**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**

**October 22, 2018 – 8:00 a.m.**

**County Planning Offices #5**

**50 West High Street, Ballston Spa**

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

**STAFF & GUESTS**: Scott Duffy, CEO; Jeff Many, CFO; Michael Valentine, Administrator; Michael J. Toohey, Counsel to the Agency; James Carminucci, Bond Counsel; Dennis Brobston, SEDC; Marty Vanags, Saratoga County Prosperity Partnership; Mary Elizabeth Slevin, Specialty Silicon Products; and Lori Eddy.

**ABSENT**: None.

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

**Approval of Meeting Minutes: September 10, 2018:**

Chairman Sutton stated the first order of business is the approval of the meeting minutes of September 10, 2018. Chairman Sutton asked if there were any additions or changes to the September 10th meeting minutes and seeing none, asked for a motion to approve them. Ms. DiDomenico made a motion to approve the minutes of September 10, 2018. The motion was seconded by Mr. Lewis. As there was no further discussion, all were in favor and the minutes were approved.

**Application: Prime Storage/Group Holdings:**

Chairman Sutton stated the application for Prime Storage has been withdrawn at this point.

**CFO Report (monthly financials):**

**A) Financial Reports:**

Mr. Many stated there was very little activity for the month of September. We did have one application fee for Airosmith so that project is obviously moving forward. The only expenses that we had were actually for our professional staff. Other than that, there was really no activity. Year-to-date we are showing expenses over revenue of $21,000. That is pretty much it. There is just really not a lot of activity in terms of revenue and our staff expenses going out. Mr. Toohey stated with regard to the Airosmith application, he has recused himself from being a counsel for the IDA because he represents them, but the project received a special use permit from the City of Saratoga Springs so that is moving along very well. They have to go through site plan approval but the structure was designed and everything else.

**B) Update on Bid Process for CD Investments:**

Chairman Sutton asked Mr. Many to discuss the update on CD Investments. Mr. Many stated the CD has been set up for $500,000 with Saratoga National Bank at an interest rate of 2.15%. They gave us a little bump up because interest rates have risen a little bit and it will mature in October of 2019. It is all set up. We are also looking to do a $250,000 investment with Key Bank which currently generates .80%. We would like to get that invested by January 1 at a comparable rate to the Saratoga National rate. Also, he does not know if it is on the agenda, but he does have the budget for 2019 and would like to review it with the Board. Chairman Sutton stated yes. Mr. Many passed around the copies of the budget to the Board. Mr. Many stated starting out with the revenue, the administrative fees are a rough estimate. At this point, assuming Airosmith finishes up sometime in 2019, we will have at least 2 closings. He does not have any other data on any other projects at this point. He used that number basically because it actually allows us, if we did do administrative fees at a total of $150,000 we will pretty much break even. That was kind of like the target at this point. It is a long way off. Mr. Mooney questioned what have we been over say the last three years? Mr. Many stated this year is going to be less than $100,000. Cash flow has been a little bit slower than normal. 2017 was about $350,000. It varies. He does not have the data before that. Mr. Mooney stated no that is fine. Mr. Many continued we need to pick a number and go with it. There is a good chance we can achieve it. That is the way he looks at it. It is not a $300,000 projection that counted on a lot of projects coming in. Again, that is just a starting point. On the other revenue items, the interest on the bank accounts is $750,000 times 2%, so that is probably a little bit light, but that is what he is looking at there. Our existing loans with Luther Forest and with the County Water continuing. On the expense side, he kept everybody’s professional salaries and the County at the same level they are at this year. Our insurance expense is based on our two policies we have for insurance. Total premiums for the year run around $2,400. We have some membership dues and entertainment. Professional fees, we have our audit which will run about $5,000 and he did put some money in the budget for Luther Forest, the land acquisition cost in case. He does not know if we will need all of that. Hopefully there will be some activity on that regard closing at some point. He put $5,000 in there for that. The other expenses were relatively minor. Mr. Many asked if there were any questions on the expenses? Mr. Valentine stated you are showing nothing on either side related to PILOT’s. Mr. Many stated yes, it is just in and out so he did not show. Mr. Valentine stated he is just wondering when this gets filed with the State, what their comment will be to show nothing on either side. Mr. Many stated he thinks we may have submitted it this way last year but he would have to check. He will look into that. Mr. Many then stated that the next sheet on the budget, he just wanted to show what our actual overhead is so he just broke out the expenses that we really don’t have a lot of play with in terms of and offset with the interest from the bank CD’s. Our expenses are really about $83,000 in terms of professional staff, insurances, audit requirements. Chairman Sutton questioned if that has been a pretty good system over the couple of years. Nothing has really changed. Mr. Many stated they actually dropped a little bit with a lesser salary for the CFO position. The last page is projecting out what the last three months will be. We are not anticipating any closings through 2018 and he thinks all of our expenses other than the professional staff have been incurred. We will have a deficit or expenses over revenues of $37,000 for the year. Mr. Many asked if there were any questions on the budget. Chairman Sutton thanked Mr. Many. Mr. Valentine stated what we are looking at is the proposed budget. We have to also submit this year’s end budget. The State looks at whatever our last three months are and Mr. Many also has to do the same thing. We want to look at that in November as far as to submit that also. But, we have to advertise the budget also. You are looking at it now. There is advertisement of it and a 30-day waiting period for the future budget. Mr. Valentine stated what we could do is accept this for advertising and then we have to wait for any public comment back on it and then accept this after that 30-day period which would bring us back to December. Chairman Sutton stated then we could pass this budget for advertising purposes and revisit.

Chairman Sutton then asked for a motion to accept the 2019 budget as presented for advertising purposes to be revisited in November for passage. Mr. Mooney made the motion to accept the Resolution as presented. The motion was seconded by Mr. Greene. There was no further discussion.

**RESOLUTION #1408**

RESOLVED THAT the Saratoga County IDA agrees to accept the 2019 budget as presented for advertising purposes to be revisited in November for passage. All members voted in favor.

**PILOT Billings for 2018/2019 School/Library Taxes: Status of Rec’d Payments:**

Mr. Valentine distributed a chart detailing the PILOT billings for 2018/2019 School Taxes to the Board members. Mr. Valentine stated you will see on the chart the Companies billed, for which School District, the amount billed and if payment has been received yet. Thirty days will be at the end of this week as far as payments due. Then you will see the last date of the PILOT payments which is the very last column just to let us know what is coming up. We have two Companies that are billed in January for Town and County taxes which are Finch Waste which is now Waste Management and also Fortress Partners for the Creatacore project, the addition on the building in Halfmoon. One is a Shenendehowa School District and one is a South Glens Falls School District. Town and County taxes in January and that will be the last for those two. The rest of them you can see in the last years. A lot of these are out there through years 2023, 2025, 2027. We have a group of them being 2027 and 2028. The wire transfer for Global Foundries’ $11,000,000 will be in on the 25th. We had some problems with that as far as wire transfer or ACH transaction and using the right ABA or routing number. It goes from Arrow to Glens Falls National to Saratoga National and we historically used Glens Falls National’s routing number and this year, for some reason after seven consecutive payments, the bank changed it and wanted to actually use the Saratoga National routing number. We would have had that money in there by now. This we will just group by School Districts. As all payments are received and gathered, we will then make a payment to the School District in the full amount and then he sends the School District a copy of the bills so they know in their records where it is allocated. Mr. Valentine asked if there were any questions regarding this information. Ms. DiDomenico thanked Mr. Valentine for doing this.

**UPH of Saratoga, Inc.: Request for Extension of Expiration Date, Sales Tax Exemption:**

Mr. Valentine asked Mr. Vanags if he was aware of this? Mr. Vanags stated no. Mr. Carminucci stated he was not aware of it either. Mr. Valentine stated this request came in and their sales tax exemption is not actually expired until the end of January of 2019. There is a way to go but somebody is being proactive and looking to extend that. Mr. Valentine questioned Mr. Vanags if he knew the status of the construction there? Mr. Vanags stated he thinks they are under way. Mr. Toohey stated it looks as if they are under way, but he has no idea of what their completion date is. Mr. Valentine continued at that, he did not know if the Board wanted to go just six months out with the extension. He did speak with MaryBeth, but there wasn’t anything in here to say that they would like to extend it until. He does not think there is a problem if we extend it six months, put it through the summer through the end of July and then we get an idea at that point whether it needs to go further for another extension after that. He doesn’t see a problem with a six-month extension. That would require Board approval on that. Chairman Sutton questioned what date it would go through? Mr. Valentine stated July 31st.

Chairman Sutton then asked for a motion to extend the Sales Tax Exemption for UPH of Saratoga, Inc. until July 31, 2019. Mr. Greene made the motion to extend the UPH of Saratoga, Inc. Sales Tax Exemption as presented. The motion was seconded by Mr. Mooney. There was no further discussion.

**RESOLUTION #1409**

RESOLVED THAT the Saratoga County IDA agrees to extend the Sales Tax Exemption for UPH of Saratoga, Inc. until July 31, 2019. All members voted in favor.

**MRFA: Report on Updated Schedule:**

Chairman Sutton stated the next agenda item, MRFA: Report on Updated Schedule we will leap over that and talk about that at the end of the meeting.

**WDC of Upstate NY: Project Status, Sales Tax Exemption:**

Mr. Valentine stated he and Mr. Carminucci both spoke with them. Mr. Carminucci stated his impression from speaking with Dennis last week, is that they don’t have anything going on at the moment and he thinks it is time to just terminate that project. Mr. Valentine stated he talked with John Davidson and he said the same thing. Mr. Valentine stated more or less they have a PILOT Agreement that didn’t really have a specified end date, but the lease agreement did. DA Collins, if you remember, is the old Wilton Developmental Center. They never really did anything with it as they thought they were going to do with it. They bought it for $150,000 and did a 40,000 square foot maintenance building in the back which did come under the initial PILOT we had. Mr. Carminucci stated he didn’t think we ever did a PILOT, he thought we only did sales tax and mortgage tax because it was only supposed to be a year and then the year was intended to give them time to identify a tenant that the IDA would have to approve, which never happened. Mr. Valentine stated that is correct. Mr. Carminucci stated so the thing has just sat there. Mr. Valentine stated there was two, one was in 2003 and then there was another one or even earlier. But you are right there is a lease agreement with that. Mr. Carminucci stated he doesn’t remember them having an active PILOT unless there was a prior project. Mr. Valentine stated having this going on, we have been billing them at full value year after year after year. At this point, it would be easier, and they have agreed to it, to say ok we will discontinue what we have, which is the lease agreement that has already expired. We would then do a reconveyance of the property. Chairman Sutton asked if there were any further questions of Mr. Valentine. Chairman Sutton thanked Mr. Valentine.

**Albatros: Termination of Lease/Reconveyance:**

Chairman Sutton stated the next agenda item is Albatros and the Termination of Lease/Reconveyance. Mr. Valentine asked Mr. Carminucci if he had word on that. Mr. Carminucci stated they did not contact him. Is this one that you identify as expired and should be re-conveyed or do we think there is communication on it? Mr. Valentine stated that is not due, they are looking for an earlier reconveyance on that. If you look on the sheet we just did with the PILOT’s, it says January, 2021. Mr. Valentine shared a letter he had received with Mr. Carminucci. Mr. Carminucci stated in reading this they are looking to exercise their option to terminate prematurely. It was contingent upon some transaction occurring with Kawasaki and in the event that the transaction with Kawasaki is not closed, they would provide notice of the option to exercise and the lease will continue in full force. So, they sent you documents to re-convey, but then they said it was contingent upon something happening. So, we don’t know if that happened or not. There really is nothing that the Agency needs to do because it will sort of happen automatically under the documents. They have that right to terminate early and it is provided for. He thinks maybe we should just follow-up to see if they still want to move ahead with that because that letter is dated October 9th. Mr. Carminucci stated he can follow-up on that. He doesn’t think we need to do anything either way.

Mr. Carminucci stated to Chairman Sutton that he could update the Board on the proposed budget item discussed earlier. He just found the provisional audit we were talking about. You do have to submit the preliminary budget to the current Chair of the Board of Supervisors with a copy to the Clerk and it has to be available for public inspection which is why we typically ran a notice indicating that it was available because without that nobody knows. It has to be done at least 20 days before final adoption. Mr. Valentine stated we have a file regarding Saratogian publication. Mr. Duffy stated he would do that. Mr. Toohey stated the process is we pass the preliminary budget, everybody is happy with it. We then send it over to the County Board of Supervisors, to the Chair, put notice of it, then we pass it in November. Mr. Mooney stated to the Clerk also. Mr. Toohey stated yes. Then, at the next meeting we can have proofs that we can tack on that and then just pass the budget.

Chairman Sutton asked if there was any further business to discuss before the Board this morning. Mr. Valentine stated he is all set.

Chairman Sutton stated he would like to have a motion to go into Executive Session. We have two items to discuss and he would like to have two separate Executive Sessions because of the sensitivity of the topic pertaining to property transfers.

Chairman Sutton asked for a motion to go into Executive Session one and would be introducing an attorney, Mary Beth Slevin from one of our recipients Specialty Silicon Products. She has some information for us for discussion on a sensitive matter. Mr. Toohey stated there would be a motion under Section 105 of the Public Officer’s Law which is commonly known as the Open Meeting Law. It has to do with the purchase and sale and transfer of real estate. We would invite Ms. Slevin to attend the meeting based on information she has. We need someone to keep general minutes but not specific minutes of this. In other words, a summary. We cannot vote on anything in Executive Session. If there is a motion to be made, we would go out of Executive Session and do whatever the Board cared to have done. Anybody who is not involved would be excused.

Mr. Mooney made a motion to go into Executive Session at this time. Mr. Johnson seconded the motion. There was no further discussion. All were in favor and the meeting went into Executive Session one.

Mr. Brobston and Ms. Eddy were excused from the meeting.

Mr. Brobston and Ms. Eddy rejoined the meeting at the conclusion of the Executive Session one.

Chairman Sutton asked for a motion to reconvene to the regular session of the meeting. Mr. Lewis made a motion to reconvene the regular session of the meeting. Ms. DiDomenico seconded the motion.

Chairman Sutton stated before us we have an opportunity to assign the PILOT Program that already exists to Specialty Silicon Products. Mr. Carminucci stated it is an assignment by SSP Development Corp. with its rights under the lease agreement and PILOT Agreement to 3 McCrea Hill Drive LLC which is a Florida Limited Liability Company authorized to do business in New York and 3 McCrea Hill Drive, LLC will assume the obligation to SSP Development Corp. under a lease and a PILOT. The lease currently is set to expire in October of 2024 and is not being extended.

Chairman Sutton then asked for a motion to grant an assignment by SSP Development Corp. with its rights under the lease agreement and PILOT Agreement to 3 McCrea Hill Drive LLC which is a Florida Limited Liability Company authorized to do business in New York and 3 McCrea Hill Drive, LLC will assume the obligation to SSP Development Corp. under a lease and a PILOT. The lease currently is set to expire in October of 2024 and is not being extended. Ms. DiDomenico made the motion to grant the assignment as presented. The motion was seconded by Mr. Wintsch. There was no further discussion.

**RESOLUTION #1410**

RESOLVED THAT the Saratoga County IDA agrees to grant an assignment by SSP Development Corp. with its rights under the lease agreement and PILOT Agreement to 3 McCrea Hill Drive LLC which is a Florida Limited Liability Company authorized to do business in New York and 3 McCrea Hill Drive, LLC will assume the obligation to SSP Development Corp. under a lease and a PILOT. The lease currently is set to expire in October of 2024 and is not being extended.

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 asked for a motion to go into Executive Session two in regards to a potential property transfer.

Mr. Lewis made a motion to go into Executive Session two at this time. Mr. Wintsch seconded the motion. There was no further discussion. All were in favor and the meeting went into Executive Session two.

Ms. Eddy was excused from the meeting.

Ms. Eddy rejoined the meeting at the conclusion of the Executive Session two.

Chairman Sutton asked for a motion to reconvene to the regular session of the meeting. Mr. Lewis made a motion to reconvene the regular session of the meeting. Mr. Mooney seconded the motion.

Chairman Sutton stated he would like to entertain a motion authorizing the Chairman to negotiate an agreement to withdraw from the contract with Luther Forest Technology Campus Economic Development Corporation pertaining to the acquisition of 20 acres of land in the Luther Forest Industrial Park. Mr. Lewis made the motion to authorize the Chairman to negotiate an agreement to withdraw from the contract with Luther Forest Technology Campus Economic Development Corporation pertaining to the acquisition of 20 acres of land in the Luther Forest Industrial Park as presented. The motion was seconded by Mr. Mooney. There was no further discussion.

**RESOLUTION #1411**

RESOLVED THAT the Saratoga County IDA agrees to authorizing the Chairman to negotiate an agreement to withdraw from the contract with Luther Forest Technology Campus Economic Development Corporation pertaining to the acquisition of 20 acres of land in the Luther Forest Industrial Park. Mr. Lewis made the motion to authorize the Chairman to negotiate an agreement to withdraw from the contract with Luther Forest Technology Campus Economic Development Corporation pertaining to the acquisition of 20 acres of land in the Luther Forest Industrial Park 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 asked if there was any further business to come before the IDA today?

Mr. Carminucci questioned what the date of the next meeting would be. Mr. Carminucci stated the only reason he asks is because of the budget item previously discussed. It requires 20 days, so if you allow enough time for the to play out you can formally adopt a budget in November. If you meet too early in the month and it doesn’t have time to play out, you won’t be able to approve the budget until December. Mr. Many stated we normally would have the meeting on the 12th which is Veterans Day. Ms. DiDomenico questioned if the County was open on the 12th. Chairman Sutton stated we should look at the 19th. Mr. Carminucci stated the important thing is that we submit it to the County at least 20 days before it is adopted and you can get the notice in during that period. He presumes you give it to the County Clerk. Chairman Sutton stated why don’t we make it the 19th to be safe. Mr. Carminucci stated that would probably give it enough time. Chairman Sutton stated the next meeting of the IDA will be Monday, November 19th at 8:00 at the County Planning Offices.

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