Brian Reichenbach, County Attorney, for his review.

Chairman Geraghty states that he spoke with individuals at Washington County and the concern has been that the County would make these properties whole and pay back Hudson Falls and if they received too many of them, it may cut into the treasury at the County level being that the County makes the municipalities whole every January for all the back taxes. Mr. Bartholomew explains that the average foreclosure procedure takes approximately 287 days to complete, which makes it imperative for municipalities to stay on top of mortgage companies for which these Zombie Properties are located, as the new “Zombie Law” will mandate the banks pay the property taxes.

Director Merlino states that he has a similar situation happening in the Town of Lake Luzerne where the property can't be put up for auction as the property is under Chapter 11 protection. Mr. Bartholomew explains that there are a few loopholes in the legislation that has to be worked out in order for the Law to be effective, which includes small mortgage lenders not having to be part of the mandate.

Director Leggett states his concern about the Country as whole with banks not foreclosing on these properties and the true economic picture for the Country. Mr. Bartholomew apprises that part of the issue is not to defend the banks, but more so the extensive requirements under the Law for the service on the individuals. He explains that the largest purchase for an individual is typically the purchase of a home and a part of the history for this Country is the amount of protection that is offered to the homeowner and with the development of this Law it is creating a small step in the right direction.

Supervisor Seeber exited the meeting at 12:11 p.m.

As there was no further business to come before the LDC Board, motion was made by Director Merlino to adjourn the meeting, seconded by Director Simpson, and carried unanimously.

Chairman McDevitt adjourned the meeting at 12:20 p.m.

Dated: July ____, 2016

Frank Thomas, Secretary