

**REPORT OF PUBLIC HEARING HELD PURSUANT TO
SECTION 859-a OF
THE GENERAL MUNICIPAL LAW**

Agency	Madison County Industrial Development Agency (the “Agency”)
Project Beneficiary:	Sphere Development (the “Company”)
Project Location:	Town of Madison, Madison County, New York
Hearing Date:	April 16, 2008
Hearing Time:	3:00 p.m.
Hearing Location:	Town Offices 7358 State Route 20 in the Town of Madison

Public Officials Present: Richard Bargabos, Madison County Board of Supervisors/Chairman of Madison County IDA; Ron Bono, Supervisor for the Town of Madison.

Madison County IDA Board of Directors: Richard Bargabos, Chairman, James Rafte, Vice Chairman, David Rogers, Secretary, Sam Lanzafame, Russ Lura

Madison County IDA: Kipp Hicks, Executive Director, George Cregg, Agency Counsel, Amanda Cox, Administrative Assistant

Opening Remarks

Today I am holding this Public Hearing to allow citizens to make a statement, for the record, relating to the sponsorship and involvement of the Agency with a project (the “Proposed Project”) for the benefit of Sphere Development, a New York business corporation (the “Company”).

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Sphere Hamilton LLC, a New York limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested 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 certain parcels of land containing approximately 23 acres in an area commonly known as “Madison Marketplace” and generally located on Route 12B and Airport Road in the Town of Madison, Madison County, New York (the “Land”), together with three existing buildings totaling approximately 10,300 square feet of space located thereon (collectively, the “Existing Facility”), (2) the demolition of the Existing Facility, (3) the construction on the Land of (a) various buildings containing in the aggregate approximately 109,000 square feet of space, (b) an approximately 18,000 square foot outdoor display area and (c) an approximately 600 vehicle parking lot (collectively, the “Facility”), (4) the acquisition and installation therein and thereon of certain machinery and equipment (collectively, the “Equipment”), all of the foregoing to constitute a commercial retail plaza to be owned by the Company and leased to various tenants, including but not limited to, Price Chopper Operating Co., Inc., Tractor Supply Company and NBT Bank, National Association (collectively, the “Tenants”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”); (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; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project;

I intend to provide general information on the Agency’s general authority and public purpose to provide assistance to this Proposed Project. I will then open the comment period to receive comments from all present who wish to comment on either the Proposed Project or the Financial Assistance contemplated by the Agency with respect to the Proposed Project.

Legal Authorization and Powers of the Agency

The provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York as amended, and Chapter 305 of the 1975 Laws of the State of New York, as amended, codified as Section 893 of said General Municipal Law (collectively, the “Act”), authorize the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining and equipping and furnishing of manufacturing, warehousing, research, civic, commercial and industrial facilities, among others.

Purpose of this Public Hearing

Pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the “Act”), prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project. Since the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Project may exceed \$100,000, then prior to providing any “financial assistance” (as defined in the Act) of more than \$100,000 to the Proposed Project, the Agency must hold a public hearing on the nature and location of the Project Facility and the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Project.

After consideration of the Application received from the Company, the members of the Agency adopted a resolution on February 26, 2009 (the “Public Hearing Resolution”) authorizing, among other things, the Executive Director of the Agency to conduct this Public Hearing with respect to the Proposed Project pursuant to Section 859-a(2) of the Act.

The Executive Director of the Agency caused notice of this Public Hearing to be published on March 12, 2009 in The Oneida Daily Dispatch, a newspaper of general circulation available to the residents of the Town of Madison, Madison County, New York. In addition, the Executive Director of the Agency caused notice of this Public Hearing to be posted on March 6, 2009 on a bulletin board located at Village Hall located at 7358 State Route 20, Madison County, New York. Copies of the notice of this Public Hearing were also mailed on March 6, 2009 to the Madison Town Supervisor, the Chair of the

Board of Supervisors and the Superintendent and President of the Board of Education of the Hamilton Central School District.

Copies of the notice of this Public Hearing are available on the table.

Now, unless there is any objection, I am going to suggest waiving the full reading of the notice of this Public Hearing, and instead request that the full text of the notice of this Public Hearing be inserted into the record of this Public Hearing.

The comments received today at this Public Hearing will be presented to the members of the Agency at or prior to the meeting at which the members of the Agency will consider whether to approve the undertaking of the Project by the Agency and the granting by the Agency of any “financial assistance” in excess of \$100,000 with respect to the Project.

Written Comments

The notice of this Public Hearing indicated that written comments could be addressed to: Kipp Hicks, the Executive Director of the Agency.

Open Public Hearing to the Floor for Comments

I will now open this Public Hearing for public comment

I will now ask if there is anyone in attendance who wishes to comment on either on the nature and location of the Project Facility or the proposed “financial assistance” being contemplated by the Agency with respect to the Proposed Project.

For the record, please state your name and indicate your comments on either the Proposed Project or the proposed “financial assistance” being contemplated by the Agency with respect to the Proposed Project.

Public Comment:

Diana Bowers (written statement was supplied) Hamilton Central School Superintendent- Hamilton School District, adamantly opposes PILOT agreement, has three main employers being Colgate, Community Memorial Hospital and Vantine Imagine, with \$177 million worth of tax exemptions, and the school district cannot afford any more. Combined wealth ratio is elevated by tax exempt organizations, which makes the wealth of the community much greater which decreases the ability of the community to obtain state aid. Also, the state budget deficit will decrease school funding, making potential revenue even more necessary.

Greg Widrick- Sphere is not seeking the mortgage recording tax exemption, which has already been paid, or sales tax exemption for 75% of purchases which have already been made. Sphere was working with lender, entitlements were approved, but then lender backed out, they could not stop what they had started, they had delivery requirements with tenants. Continued forward with Wilbur Bank. K. Wendler mentioned that compared to the 3 parcels of land and the \$11,000 in school taxes received currently, with the PILOT, Sphere would be paying \$46,000 in school taxes, which is a 411% increase.

Bernard Davis: Has lived and paid taxes in the area for 63 years, and is against any exemptions. The company knew what they were getting into in the beginning, if they had the money to tear down a perfectly good building; they have the money to pay their taxes.

Susan Marafina: Business owner in Hamilton, opposed to PILOT, what is the net impact to the community, feels if it is granted Hamilton School should have larger portion of the PILOT.

Jane Welsh- Madison opposed to project, it is up and running, those numbers for tax exemptions should have been in the pro forma presented to the Town of Madison, questions why at this late date they Sphere is coming to the IDA and why certain assumptions were made. Feels the Hamilton School district is being left out, the EAF was flawed, and ill conceived to begin with.

Bob Stinson- Town of Fenner two reasons he'd like to see approval of the project, he drives 25 miles to do shopping, he spends his sales tax in Onondaga County. Also, only small community banks are making loans to developers, we need players like the IDA to help.

Harvey Klimen- opposed to project, does not want to be satisfied with half a loaf, regarding the school district and the town, second, Sphere Development (was resisted in the beginning?). They took a risk and now they aren't going to make as much money as they had hoped, and perhaps accept the risk, the community should not have to bear the burden. Feels the Agency should look at other businesses to assist that do not encourage sprawl.

Jerry Fuller- Has no sympathy for problems with infrastructure, can have some sympathy with the economic climate, but they knew what they were getting into, had the option of getting water and sewer through Village, which they declined.

Wayne Foster- Hamilton- Owner of Wayne's Market has is going to be affected, and a problem with giving tax breaks to a business, that he never could receive. Feels public will be disappointed with his market and the Grand Union being gone. Developers claimed there was no duplication of services, which he feels is simply not true, and their projected numbers have been inflated.

Terry Monty- School teacher at Hamilton Central- echoes what Diana Bowers stated.

Cynthia Manino- Hamilton- Does not think it's right for Sphere to apply/receive tax exemptions, even if it's legal.

John Blackmore- Small Business owner, Hamilton- an ill conceived project that was unwanted, continued an unsightly sprawl development, robbing energy from businesses in the center of the village, but most importantly for those who pay Hamilton School taxes, the impact will be great. The two largest employers already rob the district; any further attempt to rob the district will be an unwise practice. We need development desperately in this part of the county, but for the right kind of development, not this.

Sandra Carter- President of School Board- Not only does this hit the school, but it will also hit the village with the two supermarkets, they have such a small amount of taxable property, it's a shame to do anything to jeopardize the precarious situation.

Ron Bono- town of Madison is in favor of IDA endorsement and welcome services provided by the Development, with the increase in tax revenue and services for the people of Madison.

Diana Bowers- the human side of the story, more potential layoffs due to the lack of state aid, and budget deficit, \$300,000, when calculating the number of jobs saved and lost, possibly laying off 12 employees at the school next year. It's the instruction and services our children will receive, the ripple effect is far

greater than originally conceived.

Formal closure of the public hearing

So, if there are no further comments, I will now close this Public Hearing at 3:50 o'clock, pm.

Thank you for attending.