

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

**June 11, 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; Dennis Brobston and Ryan VanAmburgh, SEDC; Marty Vanags, Saratoga County Prosperity Partnership; Thomas Roohan (Chair) and Michael Relyea, Luther Forest Technology Campus EDC; Robert Manz, MRFO; Margaret Smith (future applicant); and Lori Eddy.

ABSENT: None.

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

Approval of Meeting Minutes: May 14, 2018:

Chairman Sutton asked if there were any changes to the May 14th meeting minutes and seeing none asked for a motion to approve them. Mr. Mooney made a motion to approve the minutes of May 14, 2018. The motion was seconded by Mr. Greene. As there was no further discussion, all were in favor and the minutes were approved.

IDA Land Purchase from LFTC EDC:

- A) Status Report by EDC and MRFA**
- B) Meeting with SCSD #1**

Mr. Relyea, Mr. Manz and Mr. Roohan were introduced by the Chairman who noted that they are all here this morning to discuss the status of the Agency's land purchase and the extension of sanitary sewer to the project site. Mr. Relyea stated as far as the the utilities go, we have designed the utility corridor. That is checked off and done, we are waiting on a site plan, which should be done in the next week or so. With that plan we will go to the Town of Malta and pull a permit by the end of the month, first of July to clear the utility corridor where the sewer and electric will go in. The electrical design is just about done, we just needed the elevations of the utility corridor so the poles could be set and that is just about done. He stated that LFTC EDC asked NYSEG again if we could just set the poles for them because it takes longer for them to do it - but he doubts that NYSEG will let them do that. But, he added that NYSEG has been very good in terms of the design and getting things moving forward on that end of it.

The issue of the sanitary sewer has gone back and forth in discussion. Mr. Relyea had asked for the Sewer District's assistance and probably about two weeks ago, he said, they gave their final "no-go" on their assistance. Basically, we asked the District for assistance designing it and putting it in the ground. The District decided that this wasn't something that they wanted to set a precedent for. So, that caused a little bit of delay in the design of the sewer. MRFA is now moving forward on its part with getting that designed and getting the pipe installed in the utility corridor as well. Mr. Manz stated the design will start within the next couple of weeks and he expect that will probably happen towards the end of summer. Mr. Relyea stated it is not bad timing based on history of building in the park. He noted that the land in the

Campus is pretty much sand, so the hope is to plow through it; shouldn't take long to lay down a half mile of pipe in there.

The location of the water connection is right there, so that is of no real concern, Mr. Relyea noted. Literally a couple of feet off of the property, so we don't have a concern on that. National Grid, though, continues to give us a little bit of trouble in terms of what they expect at that site to run a power line down the road. With the initial plan to build on spec we had only one person at NYSEG supporting a design being done with a spec building proposed; now we have many people inside National Grid supporting it, but we don't quite have the support of design engineers yet. Basically, what holds it up is they don't build these lines on spec, they want a building at the other end, they want to know the load, they want to know a lot of the information. So, there is a lot of politics going back and forth between us and National Grid trying to get them just to move. Mr. Relyea explained that MRFA has stepped up with Mr. Manz saying that they are just going to pay for it. We'll pay it, it's done, put it in. It might sound easy to state it so, but it's not that easy because National Grid is cautious, still a little bit slow. He stated that we talk weekly with National Grid and while it is not a big build for them we keep them informed to help move the process along.

Chairman Sutton questioned on the sewer line will there be a need for any pump stations in there? Mr. Manz stated there is a pump station. It is designed at the low point so that most everything on the site will gravity feed to that pump station. Mr. Manz stated that he is looking at putting in two lines. We will run two distinct lines that are separate and one smaller than the other so that when the first build out begins it will be an efficient pumping process. Once the total build-out occurs, there will be a second pump that will be installed and a bigger line will already be in the ground. It will be designed to take the additional load over time.

Chairman Sutton asked if there were any questions. The question was raised about the funding. Mr. Relyea stated that they applied for NYSEG's funding so they expect when they get the final design done there will be a budget with that and we anticipate we will have an award of some funding there towards the project for National Grid, that is the electric side of it. Regarding the gas side, there is funding available there, also. He stated that they have the application filled out for that assistance but until NYSEG has the project design LFTC EDC can't formally submit the application. It is anticipated that there is funding for design as well. Those are dollars we've talked about. In the past, it's significant in the fact that it is a couple hundred thousand dollars, but we won't know exactly until they award it. Mr. Valentine questioned if electric and gas are both supplied through NYSEG and Mr. Relyea stated the gas is through National Grid while the electric is through NYSEG. Mr. Lewis questioned who the contact person is they are dealing with through National Grid? Mr. Relyea stated they try to work through Katie Newcomb to keep everything moving in one direction and then most of us have different contacts all over that we call to kind of move it. Mr. Manz stated it has been months with them. We are not asking for anything other than to extend existing infrastructure. You've got to have a design, you've got to give them a total load. Mr. Toohey asked if that problem isn't solvable, seeing as while we don't have the total load we probably do have an average or an anticipated load?

Mr. Manz stated we have given them rough numbers for square footage of a building and they still want more specifics. One of the things that Mr. Manz asked Mr. Relyea was is if there is the possibility of going to them and proposing that we'll install the line all the way to the connection point and leave it disconnected until the building actually starts under construction. That way it is there but it just needs a union to connect and pressurize the line. See if maybe you could get them to buy off on that. Mr. Toohey questioned if that connection would be particularly expensive? Mr. Manz stated no, it is just a t-connection. But, again you try to look at how you can possibly check a box that will get them to move forward. You think about it rationally speaking, we want to pay to put in a line and their response is but then we are going to have a stranded cost line. That is their response. Chairman Sutton questioned this is not the first time they have done a development like this before where we don't have specific buildings?

Mr. Relyea stated they very rarely do it. They have done it for an office at Luther Forest before, but they do not like to do this.

Chairman Sutton stated then the age-old question is when can we anticipate some form of a closing? Mr. Manz stated November timeframe. Again, we are just estimating that we are finally going to get all of the boxes checked for National Grid. He thinks that the long lead time item before was in the discussions with the County on the sewer. With that not going the way that it potentially could have gone, it is going to be a much more efficient design and build because they don't have to bid out the design and then contract the design and then bid out the construction and contract to construct.

Chairman Sutton questioned on the sewer line, the connecting fees that you would charge, are they established by the Sewer District or is the price established you/the developer as part of the development costs? Mr. Manz stated the fees would, he imagines, be established by them as the developer because the County really has never done is add back in the connection fees. Mr. Mooney then asked if the developer is then forming a public transportation corporation? Mr. Manz stated it will be a private line, it will be designed to meet the County standards. It will ultimately be turned over to the County. At this point in time, however, it will not be a County line. Mr. Mooney questioned if it would be turned over before it is used? Mr. Manz stated yes. It is a private build being done to meet their specs. Mr. Manz stated he has been working with Dan Rourke to make sure that we have the right design engineers. We want to coordinate with the County so that there aren't any hiccups from a design and construction standpoint. For instance, when we construct it we will do the same as they usually do, which is have an inspection service so that they can document the construction so that the County can get that documentation to be able to sign off on. Chairman Sutton questioned if that was a priority for the Sewer District, to work with you? Mr. Manz stated the Sewer District has been great to work with so he doesn't foresee any issues whatsoever with them. Mr. Mooney questioned are you trying to get other people in the area to offset the cost of the sewer build, is that the idea? Mr. Manz stated ultimately it would be good to have a recoupment of that infrastructure cost by each one of the lots that are in there. That was originally what was the discussion with the County. Mr. Mooney asked if it was the intent that each lot pays their pro rata share. Mr. Manz stated, exactly. Mr. Wintsch questioned if they will design to put service tees in the line? Mr. Manz stated at this point in time we are running it down, we will put a connection point in for the IDA property because you don't know where the other connections are going to ultimately occur; but, they are relatively easy connections to make at a later time.

Mr. Valentine questioned Mr. Manz if the pump station was going to be deeded over to the County and Mr. Manz stated, yes. Mr. Mooney stated so you have to try to work those deals before our build is done, before the line is turned on. Mr. Manz answered what deals? Mr. Mooney stated collect any money from any other property owners in the area. Mr. Valentine stated we are the only ones there right now. Mr. Mooney stated he understands but thought that Mr. Manz would be trying to recoup costs from other landowners in the area for the pump station. Mr. Manz stated it is all within the area of LFTC so it is going to be whatever buildings go in on those lots. As much as you would, generally speaking, you try to recoup cost based on flow, that is kind of a standard. Mr. Mooney stated that the trouble is that all has to be done before the sewer line can be turned on. Mr. Manz questioned why? Mr. Mooney stated because you can't operate a sewer line in New York State without being a public transportation corporation and he doesn't think you want to go to through that trouble. Mr. Relyea stated there are no other owners, it is just LFTC that is the property owner. So, Mr. Mooney stated, you own all of the other property. Got it. There are no other property owners other than yourself. Mr. Relyea stated correct.

Chairman Sutton questioned who will dictate the size of the lots, the Sewer District or you? Mr. Manz stated the design engineers are going to do that based on the build-out. Originally, back with the Master Plan in LFTC, there was approved so many thousands of square footages of space. So, it is going to be an estimate based on that build-out capacity. That is why there is going to be two lines installed at the same

time. You really can't efficiently pump small flows through a big line. So, to put the big line in, you put a smaller line in first. Mr. Manz stated that he thinks that originally they were designed as maybe 3-inch and 6-inch lines, but to be confirmed by the design engineers. So, you would run the 3-inch line until you got to a capacity that required the 6 inch, then you would put the pump in and switch over to the 6-inch line and when you finally got to a final build-out, you would be running both pumps, both lines.

Chairman Sutton asked if there were any questions of Mr. Relyea or Mr. Manz. Mr. Toohey stated he had a question for Mr. Vanags and Mr. Brobston. The entire theory that the IDA has always worked upon is that if we build infrastructure, they will come. In your professional opinions, is that still a sound theory? Mr. Brobston stated it was in his opinion. He stated they are already talking to companies about that opportunity. Mr. Vanags stated a site with utilities is a very marketable site, absolutely.

LFTC EDC: Request to Defer 2018 Annual Principal Payment (Create a 6th Amended Loan Agreement)

Chairman Sutton stated this is an amendment to the loan we have with Luther Forest Technology Campus EDC. In your packet was a copy of the 5th Amended Agreement which indicated that we would be charging interest only again this year, deferring any principal payment for this year and paying interest only. Chairman Sutton asked for a discussion on this agenda item. Mr. Mooney asked if the Board could be refreshed on the amounts, etc. Mr. Many stated the principal due is \$400,000 total. The amount that technically would be due now is \$200,000, which could be made current with last year's deferral and this year's principal payment, \$100,000 each. Due presently is \$200,000; that is the amount which is scheduled to be paid. Mr. Mooney stated \$200,000 of the \$400,000 then. Mr. Many stated right. Mr. Valentine stated on the 5th amended loan agreement which you have a copy of, on the second page note item number 5, that the July 31, 2018 principal progress payment is, with the previously approved deferral, was thereby increased to \$200,000. So, there was a deferment the year before this year, with the catch-ups, there would have been two payments of \$100,000 due by July 31st. So, the request is again to defer the \$200,000 now due. Mr. Duffy stated the interest due now is around \$2,700. Mr. Johnson questioned if they were still going to pay the interest, just defer the principal then? Mr. Duffy stated, yes, and Mr. Valentine confirmed that in Friday's mail was received payment for the interest due.

Mr. Toohey stated this really relates back to the conversation we were just having. Their ability to pay the principal on this thing, is dependent upon their ability to sell land. The ability to sell land is dependent, in his mind, us having infrastructure in that Park. So, all of this works together to solve Luther Forest's cash problem to develop the center part of Saratoga County and to have viable project for us to market. So, there is a tie-in all of this, he noted. Mr. Johnson questioned Mr. Roohan if he had some type of mortgage agreement with the State stating that when LFTC EDC sells land you have to pay some portion of the revenues for that sale back to the state. Mr. Roohan stated 66%. Mr. Johnson stated that the Agency doesn't have any such agreement and wondered if maybe we should consider doing that. Mr. Roohan stated that thanks to people like yourselves, we've settled some of the problems of our outstanding commitment – such as to the Water Authority, which was critical to the Water Authority at the time in getting some of its bonding. Additionally, the County has helped with acquiring ownership of the roads in the Luther Forest Campus. So, one of the larger things left hanging over our heads has been our financial commitment to the State. The original debt that was incurred at Luther Forest Technology Campus, he noted, was debt that his Board was led to believe would be grants. Those initial "grants" from the state became a debt and we were incurring interest. But, through the hard work of Mr. Relyea and others, and the support of people like Senator Marchione's office, we were able to get our agreement changed so that they gave us a credit for some of the things we've made. They eliminated interest going forward and we were required to pay 66 cents on the dollar for every dollar we get for selling land. So, we've got a number of things in the hopper. He stated to the Agency that he is sorry that LFTC EDC has

to ask for this additional deferral in principal but their financial picture is brighter than it has ever been. He thinks that a year from now they won't be talking about this. They will have it all straightened out. Mr. Mooney questioned when the closing happens on our property, will this debt be paid-in-full? Mr. Roohan stated he didn't think that the sale price on the one parcel would be enough money to do that; and, 66% of the sale revenue has to go to the State first. Mr. Toohey stated his belief to Mr. Roohan that there would be some payment down on it. Would you anticipate that? Mr. Roohan stated that additionally we are asking to defer to next year. So, he thinks they sent the interest check, he believes. Mr. Valentine stated yes. Mr. Roohan stated they don't like making promises that they can't keep, so everybody has been so cooperative as he has said, whether it is the Sewer District, the Water Authority, the Towns of Malta and the County equally. They believe at this time next year they won't be talking about this. But, does he want to make a commitment and sign something, no. He would hope that we could just push it off another year, pay the interest and then hopefully it is not ever discussed again.

Mr. Lewis stated he thinks this IDA, historically, has been supportive of a long-term approach to everything which is there. So, if because of this purchase by the IDA we're making LFTC EDCa little more solvent, he thinks they should have a little more time just to see their way through because we are all, for the most part, long-term thinkers about this. Chairman Sutton asked Mr. Roohan how quickly he will have to pay the State after a closing. Mr. Roohan stated there is no time commitment. Mr. Mooney questioned if they have to sign off on the transaction? Mr. Roohan stated we send them information, they approve it. It has just been pretty much a process. It is not unlike setting up a closing when you have a mortgage with the bank. They confirm the numbers with us and we go to close. Mr. Mooney questioned if the State is on the deeds or anything? Mr. Roohan stated no, they have a lien.

Chairman Sutton then asked for a motion to defer the principal payment in the amount of \$300,000 until July 31, 2019 including authorization for the Chairman to sign. Interest payment has been paid to date. The motion was made by Mr. Lewis. The motion was seconded by Mr. Wintsch.

RESOLUTION #1401

RESOLVED THAT the Saratoga County IDA agrees to approve the 2018 principal payment of \$100,000 along with the previously deferment deferred principal amount of \$200,000 to a payment in the amount of \$300,000 due on July 31, 2019, as to be defined in a 6th Amended Loan Agreement, including authorization for the Chairman to sign said Agreement, as well as acknowledgement of the 2018 interest-only payment having been paid to date as presented.

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.

CFO Report (monthly financials):

Chairman Sutton asked Mr. Many to discuss the monthly financials. Mr. Many stated the month of May was one of our quieter months. Our revenues were based strictly on interest income, including collecting of our annual interest payment from the Saratoga County Water Authority. There was no change in receivables. We still have the UPH bill outstanding. Payables are strictly the professional fees as well as

the Prosperity Partnership fee split to be generated from the UPH payment of its administrative fee from the December closing. Nothing major on the accrued expenses. There is no change there to speak of. This is a very quiet month, nothing significant going on for the financial end this past month.

He did want to update a couple of things, noting that he went to Key Bank to get the change-over of the account rolling. Presently there are three signatories on the account for Key Bank which include Chairman Sutton, Mr. Valentine and still Mr. Ferguson. He will have that paperwork so we can get that squared away. He also talked to them to figure if we could generate a little bit more interest income and get a feel for what CD rates are out there for us. The Key Bank rate is .85%. Presently, they are paying us .14% on our account. The 0.85% doesn't sound like much, less than 1% interest but it is certainly more significant than the 0.14%. Mr. Mooney stated that Wilton Water Authority just bid CD's at Saratoga National and they were much higher than that. Mr. Many stated we use Saratoga National for our main accounts anyway. Mr. Valentine stated that our Key Bank account is the one where we had everything at Saratoga National and then we decided to pull \$250,000 and set up a separate account, to not have everything at one institution. Mr. Mooney stated, yes, but even the reserve, there is \$1,000,000 sitting in a checking account that is earning probably 0.15%. Chairman Sutton questioned Mr. Mooney what the term was that Wilton Water Authority negotiated? Mr. Mooney stated 24 months. He stated that they had a 12-month he thinks was one and 7/8% he thinks. Mr. Many stated he wasn't sure if the IDA could commit to more than a year so he didn't get a rate. Mr. Valentine stated in the past they used to have five or six CD's at different rates and you might establish it for one year or two years depending upon the rate. We would go through and bid them each at expiration, setting up a ladder so that one may expire at one year out, then another two years later, then a third at 18 months, all based upon bank rates and trying to spread service out to three or four banks. But, that was when we were talking 5% - plus in interest. Mr. Mooney stated it is nice that they are paying something again. Mr. Many continued that is one of the priorities which is to get our funds in the right bank wherever and also more importantly to generate some interest to cover our costs.

Chairman Sutton stated that we should talk about this further during the next month. Mr. Toohey stated that we should keep in mind that we are going to need money by the end of the year. The Board agreed. Mr. Valentine asked Mr. Vanags what it looks like for a June 30th payment coming from UPH and Mr. Vanags stated he doesn't know at this point. He offered to find out the status and let Mr. Valentine know. Mr. Valentine stated again that was deferred until the end of the next quarter which would be June 30th.

Chairman Sutton asked if there were any further questions of Mr. Many. There being no further questions, Chairman Sutton thanked Mr. Many.

IDA Application: Create A Summary Sheet for Sub-Committee:

Chairman Sutton stated the next agenda item is the IDA Application, to create a one or two-page sheet for the sub-committee to use as a quick glance summary. Last month, we asked that we have a cliff notes version of the application. Through Mr. Vanags or Mr. Brobston the applicant can do a short version of the application to come before the sub-committee. He has marked his up a little bit. He doesn't know if Mr. Johnson has had a chance to look at that. We can talk about this at our sub-committee meeting. Mr. Johnson stated yes, he would like a little more time to look at that. Chairman Sutton stated that is fine but it is something that we would like to streamline at preliminary application and we can get some pertinent information that we need to have for the sub-committee meeting.

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 was contacted by NYSEG and he forwarded that email so that everyone knew about it. According to Mr. Carminucci, that request needs to come from Arnoff. Mr. Carminucci stated that under our Lease Agreement we are not supposed to do anything unless the Company requests that of us. It sounds like it benefits them but even if it is an email, we should have some kind of communication from Arnoff asking us to execute the easement. Mr. Duffy stated he has since emailed Ms. Diehl and made her aware of that. Mr. Carminucci stated usually what happens is that any Agreement will be signed by them first and then it will come to us so that way we know that they are on board. They kind of reversed it and sent it to us first as opposed to Arnoff.

Chairman Sutton stated that while we are on the topic of Arnoff, there was a bit of a discussion this past week. Just to recap, we had given the Arnoff Company a second PILOT to build a garage, a service garage for their vehicles. In the interim, Arnoff went out and sublet the properties to Ryder. In the contractual obligation that Ryder has with Arnoff, there was some language that needed to be clarified. Unfortunately, Arnoff wasn't getting the answers that he needed from Ryder. Ryder was kind of digging their heels in about the language. Mr. Toohey and Mr. Carminucci had to step in and Mr. Duffy as well. Chairman Sutton asked these gentlemen to discuss where the contract stands at this point. Mr. Toohey stated this became a much more serious conversation than he thinks it should have. Mr. Carminucci was the original point of contact and gave them the exact answer. Their concern, Ryder's concern, was that if Arnoff defaults, we as the leaseholder could require Ryder to vacate the property. There is nothing in any document that we have ever written, and certainly nothing in any document that Arnoff has ever signed, that would do that. Ryder was threatening not to do the deal with Arnoff. Arnoff was very upset because apparently it is a very good deal for them. The ultimate was that we were called to a conference call involving himself, Mr. Carminucci and Mr. Duffy, with a person who, at least he and Mr. Carminucci was assuming was a lawyer. There is one provision within all of the documents which involves remedies on default. In other words, if there is a default, what can the IDA do. She correctly had a view of one of the provisions, but in his opinion, she didn't read the entire provision because she said well your provision says take any other actions at law or in equity which may appear necessary. Well, that is a very broad authority to be able to do that. She said you could throw us out of the place. Mr. Toohey stated no we can't do that because you have to read the rest of the sentence that says take any other action in law or equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due. It is clearly our rights that it only had to do with finances. It had nothing to do with removing anybody from the property because ultimately in these situations what we would do is convey the property back to them so that they would lose any PILOT benefits and in theory we have the ability to commence a lawsuit for clawback. In other words, if you haven't done what you are supposed to do and the sales tax has already been saved and the mortgage tax has already been saved or not paid, we can, in fact, commence an action to collect those dollars. There was nothing ever that said we couldn't do that. The conversation was a little testy. But, they finally said this is a business decision and we will have to do what it was.

Mr. Toohey believes Arnoff was satisfied with our responses with regard to this. It was a tempest in a teapot as far as they were concerned. It took a lot of time on Mr. Carminucci's part as he was the first contact person and a significant time on our part. To be very honest with you, Arnoff did not have their own attorney involved on this thing. He thinks if they had had their own attorney involved in it, he or she would have read the exact same paragraph. This is not rocket science on this. Mr. Duffy stated they had four attorneys on that call from Ryder. Mr. Toohey stated everything was calm on Friday after the call. Ms. DiDomenico asked if there was an answer as far as what they are going to do with moving forward? Mr. Carminucci stated they were supposed to get back to Arnoff by the end of the day so he presumes they did and they are fine because we didn't hear anything further. They knew we were having a meeting

today. Mr. Duffy stated Arnoff's biggest thing was that for the last 5 or 6 weeks they have to finalize a contract to start the build and the price of steel is going up, costs are going up and he can't move until this thing gets done and because this lawyer misinterpreted the language, Arnoff has had to wait. That is why he has been upset. It was pretty clear after the call that it is nothing to be concerned about from this Board's perspective. Mr. Greene stated that it is pretty clear that Arnoff jumped on it and had counsel attack on this issue right away. Mr. Carminucci stated he was involved because he spoke to him a few times. As a matter of fact, he called him after it got testy last week and gave him some advice. He doesn't know how much he was involved. He thinks the problem is that they got ahead of their attorney in terms of dealing with Ryder on the thing.

Mr. Carminucci questioned the Board if before we get done talking about Arnoff, can we possibly have a motion to approve that easement subject to Arnoff consenting. He thinks if they need it before the next meeting, that way they won't have to wait another month to do that.

Chairman Sutton then asked for a motion to approve the easement to Extend Electrical Power for Arnoff Moving and Storage as presented. The motion was made by Mr. Mooney. The motion was seconded by Ms. DiDomenico.

RESOLUTION #1402

RESOLVED THAT the Saratoga County IDA agrees to approve the motion and sign the easement to Extend Electrical Power for Arnoff Moving and Storage as presented.

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.

Chairman Sutton stated the concern that he had with Arnoff was he used our legal team to settle a problem that he had at a cost to us. He thinks that it should be clear to anyone coming forward that we don't give legal advice like this. We have to protect the agreements that we have with Arnoff or any prospective person getting a PILOT, but he doesn't think they should be using our legal team for advice like this. This should have been clear from the outset that he should have had his own counsel at this point. The Board members agreed.

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

Chairman Sutton stated that the meeting for Saratoga County Economic Development Committee was cancelled. Supervisor Veitch, the Chairman of the Economic Development Committee for the County, asked us to meet with their Committee and give them an overview of what is going on with IDA. Mr. Duffy and Chairman Sutton were going to attend but it was cancelled and it has been rescheduled for this afternoon at 3:00, so we will report on that at the next meeting.

SKS: Extend Sales Tax Exemption to 12/31/18

Chairman Sutton stated if you have had the opportunity to drive by on Geysers Road in Saratoga Springs you will see a substantial building and site under construction. It is certainly a welcome site. As

requested by the Company, we need a motion to extend the expiration of the sales tax exemption to the end of the year, 12/31/18. Mr. Valentine stated this is the second recent request for an extension where the Company has come to us noting that its construction schedule in their application had to be adjusted because of a harsh winter and it slowed them down. The other one was Greenfield Manufacturing out in the Grande Industrial Park also. Mr. Brobston stated winter and the city approval process affected MGrove (Greenfield). They both had some delays getting through the approval process in the city, he noted, and that is why it ended up like it is.

Chairman Sutton asked for a motion to extend the Sales Tax Exemption for SKS to 12/31/18 as presented. The motion was made by Ms. DiDomenico. The motion was seconded by Mr. Johnson.

RESOLUTION #1403

RESOLVED THAT the Saratoga County IDA agrees to approve extending the expiration date of the Sales Tax Exemption for SKS to December 31, 2018 as presented.

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.

Other Business:

Chairman Sutton asked if there was any further business to come before the IDA today? Ms. DiDomenico stated the only thing that was not authorized was the second payment for the website. Mr. Many stated he doesn't think we actually had to because we had an agreement a year ago to take care of payment to them, it was a budgeted item, and payment has already been done.

Chairman Sutton asked if there was any further business. Mr. Duffy stated he had a quick question. He was talking with Mr. Valentine last week regarding the rail spur in South Glens Falls. Are we doing anything with that? Someone is interested in it. Mr. Valentine stated he went over that with Mr. Duffy. He walked it in 2013 and it looked like a war scene as far as a jungle grown up. Rail ties now have trees growing up through them. He has been told that the rail itself, if it was ever to be used for industrial use, would have to be upgraded. We have a quote that was worked for us through CHA. \$3,000,000 for the one main five-mile rail and then a one-mile spur to the old Chase Bag Factory, a spur to the Moreau Industrial Park. In fact, that thing is another \$1,000,000. It comes from the south side of NYS Rt. 197 in Moreau and then heads up five miles right into the downtown of the Village. It has a spur going off to the Moreau Industrial Park and then Chase Bag and to SCA. The intent was that the IDA, in 1997, would purchase that for \$150,000, secure right-of-way access for any future development that might come into the Village proper where their industrial area is, but in that 20 years-plus, nothing has happened. Mr. Toohey stated again the purpose was to secure the land. The rail we always understood probably would have to be replaced. But, if you give up that kind of right-of-way you'll never get it in this day and age. Mr. Mooney questioned what was the contact? Someone wanted to buy it? Mr. Duffy stated there is someone who builds crane mats and wants to have a loading spur to send down to the City, etc. They wanted to have rail access. But, for the cost like that, it is not a big enough business to even consider it. Mr. Brobston stated just the change to Rt. 197, where they change the geometry of the road where you

come up across from the track, we had it estimated about three years ago that it was almost \$500,000 just to get for the crossing and DOT and everything. Now, because of the way they changed the road over the years. Mr. Valentine stated that crossing has been taken out, laid on the side of the road. At other crossings on a county road and at a town road, the rail was just taken up and thrown into the woods on the side. It is a dangerous situation and noted to people, but that was what was done. In this case, what Mr. Brobston is referring to is the fact there are no road crossings for rail anymore. Mr. Brobston stated you still own the property for the crossing. Mr. Duffy thanked the Board for the discussion.

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

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 Ms. DiDomenico, seconded by Mr. Johnson with all voting in favor.

Respectfully submitted,

Lori A. Eddy