

MINUTES OF MEETING HELD FEBRUARY 4, 2020

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 February 4, 2020 at 10:00 a.m. in the Committee Room at the Warren County Municipal Center.

The meeting was called to order by Peter McDevitt, Chairman of the Warren County Local Development Corporation at 10:06 a.m.

The following Directors were present:

Peter McDevitt Eugene Merlino
Frank Thomas

The following Directors were absent:

Craig Leggett
Matthew Simpson

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Robert Terwilliger, First Assistant County Attorney
Tammie DeLorenzo, Assistant to the County Administrator
Kristy Miller, Confidential Secretary to the County Administrator
Don Lehman, *The Post Star*
Travis Whitehead, Warren County Resident

Chairman McDevitt called the meeting to order. Chairman McDevitt started with the agenda relating to the consideration of approval of a partial release of an LDC lien on a portion of certain real property owned by LuMaZu LLC d/b/a Nettle Meadows located in the Town of Thurman, Warren County. Mr. Bartholomew advises that Nettle Meadows owns three pieces of property in the Town of Thurman that adjoin one another and they are looking to sell the one parcel containing the house, and in return, pay down their loan with Farm Credit as well as give \$10,000 to the LDC to pay down a portion of their loan for a release of lien on that portion of property. He explains that the remainder of the proceeds would be used to assist with the renovations for their new proposed operational site located in Lake Luzerne (former Hitching Post restaurant). He continues to explain that the LDC lien would remain on the other two parcels in the Town of Thurman as well as a lien to be established at the new property in Lake Luzerne.

Chairman McDevitt continued with the agenda regarding the review of the Loan Portfolio and Mr. Bartholomew requests an executive session for further review and discussion of the Nettle Meadows current finances. Motion made by Director Merlino and seconded by Director Thomas. The motion carries unanimously.

Executive session was declared from 10:09 a.m. to 10:21 a.m.

Committee reconvened and Chairman McDevitt stated no action was taken in Executive Session.

Chairman McDevitt defers to the First Assistant County Attorney, Robert Terwilliger, to discuss the proposed resolution. Mr. Terwilliger explains that the current finances for Nettle Meadows was reviewed and the transaction that will be taking place for them to sell a parcel in the Town of Thurman and purchase a parcel in the Town of Lake Luzerne. He continues to explain that the LDC has approved the release of lien on a portion of property in the Town of Thurman, in return, creating a lien on the Hitching Post restaurant as well as keeping the lien on the other parcels located in the Town of Thurman. He advises that Nettle Meadows will provide the amount of \$10,000 to the LDC reducing the principal balance on their current loan and beginning in February, Nettle Meadows will resume the full monthly payment of principal and interest on the LDC loan in the amount of \$1,571.91 rather than interest only payments.

Chairman McDevitt asked for a motion to approve the partial release of an LDC lien on a portion of certain real property owned by LuMaZu LLC d/b/a Nettle Meadows located in the town of Thurman, Warren County. Motion was made by Director Thomas and seconded by Director Merlino. The following motion was unanimously carried:

WHEREAS, the Warren County Local Development Corporation (“WCLDC”) has a mortgage lien, as collateral for a loan, on three parcels of real property owned by LuMaZu, LLC, d/b/a Nettle Meadow Farm and Cheese Company in Thurman, and LuMaZu is selling one of the Thurman parcel’s and buying a parcel in Lake Luzerne for cheese making; and it is therefore

RESOLVED, that the mortgage lien on the Thurman parcel to be sold shall be released and a mortgage lien shall be accepted upon the Lake Luzerne parcel to be purchased; and it is further

RESOLVED, that Warren County Local Development Corporation hereby ratifies acceptance of \$10,000 from LuMaZu, LLC, d/b/a Nettle Meadow Farm and Cheese Company and the execution of the release for the mortgage lien on the property at 508 S. Johnsbury Road, in Thurman and accepting a mortgage lien on property located at 1256 Lake Avenue, Lake Luzerne, to serve as collateral for the loan.

Mr. Bartholomew requests that it be added to the record that an appraisal has been received by Sterling Appraisal indicating equity remaining on the two parcels in the Town of Thurman over any liens currently on the parcels. He also advises that the LDC will have a 3rd lien position on the property located in the Town of Lake Luzerne.

Chairman McDevitt continued with the agenda regarding the approval of the 2020 Warren County Local Development Contract. Mr. Bartholomew advises that Warren County Board of Supervisors and the LDC approved a contract for \$50,000 for administration of the LDC by the EDC (Economic Development Corporation). He explains that it is the LDC’s priority to conduct an aggressive marketing campaign throughout the County with a particular emphasis on the properties, residents and businesses in the northern part of Warren County. He continues to explain that the Nettle Meadows has 15 to 16 jobs for their operations, which is

important to the community along with providing additional ample monies to the local vendors in the area and the secondary benefits are very helpful in the North Country. He indicates that he will be meeting with the local towns in the coming weeks and will be distributing information on the availability of the loan program and other assistance that the LDC can offer as well as the County.

Chairman McDevitt asked for a motion to approve the Service Agency Agreement between Warren County LDC and the Warren County EDC (Economic Development Corporation). Motion was made by Director Merlino and seconded by Director Thomas. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby authorizes the Services Agency Agreement with Warren County Economic Development Corporation for a term commencing January 1, 2020 and terminating December 31, 2020, in an amount not to exceed Fifty Thousand Dollars (\$50,000), and be it further

RESOLVED, that the Chairman of the Warren County Local Development Corporation be, and hereby is, authorized to execute the services agreement in accordance with the terms resolved herein above, in a form approved by the Warren County Attorney.

Director Merlino thanks Mr. Bartholomew for all his work on the Nettle Meadows project as he believes it saved the business with continuing its operations in Warren County and creates more employment as well as keeps a successful business that is known all around the Country.

Privilege of the floor was extended to Mr. Whitehead, Warren County resident, and he indicates that he likes the idea of aggressively marketing the properties but he doesn't understand how the LDC can consider aggressively marketing the properties when they are not even multi-listed. He explains that there are commercial and industrial entities and everyone has heard of Zillow, which lists residential properties for sale and you can see what is available in Lake Luzerne and other towns. He continues to explain that there is something called LoopNet, which is the commercial version of Zillow and these properties would not be listed on this site. He advises that there are a lot of businesses leaving Long Island and New Jersey as the taxes are extremely high, but if a commercial relator down there had a client they would not refer that client to Warren County, as there would be no incentive for them to do so. He advises that he would like to see the marketing of properties structured as multi-listings.

Director Merlino indicates that he agrees with everything Mr. Whitehead said, but every area is different. He explains that when referring to marketing to individuals down in Long Island and New Jersey, the problem is, those individuals become aware that there is not the best internet or cell phone service in Warren County and it becomes very difficult to sell businesses. He explains that when you have a successful business that is here, you want to keep them.

Mr. Whitehead applauds what the LDC is doing for Nettle Meadows, but wonders why Nettle Meadows has not come to the IDA (Industrial Development Agency), as they could receive tax reductions that are not available through the LDC. Mr. Bartholomew advises that Nettle Meadows did look into their options with the IDA, but they were not necessarily ready to move forward at that time. Mr. Whitehead explains that if Nettle Meadows is going to convert

the restaurant into a manufacturing business, it would raise the property value and they could get some reduction on that increased value along with being exempt from sales tax. Mr. Bartholomew advises that sales tax in manufacturing is tax exempt, no matter what, under State law.

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 Thomas, and carried unanimously.

Chairman McDevitt adjourned the meeting at 10:34 a.m.

Dated: February ____, 2020

Frank Thomas, Secretary