

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

January 12, 2015 – 8:00 a.m.

At 50 West High St., Ballston Spa, NY

Chairman Callanan called the meeting to order.

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

Staff & Guests: Lawrence Benton, CEO; Michael Toohey, Agency Counsel; Jim Carminucci, Bond Counsel; John Murray, CFO; Michael Valentine, Sr. Planner; Dennis Brobston, Ryan VanAmburg, SEDC; Adam DeSantis, Perry Road Development, LLC; Stephen Williams, Daily Gazette.

Chairman Callanan welcomed Ms. Hynes to the Agency who is replacing Richard Dunn. He stated that Mr. Dunn did a great job for a number of years, and we will miss him very much. Mr. Sutton said it should be noted that Mr. Dunn did a tremendous job in walking through the complexities of a very complex financial program with Global Foundries. He said people do not appreciate how much he really did on all of this. He asked Chairman Callanan if he was notified that Mr. Dunn was not going to be reappointed. Chairman Callanan stated four members were up for reappointment, they were contacted, and they had all agreed to be reappointed. Mr. Sutton said Mr. Dunn was a valuable member providing an independent view for the IDA. Mr. Johnson stated at the Board of Supervisors' Organizational Meeting on Friday, January 3rd is where the appointments were made, and that is where he found out and voiced his displeasure when Mr. Dunn was not reappointed. Ms. Hynes stated she was asked to serve as a member, and she was happy to do so.

APPROVAL OF MINUTES

Mr. Mooney moved to approve the minutes of the meeting of December 8, 2014. The motion was seconded by Mr. Rockwood and approved with all in favor.

ELECTION OF OFFICERS

Mr. Benton gave Chairman Callanan a current list of officers and committee appointments. Mr. Benton stated that there is an Audit Committee, Governance

Committee and now a Finance Committee. The full Board serves as the Finance Committee.

Mr. Hanehan moved to approve the Officers and committee appointments for 2015. The motion was seconded by Mr. Johnson.

RESOLUTION NO. 1245

Resolved, that for calendar year 2015, the following members of the Board of the Saratoga County Industrial Development Agency shall hold the office and serve on the committees as designated below:

Chairman: Raymond Callanan

Vice Chair and Treasurer: Glenn Rockwood

Secretary: Rodney Sutton

Assistant Treasurer and Assistant Secretary: Michael Mooney

Governance Committee: Messrs. Mooney, Hanehan, Rockwood; Ex Officio: Raymond Callanan

Audit Committee: Rockwood, Sutton, Mooney, Johnson; Ex Officio: Raymond Callanan and John Murray

Finance Committee: The full Board to serve as committee of the whole until such time as changed by Board action.

Ethics Officer: Arthur Johnson

AYES – Messrs. Hanehan, Johnson, Mooney, Rockwood, Sutton and Callanan.

NOES – 0.

ABSTAIN - Ms. Hynes (she stated that she will abstain from any votes until she has signed her Oath of Office)

Adopted 6-1.

APPLICATION: SARATOGA MANOR HOUSING WILTON

Mr. Brobston stated this project is located in the Town of Wilton. The drawing is up on the board and is included in everyone's packet. He introduced Adam DeSantis who will do a presentation on the project.

Mr. DeSantis stated he represents Perry Road Development. He said they are proposing 110 units of independent senior housing as the first phase of senior housing at the intersection of Route 50 and Perry Road in the Town of Wilton just past the major big box stores on Route 50. The second proposed phase is 92 units of assisted living that would be further to the back of the property. He said they have a product in Rensselaer County (North Greenbush) which is very similar to this, but this is a little smaller. He said what differentiates them from other senior housing projects in the County and throughout the Capital District is their senior engaged life program which is focused on improving the lives of our resident seniors through increased social actions, volunteer activities, physical fitness programs, and promoting the senior life style by removing the burdens of the house and giving people the opportunity to do the things they want to do in their retirement vs. the things they have to do when it comes to maintaining a home. In Rensselaer County, because there is a lack of this type of development, we have been drawing all the way south from Saratoga. That is a 35 to 40 minute drive time that shows people are willing to travel for the right type of development. He said they project the market area for this project would be the entirety of Saratoga County and also the north and the south because there is not a lot of the type of program that they offer that currently exists in this area. He said it will be a benefit to the Town of Wilton and to the County as well.

Mr. Rockwood asked Mr. DeSantis if they have been before the Wilton Planning Board. Mr. DeSantis said that they have, and their first meeting was this past week, and it is preliminary at this point. Mr. Johnson stated in Wilton, senior housing requires a special permit that is issued by the Town Board. We referred it to both the County and Town planning boards for recommendation, and both came back with recommendations for approval. He said they also had a public hearing this month, but the Town Board did not act on it because SEQR was not finished yet. They plan on acting on this at their February meeting. It will need to go through the site process by the planning board. Mr. Rockwood asked if the Wilton planning board was assuming lead agency, and Mr. Johnson said yes.

Mr. Hanehan asked what the price range is for these apartments. Mr. DeSantis stated \$1,500 for one bedroom, and \$2,200 for two bedrooms. That includes daily continental

breakfast, transportation to shopping and doctors' appointments, cable, high speed internet, water, sewer, trash, all maintenance and all programming that that provide – fitness programs, etc. He said when you look at senior housing that exists in the Capital District, this is fairly affordable. He said they do not have a large up front entrance fee which a lot of communities do in the area. He said they also decided not to have a meal program structured in. A lot of seniors want to be independent and cook their own meals, so they give nice kitchens for them to be able to do that without the burden of additional costs.

Chairman Callanan asked what the age bracket is. Mr. Brobston stated they want to limit it to 62 and above. He said he does not believe in North Greenbush that they have any resident who is under 65. He said he does not see a lot of early retirees moving in. Mr. Brobston said this is considered market rate rental. The client is requesting, on this no PILOT, but both mortgage recording tax (\$200,000) and sales tax (estimated at \$500,000) exemptions. This is the type of housing that the Town of Wilton has been looking for because of the services. There will be an extension of water and sewer lines which is a quite a bit of infrastructure that would be made available to other people in the town. Mr. Sutton asked where the water would come from, and Mr. Brobston said the Wilton Water Authority. He said it was also suggested by the Subcommittee, and Frank Nigro had agreed, to buy as much water as they can from the County.

Mr. Valentine said page 9 of the application states the project cost is \$20 million and the amount of loan requested is 0, and yet below it states a conventional mortgage. Mr. Brobston stated that is a mistake, and it is a conventional mortgage. Mr. Valentine said if the mortgage recording tax exemption is \$200,000, and Mr. Brobston said they are borrowing \$20 million.

Mr. Benton stated on the application it mentions assisted living, but it should be amended to clarify that it is not a part of this application. Mr. Benton said on the budget line, there is a cost of issuance of \$500,000 which would be the IDA fee, the IDA attorney, bond counsel, and that is a very excessive figure. Mr. Brobston said that is what their legal people estimated. Mr. Benton said it will not cost that much. Mr. DeSantis mentioned the cost of private funds they will be raising will go towards that as well. He said they can move that out of that line and incorporate it someplace else.

Mr. Benton said other than the age requirement, what makes this any different from other luxury apartment complexes? Mr. DeSantis said the typical residents who move

into their communities wouldn't move into a luxury apartment complex. Their tenants are moving from their homes that they have been in for many years, and they are not interested in moving into a standard, luxury market rate housing where there are children and a transient population. They are looking to being amongst their peers and have services such as transportation. They may not need transportation services now, but a few years down the road, they may need to take advantage of those services. Those types of inclusions take the pressure off of a senior's family. It is a much more favorable choice rather than moving to a regular apartment complex. He mentioned at the facility in Rensselaer County, they are running a fall prevention seminar and safety in the kitchen, and those types of things are included in the rent.

Mr. Toohey stated he represents someone developing 150 units of senior housing in the Town of Milton. Wesley is expanding in the Town of Malta. Prestwick Chase is doubling its capacity in the Town of Greenfield. Sonny Bonacio is converting the Newman Residence in Saratoga Springs all for the same or similar type of housing. Mr. Sutton said historically, we have not offered PILOTS or any concessions on apartment living. He said there seems to be an abundance of apartments planned for this geographical area. He said if you were not to rent those 110 units and you need mortgage payment, would there be a possibility these could be rented to the 40 and 50 years olds because the location is great for getting onto Exit 15 to go to work at Global Foundries, etc. Mr. DeSantis said what differentiates them is that they do not include that meal program which makes them less expensive and makes their product available to a greater number of people. He said the market studies they have done contemplate the proposed project. Mr. Johnson said the special permit issued by the town has an age restriction in it. Mr. Hanehan said out of all of these projects, how many have requested IDA assistance, and Mr. Valentine said none. Mr. Benton said we have a UTEP policy, and part of that covers different categories of use. The closest we have come to housing would be the commercial service category. He said one of those criteria is that the project provides a service to Saratoga County not currently being provided which may be a tough argument. He said it may be worthwhile to have the Board put a committee together to discuss this to prepare for the future. Up to this point, we have been very conservative about this kind of project. He said the question the Board must ask is whether the IDA tax abatement is necessary to make this project happen, or is the market strong enough in Saratoga County to justify this kind of a project?

Mr. Brobston stated they are doing a similar project in Glenville. If it is not done in Saratoga County, they would go to Glens Falls. Mr. Sutton said there are only five jobs to be created. Mr. Rockwood asked if they would be responsible for checking in with these apartments every single day. Mr. DeSantis said they are prohibited from monitoring their residents. In their other communities, neighbors and friends do that amongst themselves.

Mr. Johnson moved to accept the application from Perry Road Development, LLC and setting a public hearing in the Town of Wilton. The motion was seconded by Mr. Mooney.

RESOLUTION NO. 1246

Resolved, that the Saratoga County Industrial Development Agency accepts the application submitted by Perry Road Development, LLC and sets a public hearing for Monday, February 9, 2015 at 8:00 a.m. in the Town of Wilton town hall.

AYES – Messrs. Hanehan, Johnson, Mooney, Rockwood, Callanan

NOES – Mr. Sutton

ABSTAIN – Ms. Hynes

Adopted 5-1-1

Mr. Mooney stated he would be willing to participate in a subcommittee on the UTEP. Mr. Carminucci asked if this was a deviation on the UTEP, and Mr. Benton said he wasn't sure. He said housing would probably fall under commercial service, but he would have to review the criteria. He said the subcommittee rejected a project recently in the Town of Halfmoon. We have to be careful and consistent. Mr. Carminucci said the Halfmoon project was looking for a PILOT. Mr. Benton said yes, it was different. Mr. Toohey stated no property tax abatement is being requested. He said if he has four projects that he is involved in, there must be 40 projects throughout the County.

LFTC SUPPORT LETTER

Mr. Benton stated the board had agreed to provide a letter of support to the current application to amend the PUD to do several things, but the two major changes would be to take away the prohibition against the IDA providing tax abatement for new projects and to expand the permitted use from the narrow nano technology use class to other

high tech uses that we have dealt with in the past. He said he prepared a draft and sent it to all of the members. He said he has not heard back from anyone. He said if approved, the letter will go to the Malta and Stillwater Town Boards with copies to the two planning boards, Global Foundries, LFEDC and members of the IDA. Mr. Rockwood said he has not seen it as yet. He can read it and give his comments by Wednesday.

Mr. Benton stated everybody has met with the Town of Malta with zero progress on the change. He said the intent of the letter is to show the IDA has been doing this for 35 years, and we have done over 100 projects. We do have experience in economic development, and we realize in today's marketplace, you need to offer incentives on a project by project basis. He said the cost of business in New York is so high compared to other states, and this helps it to be more competitive. Mr. Murray mentioned that the Stillwater planning board has embraced many of the recommendations. Mr. Benton stated another key part of the letter is that he reviewed the IDA's previous negotiations with Luther Forest EDC on Area 4 to actually have the IDA purchase that and invest its own money in the infrastructure. We discussed this at the last meeting, and the Board agreed it is still interested in that potential project. He said no one will invest a million dollars on a 20 acre site with the limitations that is currently has. That is why it is all vacant out there other than Global. Mr. Benton requested Mr. Rockwood to give his comments to Mr. Valentine. Mr. Rockwood stated the Town of Malta is moving ahead. There is a process in place that they have to abide by. The Town Board is waiting for the SEQR to be complete, and the environmental issues will be addressed. He said the review process is moving forward. Mr. Mooney said he is in favor of sending this letter sooner than later. Chairman Callanan requested Mr. Rockwood to review the draft letter and respond to Mr. Valentine by Wednesday.

2015 TOWN/COUNTY PILOT BILLINGS

Mr. Valentine stated the PILOT billings are twice a year. Last Monday, PILOT bills were sent to 16 PILOT projects. He said that is the soonest the January bills were sent out in quite a while. He stated there is a 30-day turn around payment on those.

OTHER BUSINESS

Mr. Sutton stated Mr. Benton and he met with Camoin Associates, and Mr. Benton forwarded the 58-page Racecourse Study document to everyone. It was a positive flow of information that we received from a number of sources (NYRA, owners, breeders, trainers), and we thought Camoin did a tremendous job in putting this data together. It

is ready for printing. We are hoping to go public with it in the next couple of weeks. He said they are working with Mark Bardack, of Lewi Associates, in conjunction with NYRA, to go forward with a press and public release on the document. He stated this document will indicate that the economic impact grew from the previous study, from 2006 to 2011, from about \$214 million for that time period to closer to \$250 million keeping in mind we had a downturn in the economy during the last study. The Saratoga Racecourse is the center of activity in the upstate New York area, and the numbers will prove that. He said he appreciates everyone's support on this, because it is a study that will be used by NYRA, as they are going through their changes on who is going to run the race track. The broader purpose of the study is to show our legislators and supporters of racing the significant statewide economic impact of the thoroughbred racing and breeding industry. He said these numbers will help solidify the importance of racing to Saratoga County. Mr. Benton said the current study provides that visitor spending is way up. This is the first time that a survey was done of visitors at the track. He stated 60% of the track's visitors come from outside of our region. We were able to get a per capita expenditure from the survey of the visitors that we did not have before. He said the second major difference in this current study is the fact we interviewed extensively New York bred breeders as well as trainers and owners. Those comments are in the study itself. He said the study concludes that VLT revenues have been the key to the growth of the New York breeding industry which has put New York on top in the country and attracted investment from all over the country and the world. There was an Italian breeder talking to a Saratoga County breeder about bringing four Italian stallions and mares into the country to get involved in the New York bred program. He said Aqueduct, which provides winter racing in New York State, which supports 300 to 400 New York trainers during the winter time, demonstrates that the three tracks, Aqueduct, Belmont and Saratoga, are interrelated. None of them could stand alone. Mr. Sutton said it is an easier read than the previous studies. Many of the farmlands have been preserved because of the racing and the farms that have been established. The agribusiness portion of this whole report is very positive for job creation. We should reinforce what Saratoga Racecourse has meant. He said probably about 350 copies will be printed and sent to various committees, and Mr. Benton has the full list. He said we will need to find a time when everyone is available for a public rollout.

Mr. Valentine said that one more payment is due for Camoin Associates. Mr. Benton said it was \$19,500 for the study. He said about \$3,000 will be needed for printing this. Mr. Sutton stated there will be an executive summary.

Mr. Hanehan moved to authorize up to \$3,000 in Miscellaneous Expenses for the final printing of the Racecourse Study. The motion was seconded by Mr. Mooney.

RESOLUTION NO. 1247

Resolved, that the Board hereby authorizes Camoin Associates to have 350 copies of the Saratoga Race Course economic analysis printed and hereby allocates up to \$3,000. for that purpose.

AYES – Messrs. Hanehan, Johnson, Mooney, Rockwood, Sutton, Callanan

NOES - 0

ABSTAIN – Ms. Hynes

Adopted 6-1

Mr. Benton said at the end of the year we try to update our **Operating Budget** to show actual compared to our original estimate. We thought that Peroxy Chem would close, but they did not. He said he removed that money from the fee line, and there were some minor increases in costs. He said he has made the changes which are relatively minor but accurate.

Mr. Mooney moved to accept the 2014 final Operating Budget. The motion was seconded by Mr. Rockwood and approved with all in favor.

Mr. Carminucci stated that **PeroxyChem** is still trying to work out rail access, and there are some issues as to who owns what. There is an issue about the rail line that runs north of the warehouse operations. They will need a title person or surveyor to look at this.

Mr. Brobston introduced **Ryan VanAmburg** who is his new employee at SEDC. He stated Jim Angus has retired.

Mr. Carminucci said it was discovered that LFEDC and Global Foundries entered into a **boundary line adjustment**. Global Foundries was trying to pick up property to use for parking that they don't own, so they did it in the form of a boundary line adjustment agreement, but the IDA should have signed this. He said he is not sure it will be accepted in the County unless the IDA is involved in this transfer. He said we will have to redo the document to have this be a three party agreement.

Mr. Toohey stated the correction of the problem is to redo that deed so that it is a boundary extension of the IDA owning the land and that becomes subject to the rules and regulations of the other. Mr. Rockwood said that would also end up being outside of the Empire Zone, so all benefits associated with that piece of property would go away. He said improvements would not be covered. Mr. Toohey said it would not be covered for improvements on what he calls the parking lot. He does not believe it affects the expansion of that property for the Empire Zone rights that exists for the existing property. He said that should be checked into.

Mr. Rockwood moved to authorize addressing the expansion of the existing lands, under control of the IDA, to incorporate this parking area in the Town of Malta and to have this document signed by an officer of the IDA. The motion was seconded by Mr. Mooney and approved with all in favor.

Mr. Johnson moved to adjourn to **executive session to discuss a matter involving potential litigation.** The motion was seconded by Mr. Hanehan and approved with all in favor.

Mr. Hanehan moved to return to open session. The motion was seconded by Mr. Johnson and approved with all in favor.

Mr. Hanehan asked if anyone has heard from Uri Kaufman on the **Victory Mill project.** Mr. Carminucci said he may be trying to sell the project. Mr. Benton said he will need the IDA's approval for that in order to transfer IDA tax abatements to a successor.

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

Respectfully submitted,

Elaine M. Sodemann