

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

December 14, 2015 – 8:00 a.m.

County Planning Offices #5, Ballston Spa, New York

PRESENT: Members: Chairman Raymond F. Callanan, Mary Beth Hynes-Walsh, Arthur Johnson, Glenn Rockwood, Rodney Sutton, Charles Hanehan, and Michael Mooney.

STAFF & GUESTS: John Murray, CFO; Richard Ferguson, CEO; Michael J. Toohey, Esq., Counsel to the Agency; James A. Carminucci, Esq., Bond Counsel; Michael Valentine, Administrative Assistant; Marty Vanags, Saratoga County Prosperity Partnership; Dennis Brobston, SEDC; Ryan VanAmburgh, SEDC; Mark Payne, Dolgencorp, LLC; Frank Parillo; Steve Williams, *The Daily Gazette*; and Lori Eddy, Secretary.

ABSENT: None.

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

APPROVAL OF MINUTES:

Chairman Callanan asked if there were any additions or corrections to the October 19, 2015 minutes. There being none, Chairman Callanan asked for a motion to approve the minutes. A motion was made by Ms. Hynes-Walsh to approve the minutes and it was seconded by Mr. Mooney. All were in favor and the minutes were approved.

Application: Dolgencorp, LLC. APPROVING RESOLUTION:

Chairman Callanan asked for a discussion on the application of Dolgencorp, LLC. Mr. Toohey stated that he represents Frank Parillo, the seller of the property in this transaction, and as a result will recuse himself on anything having to do with the application before the IDA. Chairman Callanan stated that Jim Carminucci has agreed to act as counsel on behalf of the IDA. Mr. Brobston stated that this is a project that SEDC has been working on since April. We are proud to bring the application to you for your acceptance. Mr. Brobston stated Mark Payne was present to discuss the warehouse project and they are asking for a warehouse PILOT of 5 and 5 years. Mark Payne of Dollar General discussed that they are proposing to build a distribution center. In doing so, they will create 430 jobs and invest at least \$80,000,000 in capital in Saratoga County.

A year or so ago, Dollar General was trying to acquire the Family Dollar as well as a Dollar Tree companies. When Dollar Tree acquired Family Dollar that caused us to re-evaluate our strategy. If we acquired Family Dollar we would have a whole list of distribution centers that we could utilize. But since our acquisition was unsuccessful, we switched our strategy and now we, as you probably read, in 2016 we are going to create over 900 stores throughout the country. With that comes the need for distribution centers to support those stores. So it becomes a capacity issue and this distribution center will service about 1,000 stores. We are looking somewhere in the New York, Massachusetts, Connecticut area to support that need. When we would start, when this would open, depends in large part on the approvals we need. To make this site happen we need a lot of help. The water, sewer and gas need to come across the Northway. There are wetlands present in the area. We need to figure out if we can get permits and approvals to actually build on the land. We have to get the Army Corp. of Engineers involved. We realize that the road infrastructure may not be adequate, because of all the truck traffic. We are going to have about 100-150 trucks on the inbound and an additional 100-150 on the outbound. We could say that is 300 trucks plus the 430 employees. We are requesting a light to

allow the trucks outbound to get to the Northway from the site. Those are just the main issues that we have run into and what we need help with to get the project going.

Mr. Payne asked if there were any questions. Mr. Brobston indicated that on page 8 of the application, there is detail about salary, wages and benefits for the project. The total project cost on this could be as high as \$92.4 million. The site is at Exit 16 on Ballard Road. Mr. Hanahan asked where they were with Planning Board approvals. Mr. Payne stated they did get a height variance that was the first issue. We are supposed to meet with them Wednesday to go over where we are situated. We are working on SEQR. Traffic studies are being done, and we are having the site surveyed. They are trying to do all of their due diligence to figure out of wetlands are at the site. You have to wait until the spring to get the Army Corp. of Engineers on the site. We are trying to get any approvals or permits secured so that we can validate that this is the site we will select. Or, if something comes up at the same time, figure out if it is not going to work. As far as environmental, there may be a species of endangered butterfly present, but they are researching the issue. Mr. Brobston stated they are going to need site plan approval and subdivision approval as part of the process. C.T. Male is doing some of the work, and there is a meeting scheduled for Wednesday. Chairman Callanan asked if there was a target date for completion. Mr. Payne stated the end of 2018. He realizes it maybe a little longer, maybe a year and a half to two years to get started. As soon as they can get approvals and permits they need, they plan to go ahead and purchase the land as soon as possible. It depends on the approvals. Mr. Sutton asked how automated the operation would be? You are looking at 400 plus jobs. Is it an automated warehouse? Mr. Payne stated this warehouse is a more conventional warehouse. There is automation in the repack area. Mostly, it is conventional. Dollar General has 9 or 10 distribution centers which have automation, yet productivity is similar with conventional. Mr. Sutton questioned whether the \$15.00 wage scale was consistent in terms of the hourly wages. New York State is raising the minimum wage. Mr. Payne stated the starting wages are around \$15.00 and job averages are actually around \$16.00 or a little over.

Mr. Brobston said they did some due diligence with several local companies about the hiring and the opportunities locally, and it helped them to make that decision. Mr. Mr. Payne stated they keep growing north and that is to cut our transportation costs, to reduce costs and service stores as efficiently as possible. Mr. Brobston stated Dollar General has about 12,000 stores. The biggest state is Texas. Mr. Payne stated they are more populated in the southeast as that is where they originated and are still growing. Mr. Valentine questioned Mr. Brobston on the application cover sheet, the project narrative, it is off on a number of 10 as far as jobs. Number of jobs to be created is 242 in year one, 83 in year two but that adds up to 325 instead of 335. The next year would be 370 instead of 380 and 420 instead of 430. Those numbers match up to the application inside. Mr. Valentine questioned not having a construction start and end date. At some point that is going to be critical as that is on the forms we submit to the State. Especially on a sales tax exemption certificate, you have to have an end date on that. Also, on page 8 of the application, the number of construction jobs created will have to be narrowed down in numbers. Mr. Brobston stated those will be completed in their entirety because they don't have a timeframe as of yet. They anticipate obtaining approvals from the town. They expect normal issues to be presented and hopeful that approval for the warehouse site plan could be somewhere in June of 2016. Concurrently, the IDA can't finalize anything until SEQR is determined through the Planning Board. You have other entities working with the client, utilities, National Grid, Town of Wilton, Empire State Development. That is why they wanted to get the variance done ahead, they wanted to make sure that wasn't a huge issue. Mr. Payne then stated he feels there is a lot of unknowns and therefore that is the reason for the vagueness of the start and end date. Mr. Johnson

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stated that the town board totally supports the project. It is an allowed use in zoning. Mr. Brobston said we dealt with two comparable projects. He doesn't see any particular delays with the project. Chairman Callanan asked if there were any other questions from members of the agency. Mr. Brobston added the IDA is not the only organization being asked to help. Empire State Development is working through their excelsior program. This is considered a regionally significant project for the amount of jobs and the amount of investment. There are also a couple of other programs that will help fund infrastructure. As well as help from the Town. National Grid is being asked to help as well to extend the electric and gas lines. Their economic development programs are very important as well as this IDA approval.

Chairman Callanan asked Mr. Carminucci if we were ready to set a public hearing without SEQR being done. Mr. Carminucci stated we can do that, we just cannot take any final approval action until SEQR is complete. You can certainly have a public hearing and adopt an inducement resolution. Everything after that would be subject to SEQR. Chairman Callanan stated what the Agency is being asked to consider is a ten year Warehouse PILOT. There is no mortgage tax, it is all self-funded by the company and sales tax of \$3,675,000 for total benefit over the ten year period of \$11,259,000. To consider that, he would like a resolution to accept the application.

Chairman Callanan asked for a motion to accept the application of Dolgencorp, LLC. The motion was made by Mr. Sutton and it was seconded by Mr. Johnson.

RESOLUTION #1291

RESOLVED THAT the Saratoga County IDA has decided to accept the application of Dolgencorp, LLC.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Rockwood, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 7-0

Chairman Callanan asked for a motion to set a public hearing on January 11, 2016 in the Town of Wilton at 8:00 a.m. The motion was made by Mr. Mooney and it was seconded by Mr. Sutton.

RESOLUTION #1292

RESOLVED THAT the Saratoga County IDA has decided to set a public hearing on January 11, 2016 in the Town of Wilton at 8:00 a.m.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Rockwood, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 7-0

**OFFICE OF NEW YORK STATE COMPTROLLER –
AUDIT, SUBMISSION OF CORRECTIVE ACTION PLAN:**

Chairman Callanan asked Mr. Ferguson to discuss the Office of the New York State Comptroller – Audit, Submission of Corrective Action Plan.

Mr. Ferguson stated he wanted to give an update on the work that we've completed on the New York State Comptroller's Office Audit of the Agency. As well, he wanted to discuss a requested action so that we could complete the audit process. We received the Audit in August of this year. The State Auditors had three recommendations for the Agency.

The first was to establish a procedure which dealt with our project companies which failed to meet employment standards. We crafted a procedure in October and you have received copies of that for review.

The second recommendation involved our United Step project, an office building in Malta. In specific, the Auditors questioned vacant space within the building and that being taxed.

The third recommendation was for the Agency to discontinue its loan and grant program.

As required by the Comptroller's Office, Mr. Ferguson wrote a formal response to the Audit and submitted that to the office in September. As well being required, we crafted a corrective action plan and submitted that to the Comptroller's Office in November. That corrective action plan addressed two of the recommendations completely. The procedure for our companies failing to meet employment standards has been written and Mr. Valentine and I have already started the process of following that procedure in anticipation of 2016. By Board motion in March, we discontinued our Loan and Grant program.

The third recommendation for the United Step project required some additional work. Bond and Agency Counsel, Agency staff and our Board Chairman met on two separate occasions in October and December to discuss the recommendation and to review the PILOT language. The United Step Project was originally approved in 2006. It had a ten year PILOT which initiated in 2007 and runs through 2016. The project approval provided tax abatement benefits to the owners of the United Step building contingent upon the tenancy in that building reaching 51% with those tenants being either manufacturing companies or qualified tenants based upon the requirements of the underlying landowner, NYSERDA. The original intent of the Board's approval, which is detailed in many Board meeting minutes, and Mr. Valentine did a great job in compiling them, was to encourage manufacturing tenants and to encourage those qualified tenants per NYSERDA, and to discourage non-qualified tenants. For example, a medical practice, or a retail establishment. There was no intent in our original approval to tax vacant space within that building.

Bond and Agency Counsel reviewed the PILOT language and they commented that the project was originally structured under a land lease with the underlying landowner, NYSERDA, the New York State Energy Research and Development Agency, being a New York State tax exempt agency. They pay no tax.

Any vacant space therefore, would be tax exempt. In addition to that, Mr. Valentine again did some research. Mr. Valentine discussed notes which were distributed among the Board members. He stated there was a meeting in January, 2006, February, again in August, two meetings in September and in November. Nowhere in particular in the minutes was there talk about what do we do with vacant space. We came up with a sheet of criteria developed by NYSERDA as far as what would be identified as manufacturing. The IDA had the last say on that as far as if somebody came in as an applicant looking also as a manufacturing. The Town and NYSERDA were looking at start-up companies, small manufacturing companies. We were looking at having a PILOT that matched this intent.

As you get to the last two meetings in September, and the meeting in November, a lot of the discussion was how we set up a manufacturing PILOT for a property that is tax exempt already. It is a State authority owning the property. Sue Nolan was on the Board at that time and she had made note of it. The Town of Malta enters into host community benefits and that was something that the Board looked at and said okay if there are no taxes established on a tax exempt entity we'll have host community benefits. That was the whole thing, the IDA would not be collecting tax unless 51% of leasable square footage was not met. Mr. Ferguson stated that through the history of this program, United Step has met that requirement and do so right through today. Again, the underlying landowner is a tax exempt State Agency and any vacant space within the building we deemed as tax exempt. We've followed this policy for the first nine out of ten years of this PILOT and we do not recommend any changes at this time. Mr. Ferguson asked that the Board reaffirm the original approval intent with a resolution and roll call vote to make no changes to the PILOT over the remaining time. If we do that, he can then communicate with the New York State Office of the Comptroller; advise them of our actions and complete the audit process.

Mr. Carminucci questioned if there was one year left. Mr. Ferguson stated yes, one year left. Mr. Toohey stated they were trying to look back on this as well, we have one year going forward, but the audit had a question looking back. Mr. Carminucci questioned if the space that is vacant has always been vacant. Mr. Valentine stated it had always hovered around 51 to 53% of space occupied by manufacturing uses. It is now over 90% occupied. Mr. Mooney questioned you stated that the landowner NYSERDA is tax exempt. The developer that owns the building is not. Mr. Ferguson stated that is correct. Mr. Johnson questioned whether the Comptroller's Office feels it should be taxed. Mr. Ferguson stated we have had a number of meetings with them and we have explained to them what our path forward strategy would be. This is it and they said that is fine. Mr. Toohey stated he thought they were looking more for an explanation. If you look at normal IDA projects over the 25 years he has been there, this was an unusual model because we are attempting to create a manufacturing start-up incubator and how are we going to do this and we are doing it on tax exempt land. So there were no taxes that were ever going to be paid on this. It was back in 2006, Sue Nolan specifically thought of the idea of as opposed to just allowing it to be tax exempt why don't we figure out a way to place some tax responsibility on the portions of the building that are in fact being utilized for manufacturing purposes and cover that in the concept of a PILOT going forward. That is where we are now. He could see someone from the State of New York looking at this and questioning it. Mr. Toohey stated that Mr. Ferguson and Mr. Valentine have done a tremendous job on researching this on a building that has changed.

Chairman Callanan then asked for a motion to approve the Corrective Action Plan to be submitted to the Office of the State Comptroller's Office as discussed. Mr. Mooney made a motion and it was seconded by Ms. Hynes-Walsh.

RESOLUTION #1293

RESOLVED THAT the Saratoga County IDA has decided to approve the submission of the Audit Corrective Action Plan to the Office of New York State Comptroller as discussed.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Rockwood, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 7-0

Chairman Callanan asked for a discussion on the 2015/2016 PILOT payments received and outstanding.

Mr. Valentine stated that in October he distributed a chart detailing PILOT payments for school taxes. We had 17 bills sent out for PILOT payments, including Global Foundries which is billed once a year. 17 PILOT's billed, with 16 payments received. We still have not received payment from Mountain Ledge, which is in the Town of Wilton, with ACC as the main anchor tenant.

Past due status of PILOT payment:

Mr. Ferguson discussed the past due status of the Mountain Ledge payment. That billing in the amount \$37,923 was due on October 30th. He sent out correspondence on October 30th, indicating the 30 day past due status. He communicated the 5% penalty as part of the PILOT and UTEP as well as a 1% interest monthly fee. That amounted to \$40,200 which would be due on November 30th. On November 30th he sent a second letter indicating a 60 day past due status, with the bill now approximately \$40,600. At Mr. Toohey's suggestion, he also sent letters to Mountain Ledge's counsel John Lapper of Bartlett, Pontiff, Stewart, Rhodes and Judge. Mr. Ferguson then asked the board if we do not receive payment by the end of the year, indicating a 90 day past due status, that we consider the process of cessation of real property tax abatement, transfer title from the agency back to the company and discuss the potential claw back of any previous benefits.

Mr. Sutton questioned how many years are we into this PILOT. Mr. Ferguson stated this is the second or third year. It is a ten year PILOT. Mr. Johnson questioned if Mr. Lapper has indicated why they are not paying. Mr. Ferguson stated we had not heard from Mr. Lapper. The principal of Mountain Ledge has indicated they are going through a refinance process and that has put some strain on them. Further, with the refinance they would be able to pay. Also the principal asked in separate correspondence to be able to pay ½ in October and ½ in November. We said we could not do that. He then asked for a 60 day delay. We again communicated that we could not do that. We are dealing with public funds. We have a very strict regulation that we have to operate under. Mr. Ferguson has heard no further communication. Mr. Ferguson did send the letters certified mail with return receipts received.

Chairman Callanan asked what action you are looking for from the Board on this. Mr. Ferguson stated that if at December 31st we have still not received payment, that we start the process of collection. Mr. Rockwood asked has this ever happened in the past. Mr. Valentine discussed two instances where this occurred previously. He stated the first was Ben Serotta's bike shop where we applied the 5% and 1% and we did that over a two month period. He did the same thing, he refinanced, came in and made good on the bill and the penalties. We had one company where we had given notice. It was a Halfmoon project, a sign making company. We sent notice that they were in default, which is set up in the UTEP. That company went bankrupt. Those are the only two. Mr. Hanehan asked if a letter would be sent out immediately regarding what is coming up on December 31st. Mr. Ferguson stated what he would do is meet with Mike Toohey and draft a letter together. It might be better if it came from Mr. Toohey's office. Mr. Carminucci stated the procedure is they get a 45 days' notice before the PILOT is terminated and when we do that we also notify their lender. Mr. Sutton asked if the lender was notified at this point. Mr. Ferguson stated only the principal and the principal's attorney have been notified. Mr. Toohey stated at this point for privacy reasons. We don't need to put more pressure on our client than is necessary. So we have given them the time period which is very reasonable. He agreed that sending a letter out at December 31st is the way to handle this matter.

Chairman Callahan asked for a motion to approve the action of starting the process of collection of the PILOT payment from Mountain Ledge as detailed. Mr. Hanehan made the motion to approve this action. The motion was seconded by Mr. Rockwood. All were in favor and the motion was approved

A roll call vote was taken on **Resolution #1294** with the following results:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Rockwood, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 7-0

Global Foundries 2015 PILOT payment:

Chairman Callanan asked for a discussion on agenda item for the Global Foundries 2015 PILOT payment. Mr. Valentine discussed that this agenda item is a carryover because we did not have a meeting in November. This is just to see if anybody has any questions. It has been sent to everyone twice. It shows that the Global PILOT bill of \$13,950,000 and a distribution chart that is associated with this.

Chairman Callanan then asked for a discussion on other business.

PARIS Budget Submittal:

Mr. Ferguson stated the PARIS Budget was approved by the Board in October and as required by the Authorities Budget Office, the report was input into their PARIS system on November 15th. This is done.

LFTC Proposed Land Purchase (Pod 8):

Mr. Ferguson stated the next item listed in other business is the proposed land purchase (Pod 8) at the Luther Forest Technology Campus. Mr. Ferguson spoke with William Moore of The Appraisal Company and we engaged him to do an appraisal. That quote was \$2,000. Mr. Ferguson walked the site with Mr. Moore in November and the site is relatively flat. It is covered with scrub or pine trees. It is serviced by water and electricity. Mr. Ferguson saw hydrants and light stanchions at the road that comes to the

intersection. That was all encouraging. He spoke with Mr. Moore and as of this date he does not have the appraisal completed. He did verbally quote a value of \$890,000. That compares to the New York State valuation of \$693,000 and the purchase price of \$743,000. It looks like a good value. Mr. Ferguson met with the surveyor from C.T. Male in November. We reviewed the terms of their survey bid and that totaled \$4,150 for a proposed subdivision map and \$2,170 for their property corner setting. These are exactly the same terms as what C.T. Male had proposed to Luther Forest. They seemed reasonable and Mr. Ferguson signed that proposal contract last week. They are going to start moving forward with the survey work. At our meeting Mr. Luizzo also mentioned that C.T. Male had previously done an Environmental Phase I report. My thought there was it is done, all they have to do is update it and I asked them for a bid feeling we would get a decent price. He forwarded me a bid of \$1,950. Mr. Ferguson felt that price was reasonable and he will send a contract proposal for that.

Mr. Toohey asked if Mr. Ferguson needed an authorization for that contract. Mr. Ferguson stated he would like authorization on this. The discussion continued on whether there were electric and water at the site. Previously it was thought there were no services on site. Mr. Ferguson stated to the best of his knowledge, he did see these services available on the site. Mr. Toohey stated we have received a contract from the seller who is obviously anxious to move this property forward. He has communicated that we are not moving this forward until such time as we have done our due diligence. This is not a subdivided parcel of land. It is a chunk of land that is not legally divided out and that has to be done before any contract or any conveyance can be completed. They clearly want that obligation to shift to the IDA. Once this subdivision map is done by C.T. Male we will have a better understanding as to the value and what is on the ground. At that point there is going to have to be an application made to the Town. With that application will be an analysis of just how much is it going to cost us to get the things we need to this site so the site can in fact be rationally used. This will include not only utilities but the road system and then there will be a conversation with the Town asking what they perceive to be the extraordinary cost they would impose on this subdivision. As a result, we need to have that so we can bring that back to the Board to understand what the real cost and timeframe will be to get this property created as a subdivided lot within the Park. There is nothing here that would suggest we don't move forward with this, but we are not going to buy a piece of property that we really don't have the knowledge as to whether or not it can be utilized for the purpose that we want, or the associated costs with regard to development. Mr. Ferguson stated we need a motion to sign the two contracts for the survey and the environmental.

Chairman Callahan asked for a motion to approve the signing of the contracts to complete the survey and environmental reports. Mr. Mooney made the motion to approve this action. The motion was seconded by Ms. Hynes-Walsh. All were in favor and the motion was approved

A roll call vote was taken on **Resolution #1295** with the following results:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Rockwood, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 7-0

Hudson Hoosick Historic Partnership Contract Update:

Mr. Ferguson stated the next item on other business is a quick update on the Hudson Hoosick Historic Partnership contract. That project seems to be moving at a very good pace. We approved and paid for two invoices totaling \$14,000 in October and another invoice totaling \$13,000 in November and just this past week one invoice totaling \$9,000 in December. We have approximately \$93,500.00 remaining on the \$130,000 contract. Mr. Valentine sent out an email last week indicating that they were very pleased with our participation.

Ace Hardware Addition Update:

Mr. Valentine discussed that he had a meeting with people from Ace Hardware just to go over the process of application. We went over all of the sales tax exemptions, we went over ST60, ST123. There were a number of people that attended this meeting. Mr. Valentine stated that project is obviously an older project, but these people are new coming into this. Mr. Valentine stressed their end dates on the forms and the amount that is going to be exempted on sales tax. It becomes important if their exemptions go beyond what is stated and what would happen in that case.

Greenfield Manufacturing:

Mr. Carminucci discussed that this was a project which was preliminarily approved in April, 2014. Mr. Carminucci forwarded a resolution around regarding this. This is a design build by Munter for Greenfield Manufacturing, the building is now completed. They are moving forward for their financing for acquiring the building and land costs. This resolution is to approve us acquiring an interest in the property, crafting a lease agreement, a PILOT agreement as well as providing mortgage recording tax abatement. When Mr. Carminucci looked at the commitment letter from TD Bank, he did notice they were borrowing slightly over \$3,000,000 which looked like it exceeded the project cost that was in the original application. We were concerned about their project costs, particularly in the area of sales tax exemptions, whether the project costs had resulted in them getting a higher sales tax benefit than what we approved. It appears that their hard costs did not change, what did change were their financing costs. They are getting an SBA loan and their fee for obtaining the loan is \$70,000 and it doesn't include any other financing costs. Mr. Carminucci thinks that these financing costs have driven up their project amount to a level higher than what we approved. It does result in a slightly higher recording mortgage tax exemption than what we contemplated at the time, but it is insignificant in its entirety to the project. He thinks we are okay at this point. We do need a resolution to authorize someone on behalf of the agency to execute all of the necessary documents. Mr. Toohey questioned if the motion should also include the rise in mortgage tax.

Chairman Callanan asked for a motion to authorize the signing of the documents relating to Greenfield Manufacturing. A motion was made by Mr. Mooney and the motion was seconded by Mr. Hanehan.

RESOLUTION #1296

RESOLVED THAT the Saratoga County IDA has resolved to approve the signing of the documents relating to Greenfield Manufacturing and to acknowledge the minimal rise in the mortgage tax that would be included in the exemption.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Rockwood, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 7-0

Land Development of NY, LLC:

Mr. Valentine provided an update, since the last meeting we forwarded a sales tax exemption letter to Tax and Finance with all the applicant information. A letter was sent to the Company alerting them to their reporting requirements. At this point, we are awaiting a closing.

2015 SCIDA Financial Statement Audit:

Mr. Ferguson discussed that he and Mr. Valentine met with Kenneth Calphin, the CPA and Auditor who will be working from Cusack and Company on the Agency's 12/31/15 financial statements. They met with him on November 9th. The purpose of the meeting was to review the punch list of items which are needed for the financial statements and they have begun the process of compiling them.

MV Presentation to Saratoga County Local Assessors:

Mr. Valentine stated he attended a monthly meeting of the Saratoga County Local Assessors which was a luncheon meeting. He has done this before about 4 or 5 years ago. Mostly School Boards attend. He passed out literature and went through a long history of 106 projects, what an IDA does and it was well received.

Approval/Adoption of 2016 Budget:

Mr. Ferguson stated that after we approved the budget reports at the October meeting, we posted a public notice of the budget and allowed a 30 day comment period. There were no comments. Mr. Ferguson asked that the Board approve by Resolution the 2016 Agency Budget.

Chairman Callanan asked if there were any questions or comments. There being no questions or comments, Chairman Callanan asked for a motion to approve the 2016 Agency Budget. A motion was made by Mr. Johnson and the motion was seconded by Mr. Sutton.

RESOLUTION #1297

RESOLVED THAT the Saratoga County IDA has decided to approve the 2016 Agency Budget as presented.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Rockwood, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 7-0

Mr. Rockwood was then excused from the meeting.

Conflict of Interest Policy:

Mr. Ferguson discussed that back in August the Authorities Budget Office issued what they called a recommended Governance Practice on Establishing a Conflict of Interest Policy. Based upon this recommendation he drafted a policy. With the help of Mr. Toohey and using the ABO's recommended template, we crafted a Conflicts of Interest Policy and Mr. Valentine did some editing on it. It has been forwarded to everyone. Interestingly enough, this similar Policy was also approved by the Saratoga County Capital Resource group. Mr. Ferguson asked that this Conflict of Interest Policy be approved for use by our Board members and staff. If approved, he will distribute it electronically with an affirmation and signature page. Mr. Toohey questioned whether this was going to be executed on an annual basis. Mr. Ferguson stated it is. Mr. Toohey stated it is not that we trust you did anything wrong in the ensuing year, this is the policy that is being imposed, every year you are going to get something similar. It does not carry with it a thought that something untoward has gone on between this year and next year, it is just the policy, so don't be surprised by that.

Chairman Callanan asked for a motion to approve the Conflict of Interest Policy as presented. A motion was made by Ms. Hynes-Walsh and the motion was seconded by Mr. Hanehan.

RESOLUTION #1298

RESOLVED THAT the Saratoga County IDA has decided to approve the Conflict of Interest Policy as presented on an annualized basis with affirmation and signature.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 6-0

Mr. Toohey was excused from the meeting for the purpose of discussion on the next agenda item.

Snyder Kiley Toohey Corbett & Cox, LLP Retainer Contract:

Chairman Callanan discussed that a couple of months ago the Board approved a retainer agreement with our Counsel, Snyder, Kiley, Toohey and Corbett. He asked Mr. Toohey to memorialize that into a contract. He has done that. The contract would run from January 1st of this year to December 31st of 2017 a two year period at the same rate that the Board has approved which is \$800 per month. We need approval to sign this contract with the attorneys. Chairman Callanan asked if there were any questions.

Chairman Callanan asked for a motion to approve the contract for a retainer with counsel, Snyder, Kiley, Toohey and Corbett. A motion was made by Mr. Sutton and the motion was seconded by Mr. Hanehan.

RESOLUTION #1299

RESOLVED THAT the Saratoga County IDA has decided to approve the retainer agreement with Snyder, Kiley, Toohey and Corbett at the approved rate of \$800 per month for a two year period.

The results of the roll call vote were as follows:

AYES: Ms. Hynes-Walsh, Mr. Johnson, Mr. Mooney, Mr. Hanehan, Mr. Sutton and Chairman Callanan.

NOES: None.

ADOPTED: 6-0

Mr. Toohey then rejoined the meeting.

Chairman Callanan asked if there was any further business from the members of the Agency.

Mr. Hanehan asked if there was any update on what is happening t Global Foundries, the possible sale and the rumors of layoffs. He would like to hear from someone who may know the facts. Chairman Callanan asked Mr. Brobston if he could answer any of these questions. Mr. Brobston stated he has requested that same information from the company with regard to the layoffs.

In the initial assimilation of IBM, they had absorbed quite a few employees at the time they purchased the company's manufacturing facilities and their property, it was not known exactly how many of those employees they would need to stay on. They went to the staff at the new facilities and said we have to shave our numbers by X, and they offered first for people who wanted to take that downsizing and there were a number that accepted. There were still more reductions needed and they did some layoffs in Malta. He never heard the exact number. They were still hiring other people for other jobs that were open. Certain engineering and administration jobs they were able to blend together with the IBM merger. This is what he knows about layoffs.

With regard to the sale, Mr. Brobston stated there has been a lot of information about China and a lot of different entities. We believe in that industry it is not unusual for mergers to take place. We are very encouraged by one thing about the China rumor. We have talked with our elected officials in Washington, and China would have to be approved by the Federal Government. It is well known that China is not the partner that the US would like them to be, and we would not want the intellectual property of IBM, that was IBM's and is now Global Foundries, to fall into their hands. Although it is being reported and talked about, it is clear that this would be a hurdle that the federal government is very aware of and is not interested in allowing to happen. It doesn't mean that Samsung, which is a Taiwanese company, or TSMC, Taiwanese Semi-conductor Manufacturing Corporation could reasonably be partners. Abu Dabi has invested over \$12,000,000,000 in Malta and a lot of other monies other places. Other than the rumor, they are saying they are entertaining anybody's reasonable offer. They have had those discussions but there hasn't been anything more than that at this point.

Mr. Hanehan questioned quality control or trouble with that. Mr. Brobston stated from what he understands their yield isn't where they would like it to be and they are working on that. There are a lot of rumors out there about why that is. He stated he knows so little about that industry. When you are talking about taking a plant that was designed to be 28-32 nanometers and in the course of the construction of that plant, the industry changing from that size to 14-18 which is more than half. You are building new tools which have never been used and you are building new parts, new circuits that have never been produced before on a manufacturing level. We are making things that have never

been made before. It is a very volatile situation. This is their prime facility for cutting edge technology. From our understanding of what they are going through that explains the yield issue.

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We believe that it is a normal progression in any kind of manufacturing business when you are using tools that have never been made before. Plus, these are \$100,000,000 tools. I'm hearing now \$150,000,000 tools that you can use every day. It is an issue they are dealing with but they are making things a billionth of an inch and you can only see through an electron microscope and their yield is not what they would like it to be. Chairman Callanan asked if Mr. Brobston knew what the employment count is out there at the present time. Mr. Brobston stated the last number he had was from Greg Connors was above 3,200. Mr. Valentine stated we will have the semi-annual report as of December 31st and it will be in our hands by the second week of January.

Chairman Callanan stated this is the final meeting for our Chief Financial Officer. Mr. Murray is leaving us and Chairman Callanan stated he would like to thank him for his years of service and we wish him well.

Chairman Callanan asked if there was any further discussion. As there was no further business, the meeting was adjourned on a motion made by Ms. Hynes-Walsh, seconded by Mr. Mooney, with all voting in favor.

Respectfully submitted,
Lori A. Eddy