

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

March 9, 2015 - 8:00 a.m.

At 50 West High St., Ballston Spa, NY

The meeting was called to order by Chairman Callanan.

PRESENT: Members: Raymond F. Callanan, Chairman; Arthur Johnson, Michael Mooney, Glenn Rockwood, Rodney Sutton.

Staff & Guests: Lawrence Benton, CEO; Michael Valentine, Sr. Planner; Michael Toohey, Agency Counsel; James Carminucci, Bond Counsel; John Murray, CFO; Mark Schachner, Chris Martell, Counsel for Saratoga Co. Water Authority; Ryan VanAmburg, SEDC

APPROVAL OF MINUTES

Mr. Rockwood moved to approve the minutes of the meeting of January 12, 2015. The motion was seconded by Mr. Johnson and approved with all in favor. Chairman Callanan stated there was no meeting in February.

APPLICATION: PERRY ROAD DEVELOPMENT, LLC

Chairman Callanan said we will table this until April in order to have more members present.

APPLICATION: UNITED STEP ONE-APPLICATION TO REFINANCE

Mr. Carminucci said the Agency has received a request from United Step One for a refinancing of the project which was originally done in December, 2006. This is the building in Malta which Global has been a major tenant of and G.E. now has a substantial operation as well as other tenants totaling 230 jobs. He said the abatement period expires in 2017, however, they want to refinance the building at his time. He said Citizens Bank holds the mortgage now, and they are proposing to borrow \$11 million from an entity called OWSBCA Funding. He said he e-mailed a resolution to Agency members authorizing this transaction. They are requesting a mortgage recording tax exemption for the difference between what is presently outstanding and what they are borrowing (about \$1 million).

Mr. Benton stated this project received 100% abatement over the last six to seven years on real property taxes. The total value of that abatement to date is close to \$1 million. Additionally, they received a mortgage tax abatement on the initial \$10 million. He said

there was a rolling sales tax abatement on that project for several years as it took time to fit up. It was a fairly generous abatement. He stated for new money on a refinance, we charge a fee, and the fee on \$1million would be about \$7500. Based on past practice, we could waive any fee on this particular which would provide some benefit to them, but the justification for waiving the fee would be that we are not providing any tax abatement.

Mr. Sutton moved to authorize execution of the documents as reviewed, not to give any mortgage tax abatement, and to waive the Agency's normal fee. The motion was seconded by Mr. Mooney.

RESOLUTION NO. 1248 (attached)

AYES - Messrs. Johnson, Mooney, Rockwood, Sutton and Callanan.

NOES - 0.

Adopted 5-0.

OUTSTANDING GRANTS: DISCUSSION & WITHDRAWAL OF WARREN COUNTY RR GRANT

Mr. Toohey stated as we seen through the actions of the Attorney General's Office and the Budget Office, that there have been clamps put on our ability to use our fund balance in what we believe to be a positive way for the purpose of economic development within our County. He said we have an agreement with the Saratoga County Water Authority that is very long standing by which we agreed to loan them \$1 million and to give them a grant of \$525,000. Under the comments from the Attorney General's Office, that seems more difficult to do now. The Water Authority has come up with a mechanism that, under a specific provision of the Public Authorities Law, would allow us to be able to continue this project with the expectation that at the time we reconvey the property back to the Water Authority, we will have been repaid \$1 million.

Mr. Schachner stated he is the principal attorney for the Water Authority who has replaced Craig Crist. He introduced Chris Martell, the Water Authority's Special Counsel of the Hodgson Russ firm. Mr. Schachner stated their proposal is to continue the extraordinary positive relationship between this Agency and the Water Authority to facilitate this particular transaction for the construction of the outflow and diffuser project.

Mr. Martell said when the ability to loan and grant funds from the IDA went away with the Attorney General's opinion, they looked at different mechanisms that would work. What they came up with is the same mechanism used on many bond transactions. You have the Water Authority essentially owning this project, leasing their interest in this project, and through an installment sale agreement, the Agency is essentially selling the project back to

them. You have the Agency's investment of \$1.525 million up front. If you run a loan amortization on whatever the interest rate would be on the \$1 million, it would be the monthly payment in this installment sale agreement. Mr. Toohey said there will be an interest rate that we were going to charge on the loan, and we traditionally charge as low an interest rate that we can to accommodate the public need for this project. Mr. Martell said instead of doing a loan agreement and a note and a mortgage, you would have this lease and an installment sale agreement. He said he had discussions with Mr. Toohey and Mr. Carminucci this past weekend. He stated the Agency would be putting \$1.525 million into the pot and only pulling out \$1 million. There is a question as to whether or not that would be a below fair market value disposition of property. He said they looked at the Public Authorities Law to determine if there was a way to do that, and after looking into this, they realized this is no different than a bond transaction that is not subject to the Public Authorities Law. He said the General Municipal Law, which gives the IDA its powers, in Sections 858-4 and 858-10, allows the IDA to construct one or more projects and to acquire and dispose of property in any manner that it sees fit. When you combine those two sections, and going back to when these new provisions came out, people from his firm sat down with the Authorities Budget Office to indicate they do quite a bit of these transactions every year, and asked if there will be a 90-day waiting period. The ABO said this is exempt from the statute because of the explicit powers set forth. He said further, his firm would be willing to offer an opinion on this issue going forward. He said in place of a promissory note, there would be a lease in and installment sale agreement. He said drafts of the document have been put together, and there is a sample resolution that would be subject to the Agency's approval and comments by the Agency's counsel.

Chairman Callanan said our commitment was for \$1.525 million. Does the installment agreement cover the \$1 million or the \$1,525,000? Mr. Martell said just the \$1 million. The extra \$525,000 stays in. He said in the General Municipal Law, there is no requirement that the IDA make a profit. At the end of the day, the Agency would receive its \$1 million plus the interest agreed upon. Mr. Toohey stated there is a specific Public Authorities Law, Section 28977, which contains a provision that talks about not requiring full payment back. He said in the original agreement, there was a guarantee of repayment from the County, and he said he assumes the Agency would want that to continue. We also talked about the idea of indemnification. In all of our transactions, we are indemnified by the applicant. He said he would like that to be expanded so that at any point during this transactional event we are approached by the Attorney General's Office or the Budget Office, etc., our indemnification is included in that. He said we saw a great public benefit with helping the Water Authority with this which was approved by this Board more than a year ago.

Mr. Murray said he is trying to understand that the Agency would be entering into an understanding knowing full well ahead of time that that you are putting in \$1.5 million and

you know you will only get \$1 million out. Mr. Mooney said this is almost like leasing a car, and at the end of the day, it is worth less. Mr. Martell said because of the IDA's ability to construct a project that fits within its corporate purpose, the IDA could put in \$1.5 million and get nothing out. He said this is removing bond language and installing the IDA making a direct investment rather than issuing a bond. Mr. Toohey stated this is a mechanism which we have the benefit of the authorization of statutory law that allows us to do this. Mr. Martell said when this law first came out, they crafted the first training program.

Mr. Toohey asked what the Agency will be receiving for this. Mr. Martell stated there will be a bill of sale along with this which is going to vest title. The benefits and burdens of ownership from a tax perspective are going to be with the Authority on this. You will have a note, and you can accelerate payments. He said if the County doesn't step in to extend the guarantee to this, then you have the promise of a payment by the Water Authority and the ability to accelerate and foreclose on the property. Mr. Toohey said if the Agency goes forward with this, the two things he brought up before would be a condition of the approval. Mr. Carminucci said when the Water Authority did their original financing; there was a County agreement that guaranteed any kind of deficit. He said we were comfortable with that. He said we need to include the wording for this type of arrangement. Mr. Toohey what we are proposing to do now is different, and he wants to make sure we are covered on that.

Mr. Valentine asked if the IDA would take title? Mr. Schachner stated you would "sort" of obtain some property, a facility and a portion of a facility being constructed with some equipment, but you don't really get it because the Authority is the Agent doing all of these things. He said you don't want them, but technically you get them. Mr. Martell said you could come in and foreclose, take the property and sell it off. Mr. Toohey said we are used to ending up with a parcel of land that has something being constructed on it. It is easier to seeing it on a map. This is hybrid of what that is, but the concept is the same. Mr. Valentine said is this subject to reporting? Mr. Benton said he didn't think so, but we can give that some more thought. Mr. Martell said they will send a list that has a breakdown of the various costs; mostly equipment. Mr. Rockwood asked if the Agency did not have an obligation to sell something at fair market price, and Mr. Schachner said that is correct. Mr. Rockwood asked if the State would use this as an example of what not to be doing. Mr. Toohey said what he suggested is an expansion in the wording in the document that we are always indemnified. We will expand the normal wording so as to make sure it is clear that any challenges or requirements for repayment, etc. has been shifted over and becomes the burden of the Water Authority. Mr. Schachner stated you are held harmless as well. Mr. Rockwood said if the State did come back, our Agency will be at some financial risk. We would have to defend ourselves at some level that will cost us money. Mr. Toohey stated we are at some risk if the Water Authority is out of money and can't do it for us. Mr.

Carminucci said he would presume if they came after the Agency, they would try to suggest the transaction was not legal.

Mr. Valentine asked if these will be actual monthly payments? Mr. Martell said the payment terms would be up to the Agency. Mr. Benton said it would be simple interest on an annual basis; one payment annually. He said to clarify, there would be an amortization schedule but on the \$1 million not the \$1.525. Mr. Rockwood said he has a problem with that because it is in the State's face at that point. At least if they are paying interest on the \$1.5 million, when they get down to the \$500,000, we could then forgive the remainder. He said he isn't comfortable telling them right up front that we have no intention of collecting the money. Mr. Murray said that risk is the problem he has with this. Mr. Schachner stated they are not hiding anything. They believe it is clearly lawful, and they will back that up. He said they are being up front, candid, straight forward and open. Mr. Johnson said there is nothing to hide. Mr. Rockwood said at 1% interest, you are talking \$5,000 per year. Is it worth \$5,000 per year to be at least somewhat appropriate? Mr. Martell said they are finding legitimate use for IDA funds. He said this is, in his opinion, what IDA funds are to be used for. Mr. Schachner said they would be concerned charging interest on the entire amount could lead a State entity, auditor, comptroller, etc. to assume it is all getting paid back. They are advocating everybody is going in with their eyes open -- \$1.525 with \$1 million back. Mr. Benton stated this is being changed from a grant to a loan at some point. The intent from the very beginning is we are going to receive \$525,000 less at the end of this installment sale/leaseback. Chairman Callanan asked if the installment starts the first year? Mr. Martell said he can put whatever payment stream the Agency would like in there. Mr. Schachner said all the Authority will have is an easement. Mr. Benton questioned if the Water Authority owned the land on which the outflow would be constructed. Mr. Schachner said not the portion of land they are talking about. Mr. Johnson said that was the easement from Brookfield that held the project up.

Mr. Benton said is this a project for reporting to the Comptroller as Mr. Valentine raised earlier? Mr. Carminucci said it should be treated as a project. He said the more you do to treat it as a normal project the better down the road.

Mr. Benton said if we have a resolution today, should we reaffirm the previous approval so that we can bring that resolution and the time of that approval in? Mr. Toohey stated we should approve the financing and not the resolution itself; just use it as a guideline as to how this will be paid. It will include a guarantee of repayment from Saratoga County by independent documentation and a full indemnification by the Water Authority for all actions that may be commenced against the Agency with regard to not only our control of the property and the utilization of the equipment but also commenced by any governmental entity. Mr. Mooney said the opinion of the attorneys drafting this should be included. Mr. Toohey agreed. Mr. Rockwood said do we have the original document to see

what the amortization schedule is? Mr. Benton said he will provide that for the Agency members.

Mr. Mooney asked if we have to terminate the existing grant agreement. Mr. Benton said we don't have a grant agreement. Mr. Carminucci stated nothing was ever signed. Mr. Rockwood said we would be amending the original approval.

Mr. Mooney moved to enter into this agreement with the Saratoga County Water Authority for a loan of \$1,000,000. and a total project cost of \$1.525 million dollars based on form and content approved by the SCIDA and Water Authority attorneys and to extend payment of the money as described to the Water Authority. The motion was seconded by Mr. Johnson.

RESOLUTION NO. 1249

Whereas, the Saratoga County IDA by Resolution No. 1198 of July 15,2013 approved an expenditure of up to \$1.525 million dollars for improvements to the Saratoga County Water Authority's Treatment Plant, consisting of an improved aeration system and construction of an outfall pipe to discharge organics to the Hudson River, and

Whereas, counsels for the Water Authority have presented a proposed sale leaseback arrangement between the Authority and Agency that would facilitate the investment of approved funds in accordance with the powers and authority granted to the Agency in the General Municipal Law and,

Whereas, the Board finds that the proposed public improvements would be of critical importance to the continued growth of existing and future businesses as well as providing a significant benefit the residents of Saratoga County, now therefore be it

Resolved, that the Board hereby approves a proposed lease sale back agreement with the Saratoga County Water Authority in order to facilitate the Agency investment of up to \$1.525 million dollars in upgrades in the Saratoga County Water Treatment Plant designed to enhance overall water quality and be it further,

Resolved, that the final agreement is subject to approval of Agency counsel as to form and content and the receipt of required guarantees from Saratoga County and the Saratoga County Water Authority.

AYES - Messrs. Mooney, Rockwood Sutton and Callanan.

NOES - 0.

ABSTAIN – Mr. Johnson (due to being a member of the SCWA)

Adopted 4-0-1

ATTORNEY GENERAL OPINION; ABO GUIDELINES; IDA'S LOAN & GRANT AUTHORITY

Mr. Benton stated we have two grant approvals that are outstanding. The first one was with Warren County that applied to the State for a small amount of money for a feasibility study of the North Creek Railroad. We had approved \$1,000 to be used as the local match on this project. He said when the Attorney General issued its opinion, and then the ABO followed up with actual guidelines to IDAs for grants and loans, he thought he should clean some of these up. He said he tried to contact Warren County's EDC several times, and he has not heard back from them. He said it was a courtesy to let them know what he was going to propose to the Board. He said as far as he knows, they did not receive the grant, so this is probably moot. He said in view of the State's position, we should withdraw that \$1,000. He stated he sent them a letter regarding this.

Mr. Benton said the second grant is for \$40,000 approved for the City of Saratoga Springs as the local match for a federal highway grant that the the city received to resignal the intersection of Geysers Road and Route 50 arterial. The purpose was to allow for traffic and pedestrian movements through that intersection safely. They do have the grant, and he has told Brad Birge, in Saratoga Springs, that we have a potential problem with fulfilling our obligation. He said based on what we are proposing for Warren County, he doesn't see any difference. He said Mr. Toohey and he discussed this, and they cannot come up with a creative solution. He stated the only option may be to withdraw. Mr. Mooney cited an example where the Wilton Water Authority had some issues with the State Education Dept. in the past where they couldn't spend money off of property they owned to do infrastructure. The school wanted water to their facility but couldn't spend money off site to get it there. What they ended up doing was the Wilton Water Authority sent them a bill, and they just paid the bill, as they have the authority to pay any bill they receive. The same would apply here. We would receive a bill from the city for our pro rata share of the study, and we pay the bill. Mr. Benton said we do not have an agreement yet. We would need a written contract or some other pre agreement with the City of Saratoga Springs for the \$40,000. Mr. Carminucci said it's a matter of the form you use to accomplish what you are looking to do. He said if the City believes the IDA is committed to this and they are moving forward, your risk is greater if you tell the city the IDA cannot do this now. Mr. Toohey said we have a bond type of an agreement with the SCWA. In this case, we are merely giving money to the city for purpose of completing the study. Mr. Mooney said it is for our benefit. Mr. Carminucci said you can spend your money. It's just how you go about doing that. He said money was spent for the Racecourse study. Mr. Benton said if we were a co-applicant with the federal grant, this would not be a problem. Mr. Carminucci said it seems there is

still a way to do this. Mr. Benton said he believes we should give them the money because they went forward based on the commitment we made. Mr. Rockwood suggested buying the signalization equipment and then lease it back to the city and then write it off. Mr. Toohey stated he will talk to Brad Birge, coordinator for this program for the City of Saratoga Springs.

Mr. Benton stated he recommends withdrawal of the Warren County grant. He said going forward, if the slate is clean by taking care of the Water Authority, withdrawing the Warren County grant and finding a solution for the City of Saratoga Springs, and if there is nothing else out there, the responsible thing to do is for the Agency to suspend receiving any applications for loans and grants until this is clarified. Mr. Valentine stated auditors are here from the State Comptroller's office. One component of their audit is not just our processes, PILOTs, sales tax etc., but they are also looking at this whole issue of grants and loans. The Comptroller's office is not going to render an opinion, as there have already been opinions from the AG and the ABO. He said so there are parties looking at this and how it is affecting IDA's.

Mr. Rockwood moved to authorize sending a letter of withdrawal to Warren County, entering into a conversation with Brad Birge, and advising the State Comptroller and ABO that we are suspending our grant and loan program until such time as this issue has been addressed legislatively or by some other legal procedure. The motion was seconded by Mr. Sutton and approved with all in favor.

SARATOGA RACECOURSE REPORT: UPDATE OF REPORT

Mr. Sutton thanked the Board for its support for the study. He said this study was officially release on Friday afternoon at a press conference at the Museum of Racing. Chris Kay came up from New York to sit on the podium with Chairman Callanan. There were about 40 people in the audience along with T.V. and newspaper coverage. Camoin Associates, who completed this study, did a power point presentation on the highlights of the report. In summation, from the 2011 report, the economic impact was \$240,000,000 worth of economic benefit to the nine-county area. This past year, we had an attendance of over 900,000 people – 22,000 per day at the track which is higher than any track in the country. He said VLT money that has been put into the purse structure was critically important for the New York Bred Program. We were able to interview owners, trainers and breeders, and they told us the importance of the VLT monies that the tracks have the abilities to tap into. He said the overall support was very positive in terms of reception from the media. There are 350 copies of this report that will be sent to various people in the Legislature and the Racing and Wagering Board. The ultimate goal of this study is to show Albany that the racing industry is critically important to the economy of New York and to the agribusiness. He said some of the Saratoga County farms were earmarked for development, and because

of the VLT monies, they were put back as horse farms. The agribusiness portion of this report is extremely important as well. He said hopefully the NYRA Board will be able to convince the State Legislators that the thoroughbred racing and breeding industry is very important to the State's economy, and the Legislature should support the privatization of racecourse operations as soon as possible.

Mr. Rockwood asked who will be responsible for sending out these reports. Will any help be needed with this? Mr. Sutton stated Mr. Benton and he identified the list of recipients of the report, and they will be going over that. He said 40 of those reports were handed out Friday afternoon, and the rest will be distributed throughout the list that they have. Mr. Rockwood asked if there is anything he can do to help. Mr. Benton said they worked with Mark Bardack of Ed Lewi Associates that NYRA uses. Mr. Sutton stated he will be talking to Mr. Bardack to see how many copies he needs to distribute to his contacts. He was extremely helpful in organizing the press conference at no cost to us. He said there was good representation at the press conference. We wanted to put this out as soon as possible for this meeting and to make sure it was available for the upcoming NYRA board meeting. Chairman Callanan stated this was a very fine job. He said the whole project from start to finish was handled by Mr. Sutton and Mr. Benton. Mr. Sutton said the benefits of having Camoin Associates as the consultant was their familiarity with the relationship between the race track and our County. They delved into the nuances of what this industry meant to Saratoga Springs. He commended them for doing an excellent job.

INDEPENDENT AUDIT FY 2014: ACCEPT FINANCIAL STATEMENTS AND POST GOVERNANCE LETTER

Mr. Benton stated our auditors completed the financial statements for the Agency, which along with the post governance letter, have been provided to all of the members. The audit will submitted to the State Comptroller on line and also placed on the IDA's webpage. We are also required to do an operations and accomplishments report every year, and he said he has just completed that. He said he electronically attaches the financial statements to the end of that. Mr. Rockwood asked if the Board should review that. Mr. Benton stated the Board should review the operations and accomplishments, as there are subjective items in there that he includes, and let him know if there are any questions or changes. Mr. Rockwood said as the Treasurer, what are his responsibilities in the audit process. Mr. Benton stated the whole Board is responsible to review and accept the findings of the independent auditor and respond to any deficiencies noted. The audit of the Agency's 2014 fiscal year did not note any deficiencies.

COMPTROLLER AUDIT: STATUS

Mr. Valentine stated there are two auditors here from the Comptrollers' Office going through the books since the last week in January. They will be in this week just to review a

couple of things. At this point, they were reviewing five recent projects going through sales tax exemptions, ST340's, PILOT bills, matching up checks, etc. He said they were going to review 10 projects, but they were very satisfied with the five projects. Instead of going through five more projects, they will just take one out of seven or eight that dates back a few years ago. He stated they were reviewing the grants and loans, and they have noted Mr. Toohey's cautionary comments through the minutes about that process. They noted that the Board has addressed the issue. They stated that will come across in favorable light as far as what their comments will be. He said their audit is typically a long process.

NYSED: SPECIAL ASSESSMENT REQUEST

Mr. Benton stated that the Governor is using his 2015 budget proposal to accomplish legislative objectives without the need for actual bills. There are a couple of sentences in the budget that say before IDAs can grant approval of sales tax abatement, they would need approval from the Empire State Development Corp. A proposed Senate bill would make all future IDA projects subject to prevailing wages. He said that will add 25% - 30% to the cost of a building project anywhere in the State. Even if it's a non-union project, instead of paying a worker \$18/hr., you would have to pay \$45/hr. He said every vendor under this bill would have to be investigated to insure that they do not owe more than \$500 on unpaid New York State sales tax. He said it seems these proposals are intended to force local IDAs out of the business of economic development. The Governor wants to centralize all economic development projects at the State level and take local IDAs out of play in Mr. Benton's view. He said he believes there is ulterior design behind many of these things. He stated the NYS Economic Development Council wants its membership to pay a special fee so that they can respond to the persistent legislative and executive efforts to impose limits on the authority of IDAs. They are proposing a voluntary assessment, and our contribution would be \$500. Mr. Rockwood asked if there was a law that would not allow us to make that contribution. Mr. Benton stated there is a statute that states IDA funds cannot be used directly for lobbying efforts in Albany. Mr. Rockwood said we believe it is the right thing to do as an economic development organization. Mr. Valentine pointed out that if they do not do anything with the money, we would want the money back. Mr. Benton said that Mr. Valentine will send a letter to our State Legislators opposing the Governor's proposals of adding new requirements and restrictions that would affect IDAs and local economic development. (A sample letter was previously e-mailed to Board members for their review).

Mr. Rockwood moved to authorize submitting a \$500 payment as a special assessment to the NYS Economic Development Council. The motion was seconded by Mr. Johnson with all in favor.

OTHER BUSINESS

Mr. Benton stated he sent everyone a copy of the **United Step 1 Tenant Report**, and there is a very significant increase in jobs.

Mr. Benton stated the Economic Development Council has issued a **Best Practices Manual** for IDAs, and one of them is the labor policy.

Mr. Benton said **PeroxyChem's fee** was received this year in the amount of \$132,000, which was split with SEDC per our contract in the amount of \$50,000.

Mr. Benton said **Mr. Rossi** has made an interest payment on his \$250,000 loan in the amount of \$1,959.38, and as of January, 2016, the principal and interest will be due.

Mr. Benton stated there was a problem with a **legal notice invoice** from The Saratogian. We put a legal notice in the paper on our 2015 budget in November, 2014. This was a \$16.00 invoice that Mr. Valentine paid to The Saratogian office in Saratoga Springs, but they lost the check. The same invoice was subsequently received from a firm from Minnesota. He said he does not want to stop payment on a check for a \$40 charge to the IDA when the check was only for \$16.00. He said he talked to the person we deal with locally who said if it didn't have her name on the envelope, she does not know where it is. He requested that she provide in writing to us that if that original check is somehow cashed in addition to the new one we send them, it becomes an automatic credit into the IDA's account there. We did receive that in writing, and a second check was issued.

Mr. Benton said we have completed the **Saratoga Eagle** project, and title has been transferred back to the company, and the property is back on the taxable roll.

Mr. Benton stated the **Town of Malta** has submitted a funding request to the IDA for a road improvement project, with related infrastructure along the road, in the amount of \$550,000. He said when the Luther Forest amendment came up and we issued a support letter stating the restriction on PILOTS is no longer reasonable and should be lifted. The IDA was working with Luther Forest EDC on possibly purchasing one of the pods and investing a significant amount of money, but with the current restrictions, we cannot make that kind of investment. The Supervisor has publicly stated that he does not want to lessen the restriction on PILOTS. Mr. Benton said he believes the request for \$550,000 is not a good investment given the lack of flexibility with the zoning and restriction on PILOTS. Mr. Rockwood said if we bought the property and worked something out with the State, it would be something we could do. Unless they lift the PILOT restriction, we probably do not want to get involved.

Mr. Rockwood said in reading the **IDA's recommended practices**, two things came to light. One point that was made is receiving the project summaries from the applicants more than three days before our meeting. He said that would give us time to go and visit

the property or call to ask questions. Mr. Benton stated that the IDA staff does not deal directly with the applications. That would need to be addressed with Mr. Brobston of SEDC. He said that should be added to the top of the application. Mr. Rockwood said that could be a policy we set.

Mr. Rockwood stated that Section 4 talks about a staff opinion. They recommend that a review take place by staff of the applications for discussion with the members. Mr. Benton said he disagrees with that suggestion. He said we have a good system now with a subcommittee that does its review and then reports back to the full Board. Mr. Rockwood requested that he be added to the subcommittee that reviews the projects if someone would like to give up their seat.

Mr. Toohey requested Mr. Valentine to pull the files on **Fillpoint** regarding John Hartzell's FOIL request regarding the Supervisor's purported selective support for tax breaks. Mr. Valentine said he will pull the public hearing transcripts and the project documents. Mr. Rockwood said he has all of the original documents of 2006.

Being no further business, Mr. Rockwood moved to adjourn the meeting. The motion was seconded by Mr. Johnson and approved with all in favor.

Respectfully submitted,

Elaine M. Sodemann

Attachment: Resolution # 1248

Present:

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| Raymond F. Callanan | Chairman |
| Glenn Rockwood | Vice Chairman and Treasurer |
| Rodney Sutton | Secretary |
| Arthur Johnson | Member |
| Michael Mooney | Assistant Treasurer and Assistant Secretary |

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| ABSENT: | Charles Hanehan | Member |
| | Mary Beth Hynes | Member |

ALSO PRESENT:

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|-------------------------|---------------------------|
| Lawrence D. Benton | Agency CEO |
| Michael Valentine | Senior Planner to the IDA |
| Michael J. Toohey, Esq. | Counsel to the Agency |
| John Murray | Agency CFO |

The following resolution was offered by Mr. Johnson, seconded by Mr. Mooney to wit:

RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS RELATING TO REFINANCING OF UNITED STEP I, LLC PROJECT.

WHEREAS, the County of Saratoga Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of the State of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of the State of New York, as amended (the “Enabling Act”), and Chapter 855 of the 1971 Laws of the State of New York, as amended, constituting Section 890-h 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 industrial, manufacturing, warehousing, commercial, research and recreation 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; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct and install “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, the Agency has previously undertaken a project (the “Project”) consisting of (A) (1) the acquisition of an interest in a certain parcel or parcels of land comprising approximately 6.00 acres located at Hermes Road within the Saratoga Technology and Energy Park, Town of Malta, Saratoga County, New York (the “Land”), (2) the construction on the Land of an approximately 100,000 square foot light industrial mixed-use facility, (the “Facility”) and (3) the acquisition and installation therein of certain machinery and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”), (B) the lease (with the obligation to purchase) or the sale of the Project Facility to United STEP I, LLC (the “Company”), and (C) the granting of “Financial Assistance” (as such term is defined in the Act) with respect thereto in the form of exemptions from New York State and local sales tax, mortgage recording tax and real property taxes; and

WHEREAS, the Project Facility has been leased by the Agency to the Company pursuant to the terms of a lease agreement dated as of December 29, 2006 by and between the Agency and the Company (the “Lease Agreement”); and

WHEREAS, the Applicant has notified the Agency that it desires to refinance the Project Facility through a loan from OWS BCA Funding, LLC (the “Lender”) in the principal amount not to exceed \$11,000,000.00 (the “Loan”); and

WHEREAS, in connection with said refinancing and to secure the Loan, the Agency has been requested to execute (i) a gap mortgage from the Agency and the Company in favor of the Lender (the “Gap Mortgage”); (ii) a consolidated, amended and restated leasehold mortgage, security agreement and financing statement from the Agency and the Company in favor of the Lender (the “Consolidation Agreement”), (iii) an assignment of leases and rents from the Agency and the Company in favor of the Lender (the “Assignment”) and (iv) certain estoppel certificates (the “Estoppels” and together with the Gap Mortgage, the Consolidation Agreement and the Assignment, collectively, the “Financing Documents”); and

WHEREAS, in connection with such refinancing the Agency and the Company will execute and deliver an amendment to the Lease Agreement (the Lease Amendment”) and;

WHEREAS, the Agency desires to encourage the Applicant to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Saratoga County, New York by undertaking the Project in Saratoga County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of the State of New York, as amended, and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act”), the Agency is required to make a determination with respect to the environmental impact of any “Action” (as defined by the SEQR Act) to be taken by the Agency and the approval of the foregoing does not constitute such an “Action”; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE COUNTY OF SARATOGA INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. Each officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Financing Documents together with the Lease Amendment, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms previously executed and delivered by the Agency for similar-type transactions with such changes, variations, omissions and insertions as the officer so executing and counsel to the Agency shall approve, the execution thereof by such officer to constitute conclusive evidence of such approval.

SECTION 2. The officers, agents and employees of the Agency are hereby authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of this Resolution.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

| | |
|---------------------|------------|
| Raymond F. Callanan | VOTING Aye |
| Rodney Sutton | VOTING Aye |
| Michael Mooney | VOTING Aye |

Arthur Johnson
Glenn Rockwood

VOTING Aye
VOTING Aye

The foregoing Resolution #1248 was thereupon declared duly adopted.

STATE OF NEW YORK)

) SS.:

COUNTY OF)

I, the undersigned (Assistant) Secretary of the County of Saratoga Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on March 9, 2015, including the resolution contained therein, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this _____ day of _____, ____.

(Assistant) Secretary