

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING
June 12, 2017 – 8:00 a.m.
Saratoga Springs City Hall
474 Broadway, Saratoga Springs, NY 12866

PRESENT: Members: Chairman Rod Sutton, Tom Lewis, Patrick Greene, Michael Mooney.

STAFF & GUESTS: Richard Ferguson, CEO; Jeff Many, CFO; Michael Valentine, Administrative Assistant; Michael J. Toohey, Esq., Counsel to the Agency; James A. Carminucci, Esq., Bond Counsel; Shelby Schneider, Saratoga Prosperity Partnership; Dennis Brobston, SEDC; Ryan VanAmburgh, SEDC; Peg Murphy, Espey Manufacturing; Jim Davis, Espey Manufacturing; Patrick Enright, President & CEO, Espey Manufacturing; Robin Cooper, Capital District Business Review; and Lori Eddy.

ABSENT: Andrea DiDomenico, Philip Klein, Arthur Johnson.

Chairman Sutton called the meeting to order at 8:10.

APPROVAL OF MINUTES:

Chairman Sutton asked for a motion to approve the meeting minutes of the May 8, 2017 meeting. Chairman Sutton asked if there were any changes to the minutes. Mr. Lewis made a motion to approve the minutes. The motion was seconded by Mr. Mooney. All were in favor and the minutes were approved.

Inducement Resolution for Espey Manufacturing & Electronics Corporation:

Chairman Sutton stated the next item on the agenda is the inducement resolution for Espey Manufacturing and Electronics Corporation. Chairman Sutton asked if there were any questions or comments on the application itself. Mr. Valentine asked for clarification from Mr. Carminucci regarding assessments. Mr. Carminucci stated he would like someone to summarize what the PILOT looks like and he could incorporate that into the resolution. Mr. Brobston stated we are requesting a ten-year manufacturing PILOT that would keep Espey's assessment at its current level providing certainty in the future without reducing payments to the taxing jurisdictions for the current level. The PILOT shows the estimated total assessment at \$5,019,369.00. Mr. Carminucci questioned if that was upon the completion of everything? Mr. Toohey stated that is the present assessment. Mr. Carminucci stated he said estimated so he did not know. Mr. Brobston stated he was reading from the top of his sheet, he apologizes. The assessment is \$5,019,369.00. Mr. Toohey questioned if that was the assessment for 2017. Mr. Brobston stated yes. They would continue to pay full taxes at this point. Mr. Carminucci stated one of the reasons he was asking he saw that number in the minutes of the last meeting \$4.5 million. It shows the base assessment is \$4.5 million and then it references \$3.4 million here. Mr. Brobston stated this was the estimated total with the new buildings put into place. It is the \$3.429. The assessment right now is \$3,429,900. That is the assessment we are asking you to hold during this PILOT, ten-year manufacturing. We ask that for ten years and in year eleven 100% of the additional building and changes to the rehab of the other building. Mr. Valentine stated that answers what he's got, we keep the ten years. The improvements as far as the new building and the renovation will be reflected in the City's assessment. We don't bill for that for ten years, we bill for this now. Mr. Toohey stated that we've had some discussion about this on other applications so we are asking more questions not necessarily about Espey but to make sure we have our own system in place. Mr. Brobston stated his

understanding is when they close on the property, they are not planning on starting the project until before the year-end.

The IDA has to take ownership of the property before March 1st. Mr. Carminucci stated right. Mr. Brobston stated the expectation here is that the IDA will close with Espey before the March 1st date and that way that assessment what we are asking for will be held. Mr. Carminucci stated he thinks what Mr. Toohey's question might be since it sounds like the construction will occur after we close, is it ten years plus the construction period or is it just ten years from the date ownership takes hold. Mr. Toohey stated they have to close before they start spending money. Discussion continued among the Board members regarding this issue. Mr. Carminucci stated in the minutes there is a reference to a number he can't trace back to the application. Mr. Carminucci stated what is the \$4.5 million number that is in the minutes. Mr. Brobston stated on the bottom of page six of the application, the land shows at \$492,800 and the buildings is \$4,800,000. However, that is the full value assessment and if you work into the equalization rate .75, that is where the \$4.5 turns into \$3.429. That is on the spreadsheet too. One is the full value assessment and one is the assessment with the equalization rate (present equalization rate). Mr. Brobston stated we should clear that up next time in the application. Should we ask on that application for the equalization? Mr. Carminucci stated actually what he was thinking was at some point we should devise a schedule that would actually attach to the resolution that summarizes what's been done to prevent any confusion. Mr. Brobston stated they will have to do that.

Chairman Sutton questioned Mr. Valentine if he had any other questions. Mr. Valentine stated that cleared up his notes related to that taxable status date and then the partial assessed value that might result. But the partial assessed value will not matter in the City because that is not what we would be billing on. Chairman Sutton asked if there were any further questions or thoughts. Mr. Valentine stated we will need SEQR information too. Mr. Carminucci stated the Resolution he sent around is just a preliminary authorization, there is no sales tax appointment because we are waiting for the City to take action under SEQR. So, we will need another Resolution down the road.

Chairman Sutton asked that the Resolution presented regarding the improvements to the Espey Manufacturing & Electronics Corporation project application be acted upon. Mr. Greene moved to act upon the Espey Manufacturing & Electronics Corporation application as presented. Mr. Mooney seconded the motion.

RESOLUTION #1369 (Attached)

The results of the roll call vote were as follows:

AYES: Mr. Mooney, Mr. Lewis, Mr. Greene and Chairman Sutton.

NOES: 0

ADOPTED: 4-0.

Mike Toohey stated for the folks here from Espey, obviously you still have a process to go through with the City to get approvals for what it is, that is your job to do. Part of that approval process will very likely will have a SEQR determination and it would be beneficial to us that when that happens, when you receive your approvals, that we are notified of that and get a copy of that SEQR Resolution.

19 Railroad Place refinance application:

Chairman Sutton stated we have a refinance of the 19 Railroad LLC project which is known as the theater on Railroad Place and it is also tied in with the Marketplace as well. Mr. Ferguson stated we received a request from Keith Ferrara, the attorney for the applicant. The original amount of that mortgage on the Bowtie Cinema project was \$11.45 million. It has been paid down to \$10.57 million. The terms of the new financing is a fixed seven year term with a rate of libor which is 1.09 plus 2% or 3.09. This represents a reduction from the original pricing of libor plus 2.75. That project's debt is being consolidated by the lender, M&T Bank into a \$45,000,000 blanket mortgage on both 19 Railroad Place and the adjacent 55 Railroad Place, the apartment project. Terms of the consolidated loan mirror what he just discussed in terms of seven years and pricing. Mr. Ferguson confirmed with Mr. Carminucci that our interest in the property is not affected in any way either by the refinance or the consolidation of those mortgages. Mr. Carminucci stated yes.

Mr. Toohey has been reviewing the mortgage. Even though we now have both properties under the mortgage it's clear in the mortgage that the IDA is only mortgaging its interest in the property it owns, not the property it doesn't own. The original financing for 55 Railroad was much higher than 19 Railroad. He doesn't know what the breakdown would be for the \$45,000,000 between the two projects but more than 50% is attributable to 55 Railroad. Mr. Toohey stated in these documents you would traditionally have a lender/borrower or mortgagor/mortgagee kind of conversation in this thing. All of a sudden there is the introduction of the word Agency to represent us in this deal. What has been carved out is both the property that, we as the Agency have any interest in, which is the theater, 19 Railroad Place, and there is also in all the documentations, the limitations as to what responsibility the Agency has within and for any of the obligation within this. To make it very easy, what we have always tried to do is make the Agency fog, you can see us but you can't touch us. That is exactly what we do in this document. That's what has been carried forward. Mr. Carminucci is representing M&T Bank. As a result of, we've reviewed it much more. Mr. Carminucci and I have had comments and review with regard of those documents. He feels very comfortable that we are still protected and what we are doing is merely allowing one of our clients to combine loans at a bit much better rate. Mr. Carminucci stated that the reason for the consolidation is that even though each property is owned by a separate LLC, the member of 19 Railroad LLC is Saratoga Market Center LLC which owns 55 Railroad. There is commonality of ownership. Chairman Sutton questioned if the initial loan was M&T and they are just refinancing? Mr. Carminucci stated the original loan was First Niagara which became Key Bank. The applicant is not asking for any financial assistance. They would be paying mortgage recording tax on the difference on what is outstanding now and what they are borrowing. Chairman Sutton questioned they will be? Mr. Carminucci stated they are not asking, you would have to do a new public hearing for that. They didn't request that. They are just looking to have an authorization for the IDA to execute the mortgage. Chairman Sutton questioned so that when it comes to just the plain mortgage recording tax, we only need an approval? Mr. Carminucci stated right. Mr. Valentine questioned and there was no impact on the PILOT's we still have but we have a suffix parcel. Mr. Carminucci stated ownership isn't changing. Both parcels are still going to be owned by separate entities. Mr. Toohey stated as Mr. Carminucci stated there is no additional benefits that are being derived by our client.

Chairman Sutton stated before us we have another resolution for the 19 Railroad Place LLC. Chairman Sutton asked if there were any additional questions or comments. Mr. Mooney stated that as long as our protection in the original agreement carries forward to this combined mortgage, he doesn't have any issue.

Chairman Sutton asked for a motion to approve the resolution to approve the refinance request from 19 Railroad Place LLC as presented. The motion to approve the refinance request was made by Mr. Greene. The motion was seconded by Mr. Lewis.

RESOLUTION #1370

RESOLVED THAT the Saratoga County IDA agrees to approve the refinance request from 19 Railroad Place LLC as presented.

The results of the roll call vote were as follows:

AYES: Mr. Mooney, Mr. Lewis, Mr. Greene, and Chairman Sutton.

AYES: 4

NOES: 0

ADOPTED: 4-0.

Financial Report as of May 31, 2017:

Mr. Ferguson stated on the financial report, on the income statement is comparative with the current month May and year-to-date. For the period ending May 31st, the IDA generated a net profit of \$28,507.00 on total revenues of \$209,437.00, with operating expenses of \$163,806.00 and capital reserve expenses of \$17,122.00. The monthly income statement reflects the application fee received from Espey Manufacturing and the annual interest payment that we received on an installment sale agreement with Saratoga County Water Authority. The May monthly expenses which totaled \$16,075.00 were principally comprised of the quarterly payment to the CEO, \$4,800.00 in legal retainer payments, a payment of \$1,250.00 for an Economic Development Seminar that Mike Valentine and he will be attending in Albany June 19th-June 22nd. That is being put on by the New York State Economic Development Corporation. There is also a \$25.00 Canadian Pacific Rail spur switch rental payment. The balance sheet continues to be very strong with liquidity at \$3.55 million, total net worth of \$5.123 million.

Mr. Ferguson stated he has also included an accounts receivable and accounts payable aging and interestingly enough at this point in time, we have no receivables, we have no payments. This is a good thing. Next month, he is going to endeavor to provide two additional reports. The first will be an income statement which is showing actual results compared to last year's budget and, in addition, he will do a year over year comparison June 30, 2016 to June 30, 2017. He and Mr. Many, our CFO, have discussed this and thought this was important information to bring to your attention.

Request for Loan Modification by LFTC:

Chairman Sutton stated he received a letter from Tom Roohan, Chairman of the Luther Forest project and over the past couple of years we have had a loan to the Luther Forest project. Usually, the principal payments have been made by July 31st with interest. The request is that they pay interest only as we go forward in 2017. With the letter, he sent a check in the amount of \$2,760.60 and that is the interest on the \$400,000.00 that is the principal balance on this particular project that we have financed over the years. Chairman Sutton asked Mr. Ferguson if he had anything to add to this. Mr. Ferguson stated yes, if he could.

Repayment of the deferred \$100,000.00 principal payment will come eventually from the sale of property that is at Graves Road and County Road 75 in Mechanicville. They currently have it listed for \$449,000.00. Total acreage is 187.2 acres. What Chairman Sutton and he has discussed is the deferral of the \$100,000.00 principal payment for year. So, that payment would be received if approved on July 31, 2018. And, if we are deferring that payment, we should also discuss deferment of the subsequent \$300,000.00 payments. His thought was to extend the maturity of the note from July of 2020 to July of 2021. We have a one-year interest only followed by the remaining four annual principal payments of \$100,000.00.

Chairman Sutton stated that his only question is if they should sell that property in this current year long period, how that will affect us. They are extending this beyond. Mr. Ferguson stated they could have excess cash. He does not know if this property on Graves Road is subject to the mortgage that they have with New York State. He does not know if those dollars would be required from New York. Mr. Toohy asked Mr. Lewis if the State has to get money out of each one of those deals. Mr. Lewis stated that is his understanding. Chairman Sutton stated that it is 2/3 of any proceeds of a sale would go to the State and the other 1/3 would be retained by Luther Forest.

Mr. Ferguson stated his reason for proposing that would be to preclude having another modification of the amount. Mr. Mooney questioned what was the original amount? Mr. Ferguson stated \$650,000.00. Chairman Sutton stated his thought of extending this another year, taking it to 2021, we are currently working on a project with Luther Forest directly and the purchases of 20 acres that the IDA would retain at a price of probably \$800,000 to Luther Forest with the purchase of the properties. He would hope that some of that debt would be relieved upon our purchase of that property, that we would be made whole. He is trying to keep two separate projects and payments, but we will be giving them a significant amount of money probably by 2018. Mr. Ferguson stated it was just a suggestion.

Mr. Lewis stated he thinks there is no harm in a one-year extension and also on the same vein, if we are going to purchase something, there is no signed contract. Chairman Sutton stated we are going to talk about that in a minute. Mr. Toohy stated that what Mr. Ferguson just suggested is that a portion of the repayment is going to be driven by Graves Road. That sale is in the Board's interest to suggest that a portion of that obligation will be paid by the sale of any of their property. Broaden it as opposed to making it specific. Chairman Sutton stated his overall thought right now is to extend it for the one year, interest only for this year and let's see where the chips fall. More than likely within the next twelve months we will enter into a contract with Luther Forest as it stands now and we will talk about that in a few minutes. Mr. Ferguson questioned that the principal payment due in 2018 would then be \$200,000? Mr. Mooney stated or until we forgive it until the sale of any piece of property. Maybe no later than next year.

Chairman Sutton asked for a motion to modify the loan to Luther Forest Technology Campus. Mr. Mooney made the motion to extend the \$100,000 principal payment for 2017, extend the due date to 2018. The motion was seconded by Mr. Greene.

RESOLUTION #1371

RESOLVED THAT the Saratoga County IDA agrees to approve the loan modification request to Luther Forest Technology Campus as stated in the motion.

The results of the roll call vote were as follows:

AYES: Mr. Mooney, Mr. Lewis, Mr. Greene, and Chairman Sutton.

AYES: 4

NOES: 0

ADOPTED: 4-0.

Update on Proposed Purchase of Property in Luther Forest Technology Campus:

Chairman Sutton stated the update on the proposed purchase of property in Luther Forest Technology Campus. Attorney Mike Toohey and Mr. Ferguson have met with people from Murfa and also Luther Forest. They had a long in-depth discussion on the proposed purchase of the IDA on a 20 acre parcel in the Luther Forest Park. The agreement came in where Theresa Skaine, the attorney for Luther Forest has written a draft resolution and a draft contract that was presented to Mr. Toohey two weeks ago. Mr. Toohey, Mr. Ferguson and himself were able to review that. We have made some modifications upon Attorney Toohey's recommendations and we are working through the thought process. As it stands right now, the modified or changes to that contract has been sent back to Theresa for their review. In summary, what it is, we will be purchasing about 20 acres of land in the Luther Forest Park.

It is going to be an all-in parcel meaning that we will have the infrastructure in place along with the subdivision approvals from the Town of Malta. Those are the things that are in process now. The rough estimate is going to be just under \$1.7 million for the purchase of the land and the infrastructure. Because of construction and the timing issue, it probably will not close until close to a year from now, hopefully in the Spring of 2018, at which time we would transfer the property to the IDA. In the meantime, we are suggesting a deposit of about \$25,000.00 as a good faith effort on our end to keep the project on a full speed ahead. Chairman Sutton asked Mr. Toohey if he had any comments on that.

Mr. Toohey stated the primary change from the contract that came over, it was a contract solely from Luther Forest. As the Chairman has indicated, there is a huge infrastructure component to us buying this. There are a lot of things that have got to be put in the ground and, in his mind, dedicated along with the subdivision of the property according to the Town of Malta's code rules and regulations. What we have suggested to them is a three-party contract so whoever is responsible for subdivision, infrastructure and land is all in this with a very clear delineation as to who is doing what and what timeframe. He has explained that to Ms. Skaine, she understood it.

He also explained that as a public benefit corporation that we are subject to review by a lot of people and he wants this to be very clear as to whose responsibilities are what as we are going forward attempting to do something he thinks will open up the Luther Forest Technology Park, but also, we are spending a significant amount of money to do that. Mr. Lewis questioned if infrastructure meant water and sewer? Mr. Toohey stated water, sewer, power, everything. And he wants it in and dedicated. Mr. Lewis further questioned is there a map that shows all of their lands so we can see where it is. Mr. Toohey stated what it is, we are purchasing 20 acres of what they call pod 7, which is not all of pod 7. That has to get subdivided off. We need to have an approved specific definition of what that land is and also by narrative and by map, show all the lines, size, etc. that will be brought to or in proximity to the land so that site and everything along the pathway of that infrastructure will now be open for other development. That is going to be part of the contract.

Mr. Lewis stated he assumes there have been conversations with the Town of Malta. Mr. Toohey stated yes. Chairman Sutton stated we have talked to the Supervisor DeLucia and Supervisor Kinowski from Stillwater as well. We have kept them up-to-date. Not this specific contract, but in theory what we are trying to do and we have had support from both Supervisors. Mr. Mooney questioned if the deposit is just an escrow. Mr. Toohey stated the deposit may have a unique aspect to it. He is assuming that responsibility for the subdivision of their land is going to fall to Luther Forest Technology. As we have just seen, their cash flow is probably particularly not good and there are parts of this that are going to require expertise, surveying and things like that to get it subdivided. The letter that we suggested is that \$25,000.00, \$5,000.00 will be retained as a pure deposit. The other \$20,000.00 can be drawn against with regard to invoices sent to the IDA for specific expenses that Luther Forest incurs with regard to getting the subdivision done. It is a deposit that in part will be in use. It has in there, if for some reason they default, they owe us the money back. We are trying to progress this thing forward.

Mr. Toohey stated Mr. Ferguson came up with a phrase, at the end of the day, the IDA wants to pay one check for this thing. We don't want to be paying for each bit of infrastructure. We want this thing to be completed and buy the land as it is. Mr. Mooney questioned as far as the ABO rules, that scheme is ok? Mr. Toohey stated under the powers that we have under the General Municipal Law, that we can buy and sell land. We are using the broad concept that what we are doing is buying and selling land. Mr. Mooney stated even if we are paying whatever, \$10,000.00 for a survey? Mr. Toohey stated we can buy and sell land and he believes that we can do anything that we have to do as long as it can get pointed toward that. He can state there are not a lot of other places that he has seen something like this done before. That is why he wants that contract to be very clear as to what we are doing falling into the buying and sell aspect of this.

Chairman Sutton stated there has been a long hard work for the previous IDA's that we have been able to accumulate these monies. We are trying to reinvest it in the Park where we have received most of the monies from.

Update on Arnoff Amended and Restated PILOT:

Chairman Sutton stated the next agenda item is the update on the Arnoff Amended and Restated PILOT. Mr. Valentine stated Arnoff is one of the reasons why there is questions between Mr. Carminucci, himself and Mr. Ferguson. We have a project that in May of 2016 had come in and we had three meetings and only one sentence in the May minutes reflected what Arnoff wanted to do, they wanted to hold an assessed value that they had in the current facility on Stonebridge Road, the Racemark property. As he said, only one sentence in the minutes reflected the fact that they wanted to hold it, that assessed value. They wanted to hold that assessed value, or a tertiary or a core stipulation came up as \$4.4 million. It never carried through in the next two meetings that we had that was going to happen. We did the inducement resolution and the PILOT didn't reflect that either. When he was going back with the CFO with emails on just this issue of March taxable status date, assessed values, etc. he said I thought we were holding this or freezing this. What we did at that point was talk with Mr. Brobston and Mr. Carminucci and Mr. Toohey.

We met at Mr. Brobston's office. We followed that up with the Town Assessor, then met with the Town Supervisor, in effect stating that that was the intent of the Company, that we would reflect that in the PILOT, that \$4.4 million would be the basis for the assessed value on the existing building as it is now. But, they are doing an addition to that. What we did was work with the Assessor and suffixed that addition area in the back so that would hold a separate value. So, for a ten-year period, what came out

of the core stipulation, the value of the \$4.4 million would stay with the existing facility. The new facility is not taxed for the first five years. Then in years, six, seven, eight, nine and ten starts off at 50% of that value, 60%, 70% value gets tied in. Raylin Dussault, that was really her first time going through something like this that we had holding a value. It is interesting because the Town of Malta, unlike other Towns in our County, they do an annual update of their assessed valuations. They do it on 100% of residential. On commercial, they may not do it for every three years. So, this property all along may wind up with the assessed value changing in the course of our ten years, but in our book's it will stay at that \$4.4 million.

Mr. Carminucci stated what had happened the prior owner had challenged the assessment and they settled on a number, but that number can only be in place for two years. The two years expired and they raised it back up. Mr. Valentine stated they went to the \$6.1 purchase price. Mr. Carminucci stated Arnoff was expecting the assessment would be down here and it ended up here. They had asked us apparently to keep it down there. When he was doing the PILOT he did not know that, so he did not draft the PILOT that way. Mr. Valentine stated one thing that did come out that, and he talked with the Assessor the other day, is that, and Mr. Carminucci pointed out, that she could still hold that on the books at \$6.1 million. What she wants to do for the ease of everything is leave it at \$4.4 million. Mr. Valentine stated to her if you hold it at \$6.1 and show it and even change

It in the course of time if you want, that would leave the applicant recognizing that when this PILOT is over it is probably going to change. We have a provision in the PILOT Agreement that says for seven years after the abatement period, the applicant cannot just go in and all of a sudden grieve their assessed value unless of course there is a change set up through the Assessor's Office, a change of assessment. Mr. Valentine stated you all got a notice for June 15th for an Open House there as well at 5:00. If anyone is going to attend, please let him know.

Chairman Sutton questioned if there was any further business. Mr. Valentine stated there are a couple of items under other business. One thing, Patrick and he talked and as well he talked with Mr. McNeary. We will look at that as a new application. One thing he suggested, we have done it in the past, where Logistics One reconfigure pulled. Mr. Valentine stated if Bill or Patrick wants to make the request that we waive the \$250.00 application fee again, it is an application we have already seen, they have just reconfigured it. Mr. Toohey questioned this is on what project? Mr. Valentine stated this is the one in Grande Industrial Park next to the two buildings that are out there now. Mr. Toohey questioned the name of the Company for the record. Mr. Valentine stated Logistics One but it is not going to be a stand-alone parcel that we had before. We talked about the same thing again with Mr. Carminucci about doing a suffix on that one. We won't be doing it on this one, but we will still have to separate the values somehow.

Mr. Valentine stated in other business. The Village of South Glens Falls. He had a call from a resident where his residential property abuts the railroad line at the very northern end of it as it comes into the Village of South Glens Falls. A tree had fallen into a ravine area next to his property and grazed a gutter on his house. His concern is for the fact that the other trees that are there, if they are dead also, there are power lines that run along in there. Mr. Valentine asked that he send a letter about it so he has it on record and he will come out and look at it to see if there is a tree removal necessary. The mess has been cleared up by the Village crew already. Six or seven years ago we did have a tree fall on a fence in a lady's back yard and we took care of that. Mr. Valentine will go out and look at it and we will know for next month.

Mr. Valentine stated one more item he had. In the news the other day, the project we had in the Town of Halfmoon which we had the problem with jobs and the claw-back on some of the abatements. They are gone. Mr. Ferguson stated Cardinal Health moved out. Mr. Valentine stated it was called Hemingway at Halfmoon, Monmouth Realty, they had all kinds of names attached to it and different entities involved. The place they were talking about when they were sending Mr. Ferguson letters and when they came to our meeting last May was their jobs were at another facility in New Jersey. That is what they have done now. They have taken all of the jobs out of here. Mr. Carminucci questioned if that was still an active IDA project. Mr. Ferguson stated it is closed. We received the claw-back payment and two weeks later the PILOT ended and then they transferred the land.

Mr. Ferguson stated in his other business, as Mr. Valentine eluded, on the Universal Preservation Hall application, he met with Mr. Vanags and Mr. Morris to go over the application and we gave them an in-depth walk through of the items that were needed to be completed. Both the SPCP and the UPH are endeavoring to have that complete so that it can be presented at our July meeting. Mr. Carminucci stated they had reached out to him regarding what the term of the PILOT request should be. Mr. Carminucci asked if they had reached out to Mr. Ferguson on that. Mr. Ferguson stated no.

Mr. Carminucci stated he thinks really it is tied to when the tax credit investor goes away and the property reverts back to a not-for-profit owner. They were trying to figure out how to request that from the Agency. Mr. Ferguson stated if he recalls, he believes it was originally five years. Mr. Carminucci stated he thinks because of the construction or whatever, depending upon when the IDA takes title, that period could become longer. Mr. Valentine stated that was a question on the application that we had. When does it start? It is an empty spot in the application, new construction first.

Mr. Ferguson stated just a couple of other items. The New York State ABO has recently issued guidelines on Procurement Policies. He will be reviewing their Best Practices and our Policy and if a revision to our Policy is required he will call a meeting of the Governance Committee to review and update that Policy. In addition, on Friday the Agency received correspondence from Driver Greene regarding the default of Mountain Ledge on their mortgage with SEFCU. The default was caused by Mountain Ledge's failure to pay approximately \$19,000.00 in taxes, both School and County. Mr. Ferguson called the author of the letter, Jennifer Driver, to discuss the correspondence. Our PILOT payments are current and he initially thought that it was the adjacent property to the School. He was correct.

Board member Mr. Greene removed himself from the meeting for this portion of the meeting. Chairman Sutton stated that this is for informational purposes only as we no longer have a quorum present. Mr. Ferguson continued in that he was correct in his assumption. Jennifer Driver confirmed that the taxes due were for the adjacent property. She will keep us apprised as to when and if the taxes are paid or if there is any future action by SEFCU. Mr. Valentine stated the adjacent property is still Mountain Ledge's property. Mr. Ferguson stated correct. Mr. Toohey stated it is not our project property. Mr. Mooney stated we really had no interest in this then. Mr. Toohey stated we would still want to keep apprised of what is going because of the proximity and the tie in of all the land. It is not specifically on the land that we have. Mr. Greene rejoined the meeting at this time.

Mr. Ferguson stated as a follow-up reminder, the Marketing Committee will meet on the 27th of June. He was expecting Mr. Vanags today, Ms. Schneider was here but she has left, to give us an update on the website, so we will look to that for the July meeting.

Mr. Valentine stated regarding Legislative updates, we did have something come up on regards to loans and grants. He doesn't think it has an Assembly sponsorship.

Chairman Sutton questioned the date of the next Board meeting. Mr. Ferguson stated July 10th would be the date for the next meeting at the County Offices.

Chairman Sutton asked for a motion to adjourn the meeting. As there was no further business, the meeting was adjourned at 9:03 a.m. on a motion made by Mr. Lewis, seconded by Mr. Mooney, with all voting in favor.

Respectfully submitted,

Lori A. Eddy