

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

Agency: Schoharie County Industrial Development Agency
Project Beneficiary: Wal-Mart Stores, Inc.
Project Location: 721 Highway Route 20 (currently tax ID # 5.19-1-1) in the Town of Sharon, Village of Sharon Springs, Schoharie County, New York
Hearing Date: February 4, 2025
Hearing Time: 11:00 o'clock a.m.
Hearing Location: Sharon Springs Free Library – Community Room located at 129 Main Street in the Village of Sharon Springs, Schoharie County, New York

Opening Remarks

Good morning.

My name is Jim Halios, and I am the CEO/Executive Director of the Schoharie County Industrial Development Agency (the "Agency").

Today I am holding this Public Hearing to allow citizens to make a statement, for the record, relating to the involvement of the Agency with a request (the "PILOT Request") from Wal-Mart Stores, Inc., a Delaware foreign business corporation (the "Company"). Pursuant to the PILOT Request, the Company has requested that the Agency make certain further amendments (the "Proposed Amendments") to an amended and restated payment in lieu of tax agreement dated as of June 1, 2015 (the "First Amended and Restated PILOT") by and between the Agency and the Company.

I will begin by providing the description of the Project (as hereinafter defined), the Proposed Amendments, and the PILOT Request, along with further information regarding the purpose of the public hearing, the Agency's legal authority, and the Agency's next steps. Following that introduction, I will then open up this Public Hearing for comments.

Project Description

On July 27, 1994, the Agency executed and delivered a lease agreement dated as of July 15, 1994 (the "Lease Agreement") with the Company for the purpose of undertaking the following project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately 217 acres located at 721 Highway Route 20 (currently tax ID # 5.19-1-1) in the Town of Sharon, Village of Sharon Springs, Schoharie County, New York (the "Land"), (2) the construction on the Land of a single story building initially to contain approximately 1.42 million square feet of space (the "Facility"); and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be utilized by the Company as a warehouse/distribution center; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law of the State of New York (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 pursuant to the terms of a lease agreement dated as of July 15, 1994 (the "Original Lease Agreement") by and between the Agency and the Company.

The acquisition, construction and installation of the Project is complete.

In connection with the undertaking of the Project, the Agency and the Company entered into a payment in lieu of tax agreement dated as of July 15, 1994 (the “Original PILOT Agreement”) pursuant to which the Company agreed, among other things, to make certain payments in lieu of tax payments to Schoharie County, New York, the Town of Sharon, the Village of Sharon Springs and the Sharon Springs Central School District (collectively, the “Affected Taxing Jurisdictions”).

In connection with a request (the “2015 Request”), (A) the Original Lease Agreement was amended pursuant to a first amendment to lease agreement dated as of June 1, 2015 (the “First Amendment to Lease,” and collectively with the Original Lease Agreement, the “Lease Agreement”), (B) the Original PILOT Agreement was amended pursuant to a first amended and restated payment in lieu of tax agreement dated as of June 1, 2015 (the “First Amended and Restated PILOT,” and collectively with the Original PILOT Agreement, the “PILOT Agreement”) pursuant to which the Agency and the Company, among other things, amended the term of the Original PILOT Agreement to provide that the agreement would be scheduled to terminate on May 31, 2025 in accordance with the terms of the Lease Agreement, and (C) the Agency and the Company executed and delivered a project benefits agreement dated as of June 1, 2015 (the “Project Benefits Agreement”) by and between the Agency and the Company relating to the terms of the granting by the Agency of the Financial Assistance to the Company and the extension of the Basic Documents (as defined in the Lease Agreement).

The Company made the PILOT Request to the Agency which PILOT Requested contemplated further amending (A) the payment terms of the PILOT Agreement to reflect a termination date of December 31, 2035 and (B) the Basic Documents to remain consistent with the PILOT Agreement. Pursuant to the terms of the amended documents, the Company would continue to make payments in lieu of taxes to the Affected Tax Jurisdictions during such additional term.

Purpose of this Public Hearing

This Public Hearing is being held by the Agency to satisfy the provisions of Section 859-a(1) of the Act. Pursuant to Section 859-a(2) 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. Since the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Amendments may exceed \$100,000, then prior to providing any “financial assistance” (as defined in the Act) of more than \$100,000 with respect to the Proposed Amendments, the Agency must hold a public hearing on the Proposed Amendments and the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Amendments.

After consideration of the PILOT Request received from the Company, the members of the Agency adopted a resolution (the “Public Hearing Resolution”) on December 19, 2024 authorizing the Agency to, among other things, conduct this Public Hearing with respect to the Proposed Amendments pursuant to Section 859-a(2) of the Act.

I caused notice of this Public Hearing to be: (a) published on January 23, 2025 in the Cobleskill Times Journal, a newspaper of general circulation available to the residents of the Village Sharon Springs, Town of Sharon, Schoharie County, New York, and (b) posted on January 23, 2025 on a public bulletin board located at Sharon Springs Free Library – Community Room located at 129 Main Street in the Village of Sharon Springs, Schoharie County, New York, and on the Agency’s website. In addition, counsel to the Agency caused (a) notice of this Public Hearing to be mailed on January 23, 2025 to the chief executive officers of the Affected Tax Jurisdictions, and (b) a certified copy of the Public Hearing Resolution to be mailed on January 23, 2025 to the Affected Tax Jurisdictions.

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

We have made arrangements for a stenographer to be present in order to accurately make a record of the public comments.

Information regarding the legal authorization and powers of the Agency, and the legal requirements and procedures regarding this Public Hearing is attached hereto as Schedule A.

The purpose of this public hearing is to solicit public comment with respect to the Agency's involvement with the Proposed Amendments. We are not here to answer questions, although in the course of the hearing we will consider questions if we have the information to answer the question and there is sufficient time to consider such questions. Further, questions or comments regarding the environmental, planning, zoning, design and related issues regarding the Proposed Amendments are outside the scope of this public hearing. Lastly, general comments regarding industrial development agencies are not relevant to this public hearing.

As previously stated, 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 Agency will consider the PILOT Request, and whether to approve the undertaking of the Proposed Amendments by the Agency and the granting by the Agency of the Financial Assistance, at a subsequent meeting of the Agency, currently scheduled for February 20, 2025 at 9:00 a.m. At such meeting the Agency will also consider the comments received at the public hearing held this morning. Such meeting, like all meetings of the Agency, are open to the general public.

Written Comments

The notice of this Public Hearing indicated that written comments could be addressed to: James Halios, Chief Executive Officer of the Agency. [No] written comments have been received by the Agency prior to this Public Hearing.

Remarks by the Company

[If a representative of the Company is present at the Public Hearing.] I will now introduce Kevin Portt who is appearing on behalf of the Company, who will describe the Proposed Amendments in further detail.

Remarks by the Affected Tax Jurisdictions

[If a representative of any of the Affected Tax Jurisdictions is present at the Public Hearing.]

[Comments to be offered]

Open Public Hearing to the Floor for Comments

I will now open this Public Hearing for public comment at 14:00 o'clock, 2 p.m.

By way of operating rules, if you wish to make a public comment, please raise your hand, and I

will call on you. Please wait to be recognized, once recognized, please stand and state your name and address for the record.

[Unless there are a large number of citizens present who wish to comment, this paragraph may be skipped.] Please keep your comments to three (3) minutes so that all those present today may have a chance to comment for the record. If your comments mirror those of someone who has already spoken, you may so indicate and then relinquish the podium to another speaker so that all views represented at this hearing may be heard.

When everyone has had the opportunity to speak, I will conclude this Public Hearing. As indicated above, a record of this Public Hearing will be prepared and reviewed by the members of the Agency in connection with the Agency's consideration of the Proposed Amendments.

Again, the purpose of this Public Hearing is to solicit public comment. We are not here to answer questions. However, we will in the course of this Public Hearing consider questions if we have the information to answer the questions and there is sufficient time to consider such questions.

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 Amendments, including but not limited to the issuance of the Obligations for the purpose of assisting in financing the Proposed Amendments.

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

[Allow those present to present their views]

Formal closure of the public hearing

[After ascertaining that there is no one else present who wishes to comment and ascertaining that at least 15 minutes has passed after the scheduled time for the hearing].

So, if there are no further comments, I will now close this Public Hearing at 4: 15o'clock, 2a.m.

Thank you all for attending.

SCHEDULE A

PROVISIONS TO BE INSERTED IN THE PUBLIC HEARING RECORD

Legal Authorization and Powers of the Agency

The Agency is a New York public benefit corporation, authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 114 of the 1973 Laws of New York, as amended, constituting Section 905-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration. 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.