



RODNEY J. SUTTON
CHAIRMAN

SARATOGA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

March 13, 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; 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 January 9, 2017 meeting. A motion to approve the minutes was made by Mr. Klein and it was seconded by Ms. DiDomenico. All were in favor and the minutes were approved.

FINANCIAL REPORTS:

Chairman Sutton asked Mr. Ferguson to review the financial reports. Mr. Ferguson stated the financial reports are as of March 2nd. Typically, he would run the reports as of month end, February 28th but there were a significant number of transactions that occurred post February 28th that he wanted to be captured in these reports and he will discuss them. For the year-to-date period ending March 2nd, the Agency has generated a net profit of \$43,000.00 on total revenues of \$201,000.00 and after operating expenses just shy of \$57,000.00. The income statement reflects the administrative fees collected from Ace Hardware and Land Development of New York. Those both closed. In addition to the administrative fees, you will see that we received \$40,910.00, that was the PILOT recapture that we had discussed at the last Board meeting. We received that from Monmouth and we then paid that out to the Saratoga County Treasurer and to the Shenendehowa Central School District. As well, we collected \$1,278.00 in past due interest from Mountain Ledge that represented past due interest on their 2016 and 2017 school payment. Expenses totaled \$144,000.00 and they were principally comprised of \$79,000.00 in fee split to both Saratoga Economic Development Corporation and the Saratoga County Prosperity Partnership. Again, the \$40,910.00 PILOT recapture, that was paid out to the affected municipalities, a \$10,000.00 contract payment to the CEO and \$7,100.00 in professional legal fees and the audit expense.

Our balance sheet continues to show very strong liquidity at \$3,674,000.00. Total assets of the Agency at \$5,243,000.00. Accounts receivable are only \$799.00. That reflects the past due Town and County PILOT payment from Albatross. He sent word to them and he will follow up with them. He expected to see that check this morning, but we have not received it yet. On the liability side at \$105,775.00, that

reflects the Town and County PILOT payments received and he will write those checks to the affected municipalities this week. Total net worth of \$5,137,000.00. Chairman Sutton asked if there were any questions on the financial reports for Mr. Ferguson. Ms. DiDomenico questioned if the \$5,000.00 payment for membership dues, was that for the organization we authorized to join back in December. Mr. Ferguson stated yes, the Center for Economic Growth. Chairman Sutton questioned if there was any push back from the recapture from Monmouth. Mr. Ferguson stated no there wasn't.

Chairman Sutton asked Mr. Ferguson to discuss the Audited Financial Statements.

Mr. Ferguson stated very briefly, the Audit Committee met and approved the financial statements and they are of record. Mr. Ferguson asked for a motion to approve the Audit of the financial statements as approved by the Audit Committee. A motion to approve the Audit as accepted by the Audit Committee was made by Ms. DiDomenico and it was seconded by Mr. Greene. There was no further discussion. All were in favor and the motion was approved.

Mr. Ferguson stated just following the procedures as set out for this Agency, a copy of the Audited Statement was sent to the County Treasurer. In addition, we will post the statement on our website this week and also on the PARIS Reporting System for the ABO by the end of this month.

Chairman Sutton stated the next item on the agenda is the Job Survey.

Mr. Ferguson stated that he had sent to everyone his memo regarding the Job Survey and we sent out a total of 32 surveys to our project companies. We received all of them back. 22 of them met their job standards, but 10 companies failed to meet their targets. He has identified them in a chart. As we have talked about previously, this memo, this report to you was a result of the 2015 Audit that this Agency had by the Office of Comptroller. The Board approved a procedure and this report and memo is part of that procedure. There were 3 companies that did not hit their target sufficiently enough for us to discuss.

The first was JW Danforth. They sent in their survey showing that they had zero employees. Mr. Ferguson reached out to the company. There was just a miscommunication. They indeed had the 73 employees that they had listed on their application at the time of approval and they mistakenly thought they were only supposed to report new employees created because of the project. So, they are fine. They are right on track with what they said. Their project hasn't even started yet so we will report next year and they understand where they are at. Fred's Studio Tents reported 33 employees, the goal was 42. That is 70% of the realized goal. That is off track and he believes it is important that he reach out to them and find out where the deficiency is and then report back to the Board. The other Company is Perry Road Realty, 4 employees reported, the goal was 5, that is 80% of the goal realized. Mr. Ferguson knows that is only 1 employee, but he is going to reach out to them. Mr. Ferguson will report back at the next Board meeting what their responses were and then we can decide whether to invite them to discuss their situation further. Chairman Sutton questioned if Perry Road just opened. It is just sales tax correct. Mr. Ferguson stated yes. Mr. Toohey asked Mr. Ferguson to look at the chart provided on e.nfrastructure, there is 248 full time equivalents and goal was 358. Mr. Ferguson stated that is a typo on his part. It is 258. He will make that correction. Mr. Ferguson will continue to follow-up on this and report at the April meeting as to his success with those two companies. Chairman Sutton stated the merger with e.nfrastructure, that had nothing to do with us, will the PILOT still stay in place even though it was transferred? Mr. Valentine stated it is an amended and restated PILOT, it started all over again

with a new 10 year. Chairman Sutton questioned if the new administrative staff is aware of the requirement. Mr. Ferguson stated yes they are. It is on his and Mr. Valentine's list to make a site visit.

Chairman Sutton stated the next agenda item is the update on project closings. We had a closing of ACE Hardware on February 28th and Land Development as well. Mr. Valentine stated the date should be February 27th for ACE and he did not realize that Mr. Carminucci and Mr. Toohey were shooting for the 28th for both. The PILOT came through and did have the 27th as the actual closing date by mail back and forth with ACE Hardware. Then, on both of those projects, ACE has a 10 year with a 400,000 square foot addition on an existing 800,000 square foot facility which we had back in 1997 he thinks. Land Remediation is a company down in Waterford. They demolished a gas station and built a new facility there. He believes that is a 5 year PILOT. They both closed at the end of the week. Mr. Ferguson stated earlier we received the administrative fees and paid out the fee sharing to our economic development partners. Mr. Toohey stated just for our new members, as we go through this year in and year out, you tend to see a lot of action in February because March 1st is the date that the assessment rolls are set. So if they are not done by the 28th of February that presents a challenge if they are done for example on March 1 or March 2. They tend to be grouped at that time period. Chairman Sutton asked if there were any questions on those closings. There were no further questions.

Chairman Sutton asked Mr. Ferguson to discuss the next agenda item, the Town & County PILOT Update. Mr. Ferguson stated in your Board packet you received a color-coded chart that details the Town & County PILOT payments received from our project companies listed in blue. Again, as he stated we have received all payments with the exception of Albatross and this week he will start making the payments to the affected municipalities which total \$105,236.33. Mr. Valentine stated the two projects that just closed, ACE and Land, they will start in September with their first PILOT payment being school taxes. That goes to the point that Mr. Toohey said if somebody doesn't close by March 1 then their PILOT doesn't become effective until the following September. So that is one reason and an incentive for the Company. Otherwise, they are going to have one year of paying full taxes. Mr. Toohey stated it also tends to mess up their PILOT because their PILOT is wrote off of a specific date based on being closed by March 1st so that there has to be a process of somebody being, on their part, aware enough to come back and ask us to extend it one more year, so it just makes a lot more sense to just get the thing closed.

Chairman Sutton stated the next agenda item is the update on Expired PILOT Agreements/Deed Transfers to Company for United Step 1, Monmouth/Hemingway and SCNC. Mr. Ferguson stated he knows that the deed transfer for Monmouth/Hemingway, he has communicated with the folks at United Step and he believes they have forwarded lease documents to Mr. Toohey, if he remembers correctly, so he believes they are moving forward. He believes that SCNC, Leonard Bus, transferred as well. Mr. Valentine stated SCNC is the McNeary Project which is Leonard Bus. Mr. Ferguson stated yes.

Chairman Sutton stated the next agenda item is Sales Tax Certs and ST-60's. Mr. Valentine stated he just noted that on the agenda to note the extensions we had. Finch we had at a previous meeting at City Hall in Saratoga Springs and we voted upon that. That was a letter we sent out after that January 9th meeting. Danforth, we had a problem with them, they had requested an extension but it was a good month and a half after their expiration date. So, in effect, right now they have a gap in what they could be afforded as far as sales tax exemptions because we had from our approval in February, that is the effective date then for their extension. So, from that date December 31st through February 24th they

have that gap. They recognize that. That is something that Mr. Brobston and Mr. VanAmburgh have talked back and forth with the Company on it. Core Tech is a new project in Ballston Spa on McCrea Hill Road, that will close shortly. Mr. Ferguson stated they are near done. Mr. Valentine stated it is just the fit-ups inside. They got an extension on the end date, but they did not get what they were looking for, did they need to add to the amount of exemptions added on to them.

Chairman Sutton stated for other business, we have a new CFO. Mr. Ferguson introduced Jeff Many who is a local CPA who has practiced in Saratoga for a number of years. We discussed his credentials at the last Board meeting and he was excited to help us and we are very happy to have him on Board. Chairman Sutton thanked Mr. Many. Mr. Many stated he is looking forward to helping out wherever he can with the IDA.

Chairman Sutton asked if there was any further business to come before the Board.

Ms. DiDomenico stated she would like to update the Board on a meeting for the Marketing website design Committee. They had a meeting on Friday. Mr. Vanags was present, Mr. Klein, Mr. Lewis and herself. Mr. Greene was not present. The discussion was had about coming up with a cohesive type of Marketing with regard to SCPP and the County IDA. One of the suggestions that was made was Mr. Vanags has researched with companies to come up with a logo for the IDA and a graphic design company. The name of the one company is Shannon Rose and he forwarded to me a proposal by Shannon Rose to work on a logo design for us. The thought process being that the IDA and having a cohesive similarity to Marketing with regard to the SCPP that would all be identified easier than if what we have separate. Right now, on our website we have the County Seal as our logo.

We are starting that process. Mr. Vanags is going to come up with some ideas for us for our website also. She is just inquiring as to how we go about making the approval for the expenditure to hire Shannon Rose. They gave us a proposal for \$803.00. The other proposal Mr. Vanags had was \$3,500 from another company, so the difference in price is very significant. She doesn't know what the process is for us as a Committee to get authority from the Board to go ahead and hire this Shannon Rose to start working for the IDA to come up with a new logo if that is what the Board thinks we should do is to have a new logo. Mr. Toohey questioned Mr. Vanags how did you go about choosing the two companies you went to. We are now in the realm of spending public money. He is glad that you went and got a couple of bids on this. How were they selected? Mr. Vanags stated they are just a couple of local companies that do this type of work. Mr. Mooney stated he thinks we are under the threshold with \$800. Mr. Toohey stated that is the question he was going to ask, with \$800 he doesn't think we have anything to worry about, but he is always sensitive to the fact that we tend to be looked at a lot. He appreciates the fact that we went out and got a couple of ideas of what it is. Mr. Ferguson stated that within the 2017 budget there was money earmarked for this specific purpose and he believes it was \$7,500. Anything over that we would ask the Board through resolution to authorize spending.

Chairman Sutton asked if do we know the difference between the two. Mr. Vanags stated he has not worked with them. They are going to do some work with the Partnership on some other projects. Shelby, in our office, has worked with them in the past. They are local, they do a quick turnaround and they are just eager to get the work. The other group is out of Albany and they are doing the website for us. He thinks they just want to spend some more time on the effort. Chairman Sutton questioned if the Committee is comfortable with that. Ms. DiDomenico this came into me over the weekend so I haven't submitted it to the Committee. Mr. Vanags stated there isn't much too it. Ms. DiDomenico stated she has copies of the proposal for everyone. The proposal provides us with three design options to choose

from at a cost of \$550.00 and then refine one option to client satisfaction at \$220.00, project managements and the estimate for the total of \$803.00. We think it is a good idea that we have the cohesiveness so that there is a similarity between the economic engines and it is a good way to start for us. Chairman Sutton stated that if everyone is comfortable and so you just go forward with the design to see what they come up with. Mr. Valentine questioned if they are creating a logo, this is something that is transferrable to us to keep? Ms. DiDomenico stated she assumed so. It will be ours. Ms. DiDomenico asked the Board for a motion to authorize the hiring of Shannon Rose Graphic Design with regard to the Saratoga County IDA.

Chairman Sutton asked for a motion to authorize the hiring of Shannon Rose for graphic design not to exceed the amount of \$1,000.00. The motion was made by Ms. DiDomenico and it was seconded by Mr. Lewis. There was no further discussion. All were in favor and the motion was approved.

Ms. DiDomenico stated the next meeting for the Committee would be April 6th at 9:00.

Chairman Sutton asked if there was any further business to discuss. 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