

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

May 14, 2018 – 8:00 a.m.
County Planning Offices, Bldg #5
50 West High Street, Ballston Spa

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

STAFF & GUESTS: Scott Duffy, CEO; Jeff Many, CFO; Michael Valentine, Administrator; Michael J. Toohey, Esq., Counsel to the Agency; James Carminucci, Bond Counsel; Dennis Brobston, SEDC; Marty Vanags, Saratoga County Prosperity Partnership; Dean Taylor, Continuum Commercial Realty; Sean Tyler of JMA Properties; and Lori Eddy.

ABSENT: Tom Lewis, Andrea DiDomenico.

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

Approval of Meeting Minutes: March 12, 2018:

Chairman Sutton asked for a motion to approve the meeting minutes of March 12, 2018. Chairman Sutton asked if there were any changes to the minutes. Mr. Mooney made a motion to approve the minutes. The motion was seconded by Mr. Greene. Chairman Sutton asked if there was any further discussion. Mr. Valentine stated Lori and he had talked earlier and agreed that going forward the minutes will be noted by page numbers for easy reference. He noted that Lori records the meetings and the minutes are typed verbatim, sometimes making the text lengthy. Additionally, the minutes will be written to show breaks in those long textural parts as well as providing bold/underlined headings to separate agenda items clearly. Chairman Sutton stated that these will be helpful. Mr. Johnson questioned if there was a reason we do verbatim text and Mr. Mooney asked if they couldn't be written so to provide just a summary of discussion. Mr. Valentine stated that the format of the minutes changed from when he and Mr. Benton wrote them. The thing is it is easier for Lori to just type them from the recording. That is the main reason. He stated that he will go back over one of the last three sets of minutes and make edit changes and pass on to the Board and to Lori as a reference going forward. Chairman Sutton asked if there were any further comments on the March 12th minutes. There was no further discussion. All were in favor and the minutes were approved.

Approval of Meeting Minutes: March 19, 2018:

Chairman Sutton asked for a motion to approve the meeting minutes of March 19, 2018. Chairman Sutton asked if there were any changes to the minutes. Mr. Mooney made a motion to approve the minutes. The motion was seconded by Mr. Greene. Chairman Sutton asked if there was any further discussion. There was no further discussion. All were in favor and the minutes were approved.

Approval of Meeting Minutes: April 9, 2018:

Chairman Sutton asked for a motion to approve the meeting minutes of April 9, 2018. Chairman Sutton asked if there were any changes to the minutes. Mr. Many stated he had just one correction. On the financial report on the first page of the minutes, it should be the month of March, not May. Mr. Valentine stated there is one note and right now he just can't find it, it is one of the sets of three minutes and it says that Mr. Duffy is now on the Board as CEO. He is not on the Board. Mr. Mooney made a motion to

approve the minutes. The motion was seconded by Mr. Greene. Chairman Sutton asked if there was any further discussion. There was no further discussion and the changes were noted. All were in favor and the minutes were approved.

Prime Route 50, LLC: Rescinded Application:

Chairman Sutton stated the next agenda item is Prime Route 50, LLC and their rescinded application. The subcommittee met with the applicant about two weeks ago and reviewed the application once again following the initial presentation to the Board. He stated that the day following discussions with the subcommittee it was resolved by the applicant (and stated by email) that he was withdrawing his application. So, the issue at this point is dormant.

CFO Report:

Chairman Sutton asked Mr. Many to discuss the monthly financials. Mr. Many stated for the month of April we actually had no revenue coming in. We earned a little bit of interest income and had a few bills to issue checks on, such as the distribution of one PILOT payment to Saratoga County, staff compensation and contractual payment for our domain name with SpaNet. He noted that on the balance sheet itself, we still have the UPH accounts receivable in play (for deferred payment of their administrative fee to SCIDA at closing). You have also received a list of accounts payable, all of which were paid subsequent through April 30th (with the exception of the Prosperity Partnership payment which is associated with the UPH receivable). In accrued expenses, we did receive Rich Ferguson's bill for services through early May. It was 40 hours of time, which is related to the PARIS Reporting. Jeff explained that Rich played a significant part in the completion of that report along with himself and Mr. Duffy. Everything else is fairly routine on the accrued expenses. It is a pretty routine report.

A few things going forward, he will be completing the signature card change-over for the Key Bank account in the next couple of weeks. We have talked in the past about putting some of our money in a certificate of deposit to generate some interest income. We will get that ball rolling this month, Mr. Duffy and himself. There was a minor discrepancy in the PILOT payment, \$2.00 and some odd cents and we will figure that out just so we know what it is; it is no big deal. Chairman Sutton asked if there were any questions of Mr. Many. Mr. Mooney asked about the contractual fee with Saratoga County for administrative services; can you provide just a summary of that cost? Is it a pro rata share of Mike's time that we pay? How does that work? Mr. Many stated that we don't really have a contract or invoice yet for 2018 so that is based on the prior year. Mr. Valentine stated that it is an annual contractual amount, not set up as a pro rata expense but it is based not only on the cost of his time and benefits, but of Cyndi's time, mailing costs, paper cost, phone/copier/fax equipment costs. Mr. Mooney asked if we then get an invoice for a certain number of mailings etc. and Mr. Valentine stated it is a one-time, year-end billing of contractual services. At the end of this calendar year, there will be a bill that is generated from Jason Kemper (as Director of the Planning Department) and it goes to the IDA and then a check is cut from that, going to the County's overall general fund. Mr. Many stated it has been the same the last couple of years but we don't know what it is going to be this year. Mr. Toohey stated it also generally includes our utilization of space. Chairman Sutton asked if there were any further questions on the financials and then thanked Mr. Many.

MGrove Holdings, LLC: Resolution on SEQR Determination/Sales Tax Certificate:

Chairman Sutton stated the next agenda item is the MGrove Holdings, LLC Resolution on SEQR Determination and Sales Tax Certificate as prepared by Bond Counsel. Mr. Carminucci asked if everyone had a copy of that Resolution that was emailed. This resolution is for Greenfield Manufacturing and the expansion that you approved back in November, 2017. It finally made its way through the Planning Board process in the City and they are looking to get a sales tax appointment so the Resolution confirms the action that the Planning Board took under SEQR and appoints both the applicant, which is MGrove Holdings, as well as Greenfield Manufacturing as agents of the Agency with respect to exemptions on sales taxes related to the constructing and equipping of the new facility.

Mr. Valentine stated that, as Mr. Carminucci indicated, we had approved an Inducement Resolution in November. This action before the Board is in regard to the addition to Mr. Palmateer's first project in the Grande Industrial Park which was undertaken with assistance from the Agency. He stated that the new project involves an addition to the initial facility and there is a smaller stand-alone building. Mr. Brobston stated correct. Mr. Valentine further stated that Greenfield Manufacturing (Mr. Palmateer) had to acquire additional property from Munter through a lot line adjustment that had to go through the city planning board review. Mr. Carminucci stated he needs to put Mr. Valentine in touch with an attorney for the applicant who has been calling him. The company did a lot line adjustment but forgot that the IDA was in title and, therefore, whatever they filed probably isn't effective. They are most likely going to need to redo that and include the IDA. It is a different attorney than when they closed but he will have him speak to Mr. Valentine on that. Mr. Valentine stated that this Resolution comes about because when we met in November the City had not completed its SEQR review and we were not able to appoint the Company (and Munter Enterprises) as agents of the Agency. Therefore, they were not afforded tax exempt status at that point. With SEQR completed and with adoption of the proposed resolution before you, Mr. Carminucci will be authorized to generate (and Mr. Valentine can file with Tax and Finance), the ST-60 and ST-123 making Munter and MGrove agents of Agency and allowing for the Agency's issuance of its Sales Tax Exemption Certificate.

Chairman Sutton asked for a motion to accept the MGrove Holdings, LLC Resolution on SEQR Determination/Sales Tax Certificate. The motion was made by Mr. Greene and seconded by Mr. Mooney.

RESOLUTION #1398

RESOLVED THAT the Saratoga County IDA approves the MGrove Holdings, LLC Resolution on SEQR Determination/Sales Tax Certificate as prepared and presented by Bond Counsel.

The results of the roll call vote were as follows:

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

AYES: 5

NOES: 0

ADOPTED: 5-0.

Tivoli/Arnoff: Request for Extension of Sales Tax Exemption Certificate:

Chairman Sutton stated the next agenda item is the Tivoli/Arnoff Request for Extension of Sales Tax Exemption Certificate. Mr. Valentine stated this one just came in. When originally issued its Sales Tax

Exemption Certificate, we told the applicant that if they are going to have changes or delays as you go through construction to let us know in writing at least a month before the expiration of the Sales Tax Exemption, to send in a written request for an extension beyond the current August 31st expiration. If a resolution is adopted approving the extension Mr. Carminucci could generate another ST-60 with a change in the end date and a Sales Tax Certificate which he will sign and he will send off to Tax and Finance to update what is on record with them. Mr. Toohey questioned when does it expire? Mr. Valentine stated that the expiration date is August 31st, not June 30th as he initially noted, so the Company has provided ample notice requesting the extension. Mr. Valentine stated that the Company noted the delay in some aspects of construction due to harsh winter weather as the primary reason for making it difficult to be completed on time. Mr. Carminucci stated that he believes the proposed extension needs a Resolution.

Chairman Sutton asked for a motion to accept the Tivoli/Arnoff Request for Extension of Sales Tax Exemption Certificate through December 31, 2018. The motion was made by Mr. Johnson and was seconded by Mr. Mooney.

RESOLUTION #1399

RESOLVED THAT the Saratoga County IDA agrees to approve the Tivoli/Arnoff Request for Extension of Sales Tax Exemption Certificate from its current August 31, 2018 expiration to a new end date of December 31, 2018 as presented.

The results of the roll call vote were as follows:

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

AYES: 5

NOES: 0

ADOPTED: 5-0.

Mr. Carminucci asked to address something else on Arnoff before you move off the topic. If you will recall, part of this project involved the construction of a truck maintenance operation on their property. When we closed with them they were debating whether they were going to operate it themselves or sublease it to a third party. It looks like they decided to sublease it to Ryder and under our documents, in order to do that, they do need our **consent to sublease any portion of the property.**

Mr. Carminucci asked whether the Agency could attend to that today because he thinks they are sort of in a hurry to move forward with Ryder. There is a portion of the consent that was provided in which the Company is asking the IDA to agree to, but he told their attorney that what is written wasn't relevant to the IDA's role in the property. Counsel for Arnoff understood and acknowledged that and he is having that portion of consent deleted. Mr. Carminucci indicated that the sublease is probably going to get done before our next meeting; therefore, if you are amenable to dealing with that now, it might be helpful for the Company. Chairman Sutton questioned if this is something we have done in the past? Mr. Carminucci stated yes there have been instances where there have been subleases and unless it is a structure where there are a lot of different tenants, we have consented to that. So, it is not unusual. And they did give us a heads up that this might be coming down the road when we initially closed with them. Mr. Carminucci stated it doesn't have any impact on the PILOT or anything, they just decided not to operate it themselves. Mr. Valentine stated we had such a sublease with Fil Fina's project, VANKAY, LLC (Aztech Technologies) in Ballston. The Aztech project had space within it which he leased to his father who operated his engineering office out of there. Also, SSP Development – located in the same commercial park – leased space to Core Tech and Marini leased space from Fortress Partners to

Creatacore (in Halfmoon). So, yes to answer your question, it has been done before. Mr. Toohey stated the documentation says that these things can be assigned with our consent but our consent shall not be unreasonably withheld. It is a pass-by to give us the opportunity to ask ourselves whether this violates whatever was originally approved. If it does not, the “unreasonably withheld” tends to say that we’ve got to agree to it.

The only question Mr. Toohey noted with this request, and it has to do with the next request on the agenda (MJ Properties), is that which we’ve had in the last three meetings, conversations we have had on involving a more formalized process than applications like this just coming before us in this manner. He has no problem with this process whatsoever, but again, there has been discussion with Board members that we should be doing this in a more formalized manner. Mr. Mooney questioned if there is an Agreement that you are going to prepare and we authorize someone to sign it. Mr. Carminucci stated yes. Ryder said through a proposed consent, it was a two-paragraph document, the first portion of it just referenced the fact that the IDA would need to consent to a sublease, which is fine. That is what you are discussing now. The second portion talked about if the IDA were to dispossessed Arnoff from the site that they would recognize Ryder’s rights to remain there as a sub-tenant. Mr. Carminucci explained that he went back and explained to their attorney that we would never do that. If Arnoff defaults our only remedy is for the Agency to get out of ownership/title and put the property back on the tax rolls. There would never be a situation where we are still there and Arnoff is not. Ryder did not understand that. They kind of viewed our role as different than what it appeared to them. He explained that to Arnoff’s attorney and he is in the process of getting Ryder to revise that document. His guess is when all is said and done, it will now be just a one paragraph consent and he would think that the request would be to authorize Chairman Sutton to sign that once it is in the shape that it should be.

Chairman Sutton asked Mr. Carminucci if we had any idea how many people Ryder will be bringing into the facility? Mr. Carminucci stated he doesn’t know because he did not have any conversations directly with them. He thought that Arnoff had reached out to Mr. Duffy. Mr. Duffy stated at the time he was in South Carolina and running between meetings. He didn’t even think to ask him that. He thought that may have been part of the original application. Mr. Brobston stated it was, but that he doesn’t remember the number. There was a number specifically for that operation, the truck service center. Mr. Duffy stated so whatever that number is he doesn’t imagine it would change much. Mr. Brobston stated no it shouldn’t.

Chairman Sutton asked for a motion to accept and sign a Consent Agreement for the transfer of the subcontract to Ryder, subject to the underlying agreements with Arnoff, pursuant to Mr. Carminucci’s follow-up. The motion was made by Mr. Mooney. The motion was seconded by Mr. Wintsch. Chairman Sutton asked if there was any further discussion.

Mr. Valentine stated one thing to think about this as far as what Mr. Toohey said about the process and when it comes up with the next one we get into. When we do this, in this case, we have a sublease. A number of years ago we went through this whole process that when we sublease, there is a Sales Tax Exemption and everything, that we get some assurance from the Company that those sales tax benefits are going to be passed on to the sub-tenant, reflected in the lease rate. He just thinks if we go through a process and are we going to do something with this assignment clause, that is probably something that we want to include at least in the discussion. Mr. Duffy questioned if there has ever been a case where they haven’t done that? Mr. Mooney stated he thinks most leases are just triple nets. Mr. Carminucci stated he thinks that situation is different where you approve a project and there is an operating company that you really want the benefits to go to but there is another entity that owns the real estate and you always want to make certain that the benefits are being passed through to the entity that you are actually trying to benefit. He thinks this is a little bit different because it’s not the primary component at that site, which is Arnoff’s operations. Arnoff is going to own this structure as far as he knows and Ryder is going to

operate it for them. Mr. Toohey stated that in this case Ryder is not the target for the benefits and Mr. Carminucci agreed. So, he understands what Mr. Valentine is saying and he doesn't know if that is applicable here. Chairman Sutton stated we have a motion and a second on the floor to accept and sign a Consent Agreement for the transfer of the subcontract to Ryder, subject to the underlying agreements with Arnoff, pursuant to Mr. Carminucci's follow-up.

RESOLUTION #1400

RESOLVED THAT the Saratoga County IDA agrees to accept and sign a Consent Agreement for the transfer of the subcontract to Ryder subject to the underlying agreements with Arnoff, pursuant to Mr. Carminucci's follow-up as presented.

The results of the roll call vote were as follows:

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

AYES: 5

NOES: 0

ADOPTED: 5-0.

MJ Properties, 9 Stonebreak: Discussion of Assignment:

Chairman Sutton stated the next agenda item is the discussion of MJ Properties, 9 Stonebreak Road LLC, discussion of the assignment or transferability of benefits. In your packet, we received a letter from Lemery Greisler, LLC and Jim Brayman regarding 9 Stonebreak, which was an application we had approved last year and closed on in February of 2018. It appears that MJ Properties is in the process of possibly selling that property to a purchaser that has not been identified to us at this point. Does anyone have any more information on this transfer? Mr. Toohey stated that he has attempted to reach Jim Brayman, counsel for Mr. Rekucki, leaving two messages, but he has not yet had a phone call returned.

Mr. Wintsch stated he has several questions, but his initial question is whether it is typical that the purchaser would remain anonymous? Mr. Dean Taylor stated he is here with the purchaser. Mr. Wintsch stated ok, but that is not stated in the letter. Mr. Carminucci stated he did not know why Mr. Brayman didn't identify who the purchaser is, but the purchaser is actually seated here with the real estate broker, Mr. Taylor. Mr. Valentine stated for the record can we introduce them. Attending the meeting are Dean Taylor, Continuum Commercial Realty, and Mr. Sean Tyler with JMA Properties in Malta. Chairman Sutton asked Mr. Taylor for a discussion on background. Mr. Toohey stated for the record he would like this in writing. We don't want just an oral presentation. We have to have some documentation with regard to the nature of the takeover, everybody agreeing to whatever the terms are. Our ability, no matter how verbatim our records are, does not do it for him. He needs to have something that is more solid, in writing.

Mr. Carminucci stated when Mr. Brayman reached out to him he suggested ultimately that we would have to look at the application and update it in terms of whatever is changing such as ownership, etc. He doesn't think they have done that yet. Mr. Mooney asked if an assignment will be a revision to the original application? Mr. Carminucci stated he thinks that is what we have done in the past. We have had some situations where property that you have an ownership in has been proposed to be sold and they had to come in and updated their application. Mr. Valentine stated what he relayed to Mr. Brayman in telephone conversation was that he take those sections of the existing application and just make the noted

changes and maybe we do just what we do at closing, initial them and acknowledge that those are changes to the record. Obviously, we don't want to see any change in job numbers unless they are increases.

Chairman Sutton asked Mr. Taylor to give an overview of what is behind the request for assignment. Mr. Taylor stated the original developer is MJ Properties and he thinks they brought it here through an LLC. What has happened is an opportunity came up for Mr. Rekucki in Saratoga County where he can go a lot bigger. It is the Synergy Technology Campus in Clifton Park. By selling Mr. Tyler these buildings, then that frees up some cash for Mark to do the development work on the Synergy Park. Synergy Park will probably be close to 1,000,000 square feet. Mr. Tyler has a history of developing with Rekucki. He owns Creative Concepts with Flooring Environment which is a commercial flooring company. He is located at Hill Point in a building he owns that he bought from Glen Rockwood. He also owns 6 Fairchild where Schmaltz Brewery is located. He has owned several other properties and sold them. This is strictly an investment for him. Regarding the building at 9 Stonebreak, he stated that we have been very successful through the IDA. We already have three of the four suites leased out and we were able to do that with the help of the IDA benefits. What happened is because of that and because of the numbers, Mr. Tyler would need to continue with the IDA because the three leases that are there were already negotiated and given a lower rate because of the taxes. This is more or less an evolution. Mr. Tyler is purchasing number 7 and that one does not have leases in it, so that one did not qualify. That is a whole different fee structure there. On number 9 he just needs the extension [assignment of benefits] in order to make this work financially. But, it is a good economic development. He is going to maintain it just like the original owner and the original owner is now going to develop up to 1,000,000 more square feet. He thinks it is all working like it should be, but that is just his opinion.

Chairman Sutton asked whether that footage will be on this property and Mr. Taylor stated no. The reason why Mr. Rekucki is selling this is not because it is not a successful project, it is a good project. He is just going down to Clifton Park and putting that money into another larger development. Mr. Wintch wanted to clarify and stated that in the 9 Stonebreak, which is the one we are referring to, one of the four offices, for lack of a better word, is still vacant. Are they going to get the preferential treatment or terms that the other three have then when you do rent it out? Mr. Taylor stated if we have the benefits. We have somebody that we are talking to right now, but yes, this is strictly an investment, same exact situation. Mr. Valentine stated he had a question for Mr. Taylor. One word he heard you say was about the extension. He is not really sure what he meant by that. Mr. Taylor stated more or less by extending the courtesy. Mr. Valentine stated ok. Mr. Carminucci questioned what was the timing of the transaction? Mr. Taylor stated he thinks they are going to be looking somewhere around 60 days from approval. He doesn't know what is going to happen if we don't get it, if the numbers don't work.

Chairman Sutton asked Mr. Taylor if the numbers work for 7 Stonebreak. Mr. Taylor stated they work for seven because they don't already have leases signed. These ones here [9 Stonebreak] when you sign the lease you are included in the taxes or estimated taxes and he can't go back to them and say guess what, now you have to pay so much more a square foot. Mr. Johnson stated we have done this before. Mr. Mooney agreed. Not a big deal, he doesn't think. Mr. Valentine stated actually the PILOT Agreement only has one sentence in it that says something can be assigned with the consent of the Agency. Yes, we have done it before but it is not a frequent thing that comes up. Mr. Carminucci stated he thinks the most recent one was probably Enfrastructure. Mr. Valentine stated yes. Mr. Carminucci stated that when Enfrastructure bought their building from Robert Marini (Fortress Partners) they were a tenant in it and the IDA had to approve that transaction.

Mr. Toohey stated again he is concerned that we are doing all of this on an oral presentation. The consent that was forwarded with this thing could be the consent to nothing specific having to do with this. Documentation is key to this thing. Mr. Carminucci stated there is usually an Assignment Assumption Agreement that we have done in the past. He does not know if Mr. Brayman has sent that to you. That is

what we did with Enfrastructure. It is an Assignment Assumption Agreement which would be between the IDA, the current owner, and the proposed owner and it allows them to step into the shoes of the current owner. The reason why he was asking about timing is he assumes that you are going to want to, at your next meeting, review the proposed changes to the original application. It sounds like that is what they are going to have to do, submit one. Mr. Mooney stated personally he doesn't care about that. If it gets revised and it is acceptable to Counsel, he is good with it. Mr. Johnson stated with him as well. Mr. Valentine stated then the only thing that comes up is the first PILOT Payment that would have gone to Rekucki would be this one in September for school taxes. So that is something that with the change will be affected. Again, with the Assumption Assignment, there won't be any change in that status at all. Chairman Sutton stated he thought it would be a little bit of a dangerous precedent to approve something like this without having financials and the due diligence that we need for the purchaser. If the 30-day wait is not detrimental in you purchasing the properties, he would rather see some more detail as to who is now buying the piece of property. Again, Counselor Toohey is saying that we need a little bit more time to vet this out if you don't mind. He thinks it would be prudent for this Board to not accept something on a wing and prayer at this point. That is what we are doing. Mr. Toohey stated his objection is not to the idea. He doesn't have any problem with the idea. His objection is to the process. The process has got to be more formalized as far as he is concerned. Mr. Taylor questioned if they were going to get a list of what you were looking to require because we don't know. Mr. Toohey stated your attorney can certainly supply you with that because basically it is a reiteration of the key parts of the original application, such as: what is the new tenant going to be doing with regard to employment and things of that nature, what is the function of the building going to be? You may have just an iteration or a reiteration of what was done before, but we don't have any of that, Mr. Taylor. Mr. Taylor, we have a letter that doesn't even tell us who the primary purchaser, landlord and tenant are going to be.

Mr. Carminucci stated he thinks the process is you have to go through the application and indicate wherever the changes are. His guess is it is primarily ownership, the new entity, who the owners of the entity are and he thinks that Rekucki had to submit financials with his application. His guess is Mr. Tyler will have to do the same thing for his LLC. Mr. Valentine stated that is something that would just go to Mr. Many to look at, or the Treasurer. It is something that stays with that person only. It doesn't go out and gets sent right back. There are no copies made, nothing like that. Mr. Many stated he may require some help if he has questions or wants to have another opinion. He thinks since we have a Board and other staff, we should use them. Mr. Toohey stated that the idea of the single-reviewer is that we attempt to isolate those financials because we don't want information to become general public knowledge because it is not fair to the company. It gives their competitors an advantage. It is not our job to do that, but we need to know the financials status of any project applicant.

Mr. Taylor stated we probably just needed direction. We came in here not knowing what to do and now he guesses they have a better idea of what to do. Chairman Sutton suggested they talk to his attorney and then we could pick up the bullet points that we are going to need in order to take action at our June meeting. We are trying to accommodate as best we can. Mr. Tyler stated that would work. Mr. Taylor stated we are just trying to wrap things up as soon as we can, he already has his funding place. Mr. Carminucci stated that meeting is June 11th unless it gets changed. Chairman Sutton questioned if this was amenable to the Board members at this point. The Board responded yes.

Other Business:

Chairman Sutton stated the next on the agenda will be the different items under Other Business. The first discussion item will be **the submission of applications and action requests**. Going back to what Mr. Toohey has been saying, we are striving to accommodate everybody that comes in to our Board and move this process along. He thinks that when we have our subcommittee meeting with Mr. Greene and Mr.

Johnson and himself, along with counsel and Mr. Duffy we have a pretty good idea as to what we are bringing to the full Board. It is unfair for the other four members of the Board to have an application sent to them mid-week before a Monday meeting. We are striving to get that information out to our Board members so that they can do a due diligence on their own and then they can read and review the application, and become aware of the application process that the subcommittee has had the pleasure of already seeing. He thinks if we do that then the other four members of the Board have an opportunity to either call the Chair, call other members of the subcommittee or call Counsel so that they can, if they have questions, that they have the opportunity to take a look at this project before the 11th hour at a meeting at 8:00 on a Monday morning. We get many of our packets on a Thursday prior to Monday meeting and again, going back to what Mr. Greene was saying at the last meeting, we need more information, we need this information on a timely basis. Certainly, the subject property is a case in point. We are trying to expedite all of the applications because we want to move this process along. If we can, if you have the opportunity, please give us an adequate amount of time in which to vet this out ourselves. Chairman Sutton asked if there were any thoughts on that. Mr. Mooney asked Chairman Sutton if he had in mind maybe creating that ahead of time, like requiring that an application be due/submitted two weeks prior to subcommittee. Applying a timeline, much like many planning boards in particular, if you don't get your application in a month before or two weeks before rather, then it will not be placed on the agenda.

Chairman Sutton stated in the real world that works, which we would like to do, but he thinks a lot of times these guys get an applicant that comes in at the last minutes. Mr. Mooney stated the fear is just what happened today. They didn't know the process. If we have that down, then they know the process. Mr. Wintsch questioned shouldn't the process be on our website? Is it on the website? As a layman, you would think because you are talking serious money, you would think you would do your homework, your due diligence and you would be prepared when you come here to at least have the fundamentals like Mr. Mooney said, who you are and what you do and your monies that you have available. That seems pretty obvious to him. Mr. Brobston asked Chairman Sutton if he could speak to this. Mr. Brobston stated that this is their job as the people who handle the application. Our goal is to fill out the application, inform them of those things that you require. Because this IDA does not have full time employees, and that is the way it has operated, that was how we both [SEDC & SCPP] came into being to do that. Other IDA's have staff people who take on that process; they do it, and sometimes they take 60 days from the time they receive it to the time they get them on their agenda. So, as he said at the last meeting, whatever you as the Agency want to do is what they will work from, they just need to know the process. They would be glad to send that work with the client to explain that. It is unusual for a client and realtor to come in to a meeting without their attorney to know that. Mr. Carminucci stated and they were told, just so you know, he spoke to Mr. Brayman and he spoke to Mr. Rekucki and he said this is what you need to do. Somehow that became what is before us this morning. Mr. Valentine stated he had reached out to them also and he had relayed the same thing to counsel, that we are going to have to have the application, we are going to need a description and, if necessary, Counsel may need to attend the meeting with you. Something got dropped here, he noted.

Mr. Brobston stated from the perspective of having a full application, maybe an unsigned application before the subcommittee meeting, if that is what you want to require, have it a week before that or two weeks before that, he is glad to do whatever you want to do so long as he knows how it goes. Chairman Sutton stated we try to be as flexible as possible when, if it is something that you are talking about 2,000 jobs, yes that is one thing; but, when you are transferring properties like this without knowing who the person was, this was unusual. Mr. Wintsch stated it is his own personal opinion, this is only his fourth meeting, but he has been here long enough to know that properties that deal with Stonebreak Road are very peculiar. Mr. Johnson stated it is very nice to have the application prior to the subcommittee meeting as well so that we don't just get the application at the subcommittee meeting and that we have some time to look at it. Mr. Duffy stated if we used two weeks as a standard and if there is an exercise that needs attention then you can do whatever you want to do. Mr. Toohey stated he knows, Mr. Greene,

Mr. Johnson and Mr. Mooney, based on what we do with our real jobs, there is always an application time period in advance. They are usually literally formalized as to the shift in the meetings and things like that and so that the idea of saying to somebody that you have to have it two weeks in advance is not unusual. Mr. Wintsch stated that is actually an incredibly short turnaround time from our point of view. Usually it is sometimes months. Two weeks is fantastic really.

Mr. Valentine asked Mr. Brobston if there is any reason why somebody going into the subcommittee meeting, or they have come to you first or Mr. Vanags, that they would not be able to complete the application prior to a subcommittee meeting? Mr. Brobston stated he wouldn't think so, not if that is the process. It hasn't been done in the past. In the past, it is "here IDA, here is what we've got, here is the facts of the matter, here we go." We weren't required to put a full application together. Sometimes we have pieces of it because we have already started it but we try to get a meeting as soon as we can once we know what the project is. Mr. Vanags stated that is his impression that is what the subcommittee meetings were for. Here is the IDA, here is the Company that wants to do a project, what do you think? Before we start peeling everything out and doing all of the work that this is not going to fly, then we stop. If it is, we keep going forward. Chairman Sutton questioned if that could become cumbersome down the road depending on, again, these applicants don't give you a heck of a lot of time. They come to you and they want it yesterday and that is business. We all run into that in our existing businesses that people need it today, not yesterday. Mr. Duffy stated he has seen it a couple of times since he has been here. You have an applicant asking whether their idea is going to fly or not and then all of a sudden, to meet the monthly schedule you've got to meet within a week. You then expect a lot of information in a tight time format. In a lot of the cases these guys have already done all of that homework and just have to apply it to the application, but that hasn't always been the case. Chairman Sutton stated he thinks Mr. Duffy is right, most of that information has already been gone through by either the Prosperity or SEDC as to put this thing together, this is what you have to do in order to meet before the subcommittee at this point in time whether there is a formal application or not. Most of those questions should be answered by these folks before we even get into that subcommittee meeting. Now, whether it be two weeks, one week or again - we are trying to keep the subcommittee flexible enough that we can meet them at a given time in order to work the timeline and enable us to get them to the next meeting. But, again he thinks we have to be a bit flexible on all of this. But, on the other hand, the information needs to be forthcoming to all seven members of the Board. How we do that, he is not quite sure.

Mr. Carminucci inquired whether you need to have a completed application in order to have an effective subcommittee meeting? He thinks that is a threshold question. Chairman Sutton stated it does help a great deal obviously. Mr. Toohey stated, however, that there are things that change at the subcommittee. A company is not going to change the project, the project is not going to change, but some numbers may change. Is it adequate to sit there and say that we need a fully signed application two weeks before the meeting so that the subcommittee can have whatever input it has with regard to that? At that subcommittee meeting is when the response to that question is decided and the applicant has to submit a full application and we've got two weeks to have that shipped out to everybody. Mr. Johnson stated he can see flexibility on the subcommittee's part, but then there should be a definite timeframe between if we move it to the full Board to have it two weeks prior. Mr. Vanags asked if for the subcommittee would it suffice to have a one-page project summary that hits the major highlights? Because, he noted, there are a lot of details in that application that frankly, as a Board, you don't care about. You want to know about the jobs, you want to know about the project cost, you want to know the essential stuff. Maybe Mr. Valentine, Mr. Brobston and he can work that up so that you have something that says here is the project. Then we are back to that idea of do we green light or red light this thing. Chairman Sutton agreed. Mr. Valentine stated that as a subcommittee, those members should be looking at what are the project's major components, the most critical. He has seen things go in as a ten-year PILOT and come out as a five. There are other things. The ideas that you are discussing now as a Summary Sheet would provide some expediency for both SEDC/SCPP's meeting with the client and then turning something around again that

also provides your three members and staff that opportunity to either add or take away from what is submitted. Mr. Mooney stated he thought that was pretty good idea. Through an Executive Summary like that the subcommittee (and later the entire board and staff) can look at it and quickly get a feeling of what it is Dennis, Marty and the applicant thinks is a good idea.

Mr. Mooney also stated that flipping through the 30 pages of the application is kind of pain when you want to know the answer to one critical element like how many jobs are being created or retained. Mr. Toohey stated it also gives some duck and cover to Prosperity and SEDC that here is what we need, now if you can give us more information, the Executive Summary can become bigger. But, understand that once this thing is done, you and your client need to produce a full bore application. Whatever time period that it takes to get that data or information to you needs to meet the schedule of completed submission two weeks in advance according to the schedule for meetings. That allows you to be able to present to the applicant the timeframe.

Mr. Valentine asked if Mr. Toohey and Mr. Carminucci could speak regarding public information and the idea of when does that application become a public document? Mr. Toohey stated it is not a public document until at the Committee, so it is submission date. Mr. Valentine stated then it is not until our first meeting. Mr. Toohey stated as far as he is concerned when it is submitted. Mr. Carminucci stated yes, once you have it and once it is signed, it is public. Mr. Brobston asked then if you require a signed application two weeks before, then that is a public document two weeks before? Mr. Valentine asked if by what both counsels indicate isn't the executed document and the payment of the application fee that then makes it a public document?

Chairman Sutton stated why don't we do this? Chairman Sutton asked Mr. Valentine to get blank applications to Mr. Johnson, Mr. Greene and himself and then we can mark up what we think is going to be necessary and appropriate for us to sit down at a subcommittee meeting. Maybe redline what pertinent information we are going to need in order to for us to make a decision. Would that be helpful so that we can summarize it and break it into a one or two-page summary application and then that way we can bring it back to everybody at our next meeting and show everybody what we have; would that be fair? That way we can take a look at this at the next meeting and then we can give it to Mr. Vanags and Mr. Brobston if it is approved. Mr. Wintsch asked Mr. Vanags and Mr. Brobston if anyone that comes to you, do you say I'll put an application together for you or do you already kind of, in the back of your mind, know the threshold that is required, this isn't going to pass muster or it is right away? Mr. Brobston stated he goes by the UTEP and what it says and the amount of investment and the number of jobs, whatever that is. We also know that there is a financial feasibility that by the time you pay the fees and other things, if it is too small, like \$1,500,000 is not enough these days to pay everything to get what you need to get an incentive back. Mr. Wintsch stated so in a way you kind of vet it initially. You say this is going to make it or it isn't? Mr. Brobston stated yes, absolutely. Mr. Valentine stated in the past we have had a project that went to subcommittee and the subcommittee said no, it is not anything that we want to do, and then that applicant said he wanted to go before the full Board. Mr. Wintsch stated that an applicant then can push it forward past a negative response from the subcommittee? Mr. Valentine stated that, yes, that has occurred in the past. Mr. Wintsch stated then they can clearly push it past Mr. Vanags or Mr. Brobston if they want too then. He wasn't aware of that.

Chairman Sutton asked if there was any further discussion on this? Chairman Sutton stated we will do our homework between now and the June meeting and we will bring it back to the full Board and have an outline of a summary application that we can give to Mr. Vanags and Mr. Brobston and we will go from there. We appreciate any cooperation you have so that we can make these good strong decisions. Again, we are dealing with a lot of people's monies and we want to be open and fair to everybody and any applicant that comes before this Committee.

Chairman Sutton asked members if there was anything else to discuss? Mr. Brobston stated he had a question. **The Corinth IDA**, he believes, is not in existence anymore or it has been stymied by lack of communication. Mr. Carminucci stated that he was right, that they are still in existence, but they are non-functioning. Mr. Brobston stated ok. He guesses his question is, and he has not talked to them yet at all, but we may have a project for Corinth and more than likely this client will need some incentive not only from NYS, but also local. What do we do, he asked, knowing that he should just bring it out now because this is an issue that is going to come up later? He knows the County IDA covers the County but the gentleman's agreement has always been if you've got your own IDA, make your own decisions. What do we do in this case, we've never had one like this? Mr. Carminucci stated he talked with Dick Lucia, town supervisor, when we were talking about letting that IDA go and he agreed that anything down the road would have to be undertaken here through the county IDA. Mr. Brobston stated ok. Mr. Toohey questioned if there was still a Board? Mr. Carminucci stated no, it is not a functioning Board. Mr. Valentine stated that the Corinth IDA has one project, though, right? Mr. Carminucci stated yes, which is Indek and which is done but they are challenging the assessment so that has prevented the property from being transferred, but they don't really have any active projects right now. Mr. Toohey asked, so there is in fact no Board? Mr. Carminucci stated no, not really. Mr. Toohey asked if there was any Chair? Mr. Carminucci stated yes, it is the Town Supervisor, but they are three or four years behind on their financial reporting now. There is no way to bring the Agency back into functioning form. Chairman Sutton stated we can't supersede another IDA. Mr. Carminucci stated Mr. Lucia understands. You can talk with him but he knows they can't do anything going forward. He has already accepted that. They are looking to formally disband the Agency. Chairman Sutton questioned if it had to go to the County? Mr. Carminucci stated no, it is a town-created entity. Mr. Toohey questioned if there is a chance that he, as the Supervisor, could give us a letter that indicates having to do with the ABC project, we would appreciate the IDA help? Mr. Carminucci stated yes, he thinks he will give you a letter basically saying anything going forward in the town of Corinth should be handled by this Agency. Mr. Toohey stated that gives us that chance. Mr. Johnson questioned why don't they just dissolve? Mr. Carminucci stated it requires them to spend money to even do that and they don't have any money. He will issue that letter without a problem. Mr. Toohey stated that gives us the chain back.

Chairman Sutton asked Mr. Vanags and Mr. Brobston if they had anything further to discuss. Mr. Vanags and Mr. Brobston stated no. 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 Mr. Johnson, seconded by Mr. Greene, with all voting in favor.

Respectfully submitted,

Lori A. Eddy