

Public Hearing – Keuka Lake Outlet Development, LLC

Tuesday, October 21, 2014 - 9:00 A.M.

Minutes of Proceedings

Attendance: Steve Griffin, CEO Finger Lakes EDC, Doreen Jensen, CFO, Finger Lakes EDC, Craig Densmore, Secretary, Finger Lakes Economic Development Center Board of Directors, Chris Iversen, Keuka Lake Outlet Development, LLC, Leslie Church, Town of Milo Supervisor, Tim Dennis, Chair, Yates County Legislature, Leigh MacKerchar, Mayor, Village of Penn Yan, John Christensen, Chronicle Express, David Specksgoor, The Observer, Patrick Grimaldi, Assessor, Town of Milo.

The Public Hearing on the proposed straight leaseback transaction by the Finger Lakes Economic Development Center on behalf of the Keuka Outlet Development was held in the Town of Milo Meeting Room, 137 Main Street in the Village of Penn Yan, Yates County, New York on Tuesday, October 21, 2014 at 9:00 a.m.

The Public Hearing notice was published in the legal section of The Chronicle Express on October 8, 2014. The Notice of Public Hearing was also posted on the bulletin board of the Yates County Courthouse, Town of Milo bulletin board, and on the Keuka Business Park bulletin board on October 7, 2014 and copies of the Notice were mailed to the affected taxing jurisdictions (Yates County, Town of Milo Supervisor and Assessor, Yates County Treasurer, Yates County Real Property Tax Office, and Penn Yan Central School District) on October 6, 2014.

Steve Griffin, CEO for the Finger Lakes Economic Development Center, called the Public Hearing to order at 9:00 a.m.

Mr. Griffin clarified that the public hearing notice was printed with 36 units and there was a possibility that 41 units could be built. Incentives were based on how quickly the units are sold. Five more units with incentives are not over \$100,000 in benefits and won't change the scope of the project.

Mr. Griffin gave an overview of the Keuka Outlet Development project. This project consists of the construction of 36-41 condominiums, and boat marina. Incentives are property tax abatements, sales and mortgage tax exemptions. Projected incentives will be over \$100,000 triggering the need for this public hearing. This project will create 1 full time job, 3 part time jobs and 50 construction jobs. This project is a wonderful addition to our community. The project will be under the PILOT while remediation of the site is going on.

Mr. Grimaldi inquired if the housing units could be classified as something else. Mr. Iversen explained that you can't call them condos until 15% percent of total units or for this project 5-6 units are under contract to be purchased. As soon as they are sold they will be put back on the tax rolls. Condo Associations are regulated by the state to protect owners of condos.

Mr. Griffin reported the total project cost is \$14,400,000. The total incentives are approximately \$727,000. \$500,000 in sales tax, \$50,000 in mortgage recording tax and the remaining amount is real estate. The current assessment is \$1,000,000. This is the base value of the PILOT.

Mr. Christensen inquired as to what the projected sales would be? Mr. Griffin replied that each unit would be assessed for \$100,000 - \$130,000 because they are condos. Mr. Grimaldi thought \$80,000 would probably be a more accurate assessed value. Mr. Grimaldi replied that it would depend on rents and rental values in the area. It is hard to determine right now.

Mr. Griffin reported that the incentives are figured high based on the higher assessed value per unit. The local assessor believes they will be at a lower assessed value per unit.

Mr. Grimaldi inquired as to whether the units would be presold? Mr. Iversen replied he hoped so.

Mr. Iversen reported the marina will consist of boat slips for residents and their guests. There will not be any gas sales taking place.

Mr. Grimaldi inquired whether the site is currently clean or does it need more remediation? Mr. Iversen replied it needs more remediation.

Mr. Christensen inquired whether there will be demolition involved and when that would begin. Mr. Iversen replied there would be demolition and that it will depend on the weather. Demolition would probably not start until spring. Mr. Christensen inquired if there were any more environmental issues based on how the buildings were structured by all the add ons over the years. Mr. Iversen reported that all environmental issues are documented. Hopefully there will be no more surprises.

Mr. Densmore inquired if the dredging of the Outlet would be moving forward. Mr. Iversen reported they are working on the application now. Mr. Christensen inquired whether the waterways would have to be expanded. Mr. Iversen replied an engineer is working on that. Mr. Grimaldi commented that it depends on the brass involved. Mr. Iversen reported that the NYS Dept. of Environmental Conservation and the US Army Corps of Engineers were involved with the docks for Birketts Landing. Mr. Iversen reported the US Army Corps of Engineers would still be involved because of the project being located on the Outlet. The Outlet goes to Seneca Lake. Seneca Lake is a federal waterway.

Mrs. Church inquired as when the hotel construction would begin. Mr. Iversen reported it would be in the spring.

Mr. Griffin reported the Keuka Outlet Development, LLC project would create 50 construction jobs and one full time and three part time for the condos.

Mr. Christensen inquired as to whether any maintenance of Kimballs Creek would have to be done. Mr. Iversen reported there will be no changes to responsibilities of Kimballs Creek. The Village of Penn Yan has cleared the mouth of the creek.

Mr. Grimaldi inquired as to whether there would be a Condo Association that would have ownership of everything. Mr. Iversen replied yes.

Mr. Christensen inquired if the estimate of sales would be in five years. Mr. Griffin replied that was his estimate but that all units would probably be sold before then.

There being no other comments the Public Hearing was closed at 9:26 a.m. by Mr. Griffin.

Submitted by:

Doreen J. Jensen
Chief Financial Officer