

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

May 20, 2016 – 8:00 a.m.

**County Planning Offices Auditorium
50 West High Street, Ballston Spa**

PRESENT: Members: Chairman Rod Sutton, Mary Beth Hynes-Walsh, Arthur Johnson, Glenn Rockwood, Phil Klein, Andrea DiDomenico, and Michael Mooney.

STAFF & GUESTS: Richard Ferguson, CEO; Michael J. Toohey, Esq., Counsel to the Agency; James A. Carminucci, Esq., Bond Counsel; Michael Valentine, Administrative Assistant; Mr. Vanags, Saratoga County Prosperity Partnership; Dennis Brobston, SEDC; Ryan VanAmburgh; SEDC; Tom Shannon, John W. Danforth Co.; Steven Deraymo, John W. Danforth Co., John Hanrahan, SEPSA North America; Damian Rodriguez, SEPSA North America; Jessica M. Braun, CPA, SEPSA North America; Jennifer Driver; Craig Arnoff, Arnoff Global Logistics; Mike Arnoff, Arnoff Global Logistics; Don Sagliano, Arnoff Global Logistics; Bill McNearly IV, Logistics One; Cindy Hollowood; Scott Tincher, Cardinal Health; Anthony Alvarez, Cardinal Health; Mike Blair, Cardinal Health; Robin Cooper, ***Capital District Business Review***; Steve Williams, ***Schenectady Gazette***; and Lori Eddy.

ABSENT: None.

Chairman Sutton called the meeting to order at 8:00 a.m.

APPROVAL OF MINUTES, March 23, 2016:

Chairman Sutton asked if there were any additions or corrections to the March 23, 2016 special workshop meeting minutes. There being none, Chairman Sutton asked for a motion to approve the minutes. A motion was made by Mr. Mooney to approve the minutes and it was seconded by Ms. DiDomenico. All were in favor and the minutes were approved 7-0.

APPROVAL OF MINUTES, April 11, 2016:

Chairman Sutton asked if there were any additions or corrections to the April 11, 2016 meeting minutes. There being none, Chairman Sutton asked for a motion to approve the minutes. A motion was made by Mr. Johnson to approve the minutes and it was seconded by Mr. Mooney. Ms. DiDomenico abstained as she was absent from that meeting. All were in favor and the minutes were approved 6-0.

APPLICATION: John W. Danforth Company:

Chairman Sutton stated we have applications for PILOT programs. The first application is for the John W Danforth Company submitted by the Saratoga Economic Development Corporation. They are looking for a five year PILOT.

Mr. Brobston stated this application was being submitted on behalf of Tom Shannon and Steven Deraymo from Danforth here this morning. This project is a 30,000 square foot addition to their existing building. It is a very simple project that will create quite a few jobs as they grow their business here in the region. They found this existing building and they've decided to move some manufacturing, assembly and offices so they can grow it to include over 100 jobs. It is a \$3.6 million dollar project amount. The mortgage is about \$1.2 million dollars. Right now they currently have about 73 jobs and over the course of three years they will grow up to 120. Mr. Brobston reviewed the expansion on a map. He stated that they received the approval from the Town of Halfmoon on May 9th. Mr. Brobston stated the PILOT they are requesting is a five year manufacturing PILOT. It starts at 50% in year one and

goes up 10% each year to year six which would be 100%. Mr. Toohey asked if it was only on the increased taxes generated by the new building or the entire site. Mr. Brobston stated they are paying the existing taxes and the addition will be what is under the PILOT. Mr. Valentine questioned will you wind up freezing that existing value with the assessor. Mr. Brobston stated that is correct. Mr. Shannon and Mr. Deraymo discussed that they are a full service mechanical contractor. Their home base is Tonawanda, New York. They have other locations throughout New York as well. Their area serves basically east of Turning Stone, east of Binghamton, up and down the Northway from the Canadian border and east to Massachusetts, Vermont, Rhode Island, Connecticut, where our future expansion will be focused. They are a fabricator. They fabricate their own sheet metal, they fabricate their own pipe. They are a full service organization. They have a client solution division which covers design and build work as well as EVC work and general mechanical services systems. Chairman Sutton questioned their radius of operation; will it go into the New England states from this location. The gentlemen replied yes. Mr. Mooney questioned if it was just manufacturing done at this facility. They stated no, it is a full installation operation. Mr. Mooney questioned if the fabrication was the only operation, or is this the shop that the trucks go in and out of. They stated it is their shop that the trucks go in and out of, but all of our management, that's the addition, the management for all of our jobs will be managed out of the new facility.

Chairman Sutton stated that the jobs growth is aggressive and are you bringing people from Tonawanda to this location or are you hiring within this geographic area? They stated it would a little of both. Danforth bought Comfort Industries, a large mechanical contractor in Menands, New York. When they bought Comfort Industries, they started doing a lot of work at Global Foundries. They brought out five people from Tonawanda and that was their base of growth and everybody else has been hired locally, whether it is here in the Capital Region or the Wappingers Falls/Poughkeepsie area, they have a subsidiary office in Poughkeepsie that they run their service division out of. This is their home base. Mr. Valentine stated that on a previous application and then a change you had a construction date of mid-June. Is that the date you are still working with? They stated if everything goes through, yes, if it doesn't go through then they will have to step back and evaluate what they are going to do to either lease additional office space or continue. Mr. Valentine asked if that was to go through the end of the year then. They stated yes that is the goal, January 1, 2017 to move into their new facilities. Mr. Brobston stated that Mr. Valentine questioned the assessment, the price being the same but the square footage being different. The spreadsheet they have only works on construction costs so that is what assumes the assessment. If they were able to build the same facility, the reason they grew was because they were able to build a bigger facility for the same price and that is why that assessment is still the same on the application. Mr. Valentine questioned if this was a 30,000 square foot footprint but two stories, 60,000 square feet. Mr. Toohey stated it is a 15,000 square foot footprint, two stories, 30,000 square feet. Mr. Carminucci asked a question about freezing the assessment. Mr. Brobston stated the assessment on the existing building as it exists, it is already at 50%. At the subcommittee meeting, that was the discussion we had about the 50, 60, 70. Mr. Klein stated that just to be clear, it is fabrication manufacturing. There is a discrepancy between the two for zoning purposes. Mr. Brobston stated that is true. Mr. Valentine stated do we want to go through Mr. Carminucci again with a suffix, or just note that with the assessor to keep track of what that current assessment is as we go through for ten years. It was noted by Mr. Brobston that this was a five year PILOT. Mr. Carminucci stated your PILOT actually affects the existing building as well as the addition so he did not know if a suffix was needed. Chairman Sutton asked if there were any further questions. Chairman Sutton stated we would need a public hearing in the Town of Halfmoon. He questioned whether we could hold off on the public hearing until we get through all of the applications because of the complications if everything gets approved. We would do this within ten days or mid-June, we would have the public hearing. He asked if this would fit

into everyone's schedule. Mr. Brobston stated they were expecting that at the next meeting in June, the public hearing would be on that day. Chairman Sutton stated the next meeting would be June 13th, but if things went well, we would have a public hearing in Halfmoon, Saratoga and Malta and this is quite an accomplishment. We will try to figure out the logistics once we get through the application. We will get back to you in a few minutes.

Chairman Sutton asked for a motion to approve the application of the John W. Danforth Company. Ms. Hynes Walsh made the motion to accept the application. The motion was seconded by Mr. Mooney.

A roll call vote was taken on **Resolution # 1322 (attached)** with the following results:

AYES: Ms. Hynes-Walsh, Mr. Klein, Mr. Johnson, Mr. Mooney, Ms. DiDomenico, Mr. Rockwood and Chairman Sutton.

NOES: None

ADOPTED: 7-0

APPLICATION: McNeary Inc. & Logistics One:

Chairman Sutton stated the next agenda item is the application for Logistics One, a project at Cady Hill Industrial Park, being submitted by Prosperity Partnership. Chairman Sutton asked Mr. Vanags to discuss this application.

Mr. Vanags stated this request comes from McNeary Inc., a company established as a corporation in New York State and they are looking to build a new corporate headquarters on 23 acres in Grande Industrial Park here in Saratoga Springs and they are asking for some relief from property taxes and sales tax and mortgage tax exemption. The request is for a ten year abatement on real estate improvements on the property at 33 Cady Hill Boulevard starting year one with 100% and ending in year ten with a 10% abatement. That total would be approximately \$188,979 in relief. The second request would be an exemption on the sales tax on the purchase of materials for construction as provided for in your UTEP. Based on estimates on this application, the benefit due the company would be approximately \$171,500. Finally, an exemption on the New York State mortgage recording tax, which in this request would be \$12,500. Normally, it would be higher, but due to the way this is being financed, it is much lower, and the applicant could explain that further. The total benefit that the applicant is asking for is \$317,671 and we look forward to answering any questions you may have. Mr. Vanags then introduced Jen Driver, who represents McNeary, Inc. and Mr. Bill McNeary as well. Ms. Driver gave a background on the company and the project itself. Logistics One began in 1994 as a warehousing operation and expanded its services into both the transportation and brokerage areas. Logistics One's main operation base is located on Cady Hill Boulevard within the Grande Industrial Park off of Geysers Road in Saratoga. Over the past 22 years, Logistics One has seen steady growth in all three of its divisions and has developed a specialty in the handling of food products, beverages, beverage containers and paper products. This specialty has attracted several national companies including Ball Can, SCA Tissue, Owens Corning and Beechnut. In its three divisions, Logistics One currently employs over 200 people and has over 600,000 square feet of warehouse space between its facilities in Saratoga Springs and Albany County.

In respect to its growth, it is interesting to note that Logistics One obtained IDA assistance in 1994 when it was constructing one of its two current warehouse buildings. At that time, Logistics One had 12 employees and had projected an increase to 29 within two years. The annual payroll at that time was \$260,000. Last year, with over 200 employees the payroll was over \$8,000,000. Approximately one year

ago, Logistics One was solicited by Newport News Shipbuilding. Newport News Shipbuilding is the largest ship builder in the United States and employs over 20,000 employees. It is the sole designer and builder of U.S. Navy aircraft carriers and one of two providers of U.S. Navy submarines. Newport News identified Logistics One because it was looking for a location in close proximity to the Knolls Atomic Plant in West Milton. At that plant, Navy personnel are trained to work on the submarines and aircraft carriers designed and built by Newport. In order to accommodate Newport's space requirements, Logistics One decided to lease one of its two existing warehouse buildings located on Cady Hill Boulevard. That building housed all of Logistics One's administrative employees and runs both its transportation and brokerage service divisions. That in turn necessitated Logistics One to find temporary space for its employees until such time as a new building can be constructed which is the proposal before you. In February, Newport began occupying that building. The reason that this application is coming to you now after Newport is already in the space is that due to the nature of the lease it was kept strictly confidential during the whole negotiation process. In fact, both the Defense Department and the Navy had to authorize final approval and the announcement of the project. As an alternative possible location for its offices, Logistics One does have an existing facility in South Bethlehem. It would actually be a pretty convenient location because it has close access to many transportation hubs and arteries including a rail yard. Despite these attractions, Logistics One would prefer to maintain its operating base here in Saratoga County where it started its business 22 years ago and where many of its employees still reside. Logistics One also has concerns about losing employees if they had to travel from Saratoga down to Albany.

The proposal is to construct a two story 17,500 square foot office building on the southeast corner of the Cady Hill property. The whole parcel is approximately 23 acres. It contains the two warehouse buildings. One is currently occupied by Newport News, the second is a public warehouse operated by Logistics One. The proposed building would house approximately 40 Logistics One current employees. There is a modest employment increase described in the application but it is extremely conservative and realistic because we are mindful that those numbers can be audited in the future. Mr. Vanags mentioned that the intention of the application is for job retention not growth or creation. The new building will also include a dedicated parking area with approximately 190 parking spaces. The total projected project cost is \$6,000,000. The applicant will be contributing with real property and the remaining will be funded 40% through a NYBDC 504 loan and the remaining 60% through financing from Citizens Bank. The applicant already has a term sheet from Citizens and expects a term sheet or commitment letter from NYBDC any time now and that will be submitted to the IDA. As far as municipal approvals, the applicant received preliminary site plan approval from the City of Saratoga Springs Planning Board in March. Their final submission for the final approval has been or will be submitted shortly. There is also an approval from the sewer district which is under way and we have had a very favorable meeting with the Saratoga Springs City School District. As Mr. Vanags mentioned, the applicant is looking for relief from real property taxes through the PILOT that he described. They are also looking for relief from mortgage recording tax. As he mentioned, the mortgage recording tax is only on the Citizens portion of the financing. NYBDC, as a government entity, there is no mortgage recording tax on its financing, and then also relief from the sales tax on the construction materials. Ms. Driver stated she would be happy to answer any questions at this time. Mr. McNeary pointed out when Newport News took over this building, they are brought in 75 new jobs. Mr. Toohey asked how long they are in there for. Mr. McNeary stated the first term is six years and they have two renewal options. They will be here for quite a while. The construction of this building doesn't result in a lot of new jobs for Logistics One, but is a direct result of bringing in 75 more jobs here. The growth of our business in warehousing is somewhat difficult to plan. Chairman Sutton asked how many people Newport has in the facility now. He stated they are just moving in now. It is a very secure area. Chairman Sutton asked

if there were any other questions. Ms. DiDomenico stated she had a question. On your application under attachment A, the Environmental Assessment questionnaire, you answered no to the question are approvals, consents, required of governmental agencies, should that have been checked yes, because you are going through site plan approval from the City of Saratoga. Mr. McNeary stated they didn't require any specific environmental. Mr. Valentine stated that brings him to a question, Mr. Vanags gave him a copy of Notice of Decision on SEQR, but this has preliminary site plan approval, not final. But has lead agency been determined and has a negative declaration been issued? Ms. Driver stated she would have to find out by talking to the engineers on the project. Mr. Valentine asked if you do find out, could those be forwarded to Mr. Carminucci for his resolution. Mr. Toohey questioned if the Planning Board has gone through the SEQR process. It is kind of the next step. Mr. McNeary stated he does not recall. Mr. Valentine questioned Mr. Carminucci whether we would take title to both properties. Mr. Carminucci stated that remains to be seen as it is kind of tied up with the structure of the financing. Mr. McNeary stated because of the way it is being financed with a 504 they are requiring us to consolidate the lots. It will be one lot, technically an administrative action from the Planning Board. Mr. Valentine stated that the reason he asked is because this is a separate building with separate parking for itself, and the City is amenable to suffixing, do we want to do that and that also takes out of consideration the possible expansion of the warehouse later on. Mr. McNeary stated that is a good point. As far as their approvals are concerned, they are already approved for 70,000 more square feet to be added in total to these buildings. They are not pursuing this at the moment, which is just so we can have shovel ready space. Chairman Sutton questioned whether that would be an add on to the existing buildings or separate. Mr. McNeary stated add-on. Mr. Carminucci stated that back to Ms. DiDomenico's question on attachment A, that should be checked yes. Chairman Sutton asked if there were any other questions.

Chairman Sutton asked for a motion to approve the application of McNeary Inc. & Logistics One. Mr. Johnson made the motion to accept the application. The motion was seconded by Mr. Klein.

A roll call vote was taken on **Resolution # 1323 (attached)** with the following results:

AYES: Ms. Hynes-Walsh, Mr. Klein, Mr. Johnson, Mr. Mooney, Ms. DiDomenico, Mr. Rockwood and Chairman Sutton.

NOES: None

ADOPTED: 7-0

Chairman Sutton stated he would get back to the applicant when the date of the public hearing has been set.

APPLICATION: Arnoff Moving and Storage of Albany, Inc. (AMSA) & Newbuild, LLC (New) (Actual Name TBD):

Chairman Sutton stated the next application is from Arnoff Moving and Storage of Albany, Inc. submitted by SEDC. Chairman Sutton asked Mr. Brobston to speak regarding this application.

Mr. Brobston stated this morning we have three people from Arnoff present. Mike Arnoff, Craig Arnoff and Don Sagliano. This is an exciting project because it is going to put a building and some land back into play that we have been working on for quite a few years. The Racemark building in Malta has been empty since 2009 and just recently there was some activity with Applied Materials being interested in leasing space in that facility. In the meantime, the Arnoff family was working on a deal to purchase that facility for themselves. It is an exciting project because it links an awful lot of logistics in manufacturing

and assembly work in one facility and this will be their global headquarters. The facility right now is 72,000 square feet and will be added on by 20,000 SF. The site as it exists is just under 40 acres. We hopefully will see growth in that site in the future. Mr. Brobston asked Mr. Mike Arnoff to give a little history on his company. Mr. Arnoff stated that his company is a 92 year old five generation family business. They have morphed into a worldwide global logistics company providing ancillary services to the pharmaceutical industry, the semi-conductor industry and primarily the fine art industry. They provide packaging, crating design, crating and freight forwarding services along with warehousing that attaches to all of those services. They are very excited about this move and the opportunity for them. This is an approximately 45 year old building located in Malta. It has been vacant since 2009. It needs tender loving care. It is overgrown, the sprinkler system is inadequate, and the roof is inadequate. We are hopeful that you will grant us this assistance so that we can move our operation to this facility. We can improve the existing facility. The owner has done some minor upgrades to meet the requirements of Applied Materials. But the rest of the building needs to be cleaned, polished and brought up to speed. And, we would like to add a significant warehouse facility on to the building.

They met with Applied Material yesterday. They were very nervous when they heard that the owner was going to be selling the building and already started with their national reach to potentially look for another site for themselves. We got that smoothed over to the point where the conversation led to a walk through where they may want even more space. We are pretty excited about that. They are a customer of ours. They have been a customer for about 15 years, both in the IBM Fab in Fishkill, New York and of course in the Global Foundries Fab here in Malta, New York. One of things that we provide to Applied which we provide to many companies, is storage and crating services, packaging services and then the ancillary shipping and freight forwarding services of emergency parts and pieces that come off of tooling that needs to go back to the factory to be repaired. We have been operating in downtown Albany, New York out of four properties. We moved to the Tivoli Street property in 1984, so we have been there about 32 years. It is really time for us for further expansion, to move to a site that we can develop, that we can spread out and we can provide more services to our clients and provide a better quality of life to many of our long-time employees that will move with us. We had a staff meeting yesterday evening in the Albany office and I saw a lot of excitement. We are very excited about this opportunity and we hope you will give us the assistance to help make this work.

Mr. Brobston stated that one thing that occurred just in the last few days the owners of the Racemark building had filed a tax search and that came to fruition. Mr. Sagliano stated the stipulation settlement was produced by the owner of the property, we haven't analyzed it but it is in fact stipulated at \$4.4 million dollars. Mr. Brobston stated that is instead of the \$5.23 million which was previously stated in the application. He stated we would like to put that correction in the application that the assessment will be going down, and that part of this PILOT request is to hold that assessment. This is a five and five PILOT, manufacturing, the first five years of the addition will be off the rolls for 100% and in year six it will go on 50% and ramp up 10% each year. We are also looking at mortgage recording tax of \$74,000 and sales tax exemptions. Sales tax is a little higher because there is some equipment they will be buying for the facility as well and we have included that in that number. Mr. Arnoff stated that they operate in very short ceiling heights. Now they are hopefully moving to a facility with 20-25 foot ceiling heights so their racking needs to be totally reconfigured and forklifts can now reach higher than the forklifts that we use in the old buildings in downtown Albany.

Mr. Brobston stated that Mr. Craig Arnoff has been working with Hudson Valley Community College and other community colleges to do training. Mr. Craig Arnoff stated we have worked extensively with Hudson Valley Community College, Schenectady Community College and the campus center in

downtown Albany training programs to bring new workforce to our company. We bring them through a short logistics program to teach people who may have gotten either a GED or gotten out of high school and did not go on to college some technical skills about working a warehouse, working in a logistics setting. We teach them a lot about custody and care of somebody's product in our warehouse as well as the manufacturing and packaging of tooling for pharmaceutical products. This training then goes on, if they pass that and come to work for us, they can also be led on to a career path of driving. One of our greatest needs right now is Class A drivers. It is a nationwide need. We would like to continue to work with the County and different agencies to try to help this need and bring new driver positions to our company. These driver positions can make upwards of \$60,000 a year. We look forward to hiring many more in Saratoga County. Mr. Mike Arnoff stated that the culture of our company, being a family business, all of our employees are covered by a health plan, retirement plan, profit sharing plan, dental plan. They all get uniforms. Even our carpenters working in our warehouse building crates are all uniformed. Mr. Brobston stated they have been working on this project for a couple of years. Last summer we took a tour and learned a lot about where they come from. There is a lot of history. They are very proud of that. In looking at their facilities, you can tell the pride they take. That area of Albany is being redeveloped into housing and that is one of the reasons that they have started looking outside. Mr. Brobston stated they have opportunities in other places which Mr. Arnoff could speak about. Mr. Toohey stated that independent of the decision to buy the Racemark building, your company is moving out of its Albany location. We just happen to be the lucky recipients of the company coming to Saratoga County. Mr. Mike Arnoff stated their four properties are in contract to be sold to a developer who is going to build mid-market housing. When they came to that area it was called the North Broadway business district, it was desolate, and we were one of the first people down there. Mayor Jennings at the time was very excited to have us. Of course the neighborhood has changed dramatically. It is now called the warehouse district and many people want to live there. There are restaurants, shops and tasting rooms and stuff like that. It has become a very popular area. Finally, after all the time that our family has been there, we now had an opportunity to take our investment and take it somewhere else. What Mr. Brobston was saying, our original location from 92 years ago is in Litchfield County, Connecticut. We still own that property. It is not too far away from our market place, Buffalo to Boston, which is a strong marketplace, and then Montreal to New York City. Saratoga lends itself very well to us. But if the opportunity is not financially correct, we do own property in Connecticut and that could be an option for us. Mr. Carminucci addressed Mr. Toohey's question and he stated he was looking at the application on page five where it talks about removal or abandonment, he thinks that it might be answered differently and supplement the application with the explanation that was just detailed. Mr. Toohey stated that the opportunity for the company to one move, and the mandate of the move is important. The second part of this is that there is an opportunity for the company based on land and property that it already owns in Connecticut to pick up and move to the Connecticut region because of the triangles you were just describing could be serviced from that location. So we are preventing an historic capital district business from moving out of the State of New York. Mr. Carminucci stated the IDA is subject to what is referred to as an anti-pirating provision statute, which attempts to prevent IDA's from raiding other municipalities in offering benefits. Mr. Carminucci stated he thinks we are fine with what you described and the application should be modified and then basically include a description of what you just went through. Mr. Toohey questioned if this property was owned by the Baileys. Mr. Toohey stated he wanted to disclose that 10 years ago he did work for Racemark and the Baileys are personal friends of his. He does not think either of those preclude him from moving forward on that, but he wanted the record to reflect that. Mr. Arnoff stated it has been a long haul to convince them to sell them the property.

Mr. Valentine questioned Mr. Arnoff about the review and approval status with the Town, have you been before the Planning Board. Mr. Arnoff, Sr. stated they had an unofficial meeting with the Town Planner. We have another update meeting with them tonight and our submittal, we hired C.T. Male, and they will be submitting on our behalf to the Town next Friday for the June 19th meeting requesting preliminary approval for us to bring our service to that building and to allow us to add on to the building. The interesting thing is that there was, even though it is 15 years old, they requested of the Town an addition to the building. Although that has expired we are requesting basically the same thing that was approved about 10 years ago. Even though it is expired, it is still in the notes of the Town and it is the exact same footprint. C.T. Male feels like the request is almost just a quick yes, this makes sense. Mr. Arnoff, Sr. stated that one thing he wanted to add was that one the things they are thinking about bringing to Saratoga County is foreign trade zone. As far as he knows right now, Saratoga County does not have foreign trade zone. Many of our customers that have the ability to import product that needs kitting processing ask us from time to time if they could bring something into a quarantine zone. Craig has been working with a contact in Tech Valley Leadership who works on the foreign trade zone who has already opened the door to the process of allowing a quarantined area in this building to go into the foreign trade zone. He cannot bring today what that volume would be until they go out to their customers and market that service. He believes that there are customers out there that would send their product to Saratoga County because there is a foreign trade zone knowing the ancillary services that we can provide to them. Mr. Toohey questioned how many employees do you estimate are in the tenant occupied space right now, do you have a sense of that. Mr. Arnoff, Sr. stated that the lease mandates we have to provide them 85 parking spots. Mr. Toohey stated he was trying to figure out how many jobs we saved by the two of you being able to work together because he heard that Applied Materials, with whatever 85 parking spaces, whatever that represents, was about to take a hike also. Mr. Arnoff, Sr. stated he didn't realize that the phone call we were going into yesterday. We thought the realtor wanted to introduce the potential new owner because he felt something was going on. He stated 85 parking spots means 85. Mr. Toohey stated that 85 or less jobs are being preserved plus whatever is coming to the County with this project. Mr. Arnoff, Sr. stated yes sir. Mr. Rockwood questioned Mr. Brobston on the final application that came for PILOT request does not seem to be in here. Mr. Brobston stated it did come out on a separate document. Copies were then distributed to the members that did not have this information. Mr. Rockwood questioned if the numbers were reversed. Mr. Valentine stated that the PILOT and the normal were reversed. When we went into the subcommittee meeting we expected that the assessment would be more towards the purchase price of the property which is \$6.1 million. After the discussion we had the Board, they felt that at that time \$5.23 million would be acceptable and we did not make that change. Now it is going to be \$4.4 million. Mr. Brobston will make that change. Mr. Valentine questioned that amount would be reversed then, is that right or wrong? Mr. Carminucci stated that we view this as saying is that it is comparing what the taxes would be versus what the taxes would be under the PILOT, normally you would see a reduction under the PILOT. Mr. Valentine questioned if Mr. Brobston was going to submit new with that change in assessment. Mr. Rockwood questioned if they were looking for a 10 year. Mr. Brobston stated a 10 year manufacturing rather than a five and five, correct. Chairman Sutton asked if there were any further questions from the Board. Ms. DiDomenico questioned whether we were able to accept the application until they submit the amendment to it. Chairman Sutton stated it could be contingent upon that. Mr. Toohey stated the question is very valid. What you could say is by the time we get to the point of having a public hearing, we are going to have a discussion that the application has to be re-submitted with the data added. Mr. Valentine stated also to be reviewed by staff prior to submittal to the Board for acceptance at the next meeting. Mr. Carminucci stated if you want to know what the changes are, he thinks they are redoing the PILOT numbers and addressing the anti-pirating section. Mr. Klein stated those will be done well before the public hearing. Mr. Toohey stated that is correct. If they aren't done

by that public hearing, we will cancel the public hearing and the project will go no further. There was no further discussion.

Chairman Sutton then asked for a motion to accept the application of Arnoff Moving & Storage of Albany, Inc. (AMSA) & Newbuild, LLC (New) (actual name TBD). Mr. Mooney made the motion to accept the application contingent upon the changes to the PILOT numbers and the anti-pirating section as discussed. The motion was seconded by Mr. Klein.

AYES: Ms. Hynes-Walsh, Mr. Klein, Mr. Johnson, Mr. Mooney, Ms. DiDomenico, Mr. Rockwood and Chairman Sutton.

NOES: None

ADOPTED: 7-0

Chairman Sutton stated that now that we have three applications that have been accepted, we have to set up the public hearing. We are looking at three different Towns. One in the Town of Halfmoon, one in Malta and the City of Saratoga Springs. Our next scheduled meeting is going to be June 13th and we know that we have one application that is coming in that day and there is sense of urgency to review that application as well. If that application is approved then we are looking at another 10 day period to get approval prior to the end of June. Mr. Toohey questioned another public hearing before the end of June? Mr. Brobston stated that the Danforth applicants had to leave but they stated whatever date you call they will make that. Mr. Toohey stated that the Danforth application was the only one that had approvals in place. The others are still going through the approval process. Mr. Valentine questioned would we want to do three in one day. We have done as many as four. Chairman Sutton stated that our June meeting is getting packed right now. In the interest of time, doing three would not be conducive to everybody's time. The discussion continued on the future meeting dates. Mr. Carminucci stated the week of June 6th for a public hearing would be possible. After discussion, the Board members determined that the public hearing for Danforth and Arnoff would be held on June 9th in the Town of Halfmoon and Town of Malta respectively. The public hearing for Danforth would be in the Town of Halfmoon at 8:00 and the public hearing for Arnoff at 9:00 a.m. at the Town of Malta. The public hearing for the McNeary project and the regular meeting would be held on June 13th in the City of Saratoga Springs City Hall. Mr. Carminucci questioned whether the Board would be taking any action on Arnoff and Danforth on the 9th or would it be deferred to the 13th. Chairman Sutton questioned Mr. Brobston if there was a sense of urgency if we didn't do it until the 13th. Chairman Sutton stated that we will have the public hearings for those two applicants on that date and we will have the formal discussion on the 13th for all three. Mr. Valentine questioned if there would be another meeting on the 27th as well. Chairman Sutton stated we haven't gotten to that yet, but it will be determined at the meeting that we have on the 13th. We know there is an application coming in. There is a sense of urgency to have this done prior to the end of June to have a public hearing but that is up for discussion at the meeting of the 13th.

Chairman Sutton then asked for a motion to set the public hearings on each of the applications.

Mr. Mooney made a motion to set the public hearing for the John W. Danforth Company application in the Town of Halfmoon, June 9th at 8:00. The motion was seconded by Ms. Hynes-Walsh. There was no further discussion. All were in favor and the motion was approved 7-0.

Mr. Mooney made a motion to set the public hearing for the McNeary, Inc. & Logistics One application in the City of Saratoga Springs on June 13th at 8:00. The motion was seconded by Ms. DiDomenico. There was no further discussion. All were in favor and the motion was approved 7-0.

Ms. Hynes-Walsh made a motion to set the public hearing for the Arnoff Moving and Storage of Albany, Inc. application in the Town of Malta on June 9th at 9:00. The motion was seconded by Mr. Johnson. There was no further discussion. All were in favor and the motion was approved 7-0.

Annual Report and Performance of Company Employment: Company Presentations:

Chairman Sutton asked Mr. Ferguson to present the annual report and performance of company employment target company presentations. Mr. Ferguson discussed this issue originated with the Agency audit that was completed in 2015. It was one of the three recommendations that the auditors have put forth to the Agency. In March, he sent the Board a memorandum detailing the findings of our required annual employment survey. In April, we discussed those companies that did not meet their employment targets. There were two companies which we felt they had missed their targets by a fairly significant amount which placed their PILOT benefits in question. We have invited those companies here today to make a presentation to the Board. Post these presentations, Mr. Valentine and he will then develop a recommendation to be discussed at the next meeting regarding the PILOT benefits.

Mr. Ferguson first introduced the principals from SEPSA, North American Albatros. Mr. Ferguson provided a copy of their presentation today. Here from Albatros is Jessica Braun, CPA, Damian Rodriguez, their General Manager and John Hanrahan, Chairman of their Board.

Mr. Hanrahan spoke on behalf SEPSA and their entire company, he would like to thank the Board for their support in 2010. Mr. Hanrahan stated that they design and manufacture on-board rail systems for passenger rail cars, power control systems, communications diagnostics, and event recorders and without the support of the Board they would not be in Saratoga County today and employing 40 people. Mr. Hanrahan stated that they pointed out in their letter the three main factors that have contributed to not getting the full time employment levels that they would like. First, the request for proposals. They operate in a very competitive environment. They compete against other manufacturers out of state at lower costs, mainly in South Carolina, Maryland and Pennsylvania. We are the only manufacturer of the type of cars that we provide the State of New York. When in 2010 they set the target, there were three main projects that we were targeting to get to that level. One was the R179 subway project for New York City Transit, the other was the BART project in San Francisco and a project with MBK in Boston. All three of those projects unfortunately went to out-of-state manufacturers. The competitive environment is tough and in those particular cases, we did not prevail because of lower pricing from out-of-state manufacturers.

The second major contributor is the economic downturn that started in 2008 and continued quite acutely in Europe. Our parent corporation is headquartered in Madrid. As many of you might know, the Iberian Peninsula in particular, Spain is subjected to high unemployment rates, particularly for young people and young professionals that absolutely impacted not only our company, our parent company back in Spain, but the market for rail cars in Europe has dropped and continues to drop. To give you a sense of the unemployment levels in Spain, an overall unemployment level between 25-29% and over 40% for people between 18 and 35. So that is factor number two. You have to recognize that we produce product and we supply to Spain the export, so the downturn in that market definitely impacted our ability to employ more people.

Thirdly, we don't like it but the customers and the contracts that we have are many public agencies. Those contracts are very strong in their ability to delay us, change things. That is the way it is. When you deal with large government agencies, they do have the power to delay projects and we have had two delayed on us. One is in Boston and the second one is with Patco, New York and New Jersey service. Those are the 3 main areas that have caused us not to get to the FTD levels that we would like. On the optimistic note, even though the economic downturn was very severe, it caused our parent corporation financial distress. We have been acquired by a new company called Shop Valve out of Germany and it has taken a 92% stake in our company as of December of this year. We are very excited about it because their product line is in our same area in the rail industry, but it is complimentary. We are also very excited about a number of key projects that are emerging right now. One is the R211 project in New York City for 1,000 subway cars that we are competing for. We are very well positioned with New York City Transit so we are very optimistic about that. He and Damian Rodriguez just returned from Spartanburg, South Carolina for a series of meetings. Shop Valve has a number of facilities throughout the United States and we are moving to creating a regional hub in Saratoga where the Shop Valve entire product line will be consolidated in our facility. They produce master controllers for the trains. They provide Shop Valve connectors aboard the train, also electronics for the trains for the cab operator compartment. So for us it is a real diversification of the portfolio and it also brings financial strength we didn't have before. Their annual sales are in excess of \$500,000,000 and we are very, very, optimistic for the next few years that we are going to really be stronger. Stronger financially, but stronger in the market penetration. Mr. Hanrahan thanked the Board again for their support. Without their support they wouldn't be here. They are also considering plans for possible expansion to the facility in the next coming years. Their building was constructed with the ability to expand 10,000 square feet. They did that on purpose and they are going to eye up that as they move forward in the integration with Shop Valve in the next coming months. Mr. Hanrahan asked if there were any questions of him at this time. Mr. Rockwood stated this is obviously the first time we have had a problem at this level. Mr. Rockwood questioned when they would anticipate getting back on track with the employment numbers. Mr. Hanrahan stated that on the third page of the report he provided a projection between now and 2020 and you can see that we are looking to increase, without the integration issue with Shop Valve, we did it just simply on our operation. We are looking to increase up to 48 full time employees by 2020 and adding 3 field service people will bring us up to 51 FTE's by 2020. That is the level we see strictly on our operation. However, as he mentioned, we are moving fairly rapidly on the integration of Shop Valve's facilities in Saratoga. We can come back with that analysis at a later date, but at this point we target 51 by 2020. Mr. Rockwood asked Mr. Ferguson what the original numbers were. Mr. Ferguson stated they had projected 57 jobs by 2014 and 36 jobs reported. Mr. Valentine stated historically we have had this before with the issues brought up with Quad Graphics years ago. That was an industry wide trend that affected printing throughout the country and looked at their jobs going from 1,196 down to roughly 800 or 900 employees there. We did have a project in Halfmoon, AJH Enterprises which we looked at where an addition was constructed. That was the second project we looked at and as I mentioned before they transferred jobs down to Colonie so there was an adjustment in the abatement afforded them, so their PILOT payments were affected. This area, we have looked at this before and taken action on it. Mr. Johnson questioned if at the end of 2017 they would have exceeded the 56 projected. Mr. Valentine stated this under the premise that these other jobs come online. Chairman Sutton asked how frequently we ask for the job reports. Mr. Ferguson stated on an annual basis. Chairman Sutton asked if it is sent at the end of the calendar year. Mr. Johnson questioned if they anticipated any new jobs for this year. Mr. Hanrahan stated we are stable for this year. These projects have a long gestation period. From the time that the RFP is issued it is 36 months before we are delivering production, so the loss of those three projects really has a dramatic impact 3-5

years out. We have a long term visibility in terms of the market itself. Mr. Hanrahan mentioned one other point which was very important. Most of these projects are financed with public money. So, the other optimistic note he should make, although there was gridlock in Washington, the one thing they did pass was the Fast Act legislation which is providing five years of funding from the Federal Government for public transportation, it was a major breakthrough. Secondly, between the Chairman of the MTA, Tom Prendergast and the Governor's Office, the five year MTA Capital Program has been approved as well which is the matching funds that are needed from the State level to add to the Federal level. So the outlook for the rail sector is very robust in the next five years because of that Federal funding. If it didn't come through, Mr. Hanrahan could assure that he would be here talking about job losses and not stability. So with the legislation being passed in Washington on the Federal level as well as now the State level, we are very optimistic and that is the reason why the New York City Transit R211 project is proceeding. We feel very confident with that project. That project is over 1,000 cars providing employment for the next 5-6 years up here in Saratoga. The other thing he would like to mention is the facility is owned and operated. We leased facilities in Albany and Schenectady for 10 years, so we have been up here in New York for a long time. In 2010 with the Board's assistance we bought the land and had the building constructed. It is a lead certified silver building. We are a good neighbor in that area. It has been fine home for us and we want to stay and we really do need the assistance of the Board to do that and remain competitive against our competitors in lower cost states such as South Carolina, Pennsylvania and Maryland, where our 3 main competitors are located. He thinks they have a good facility, we are trying to stabilize the electronic route and we are being transparent with what the situation is.

Chairman Sutton stated we are going to take this under advisement and we will make recommendation to you in June.

Mr. Carminucci stated he wanted to interject here regarding you now have statutory requirements in terms of recapture and you have policies in place. One thing to think about going forward as you look at your applications is maybe establishing minimum employment growth so that in this instance if they had only hit 39 as opposed to a lower number than what they projected, would that still be sufficient to support the benefits of what you award as opposed to insisting that they deliver on 100% of what they project. Chairman Sutton questioned you are looking at a range basically. Mr. Carminucci stated right because he thinks now going forward the way you approach things they are going to have to be a little different based upon the changes in the statute. He does not know if you want to necessarily hold each applicant at 100% job creation if you would be satisfied with something less than what they have projected. Mr. Toohey stated that you have three applications in front of you in which that theory would be soundly used. Mr. Valentine stated you have to look at our UTEP categories however because if we get three jobs for a warehouse, that is like a norm in some of those. Not as many jobs as compared to what you would have for say manufacturing. He did not know if you could do blanket percentages, that may have to on an application basis one at a time. Mr. Carminucci stated he thinks what we are probably moving to is probably a separate agreement, a project benefit agreement that would hold each applicant to certain requirements and would provide that if they haven't met those there may be repercussions down the road. His point is, maybe that's not 100% of what they projected in their application in term of employment, but is something less than that. Chairman Sutton stated we are all subject to the economy, we all do that in our own businesses and we understand that and certainly having public financing to do what these folks are doing. We know how volatile that can be. Now, Washington is giving money out again, and then we have an election and they take it away. It is a point well taken Mr. Carminucci and he thinks they will have to look at that on each application when they come in. Mr. Mooney stated it seems that the 3 applicants today were very aware of that.

Chairman Sutton asked Mr. Ferguson to continue. Mr. Ferguson stated that the other project we had an issue with was Monmouth Real Estate and representing the tenant is Scott Tincher, Anthony Alvarez and Mike Blair.

Mr. Tincher thanked the Board for the opportunity to speak to the Board. He is the Tax Manager so he could answer any questions historically what we have reported. Anthony is the Director of our Financial and Planning and Analysis Group. Our commitment was 52 jobs and now we are at 40 full time employees. He stated he would like to talk a little bit about our business and what we do. We sell medical supplies, ostomy, continent and diabetic supplies. We have two different divisions, while they sell the same thing, they are very distinct. One sells directly to patients. For example, if you are diabetic, you call our customer service center, you place an order, and they collect your prescription, maybe a co-pay. Supplies in this case would ship from here in Saratoga because that is the fastest way we can get it to your home. Our customer service department would then bill your insurance company for the payment. We have a separate division that is business to business, so they are selling to smaller distributors, hospitals, pharmacies. In January, 2013, our business to business side, we purchased our largest competitor. That competitor had warehouses in New Jersey, South Bend, Indiana, Jacksonville, Fort Worth, Texas and in Los Angeles. For the 4 central and southwestern portions of the country, the warehouses we acquired were in very close proximity to ones that we already operated. In those cases, we merged the employees, brought the assets together and left the old facility. However, we also picked up a facility in New Jersey which has over 40 employees. That one still continues to operate today. Because of the supplies that we sell, it is very important to get the supplies to the people within their homes within 24 to 48 hours. The impact of having another warehouse in New Jersey that we didn't contemplate expanding ourselves back when we applied for the PILOT attributed to us not needing as many people in New York.

Mr. Tincher asked if anyone had any questions of him. Ms. DiDomenico questioned what the original numbers were. Mr. Ferguson stated it was 52 and there were 40 jobs. Mr. Mooney questioned if it has been short every year or just last year. Mr. Ferguson stated every year. Mr. Tincher stated they hit 46 the year prior to the acquisition, so they are ramping up going towards that goal. Mr. Toohey questioned if it is short because those jobs are in New Jersey. Mr. Tincher stated if someone in New York City needs medical supplies they would have shipped from here, they are not going to ship from there. Mr. Rockwood stated that from a logistical standpoint, New Jersey or New York City or Saratoga it is all the same in terms of delivery time. So those orders conceivably could come here and be shipped out of Saratoga. Mr. Alvarez stated there is a lot of crossover. One thing about the New Jersey building is the mix that they have, the product that is there is very heavy in continent supplies. We didn't have the room for that. We intended to push it in, but we were not able to vacate the building at that time. Mr. Valentine asked Mr. Tincher if he could help clarify something. We have gone through emails on this. The project is only four years old and in the emails we discussed the different entities that are involved in this. You are the tenant. Mr. Tincher stated they are. Mr. Valentine questioned which party we are dealing with as the property owner then. Mr. Valentine stated there are a number of different names here. Mr. Tincher stated from the application to today the tenant is RH Enterprises. It is the same employees. After we acquired our competitor, about seven weeks later Cardinal Health, which is number 20 on the Fortune 500 acquired us. There has been a lot of change. The company that is the tenant is RH Enterprises. The employees at that location, they have been paid from RH Enterprises the entire time. They haven't really seen a change aside from adding more customer and benefit packages because we are now part of a large company that has stronger benefits. That company itself hasn't changed. As he mentioned, they have the two divisions. Mr. Ferguson questioned moving forward,

what are their plans to bridge the gap to what you reported and what was originally projected. Mr. Alvarez stated we still have aggressive growth plans in the Northeast. Currently we have seven open requisitions for physicians in the New York warehouse. We are continuing to grow. Year over year he thinks they have added 10% in revenue in the New York building. Our inventory levels are still growing. One of our constraints is the ability to operate 24 hours. We are basically a 9-8 operation. We are working on several projects to get us to be able to run the building for 24 hours. Once we get to that position, we are able to operate a lot more and operate more efficiently in that window. Mr. Ferguson asked him to provide in the next couple of days a three year projection on what your facility and employment target will be. Chairman Sutton stated we will take all this under advisement. We will consult with staff and we will get back to both parties in a short period of time.

Geyser Road Signalization: Saratoga Springs:

Chairman Sutton asked Mr. Toohey to discuss this agenda item. Mr. Toohey stated that a year or two ago the Board authorized the IDA to enter into an agreement with a Planner and the City of Saratoga Springs whereby we would contribute funds to an analysis of the intersection of Geyser Road and Route 50. The thought process, and we see an example of it today, is a lot of the heavy traffic that goes through that intersection is generated out of the Grande Industrial Park and as a result how to better handle that intersection was important. We had agreed to a \$40,000 number on that project and we have gone through probably six different drafts of the Agreement between the City, ourselves and the provider of the services. The Agreement is at the point now where our only tie into this is, and we are called contributor, we are not responsible for the design, we are not responsible for the implementation. We are not responsible for anything other than after the City of Saratoga Springs has paid its portion of the funds, invoices can come to us to have us pay the funds for these services. We are not managing the contract, it is between the provider and the City of Saratoga Springs having to do with the analysis. He is satisfied with the contract as it has now been written. It protects us and we are indemnified in an awful lot of ways within the Agreement and again it took us 6 drafts to do it but we've gotten it to the point where he would recommend it for passage of motion to allow the Chair to execute it. Mr. Rockwood questioned if we are essentially picking up the last \$40,000. We are picking up the tail end of this and there is no way that we are responsible for the design or the implementation. There is no way that we have agreed to further any funding if the project in fact goes forward. And if the cost is more than our remaining funds, we have no responsibility for that either. Mr. Valentine questioned if this was directly IDA/GPI or IDA/Saratoga Springs. Mr. Toohey stated he thinks it is set up IDA/GPI. The contract very clearly specifies that there are three parties to the contract, all three have to execute the Agreement. It is eminently clear that our pecking order responsibility is merely to be the last contributor to the payment for the study that is it. Mr. Mooney questioned if this contract is 50, the City is paying the 10. Mr. Toohey stated the City is paying the 10 on the front end. We are the last payer not the front payer. Mr. Valentine questioned if the City would review the invoices and they will notify us. Mr. Toohey stated that is correct. Chairman Sutton stated we have allocated this money already. Do we need another motion to make that payment? Mr. Ferguson stated it was approved by the Board in April of 2015.

Chairman Sutton asked for a motion to approve the signing of the Agreement for the Geyser Road Signalization project in the amount of \$40,000. A motion was made by Mr. Mooney and the motion was seconded by Ms. DiDomenico.

RESOLUTION #1325

RESOLVED THAT the Saratoga County IDA authorizes the Chairman to sign an Agreement for the expenditure of up to \$40,000 for the Geyser Road Signalization project.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Klein, Mr. Johnson, Mr. Mooney, Ms. DiDomenico, Mr. Rockwood and Chairman Sutton.

NOES: None

ADOPTED: 7-0

Discussion: SCPI & SEDC Modified Services Agreement:

Chairman Sutton stated that back in March we had a workshop meeting to review the agreements that we had sent to Prosperity Partnership. At that time, there were some modifications that were presented to us and we asked Mr. Vanags and Prosperity to come back with a new proposal and a new Agreement. They responded in kind sometime in April and Mr. Toohey was able to take the Agreement and put together a side by side comparison. Chairman Sutton opened the floor for questions within our Board. Chairman Sutton further stated that the Board had a subcommittee meeting where they did look at the proposal that was sent to us by Prosperity and we had made a few modifications to the Agreement that was sent to us. Basically, in Section 1, Paragraph A, there was a change there and Section 1, Paragraph C we also eliminated a word and added some detail as to how we would embrace a website social media. Chairman asked for questions or comments from the Board.

Ms. DiDomenico stated we also looked at the SEDC contract. The SEDC contract pretty much mirrors the original contract that they gave 30 years ago, correct? Chairman Sutton stated yes. Mr. Toohey stated he did a memo and if that memo was confusing, the purpose for the first sentence in the memo was to tell you that I thought that it was confusing. It did try to compare the documents between where we started, where Prosperity was, where SEDC was, so that you had a sense of what was going on. One of the things he added was based on an email or a phone call from Mr. Johnson that Prosperity was not taking a negative position with regard to the IDA taking applications from other sources. So, in the modifications that Chairman Sutton eluded to, that sentence is back in there just acknowledging that that is a possibility. Mr. Johnson questioned Mr. Toohey on the email or phone call he was referring to. Mr. Toohey stated that he appreciated that because he had gotten that wrong. At the direction of the subcommittee he went back and he did some more redrafting on Prosperity's contract, which they obviously have a right to look at and decide if they agree. Mr. Toohey further stated that he included a section "It is agreed that the IDA may accept applications for IDA benefits from any entity or individual who the IDA believes is qualified to assist an individual company or corporation making a viable application to the IDA". That is basically what you told me we could do so he wanted that to be clear. Mr. Johnson stated he didn't think it was specified in the contract because we recognize the IDA has that authority and that was fine. When we had the Board of Supervisors resolution, that question came up also from the Supervisor to the Chair of the Prosperity Partnership Board and made it clear in public that it was certainly not our intent to preclude anybody from submitting applications. Chairman Sutton stated we wanted to kind of memorialize that into this Agreement, so that was an add-on to the proposal that was sent to us from Prosperity. Mr. Johnson stated if the IDA wants that part of the Agreement that would not be an issue. Mr. Brobston questioned if the word exclusive is still a part of that contract, because the SEDC contract recognizes that the referrals would come to IDA staff to both and the clients would go from there. Chairman Sutton stated he would like to read the modification that we made on Section 1, paragraph A, and it says the IDA agrees to refer all written applications for

financial assistance submitted by the applicant directly to the IDA to Prosperity Partnership for purposes of assisting the applicant. The word exclusive is out. Mr. Brobston stated but you were referring to the Partnership instead of SEDC in that context. Chairman Sutton stated that in that context with the caveat that it would be a written submission to us. Mr. Brobston then stated so that means if the SEDC contract is approved, that would have to be changed in there because SEDC is recognizing that two people could get the referrals. In that contract it's not, is that true? He does not have the language in front of him, so he is asking the question. Is the Partnership getting the referrals only from the IDA? Mr. Toohey stated the idea is any written application that is delivered directly to the IDA will go to Prosperity Partners. Mr. Brobston stated so that yes, that is still an exclusive. Even though that word is not there it is showing that that is where it is going. Mr. Carminucci stated that says if you receive an application, it is to be referred to the Prosperity Partnership. Mr. Toohey stated that most inquiries he has received were not written. We put the word in written on purpose and the wording after that is Application Financial Assistance which he reads as being a written document. So we are reiterating that for the applications that come directly to us in writing, we will refer those to Prosperity Partners. Mr. Mooney questioned what about a phone call. Mr. Toohey stated that is a policy decision, but the agreement that was received is written only. Ms. DiDomenico stated that under Paragraph Section 1C, Prosperity Partnership had exclusively provide branding, marketing and attraction services. It talks about an integrated website and it was changed to provide branding. Ms. DiDomenico posed a question to Mr. Ferguson this morning and she hadn't had a chance to read what he handed out, but she was curious as to whether or not the IDA can exclusively do business with only one company on its website and we are governed by rules and regulations from the Authorities Budget Office. We have to tread lightly because we are set up differently than what SEDC and Prosperity Partnership are set up as. We are set up as a governmental entity and we are governed by so many different rules and regulations as opposed to these two corporations which are private entities governed by the non-profit law. Mr. Mooney stated that is not so. Ms. DiDomenico further stated that according to what is in your resolution from the County that was sent to us and she looked at the law. Mr. Carminucci stated it's not a public authority, it is a not-for-profit but it is subject to ABO regulations. Ms. DiDomenico stated we took out that word exclusively and she just wanted to make sure what our requirements were with regard to putting information on the website. Mr. Ferguson stated that the general procedure and policy that I provided you did not reveal anything regarding links and he did not see any exclusivity. We currently link both organizations on the website. Ms. DiDomenico stated she would like to see that continue. Chairman Sutton questioned whether we are restricted by ABO on our website. Mr. Ferguson stated they tell us what we have to include on our website. Mr. Toohey stated that he has added into this that because of the oversight that the IDA has, which is extraordinary and it is annual, we have the right to monitor and review prior to publication any advertising that is going to go on having to do with the IDA. We can't afford, as an independent organization, to have a mistake go on out there. That will come back to us, not to anybody else. In this Agreement we are saying we've got a right to review that information having to do with the IDA. Mr. Brobston stated he was a little confused because he hasn't seen the language and that is fine. He is trying to understand why it is necessary when both agencies are bringing in clients today, that there is a need for written referrals to go one organization. Why is that decision being discussed? Is that because of the pressure from the Board of Supervisors and our discussions we've had in the past or is that really what everybody feels like. It sounds like it is just another way to appease instead of doing the right thing business wise. There are two people here, we've been here for 38 years. That wasn't something that he was expecting to hear. He thinks that from his work perspective that is still something that is disappointing to see that a referral would be given to someone else that we should have a chance at.

Chairman Sutton stated we did look at inquiries to the CEO and I think we have had two written inquiries this year. Historically, we don't get that many. Usually they knew to go to SEDC or the lawyers or the real estate people would know the path to get to the application stages to get to us. So, we have not had a great deal of interaction with the potential client that comes into the County. Mr. Brobston stated that by agreeing to that language it gives them the moniker that they are preferred and that is what people will read and that is what they will produce as their message. Mr. Mooney questioned there were only two inquiries or written inquiries. Mr. Ferguson stated there were two inquiries, one was by phone, and one was by email, in the year that he has been CEO. Every other application has been generated and driven by one of the two entities that we have represented here today. Mr. Mooney questioned whether the Towns typically instruct an applicant or someone who is looking at property in the Town to the IDA or SEDC. Mr. Valentine stated for the most part we don't get a lot of Town type referrals. We may get them. What we have seen is somebody within Town staff or a Supervisor has told them to call the IDA office. Ms. Hynes-Walsh stated we all just have to be on the same page about what would be happening, and she is still not clear about that. For instance, a phone call comes into from a business to the IDA and they state they are interested in doing such and such. What are our next steps? Mr. Ferguson stated he had an example just 6 weeks ago he had an email from Mr. Carminucci alerting him to the McNearly Logistics application. Mr. Carminucci stated their attorney Pat Green would be giving me a call. He did. He and I vetted the application initially, I wanted to just do my job, make sure that it made sense. When Mr. Ferguson felt that that was something we should all follow through on, he gave Pat Green the contact information for both Prosperity Partners and SEDC which is how he has been instructed how to operate up until this point. Ms. Hynes-Walsh questioned what, if anything, do these two agreements that are in front of us for review, does that change that hypothetical in what Mr. Ferguson would be doing. Mr. Toohey stated the only change that is in this, and we would live by the terms of this agreement, is if someone walks in the door with a written application we would refer that to Prosperity Partners. Mr. Brobston questioned why. Mr. Toohey stated it is not his decision, he is just telling what is in the agreement. If somebody calls up, both entities would be referred to. Mr. Johnson questioned if email would be consider written. Mr. Toohey stated he does not consider that an application. If you look at the way this thing was drafted and submitted to us, they've used a formal capital A, Application for Financial Assistance. It would be contextually significantly different if it was applications for financial assistance, all lower case, in the sense that it is not a specific written document. I read that to be a specific written document as opposed to a general inquiry. So what is written here, based on what I was told to write, and how I wrote it is that for that document for this application to come on in, if it comes into the IDA cold, then at that point we refer that to Prosperity. If it is a phone call, if it is an email, if Mr. Ferguson has a conversation that is the way it would happen.

Mr. Valentine stated is AJX Company has an application completed and brought it in, they would have had to talk to one of the two entities. Mr. Mooney questioned has that ever happened. Mr. Valentine stated without us knowing about it. Mr. Mooney stated yeah, probably not. Mr. Carminucci stated one of the things he wanted to mention going forward you absolutely need to have the cost benefit analysis as part of your application so it is going to be difficult for somebody to pull your application from your website and complete it in sufficient form so that it will be acceptable for you. It's not going to happen. It is either going to have to be one of the two organizations and your staff that completely fills out the application. Ms. Hynes-Walsh questioned Mr. Ferguson that sometimes occasionally, and maybe this might increase in the future, decrease she doesn't know. You mentioned you vet them and talk to them a little bit about what they are trying to do. How often, if at all, do you work the application yourself? Mr. Ferguson stated he has yet to do that. Ms. Hynes-Walsh stated there is a company then that is interested in doing a project. They look up the website for Saratoga County IDA. Under the Prosperity

Agreement, there are provisions about that Prosperity would be in charge of the IDA website. That seems kind of strange to her that there would be another entity that would be controlling our website. Mr. Toohey stated they do not control our website. We will always have our own independent website. The purpose for the County's position is to have one stop shopping if that is possible. We are saying that they can and anyone else can provide information having to do with the IDA. They are not the exclusive agent for that, they are just an agent for that. If they want to bundle an inquiry that is general in its scope because that is what the County Resolution says. We would cooperate with that and we would then have the right to review what they are saying about the IDA because we don't want there to be a mistake issued through somebody else that incorrectly specifies what we could do. For example, as a general concept, through cooperation with the Saratoga County Industrial Development Agency, a project would get a 10 year PILOT. That is just not correct. It is a misunderstanding that many people have, they assume that what we do is always 10 years. We would have the right to front end vet that and if it came out different and we were told about it to suggest to whoever is providing that. It is not just Prosperity Partners. If SEDC wants to get in this business, that is fine with us to. We've got the right to say no, that is not correct, pull it down. Mr. Mooney questioned if both agencies aware of these proposed changes. Mr. Toohey stated no. If based on this discussion, someone has to say we would like you to provide this document, in this case we were dealing with Prosperity's contract, and we would supply them with that and they have the right to comment. Mr. Johnson stated he did not have a copy of that. Mr. Ferguson stated he thought he had sent that. Chairman Sutton stated if there is a comfort level because not everyone has read this, would you want to defer this to our next meeting so everyone has a chance to re-read the proposed changes on the Prosperity's Agreement that they sent to us and then we can have more discussion as to what those changes might be and the effect the changes will have on both Prosperity's Agreement and the effect it would have on SEDC's Agreement with us. Mr. Toohey stated someone has to give him instructions whether or not he sends this back to Prosperity. Chairman Sutton stated based on their discussions yesterday, he would assume we should send that over to Prosperity and have them take a look at it and to again review the changes that we have made on your Agreement. Chairman Sutton questioned if we need a motion on that. Mr. Toohey stated you can all decide what you want to do with it and we can just defer it until the 13th. Mr. Klein stated he would think to expedite and try to take care of this in a somewhat timely manner that if we could do both and let the IDA Board look at it and also send it forward to Prosperity Partnership.

Mr. Klein then made the motion to let the IDA Board look the document over and to also send it forward to Prosperity Partnership. The motion was seconded by Mr. Mooney. Chairman Sutton asked if there was any further discussion. Chairman Sutton stated we want to send this to Prosperity as it is redlined. Ms. DiDomenico questioned if we want to also share the changed agreement with Mr. Brobston. Chairman Sutton stated absolutely. Discussion continued with the Board members regarding the sharing of the redlined Prosperity Partnership Agreement. Mr. Brobston questioned if you agree to the Partnership Agreement, is there an agreement with SEDC. He has also given the Board an Agreement as well and if there are going to be changes to that, he would need to make a change to his going forward. It states certain things. Whenever you do decide what you are going to they need to understand what that is so they can decide what SEDC's role is. Mr. Johnson stated wouldn't it be appropriate to give SEDC the chance to modify theirs according to what is ultimately approved rather than giving them a draft.

Chairman Sutton stated we have a motion to send this redraft back to Prosperity Partnership.

RESOLUTION #1326

RESOLVED THAT the Saratoga County IDA will send the redraft of the Agreement back to the Prosperity Partnership Agreement for further review and revision.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Klein, Mr. Mooney, Ms. DiDomenico, and Chairman Sutton.

NOES: Mr. Rockwood

ABSTAIN: Mr. Johnson

ADOPTED: 5-1-1

Chairman Sutton stated the motion will pass. We will send this document back to Prosperity for your comments and review and we will address the issue at our next meeting.

Ms. DiDomenico proposed a motion to provide Mr. Brobston's organization with a copy of this revised Agreement that we are providing the Prosperity Partnership. The motion was seconded by Mr. Rockwood. Chairman Sutton asked for discussion on this motion. Mr. Klein stated this is a working document and he doesn't see the need to share that right now. When it becomes accepted by both Boards, then he in turn can go ahead and submit a change to his Agreement. You have to look at them as two different entities, and this is an Agreement between one entity and us. He doesn't know that the other entity at this time needs to be involved. Ms. DiDomenico stated it has been ongoing negotiations, everything had been publicly discussed. This never went out for an RFP, or a bid, so it is not as though we have a set outline as to what all the rules are going to be with regard to what we are looking for from these two entities. In her mind, she thinks it is only fair that, with these ongoing negotiations, and because it has always been so public, that it continue to be public and continue to be transparent. She doesn't think it hurts either organization to know what the other party is proposing. Mr. Klein stated he doesn't think it is public. We are not sharing Arnoff and McNeary, they are both warehousing companies. We are not going to share information. What they submit is what they submit and until we act on it, it's not public information really. Chairman Sutton asked if there were any further comments.

Chairman Sutton stated we have a motion to provide a copy of the draft Prosperity Partnership Agreement to the SEDC.

RESOLUTION #1327

RESOLVED THAT the Saratoga County IDA will provide a copy of the draft Prosperity Partnership Agreement to the SEDC.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Rockwood, Ms. DiDomenico, and Chairman Sutton.

NOES: Mr. Klein and Mr. Mooney.

ABSTAIN: Mr. Johnson

ADOPTED: 4-2-1

Chairman Sutton stated the information will be submitted to SEDC. Mr. Toohey stated that will be done before noon. Mr. Rockwood questioned if we should put a deadline on this. Chairman Sutton stated that he agreed. We have put a lot of energy into this and this has gone on for nine months now. Chairman Sutton stated he would like to have a resolution by the meeting of June 13th. Mr. Mooney questioned the timetable for review of the Agreement, compare the two, etc. Mr. Vanags stated their

Board will have to review this and discuss it. He stated their Board meeting will be the week of June 20th. Chairman Sutton thinks we will have to look at the July meeting to hopefully come to resolution of this. Mr. Klein stated he didn't see what the immediacy of this was. Chairman Sutton stated he received a memo from the County Board of Supervisors stating they wanted us to make a decision ASAP. We don't fall under the guise of the Board of Supervisors. We are an independent Board that will have to make that decision, and if we take another two months, so be it. He thinks it is behooving of us to get this off of our docket because we have other issues to work with and we are kind of distracting ourselves from the stuff we want to do, which is the three applications that we had today and job growth for the County. Mr. Klein stated not having these two Agreements in place is not interfering with our operation of business. Chairman Sutton stated no it is not. We are continuing to do our business. Mr. Rockwood stated should we still have a schedule for final submission for these so we can make our date of our July meeting. Chairman Sutton stated we are subject to the Prosperity Partnership's meeting date. Chairman Sutton questioned Mr. Vanags if by the end of June would be okay. Mr. Vanags stated that would be fine.

Chairman Sutton asked if there were any further discussions or any other business to come before the Board today. There being no further business, Chairman Sutton asked for a motion to adjourn the meeting. A motion to adjourn the meeting was made by Ms. DiDomenico, seconded by Mr. Mooney, with all voting in favor.

Respectfully submitted,

Lori A. Eddy