

County of Clinton Industrial Development Agency

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2012 Operations and Accomplishments Report

The Clinton County Industrial Development Agency board meets monthly to review and discuss pending and existing projects. Below is a summary of the activities of the CCIDA during 2012.

The creation of the Clinton Industrial Development Acquisition, LLC (the "LLC") as a single-member limited liability company wholly owned and controlled by the Agency and disregarded for federal income tax purposes. The LLC is intended to insulate the Agency from liability with respect to the following project (the "Project"):the temporary holding and maintenance of the former Pfizer research facility in Chazy, New York (the "Facility"). The Facility was purchased by the LLC for nominal consideration (\$1.00) in order to prevent the Facility from falling into the hands of a liquidation entity, which would have scrapped anything of value and thus destroyed any potential for job creation or future investment in the community.

The Facility was used by its prior owner as a medical research and administrative complex that includes approximately 343,717 square foot main complex and approximately 42,343 square feet of auxiliary/support buildings located on an approximately 55.80 acre site in the Town of Chazy, Clinton County, New York.

The maintenance and marketing of the facility was only made possible by a \$1.2M operations subsidy grant (the "ESDC Grant") from Empire State Development Corporation ("ESDC"). The provisions of the ESDC Grant require that the Agency/LLC remit to ESD all net proceeds of any sale or other disposition of the Facility received by the Agency/LLC until all amounts received under the ESD Grant have been repaid in full. The provisions of the ESDC grant also provide that the Facility may not be transferred or conveyed without the prior consent of ESDC.

The main goal of the Project was maintain the Facility for a period of up to two-years (2012-2014) while marketing the Facility to a suitable end-user that would create jobs and be acceptable to ESD.

The Agency's intent has been and is to arrange to not invest any of the Agency's moneys into the Project. Accordingly, the Agency has always had the intent of disposing the Facility for little or no consideration prior to the exhaustion of the funding available under the ESDC Grant. The Agency's participation in this Project is not indicative of acquiring the facility as a fixed asset but merely to maintain and market it as provided for by the grant.