

**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**

**December 12, 2016 – 8:05 a.m.**

**Saratoga County Planning Offices Auditorium  
50 West High Street, Ballston Spa, NY 12020**

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

**STAFF & GUESTS:** Richard Ferguson, CEO, Michael J. Toohey, Esq., Counsel to the Agency; James A. Carminucci, Esq., Bond Counsel; Michael Valentine, Administrative Assistant; Denis Brobston, SEDC; Ryan VanAmburgh, SEDC; Jim Angus, SEDC; Marty Vanags, Prosperity Partnership; Alyssa McClenning, Prosperity Partnership; John Girodano, CEG; Ken Horan, SKS Bottle & Packaging, Inc.; Steve Horan, SKS Bottle & Packaging, Inc.; Thomas Lane, Global Foundries; Ariel Dunster, Global Foundries; Brian Carmer, Stone Bridge Iron & Steel, Inc.; Brendan Chudy, Global Foundries; and Lori Eddy, Secretary.

**ABSENT:** Glenn Rockwood.

Chairman Sutton called the meeting to order @ 8:05 a.m.

**APPROVAL OF MINUTES:**

Chairman Sutton asked if there were any additions or corrections to the October 31, 2016 meeting minutes. Mr. Klein made the motion to approve the minutes and it was seconded by Mr. Mooney. Ms. DiDomenico stated she abstained as she was not present at the meeting. All were in favor and the minutes were approved 5-0.

**Application: SKS Bottle & Packaging, Inc.:**

Chairman Sutton stated we have an application that came before us from SKS Bottle and Packaging, Inc. They are looking to relocate across from the Grande Industrial Park off of Geyser Road . It is a business that was started by some very adventurous parents in 1986 and the sons have taken it over and now they are looking to expand into Saratoga County.

Chairman Sutton asked Mr. Angus to discuss the application. Mr. Angus distributed copies of the application and the application maps. Mr. Angus stated he was pleased to bring this application to the IDA. Mr. Angus stated present this morning are the sons, Ken Horan and Steve Horan, President and Vice President respectively. Mr. Angus stated they are going to do a review and history of their request.

Mr. Ken Horan discussed the history of SKS as his parents started in 1986. They started off by selling labels and packaging corkboard, they are a distribution packaging company. They sell metal, glass and plastic containers. They do not fill anything on site. When they started the Internet website in 1995, that was when the business really took off. Before that, most of our sales were from large accounts

where we drop-shipped directly from factory. Now, we consider ourselves a stocking distributor. We went from 3 employees in 1986 to right around over the 100 that we currently have in Watervliet.

The Internet really expanded their distribution capabilities. They are now international and a lot of their business is on the West Coast. It is time now to invest money to build a new building and move to Saratoga County for a more efficient warehouse. They hired the United Parcel Service to develop a CAD drawing of exactly what their perfect building would look, like based on the cubic dimension and our demand of product. UPS said that we would need approximately 98,000 square feet of warehouse space. Our footprint is below that currently right now in Watervliet. We did bring it to the attention of our landlord. In six to eight years we would be looking for another location. Another thing that we are stuck with in our current location is the number of trucking dock spaces incoming and outgoing. Our PIC faces, there is not enough space per item, so if we want to add new products and be competitive in our industry, we would have to expand farther away from the shipping line which would be inefficient.

Mr. Angus asked if there were any questions regarding this information. Chairman Sutton asked how long they had been in Watervliet? Mr. Horan stated they have been in Watervliet for eleven years. Chairman Sutton asked knowing that they can't expand in that location, what other locations have they looked at for space or opportunity. Mr. Horan stated they have looked at Reno, Nevada. They want to stay local. They looked at Rensselaer and Halfmoon as well for land to purchase. They also were looking a long time ago for the possibility of buying a building and expand that but there really isn't a lot of choices out there in Saratoga County. Chairman Sutton questioned if they were looking at Grande and to build a how many square foot building? Mr. Horan stated 128,000 square feet. Chairman Sutton questioned if they need rail service. Mr. Horan stated no. They do ship some of their product rail from Watervliet right now to Reno, but it is not demanded. Mr. Klein questioned if they foresee any time in the future of filling the receptacles and bottles here in Saratoga County. Mr. Horan stated no. Mr. Klein questioned regarding employees, where does the current employee base come from. Mr. Horan stated it is mixed, Albany County and Saratoga County. There is a bunch in Albany County. Mr. Klein stated they would be commuting then? Mr. Horan stated yes.

Chairman Sutton questioned do you have anticipation of new employees as you grow? Mr. Horan stated correct, they forecast about 116 in a couple of years. Mr. Klein asked if that would be semi-skilled labor force or skilled labor force. Mr. Horan stated the majority of their employees are PIC pack shippers and it is going to be our headquarters. Chairman Sutton questioned in the application, the average salary for those type of people is in the \$38,000 range, in that area, with full benefits. Mr. Horan stated 12% would be a benefit. We do a 401K plan with a 4% percent match, we also pay 16% of the health insurance costs and we pay for holidays and vacation. We also do free dental, free vision and added a prescription rider to our health insurance. Prior to this year, we did 50-50 with the employees, no vision and no dental and no prescription rider, but we added that this year.

Chairman Sutton asked Mr. Horan if his parents started here in Saratoga County. Mr. Horan stated they did, in his house garage in Clifton Park. Ms. DiDomenico questioned how far are they with any governmental approvals like City of Saratoga, do you have to go through Planning Board, site plan? Mr. Horan stated we are not anywhere. Ms. DiDomenico questioned if they are currently under contract? Mr. Horan stated they are not. Mr. Angus stated their investment of \$15-\$16,000,000, being cautious, they want to make sure incentives are in place if they are going to do that. Ms. DiDomenico asked if they have an option with the property owner where they are moving to in the Industrial Park? Mr. Horan stated they are not going to move into the Industrial Park, they are going to move into property off Geyser Road. Ms. DiDomenico asked if they have signed a contract. Mr. Horan stated no and it is all

contingent upon the approval of the IDA. He further stated that he talked to Mr. Munter last week and he is not going to go any further with the site work until he gets approval from the IDA. Ms. DiDomenico then questioned if they were then going to put in place the contract and move through that process. Mr. Horan stated yes.

Mr. Toohey stated there seems to be some confusion as to where this land is. It is Grande land that was sold to Munter's. It is on the other side of the railroad bed. So it is on the eastern side of the railroad bed. It is next to where Serotta's was and it is across the street from the Cady Hill Farm. So it is a triangle of land that is right in that quadrant but it never was part of the Cady Hill Investment partners. Chairman Sutton asked if there were any further questions. Mr. Angus then reviewed the application request. They have the approximate land cost of \$1.3 million and the building cost of \$12.8 million which would give you a \$14,000,000 cost for land and buildings on which the assessment would be based. The estimated assessment on this property is about \$10.5 million. Interestingly enough that 22 acres right now pays approximately \$2,600.00 in taxes. The PILOT benefit would be substantially above that about 100 times that. There is machinery and equipment which go into the calculation of the sales tax benefits of 60% of the building cost plus the machinery and equipment to come up with a 7% sales tax benefit and then a mortgage of approximately \$7.7 million dollars would give  $\frac{3}{4}$  of a percent in mortgage tax benefit of about \$95,000. They are proposing a 10 year commercial service PILOT, the first 5 years based on the land purchase price only and then the next 5 ratcheting from 50 to 100% and that is laid out on the application.

Chairman Sutton asked if there were any questions on the calculations. Chairman Sutton asked what is the target date if the IDA were to approve this? Mr. Angus stated the target date is for the end of the second quarter of 2018 because they have to go through Planning, etc. so it is approximately 1 year. Chairman Sutton asked that the application presented regarding SKS Bottle & Packaging, Inc. be acted upon and to set the date for a public hearing to be held in the City of Saratoga Springs on January 9, 2016. Mr. Johnson moved to act upon the SKS Bottle & Packaging, Inc. application as presented. Mr. Mooney seconded the motion. All were in favor and the motion was approved.

#### **Application: Stone Bridge Iron & Steel, Inc.:**

Chairman Sutton stated the next application is Stone Bridge Iron & Steel. Chairman Sutton asked Mr. Brobston to discuss this application. Mr. Brobston distributed the associated paperwork for the application for Stone Bridge Iron & Steel, Inc. Mr. Brobston stated this is a local company, home grown and doing very well and sees the need for expansion. They have a couple of other locations within the State. If you look at the application, most of their business is done outside of Saratoga County. They are looking to add on a 25,000 square foot facility to their existing plant. It will require some work at the Town. The Town is working on those issues right now with Planning. They would like to get in the ground as soon as possible because they are coming into a time where business is a little bit slower and it gives them an opportunity to get ready for when the next crush hits. Mr. Brobston stated that Mr. Brian Carmer is present and he will give a little history and talk about what the project is for and he will go into the request from there.

Mr. Carmer stated that his father founded Stone Bridge Iron and Steel in 1973. He joined forces with him in 1979. They started the business on the family farm and have built it into what they consider a pretty respectable operation right now. They manufacture structural steel and miscellaneous metals. They sell their products throughout the United States. They have actually done quite a bit of work out in California and Arizona, especially whenever Las Vegas is busy. Las Vegas sucks up all the capacity on the

West Coast for steel fabrication, so contractors don't know where to go to get their buildings built. They have done a Daisy Sour Cream plant out there which we produced 180 truckloads of steel here and shipped them across country. They have done a Breyers Ice Cream plant out there. They have done facilities similar to that around the Country. Actually, the last few years, they have been very busy close to home which is very nice for them. It is a lot easier to work locally than it is on the West Coast. His brother and himself own the Company right now. They employ just under 70 people anywhere from office people, they have estimators, project managers, detailers. Everything today is computerized in their shop. They recognize the need for additional capacity. They have grown to the point where they are subcontracting a lot of the work they are doing out of the State. They would like to recoup some of those jobs locally here. They have what they consider a very good facility. It needs a little TLC at this point which they are committed to do. The expansion will allow them to increase their capacity as well as provide a safer work environment for their employees. They are trying to put a little space between the welders and the fitters on the shop floor. Mr. Carmer hoped to go forward with this plan. He does have an operation that he owns in Utica, New York and he is partnered with a shop in Rochester. They have looked at those options for adding additional capacity and they feel the best option for them is the Company here in Gansevoort.

Mr. Brobston stated there is a drawing of the plant and a very nice red ink sketch of where the addition is going. The Town of Northumberland has in their code that they go through a site plan approval, they are going to handle SEQR at Planning because of the septic system. Actually, they would like to build the septic system as big as they can, so in the future they won't have to go back and do the planning process again. That is what is triggering the SEQR from the Planning in the Town of Northumberland. As Brian said, this is retaining 69 jobs, but it is really going to add 10 new jobs to Saratoga County. It is a \$4.55 million dollar project, with Munter as the general contractors. They expect Morris Excavating to do some site work. The average wage at Stone Bridge is \$43,000. Capital Region average for the sector is about \$38,500 so it is above the average median wage. The request is for mortgage recording sales tax and a PILOT. The mortgage recording tax, depending on what they take, Adirondack Trust is their bank. Cost of construction and materials of \$1.8 million. By the time you add all the equipment and furniture and fixtures, it gets to a sales tax benefit of \$232,400. Mortgage tax benefit could be as much as \$27,330 if they were doing  $\frac{3}{4}$  of the mortgage tax.

The request is for a 10 year PILOT. There are two examples in the packet. One is a 10 year and one is a 5 and 5. The request is a 10 year. During a subcommittee meeting it was requested that we bring a 5 and 5 to show the difference between them. The 10 year PILOT would freeze the existing assessment and at year 11 it would go on the tax rolls at 100%, so the estimated tax savings is \$733,660 for a total package, if that one is accepted, is \$923,978 approximately with fees and things included. 5 and 5 PILOT would reduce that to \$687,000. The 5 and 5 is similar to what Mr. Carminucci was talking about with commercial services. Mr. Brobston stated he would like to remind the Board that this is manufacturing and that the request is for the full 10 year.

Chairman Sutton asked if there were any questions regarding the application. Ms. DiDomenico questioned if the applicant has ever had a PILOT in the past? Mr. Brobston stated no. Ms. DiDomenico stated the other question she had, on page seven you stated that you currently subcontract 30% of your work out of state. Do you foresee with the addition of this space that you will eliminate the subcontracting and those jobs will be here at your main plant. Mr. Carmer stated it would eliminate a big portion of them. He can't say it would eliminate all work subcontracted out of state because their business is very time sensitive. When people build, they need their structural steel frames very quickly. We feel that we can retain a lot of that volume that we do and the work that we do and do it here

locally. Mr. Mooney stated the application shows the present annual taxes for the land only of \$40,632, is that accurate? Mr. Brobston responded that is everything. The existing is the \$1.6 million dollar assessment which is including that. Mr. Valentine questioned when you talked about the sales tax based on construction but you also eluded to equipment. Mr. Brobston stated there is some equipment in there. Mr. Valentine questioned if the equipment was already going to be exempt? Mr. Brobston stated some of it would be normally. But they have also experienced what others have experienced when you are doing equipment and purchasing it that not all the state tax, as we found out with Global Foundries, the foundation may not be tax exempt, the bolts may not be, but yet the equipment is. That is why we are throwing all of that in together to make sure it is covered. As we did with Global and others in the past we are covering the bases to make sure the tax and finance numbers cover. Mr. Valentine stated to cover everything when submitted. Mr. Brobston stated yes.

Mr. Johnson questioned if the current land assessment is \$1.6 million. Mr. Brobston stated yes, as the buildings exist now. Chairman Sutton questioned Mr. Carmer if they have looked at Utica and the other two sites to expand if this were not to go through. Mr. Carmer stated yes, this is not our first option, we have better control here, we have better workforce here. We've got a very good workforce that we employ. At our recent company party we had two employees that celebrated their 30 year anniversary with us. We maintain a good crew. We have moved some people in from out of the area from the West Coast. We just moved a young fellow from Kansas City with his family. He has a specialized skill as a computer modeler. We reach out and find people and bring them to the area and provide a good place for them to work. Chairman Sutton questioned if they did quite a bit of work at Global Foundries. Mr. Carmer stated yes, that was a fun project for them. Ms. Hynes-Walsh stated she is glad Mr. Carmer spoke about the workforce. She just read the other day about all the difficulty manufacturers in the area are having attracting and retaining good skilled workers. It sounds like you have figured that out.

Mr. Carmer stated he thinks one of the keys is you have to provide a good place for people to work, you have to make them feel as if they are part of the team. You give them a reason to come to work and they perform very well. We pay them well, we give them good benefits. Our company is successful doing what we do, we do a good job for people. Otherwise, obviously we wouldn't have been working at Global Foundries. We love to run fast and that is what separates us apart from our competition. We work faster than pretty much anybody in the Northeast. Ms. Hynes-Walsh stated one of her first jobs was Altec Structural Steel in Watervliet so she knows a little bit about the process and she thinks it's great it is here. Mr. Brobston stated they are requesting a special meeting before the end of the year in the Town of Northumberland because this does need to move fast. Empire State Development has been supportive of this project as well. We are required to say that because of Empire State Development's commitment, that this project won't go forward without ESD support as it won't go forward without the IDA support. The ESD is an integral part in making sure that the manufacturing business stayed here and grew here. He just wanted to mention that as well. They are asking for a meeting on the 28<sup>th</sup> or 29<sup>th</sup>. Mr. Ferguson stated we had polled the Board and the date would be the 29<sup>th</sup> in the Town of Northumberland. Chairman Sutton stated that would be 8:00 a.m. in the Town of Northumberland.

Chairman Sutton stated we have an option before us whether it be a 10 year PILOT or a 5 and a 5. Is there any discussion from the Board regarding that. Mr. Johnson questioned if it is all manufacturing, the expansion? Mr. Brobston stated yes. Mr. Carminucci questioned if they were looking for sales tax exemption at the time of that meeting or preliminary approval. Mr. Brobston stated preliminary. He understands you cannot give that until SEQR is done, correct. Mr. Carminucci stated if someone else is doing it, we would normally wait until they make that determination. Mr. Brobston stated that determination may be made when Mr. Valentine? Mr. Valentine responded December 9<sup>th</sup> and

December 12<sup>th</sup> and then a January meeting. Mr. Brobston stated that we would be looking for January for the letter and the SEQR to be approved. Mr. Valentine stated we would do a separate SEQR resolution at the meeting we have in January then. Chairman Sutton questioned if it is the pleasure of the Board to go forward with a public hearing on December 29<sup>th</sup> in the Town of Northumberland upon the application we have before us. Mr. Mooney asked if we have to decide on the timeframe for the PILOT. Chairman Sutton stated we should talk about that now rather than before the public hearing. Mr. Mooney questioned if there is any reason not to go with the 10 years. Chairman Sutton stated typically we have gone 5 and 5. There are plenty of applicants that have had the 10 year PILOT. Mr. Ferguson stated for manufacturing it is 10 years.

Chairman Sutton asked that the application presented for a 10 year PILOT for Stone Bridge Iron & Steel, Inc. be acted upon and to set the date for a public hearing to be held in the Town of Northumberland on December 29, 2016. Ms. DiDomenico moved to act upon the Stone Bridge Iron & Steel, Inc. application as presented. Mr. Johnson seconded the motion. All were in favor, with Mr. Klein abstaining regarding a potential conflict, and the motion was approved.

### **Finance Report:**

Chairman Sutton asked Mr. Ferguson to discuss the finance report. Mr. Ferguson stated the financial reports provided are as of November 30, 2016. He did pass out today a replacement income statement. It was previously discussed of an error in the Town and County PILOT accounting from January. They should have equaled and they did not. The PILOT received was close to \$1,900 more than the pass through payment to the affected municipality. It took a while but he figured it out. The IDA had a late PILOT payment from Mountain Ledge and a 5% penalty and he accounted for that as the PILOT payment received. It should have been a separate line item. As well, for the current school PILOT that we are collecting now, we had had two companies which were late so he also made the accounting entries for both penalty interest and the 5% late payment. It is down to 2 cents difference. Mr. Ferguson stated he would find it.

Through November 30 we show an operating profit of \$19,400. Bottom line, we show a net loss of just shy of \$84,000. Mr. Ferguson stated please note that those reflect our capital fund projects of the Geyser Road Signalization, the Historic Hudson Hoosick Visitors Center and the potential Luther Forest land purchase. Our balance sheet continues to be very strong. We have liquidity of just over \$3,500,000 representing our bank deposit balances with total assets just shy of \$5.2 million. Total net worth of \$5.1 million. Our accounts receivable now stand at \$36,900. Subsequent to the reporting we received our past due payment from SEPSA, from Albatross. Our accounts payable now stand at the same amount, although it is 2 cents off in reflecting the pass-through payment of the Albatross funds to Burnt Hills Ballston Lake School District.

Just as a follow-up to the 2017 budget, he did file the PARIS Budget reporting in accordance with the Authorities Budget Office November 1<sup>st</sup> guideline. That is the finance report. Chairman Sutton questioned if we would be getting this statement each month. Mr. Ferguson stated yes. Chairman Sutton questioned if there were any further questions regarding the financials. There was no further discussion.

### **Extension of Global Foundries Sales Tax Exemption to December 31, 2019:**

Chairman Sutton stated the next order of business is the extension of Global Foundries Sales Tax Exemption to December 31, 2019. Mr. Lane introduced himself as the Tax Manager for Global Foundries. Mr. Lane thanked the IDA for hearing the request for an extension on their exemption letter for sales and use tax. Back in August of 2015 they filed for an amended extension for \$82.5 million dollars which was granted on August 10, 2015. At that point in time, most of the repurposing of that application was going to be based on two of the buildings that they have. This one was going to be on the Technology Development Center and we weren't sure if we were going to have something on our 8.1 building as well. At that point in time we had an extension letter for our exemption for sales and use tax through 2020 for our Technology Development Center. However, on our 8.1 we only had it run through 12/31/2016. This isn't a request for additional funding of sales and use tax exemption, it is more so moving the timeframe back from the 2016 to 2019 date.

Mr. Lane continued that on page two of his handout is a description of what is currently going on at Global Foundries. They have this EUV Project. It is ultraviolet tooling that we need to put in here for a project. Unbeknownst to them at the 2015 application, they figured that building would be completed. However, there has been plans that have changed to where we will be using some of the structural items of that building to insert some cranes and lift capacity which may not fall under the sales and use tax for exemption of manufacturing equipment. With that, again we are requesting an extension. This EUV Project will run through the first quarter of 2019 so we wanted to make sure we covered our bases on that. It is accounted for in our cost in the 2015 application, they just need the letter extended from those two points. Mr. Lane referred to Mr. Valentine for further discussion.

Mr. Valentine questioned we have a date change on that as we did with Ace Hardware, but will there be a dollar value increase in the sales tax amount. Mr. Lane answered no. It has already been accounted for. This EUV Project has just come about. Again, we had a 2020 date for the TDC. We were assuming that it was going into there but we are going back into this 8.1 building. Mr. Valentine stated from our end we have had a good working relationship for 3 years. It has been a very good relationship as far as supplying to us information for the ST-6-'s etc. It is just a simple extension for manufacturing equipment that was there before. He thinks that is all set for being defined under New York State for manufacturing equipment. It is merely a formality as far as what has to be provided or reported for us.

Chairman Sutton asked for a motion to approve the extension of the Global Foundries Sales Tax Exemption to December 31, 2019 as presented. Mr. Mooney moved to act upon the extension as presented. Ms. Hynes-Walsh seconded the motion.

#### **RESOLUTION #1349**

The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 6-0

Mr. Lane continued with another update regarding Global Foundries. He stated since these investments that the IDA has made with Global Foundries in the area, Global Foundries has contributed \$12 billion dollars of capital investment plus and that will continue to increase over the next few years. Also, since mid-2015, we've retained 3,000 full time employees on our payroll. That does not include an additional 400-600 contract workers, mainly tool hookup workers and cafeteria staff, Janitronics, various other

individuals that come there every day as a contract worker. We've also hit another milestone for 2015. Our gross wages at Fab 8, for our full-time employees excluding contractors, was just over \$310,000,000. For the Empire State Development Corporation that we have to report to as well, for the Malta site from 2010 to 2015 we reached \$1.1 billion dollars of wages and salaries paid out at Fab 8. In New York State, we did have an acquisition with the East Fishkill plant in Dutchess County. We have approximately 2,000 employees at that facility as well. Our total New York State wages for full-time employees is about \$1.3 billion dollars through the 2015 year. That is kind of an update of a lot of the large investments that have been hitting the area in Saratoga County.

Mr. Lane extended to the Board to be coordinated with Mr. Valentine, if you would like to come out for a sub-Fab tour of the plant and take a look at this \$12 plus billion of capital investment. They would love to have the members of the Board come for a tour as they have been a part of this since joining forces to put the investment in place in Malta and Fab 8. Chairman Sutton thanked Mr. Lane for the offer. Chairman Sutton stated this has been a true success story thinking there were going to be about 1,900 jobs and currently at 3,000 or so. It is what it was intended to do. Mr. Lane stated originally, he thinks the capital investment was about \$3 billion dollars and they have quadrupled that. The full-time employee head count, they had to maintain 1,200 and they are up to 3,000. Chairman Sutton stated we certainly would like to see another Fab plant come on. Mr. Lane stated one other item he has included is the talent profile of those 3,000 people. As you know or are aware of, Schenectady County also has an economic development of a casino going in and is opening February 8<sup>th</sup>. If you look at Global Foundries talent profile, our degreed profile of our employees, if you count bachelor's, masters and Ph.D.'s, probably a little more than 2,100 of the 3,000 employees have that education experience and above. Very, very dramatic. You can see our increase since 2009. Originally when we started out in March 2, 2009, when we incorporated in New York State, probably not even a handful of employees, and we have built our way up to, he thinks at the end of third quarter, it was 2,975. We are hovering around that 3,000 full time employee range.

Ms. Hynes-Walsh stated she thinks we all know this, but she just wanted to say that between April and November she did a lot of walking around 9 Towns, 8 of them in Saratoga County, not including Malta. She was amazed as she walked around how many people in the Community live here and work at Global. The ripple effect is obvious.

#### **Center for Economic Growth – John Giordano:**

Chairman Sutton stated we have a request of the IDA Board to invest \$5,000.00 with the Center for Economic Growth. We have a presentation by John Giordano, Director of Investor Relations.

Mr. Giordano stated he is here on behalf of the Center for Economic Growth to ask for the IDA's consideration for an investment in the Center for Economic Growth. Mr. Giordano stated our membership dues structure was all over the place and they have formalized and structured and went to an investor model. They are asking for the IDA's consideration for a \$5,000.00 investment for 5 years in a row. The reason they are doing it in that model is it allows them to hire the staff that they need to do the proper job that they want to do. This is really coming at the right time under their new President Andrew Kennedy. He came through working at the State of New York Budget Office and Economic Development. He has been involved in the last 15 years in basically every respectable project that has been developed in New York State. Solar City out in Buffalo, Global Foundries, and other projects. He knows how each of these regions function, how they attract.



What they are looking to do with the investment money is to hire a senior attract professional with a team with a legitimate marketing budget to work in coordination with the economic development organizations that are in the eleven counties that we represent. They will scour the universe for opportunities for this region and they then get brought to Andrew to pull them together. We think that will be the best and strongest combination that CEG has ever had before. Andrew also understands how projects have gotten done around the State. What they have as assets, what they have as things that they generally bring forth to the table. So, if Saratoga County, whether it comes through CEG and ends up going direct to one of your economic development organizations directly, we can become a source if you find yourself competing with Binghamton, or Rochester or somewhere for a project, Andrew is probably the best person in the State you could call to put your County in the best position to win that opportunity because he has done projects in all of those areas. Mr. Giordano stated they want to be the true regional organization that works on economic development. They know if a project does get done in any one of the Counties it is going to benefit all of the Counties.

They also run an entity called Business Growth Solutions where basically half of our staff, or 8 employees of ours, are helping existing companies in the region and manufacturers. The companies that talked this morning actually would be people that might want to talk to our organization on lean training and revenue throughput and all of the trainings that we do providing for varied manufacturing oriented. A lot of people don't know CEG does that. We are helping companies that are already here. Mr. Giordano stated in the packet that was distributed is an outline of their project. They are in a \$6,000,000 capital campaign. Right now, they have \$4.7 million dollars in hand today after a little more than 90 days. You will see the organizations that have pledged money to them and at what level so far.

In comparison, Rensselaer IDA came right out in a very strong position. If he could give a guess, he thinks the Metroplex folks will be at around the \$25,000 level per year. They believe in their mission and in Andrew. Mr. Giordano is putting this forth for the IDA's consideration to become a part of them. Mr. Johnson stated that John and Andrew Kennedy had a presentation to Saratoga County along with the Prosperity Partnership and the Capital Resource Corp. and Mr. Ferguson was there representing the IDA. Their request was for all the entities to make a contribution towards the \$25,000 Director level. The County has committed to \$10,000, the Partnership Board has committed to \$5,000 and the Capital Resource Corp. has committed to \$5,000. If the IDA was to approve this, that would be the last piece of that Director level of \$25,000.

Mr. Mooney questioned if that was listed under Saratoga County Prosperity Partnership now. Mr. Giordano stated correct. The great part of that is you will have representation at our Advisory Council Executive Committee Board representing the County. When projects get discussed at that level you will be in the middle of the conversation. Chairman Sutton questioned how large is your region? Mr. Giordano stated 11 counties, Warren at the north, Columbia-Greene at the south, and then Schenectady, Fulton-Montgomery. Chairman Sutton questioned eastern New York State non-inclusive of the City, correct? Mr. Giordano stated yes. We have to follow the State re-designated what the regions are technically.

Chairman Sutton questioned would Saratoga County be competing with those other 10 Counties? For instance, say a new Global Foundries comes through. Global Foundries says I want to come to New York State and these are the 11 counties. How do we fit in the mix? Mr. Giordano stated he thinks the honest answer to that is clearly defining what the need of the client is. That needs to be met first and foremost. That changes throughout some of the Counties. Some of the counties are more urban and some are very rural. So, what you may do for Global Foundries may be very different than what you do

for a distribution center with infrastructure needs and workforce needs. He doesn't have any doubt in his mind that Saratoga County wouldn't be automatically a candidate for anything that comes forth because you bring all of that together and you are our most attractive thing that we do. He comes from a Hospitality and Tourism background, not an economic development background. You have the most attractive tourism product going in the area. He thinks it came up in that meeting that there are a lot of Presidents and CEO's of companies that their offices are around, but they live in Saratoga. He thinks Saratoga County has a natural attraction in a lot of ways. If a company sees a model of like what you did with Global Foundries and what has happened here, certainly that becomes a great copycat for the future.

Mr. Giordano stated to be honest he is not the economic development person in their organization, that is Andrew's job and that would be our senior track person. He is more on the operations membership side of what we do. He stated Andrew could speak to you another day if you would like to come talk with you directly about what we are doing and what our mission is. Chairman Sutton asked where are they located. Mr. Giordano stated downtown Albany on Pearl Street. Ms. DiDomenico questioned if they were almost the next level up from the Saratoga Prosperity Partnership and SEDC. You've got a broader range. Mr. Giordano stated correct. What our strategy is to sit with them. Everybody has only so much Marketing money. We are already scheduled next year to go to 10 different events. What we want to do is sit down with the Saratoga County teams and say ok where are you guys going, how much money do you have to work with and to make sure there is representation of this region happening everywhere it belongs. It is possible that Prosperity and SEDC don't have the funds to be at all of those places, but we can. We will be the parent organization. He thinks that is a benefit. If an opportunity bypasses us and comes right to Prosperity or SEDC, we still want to be a source for them if those two organizations want to call Andrew and say hey we are competing against Rochester, what do you think Rochester has got. He will know all the answers.

Chairman Sutton stated the State just allocated \$83,000,000 to the Capital District. Did your organization receive any of those monies? Mr. Giordano stated we are technically not allowed to apply. It is more project oriented, like if a specific entity has a project of value. Ms. Hynes-Walsh questioned if they worked to assist any of the companies or entities that did get monies. Mr. Giordano stated he is not sure if they did because they are in a transition period in their leadership. Michael Tucker was their President through May of last year and then Michael Hickey who was our Chair of our Board was our interim and now Andrew came on board in June. So, he is not sure in the interim if we did, but we certainly would. We were very intrinsically involved, Michael Hickey was, in the writing of the Capital 20/20 Plan working with Michael Castellana of SEFCU and, of course, Saratoga County was very involved in that process. Even though we didn't win the \$500,000,000, we are supposed to be getting \$50,000,000 to get jumpstarted on that and he is hoping that the Governor will come through with that. There hasn't been a confirmation of that yet.

Chairman Sutton asked if there were any success stories you could share with us? Mr. Giordano stated not in the past year or so in this transitional period. But, right now Andrew is working on 12 projects. He thinks on 9 of the 12 he has signed a non-disclosure agreement with them. He doesn't even know what they are himself. He doesn't think they are like a Global Foundries level type of project. But, getting 10 of those is good for the region.

Ms. DiDomenico questioned if this is something we are legally allowed to do. Mr. Toohey stated that is the first thing he thought of when looking at the packet. One, there are two IDA's already involved in this. But that does not necessarily mean anything. He believes part of what we can do as opposed to

giving money as grants or gifts for associated projects, just as we can work with Prosperity Partnership on Marketing and Development, he thinks we are all right going into this area. Mr. Johnson stated the County had been a long-time member of the CEG. Mr. Giordano stated the County Board of Supervisors has been a long-time member. He thinks \$9,500 was the amount and he thinks it was because if it went over \$10,000 they had a different voting process, so it was just underneath that threshold.

Mr. Valentine stated the other thing is that the IDA provided \$17,000 to CEG as part of a County traffic wide study that included a number of agencies. Ms. DiDomenico questioned that Mr. Johnson had mentioned our \$5,000 payment would be considered a part of the Director payment of \$25,000 a year. Mr. Giordano stated correct. Ms. DiDomenico asked what if one of those groups decided not to make their contribution, we are not going to be asked to make up the difference. Mr. Giordano stated no, we would have a conversation with everyone but you are not going to be required. This is also a pledge. We are not making you sign a contract. This is a pledge like it is for everybody on that list. The truth of it is we have to earn our salt with all of those people. They've said we will pledge that, but if we don't end up doing our job, some of those people may back out. It is not a contract, it is a pledge. We are hoping you will be happy with our work.

Mr. Ferguson stated we are only looking to fund the first year. We can't obligate ourselves for more years, and we would ask Mr. Giordano to come back next year. Mr. Giordano stated there are others on that list that are the same. For example, banks cannot do that. Banks cannot pledge for five years, they have to show it on their books right away. So, what they are saying is keep doing a good job and we will keep an investment at that level if that helps you. Mr. Toohey stated all you are being asked for under the agenda item is for one year \$5,000 to be part of the program. You are not committing \$25,000, you are not committing \$5,001, you are committing \$5,000.

Chairman Sutton stated we have before us an opportunity to join in with the County, Prosperity Partnership and Capital Resource Corporation to pledge \$5,000 for one year. Then we can revisit this same issue a year from now. Ms. DiDomenico made a motion to make the pledge of \$5,000 to the Center for Economic Growth as presented. The motion was seconded by Mr. Johnson.

#### **RESOLUTION #1350**

The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 6-0

## **SCPP Presentation of Comprehensive Marketing Plan for the SCIDA:**

Chairman Sutton stated we have a presentation from Mr. Vanags of the Saratoga County Prosperity Partnership. Mr. Vanags stated he wanted to mention that working with Mr. Giordano and working with CEG, when he had a previous job in Indianapolis, he did very much the same thing which was to coordinate regional activity for 8 counties. Typically, the way it worked was when a lead came into us, we would disburse it to those 8 counties and say here is a project, do you have a site, the building, the requirements for that project. If you don't, you are not going to get it obviously. But, if you do, you are in the running. That is typically how it would work and that is his understanding how it works with CEG.

Mr. Vanags started his presentation by saying under the contract that we signed with the IDA, we have come up with a comprehensive communication and marketing program. What it will do is provide a fresh look to the IDA and provide an opportunity for you, as an organization, for us as a collaborative organization to work together, to promote and educate people on who the IDA is, what it's goals are and provide hopefully some more clients and some more projects to come through the process. Mr. Vanags stated what we want to do is give a new look to the IDA.

The global marketplace is filled with all kinds of decision makers that need to understand what it is that the IDA can do and so we want to cut through some of that clutter. Our Agreement gives you that opportunity to coordinate the Marketing with you. Our audiences include several different groups. This is what our communication strategy is going to address. Number one is the general public. The general public needs to know what the IDA is and what it is doing, it is not just giving things away like it is often perceived or at least looked upon. It needs to reach out to the Saratoga County business owners and executives who might be growing. We had two of them here today that are growing and they certainly need to know what opportunities exist.

Non-Saratoga County business owners, executives throughout the Capital Region, New York State, global, national. Again, an opportunity for the Saratoga County to shine. Finally, and probably most importantly, site selectors location advisors. Those organizations and companies that come to us and say hey we need to grow and expand and we are considering your community. Mr. Vanags continued with looking at some of things they would like to do, particularly in the branding and digital assets. Currently, on your website you just have the County Seal. They would like to suggest that we create a brand or a logo that will provide you some identity. Second of all, he would provide and create a style guide which dictates how that logo and brand will be used. It will be pretty simple. His organization has one that shows how our logo and how our words are used throughout any kind of media. Of course, the domain site, [SaratogaCountyIDA.org](http://SaratogaCountyIDA.org) and that will also include your Google business listing so people can identify where you are at as well as a Bing listing.

The key messages include services offered. PILOT, tax exemption, mortgage exemption, business testimonial success stories, any kind of website media reach always works best when you have a story to tell. Whether it is an economic development organization, a political campaign, or a business, success stories, testimonials, case studies are really important. Saratoga County statistics. What we are suggesting is not necessarily pages in your website of statistics, but links to those organizations and sources where those statistics can be found. Economic Development websites tend to be a better source for that. Financial models and calculators. Here is how it works for example. One idea, was that for example, if you have ever recently gone to apply for a mortgage and you go to an online source you can calculate 30 year mortgage, this interest rate, this cost of home, this kind of down payment, it will

tell you what your payments are going to be. We might consider a calculator that says I've got a project at \$7,000,000, what can I expect within reason what some of my benefits are going to be. That would be a very compelling thing to put on a website. Also, finally application timelines and checklists. On the public relations side, we want to portray the IDA in a positive way. Obviously, everything you've done is positive, but when you have something like the ABO always watching over you, it's easy for the positive things, whether the IDA or Economic Development Organization undertakes to be overlooked. So, we want to make sure that we are always thinking of the public relations side what the IDA is doing and how we can tell that story, which is really sharing those success stories and then encouraging others to approach the IDA for support. So, we will provide that type of thing.

So, website, contact information, incentives, work statistics and demographics, again links to those project calculators and application timeline and checklists. Before you decide this is a great thing to do, he wanted to point that there are a number of websites out there, IDA websites that are pretty good and if you get a chance you can take a look at them. Some of them are pretty extensive. Mr. Vanags then presented various examples of websites for varying County IDA websites which included Orange County, Monroe County in Rochester, and Tompkins County.

The last part is social media. Right now, what we have at least figured out is that you have a Linked in page. There is not any activity on it. It is probably one of the things that we would recommend that you enhance and they would work with Mr. Ferguson to make sure that it gets the enhancements that it needs such as having some activity and some postings that will tie into the website. We suggest that you collaborate with our social media assets. Alyssa McClenning does a lot on social media and we could tie that in to some of the things we are doing as well contribute to external blogs including ours. That would also elevate your perception and stature in the community.

On the prints side, prints are good, but you don't really need a lot but at least one printed piece whether it is an 8 ½ X 11 or the kind you can stick in your pocket would be really good to have so that when Mr. Ferguson or any of you go out and talk to people you say here is our IDA, this is some of the things we can do for you. Multiple graphics as needed for digital assets. So, on the websites blog, for social media we could create some things that would be like infographics and other things that would be important. The last part, we recommended some workshops and events. We have a full slate of workshops and events coming up for 2017 with the Partnership. We can work the IDA into some of those including how do you do an IDA application, what is the work that goes behind it, what do I need to know as an applicant before I submit that application, do I even qualify, those kinds of things. November 10<sup>th</sup> we had our Saratoga County Prosperity Summit which is a inside look behind the curtain view of economic development. We will be doing that again this year and would like to create a panel discussion that includes IDA work and that type of thing. Finally, networking events that we have and others have. We think the IDA has a role to play there as well.

Mr. Vanags concluded by saying that is the presentation and recommendations. From a financial standpoint, the public relations side, the social media platform side, the coordination collaboration side, the Partnership is going to assume that. The investment that we ask you to make, and he thinks the IDA has in the budget this year is the cost of developing the website. We have contracted for themselves a website developer to develop a new website for them. They have one currently but they need to improve that. They expect that to roll out the first quarter of 2017. They have an addendum to that contract that would allow them to incorporate the IDA's website development into that. If we were to do that we would sit with you as a Board, or a subcommittee or any kind of committee and say this is what it could look like. We could work with Mr. Ferguson and make sure that everything that you want

and you think you need on that website along with the recommendations that we have made are on that website.

Mr. Mooney questioned who that is with. Mr. Vanags stated it is with Overit, they are based in Albany. Mr. Ferguson stated we have money in our budget to provide for some of the digital advertising that you have discussed. We have a surplus in our budget which could cover the cost of our website design, but he has no idea of what that would cost. Mr. Vanags stated just shy of \$8,000. There is some efficiencies that could be built into that cost as well based on things they do for us. Mr. Valentine questioned the administration of this website is going to be where. Mr. Vanags stated they will do that. Mr. Valentine stated he was thinking of what goes in, when it goes in, who decides what goes in or on it, that type of stuff. Mr. Vanags stated what he would say to all concerned is hey we have this great idea for some additions to the website, here is something you ought to put on your Linked In page, here is a PR opportunity for you. We would work very closely with the IDA on determining what that is. He doesn't want to get in a situation where we put something on your Linked In website and without any prior knowledge by anybody, that would not be done. Mr. Vanags stated Mr. Ferguson would make the call on practically everything unless it is a simple advance or something like that we are trying to promote.

Chairman Sutton questioned what is the anticipation of the roll out? If everything worked perfectly for you, how long will this take. Mr. Vanags stated he thinks if the IDA approves this quickly, we could roll out the website in the first quarter. Ms. McClenning stated quarter 1 or quarter 2 for the website. All the other activities can begin immediately. Chairman Sutton stated we could modify our site as we go along, correct? Mr. Vanags agreed. Chairman Sutton stated his thought at this point is we have an obligation through our Agreement that the IDA uses the website that you are going to develop. He would suggest at this point that the Chairman for 2017 put on the Agenda for the first meeting of 2017 submit a subcommittee to review that with staff to start working on a website and what we would like to see on our link in to the Prosperity site. He thinks it is premature for us to say, yes we agree in concept of course, but he thinks what we would have to do is sit down as the Committee is formed, come our re-organization meeting 2017, and then we sit down and get a subcommittee together to then review how we want to proceed. Then have a committee that will then work with our team of staff to come up with some ideas as to what we want to present.

Mr. Mooney stated one of the options though might be to get the new look going and to get the existing statutory stuff that is on our site now over to one. Chairman Sutton stated the logo, things like that, you come with ideas for logos and present it to us, he doesn't think that are issues they don't need to get into. Mr. Vanags stated that is up to you, but he would suggest with Mr. Ferguson and maybe a couple of Board members to be part of a marketing communications subcommittee that we could pull in and then come to the full Board with all the goods at a later time. That would make it streamlined a little bit. Mr. Valentine stated there are the non-glamorous aspects that have to go on to that. Chairman Sutton stated those aspects could start to be organized now. Mr. Ferguson stated he and Mr. Valentine could speak with Mr. Vanags and Ms. McClenning regarding that. Mr. Vanags stated many of them are compliance issues which are the same as theirs such as meeting notices and that type of stuff. Chairman Sutton thanked Mr. Vanags for the presentation.

#### **Other Business:**

Chairman Sutton asked for a discussion on other business. 2016/2017 School Tax Pilot update. Mr. Ferguson stated he wanted to report that we have received the payment from Albatross and we are

waiting on one final payment from Mountain Ledge. We have sent out two series of correspondence. The most recent requested payment by the end of the year. If by the end of the year we don't receive payment, he would like to discuss with Agency counsel about sending another letter.

Mr. Klein questioned if that was the extent of what we are able to do. Mr. Toohey stated we can cancel benefits. Mr. Klein was just wondering what the process that is established, it seems like we are just sending letters. Mr. Toohey stated we attempting to be as understanding of them as we possibly can, but at some point, if the Agency is being ignored, the documentation that we have backs us. We have never been forced to go in that direction before but we have the ability to do that. Mr. Valentine stated we did have one back in 1990 which we did go to and we followed the same procedure timewise. We gave them the notice saying payment was late, due in 30 days. After 30 days, here is the notice saying it is an event of default if not paid by such and such a time. He thinks it is one of those things that seems laborious or taking time, but it is a process of notification that has to go through. We had the same thing with a company a year ago at this time. Mr. Ferguson eluded to that in that difference of the PILOT expense and revenue and that came through as soon as that last letter went out to the mortgagor. Mr. Ferguson stated last year we had to get to the point after two Agency requests, Mr. Valentine sent a letter and at that point we received payment in January. Mr. Klein stated there is a pattern then. Mr. Ferguson stated yes. Mr. Toohey stated it is remarkable how few times we've had to use this pattern over the years.

Mr. Ferguson stated the other update he wanted to provide was in November we did receive and pay a \$3,600.00 invoice for the Geyser Road Signalization Project. To date, we have paid out \$26,400 on a \$40,000 contract. We have \$13,600 remaining to be invoiced and he expects to receive another invoice prior to year-end.

Mr. Valentine stated he distributed a report from Greenfield Manufacturing in Grande Industrial Park is now under their title of M Grove Properties. This is just a report that says ok from the time of closing and operation, where they stand with their employment. It is just a nice job with the letter, explanation and the charting of their employees.

Chairman Sutton asked if there was any further business to come before the Board. Mr. Ferguson stated post adjournment he asked the members to stay to have the Governance and Audit Committee meetings.

A motion to adjourn the meeting was made by Ms. Hynes-Walsh, seconded by Mr. Klein, with all voting in favor.

Respectfully submitted,

Lori A. Eddy

**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**

**Audit Committee Meeting Minutes  
December 12, 2016  
Saratoga County Planning Offices Auditorium  
50 West High Street, Ballston Spa, NY 12020**

The meeting was called to order at 9:40 a.m. by Audit Committee Chairman Rod Sutton. The following members were present:

**PRESENT:** Members: Rod Sutton, Chairman, Arthur Johnson, Andrea DiDomenico, Michael Mooney.

**ABSENT:** None.

**STAFF:** Mr. Ferguson, CEO.

**Audit Committee Report:**

Audit Committee Chairman Rodney Sutton stated the Audit Committee members review the 2016 audit report prepared by Cusack & Company, CPA's LLP.

Mr. Ferguson stated the first action of the Audit Committee is to ratify and accept the Audit which we approved in March of 2016.

Mr. Mooney made a motion to ratify and accept the Audit Report as approved in March of 2016. The motion was seconded by Ms. DiDomenico. All members voted in favor.

There were no recommended changes to the Audit Committee charter or policy.

The second action of the Audit Committee is to ratify and accept the engagement letter which has been provided. The engagement is with Cusack and Company. It is for a two-year period, 2016 and 2017, and that fulfills the five year maximum that we can have with that auditor in charge. The audit fees are \$4,400.00 for 2016 and \$4,500 for 2017.

Mr. Johnson made a motion to ratify the engagement and audit fee increase as approved in March of 2016. The motion was seconded by Mr. Mooney. All members voted in favor.

There being no further business to discuss, a motion was made to adjourn the Audit Committee meeting by Mr. Johnson, seconded by Ms. DiDomenico. All voted in favor and the meeting was adjourned.

Secretary \_\_\_\_\_ Date \_\_\_\_\_



**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**  
**Governance Committee Meeting Minutes**  
**December 12, 2016**  
**Saratoga County Planning Offices Auditorium**  
**50 West High Street, Ballston Spa, NY 12020**

The meeting was called to order at 9:35 a.m. by Governance Committee Chairman Arthur Johnson. The following members were present:

**PRESENT:** Members: Arthur Johnson, Chairman, Michael Mooney, Mary Beth Hynes-Walsh.

**ABSENT:** Glenn Rockwood.

**STAFF:** Mr. Ferguson, CEO.

Mr. Ferguson stated the primary purpose of the Governance Committee is to keep the Board informed of Best Practices for Corporate Governance. Also, advising those who choose our Board with the talent, experience and qualities that we feel the Board needs. We are required to report back to the Board and will be required to do this in January. The Governance Chair, Mr. Johnson, will report back to the Board on the actions presented today. The Committee is also responsible for reviewing and updating, if necessary, the Agency Policies, including our Code of Ethics and Conflict of Interest Policies. The Board did approve a Conflict of Interest Policy in 2015. Mr. Ferguson requested that everyone review the IDA Policies that are on our website and we will schedule a meeting in March of 2017 if any of them need to be updated. As an additional responsibility, the Committee is required to review on an annual basis the contract and compensation of the CEO. That has been completed. Mr. Ferguson asked that the Committee ratify the CEO contract which was approved in May of 2016.

Mr. Johnson made a motion to ratify the CEO compensation package contract as approved in May of 2016. The motion was seconded by Mr. Mooney. All members voted in favor.

There being no further business to discuss, a motion was made to adjourn the Governance Committee meeting by Mr. Johnson, seconded by Mr. Mooney. All voted in favor and the meeting was adjourned.

Secretary \_\_\_\_\_ Date \_\_\_\_\_