

SKYLINE HOSPITALITY PUBLIC HEARING
May 13, 2020, 10:00AM

PUBLIC HEARING MINUTES

Due to the Coronavirus (COVID-19), Federal and State emergency bans on large meetings or gatherings, and pursuant to Governor Cuomo's Executive Order 220.1, issued on March 12, 2020 suspending the Open Meetings Law, this Skyline Hospitality Public Hearing was held via video conferencing, instead of an open meeting for the public to attend. Members of the public were given instructions on how to join the meeting.

IN ATTENDANCE

Jody Zakrevsky, County of Otsego IDA
Meaghan Marino, County of Otsego IDA
A. Joseph Scott III, Hodgson Russ
Pavin Patel, Best Western
Robert J. O'Brien, Town of Hartwick
Patrick Mc Brearty, Milford Resident

PUBLIC HEARING NOTICE

J. Zakrevsky read the following public hearing notice to the attendees:

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given that a public hearing (the "Public Hearing") pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act") will be held by the County of Otsego Industrial Development Agency (the "Agency") on the 13th day of May, 2020 at 10:00 o'clock a.m., local time. As a result of the Novel Coronavirus (COVID-19) Emergency and the state ban on meetings or gatherings pursuant to Executive Order 220.10 issued on March 23, 2020, the suspension of the Open Meetings Law relating to public meetings pursuant to Executive Order 220.1 issued on March 12, 2020 and the authorization to hold public hearings by remote access pursuant to Executive Order 220.15 issued on April 9, 2020, the Public Hearing scheduled for May 13th, 2020 in connection with the matter described below (the "Project") will be held electronically via conference call and video conference rather than in person. Members of the public may listen to, view and participate in the Public Hearing and comment on the Project and the financial assistance requested by the Project applicant from the Agency by dialing in by telephone number: **1 (224) 501-3412 and entering access code 844-326-933** or you can join this Public Hearing from your computer, tablet or smartphone via **GoToMeeting video conference call by logging into <https://global.gotomeeting.com/join/844326933>**. If you are new to GoToMeeting, you can get the app now and be ready when the Public Hearing starts: <https://global.gotomeeting.com/install/844326933>. Comments may also be submitted to the Agency in writing or electronically. Minutes of the Public Hearing will be transcribed and posted on the Agency's website.

Skyline Hospitality LLC, a New York State limited liability company (the "Company"), has presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in approximately 6.1503 acres of land located at 4882 State Highway 28 (Tax Map No. 146.00-1-26.04) in the Town of Hartwick, Otsego County, New York (the "Land"), (2) the construction on the Land of a new building to contain approximately 60,000 square feet of space (the "Facility") and (3) the acquisition and installation of certain machinery and equipment therein and thereon (collectively, the "Equipment") (the Land, the Facility and the Equipment hereinafter referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company as a hotel facility and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with

respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Otsego County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the "Agreement") requiring that the Company or its designee make certain payments to the Agency.

The Agency, by resolution adopted on April 23, 2020, has (A) concurred in the determination that the Town of Hartwick Planning Board (the "Planning Board") is the "lead agency" under Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, and (B) acknowledged receipt of a negative declaration from the Planning Board issued on March 5, 2019, in which the Planning Board determined that the Project would not have a significant adverse environmental impact on the environment, and therefore, that an environmental statement need not be proposed with respect to the Project.

The Agency will at said time and place hear all persons with views on either the location or nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Jody Zakrevsky, Chief Executive Officer, County of Otsego Industrial Development Agency, 189 Main Street, Suite 500, Oneonta, New York 13820; Telephone: (607) 267- 4010.

Dated: April 28, 2020.

J. Zakrevsky also read the following two letters received from the public in regards to the Skyline Hospitality Project:

To: Town Supervisor - Robert J. O'Brien, Town Board - Thomas Murphy, Town Board - Jason Blaske, Town Board - Chris Briggs, Town Board - Bruce Markusen, Town Clerk/ Tax Collector - Andrea Vazquez, Planning Board - Greg Horth Co-Chairman, Planning Board - Dr. Alex Thomas Co-Chairman, Planning Board - Jenna Utter Planning Board Clerk, Highway Superintendent - Fred Koffer, Town Court - Justice Glenn Schilling, Assessor - Matthew Lippitt, Local Laws Enforcement Officer - Michael Huestis, Town Historian - Carol Goodrich, Ms. Meg Kennedy E-mail Representative

Fellow Hartwick Residents and Representatives:

On May 13 at 10a.m. there is a scheduled Public Hearing of the County of Otsego Industrial Development Agency to be held remotely to discuss a "...Proposed Project and Financial Assistance Related Thereto".

The proposed project will evolve on 6.1503 acres at 4882 State Hwy. 28. The notice and an explanation of the project and proposed financial assistance is on the Town Face Book page. The financial assistance partially described is basically exemptions from taxes, and the addition of payments in lieu of taxes. I wish to go on record as opposing any abatement of taxes. My reasons are as follows:

This property is strategically located between the two largest tourist draws in this or any surrounding county, i. e. the Baseball Hall of Fame and the Dreams Park. Personally I feel we do not need another accommodation in the Route 28 corridor, but if a group of investors wish to build they should be allowed to do so. However I do not feel that the town's taxpayers should share their financial burden and risk.

Also, because of the prime location I would expect these units to have a high occupancy rate. Good for bed tax revenue, but what effect will this have on occupancy rate of the many private homes that rent out during the season and also pay bed tax? I doubt any of these families received exemptions from taxes. Rather they approached it the old way, betting their own money, not the taxpayers, on their success. Further, I expect the argument will be made concerning the creation of jobs. Do not deceive yourselves, the first jobs will be construction done by companies from Binghamton, Utica, or Albany and that is where the pay will be spent. Yes there will be some permanent management jobs, with decent salaries and questionable benefits. The rest will be entry level jobs in housekeeping and maintenance and these may be seasonal. If the IDA was introducing true industrial development such as another Corning plant, or another NYCM insurance company I would be on the band wagon and beating a drum. But I do not consider this project worth the taxpayers' investment.

Respectfully, Patrick H. Mc Brearty, 293-8880, 126 Smith Rd. Milford NY 13807

May 12, 2020

Mr. Zakrevsky,

I write this letter today with unanimous Town Board support in opposition of the "Application" submitted to the IDA on behalf of Skyline Hospitality, LLC.

The section of the application that is most concerning to the Town Board references "financial assistance" and the possibility of exemption from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes. All of which impact the Town, School District and County.

Revenues at all levels of Government have been severely impacted by the COVID-19 pandemic. We are slashing our budgets and exploring ways to trim expenditures in line with this severe reduction in revenues. Residents are out of work and are experiencing great difficulty in making ends meet but are attempting if they can to pay their fair share in regards to Town tax, County tax, sales tax etc. We ask that Skyline Hospitality do the same. Pay your fair share.

While we are certain that the addition of this project to our Community will benefit all of us in the form of bed tax and sales tax, we are concerned about the possibility of additional beds negatively impacting private home rentals in our Community. None of these private home owners have received "financial assistance" with their projects. Again, they paid their fair share and put the financial security of their families on the lines.

Lastly, while I understand that this is "the process", we do not agree with this discussion occurring at this time nor the IDA considering this proposal on our behalf. Our Planning Board and Town Board bent over backwards to evaluate this project and to assist the project partners while they navigated the process. This topic of "financial assistance" was never discussed nor mentioned to our Planning Board or our Town Board. Again, understanding that this is the process, we certainly object to the IDA considering this proposal after the fact (our process) while in consideration of assistance that impacts us and our Community directly. While it is permissible by law, it is wholly inappropriate for you to make decisions on behalf of our Community.

Please be well.

Thank you, Robert O'Brien, Town of Hartwick Supervisor

PUBLIC COMMENTS

Pavin Patel, Owner of Best Western/Comfort Inn and Suites – Has operated his hotels in Otsego County since May of 1995, and when he approached the IDA for assistance then, he was advised that they do not offer financial assistance for any tourism projects. This is different than what is being offered to Skyline Hospitality. P. Patel calculated that Skyline is saving approximately \$1,000,000 in abatements, which is unfair to other local hotel owners. It creates an unequal footing to the other hotels in the area. He also advised that if Skyline Hospitality is creating jobs, then he believes that they are seasonal jobs, because that is what he uses for his own hotel. He also has to bring people into the area to work in his hotels, during high season, because he cannot find local workers, so he is unsure how Skyline Hospitality will employ local residents. He also advised that the construction jobs would be brought in from outside the County, as well as

all the purchase for building supplies – all loses to our area. He asked, why would we want to give them a tax break, when other hotels in the area have not received any. During COVID-19, his hotel is completely devastated – he is running 40 rooms in the month of May, and had to shut down one of his properties. He agrees with competition and creating new hotels, but not by giving them financial assistance, especially now when the Community will need these tax dollars to sustain ourselves. He asked that the IDA please deny any and all abatements that are being considered for Skyline Hospitality, and consider bringing other types of revenue-generating projects.

Patrick McBrearty, Town of Milford resident – Thanked the IDA for allowing to express his opinion. He also agreed with P. Patel that we need more manufacturing businesses in the area. He heartily opposes any tax breaks to anyone during the COVID-19 pandemic.

ADJOURNMENT

J. Zakrevsky thanked members of the public for joining the meeting and offering their viewpoints. He advised that meeting minutes from this meeting would be distributed to the IDA board, as well the letters sent to use in regards to the Skyline Hospitality project.

The meeting was adjourned at 10:22am.