

## Public Hearing Agenda

### COUNTY OF FRANKLIN INDUSTRIAL DEVELOPMENT AGENCY (Church Street NY LLC Project)

DATE: Tuesday, August 24, 2021 at 5:00 p.m.

COMPANY: Church Street NY LLC

LOCATION: Town of Tupper Lake Town Hall, 120 Demars Boulevard, Tupper Lake, NY

ATTENDANCE: Jeremy Evans, CEO  
Maria Bourgeois, Operations Manager  
Justin Miller, Harris Beach  
Mark Carbone, Managing Member Church Street NY LLC

MEMBERS OF THE GENERAL PUBLIC IN ATTENDANCE:

Patricia Littlefield, Tupper Lake Town Supervisor

- I. **CALL TO ORDER:** (Time: 5:02 P.M.). Jeremy Evans opened the hearing and read the following into the public record:

This public hearing is being conducted pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) and Section 859-a of Title 1 of Article 18-a of the General Municipal Law of the State of New York, as amended, and Chapter 453 of the Laws of 1970 of the State of New York (hereinafter collectively called the “Act”).

A Notice of Public Hearing describing the Project (which will be defined hereafter) being undertaken by the County of Franklin Industrial Development Agency was published in the The Tupper Lake Free Press on August 11, 2021 and The Adirondack Daily Enterprise on August 10, 2021, and posted on the website of the County of Franklin Industrial Development Agency. A copy of the Notice of Public Hearing is attached and is an official part of this public hearing transcript. A copy of the Application submitted by Church Street NY LLC to the County of Franklin Industrial Development Agency, along with a cost-benefit analysis, is available for review and inspection by the general public in attendance at this hearing.

#### II. PROJECT SUMMARY:

Church Street NY LLC, for itself and/or for an entity or entities to be formed (collectively, the “Company”), has submitted an application to the County of Franklin Industrial Development Agency requesting the County of Franklin Industrial Development Agency issue its tax-exempt multi-family housing revenue bonds in a principal amount not to exceed \$5,500,000 (the “Bonds”) for the purpose of financing a certain project (the “Project”) consisting of:

- (i) the acquisition by the County of Franklin Industrial Development Agency (hereinafter, the “Agency”) of a leasehold interest in approximately .94 acres of real

property located at 15 Church Street in the Village of Tupper Lake, New York (the “Land”, being more particularly described as tax parcel No. 490.75-2-1) along with the existing improvements thereon consisting principally of an approximately 41,000 square foot residential apartment building consisting of approximately fifty (50) one bedroom units, all of which are HUD Section 8 subsidized (the “Existing Improvements”);

(ii) the renovation, reconstruction, rehabilitation and operation of the Existing Improvements, together with other related site work, exterior access and egress improvements, curbage, signage, utility and related exterior improvements (collectively, the “Improvements”);

(iii) the acquisition of and installation in and around the Land, the Existing Improvements, and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the “Equipment”; and, collectively with, the Land, the Existing Improvements and the Improvements, the “Facility”);

(iv) The funding all or a portion of the costs of a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs and expenses incidental to the issuance of the Bonds (the costs associated with items (i) through (iv) above being hereinafter referred to as the “Project Costs”); and

(v) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the “Straight Lease Transaction”).

The Project Facility will be owned, operated and managed by the Company. The Bonds will be a special obligation of the Agency payable solely from rental payments made by the Company to the Agency pursuant to a lease or other agreement and certain other assets of the Company pledged to the repayment of the Bonds.

The Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the “Financial Assistance”) to the Company in the form of:

(i) interest savings through the issuance of the Bonds,

(ii) an exemption from all State and local sales and use taxes with respect to qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction or equipping of the Facility

(iii) A mortgage recording tax exemption(s) relating to financings undertaken in furtherance of the Project, including the Agency’s issuance of the Bonds; and

(iv) a partial real property tax abatement provided through a Payment in Lieu of Tax Agreement (“PILOT Agreement”), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of each municipality having taxing jurisdiction over the Project Facility.

### **III. THE BONDS.**

If the issuance of such Bonds is approved by the Agency, (i) it is intended that interest on such Bonds will be excluded from gross income for federal income tax purposes, pursuant to Section 103(a) of the Code, (ii) the Company shall make payments sufficient to fund debt service on the Bonds and make certain other payments, and (iii) the Bonds will be special limited obligations of the Agency payable solely from certain of the proceeds of the agreement and certain other assets of the Agency pledged to the repayment of the Bonds. It is intended that the Bonds will be issued as exempt facility bonds for a qualified residential rental project pursuant to Section 142(a)(7) of the Code. Under the Code, approval of the issuance of the Bonds by the Franklin County Legislature is necessary under Section 147(f) of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes.

THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING FRANKLIN COUNTY, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING FRANKLIN COUNTY, SHALL BE LIABLE THEREON.

### **IV. SEQRA**

As a component of its final approvals for the Project, the Agency will review the project for proposed Project pursuant to New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 NYCRR Part 617, as amended (collectively referred to as “SEQRA”).

### **IV. COMMENTS**

None.

Public Hearing was recessed at 5:17 pm and resumed at 5:22 pm.

### **V. ADJOURNMENT**

Jeremy Evans closed the hearing at 5:23 P.M.