

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

August 13, 2018 – 8:00 a.m.
County Planning Offices #5
50 West High Street, Ballston Spa

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

STAFF & GUESTS: Scott Duffy, CEO; Jeff Many, CFO; Michael Valentine, Administrator; Michael J. Toohey, Counsel to the Agency; James Carminucci, Bond Counsel; Tori Riley, SEDC; Marty Vanags, Saratoga County Prosperity Partnership; Michael Relyea, Luther Forest Technology Campus EDC; Margaret Smith, Airosmith, Inc.; and Lori Eddy.

ABSENT: None.

Chairman Sutton called the meeting to order at 8:00. Chairman Sutton stated before we begin the meeting, he would like the record to show on behalf of the Board of the IDA, our condolences to Dennis Brobston and his family. He lost his mother this past week.

Approval of Meeting Minutes: June 11, 2018:

Chairman Sutton stated the first order of business is the approval of the meeting minutes of June 11, 2018. Chairman Sutton asked if there were any additions or changes to the June 11th meeting minutes and seeing none, asked for a motion to approve them. Mr. Greene made a motion to approve the minutes of June 11, 2018. The motion was seconded by Mr. Mooney. As there was no further discussion, all were in favor and the minutes were approved.

Airosmith, Inc.: Application:

Chairman Sutton stated we have received an application from Airosmith, Inc. that came before the Sub-Committee back in June. Airosmith, Inc. is a communications firm that is headquartered in Saratoga Springs and is looking to expand its business and to create a company headquarters in Saratoga Springs. The company is a growing business, one that has been in business for approximately 14 years. It is a female-owned and operated business which is always a benefit when it comes to financing and improving Saratoga County. On behalf of Airosmith, Tori Riley of the SEDC is here to present the application to us in Dennis' absence. Mr. Toohey stated he is representing Airosmith and the underlying company, and as in past situations like this Mr. Carminucci is going to serve as counsel on this application for the IDA. Mr. Sutton stated in full disclosure, Margaret leases space from his wife and himself at the Blackmer Building on Clinton Street in the city.

Ms. Riley explained that as outlined within the materials, the Company is requesting a 10-year commercial services PILOT. The proposed new building will become a corporate headquarters and corporate housing at 318 West Avenue. It will be 6,000 square feet used for offices. The remaining 3,000 square feet will be used for corporate apartments to house employees during training and corporate meetings. She noted that the Company is looking to the requested PILOT as a means of creating an estimated property tax savings of \$283,452.00. Additionally, Airosmith is seeking savings through an exemption of sales taxes associated with construction and equipment and an exemption from a portion of the NYS mortgage recording tax as detailed in the application. Sales tax savings is estimated at \$109,000.00 and the mortgage tax savings is estimated at \$18,000.00. They are requesting a 10-year Commercial Services PILOT and propose to create 9 jobs over 3 years to add to their existing 51 for a total of 60 jobs. The average salary will be \$80,500.00 plus fringe benefits.

Mr. Toohey stated he has preliminary site designs for the property, but they haven't even been submitted to the City planning board at this point. He thought, however, that it would be helpful for everyone to understand what Margaret's design is. He explained that this property is on West Avenue, it is south of the YMCA and to the southeast of the Pitney Farm. Ms. Smith already owns the parcel at 318 West Avenue, which now has a single-family home on it. She has negotiated with the YMCA to buy from it some of the land behind and abutting her parcel so that there will be adequate space to design for the new building. Margaret Smith spoke about the nature of her business, explaining that because the business requires a lot of training and as opposed to having the expense and the disconnect of an employee in a lengthy stay in a hotel she is proposing to put two business corporate residential units within the building. This will allow for those who are to be training for 2 to 6 months to be located right at corporate headquarters and to be incorporated into the culture of the company. Ms. Smith further stated that her company builds, supports and maintains wireless networks doing work for commercial carriers, cable operators, utility companies and government entities. Airosmith's staple business is doing the real estate, engineering, construction management, and construction project management to locate cell space for antennas on rooftops, water tanks and cell towers all over New York State and the Northeast.

Chairman Sutton asked if the Company does actual construction as well and Ms. Smith stated that they do a little bit. She stated that they specialize in microwave construction, which is kind of a technical part of the construction business. Very rarely, she said, do they build cell towers - maybe three or four of those a year. Chairman Sutton questioned Ms. Smith as to whether they had looked at any other locations other than Saratoga Springs for their headquarters and Ms. Smith replied, yes. She explained that they were trying to figure out if they wanted to house the construction and maintenance vehicles, the construction staff and larger staff all in the one location. She noted that it may have been less expensive to go outside the city for property, but the location at 318 West was really a jewel for her because they will have the State Park across the street and so we are trying to build a picture of wellness and health for employees. Additionally, we have two golf courses, a swimming pool, bike trails across the street that kind of blends into the culture of downtown Saratoga and SPAC. So, to her that is the biggest draw right there for the employees she wants to draw.

Ms. Smith stated that the Company has actually been getting some solicitations from other towns lately, which hadn't happened in the past. Chairman Sutton asked when she started business 14 years ago how many people did she employ? Ms. Smith stated that it was just her. Around about 2010 she kind of had to decide whether she was going to grow or keep at the level she was then going. She leased space in downtown Saratoga and decided to grow. She made a calculated decision to grow. That was about eight years ago.

Chairman Sutton asked if there were any questions? Mr. Mooney asked in regard to the 51 employees, do they all work in Saratoga? Ms. Smith stated they don't all work in Saratoga. Mr. Mooney asked how many are in Saratoga? Ms. Smith stated she doesn't remember the number. There are probably about 20 in Saratoga, Albany, and some employees from Lake George. Mr. Mooney asked if there were then a lot of these people who are in the field at cell locations or whatever and Ms. Smith stated yes. Mr. Toohey stated that one of the reasons that there are people disbursed throughout the State and as a result we need to bring them into Saratoga, the corporate headquarters, for training purposes and again, having them on premises, makes the whole thing work a lot better. Mr. Valentine asked Mr. Toohey about information on Page 6 of the application regarding the property. He stated that one parcel is noted and that is only 0.23 acres, but then on page 10 the land is referenced again, but at 0.5 acres. Is there going to be a subdivision to acquire more property, he asked? Mr. Toohey stated, no, there will be a combining of land. 318 West Avenue is a parcel that is directly off of West Avenue. We have extended the north line and the south line to the County's right of way to get the acreage that we need. Mr. Valentine questioned if it was a lot line adjustment then? Mr. Toohey stated it was a lot line adjustment and joining of lots. There is an application before the Planning Board that intends to be administrative in nature that allows you to do

that. We are not creating another parcel, we are merging parcels and we are not isolating any land. Mr. Valentine questioned then if it is just an administrative act by the City staff which will not impair the review process. Mr. Toohey stated it is an administrative act by the Planning Board staff. There is a separate application but the applications that we are doing already requires design review and site plan review so it would just be one of three applications. Mr. Valentine stated so to go through the City would require a special use permit for mixed use development in the city's T-4 District. Mr. Toohey stated that is correct as well as there being an application for review before the Design Review Commission.

Mr. Valentine stated he would mention again that on Page 8 it says T-4 and PUD. Is that PUD still active? Mr. Toohey stated, no. That is the YMCA's PUD and as with a lot of the PUD's that were passed in the 80's and early 90's, they are all expiring under their sunset provision. As a result, the legislation says that you revert to the zoning that existed at the time the PUD was created. There is nobody in City Hall that can easily identify what that is. He has written to the City asking for verification as to what they think the zoning is/was. Mr. Valentine clarified then that there is therefore no action to be taken for rezoning by the City Council then and Mr. Toohey stated that that is correct. Mr. Carminucci stated to Mr. Toohey that he thinks what Mr. Valentine was asking in reference to the tax map number for the project is if a portion of a YMCA tax parcel(s) needs to be included as well? Mr. Toohey stated yes and the Y's tax map portion is in fact two tax parcels because the Y's land is bisected by the inside district of the City and the outside district of the City. Mr. Lewis asked if the property was adjacent to the doctor's office that has been there for a long time? Mr. Toohey stated that is correct. It is the property immediately to the south of that.

Ms. DiDomenico stated the question she has is with regard to the second floor. She asked, with regard to the apartments, how often will you have employees coming in on a monthly basis? Ms. Smith stated she anticipates having someone there all of the time. Ms. DiDomenico asked if there is a way for the IDA to protect itself in the event that she changes her business philosophy that if it turns out that it is not being used for business purposes but turns into a tenant rental situation; wouldn't that terminate whatever benefit she has? Mr. Toohey stated that on that portion, right. Mr. Carminucci can handle that through the draft PILOT Agreement, he noted. The likelihood is that if that happens, it would be an extended period of time in the future because they planned this pretty well. But, if that does happen, it would be to expand the corporate headquarters, the business or commercial parts, as opposed to utilizing that space for residential purposes. So, the residential would disappear and it would fully be corporate offices at that point. Chairman Sutton asked whether down the road there is the ability to expand on the proposed 9,000 square foot building if need be and Ms. Smith stated that there is not another inch available on the lots for expansion. She stated that we are trying to get the building to be about 10,000 sq. ft., about 7,000 square feet of office and 3,000 for the apartments. Chairman Sutton surmised then that to the question of if you should grow in the future, the likelihood of eliminating those apartments could happen and Ms. Smith stated that could happen. Mr. Toohey explained that one-third of the total space used for residential will allow for a significant expansion and with two apartments you can do it in stages. You could bring one apartment off line and then continue that one. Mr. Valentine stated that this discussion as part of the record is important for a future board to consider if the project should change, as well as the point that the applicant has noted that there could be change in the PILOT.

Mr. Valentine further stated that in talking with the city assessor about the PILOT, and he and Mr. Brobston have talked about this a number of times, on Page 19 of the application's chart which goes through the cost and the assessed value of the property, there is reference to an equalized assessed value being used in calculation of tax payments under a PILOT. He stated that the city does not use an equalization rate in calculation of taxes and he doesn't know how this use may have impacted the application's calculations. Mr. Valentine pointed to a note on the PILOT chart with an asterisk as applied equalization rate to the value. In talking with the assessor, he was told that tax payments based upon an equalization rate is not necessary as they don't utilize an equalization rate. Whatever that assessed value

is on the books becomes the value for either the land or the improved value. He asked also if the application was using an assumed assessed value for calculating PILOT payments because what we have in the application is a known assessed value for the 0.23-acres, yet the parcel we are going to consider for land value, which will be the basis for the PILOT, is 0.5 acres. Mr. Toohey stated the problem that you have is there will be no assessment that is charged to that separate land until such time as there is a merger because there is no separate entity already. In the staging for this, one of the last things that will happen is the merger because the contract with the YMCA is contingent upon us receiving all of our approvals. So that is something Mr. Toohey and Mr. Carminucci will have to quantify. Mr. Valentine questioned if the chart in the application has been computed with an estimated assessed value for that property or the assessed value of the sole parcel with the house on it. Mr. Valentine asked if these numbers are then subject to change and Mr. Toohey stated that is correct.

Mr. Toohey stated we have such a long process to go through. We are trying to do this step by step. As he has indicated, there are at least three applications we have to make to Boards through the City of Saratoga Springs. It is his anticipation that for informational purposes solely, we would bring this back to this Board to let you know what progress is being made. Very often when there is a public hearing, you just hear about when they are closing. Because of the timeframe, he thinks he would like to keep the Board apprised as to what is going on. Chairman Sutton asked Mr. Toohey about the land use Boards that you have to appear before and whether you are on their schedule yet? Mr. Toohey stated no. Chairman Sutton questioned on construction, you anticipate the construction will end in 2019? Mr. Toohey stated yes. Chairman Sutton questioned if we should hold off the public hearing? Mr. Toohey stated no, he thinks you have as much information as any of the other applicants that you normally have. What we are trying to do is we have a list of things that we have got to check off and the public hearing on this is one of those things.

Mr. Mooney questioned if the 9 new jobs will be for positions in Saratoga County? Ms. Smith stated she cannot say for sure as it is kind of hard to predict that. That is where they are hiring right now. The apartments are also to be able to train people to live here for a while and then geographically go elsewhere. Mr. Mooney questioned if we have ever had an application like that before, where half of the created jobs would not be local to the County? Mr. Toohey questioned Ms. Smith how many jobs she has right now? Ms. Smith stated in Saratoga, probably at least 20. Mr. Toohey questioned how many do you anticipate in Saratoga, 30? Ms. Smith stated she would say yes. Mr. Toohey stated we have gone through this before. The workforce will increase in Saratoga by 50%. Mr. Carminucci questioned if the employment numbers in the chart, are those portraying just jobs at the project location, because the reporting in the application really should be reflective of whatever is happening at the site? Mr. Toohey agreed. Mr. Carminucci stated, however, that is not the case, right? Mr. Mooney stated that it doesn't appear to be so if there are only 20 positions in the Saratoga Springs location. Mr. Wintsch stated to Ms. Smith that he was looking at her website the other day and noted that your Company and its business is all over the Northeast and in Florida, is that where you are at? Ms. Smith stated yes. Mr. Wintsch asked if it was correct to state that those people you plan to bring here will undergo training in your facility? Ms. Smith stated they will come in for a week and collaborate. Mr. Wintsch questioned if she had another headquarters in Florida or satellite locations? Ms. Smith stated, no, this is it. Ms. Smith stated the training is a minimum of 6 months.

Chairman Sutton asked if there were any further questions? Mr. Carminucci questioned if the application should be modified to reflect jobs at the site? Chairman Sutton and Mr. Mooney stated jobs in the County should be noted. Mr. Carminucci stated he thinks it is fine to show the total number of jobs being created but there should be a delineation between them. Chairman Sutton stated his agreement. Mr. Valentine stated that - in regard to someone's question earlier about whether we had an application like this before - yes, we have had a couple projects where there were newly created jobs that reflected sales-related positions for which this locale was the base and jobs were performed in other states altogether. The

medical building in Halfmoon comes to mind. They had a sale staff located elsewhere in other states. If you remember, he noted, Mr. Ferguson wrote letters to various companies as we were looking at the number of jobs for his end of the year report. One of things that he asked was where are the Saratoga County jobs versus the out of state jobs and are you counting them? Mr. Wintsch wondered if most of the people that are going to be located in the Saratoga Springs facility are going to be in administrative positions or are they installation individuals. Ms. Smith stated that it will be a blend. It depends upon the contracts we are doing at the time. It will be hard to predict. At all times as the company grows, our administrative support staff will grow with it, she stated.

Chairman Sutton asked if with the mergers and acquisitions of these types of communication companies, are there other companies coming in to do communications that you are selling? There are a lot of merger acquisitions like T-Mobile and so on, he said, and you have contracts with all of these folks and that will continue on, don't you assume? Ms. Smith stated yes, without a doubt. Right now, from a network standpoint, we are on 4th generation. That is so you can get high speed video and data on your phones. The next is 5G and that is what is coming out in the next year or so. We are starting to see trials of it. If you take 1G through 4G, 5G is going to be more work than all of those combined. The industry is saying that 5G is going to be the next revolution. Mr. Mooney questioned if every cell site would have to be redone? Ms. Smith stated it is not so much that every cell site will have to be done, it is going to expand. So, there will be 5 cell sites for every one now. It has to support the autonomous cars, automatic finality and all of the different things they are talking about coming out. 5G is going to support all of this. So, it is not even a drop in the bucket what is in the past as to what is coming. Mr. Toohey stated the headquarters for the web of that being created will be in Saratoga. It is not necessarily that the construction trucks will be on West Avenue. Construction trucks will be in communications on West Avenue. Mr. Mooney questioned if Saratoga was going to be on all of the letterheads? Ms. Smith stated yes. Chairman Sutton questioned if they would have their own tower at the site and Ms. Smith stated there is no room for one. If we can get something on the rooftop, she would love it. Chairman Sutton asked if there were any further questions.

Chairman Sutton stated we have before us an application for a 10-year Commercial Services PILOT based upon 5yrs at 100% abated assessment on the improved value of the property with 5 years of incremental increases on the value of the improvement. The ask is for a mortgage recording tax exemption estimated at \$18,000.00, sales tax exemptions of approximately \$109,000.00 and property tax abatements valued at \$283,000.00 with a total savings to the company of \$376,000.00. Chairman Sutton then asked for a motion to continue on and set up a timeframe for a public hearing. The motion was made by Mr. Lewis. The motion was seconded by Mr. Mooney.

RESOLUTION #1404

RESOLVED THAT the Saratoga County IDA agrees to accept the application and set a public hearing for the application of Airosmith, Inc. for September 10, 2018 at the Saratoga Springs City Hall at 8:00 a.m. All members voted in favor.

9 Stonebreak Road, LLC: Financing, ATC Commitment:

Chairman Sutton stated that in your packet you received a letter indicating the financing for 9 Stonebreak Road, LLC financing. Mr. Carminucci stated we have actually closed on this property already. There was a Resolution adopted in January and in that Resolution there was an approval for financing. That financing, however, slightly increased but was still within the limits with what was in the application and already approved. Mr. Carminucci doesn't have nor feel it is required to have a separated stand-alone

written Resolution at this time. His intention is only to have that prior Resolution modified to reflect a new loan amount of \$1,836,000.00.

Chairman Sutton then asked for a motion to modify the original Resolution to reflect the new loan amount to 9 Stonebreak Road, LLC in the amount of \$1,836,000. The motion was made by Mr. Mooney. The motion was seconded by Mr. Johnson.

RESOLUTION #1405

RESOLVED THAT the Saratoga County IDA agrees to modify the original Resolution to reflect the new loan amount to 9 Stonebreak Road, LLC in the amount of \$1,836,000.

The results of the roll call vote were as follows:

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

AYES: 7

NOES: 0

ADOPTED: 7-0.

LFTC EDC: IDA Land Purchase – Status:

Chairman Sutton asked Mr. Relyea to give a summary of what is going on with this project. Mr. Relyea stated that where we are right now is that we are waiting for the Town of Malta and the Town of Stillwater to approve the SWPP Plans (SWPPP). There is no concern there, he noted. When that is done we will be clearing, grubbing and constructing the utility corridor. The sewer design is almost done. That will be done next week. MJ Engineering has that under their pervue. NYSEG design is 99% done and we are coordinating with them to just wait until the corridor is graded at level so they can drop in the poles. Again, that is on the chart as well. The only thing that is not on the schedule at this point is National Grid gas but we have had tremendous improvement since our last meeting with National Grid. We will have that on the schedule soon. National Grid needs from us all of our load requirements. We had a meeting with them a month ago now. There are some challenges that they have been looking at and finally we got the answers to what our questions were. They have a low-pressure gas system that services the area. Then, there is a high-pressure gas system that services Global Foundries. They were trying to figure out with us as well except we didn't know the existence of the low-pressure system and the high-pressure system and which system to take off of. So, finally they have decided that they are going to take off of the high-pressure system and they have the load requirements that we believe will build out the entire park and not just the IDA parcel, but the entire park which has been a year of conversation back and forth with them. They have a plan, they are designing it now and once that design is complete, that will go on the construction schedule as well. He cannot guess as to what that is right now. It is 100% in National Grid's hands at this point. Mr. Toohey asked if they have been more cooperative? Mr. Relyea stated yes. One of the things they asked for and he thinks would be good for the IDA is to kind of get an understanding of where their low-pressure and their high-pressure systems are because there are a lot of impacts when you deal with a low-pressure system that are very difficult coming from them to manage the new build on the low-pressure system. This schedule right now shows a completion date of 11/27. That ideally will probably be moved up. The 11/27 is based on a pump station and some grinders that we don't anticipate. This is a conservative schedule. He believes it will be moved up a little bit. The construction guys always plan for a rock and unknown. They have been digging around Luther Forest for a long time now. There is no rock and where they are digging we don't anticipate there being a known

that has already been disturbed at least two other times. Mr. Mooney questioned in any case it is by the end of the year? Mr. Relyea stated yes. He will keep sending Mr. Duffy the updated version of it as we update it and move along. Chairman Sutton asked if there were any further questions of Mr. Relyea. Chairman Sutton then thanked Mr. Relyea for the update.

CFO Report (monthly financials):

Chairman Sutton asked Mr. Many to discuss the monthly financials and Mr. Many reported that our account are fully reconciled. We still have \$3.4 million in the bank. There is a very small amount of accounts payable which basically is our professional staff, a compensation that was paid in early August. Accrued expenses reflect for the most part the services of the County Planning Department and Mr. Valentine's time. You can see on the year-to-date financial statements compared to budget we are running a little behind schedule in terms of administrative fees. If we don't have another closing before the end of the year we will probably run a bit of a deficit just because we have professional staff and support staff that we pay and we really rely on administrative fees to cover the budget.

Mr. Mooney questioned if it would be worthwhile doing budget adjustments when this stuff happens just so we are not running a deficit? Mr. Many stated he didn't know that we can really take much out of the budget other than support staff. Mr. Mooney stated no just add to the administrative so you are not running in the negative. Mr. Many stated we are going to have a negative because we have more expenses than we are taking in in terms of revenues, so he doesn't think we can really change it. Mr. Valentine stated that we should remember on the State level that we do an adjustment to this year's budget toward the end of the year and submit to them. Mr. Mooney stated we approved everything that has to do with administration but we never raised the actual budget. Mr. Many further stated our costs are roughly \$5,000.00 per month that we incur, it might even be a little bit higher. We are still going to have to pay those even if we don't have administrative fees coming in. He anticipates that we are going to have a deficit for the year. Mr. Mooney stated right but everyone knows about the deficit because we passed the Resolutions allowing the salaries and whatever else. He feels that it is probably appropriate to up the budget at that time to reflect what we have already approved and then we wouldn't see a negative. Mr. Many stated it is more of a revenue thing. We have the reserves from prior years which we would use to offset the status. Chairman Sutton asked Mr. Mooney if he was basically asking to move some reserves to make it positive and Mr. Mooney stated that typically at the Authority [Wilton Water and Sewer Authority] what we do is when we know something is happening and it is going to cause an impact to the budget for \$20,000 we do a Resolution to amend the budget \$20,000 so it doesn't look like this is a surprise and that you are doing something wrong and not seeing that.

Chairman Sutton stated it has been a real unique year for us. Mr. Many stated he thinks the other thing is the projects slowed down maybe a little bit more than we anticipated and he thinks that is the issue we are running into. We will definitely need to appropriate reserves to cover whatever deficit we might have. We have a significant amount. Mr. Many then questioned if we need to do a Resolution. Mr. Toohey stated we have never shifted any money out of our reserves other than for the Luther Forest project. You have done it on a very rare occasion. Mr. Many stated we do have \$3,000,000. Mr. Mooney stated all he is saying is you look at the budget to see where you are at this point in time and it is misleading to show that you are on a negative when we know that we change things because of the staff changes and whatever else occurs. He is good with either way. Mr. Many stated it is really not about the expenses side, it is the revenue side. Mr. Wintsch agreed. Mr. Toohey stated the other number that tends to get lost in the wash here is the \$52,000.00 that is owed to us by the Universal Preservation Hall. Mr. Many stated he was going to mention that. That did come in in July. We have since paid out the administrative fees. That revenue and that expense was actually reported last year when we had the closing. It has certainly been collected and deposited to the account, so that is a positive. Mr. Many further stated he thinks our expenses are down from last year. It is just that with the administrative fees that we normally collect from

a closing our position can turn around in the next few months very easily. Chairman Sutton stated let's see where we go.

Mr. Many continued with a review of our payables at the end of July, followed by the schedule showing accrued expenses. For the most part, the expenses reflect our services that are provided by the County to the Agency. Since we didn't do a financial report for June, he did want to mention that we did collect the UPH administrative fees and we paid out our money to Prosperity Partnership. That was the big transaction for July. Mr. Many asked if there were any questions on the financial report.

Mr. Many then stated that the second item on his agenda was to discuss how to increase our revenue. One way was to discuss and send out a proposal to various banks to get a return on our cash balances. He sent it out to six different banks. We heard from Saratoga National Bank, Mr. Ferguson, with a rate of 2.05% for one-year certificate of deposit and slightly higher rates for longer periods. We also heard from the Adirondack Trust Company. Their rates were generally low but they had a special rate of 2% for a 13-month CD. He also heard from NBT Bank, which declined to offer a proposal. Then, there were three other banks. Ballston Spa National Bank had some questions for him and he responded to them. He thinks they may be interested particularly if money was moved to their bank. He will share this information with everyone once he has all of the quotes together (which he hopefully will have together by the end of the week when he has heard from all of the banks). He also spoke to Key Bank and met with them. His sense is they are going to be competitive on the rate side with Saratoga National and Adirondack Trust. Berkshire Bank he is not sure what is going to happen with them. It is a pretty small branch that he went to. He is not sure what their interest will be or what the rates will be. We should have a summary of all of the proposals that he has received. Everything was done by sending out a formal letter but people responded to him basically by email with their rates and their proposal to offer us.

Mr. Mooney asked if these funds are collateralized and Mr. Many stated he believes so. Mr. Ferguson sent him a note, and he will speak of his just because he was more detailed than anyone else. He wants to be competitive, so if someone else jumps in with a higher rate they may raise the terms. Mr. Many thinks Saratoga National definitely wants the accounts because they are sitting on \$3,000,000 in the Bank. Chairman Sutton asked where we are we currently? Mr. Many stated we are currently at 1%. Mr. Duffy stated we are not losing anything if we take something from the two accounts we have now and put it into something at whatever percentage. Mr. Mooney questioned how much of the \$3,000,000 will we be able to move? Will it be \$2,000,000? Mr. Many stated he will clear it with Mr. Toohey before we finalize it, but we are looking at \$500,000 to \$750,000 to start. That will leave a reserve of more than \$750,000 to cover. Mr. Greene questioned if something came up and we had an event where we needed cash, you can't get out of it he assumes. The consensus of the members was that you can, but there is generally costs including penalties associated with early termination. Mr. Many stated the penalty basically is forfeiting the interest.

Mr. Johnson stated we have the land closing at the end of the year to consider. Mr. Toohey stated that is the end of the year but we would absolutely allocated reserves for that amount. Mr. Many is suggesting that we put aside another \$500-\$750,000 because of whatever happens we don't know. We do have a significant amount of float and that it is a very good idea. Mr. Wintsch stated we will still have 70% leftover to do with whatever you need. Mr. Many stated there is a significant amount we have in reserve in addition to the CD's. Mr. Valentine stated the other option is not one big CD and do a couple of them at different scheduled expirations. Mr. Many stated actually the one fellow he talked with, Michael Brock from Adirondack Trust, and he talked about layering CD's. Doing different timeframes of when they mature. That was an interesting concept. Chairman Sutton thanked Mr. Many and asked him to keep the Board informed as to what the other banks are coming back with. Mr. Mooney stated again he feels like we should do whatever conservative amount as soon as possible. Mr. Many told the Board he would get a report to them hopefully by the end of the week which will summarize everything from everyone we

contacted. Mr. Many questioned if the Board would like to decide before the next Board meeting or at the next meeting? Chairman Sutton stated he thinks we should just poll everyone at the time. Let's see what we have first and then we can poll everyone to see what direction we might want to go in. Chairman Sutton asked if there were any further questions of Mr. Many. There being no further questions, Chairman Sutton thanked Mr. Many for the update.

IDA Sub-Committee: Summary Sheet for Pre-application Review

Chairman Sutton stated the IDA Sub-Committee sought to develop a Summary Sheet for Pre-Application Review. Chairman Sutton asked Mr. Greene to go over what he has created and Mr. Greene stated he started sketching out what he thought the Sub-Committee was being hamstrung by, particularly the length of some of the information we were getting. So, he talked to Mr. Valentine and they tried to develop a one-page form. The purpose for the Summary Sheet is to give the most important information in the quickest format for the Sub-Committee to review and make a determination as to what a proposed project and application is all about and whether it meets the criteria of an Agency project under our UTEP [Uniform Tax Exemption Policy]. He thinks that the Summary Sheet hits on all of the most important points that would be helpful to us when we are evaluating on the run and make it easier for that applicant and Prosperity Partnership and the SEDC to provide the information that we think is necessary. Mr. Greene noted that this is really the working piece and asked that if anybody has any thoughts or comments on it, without increasing it to more than that page, then feel free to help make it a little bit better and more useful. Mr. Wintsch questioned if the purpose of this is to let the applicant know that they could potentially have a legitimate application to the IDA or is it for the IDA Boards' information? Chairman Sutton stated it is a streamline for Mr. Vanags or Mr. Brobston to get in front of the Sub-Committee and then we can vet it out from there, from the information that is gleaned from this form. He sees it as a way that the Company and SEDC/SCPP don't have to go through the tedious project of a 30-page application until the Sub-committee sits down with them and this information and determines that a project could result.

Mr. Wintsch asked if the process would be that an applicant meets with the Sub-Committee, then the Sub-Committee is going to fill this Summary Sheet out, and then they are going to tell the applicant just by what we see here, that probably the IDA Board is going to approve what they are proposing? Chairman Sutton stated, no, this is basically an informational document prepared by SEDC/SCPP to get a proposed application before the Sub-Committee, so that before preparing a whole application we can have a snapshot of who and what is coming before us on that Sub-Committee level. Mr. Wintsch stated okay. Mr. Toohey stated to Mr. Wintsch, again, that without imposing a significant burden on somebody as an applicant or SEDC/SCPP as preparer, we and the applicant want to get a sense of the potential of a project emanating from the discussion. More or less, he continued, it says I don't want to waste your time or our time and here is our thought process. Here is what we think and then we move to the next step.

Mr. Johnson stated the next step would be to have them go forward with the full application. Chairman Sutton stated that is correct. Mr. Duffy stated this is again the result of some discussion with Mr. Vanags and Mr. Brobston and among us to streamline it along and it would be helpful to both sides. Mr. Valentine stated he sees once the Sub-Committee has worked with this a couple of times they might say we should add this or expand this. Ms. DiDomenico asked if this is form is something that is given to somebody who inquires to Mr. Valentine, are they given it to them in this format or like in a Word format so they can fill it in? How are they getting this form? Chairman Sutton stated we want to improve it first. This is going to be a little trial and error at this point until we modify it. Ms. DiDomenico stated but we expect them to fill it out on a computer so if you were to email this to me in a Word format, then you are expecting the applicant to fill it in, not handwritten. Mr. Valentine stated that the form could be made into a fillable PDF. Ms. DiDomenico stated we could put it on our website. Mr. Johnson wanted to

clarify that this form (probably as a fillable pdf) would go to Mr. Vanags and Mr. Brobston to complete on behalf of a potential applicant and then provided to members of the Sub-Committee, not that staff would provide the form to an applicant. Chairman Sutton stated his agreement with that diagnosis. Mr. Wintsch stated it will be a trial and error because we will probably get comments back with people saying this is not enough room for information. Chairman Sutton stated it gives us a snapshot so that we can go forward and say yes, we want to meet with the applicant. Mr. Toohey stated it also gives the applicant a lot of information that you are all looking for this information so you better have it prepared as opposed to having snap questions at the meeting. Ms. DiDomenico stated if it helps we should go for it. Chairman Sutton stated if there are no modifications at this time then let's try it and Mr. Duffy and Mr. Valentine will get this out to Mr. Vanags and to Mr. Brobston. Then we will see how it goes. Chairman Sutton thanked Mr. Greene.

M&L Properties (Arnoff) and NYSEG: Easement to Extend Electric Power:

Chairman Sutton stated the next agenda item is M&L Properties (Arnoff) and NYSEG: Easement to Extend Electrical Power. Mr. Duffy stated he can speak to that. The Board approved, and Chairman Sutton signed, and Mr. Toohey forwarded that to Jane Beal from NYSEG. Mr. Duffy told Mr. Toohey that she is now gone just for information purposes. There is a new contact by the name of Isaac Drew. He had reached out to Mr. Duffy last week. He is looking for the paperwork. Mr. Duffy stated our Counsel provided that and we have a signed copy of that and it is on Ms. Beal's desk. He then reached out to Mr. Drew and he hasn't heard back from him yet to see if he found it. If he can't, Mr. Duffy was going to ask Mr. Toohey if we have a copy of that. Mr. Toohey stated either that or we can redo it. Mr. Duffy stated he would keep the Board informed. If he does hear from Mr. Drew and we have to redo it, we will do it. Chairman Sutton thanked Mr. Duffy.

Saratoga County Economic Development Committee: IDA Report to on June 7th:

Chairman Sutton stated that the next agenda item is Saratoga County Economic Development Committee IDA Report. Back on June 7th, Mr. Veitch, who Chairs the Economic Committee for the County, invited he and Mr. Duffy to appear before the Committee to provide an overview of action that has taken place with the IDA in the past year. We provided an overview of the projects that we've looked at in that time, basically going back three years and showed them projects that we had approved. In the County, it is the same report that we had sent to all of the Supervisors back at the end of 2017. Then, nobody really had any questions of us at that time. Then we reviewed what was going on with the IDA for the first six months of this year. But, more importantly, we had the opportunity to talk to them about the Luther Forest project, most of which the Supervisors had an inkling or an idea of what was going on but we went into a little bit more in-depth because we had a lot more things to talk about. The project was discussed in relation to where the infrastructure is now being done for the next phase and what we are planning to do. They were very encouraged with that. The Board of Supervisors through that Committee is now up-to-date as to what the IDA has been doing in the past six months with the Luther Forest project and what we have been doing in the past three years. Mr. Johnson stated he is on that Committee and Chairman Sutton and Mr. Duffy did a great job. He thinks that the feeling of the Committee afterwards was that members were very happy to see some movement on LFTC and the work of the IDA to get the project and the development of LFTC moving forward. He thinks they were very encouraged by it. Chairman Sutton stated without giving a formal presentation to the whole Board of Supervisors, we take this one step at a time so we don't get into the public limelight and have reporters questioning us as to what we are doing and how we are doing it. We've been under the radar for this whole project and it seems to have worked so far. It is encouraging what Mr. Relyea had to say today about Luther Forest and we can only hope that we can continue on the timeline that has set forth for us. If we can close by the end of the year, it would

be a feather in our cap. Chairman Sutton asked if you hear anything on the street, please let Mr. Duffy or himself know as we go forward on the Luther Forest project. So far, so good.

Greenfield Manufacturing/MGrove Holdings: PILOT Agreement, new addition

Mr. Valentine stated the next agenda item is mainly to just let you know about a project that we have pending. There has been some frustration on the part of the project owner in moving toward financing and a closing. We have an applicant who has brought in a project in Grande Industrial Park, Greenfield Manufacturing/MGrove Holdings. They have a project that has already closed and operational and going into their second year of their existing PILOT and at the present time MGrove is proposing (before the city and the IDA) to build an addition to that existing facility as well as a stand alone building on the property. They had to acquire some additional land from Munter Associates to satisfy City regulations and company counsel and a bank appraiser involved both Mr. Valentine and Mr. Carminucci in their own processes related to valuations and the structure of a future PILOT Agreement. In his estimation, it looks now as though they are going through the financing. Mr. Valentine asked Mr. Carminucci if timewise this is the only project that we will have as a closing this year? Do you think it is going to proceed to year-end and close? Mr. Carminucci stated it is the only one he is aware of. He doesn't know what is going on with Espey. Mr. Valentine stated that is on his agenda for later. The application is withdrawn for Espey. Mr. Johnson questioned if this (MGrove) was the one we approved after a Public Hearing at City Hall? Mr. Valentine stated yes. Mr. Johnson asked if they are not then looking for another PILOT and Mr. Valentine stated no, they are not, and that has been part of the concern with the process – two facilities/two construction projects, additional lands, configuring the assessment of both projects, the possibility of two PILOTs. He has had discussions with the city assessor and tried to involve Mr. Carminucci over how the two projects get melded into one PILOT which as an amended and restated PILOT or do we have two separate PILOT Agreements? Mr. Mooney questioned if it was a separate tax parcel? Mr. Valentine stated no. Mr. Carminucci stated what they did though was when they acquired the extra property, they did like a lot line adjustment but they didn't include the IDA in that. So, the IDA owns one piece, but MGrove owns the other. So, it is a mess, he said, but they'll get it fixed. Chairman Sutton thanked Mr. Valentine for the update.

Other Business:

Mr. Valentine stated the next item is just an update since our June meeting (as we didn't meet in July) to say that for **SKS**, located off Geyser Road near Grande Industrial Park, we did file an **extended Sales Tax Exemption Certificate** as they continue on with the construction for a longer period than anticipated.

The other item under Other Business is onw we already noted. **Espey Manufacturing** has withdrawn their application with the city planning board and other plans to further develop their site on Ballston Avenue in Saratoga Springs. Chairman Sutton asked if they have withdrawn their application with the IDA then and Mr. Valentine stated yes. Chairman Sutton asked if they had sent a formal letter on this? Mr. Valentine stated no, but he had called and spoke with Mr. Brobston who did call the Company on August 1st and it was confirmed that they are not going forward. Mr. Valentine asked Mr. Brobston for something as far as either an email or something written. He will follow up with him on that.

Mr. Valentine continued by noting that title to the **Mountain Ledge** property was reconveyed. That project had a 5-year PILOT in the town of Wilton where ACC has their new Saratoga County Campus. Also, they had reconveyed after the March 1st taxable status date. He talked with the Assessor in Wilton

and with the County and they are going to do a corrected assessment that will place the property back on Roll Section One, fully taxable and off Roll Section 8. That one is off our books.

Chairman Sutton stated there is one other item that we had inquiries about in the past two months. One was a question by a fellow by the name of **Vincent Cozolino, who is from Orange County**. He represents a group who have been doing incubator programs for start-up businesses within various counties around the state, proposing ways to create jobs and opportunities for lower income workers, predominantly jobs that are of lower paid scale in nature. Mr. Duffy called them back and got a little bit more information. He asked Mr. Duffy to discuss this further with Saratoga County IDA. Mr. Duffy stated they called it an accelerator, not an incubator, and they would deal with Mr. Vanags and Mr. Brobston. What these guys do, and they are mostly in the Southern tier, Middletown, Poughkeepsie and down that way, is come into a community or a county looking for low hanging fruit which is what is the need. They pull together business leaders of a community, Chamber people, people like Mr. Vanags and Mr. Brobston and say okay, is there a need where we can identify a vertical business that we can jump on and we can help start.

They usually deal with distressed properties or properties that are vacant. For example, there was the need for a sewing facility in the Southern Tier, maybe it was in Poughkeepsie or Newburgh. They ended up creating 50 jobs. They went into a warehouse and they got sewing machines and now everyone is sewing. Then they pulled in some clothing manufacturers and now they are now designing and making products. They do all kinds of businesses including hemp farming. He sent out an email to the Sub-Committee explaining that what these business men want to do is come up and make a presentation to the IDA. The presentation would be about an hour long. It may be interesting to see what they have to say. What they typically do is they like to team up with IDA's in these Counties because they do this for a fee. Their fee is \$7,000.00 a month. Now, there is no revenue coming back to the IDA. There is no money in this for the Partnership or the SEDC or the IDA on the back end. They come in for engineering and counseling and business advice.

What was really interesting was that his partner or helper happens to be the COO of the Orange County IDA and he is the Director of the Agency. It looks to me like they have built a business model to create revenue from IDA's so that they can keep doing this. He doesn't know what they have in mind, they haven't said. They want to come up. Mr. Mooney asked if they have something specific in mind? Mr. Duffy replied no. He asked and they don't. But what they initially do is in the first couple of meetings identify an opportunity. There is no charge. But if it does go the next step, it is a \$7,000 a month outlay from the Board. We already have entities that do this. It may be interesting to hear what they have to say. It is up to the Board to decide whether or not you want to entertain a meeting. Their presentation is about an hour long and he told Mr. Cozolino he would get back to him. Mr. Wintsch asked if anyone has been to Newburgh lately? He stated that regarding Newburgh there is no place even in Schenectady or Albany as bad as Newburgh is. He is just being honest. He has been the West Point many times and Newburgh is really a tough town. He is all for helping people that are challenged for employment and everything. He just doesn't know that Saratoga County is the right place for what they are looking for. Mr. Duffy stated they've even had a medical device company that they started and a training for medical device manufacturing and sales. It is not always the lower spectrum of the income scale. He does not know. He tried to be a precise as he could when he sent out the notes regarding this. Mr. Wintsch stated you could set up what he is actually going to present. Mr. Duffy stated that is what he wants to do. Chairman Sutton stated he sent us a note and he wanted to bring it up before everyone that he thinks at this point in time we don't have a great interest in spending the time again unless it comes into something a little bit more concrete. He wants to do a power point presentation for an hour or something like that. He is pretty persistent. He is a former executive with IBM, he believes. He has taken on this role. Mr. Wintch questioned what was the name of the website? Mr. Duffy stated it is under The Galileo Group. Chairman Sutton stated since we are not interested in pursuing this at this point and we will just ask Mr.

Duffy to say we are not interested. It would be interesting to see how other IDA's work. We are pretty conservative as to how we present ourselves to the general public and the ABO and how these other IDA's who spend \$7,000 per session with these guys. That would be of interest. Mr. Duffy stated he said that the typical timeline from the start of this to implementation is about 18 months. So, you are looking at about \$200,000 as an outlay. He said they have done \$4,000,000 worth of projects in the last three years. But, he does not have a detailed list of those projects. To him, there are a lot of questions. Mr. Duffy questioned Mr. Vanags if he knew more about this gentleman. Mr. Vanags stated he has been down to their site in Orange County. He probably can't give a presentation today as it would be unfair to them. But, it is a very legitimate operation. They are producing a lot of jobs in Orange County. Mr. Carminucci stated it seems like everyone is trying to hire up here. Mr. Vanags stated we have been in discussions with them. We are waiting to see. Chairman Sutton stated our indications were that they have been talking to you and SEDC as well.

Chairman Sutton asked if there was anything further to bring before Board. Mr. Wintsch stated he had one item he would like to bring to the Board's attention. He was at the **Tri-City Valley Cats** game a couple of weeks ago and the organization that was sponsoring it was Rensselaer County. Part of the County that was sponsoring that night was Rensselaer County IDA. He just throws that out just because. He does not know nor did he investigate what aspect or how much money they put towards it, he just saying they were there as Rensselaer County and Rensselaer County was sponsoring the baseball. He does not know if that is anything that we do. Not necessarily a baseball game, but maybe the track or something like that.

Ms. DiDomenico stated she wanted to mention that Friday's *Times-Union* had an article that there is a new regulation by ABO that they are going to be required to **post your applications on your website**. She did not know if anyone was aware of that. It was going to go into effect she thinks at the end of the year. Did we get any notice or anything from ABO about it? Mr. Duffy stated he did not. Ms. DiDomenico stated it is going to be a requirement now. Mr. Carminucci stated that this would be for those applications received by the Agency. Mr. Valentine stated once we accept an application it is public information and the application can then go on the website. Ms. DiDomenico stated that the ABO wants transparency according to the article.

Chairman Sutton asked if there was any further business. Mr. Greene stated Ms. Eddy does an outstanding job on preparing the minutes for the meeting but he sometimes thinks there may be too much in the minutes that may be necessary for our purpose. He just wanted to get a sense for what everyone else thought about that. It is a lengthy read for every package. The point is that Mr. Toohey and I were talking also that there may be a way to accomplish **the purpose of the minutes** and maybe more of a balance about the length of them and the volume for reading. Mr. Lewis stated it is a good issue. He cannot read anything which is ten pages. He listens to the meeting and he pays attention. He admires people who reads it all and is thorough, and that is always needed. Mr. Johnson stated it is unusual for Board's to have minutes of this length. Mr. Mooney agreed. Mr. Johnson stated he has been on many Board's where you only had summary minutes or you only did Resolutions. The length of these are overkill in his mind. Chairman Sutton stated he and Mr. Valentine and Mr. Duffy will sit down this month and see how we can summarize minutes in a Cliff-Note version of what we have. Just the important points. The bullet points that the Board needs to know. Then there would be a copy of the original. Mr. Lewis stated that does however make it more work for someone that has to go through the sixteen pages and then make it short. Chairman Sutton agreed. He does not know how you would do that. Mr. Greene stated you could have just Resolutions, just very short form minutes, this was Resolved that. He doesn't know. Mr. Carminucci questioned what would end up being the official minutes then? The summary of what was approved? Mr. Mooney stated yes. Mr. Carminucci stated he knows every once in a while, the full minutes have been helpful to look back on for things that get involved. Chairman Sutton stated then we could take the full minutes and have an amended summary sheet. Mr. Carminucci

stated right. Chairman Sutton stated he didn't think you could abbreviate the actual minutes of the meeting for the record. Mr. Toohey stated there are a lot of official records that are not verbatim transcription. Mr. Mooney stated any municipality it is not going to be word for word. It is going to be a summary of what is covered. Mr. Valentine stated some towns do verbatim minutes as far as Planning Board. He does not know whether town boards do so. But, Planning Boards throughout the county, there are about three or four towns that have verbatim minutes, and they are a pain in the neck to read through. Mr. Toohey stated but there are an awful lot of towns that don't do that. Mr. Greene stated it is striking a balance and for what Mr. Carminucci's purposes are, etc. Chairman Sutton stated the three of them would sit down and discuss this further. Mr. Johnson stated if there is a question you would have the tape to refer to.

Chairman Sutton asked if there was any further business to come before the IDA today?

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

Respectfully submitted,

Lori A. Eddy