

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

May 8, 2017 – 8:00 a.m.

County Planning Offices #5

50 West High Street, Ballston Spa

PRESENT: Members: Chairman Rod Sutton, Tom Lewis, Patrick Greene, Andrea DiDomenico, Phil Klein, Michael Mooney, Arthur Johnson.

STAFF & GUESTS: Richard Ferguson, CEO; Jeff Many, CFO; Michael Valentine, Administrative Assistant; Michael J. Toohey, Esq., Counsel to the Agency; James A. Carminucci, Esq., Bond Counsel; Marty Vanags, Saratoga Prosperity Partnership; Dennis Brobston, SEDC; Ryan VanAmburgh, SEDC; Peg Murphy, Espey Manufacturing; Jim Davis, Espey Manufacturing; and Lori Eddy.

ABSENT: None.

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

APPROVAL OF MINUTES:

Chairman Sutton asked for a motion to approve the meeting minutes of the February 13, 2017 meeting. Chairman Sutton asked if there were any changes to the minutes. Ms. DiDomenico questioned a possible typo on page two under John Danforth, third paragraph “necessarily the parent”. Mr. Toohey stated maybe that was referring to a parent company. Mr. Carminucci stated he thinks it is supposed to say “apparent”. Mr. Ferguson stated that change would be made. Mr. Klein made a motion to approve the minutes with the stated change to “apparent”. The motion was seconded by Mr. Lewis. All were in favor and the minutes were approved.

Chairman Sutton asked for a motion to approve the meeting minutes of the March 13, 2017 meeting. Chairman Sutton asked if there were any changes to the minutes. Mr. Johnson made a motion to approve the minutes. The motion was seconded by Mr. Klein. All were in favor and the minutes were approved.

Application: Espey Mfg. & Electronics Corporation:

Chairman Sutton stated the next agenda item is the application of Espey Manufacturing and Electronics Corporation. Espey has come before us to do a project where they want to remove a building on site and do a \$5 plus million dollar project. They have a contract with the Defense Department he believes. Mr. Sutton recognized Mr. Klein. Mr. Klein stated he would like to recuse himself as a stockholder of Espey Manufacturing and Electronics Corporation. Mr. Klein then excused himself from the table. Chairman Sutton then asked Mr. Brobston to discuss the application.

Mr. Brobston thanked the IDA Board. Mr. Brobston stated Espey has been around for quite a while. Today we have Peg Murphy and Jim Davis from Espey to answer questions on what Espey does. For those who don't know, they are located on Ballston Avenue and they have about a 150,000 square foot facility at this point. They have some opportunity for some new projects and one new building and rehab of an existing building. The total estimate cost is about \$5.3 million dollars. They have had some reductions in their hours for about a dozen people due to a little softer market. So, one of the reasons that they are here today to talk about this project is also to say that these new projects will bring those folks back to, over a period of time, get them back into 100% full time employment. They are getting an

average wage of about \$62,900 and that is about \$9,000 above the Capital Region average for the manufacturing jobs.

The two projects are a transformer manufacture and that is why they need a new 8,000 square foot building and a cooling unit manufacturing will be done inside of their former plating facility. They will be putting new equipment in that facility as well. The PILOT they are requesting is a 10-year manufacturing PILOT freezing their current assessment and sales tax abatement. They will not be utilizing the mortgage recording tax at this point. Twelve of their 144 employees are at risk at this time, that is what we mentioned before. He just wanted to make sure you understand this is a retention project and that over the period of time, once the building is constructed and they believe and hope they will be adding more jobs. They have committed to bringing the 12 back full time.

Mr. Brobston asked Ms. Murphy to give a little run down of what she does and then answer any questions. Ms. Murphy stated Espey has been in Saratoga Springs since 1952. They have been in business for almost 89 years now. They are an electronics manufacturer and most of their contracts are with the Department of Defense or with a company who is what they call a Tier One Contractor. They do transformer design, they do power supply design and they do some what they call build to print opportunities where they get something in that isn't their design but we will actually build based on criteria that is given to us. They have a full engineering staff that actually does design work and we have a full manufacturing and quality control area too as well as administrative offices. Chairman Sutton questioned if they currently run a four day work week. Ms. Murphy we do, Monday through Thursday from 7 a.m. to 5:30. Chairman Sutton questioned if with this new contract did she expect to extend hours for your employees. Ms. Murphy stated Mr. Davis could probably answer that a little better. We have in the past, so when things start to get busier, we will run a Tuesday to Friday shift. When they get even busier and we need to keep machines running we will do a Friday, Saturday, Sunday shift where it is a 7 day operation, but it is not a 7 day 24 hours, it is 7 days during the day. Chairman Sutton questioned if they currently have 141 employees? Ms. Murphy stated yes. Chairman Sutton questioned if that has fluctuated in the past couple of years? Ms. Murphy stated it has. Probably three years ago, we had probably 155. There has been some attrition. People have retired and we haven't replaced them.

Mr. Mooney questioned if the twelve people been let go? Ms. Murphy stated no they are part of what we call a work share program with the Department of Labor where their hours are reduced by 75%. Chairman Sutton questioned if the contract that is pending, has that been awarded at this point? Ms. Murphy stated there are two different projects. They are based on two different contracts. One contract has been awarded and the other one hasn't. Chairman Sutton questioned if the start point of that new contract would be after you finish the construction of the building or can you start in the current location? Ms. Murphy stated the beginning part of that contract is the design so we don't need the building for the design phase and we are currently in that phase right now. Mr. Brobston stated they started looking at ways to start producing this project and that took them to visit with a Company in Vermont that could actually do some of the work. They also looked into Warren County at the former Native Textiles facility. What they were looking at was the benefits of adding on a new building at this facility or utilizing what may be out there. So, they have the option with this project that can be done in a couple of other places, if they so choose. So, this is why we wanted to bring it to the IDA to say, we would like the full production to stay here in Saratoga County. They would like that too. But they had other options that we wanted to make sure that you were aware.

There is a map on the back of your application, if you look at it, there is a long warehouse area along Ballston Avenue. That will be coming down and they will be putting up an 8,000 square foot building somewhere near there. They have not been before the City Planning at this point. As most Companies do these days, they wanted to know what was available to them incentive wise. We do have two Companies that are helping them. Empire State Development has an award out to them which has not been signed but is being negotiated. Also, National Grid because the project is over \$5,000,000 they would help them along with the cost of the package. So, we do have two Companies being able to support them in this process. Mr. Valentine questioned on the map referenced, what is the demolition and what is the reconstruction. Mr. Brobston stated the long building is demolition and the blue at the top is the plating building that they will be rehabbing. Mr. Valentine questioned so what you see as you drive down Ballston Avenue toward the intersection on the left is all coming down, is that what you are saying? Mr. Brobston stated not the big building. Mr. Toohey stated it is on the West side of Ballston Avenue as you are going South and it is the building that is furthest to the South on the lot being a long rectangular configuration. Mr. Valentine stated related to that if you are going to do demolition and you are looking to freeze the assessment, have you talked to the Assessor. Mr. Brobston stated we want the IDA to freeze the assessment as it sits right now, that is what we are asking for. Mr. Valentine questioned Mr. Carminucci if the IDA has that authority. Mr. Carminucci stated you can do that in the PILOT Agreement. You can't do that on the books of the City, but you can accomplish that under the PILOT Agreement.

Chairman Sutton asked Mr. Brobston to walk us through the PILOT that is being proposed so that we have a better handle on that to answer Mr. Valentine's question on that. Mr. Brobston stated as we sit here right now the full value assessment, he is looking at the base information. He just wants to give a little rundown on what that is. It shows the base assessment is \$4,572,200 and all the tax rates are included there, Town, County and School. The new building costs and renovation costs are in the middle column, \$2.119 million. And, other costs, machinery and equipment which we are including in the numbers for the sales tax, because, as you know, even though you have a manufacturer, not all parts of that installation and things of that nature have been determined to be sales tax free according to the Department of Tax and Finance, we want to make sure those are all covered so they don't have any problems with that. And you can see some other soft costs that are in there. Sales tax benefits will be approximately \$303,000. If you flip to the other page you will see that the estimated total assessment with the new building and the existing facility will be just a little over \$5,000,000 and the PILOT assessment says \$3.429 million is what we are asking the IDA to do in the PILOT. It is a 10 year manufacturers PILOT so there will be no additional taxes on any new facilities on the grounds of the rehab until year 11. At year 11 everything goes on at 100%.

Mr. Toohey stated you are suggesting they are going to build two buildings here. Rehab one building. If they decide that they are going to put a third building on sometime during the tenured period, that is a whole new ball game. Mr. Brobston stated that is correct. Mr. Valentine questioned will the demolition take place at a time that the assessment could actually be lower. Mr. Brobston stated I understand what you are saying. Because when you take something down, the assessment could be lower. It is possible. It has not been discussed at this point. The discussion was looking at the assessment as it sits today would be the initial way to go. Timing is something that we don't know at this point. The warehouse that is there, it is a pole barn. Its value is a little less than what other things may be. Mr. Valentine stated he went through these figures and he was trying to work back to the \$303,000. He was assuming the equipment was going to have an exemption already. Mr. Brobston stated we included all in the numbers. Mr. Valentine questioned what are the numbers you are combining. Mr. Brobston stated the new construction costs. Mr. Valentine stated being the \$2.119 million. Mr. Brobston stated

and the total other costs of \$3,000,144. Those, when you take that down, multiply it by 7% gives you just a little over \$5,000,000. Chairman Sutton questioned if there were any other questions of Mr. Brobston or Ms. Murphy or Mr. Davis.

Chairman Sutton asked Mr. Davis to discuss what they are manufacturing. It is kind of interesting what they are putting on chips and what this transformer means to the naval ship in today's life. Mr. Davis introduced himself. He stated this particular transformer that we have already been awarded the contract is to power a radar system and each ship uses three. So, once we get locking into a contract, typically you are in a pretty good position to maintain that. We do expect this work to continue for 20 plus years. Transformers that we manufacture, when you drive down the street and you see these transformers on the poles, that's not us. We build transformers to power different applications. Virginia class subs, mostly military applications. We convert power from one level to another. We also manufacture power supplies. One of our bigger customers is GE Locomotives. We build eleven different power supplies for them. But we also build for their off-highway vehicles. We also build power supplies for military application. We have a mix of some commercial and some military applications.

Chairman Sutton asked if there were any other questions. Mr. Valentine stated to Mr. Brobston that we do not have signed and dated applications. Mr. Brobston stated he just gave it to Mr. Ferguson. Mr. Ferguson stated he has a complete package. Mr. Valentine stated on page thirteen, the estimated completion date of project, and maybe he could get some help from Mr. Carminucci on this, the estimated completion date of project is March 1 and that puts us into the possibility of closing after that March 1st date, the potential for that. For the sake of the minutes and the applicant, that may be a year of full taxes. Mr. Brobston stated correct. They have to close before March 1st. Ms. DiDomenico questioned the twelve employees who are currently in that work share, they seem to be the focus of the application with regard to employment. Her question is how do we regulate those twelve individuals. How do we know that they have fulfilled their representation to us like we've been monitoring these other projects with regard to employment? Do you identify for us where those twelve people are employed within your company so that Mr. Ferguson and Mr. Valentine can oversee the fulfillment of that commitment that you are making to us. Ms. Murphy stated she believes it is in the application. There is a supervisory position, a technician and the rest are production folks. Ms. DiDomenico stated she doesn't think she saw that. Mr. Ferguson stated he thinks what we can do when we send out our annual surveys is we can identify both that specific subset of employee as well as the total population which we will be looking at as well.

Mr. Valentine stated the 141 holds steady for three years, correct? Ms. DiDomenico stated it was 144 which includes the twelve. Mr. Brobston stated due to the reporting process he doesn't see that as an issue. Mr. Ferguson stated he did not see an issue with this either. Mr. Brobston stated he understood what Ms. DiDomenico was saying he will make sure that occurs. Ms. DiDomenico stated on page 25 of 30 where it says projected employment plan it just says twelve at risk employees are currently under this program. She wrote herself a note where from above and from your chart above it doesn't show any changes occurring throughout. Mr. Brobston stated the plan is to keep them. Ms. DiDomenico questioned if they are spread throughout the professional, technician, production and administrative or are they all the administrative which shows twelve. Ms. Murphy stated no, one would be in the management supervisor category, the technician category, and the remaining would be in the production. Chairman Sutton asked if there were any further questions.

Chairman Sutton stated before us we have the application for Espey that is a job retention. It has been a staple business of Saratoga Springs. A majority of the employees come from Saratoga County. Before us we have the application to go further with the public hearing if this Board so chooses. A motion to accept the application of Espey Manufacturing & Electronics Corporation and set the public hearing was made by Mr. Mooney. The motion was seconded by Mr. Johnson. Chairman Sutton asked if there was any further discussion. There being no further discussion, all were in favor and the motion was approved.

Chairman Sutton stated the public hearing would be held on June 12th at Saratoga Springs City Hall Council Chambers at 8:00 a.m.

Application: Universal Preservation Hall:

Chairman Sutton stated the next agenda item for Universal Preservation Hall came to us rather late. Chairman Sutton asked Mr. Vanags to go over a little bit of what was presented to the subcommittee and give us a little history of that application.

Mr. Vanags thanked the Board and stated they are pulling that application for consideration today because they need to do a little bit more homework in getting that application ready for presentation. Mr. Vanags stated briefly the project is a part of the rehabilitation of the Universal Preservation Hall which is located in Saratoga Springs. It is a church that they are going to turn into a performing arts center. Proctors is in partnership with the folks that created that opportunity. They have acquired historic tax credits to help in the rehabilitation of that building, about \$6,000,000 worth. That throws off about \$2.2 million dollars in tax credits. The way that works is that they will take that organization, which is a non-profit organization, and move that over to a for-profit organization, which is the requirement in order to get the tax credits to work. Then they will sell those tax credits to a company or an organization that buys these kinds of things. In many cases, private companies, Sherwin Williams for example, has a mission in their corporate structure to buy these historic tax credits, it ties in with their paint, that type of thing. They will buy these historic tax credits which gives cash to Proctors in order to complete the project. But since they are putting it into private hands, that then turns it into a for-profit organization which then triggers taxes. So what Proctors would like to do is put it into a PILOT for five to ten years so that they can continue with the rehabilitation, stabilize the property financially, and make sure that it's a non-profit ongoing entity.

Historically, it has always been off the tax roles as a church and then as a non-profit. So, in order to help fund and finance the rehabilitation of this project, they don't want to turn it back into a private sector for-profit entity that is subject to taxes. The PILOT will help fix that. It will be a beautiful performing arts center and add a lot to the cultural and creative life in Saratoga County and our economic impact. Mr. Vanags asked Mr. Carminucci if he had anything to add to that. Mr. Carminucci stated we have done something similar in Schenectady for Proctors. As Mr. Vanags indicated, in order to get the tax credits, that to have the property owned by a for-profit entity, a tax credit investor takes an ownership interest in that entity. That will remain until the tax credits burn off which is usually five to seven years. Once that happens, the title reverts back to the not-for-profit. What they are trying to do with the IDA is to avoid having to pay real property taxes once they transfer the property to the for-profit entity. Right now, they are tax exempt. They aren't paying any real property taxes.

Mr. Toohey questioned if the for-profit entity would lease it to us. Mr. Carminucci stated right, so we would take a leasehold interest and lease it back to them as we typically would do. Mr. Vanags stated they will be back in probably June or July with a more complete application. Chairman Sutton stated in

the application it says that the game plan is a start date of September of 2017. Mr. Vanags stated yes. Ms. DiDomenico questioned Mr. Carminucci if the application should be with the Universal Preservation Hall or the for-profit company. Mr. Carminucci stated he thinks the problem is they haven't set up the for-profit entity yet and that is why it says to be determined, so he thinks the application is coming in from UPH on behalf of the entity. Mr. Carminucci stated they may be using PT Redevelopment which is the entity they used down in Schenectady, so if that is the case, it does exist. Mr. Valentine questioned how do you set up PILOT bills, will the assessed value come into play then? Mr. Carminucci stated it will be assigned an assessed value as it is now, but under your PILOT Agreement you won't require any payments to be made because they're not making that now. Mr. Toohey stated it is consistent with our policy in that the City and the Schools have realized no tax income from this property for virtually ever. Chairman Sutton stated we would encourage most of the construction people come from this area. Mr. Vanags stated yes. Mr. Carminucci stated he thinks there is job creation here. Mr. Vanags stated yes. Chairman Sutton questioned if we will see another application. Mr. Vanags stated yes. Mr. Ferguson asked Mr. Vanags as they work their way through this application to please reach out to himself and Mr. Valentine. They would be happy to assist.

Chairman Sutton asked Mr. Ferguson to discuss the financial reports of 4/30/17.

Mr. Ferguson stated the financial reports are as of the end of April. The income statement that you see is comparative with the current month and year-to-date. For the period ending April, the IDA has generated a net profit of \$38,977.00 on total revenues of just over \$200,000. Operating expenses of \$145,855.00 and capital reserve expenses of \$17,122. The income statement reflects the administrative fees that we have collected for Ace Hardware at \$144,000.00 and Land Development of New York at \$13,500. In addition to that, we received just shy of \$41,000 in PILOT recapture. If you recall, that came from Monmouth and those dollars represented the 2015 benefits that they had received. Expenses just shy of \$146,000 were principally comprised of the fee split at \$79,000 to both Saratoga Economic Development Corporation and Saratoga County Prosperity Partnership. That fee split is within our contract and it assures that our Economic Development Corporations assist with completed applications. In addition, the \$41,000 PILOT recapture as he had just spoke of, those dollars were paid back to the affected municipalities, Saratoga County and the Shenendehowa Central School District, a \$10,000 payment to himself under contract and \$7,100 in professional fees and our audit expense.

Our balance sheet continues to show very strong liquidity with just shy of \$3.6 million dollars in bank accounts with total assets of \$5.134 million. We had receivables. \$799.40 was received from Albatross, and \$540.00 was past due interest collected from Mountain Ledge, the 2016 school tax bill. We will make those payments this week on the conforming accounts payable. Total net worth at \$5.133 million dollars. Within the reports he also included an accounts payable and an accounts receivable aging. In connection with the financial reports, he met with our new CFO, Jeff Many. We met last week and we had a good and healthy discussion. Mr. Many has reviewed not only the reports as presented, but also his work on QuickBooks. Mr. Many has requested to take a brief moment to talk about a change that he is recommending.

Mr. Many stated he and Mr. Ferguson met last week and one of the things in looking at the statements, on the bottom of the profit and loss there is \$9,500 roughly of expenses related to the Luther Forest Tech Park land purchase. His recommendation to Mr. Ferguson was to include that as an asset because that is part of our acquisition cost if the project is completed. It is more of an asset if that project comes to fruition. We don't have to do it now, if the project does not pan out, it is going to be an expense. For now, he would carry it as an other asset on our balance sheet. Mr. Ferguson stated Mr. Many has

graciously offered to walk him through that change in accounting. Chairman Sutton asked if there were any questions on the financial report.

Sales Tax Exemption Request M J Properties of Clifton Park, Inc.:

Chairman Sutton stated the next agenda item is sales tax exemption request from M J Properties of Clifton Park, Inc.

Mr. Ferguson stated within the Board packet there is a short memo from him regarding the sales tax exemption request of M J Properties. We had received two requests, April 10th and April 18th, from both Susan and Mark Rekucki. Mr. Ferguson has provided all of the corresponding communication. The original exemption on their project on Stone Break Road expired on March 31st and they are requesting an extension. Mr. Ferguson has listed here an extension to June 30th. Mr. Ferguson asked Mr. Vanags if he thought that would be enough time. Mr. Vanags stated they might need a little more. Mr. Ferguson asked what would he recommend. Mr. Vanags stated August 31st. Chairman Sutton questioned weren't they looking for one year? He is reading that she was looking for an additional year, not a couple of months. Mr. Ferguson apologized, he missed that. Mr. Ferguson stated March 31, 2018 then. Mr. Valentine stated that we have an important point in this that there is a gap then from April 1st through May 7th where we have to look at the ST340 similar to what we did with Danforth. Mr. Toohey asked if we were exempting that period. Mr. Valentine stated we cannot do that. Mr. Toohey stated that is there gap then. Mr. Valentine stated Mr. Vanags may want to relay that to them. Mr. Vanags stated they are aware of that. Mr. Ferguson stated the exemption would be from May 8, 2017 to March 31, 2018. Chairman Sutton asked if there were any questions regarding the exemption of sales tax exemption for M J Properties of Clifton Park, Inc.

Chairman Sutton asked for a motion to approve the sales tax exemption for M J Properties of Clifton Park, Inc. The motion to approve the amended sales tax exemption was made by Ms. DiDomenico. The motion was seconded by Mr. Greene.

RESOLUTION #1367

RESOLVED THAT the Saratoga County IDA agrees to amend the sales tax exemption to M J Properties of Clifton Park, Inc. as presented.

The results of the roll call vote were as follows:

AYES: Mr. Mooney, Mr. Klein, Ms. DiDomenico, Mr. Lewis, Mr. Greene, Mr. Johnson and Chairman Sutton.

AYES: 7

NOES: 0

ADOPTED: 7-0.

Ratification of Electronic Vote to Extend Arnoff Sales Tax Exemption:

Chairman Sutton stated the next agenda item is the ratification of electronic vote to extend the sales tax exemption to Arnoff Moving and Storage sales tax exemption to June 30, 2017.

Mr. Ferguson stated previously we had received a request from Arnoff Moving and Storage to extend their sales tax exemption to June 30, 2017. At the time, based upon the fact that our April Board meeting had been cancelled due to lack of application we requested an email polling of the Board so we could get the extension to them in a timely manner. All Board members responded in the affirmative and we have their voting records to go into the file. What he is asking for this morning is that we just ratify that approval so that it is memorialized within our minutes.

Chairman Sutton asked for a motion to ratify the electronic vote to extend the sales tax exemption to June 30, 2017 to Arnoff Moving and Storage. Mr. Mooney made a motion to ratify the email vote to extend the sales tax exemption for Arnoff Moving and Storage. The motion was seconded by Ms. DiDomenico.

RESOLUTION #1368

RESOLVED THAT the Saratoga County IDA agrees to ratify the email vote to extend the sales tax exemption to Arnoff Moving and Storage as presented.

The results of the roll call vote were as follows:

AYES: Mr. Mooney, Mr. Klein, Ms. DiDomenico, Mr. Lewis, Mr. Greene, Mr. Johnson and Chairman Sutton.

AYES: 7

NOES: 0

ADOPTED: 7-0.

Chairman Sutton stated the next agenda item is the 2016 Jobs Survey Report follow up. Mr. Ferguson stated at the March meeting he presented a memorandum on our Jobs Report Performance. There were three companies that materially did not meet their job performance, JW Danforth, Fred's Tents and Perry Road. He immediately received word back from JW Danforth. That was a reporting error and we ironed that out. Fred's Tents responded to him literally on the day after the meeting on March 14th. They had reported their job totals at year-end. Those jobs did not reflect the significant number of seasonal employees that they have. When we took their employee count January through December and did an annual average, they met their job target. Mr. Ferguson felt that made sense particularly based upon the type of company that they are. The third company, Perry Road Realty, they had reported four employees. Their goal was five. He has reached out to them. He has not heard back. He will reach out to them again.

Chairman Sutton asked for an update on 2017 Town & County Pilot update. Mr. Ferguson stated he is happy to report that all of the PILOT billing has been received and there are two modest payables that will go out this week and we close the books on that.

Chairman Sutton asked for a discussion on project closings. Mr. Carminucci stated he was trying to make a list of the ones that he considered to be active. The ones that he believes are still open are CoreTech which was supposed to close a few weeks ago but they delayed it because of negotiations with their lender. Danforth has not closed, Stonebridge, SKS and MJ Properties. The Town of Saratoga loan, he does not know what the deal with that is, which is Kaufmann. Mr. Valentine stated Mr. Ferguson is going to send a letter out to them because their two year time period is next month.

Chairman Sutton questioned if this was on Victory. Mr. Valentine stated yes, we have a what is going on type of letter.

Chairman Sutton asked Ms. DiDomenico for a discussion on the proposed logo for SCIDA. Ms. DiDomenico displayed the logo that the Committee has selected. We are having a meeting after this meeting with Mr. Vanags to get an update on the design of the website. We had a good meeting a few weeks ago. He provided us with a presentation showing three or four different IDA websites throughout New York State and we chose the website that we thought had the best layout for our IDA and that is where we are at this point. Ms. DiDomenico asked for any comments on our proposed logo. She felt it would be a good fit and color combination. Hopefully that everyone concurs with what we have come up with so far. Chairman Sutton asked if there were any questions. Chairman Sutton thanked Ms. DiDomenico for her work on this project.

Chairman Sutton asked for a discussion on other business. Mr. Ferguson stated within your packet we included what was called the Sales Tax Compliance Report. This is part of our annual reporting for PARIS and Mr. Ferguson thanked Mr. Valentine for diligently updating this report and putting it together. He just wanted everyone to see that. As well, Mr. Valentine did a wonderful job in updating our master list of all the project companies that have run through our organization. He thanked Mr. Valentine for putting that together. Mr. Mooney asked how far this goes back. Mr. Valentine stated since inception, since 1981. Mr. Valentine stated what is interesting about this at some points, he and Mr. Benton did an exercise about taking the assessment that is in the one column and then going back and looking at the current assessment on the property to see the increased value through IDA participation. That is not a calculation that is on this chart because it has to be worked separately but it was quite an extensive change in values and tax revenues coming to the prospective municipalities. Chairman Sutton stated this was a great source of information and thank you.

Chairman Sutton asked Mr. Ferguson to discuss the ABO. Mr. Ferguson stated within your Board packet he provided a very brief memorandum regarding the Authorities Budget Office Board training requirements. They had recently completed a report on the performance of Board training. That report also pointed out two really good guidelines that we all should remember. The Public Authorities Law requires Board members to participate in the approved training within one year of their appointment. And ABO Guidance also directs that all directors participate in that training upon re-appointment to the Board or at least once every three years. Mr. Ferguson stated it is all online. On the first page, there is a link to the training. The Directors discussed the training and what it provides. Mr. Toohey questioned Mr. Ferguson if we should keep a tracking on that. Mr. Ferguson stated that would be a very good idea and he would set up a tracking report on that.

Mr. Ferguson stated on other business, but not on the agenda, Mr. Valentine requested that this information be included. Mr. Valentine stated one of the things that comes up regarding IDA reporting which the State requires is that they have all of a sudden become active where they haven't been easily for fifteen years regarding the follow-up with the ST340's. ST340's are the forms that companies don't submit to us but submit to Tax and Finance at the end of February to say what did they have for tax exemptions in that year. We send a letter out through Mr. Ferguson at the end of December to ask companies three questions. How many construction jobs during the course of the year, what were the sales taxes that you exempted and third question was full time jobs as an operating business. Mr. Ferguson stated both mortgage and sales tax exemptions. Mr. Valentine stated he asks for copies in his letters when we have a closing. He provides them with a whole bunch of information once they have finished their closing. One of the things he asks for is a copy of the ST340's when they file. We don't

always get it. This year, all of a sudden Tax and Finance started sending us comments back to for example, here is an ST60 that so and so submitted, it is not signed. Or, the end date on the ST60, which makes them and agent of the agency for our tax purposes, doesn't match the end date on the ST340. It was really funny that, all of a sudden, they have come out of the woodwork, but we have gotten a number of projects that we have had to send stuff back and forth on. What Mr. Ferguson was eluding to here is Ace did a great job all of the way through the whole process. Ace went through all kinds of reporting. He met with them and their contractors before the project started and went through everything. They submitted their ST340 and they submitted this form which Mr. Ferguson was showing you. We have a construction completion report which, as a company completes their work, we ask the company to submit. They provided a nice format here which he told Mr. Ferguson and he did ask permission from Ace, is can we utilize this form just to give everyone a basis once we have a construction completion. We have never had a standard form of our own, but this one fits in. Some of the ST340's that did come back. There is one noted, Perry Road project. Perry Road submitted an ST340 for 2015 although they submitted in April of 2016, and they said no taxes were exempted. He just figured in 2015 they hadn't done much maybe. In 2016 which they just reported, no taxes exempted. Mr. Valentine decided to question this as it was a \$15,000,000 project and going back on Mr. Brobston's work, you usually work at 50 or 60% of the value of the building for computation of sales tax. Mr. Brobston had used 60% which gets us at \$9,600,000 and then the seven cents per dollar gets them at a \$500,500 is what they should have for exemptions. They claimed zero. Mr. Valentine called them and asked them are they sure on this. They reported it through a different entity. He hadn't heard from the State on this but he did ask them to resubmit 2015 and 2016. It will be a double entry for us here.

Mr. Ferguson stated one more item he would like to discuss is he was contacted by the ABO and a lady named Ashley Parslow reached out to him and wanted to come to the office to review a file. The file was Fortress Creatacor. This was part of a randomly selected agency and file review. It took a while for us to schedule the time but on the 27th of April, two representatives from the ABO came to review one file. After spending an exhaustive search through our file for an entire day, they thanked me for the time and the information. There was some review of PARIS Reporting that Mr. Benton had done. It was spot on to the penny. On May 3rd he received communication from Ms. Parslow giving him a three paragraph summary of the project that we already knew about and did request that he verify some numbers, which he is in the process of doing. He does not anticipate any negative outcome. He just wanted everyone to be aware of this.

Chairman Sutton recognized Mr. Brobston. Mr. Brobston stated everyone should be receiving an invitation from the Arnoff's for the June 15th Open House. It is a Thursday night from 5-7:30. Behan Communications is doing their work on getting that word out.

Chairman Sutton stated the next meeting will be on June 12th in the City of Saratoga Springs. We will have the public meeting for Espey Manufacturing. Mr. Klein questioned which Board members might be present regarding a quorum. Mr. Klein stated he would not be attending. Ms. DiDomenico stated she would not be present. Chairman Sutton stated we need four for a quorum. Mr. Valentine stated for the public hearing we do not need a quorum for the public hearing, but we do need a quorum if there is an inducement resolution at the meeting after the hearing. The Board members decided there would be a quorum present at the meeting following the public hearing.

Chairman Sutton asked if there was any further discussion. As there was no further business, the meeting was adjourned on a motion made by Mr. Johnson, seconded by Ms. DiDomenico, with all voting in favor.

Respectfully submitted,

Lori A. Eddy