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critical as the Town cannot fund these improvements alone and has made it clear from the outset that taxes will not be raised or public fund balances depleted to cover these costs. As a result, a lesser agreement affordable to the developer was struck whereby improvements to Woods Highway and access to Route 840 were deferred to some future date.

To that end, on October 7, 2008, the Town Board and the School Board approved an 'Agreement Allocating PILOT Payments' ("Allocation Agreement") with specified conditions. On October 15, 2008, the Oneida County Board of Legislators approved the same Agreement. I am enclosing a copy of the still unsigned Agreement for your information and records. As you will note, the Allocation Agreement provides funding for only the construction of Roads C and D in the Business Park and improvements to the Route 5 intersection at Woods Highway. For this purpose, the Town intends to borrow \$2.3 million. The debt service for this \$2.3 million will be paid by and through monies generated by the PILOT Agreement The Hartford and Ryan Companies currently have in place with the Oneida County Industrial Development Agency and security received from Mr. Adler, his partners and companies (the "developer"). To ensure the quality and condition of the public improvements being made to Roads C and D and the Route 5 intersection and to ensure the costs for such remain with the developer, the developer is also agreeing to be contractually bound and obligated to pay for any and all incidental costs, escalation costs, inspection fees, engineering costs, paving costs, any additional work, change orders, cost overruns and other costs incident or related to Bid Contract #1 (Roads C & D) and Bid Contract #2 (Route 5 Intersection with signal) not covered by said \$2.3 million. A copy of that Agreement is enclosed herewith as well.

As previously represented to you and others, the Town intends to pursue approval for a full break-in-access to Route 840; investigate land acquisitions and condemnation proceedings as relate to the neighboring property; and explore funding options and alternatives for a bridge over Route 840. As the Allocation Agreement expressly provides, the 3 taxing authorities continue their commitment to a future break-in-access to Route 840 upon the following terms and conditions:

- a. The break-in-access has all needed permits, authorizations and approvals from all governmental and regulatory agencies and municipalities; and
- b. The break-in-access is funded by, and paid for with, monies received by the OCIDA/EDGE from future PILOT Agreements within the Business Park and/or monies provided directly by the Developer; and
- c. The selected break-in-access is deemed prudent, practical and most viable by each of the 3 taxing authorities.

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The Town, along with the School District and County, remains encouraged and committed to bringing new economic development to New Hartford.

Very Truly Yours,



Earle C. Reed
New Hartford Town Supervisor

cc: Town Board
Anthony J. Picente, Jr., Oneida County Executive
Robert Nole, New Hartford School Superintendent
Steven DiMeo, OCIDA
Michael Shamma, NYSDOT