**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**

**November 19, 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; and Lori Eddy.

**ABSENT**: None.

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

**Approval of Meeting Minutes: October 22, 2018:**

Chairman Sutton stated the first order of business is the approval of the meeting minutes of October 22, 2018. Chairman Sutton asked if there were any additions or changes to the October 22, 2018 meeting minutes and seeing none, asked for a motion to approve them. Mr. Lewis made a motion to approve the minutes of October 22, 2018. The motion was seconded by Mr. Mooney. As there was no further discussion, all were in favor and the minutes were approved.

**CEO Report:**

Mr. Duffy stated everyone should have a copy of both the **Conflict of Interest and the Board Performance Review Forms**. These forms, he explained should be filled out today, if you would, before you leave.

There are no updates with **MRFA** at this time. He has nothing else to report.

Chairman Sutton asked Mr. Duffy if he had talked with anyone at MRFA at all and Mr. Duffy stated that no he has not. Chairman Sutton stated he also has not heard anything. He did have a talk with Tom Roohan last week and nothing is going on as far as Luther Forest is concerned.

Mr. Valentine stated that in addition and for Mr. Duffy’s use, in December he will be sending out a **Year-End Survey** notice to each IDA Project Company. The Survey has the four questions related to business for the year 2018: what did the Company have for full-time equivalent employees, what did they have to report for the number of construction jobs created, what did they have exempted for mortgage recording tax and for sales taxes related to construction. That data will forms the basis for what Mr. Duffy will later report on the state’s PARIS reporting system. This is a standard letter/survey that is mailed out each year and will also include mailings to those three companies that we took off the PILOT billing this year (because in 2018 they were still of record with the IDA).

Mr. Duffy stated he also did sign the engagement letter between the Agency and Cusack and Company to authorize the undertaking of our **annual audit for FY 2018**.

**CFO Reports and Update:**

Chairman Sutton asked Mr. Many to discuss the CFO Reports and Update.

Mr. Many stated first is our balance sheets. They show the cash balances, our certificate of deposit with Saratoga National Bank for $500,000 was set up and is active. It is a one-year CD and the rate is 2.15%. He is also working on establishing a second CD for $250,000. That process should be complete by the time we have the Board meeting. We may need approval as to where that money will be deposited and what the rate would be. He will have all of that information for the Board. There is nothing else significant in terms of the financial reports. It was a quiet month. Mr. Valentine will be reporting on the PILOT payments which went through the operations but they don’t really touch the profit and loss report if you will. They are in and out. Mr. Many stated he did complete the five-year budget which he does annually, so each year there is a rolling five-year budget. That was posted on the PARIS Reporting System. The one other item that he needs to mention is that we need to update our Investment Policy which is a little bit out of date. It was last updated in 2009 and he will have that for the Board’s review next month. Mr. Many asked if there were any questions. Chairman Sutton questioned if 2009 was the last time we updated that Policy. Mr. Carminucci stated that might have been when it was first adopted in 2009. Mr. Many stated he thought he saw in there was some updates from prior years. Mr. Toohey stated there hasn’t been an update for a long time, so 2009 doesn’t surprise him. Chairman Sutton asked Mr. Many if he could take care of that have something soon. Mr. Many stated he would send it before the Board meeting so the Board members can review it and hopefully approve it at the next Board meeting. Mr. Wintsch stated if it was done early enough and maybe Mr. Toohey could review it first. Mr. Valentine stated the Board members will want to see it ahead of time to see if any changes need to be made. There is an Investment Committee and they should look at it before as well.

Chairman Sutton stated the next IDA meeting will be set up for December 10th. Chairman Sutton asked Mr. Many if that will be enough time for him to accomplish changing the Investment Policy? Mr. Many stated yes.

**Adoption of Fiscal Year 2019 Budget:**

Chairman Sutton stated the next agenda item is the Adoption of the Fiscal Year 2019 Budget. Mr. Many stated it is the one we actually reviewed last month with no changes. Mr. Valentine questioned if it had gone through the Public Notice process? Mr. Many stated we posted the public notice in the **Saratogian**. To date, we have not received any comments.

Chairman Sutton then asked for a motion to adopt the 2019 Fiscal Year Budget as presented. Mr. Mooney made the motion to adopt the 2019 Fiscal Year Budget as presented. The motion was seconded by Mr. Greene. There was no further discussion.

**RESOLUTION #1412**

RESOLVED THAT the Saratoga County IDA agreed to adopt the 2019 Fiscal Year Budget as presented. All members voted in favor.

The results of the roll call vote were as follows:

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

AYES: 7

NOES: 0

ADOPTED: 7-0.

**PILOT Billings for 2018/2019 School/Library Taxes: Rec’d Payments & Distribution:**

Chairman Sutton asked Mr. Valentine to discuss PILOT billings. Mr. Valentine noted that his is nothing more than an update of what he had provide the Board last month with a confirmation that at this time all of the payments have come in. He explained that just last week there were three outstanding payments to be received (from SKS/Twinbrook, NY Land Remediation, and Danforth). While awaiting those payments to come in he sent distribution letters and checks out to each respective School Districts rather than hold while waiting for full payment. He directed members attention to the packets distributed by mail which included a PILOT Chart which explains the Global Foundries’ payment distribution and a chart depicting the School District distribution of PILOT payments. Mr. Valentine explained that the tardiness in receipt of payments brought us very close to the point at which we were to assess a 5% penalty and the 1% interest, and on the 2nd of November he called to notify the last company. That Company cut a check that day.

Mr. Valentine directed members to note on that distribution chart the two companies highlighted in green - the billings for those two companies that is coming up in January will be their last PILOT bills. They are Creatacor in Halfmoon and also what has gone from Finch Waste to USA Waste Management in Northumberland. They will both be notified in their respective PILOT billings in January that they/their counsel should contact Agency Counsel to process the reconveyance of title from the IDA.

Revenues from the Global Foundries PILOT payment has been distributed to all of the different taxing jurisdictions. Mr. Valentine stated he did like walking into the Ballston Spa School District with a $9,000,000 check and Chairman Sutton stated that last week we had the pleasure of signing these checks and hopefully the School Districts are very happy with the results. Mr. Lewis noted that because the payments are so large that the percentages used in Mr. Valentine’s calculations goes out eight decimal points and he’s never seen that on a tax bill. Chairman Sutton stated that is a good thing and thanked Mr. Valentine for his report.

**Sales Tax Exemptions: Extensions for UPH Saratoga, LLC and the Tivoli/Arnoff Malta Expansion**

Chairman Sutton asked for a discussion of the request from UPH in Saratoga Springs. Mr. Valentine stated the Company sent him an email in which they explained that their construction schedule is going to require going beyond the expiration date of December 31, 2018 associated with its sales tax exemption. They are asking for an extension. Mr. Carminucci stated he thought the Agency already did that one, that they asked a month or so ago. He stated that even though the expiration wasn’t coming up until the end of the year, UPH had asked early, but it is on our list. Mr. Valentine stated that after the Board’s October approval he wrote up his letters the materials are ready to go to the Company and Tax and Finance as soon as the sales tax exemption comes in.

Regarding Tivoli/Arnoff’s PILOT payment, Mr. Valentine explained that Don Sagliano, who is their CFO, recently came into the office on an item other than extending his exemption’s expiration date. While all of the PILOT checks were coming in Mr. Valentine noted that Arnoff had written a check that was for $3.00 more than the PILOT payment due; Mr. Sagliano, therefore came in to reissue a new check in a timely manner. In the course of conversation, he did note that the rainy fall weather has put the **Tivoli/Arnoff Malta Expansion** behind as far as the projected completion of construction. They have asked for an extension on the existing sales tax and they are looking to go to March 31st which would require Board consensus on that. [Ms. DiDomenico stated she has a question because her mother just hired Arnoff to move her and she is just disclosing that. She did not know if there was a conflict of interest created by this employment for services. Her mother asked for the name of a mover and she told her mother that twelve years ago Arnoff moved her office, so call Arnoff. She just wanted to state this under the conflict of interest policy. Members and counsel concurred that no conflict of interest in her duties and responsibilities has been created.]

Chairman Sutton asked for a motion on the request from Tivoli/Arnoff for an extension of the expiration date on their sales tax exemption to March 31, 2019. Mr. Johnson made the motion to extend the expiration date of the sales tax exemption to March 31, 2019 for Tivoli/Arnoff. The motion was seconded by Mr. Greene. There was no further discussion.

**RESOLUTION #1413**

RESOLVED THAT the Saratoga County IDA agreed to extend the expiration date of the sales tax exemption to March 31, 2019 for Tivoli/Arnoff. There was no further discussion. All members voted in favor.

The results of the roll call vote were as follows:

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

AYES: 7

NOES: 0

ADOPTED: 7-0.

**Updates on Status of Existing Projects**

Mr. Valentine continued this discussion, asking Mr. Carminucci to speak regarding **SSP Development.** Mr. Carminucci stated that he followed up with Mary Beth Slevin. He believes it did happen and she sent the Assignment Assumption Agreement that was signed for recording and she was just following up on that. As soon as he gets that back he will forward it to Mr. Valentine so he can book that. Mr. Valentine thanked Mr. Carminucci.

Mr. Carminucci continued, stating that regarding **Albatros North America**, we delivered those reconveyance documents in escrow to their attorney because they are waiting to see if the transaction occurred. He followed-up with her last week and she was following up with her client to find out what the status was.

He does not now have an answer on that. **WDC of Upstate NY**, that is in our court. He has documents sitting on his desk. We just have to get those to Mike Toohey for his review and then send them off to DA Collins so that they can be executed. That is all he has on his end.

**Other Business**

Chairman Sutton asked if there was any further business to discuss before the Board today. Mr. Toohey stated **Airosmith** has gotten about half way it’s approvals for the City of Saratoga Springs. It is very positive. So, those of us that know the processes in Saratoga understand that it is a longer road but it is going stage by stage. 2019 that will be in for full approval.

Chairman Sutton asked Mr. Brobston if he had anything to discuss. Mr. Brobston stated he has been working with a couple of **manufacturers that require rail** and wanted to alert the Board of a problem that they are running into in approved appropriate land in Saratoga County. When they look for heavy industrial use with rail, we have very limited property. Two things for which the reason he is bringing this up, speaking in Saratoga Springs, they had a 25-acre site in the Grande Industrial Park that had rail extended to us. However, the client needs 24-hour business services and they are a manufacturer of a particular product that is very large and gets stacked outside. Now, they don’t go above eight feet, so the lighting isn’t the issue but the backup alarms are. So, we have a heavy manufacturing zoning but we can’t work outside past 10:00 at night because of Town roads and residences that have been built around it. It was good that we always bring a client in and find out exactly what is going on and find out what the issues are. They even tried thinking about very many different things but we lost about a $15,000,000 opportunity who really liked Grande and the County. So, our other option was we took them down to Halfmoon which is a parcel that is owned by the Abele’s along the CP rail line on 4 and 32. It is just south of the Halfmoon water business system off of Brookley Road. That didn’t have a rail siting but it did have the main for the one line to CP. The problem with that piece is there is no road to the site. So, you have to build an 1,800 foot Town road to get to the site. While the guy said we are definitely into building rail sightings but we are not into building roads. We showed him that site. We tried to get the property owners to reduce the price because of account of the road which is about $400,000 and that didn’t work. So, we have also had another manufacturer that is hauls product out by rail but everything else, raw material by truck. The last one he told you about it all comes in by rail as the raw material and all goes out by truck, so it is the opposite. We also had the same problem with that. Our acreage that we have needs some work. The good thing is that there is not a lot of rail sites in Eastern New York that aren’t controlled by large companies or things of that nature. As we have been looking toward the future, we started working with looking at the old Rogue Industrial Park. We are not ready to talk really about it in any great depth with what we think we can do, but the IDA does own the rail line into the Park and also goes all the way to Essity which used to be TSA which used to be Encore which used to be something else. So, our work towards this process is to determine the cost of it. You folks have had a study done, there is information on that. We are trying to put all of that together. He just wanted to let the Board know that as we have opportunities, we are failing because of these things. When you look at what is available, looking at Grande, there is very little left. There is 55 acres left on the one side, on the West side. There is about 20 acres on the East side where SKS is. That is not a great rail site on that side because it sits up a little bit. Other than that, we have very limited space. It is not easy to put rail back in. It is a lot easier when the rail sighting and rail easement is owned. To put in new rail lines anywhere is like putting a new electric transmission line in. He just wanted to alert the Board to that issue. We hope we will be coming back to you to talk with you about the Moreau Industrial Park. We are also looking at other areas where rail is that might be able to be extended appropriately. We have a decent amount of rail throughout the County, but it is off the beaten path in some areas because that is the way they built it, they followed land. Some of those agricultural areas and things like that are just not available. We are just trying to figure it out. The best site that we have is in the Town of Corinth, which is the former IP site. When we talk about rail, infrastructure and everything. The trouble is it sits on the side of a hill, so there is not a lot of flat area that you can do a larger building or larger buildings. It is pretty limited because it sits on a hillside. He just wanted to alert the Board to that. It is what we have seen. Five out of ten, 50% of our leads lately have come in with rail needs. This wasn’t something that we got before. Ms. DiDomenico stated Mechanicville has a lot of railway. Mr. Wintsch questioned in this particular case what defines a rail site? How many lanes do you have to have to park? When you reference that, what do you mean actually? Mr. Brobston stated rail access to a main line. That is number one. So, if you have that, the one we are talking about in Halfmoon, they would just put a switch off of it. Mr. Wintsch questioned if they would have to put the tracks in? Mr. Brobston stated no, they would have to put that in. Mr. Wintsch questioned then that would be there storage for a period of time then? Mr. Brobton stated storage or it could be that where they are loading or the storage. The one guy that we are talking about with the big product, he wanted sit cars. Mr. Wintsch stated that was what he was really kind of getting at. How much storage, then is it flat beds basically then? Mr. Brobston stated no, boxcars. The product he was taking out vacuums out and it is a polymer, it is powder and you vacuum that out. As he said, sometimes he will buy a year’s worth because it is so cheap. They also have another place they could put it but they like to have enough here. In that case, he said he will spend $500,000 on a switch and extension of a rail, but he is not going to spend $500,000 on a road because if he is looking at industrial property, that should be here. He is right. Empire State Building would not fund that road or help with that road. They are willing to help, there is money available, but it has to be the right situation. That is what they are talking about. Most people just need to get the switch off. The other thing we have run into now is CP is not exactly the easiest company to work with. On their schedule, their cost, and there have been a lot of flareups over bringing product in to Grande or other places because timing is the issue. That is why they sold some of these short lines and somebody else is operating the short lines to get them in and out which is a little bit easier. That is basically what is going on. Mr. Carminucci questioned on the site in Halfmoon, is it near roads, is it a good site. Mr. Brobston stated it is a good site. It sits above the flood plain. It is not a lot of money but here is the issue you run into. This is what happens when things get busy. The land on there has water that is an eighth of a mile on Routes 4 and 32. It sits on the west side of the railroad tracks. It sits between the old canal and the railroad tracks. The good thing is it’s got good drainage, so it sits up higher. There is natural gas on 4 and 32 another eighth of a mile. There is no sewer and there is no Town road. They want $50,000 an acre and it is farmland. Now, it is zoned manufacturing and that’s all right and you can sit on it as long as you want. It is sort of like Upper New Town Road, 20 years ago we talked about how that was going to auction and the IDA went down to talk about that and maybe taking it over. That still sits today because nobody was willing to do anything with it. This is a 40-acre site that has a drainage ditch that separates into a 30 and a 10. So, it’s not perfect, but it worked really well for this guy. There is a small parcel below, about 10 acres that would be utilized as well. That is the other thing. Not only do you have to put a road in, but you have to then leave the easement to go to the other 10-acre site. You have got to come in with a rail line, in other words, it’s not simple. But it is good soil etc. Mr. Lewis questioned with the Grande site is there a way for the zoning to make that viable? Mr. Brobston answered not according to the City. They are not going to change. Mr. Lewis questioned if it was reasonable or not? Mr. Brobston stated well, he thinks they could have listened a little bit more about the options. You could put up a buffer, but these people do want to operate 24 hours a day and that is an issue. He can see the City Planning people and the elected people saying is this really worth it. We did have the discussion. We sat down and we had a lot of different ideas. Mr. Toohey questioned who he spoke with in the City? Mr. Brobston stated they spoke with Brad and Kate originally. After that, we did talk with Brad again. We talked to the City Engineer just to get his thoughts. Where it is located is part of the problem. Because it is down off of Adams right beside Quad. You all remember what happened with Adams about the Quad situation with the berm and things at Adams road. Mr. Mooney questioned if nothing there operates 24 hours a day? Mr. Brobston stated it does, but it doesn’t operate 24 hours a day outside or that the sound isn’t blocked by something. Logistics One, they do that but it is all back end and the building is so that the noise is sort of protected from shoving everything over towards the other housing. Mr. Toohey asked what the status of the line in Moreau? Mr. Brobston stated the status is that it is overgrown. We haven’t cleaned it since he thinks 1999. That kind of thing is going to have to be looked at. We have connections at the Federal level, State level and also there is some rail that we know that could be a donation. Good rail taken out. But there is an awful lot of work that has to be done before that can take place. He just wanted to let everyone know the issues with that. Mr. Valentine stated the other thing with the rail is that the rail going into Moreau Park is actually better than the rail that is in the Village setting. We talked about ravines or whatever. You get to where Town Hall used to be in the Village and you get over by Ferry Street and the grade just drops right off the edge there and the tracks are on the edge. We did have a washout with a storm system and the Village took care of about four or five years ago. So, that probably is not as operational as getting to the Park. Mr. Brobston stated the biggest issue with the rail is DOT redesigned 197 where the rail came across and the geometry is different. If that rail sighting was to go back, that would create some engineering feats and it is not going to be cheap. Mr. Valentine questioned if they had to cross 197. Mr. Brobston stated the crossings were there, they are just blacktopped over. There are other crossings, but the other crossings are still there. The nice thing about them is they are either flat or just angled just a touch. Mr. Valentine stated we do have another issue with the rail and it is stalemated. We never went anywhere with logistics on the sale purchase of that rail in Grande. The thing is they get derailments there and then we get another derailment, we are still on the hook for that. Chairman Sutton questioned the sewer line that has been in the paper, is that the Town of Moreau or South Glens Falls? Mr. Brobston stated it is the Town of Moreau. Chairman Sutton asked if they don’t want to do this or they don’t have the money to do this? Mr. Brobston replied they are going to do it, but they needed $4,000,000 in grants or zero cost loan in order to be able to do it so they formed a district and they went out and figured out what the costs are. Now they go to engineering. There are quite a few properties up there that could work into it. Chairman Sutton questioned if it was at all close to the Moreau Park. Mr. Brobston stated no it is not, it is the opposite end of Town. The good thing about the Moreau Park is it’s got water and sewer and natural gas has some limitations with pressure and it’s got a great substation. So, there are lots of things there. Back in the day when it was put in it was thought put the road in the middle of it and work the parcels off of it instead of what we do now like getting the road to it and sell off the parcels as you need it and don’t put a road or any more infrastructure as it is sort of wasting all of that money. We have had three or four projects that could be right down the middle of that Park and we tried to move that road but the cost to move the road and all of the infrastructure is a fortune because of the Company that is there. We’ve got two projects that we are working on that we were hoping to come by the end of the year to the IDA Board, manufacturers, and we believe it will be after or in the first quarter. Chairman Sutton stated on another positive note he thinks he read in the paper where Saratoga Eagle is expanding. Mr. Brobston stated yes. Chairman Sutton questioned if they were buying more property? Mr. Brobston stated no they bought the property originally. He was surprised to see that only because we were talking about coming to the IDA with a fast support for sales tax and mortgage tax. Chairman Sutton stated it sounded like a done deal. Mr. Brobston stated from his perspective when it is in the paper like that it sounds like it is a done deal. That wasn’t what he was told. When he read it, he was surprised and he put in a phone call and hasn’t had that discussion.

Chairman Sutton asked if there was any further business to bring before the Board. Ms. DiDomenico questioned if there was any update for them on the **Luther Forest Technology Campus land purchase** contract negotiations that can be discussed publicly or do, we need to go into an executive session? Chairman Sutton stated we have not heard anything at all. Mr. Toohey stated we still have a contract, that still exists. We have not done anything with regards to that. In fact, we have told them we would not negate any contract that we have until such time as we have a definitive alternate project. Chairman Sutton stated we have been making telephone calls but there is nothing to date.

Chairman Sutton questioned if there was any further business. Mr. Mooney questioned if **Prime Storage** was done? Chairman Sutton stated we have not heard anything else. No application has been put in so we pulled that up for 2018 and that is behind us at this point he thinks. Mr. Toohey stated he thinks they still have a conversation going on with the Town of Milton with regard to what the Town wants to have the assessment on the property that they want to utilize. The property has, because its common land, there is no assessment at this point. His understanding is that the debate is still going on as to what the land assessment is.

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. Lewis, seconded by Mr. Mooney, with all voting in favor.

Respectfully submitted,

Lori A. Eddy