

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING
December 11, 2017 – 8:00 a.m.
County Planning Offices #5
50 West High Street, Ballston Spa

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

STAFF & GUESTS: Jeff Many, CFO; Michael J. Toohey, Esq., Counsel to the Agency; James A. Carminucci, Esq., Bond Counsel; Dennis Brobston, SEDC; Michael Valentine, Administrator; Marty Vanags and Shelby Schneider, Saratoga County Prosperity Partnership; and Lori Eddy.

ABSENT: Richard Ferguson, CEO.

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

Approval of Minutes:

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

Financial Report as of November 30, 2017:

Chairman Sutton asked Mr. Many to discuss the financial report as of November 30, 2017. Mr. Many stated in your paperwork are the reports. Right now, our cash balance is at \$3.465 million dollars. All of our PILOT payments have come in and gone out to the various municipalities so we don't have any issues with PILOT payments for 2017. You will see, year-to-date we have invested approximately \$79,000 in the Luther Forest Technology Park. We have made three expenditures this month. A retainer for Mr. Toohey's services related to the project, the Aztech payment to investigate any issues that may be on the property itself and another one which is also listed in the report. Accrued expenses basically show what amounts are owed to our professional service providers and also the County is in there as well and that is the vast majority of it which we will pay this month. As of November, year-to-date we are showing a little bit of a deficit but that will go away with several closings that we will have this month. Mr. Valentine stated that right now we have two projects that are close to closing at this time. Mr. Carminucci stated for certain he thinks UPH and Arnoff should close this month. Mr. Many stated there is another one that is already closed but did not hit these statements because it closed on the 29th. Mr. Valentine stated that that project is the SKS facility in Saratoga Springs. Mr. Toohey questioned if they paid their fee. Mr. Many stated yes, but it is not reflected in the numbers. That will turn around our small deficit to a pretty nice surplus for the year. You can see the specific expenditures for the entire year related to the Luther Forest land development project. He did forget to include the \$25,000 that Luther Forest has. Mr. Many questioned Mr. Toohey if that is related to the project that they will incur? Mr. Toohey stated within the contract, which is unusual admittedly, the down payment that we paid with regard to the fee, we are allowing them to utilize that so that they have money available to do the subdivision work that has to be done for us to get a separate parcel of land. One of the things that he was going to discuss and will bring it up now is they have asked for an extension of time in which to get that. It was supposed to be done in March. They are asking for that to be extended to April. That has to do with completing the surveys, etc. They are moving forward reasonably he believes so he doesn't have a problem with giving them the extra 30 days in which to do that. Simultaneously, they have given us an extra 30 days to complete to ground radar analysis of the property so that we can make sure there is no

munitions or solid materials in the ground that may have been left there from before when it was owned by the Government. Mr. Lewis questioned when we might receive that? Mr. Toohey stated within 30 days, they are doing it right now. He got the extension just because he didn't want to go through the process again. Chairman Sutton questioned other than the extension on the 30 days, do they have a timetable when they think they might apply to the Town of Malta. Mr. Toohey stated they are applying either at the end of this month or beginning of next month. It is a sequencing thing as to how you get on to be heard. They know exactly what they are doing. They've got people in place who are doing it. He will be there monitoring it. It was one of those you don't want to run up against deadlines and all of a sudden everyone panics. Chairman Sutton questioned if Theresa was the lead on this. Mr. Toohey stated Theresa is staying right on top of it. EDP will do the subdivision. Chairman Sutton thanked Mr. Toohey. Mr. Many continued that the only other schedule on the report is to show you who the list of accrued expenses. Those include the professionals and the County for Mike's services. The County will be paid this month for sure and he is sure most of these other ones will be too. Mr. Valentine stated there are only two checks you wouldn't have, one for the fee split to SEDC and the one that Chairman Sutton just signed for a transcript for a public hearing. Chairman Sutton asked for a motion to approve the financial report. Mr. Lewis made a motion to approve the financial report as of November 30, 2017. The motion was seconded by Ms. DiDomenico. All were in favor and the financial report was approved.

Final Resolution: JW Danforth Company:

Chairman Sutton stated the final resolution for JW Danforth Company was not in the Board packet. Mr. Valentine stated it was emailed on Thursday. Mr. Carminucci stated this project had already been preliminarily approved. You already have gotten SEQR and the sales tax agency appointment. This just authorizes an Officer on behalf of the Agency to execute the documents. There is no financing involved. Chairman Sutton asked if there were any further questions on the Resolution.

Chairman Sutton asked for a motion to accept the Final Resolution presented for JW Danforth Company. The motion was made by Ms. DiDomenico. The motion was seconded by Mr. Mooney.

RESOLUTION #1387

RESOLVED THAT the Saratoga County IDA agrees to approve the Final Resolution for JW Danforth Company 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.

Final Resolution: Universal Preservation Hall:

Chairman Sutton stated the second Resolution we have is Universal Preservation Hall. Mr. Carminucci stated this also will be a final Resolution. There is not any financing happening at this point. They are in a hurry to close because of a concern of the impacts of the tax reform bill on the project. They don't necessarily have the tax credit investor money lined up yet, but this would allow us to close with them. They are in the process of creating a new for-profit limited liability company which is UPH, LLC that

will end up owning the property and that is the entity that we will be doing business with. The only wrinkle here, and he think he mentioned it in the email, was that were we to have a conveyance from the current not-for-profit to that LLC, that would trigger real property tax liability until we can get past the next tax status date. Since the whole purpose here is to avoid this property being taxed, they have proposed having an interim lease run from the not-for-profit directly to the IDA. That gets recorded first. Then, below that will be all the typical IDA documents. They have done that before in the State. That will prevent any short term real property tax liability being realized. Included in the documents that would be authorizing an interim lease. Chairman Sutton questioned Mr. Carminucci if there was a problem with that? Mr. Carminucci stated no, he looked at the form and it makes sense to him. We have checked with the City. He doesn't know what they needed to get from a local approval standpoint. Mr. Valentine stated they've got everything here. Mr. Carminucci stated it was a type 2 under SEQR so there wasn't any determination required and he has that referenced in the Resolution as well. Mr. Toohey stated and Mr. Valentine has provided us with copies of the site plan review and the design review commission's review of the project and the SEQR determination. So, from the City's level that is all taken care. It is whether or not they can get the rest of this stuff done including title work, surveys, and things of that nature. That is out of our hands. Chairman Sutton questioned so that certainly won't close this year. Mr. Carminucci stated that is the goal. They have a lot to do in order for that to happen.

Chairman Sutton asked for a motion to accept the Final Resolution presented for Universal Preservation Hall. The motion was made by Mr. Lewis. The motion was seconded by Mr. Klein.

RESOLUTION #1388

RESOLVED THAT the Saratoga County IDA agrees to approve the Final Resolution for Universal Preservation Hall 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 Prosperity Partnership & Marketing Committee Review of the updated website. Ms. DiDomenico stated we have a presentation for the Board this morning. Shelby Schneider, Marty Vangas and the web designer have done a nice job putting together our suggestions and ideas and hopefully everyone else concurs with what you will be looking at. Ms. Schneider presented a slideshow presentation on the updated website. She stated this is currently what you have. Their goal was to bring it up to date. They worked with a designed to create a new logo which modern, updated and more reflective of a modern Industrial Development Agency. She demonstrated the main page of the website. There is a hero image, a carousel, that shows Global Foundries, Logistics One warehouse. Just a brief summary about Saratoga County and how to apply. It directly links to the application with a fillable form. It shows contact information on every single page. There is no confusion about how to reach the IDA. She met with Rich Ferguson and also met with the Marketing Committee to go over what all of the requirements are for the Authorities Control Board. You have your IDA members. All of your Committees are listed. Your staff including bios are included as well. That is the main about us page. Every single page has a banner across the top. Essentially, we created almost a tag line for the Organization. A summary of what your Mission Statement is to advance job opportunities, business and industrial development in Saratoga County, New York. That is repeated

across every page of the site. About Saratoga County page, there are hero images that just scroll through with a brief statement that is also repeated on the front page. We also had a designer create a Saratoga County map which shows all Cities, Towns and Villages. She also has one that shows Global Foundries on the map as well if you wanted that swapped out. There is a list of all of your major employers throughout Saratoga County and a list of your IDA projects. It shows the Community, the Company and the year that it was closed. This ties in very well to the public files. You can actually see the year that it closed, you can probably look up the Board minutes, you can look up the Agenda, and just read more about the project. Mr. Valentine questioned how far does that go? Ms. Schneider stated all the way to the beginning. She got the list from Mr. Ferguson. Mr. Toohey questioned if there was any way to put that on a map. Ms. Schneider stated yes, if they have the physical addresses for everything there isn't any reason why they couldn't map it. Mr. Toohey stated he wanted to state that this is very informative but it is boring. If you showed the County that shows the breadth of where all these projects have been, that would be a pretty good lead in. Ms. Schneider stated that could definitely be done. The next item shows the Economic Impact studies that the IDA underwrote for the Saratoga Racecourse. The next page shows how to apply. All of this information came directly from your application. It shows the application procedure along with the downloadable application which is all fillable. For the UTEP Policy, it is quite large so they used a tool called the accordion tool to basically break down your UTEP in sections. All of the provisions, you click on it and it unfolds. They are literally all there but easy to summarize. Your labor policy is pretty short and sweet so they put it right into the document. It shows the IDA fee schedule. She pulled all of this information from the existing website. This wasn't available as a document so we embedded the PDF document into the website. It shows partners. There is a summary of all of the organizations that you work with in alphabetical order. Regarding public files, it is quite large and is a summary of all of the compliance documentation. She and Mr. Ferguson went through the ABO audit which you had on the website which you actually scored very well but we just wanted to make sure that everything that they required for compliance was met. Regarding Public Hearings and Meetings, everything is broken down by year, really easy to search and easy to upload. All of the Board minutes go back to 2014. Again, meeting agendas, the same. Your annual reports, budget, investment, pretty much all of this information is just your PARIS reporting in PDF documents. It is very searchable, search engines are going to be able to pick up on the copy of where to find these things, so it is going to be very easy to find things. Chairman Sutton questioned Ms. Schneider regarding on that investment, would we be able to put together a summary of what we have done with the Luther Forest project that we are involved in? Ms. Schneider stated you can put anything you want on there. Mr. Vanags stated you could probably put that on some part of it. Ms. Schneider stated she will have a question for the Board as well, there is a tag here for real property and transactions that you have. Most likely the Luther Forest transaction is going to be there. She doesn't know if you still own any rail spurs or any other property in Saratoga County beyond that, that is something that would go under the real property and transactions. Right now, it is basically the report from last year that says you purchased a laptop. She highly doubts that the spirit and intent of what this was. Your taxes collected and PILOTS. This is a document provided by Mr. Ferguson. We took the most current, 2017, and Mr. Valentine will want to go through and make sure that it is all buttoned up. This is basically an Excel document that we just dropped in. It has got 2017, 2016 PILOT breakdowns and the 2015 and 2016 School PILOTS. The Audited financial statements are all listed and the PARIS procurement policies 2014-2016. The intent is to make it transparent, easy to read and easy to search and very easy to update. Contact information is never hidden, it is just repeated over and over again. There is a contact form if someone wanted to be able to fill out the contact form. There is a verification that someone is not a robot. Mr. Mooney questioned you mentioned updating it, who physically is going to do that? Ms. Schneider stated anyone that has the backlink. She can train, we can do it, we can train someone to do it. It is a Wordpress background so it is super easy to update. Mr. Klein questioned normally how many people will have the ability to update the site? Ms. Schneider stated normally she would not give out the password to everyone. Two or three. Chairman Sutton stated it would be something we would want to talk about. Ms. Schneider stated you would want a couple of people in case someone is on vacation as a backup. Mr. Vanags stated you should establish a

policy, you certainly want someone to be able to go in and quickly put in the agendas and the minutes and while we can do it for you, if we are not around it might be helpful to have Mr. Valentine or somebody know how to get in there and do that. Regarding the accordion stuff and other things that are in there, they can work with the Board on that. He thinks at least have someone that we can train to put in public hearings, meetings and agendas on a regular basis. Ms. Schneider stated once you approve this, what they will do is work with their web developer to make sure it is optimized for search engines so Google and other search engines out there know how to find you very, very easily with some very simple key search terms. It is going to be hosted by our Web Developer and the reason that we are working with you is because we got a great package deal so we were able to put these together and get a good price by doing all of the sites at once. All of the sites will have a similar looking feel and there will be a continuity of messaging for Saratoga County. Mr. Klein questioned what about any proprietary information, he noticed on the application, it was the Global Foundries application. Ms. Schneider said that was something that she pulled directly from the existing IDA website. Mr. Valentine stated the question is do we want to have Global Foundries information on the website for everyone to see? Mr. Klein stated why not have a blank application or a fictitious company, the ABC Company? Mr. Vanags stated the Global Foundries thing you are referring to came from the site and it is on this site. Mr. Vanags stated that was a question that they had earlier for the Committee. Mr. Toohey stated once these applications come in they are public documents. Ms. Schneider stated that was a question they had. Mr. Klein stated he would rather it be left blank. Make up an approximate case. Mr. Toohey stated that one of the things that at least the City of Saratoga Springs does with all of its municipal applications, when you pull them up off of the system, they have got XYZ, which is the real XYZ, but all of the pertinent stuff, all of the address, telephone numbers, contact information is blacked out. So, you know that it is XYZ but you don't get any contact information. Ms. Schneider asked if there were any questions? Ms. DiDomenico stated where you have about the Saratoga IDA, can we put the word "County" after Saratoga. Then, we have advancing job opportunities, business and industrial investment in Saratoga County. One of the other banners on one of the other pages didn't have business on there. If you could just proofread to make sure it carries through. Mr. Valentine questioned where do you have this now if he wanted to look at this? Ms. Schneider can send a link out for any proofreading. The Committee has the link for review. Ms. DiDomenico asked Ms. Schneider to send her the link once more and she can forward it to all of the members of the Board. Mr. Carminucci stated there should be a disclaimer posted as well. The Board members thanked them for their hard work in developing the website. Mr. Vanags stated if we can get your input by the end of the year, we can have it live by January 1st if that is okay with everyone. Chairman Sutton stated part of his suggestion was that when Ms. DiDomenico sends us the link, we all have an opportunity to take a look at it a little more in depth, red line it, mark it up, whatever we may have to do and then we will sit back and review it as a Committee. Then we will have to decide, any changes that we do make on the site, who is the designated person from the IDA to do that, or the two people, whichever the case may be. He would kind of encourage everyone to take a look at this and hopefully for our next meeting it will be in the first of the year. Ms. Schneider stated as and FYI, we had some good discussion in the Committee meeting and talked about images and things like that that should be on the site. We got most of our images from a professional photographer with high resolution and tried to make it reflective of projects that you have had. We want to try to keep them as high resolution as possible. Something we talked about was going to each Supervisor and asking them if they had pictures. Just for the sake of keeping the quality consistent, the look, we want to keep everything very high quality and high resolution. Chairman Sutton thanked Ms. Schneider. Chairman Sutton asked Ms. DiDomenico who was on the Committee for that. Ms. DiDomenico stated Mr. Lewis, Mr. Klein and Mr. Greene. Chairman Sutton thanked everyone for the work on this.

Chairman Sutton stated the next agenda item is Other Business, Project Updates. Mr. Valentine stated that prior to that meeting with Mr. Brobston and Mr. Vanags he would like to go through as far as conversations we have had that would help them out to look at anticipated closings. We just had the SKS closing, which is Twinbrook LLC which is on Geyser Road. There are about five others outstanding or

close to closing (two of them were mentioned during the course of the meeting): Universal Preservation Hall, Carmer Properties which is Stonebridge in Northumberland, Arnoff which is an expansion of the first application made by Arnoff. The other one is CTI or Coretech on Route 50 in Ballston and Danforth in Halfmoon. Those, he would say, are anticipated to close. He questions whether all five will close by year end; he doubts all of them will come in. Then we have some closings that are hopefully anticipated to occur before March 1st. Not only those ones just mentioned but two others that are outstanding, which would be Espey Manufacturing and MGrove of Greenfield. Mr. Valentine asked Mr. Brobston if MGrove was pushing to meet that March 1st date. Mr. Brobston stated he knows they were looking at March 1st. Espey is still working on their logistical plot. Mr. Valentine questioned Mr. Vanags if MJ has gotten anything to come in with at all, do they have anything, perhaps even one tenant that they are looking at? Mr. Vanags stated not that he is aware of. Mr. Valentine stated coming out of these project closings would also be new PILOT Agreements. We do have a new PILOT Agreement for SKS which is on file. Depending if they close we would have PILOT's for Universal Preservation Hall and Arnoff. Mr. Valentine questioned Mr. Carminucci on Carmer. Mr. Carminucci stated we are close on that. He needs to circle back with his attorney and he is thinking that it will be probably early January. One update on Core Tech, we thought we were close to a closing in April but they switched lenders. The Resolution we had adopted had referenced the loan coming from Key Bank. It now looks like it is coming from First National Bank of Scotia. It is the same loan amount. He just wanted to make a note of that in the minutes and assuming there isn't any conflict around the table with that bank. Mr. Valentine stated with two of those, back with Mr. Brobston and with Mr. Carminucci on these, with the PILOT's because of Arnoff, Arnoff and Carmer are additions to existing facilities so the PILOT Agreements are going to have to be tweaked to make sure we know what we are doing with the local assessor and how it is written in the PILOT as far as what is being picked up as existing taxable value and then how we treat the addition as an improvement on that parcel. Mr. Toohey stated the local assessor though has already been a part of that conversation. Mr. Valentine stated yes.

Mr. Valentine asked Mr. Brobston and Mr. Vanags if they wanted to add anything on their projects? Mr. Brobston stated he appreciates the update from Mr. Valentine. Mr. Valentine has done a really great job with the two assessors making sure its right. If it's not right, it will be. The one from Malta, she has been very helpful through the process with this whole issue. Other than that, he has two other projects he is working on. One is a manufacturer and the other is a corporate headquarters. One of them has a manufacturing short list; one at the southern end of the County and one at the northern end. The other one is still looking to approve to their short list. Hopefully we will have those in the first quarter. Chairman Sutton thanked Mr. Brobston.

Mr. Valentine stated that he and Mr. Many met last week to go through things as Mr. Ferguson makes his plans to head out at the end of this month. The hope is that we don't have a lapse because we are going to be going into PILOT bills for January and then we are going to be going through our filings and PARIS reporting and things like that. They will do the drafts for the January 2018 PILOT bills for the companies we have now. We have their current assessed values so the only thing we have to wait upon is the municipalities' release of their tax rates. With that we will have Town and City and County tax rates to compute and when January comes send the PILOT bills out.

Chairman Sutton asked if there were any further questions of Mr. Valentine. Chairman Sutton stated that because he is a dinosaur he didn't realize how in depth our website was until yesterday. He wrote a letter that he wants to get approval from the Board to send to the Board of Supervisors. Mr. Ferguson had put together a similar summation of what we had done and what he wanted to do was send a letter out to the Board of Supervisors on a three-year review of what we have been doing. Chairman Sutton stated he would like to read the letter that he has put together. Chairman Sutton stated the letter reads as follows: "It is our pleasure to provide the three-year 2015, 2016 and 2017 review of the projects approved by the IDA. The IDA is a public benefit corporation that has a broad range of powers to promote, develop,

encourage and assist in the construction, expansion and equipping of economically sound industrial and commercial facilities to advance job opportunities, general prosperity and economic welfare for the people of Saratoga County. The enclosed attachments will give you a snapshot of projects, jobs and salary levels that have been approved by the IDA in the past three years. This Fall, the IDA has approved, in agreement with Luther Forest and MURFA, to purchase a 20-acre parcel of land in the Luther Forest Park in the Town of Malta. The MURFA Group holds leases for 125 acres and after two years of negotiations, the IDA will be purchasing 20 acres of shovel ready land from Luther Forest. MURFA, along with the cooperation of the Saratoga County Sewer District, will provide the utilities to make the 125 acres shovel ready. This is a unique and exciting project that blends the efforts of a truly public and private partnership. The purchase price for the IDA will be approximately \$1.7 million dollars for the 20 acres. The money for the project comes from fees generated from our approved projects over the years and no taxpayer's monies are being used. In closing, I would like to thank the dedicated and professional staff of the IDA and I would like to thank the Board of Supervisors in their continued support for the IDA and should you have any questions, please feel free to contact me".

Chairman Sutton stated now that we have seen this website, we can also include at the end of this letter, please link on to the website to get more in-depth information on the IDA. He thinks that this is something that we have to start to promote ourselves whether it be to or for the benefit of the Prosperity Partnership, SEDC, the IDA or to the Board of Supervisors so that they have a better idea of what we are doing. He was seeking permission to send this, but this website really kind of summarizes everything that we are doing. He also thinks we need to keep ourselves pertinent with the Board of Supervisors so that they know exactly what we are up to on a monthly basis. You will see in the packet that he sent out that Mr. Ferguson has put together a similar bullet point of the various approved projects and the economic impact it has. They have a visual of what has happened within their own Towns. The last page, the Saratoga Business Journal wrote an article about our purchase of properties at Luther Forest Park. He saw this publication and thought it was a good summation of what we were doing with the Luther Forest project. We can just refer to the website or we can send this out and actually reference the website as we contact the Supervisors. Mr. Johnson stated he would suggest that you send out the hard copy and just reference the website. Various Supervisors sometimes aren't computer savvy or look at the website. Having a hard copy of this, he thinks, would be good as well as referencing the website. Ms. DiDomenico stated maybe at the end of the letter we anticipate launching the new website. Chairman Sutton questioned if this was live now. Ms. Schneider stated it is not. It could be live pretty quickly. Mr. Klein stated what we could do then is tell them to anticipate receiving a link for the website. That way, each Supervisor will get it and maybe they will look for it, if not somebody in their office will give it to them. Ms. DiDomenico stated she thinks it is a good idea to keep the Board of Supervisors informed and let them know what we do. Mr. Valentine stated that until the requirements of reporting started through the ABO and everything, there was an annual report done by Agency staff just like that sent to each Supervisor. It went through all of the project histories and discusses all of the projects that were looked at and applications for that year and the projects that were closed. That was probably about 5 or 6 years ago we stopped doing those reports. Chairman Sutton stated and certainly the press has not been at our meetings once Steve Williams left so there isn't really a lot of information in the public realm so maybe we could do this on annual basis to give a summary of what we've done and send it to the Board of Supervisors along with accomplishments that we have been working on. Again, he thinks it is something that we should be really proud of is the fact that we are able to put together this deal with Luther Forest. We are almost there. As Mr. Toohey said, once we get to shovel ready we will hand them over a check. We don't anticipate that until the latter part of 2018. Mr. Toohey stated the subdivision is a process. The thing that is going to take time is for them to put that infrastructure in place and then get it all dedicated. Ms. DiDomenico made a motion to authorize Chairman Sutton to send the letter with the attachments to the County Board of Supervisors. The motion was seconded by Mr. Mooney. All were in favor and the motion was approved.

Chairman Sutton stated the last thing that was included in your packets was the form for the Code of Ethics that needs to be filled out and sent in to Mr. Ferguson or Mr. Valentine.

Chairman Sutton stated in addition, a week ago the subcommittee consisting of Mr. Johnson, Mr. Klein and himself met with the Saratoga School District. We met with the three Board members of the School District and their Business Manager. It was in reference to their question when we had the meeting last month in regard to the Greenfield Manufacturing project. They had been informed, as they always do, that we are looking into a PILOT Program that pertains and affects the School District. What we really did was we sat down, the three of us, with Mr. Ferguson, and we explained to them the process that we go through in order to advance PILOT Programs. They came in with a number of questions. They questioned because of the tax cap that they have to abide by and they are always very nervous. They have to spend more money than they are taking in so they are very conscious about the number of PILOT's that we might give out. It was a mild-mannered discussion. It was not so contentious. There was one Board member that pressed us a little harder than others. But they kind of understood exactly where we were coming from. We tried to explain to them that again, you are not losing any tax monies, you are just not gaining any tax monies until five years from now or ten years from now whatever the project might warrant. He thinks three of the Board members understood that and one Board member was not so generous with their comments. Mr. Klein stated wasn't open to this. Mr. Johnson stated he thought they had a better understanding of what we do and how we do it. He thinks they appreciate the fact that if either the SEDC or the Partnership have an applicant, touch base with them that they are coming to the IDA beforehand. They wanted to also know when a PILOT is coming back on the tax rolls. The sooner they have that information it would help them. Mr. Valentine stated he has a woman in the School District that she and I go through that at the end of the year. She is not the only one. There are a number of them that do this. What PILOT's might be coming on and what PILOT's might be coming off. They do that mainly for their budget purposes when they start in say September or October. Shelly in Saratoga Springs is right on top of things. Mr. Lewis questioned what was the person who was not open to the discussion. What were the comments? Mr. Klein stated she needed to keep an eye on everything budget and what not so she could go back to her constituents and advise them of the process that the IDA goes through when they are granting PILOT's. What we ended up with, he believes, was the suggestion that we would entertain adding on page 31 of the application that would state that we would strongly suggest that they contact the school district in which the project was going to be sited and advise them that they were applying. Chairman Sutton stated that what we came out of this is that when the applicant comes in and we sit down with Prosperity or SEDC that question has been asked of the applicant, have you talked to the authorities at the Towns or the school districts and make sure we do that verbally and then they could follow-up in writing. We are not going to put a page 31 on the application. We are pretty judicial on this. We do that. We don't take this lightly at all. We are not giving away taxpayer's dollars willy nilly. We are looking for jobs. They didn't really understand that whole concept of job creation and retaining their jobs. He thinks all in all it came out as a decent meeting. Mr. Klein stated one more thing they would like us to very much consider is the length of the PILOT's and the impact. We have in the past done a five year and a five-year decreasing. We haven't done that as of late. That is a tool that we could use that would lessen the impact on the school district.

Chairman Sutton questioned if there was any further business to discuss. Ms. Schneider stated you have a new logo now that is up on the website and something she could put together pretty quickly is new letterhead that includes the logo. She will make sure that everyone has all of the files.

Mr. Brobston asked Chairman Sutton if during the conversation with the School District had there been any conversation noting that this IDA had a past concern about the tax cap situation and had helped fund a study with regards to that and how changes could be made? Chairman Sutton stated we tried to explain it the best we could. He is not an expert. Mr. Brobston stated that as a follow-up the Board may want to consider sending the study to them, noting that we understand your issues and this is something we are

concerned about. Mr. Johnson stated we did throw out the question to the Business Manager. He seemed to have a handle on the tax cap and how it affects the budgeting process. He explained to those Board members how it works. He seems cognizant of the process. Mr. Lewis stated he knows a lot about the tax cap and it is killing the municipalities and the school districts. A 2% tax cap isn't really a 2% tax cap. He knows there are a lot of people in the Senate who are looking to make 2% as tied to inflation. Sometimes, he added, 2% is really ½% or 1% and also that there is an effort to not have capital projects capped. So, there is movement within one of the two houses down in the State. It is a big problem for those people and he is usually the one who is fiscally conservative and in the face of it, yeah 2% tax cap sounds great. But it is not. But it is just someone moving money around. Mr. Toohey stated that affects the whole State. Mr. Valentine stated there have been other IDA's that have brought material to the attention of the State Legislature, seeking a determination as to whether there had been an error in the legislature by keeping tax revenue generated by PILOT Agreements negatively differentiated or separated for municipal valuations. It wound up, was the general consensus that, no, they knew exactly what they were doing. There were IDA's across the State who petitioned through New York State EDC to remove PILOT Agreements in consideration of that cap.

Chairman Sutton asked for a motion to adjourn the meeting. As there was no further business, the meeting was adjourned at 9:00 a.m. on a motion made by Mr. Klein, seconded by Ms. DiDomenico, with all voting in favor.

Respectfully submitted,

Lori A. Eddy