

## **SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**

**August 12, 2019 – 8:00 a.m.**  
**50 West High Street, Ballston Spa**

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

**STAFF & GUESTS:** Scott Duffy, CEO; Jeff Many, CFO; Michael J. Toohey, Counsel to the Agency; James Carminucci, Bond Counsel; Michael Valentine, Administrator; Dennis Brobston, SEDC; Tori Riley, SEDC; Bill Sweet; and Lori Eddy.

**ABSENT:** Andrea DiDomenico.

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

### **Approval of Meeting Minutes: June 10, 2019:**

Chairman Sutton stated the first agenda item is the approval of the meeting minutes of June 10, 2019. Chairman Sutton asked if there were any additions or changes to the meeting minutes. There were no changes or additions to the meeting minutes. Chairman Sutton asked for a motion to approve the minutes. A motion to approve the minutes of June 10, 2019 was made by Mr. Greene. The motion was seconded by Mr. Mooney. As there was no further discussion, all were in favor and the minutes were approved.

### **Financial Report (Statements as of 6/30/19 & 7/31/19):**

Chairman Sutton asked Mr. Many to discuss the financial reports. Mr. Many stated the financial report is through July 31<sup>st</sup>. There was very little activity in June. In July, we did have a closing with Airosmith so we generated some administrative fees, etc. He stated he should also mention that our Ballston Spa National Bank certificate of deposit has been set up and completed. The Bank did request that because they couldn't read a lot of our handwriting from the people that are signatory's, they printed up the forms again and we are going to have them re-signed today. He will circulate that today. All of our bills have been paid. We do have a receivable for a public hearing transcript. We are showing a small surplus year-to-date. Everything is in good financial order and there are no issues. Chairman Sutton asked if there were any questions of Mr. Many on the financial report. Chairman Sutton thanked Mr. Many.

### **PeroxyChem: Status of Request for Agency Consent to Merger:**

Chairman Sutton stated the next item on the agenda is the status of the request for the Agency Consent for PeroxyChem to merge. Mr. Toohey stated there is no reason we should not allow them to do that. He recommends that the Agency pass a motion to that effect. Chairman Sutton asked if there was any discussion. Chairman Sutton questioned Mr. Valentine if he had any thoughts regarding PeroxyChem. Mr. Valentine stated Mr. Toohey was handling that and he has not had any correspondence or phone calls or emails.

Chairman Sutton asked that the Resolution presented regarding the request for the Agency's Consent of the PeroxyChem merger be acted upon. Mr. Johnson moved to act upon the request from PeroxyChem to merge as presented. Mr. Mooney seconded the motion.

### **RESOLUTION #1437**

RESOLVED, THAT the Saratoga County IDA accept the request for the Agency's Consent of the PeroxyChem merger be acted upon as presented. The results of the roll call vote were as follows:

The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 6-0.

### **UPH Saratoga, LLC: Extension of Sales Tax Exemption filed (to 12/31/19):**

Chairman Sutton stated the next item on the agenda is UPH Saratoga, LLC, extension of sales tax exemption filed to end 12/31/19. We talked about this at the last meeting. Chairman Sutton asked Mr. Valentine if he had any further discussion on this. Mr. Valentine stated no, it was on there last month and it was just a fact letting you know that the paperwork has been sent to the State and filed with Tax and Finance. Mr. Toohey stated the work is going on in the building. For a long time, that project was dormant. They've got scaffolding on the church and everything else. They've got copper going on and there is action on this. Mr. Carminucci stated he thinks they are opening in approximately January. Mr. Valentine stated they figured they would be done with construction just around Thanksgiving time. We just extended it to the end of December just for the button up items just as Mr. Carminucci said that after the holiday they would be opening. Chairman Sutton stated that is really revitalizing the entire street. If you go by there, it is incredible the copper that they put up and like Mr. Toohey said the scaffolding that they had was huge. Mr. Valentine stated at the same time the Adelphi came in for their application for behind Starbucks and the frontage of Broadway. You have like three renovations right there in a row. Chairman Sutton stated it is a good project and he thinks we should be proud that we were able to participate in that.

### **Status of Projects: Assignments, Terminations, Upcoming Closings, Reconveyances:**

Chairman Sutton asked Mr. Valentine to discuss the items listed regarding project status. Mr. Valentine stated this is just something he added and keeping it on the list to keep track of.

1) Finch Waste/USA Waste Mangement: Mr. Valentine stated Mr. Carminucci had correspondence with the attorney for this agenda item. Mr. Carminucci stated he had and it is on hold. We should have more information soon. Mr. Valentine stated that this one is a situation where we sent the last PILOT bill in January. That was their last one. They had a five-year PILOT on that. When he did speak to the Company, they weren't surprised at the five years, but they wanted to go forward with something but at the time they gave me nothing to go on.

2) Fortress/Creatacor – reconveyance of title being worked on by Marini's counsel (Paul Godman) – Mr. Valentine stated this next item is a project that originally came in and then the Company purchased that

and we had a PILOT Agreement with them. That has terminated. He knows Bob Marini's counsel was in touch with Mr. Toohey through email. He does not know if that has gone any further. Mr. Toohey stated it has not but he will check on it.

3) Airosmith – closing with IDA on July 22, 2019. Mr. Valentine stated this is just to let you know that on July 22<sup>nd</sup> there was a closing on that one. They will have a closing letter coming to them. Their first PILOT bill will not be until one year from now. Mr. Toohey stated what they will be paying is their full taxes but it is on a much lesser value, unimproved property. The benefit that they have is when they are in the PILOT, they really have a bill that they are getting a tax adjustment on. Chairman Sutton stated he went by that property this morning and it the building is framed up. If you have a chance to go by on West Avenue, take a look at it and you can see the progress on one of our projects. He has run into Margaret a number of times in the past month or so and she is very thrilled with the help that we gave them and her Company and she is very excited about expanding her own Company and staying in Saratoga County, Saratoga Springs for that matter. It's a pretty aggressive piece of property. She is very grateful of the IDA.

**New York State Legislation regarding IDA's (meetings, notices, website):**

Chairman Sutton stated the next item on the agenda is New York State Legislation regarding IDA's. Mr. Valentine stated he has had conversations with Mr. Carminucci and Mr. Duffy regarding this. Mr. Duffy stated Mr. Carminucci has been looking into it. Mr. Duffy stated this last legislative session had something about this. Mr. Carminucci stated there was a piece of legislation that looks like it has passed the Assembly and the Senate that goes back to what we talked about in the one meeting regarding the need to recorded and streaming meetings. It says in the bill that it is practical. It looks like it has passed both but it doesn't look like the Governor has done anything with it. It is not yet in effect. Mr. Wintsch stated he hasn't signed the law yet. Mr. Carminucci stated correct. He thinks even after it comes into effect, because of there is a little bit of lingo there and an opening in deciding how you want to deal with it, he is sure for smaller agencies it is not going to be worthwhile for them to do that and it is probably why they corrected the language the way they did. Mr. Valentine questioned do you mean on the video recording? Mr. Carminucci stated yes. Mr. Wintsch questioned so you are going to have the option to do that? Mr. Carminucci stated well it says you are supposed to, but if the language said something if practical or within reason, there is a little bit of conflict. Mr. Duffy stated if you are a smaller IDA, they mention the larger municipality may be getting involved in picking up to pay. Mr. Wintsch questioned where do we fit in? Mr. Duffy stated it doesn't say. There is no silo that we would fit in. There is also another eight pages regarding all of the things that the ABO is recommending that IDA's have on their website. Mr. Wintsch questioned if that was the report previously discussed at the meeting in Waterford? Mr. Duffy stated no that was the PARA Report and he had to do that a second time, all 109 IDA's in the State had to do that a second time. They had a one-page questionnaire and you could literally answer yes or no. They got it after everybody did it and then apparently the Senator's Committee decided that they were going to make it much more elaborate and everybody went through the process again and he met with Mr. Toohey, Mr. Carminucci and Mr. Valentine a couple of times and we spent a lot of time going through it. That has been submitted and we haven't heard anything. That was about a month ago. There is another guidance of what IDA's should have on their website. It is fairly extensive. A lot of it we are doing already. Some of it we are not. We are going to have to probably, whether it is the Audit Committee or the Government Committee, at some point we are going to have to maybe go through this and check off. Maybe we could get some help from the Partnership from a Marketing perspective as far as managing our website and putting it on there. Maybe that is something we have to talk with Mr.

Vanags about. Mr. Carminucci stated there are some other Agencies that are sort of in compliance and they could be looked at as a model in terms of how they are dealing with it. Mr. Duffy stated that Ryan Silva has a template for a lot of this stuff. He has asked him for a couple of them. One of them is the solar requirement now. The Legislature passed and wants all of the IDA's to have language in their UTEP Policy to allow or encourage if it comes in front of an IDA to have a solar exemption. It doesn't mean that the Board has to say yes or no, it just means that there has to be a component in our UTEP Policy to have or to allow a solar project being proposed. Mr. Wintsch stated it is just a watch correct? Mr. Duffy stated yes, for example there is a Hydro Exemption, there is other stuff that came along twenty or thirty years ago. Mr. Valentine stated in the '80's it was the Hydro's and we developed a Co-gen facility. Mr. Duffy stated this is kind of like that. Mr. Valentine stated the Co-gen's were longer PILOT periods, minimal 15. Probably the solar would be the same and most of the Town laws are being adopted now. They may be looking at PILOT Agreements that would be longer than just a ten year. What happens now is those manufacturers, suppliers, and the ones who install, they can go with an exemption with a municipality so they can get an exemption through the school, through the Town, through the County. A lot of them, they do that in separate agreements and they have not involved the IDA's and there is not just much benefit on the local level for the municipalities and the others to get into those agreements. Now, reading what the Governor has put out, he is doing a push on the energy changes and green energy and it's come up with they've been steered towards IDA's. Mr. Duffy stated within hours of that legislation being passed down there he started getting phone calls and emails and he is still getting them. Mr. Wintsch questioned from who? Mr. Duffy stated from people who want to develop 100 acres plus solar farms in Saratoga County. Some of them want to be over by Wiebel Avenue by the hockey rink and the dump over there because they want to get close enough to tie into the grid and so it has to be the right equipment in order to do that. They are looking to us to help them find opportunities. He stated well that is not what we do, it is up to you to do that. You find an opportunity and then the Board will consider it. Mr. Lewis stated that the language that allows an IDA to do something like this, the language you just talked about which has a small opt out which is vague. Those things usually fall on whoever at the State does the compliance. Those laws are passed because there is a lobby like the solar lobby that pushes for it. So, it passes. You don't have to do it unless whoever is in charge of compliance, if they have an agenda and they want to push it, they will push it. But, that sort of flexibility allows the Legislature to pass things that if it was an absolute that it could pass. It all depends who is enforcing the rules. Was it a big IDA or a little IDA? St. Lawrence County has an IDA that are probably not pushing it. Mr. Wintsch questioned if we have to do anything with regard to the streaming video and so forth? Mr. Duffy stated no. As Mr. Carminucci stated the Governor has not signed that yet. If he does, there will probably be, he is guessing, a twelve-month period where you can put into effect. Mr. Carminucci stated he thinks the legislation says it comes into effect at the end of the year if signed this year. He does not think it is going to be up by January 2<sup>nd</sup>. Then you saw the deciding point to do it based upon how it is worded and you have to see if the Governor even signed it. Mr. Wintsch stated or if we even qualify based on the size. Mr. Carminucci stated there are no parameters in there basically so it is not completely mandatory. They are still going to be on large IDA's to probably do it. You guys might be viewed as a large IDA. Mr. Duffy stated he is thinking the same thing. Chairman Sutton stated clearly this is a moving target and he asked Mr. Duffy to keep us informed as details develop. Mr. Duffy stated he asked Ryan Silva from the NYSEDC to give him the background on that and he's got some information he is going to send him. Chairman Sutton stated this is just so we don't miss any drop-dead dates and so we are in compliance and we've been pretty diligent with getting our paperwork in to the State. Mr. Duffy stated with the Board's permission, and he would ask Mr. Valentine this question as well, like he said, the Partnership, their role has changed. They are in a Marketing role now. They might be able to help or be an asset in this regard. If you would like, he could talk to them about this when it is time. Chairman

Sutton stated that is fine. Mr. Carminucci questioned if Mr. Duffy was able to make changes to the website on his own? Mr. Duffy stated he cannot, but Mr. Valentine and Cyndi can. Mr. Valentine stated when Mr. Carminucci has a closing, there is a disc that follows with all of the closing documents. Within there is the PILOT Agreement and the Project Agreement for each project. It is a good source of history and takes up much less space on the shelves than the giant blue binder we used to have. In there, we were able to download off of it the PILOT Agreement, Project Agreement as items to go to the website. Mr. Carminucci stated he thinks with each project they are supposed to send the application, Project Agreement and Pilot Agreement. We have only had two closings in 2019. So, we will put those two on there and we could go back to 2018 if we have to. Chairman Sutton stated to Mr. Valentine that if changes are made to the website please keep Ms. DiDomenico informed as she Chairs the communication with the Website and she is the liaison for that. Mr. Carminucci questioned Mr. Duffy if there was some mandatory requirement that the UTEP be modified to include solar projects? Mr. Duffy stated that is his understanding and that came from Ryan he thought. Mr. Valentine stated he thought it was in one of those two-page publications. Maybe it was some other agencies or something like that. Mr. Duffy stated it was initially a question on the first PARA requirements. Mr. Carminucci stated we should check to see if it is a requirement right now. If it is, and you have to modify your UTEP, typically when we have done that, we have had to do a public hearing because when we first adopted it, we did a public hearing and we notified every taxing jurisdiction in the County. If in fact we are required to add that, we would have to go back through that process. Mr. Carminucci stated he will check to see if in fact that is the case. Mr. Wintsch stated this is just an anecdotal information, but you know you are talking about the solar farm out maybe by the landfill on Wiebel Avenue. If you have a chance to go to the Clifton Park transfer station landfill, their whole area that used to be the landfill is covered with solar panels now. So maybe that is kind of land that is not being used and you get a double use. Mr. Duffy stated the landfill over on Wiebel Avenue is the same thing. These guys are looking for something else. These people are looking for additional lands outside of that and they want to tie into it to. That is either residential land or mixed use. To him, he thinks it is going to be a heavy lift to financially do a 100 acre plus solar project within an urban area. Mr. Valentine stated well you won't find them in urban areas, but within Saratoga County itself, through the County Planning Board, we are seeing applications come in and they are fifty acres. And then somebody is saying well fifty acres, but those municipalities that have adopted a solar local law, they require a buffering of so much, so you are really narrowing down to if you had a fifty acre parcel, you might only be using twenty-five acres of it with a large buffer. What it does also right now, we are saying about utilizing land that is under-utilized. The Ag communities are looking at it in two different ways. Some of them are looking at it that you are using up Ag land with something here. And then others are looking at it and saying okay, the Ag industry, in particular some dairy farms, that aren't utilized and somebody is struggling to make ends meet for the use of it, use those farm lands. But it is funny, because we get just to the point, just as Mr. Wintsch called it, you said that the solar farms, the Ag community doesn't like the word solar farms as if these things just crop up or something. You have that sort of division in that community as far as the use of the solar. But they do wind up being large. Chairman Sutton stated it would also be helpful if we knew what other IDA's might be doing in the sense of how they treat the solar question. Mr. Duffy stated Ryan would know that. Chairman Sutton stated maybe we can have a communication with another IDA that is doing this so we are not leading with our chin. Mr. Mooney stated he is not sure how it fits in our mission. Chairman Sutton stated he is not sure how we have to modify the UTEP and what are we doing here. Mr. Mooney questioned how many jobs are being created. Mr. Duffy stated other than a couple construction jobs and then when it is over, it's done and they are gone never to come back until twenty years from now when you go to de-commission it. Mr. Valentine stated the co-gens didn't, that was the other thing, we've got another whole policy on that. He thinks at the most when we saw them come in, we got two jobs in a co-generation facility. Mr.

Carminucci stated when they came in their argument was that they were selling steam to the paper company and then they were bolstering their operations and there was like job retention that tied into it.

### **Project Updates: (SCPP & SEDC): Activity, Applications, Pending Projects:**

Chairman Sutton asked Mr. Brobston to discuss the next agenda item of project updates. Mr. Brobston stated they continue to work on a couple of manufacturers. They have a sub-committee meeting after this meeting today to talk about a project. Luther Forest Technology campus, just for your benefit, we still have a large warehouse client there that is still moving forward with due diligence. It does not impact the 20 acres of the IDA property. There was a project from ESD, Empire State Development, which is a fusion power reactor R&D Company out of MIT in Cambridge, Massachusetts and recently just last week, had a huge story in Physics World magazine that they are looking for sites, and the reason I am telling you this is now it's in the press. It is a very interesting company. The Department of Energy grant, they have already been awarded \$100,000,000 and they have to raise \$350,000,000. They are half way thorough that. They want a site that is heavy manufacturing that could power about 20 to 30 megawatts. Luther Forest is perfect for that. They only need 20 acres. We have shown them a few sites. We also put in Moreau Industrial Park because of its really a nexus for a bunch of substation feeds, 115,000 volts. We have got a couple of sites in the running for that one. That one is about 100 engineers after construction. Construction could take two years and probably close to 500-600 construction workers depending on the style they finally come up with. If you don't know what fusion is or if you have heard about it in the past, one of the problems is fusion requires very high heat to generate the reaction needed. Materials of the past would not take that heat. Today, with all of the different things we have has really allowed them to get to the process to work at this point. They say work. It works on paper, now they have to prove it. Fusion is what powers the sun and different form nuclear in that is fission where they are splitting atoms, in this one they are actually merging and that is what creates the power. That is about as much as he knows from reading the paper and what he understood. So, he is sure he is going to learn a little more about it. They are looking at another site in New York as well as one in Massachusetts. The State is really running this lead but they are very positive about the process in what they would like to see because of the energy benefits. Hopefully we will see in the next few months what will happen there.

We do expect to see a decision on, he is sorry to jump here, but he wanted to finish on the warehouse. We are expecting to see an R&P finalized here before the end of September. They had to be back by the middle of this month and it could be if the decision is made earlier, but the R&P is supposed to be back by the 19<sup>th</sup>, next Monday, and if they have all of their ducks in a row they might be making a decision right after that but it could take some time for them to just go through the paperwork. Chairman Sutton questioned if that was still the Luther Forest project? Mr. Brobston stated that is the Luther Forest project, yes. Chairman Sutton stated that Mr. Brobston and the SEDC had a daylong seminar with the Insight and the developer and Mr. Brobston invited him to the meeting at the end of the session. It was well attended. The Insight people had their A-Team. In talking to people from the County, Kevin Tollison was there, Phil Barrett was there from Economic Development. So, the County was well represented. Basically, what his role was to just tell them what the steps would be should they be applying for a PILOT Program so we went through that process because they would be looking for a PILOT sales tax exemption and mortgage recording fees. From what we gathered, and what Mr. Brobston eluded to, is that it would not affect the 20 acres that we are looking at and MRFA is still on board bringing the infrastructure down towards our site. Luther Forest is one of four sites that are being considered. It is very competitive but Insight did have their team to really analyze and see what Saratoga County and Luther Forest has to offer for this project. Everyone was encouraging to make a decision

sooner than later because we have been hanging onto this thing for quite some time. Hopefully, Mr. Brobston you can come back to us with some kind of an answer. Mr. Brobston stated the interesting thing was most people that read their marketing and strategy for Luther Forest think as they go through the approval process, there is not a lot to do. As you know, having a contract with MRFA for 20 acres and what you had to do with the ground penetrating radar and things of that nature, you just don't walk in and get it done. One of the things that Roger Paulson and Garret both said to me was I thought this was further along. Well, all of the work has been done to find out certain things, but when it really comes down to finalizing where you are going to do it, that is where all the fun begins. That is why with the EPA and different issues that they have to be informed of, it could cost money that they weren't expecting to spend. Something as simple as a vapor barrier underneath an 800,000 square foot facility doesn't sound like a big deal and usually it's not. But, the next step from a vapor barrier is a passive system which actually has to have vents underneath like what we do with radon in basements and things of that nature. An 800,000 square foot facility, that is \$2,000,000 in cost. So, when you start thinking about it, you really want to know what you are getting into before you start. That is where we had the meeting with the Town on approvals. We also had a meeting with the environmental folks and different vendors that had to work on that site before. So, we have built a case of why, when and where. At this point, we are waiting but we have done everything good. At this point we have given them mountains of data and we will see what happens there. Chairman Sutton stated it is a \$56,000,000 project with north of 160 jobs that would be created. It is something we have been talking at nauseum about this particular project. Hopefully, we will know by next week so then we can then sit down and talk to MRFA. The only glitch on the infrastructure is that the sewer line, they were undecided as to what size sewer line might be installed based on the usage. They don't want to over-build or under-build based on what might be the use for the other 120 acres or so. It doesn't really, but can affect us, but that would be the last piece of the infrastructure that we have to worry about. We will wait for the decision but we will be talking to MRFA in the next week or so. Chairman Sutton asked if there were any questions on that? There were no questions from the Board. Chairman Sutton thanked Mr. Brobston for his updates.

### **Other Business:**

Chairman Sutton asked for a discussion on Other Business. Mr. Valentine stated on that same thing with the Partnership, you will see I included a mailer to everyone that came from the article. He asked Mr. Vanags if he was going to be available to speak to that today. He is not available today and Shelby is not here. He just included that in there. He thinks what that does is that sort of piggybacks on Mr. Brobston's comments previously about available warehouse space within the County. If you get a chance just read through that it is that the Partnership put on a presentation, the warehouse index they called it, and they are looking to see what is available across the County and you may hear more from this with Mr. Brobston as the rules have changed with applications and such.

Mr. Valentine stated, if you remember in 2018, he sent out a sheet out to everybody with bullets of each month's meetings and resolutions that were presented. He realized that he did not pick up from December of 2018 on. So, he will finish that information and send everyone something to look at.

1) PARA: Mr. Valentine stated Mr. Duffy previously touched on PARA and he did not know if there was anything else to discuss on that. Mr. Duffy stated no, just that the second filing has been done and completed and there has been no word from the Committee. If it does come back, obviously he will share that and show whatever they might be looking for. Mr. Greene stated one thing he mentioned a few months back about an entity that he read some articles about called the Alliance for the Creative

Economy. It is his understanding that it is a part of the Center for Economic Growth now. They are promoting, and he is not sure that he understands everything about it, but he read enough about it that he thinks it might be helpful for us. Apparently, the Alliance for the Creative Economy has been embraced by an entity that we contribute to, the Center for Economic Growth to promote the Arts, Education, the creative part of our local economy which does not include the legal world. It is architecture, public relations, marketing, tourism, museums, all of the other stuff that makes the Capital District the place to visit. It promotes in a different way the whole region. Again, reading enough about it, he thought it might be of interest to us as a group. Not that that we would be, and anyway it may not fit into our mission as far as granting PILOTs, but when we are presented with opportunities from the creative sector, and that would include entities, for example like Fingerpaint has apparently contributed \$100,000 to this effort because one of the things that he read about was that they had to go outside the region to hire people. When he says outside, they couldn't find the people they needed in the Capital District for their employment needs so they had to open up an office in New Jersey. This is a Saratoga Springs success story. That was a problem. So apparently, this triggered their desire to say we need to do more not only in Saratoga County but regionally to start to educate people about the opportunities that we have here to bring in outside talent sometimes. Again, he knows just enough about it to be interested in it. He would ask Mr. Duffy, if it was okay with everybody else, to see if maybe we could get a short presentation from Andrew Kennedy and Maureen Sager just so we are a little bit educated about then what is going on in the creative sector. Chairman Sutton asked Mr. Duffy to take a look at that. Mr. Duffy replied he would. Mr. Valentine stated he wanted to back up a little bit before we went to other business, you all received a copy of certificates of insurance for the 24 active projects that are on there. That is an updating of accounts that existed to go through and make sure that we had coverage on all of the companies. You will see on there all of them have an expiration date coming up. Those that you have in front of you, you will see that give you an idea of what companies are still active projects right now. What we wind up in trouble with is you get something like we had with assignments. Both with MJ and then purchases with SSP is that those were taken care of on that on the legal end and then there are no certificates coming out of the new owner of the company and either somebody is not saying anything to them or just something in all of the items that at closing they don't take care. Those are updated on the chart. Mr. Carminucci stated that is actually not good because if you have an interest in the property and you are not covered under the liability insurance, that is not a position that you want to be in. He was asking Mr. Valentine about 9 Stonebreak because at the closing, they didn't have the certificate and they said that they were going to get it over to Mr. Valentine and they haven't done that. He thinks that some of these might need a letter from Mr. Toohey because it is a default if they don't name you on the insurance certificate. In some instances, if it is just a renewal, you probably are named and they just haven't sent you a certificate, but one like that that was a new owner, that is not a good thing. Mr. Valentine stated you will note that on the email that he sent on Friday had the updated chart. We have evidence of coverage for every one of them. But as you mentioned, there is a two-month gap there. Mr. Carminucci questioned if 9 Stonebreak provided him with insurance? Mr. Valentine stated the new insurer. Mr. Carminucci stated okay. Mr. Valentine stated but it still had a two-month gap which we don't have any indication whether at that time there was coverage or there wasn't. Chairman Sutton questioned why would there be a gap? Mr. Valentine stated 9 Stonebreak closed, or the transfer of ownership, was in May. The insurance policy expired at the end of April. The closing was in May. We didn't get evidence of insurance until recently. Mr. Carminucci stated to Mr. Valentine's point, if you weren't named and something happened. He is glad they followed up with it. Mr. Duffy questioned how much of a lead time before you reach out to some of these that are expiring? Mr. Valentine stated we don't go calling them to say hey you are expiring. We are waiting for the evidence of that insurance coverage to come from the provider. Chairman Sutton stated any lienholder should be sent the certificate of the binder automatically to the



lienholder. Mr. Valentine stated you would think that every year annually it should be done but we don't always get that. Chairman Sutton stated it should come from the Company itself not so much the Agency. Mr. Carminucci stated the problem is we are not a lienholder; we are like an additional insured. Chairman Sutton stated that should be the same situation.

2) Administrative Fee at closing and Fee-Split Policy: Mr. Valentine stated the last item under other business is something he and Chairman Sutton have talked about and we have talked about it with Mr. Brobston on the history of fee-split. Bear with him as he goes through dates and numbers and then Chairman Sutton can stop him to come to the meat of it. We had a project that closed in 2011. That was SCNC and that was the Leonard Bus facility in Grande Industrial Park. It closed in 2011. There was no fee-split check cut to SEDC for that project. It was just an oversight at that time. Mr. Brobston did not send us any correspondence at the time to indicate the fee was not forthcoming. It wasn't done in 2011. In 2016, and this is his thought, when the SEDC and the Partnership were going through things and Mr. Brobston might have had an audit done or something at that time. That caught the fact that the IDA did not issue a check. We did rectify it and paid the check to SEDC at that time. Now, coming into 2017, Rich Ferguson was just getting used to sort of closings and what the IDA does etc. He overheard conversations that the IDA has a 50-50 split with SEDC or the Partnership and it was repeated enough. Mr. Valentine stated he did not go through the whole thing with him, but our fee split is not set on a simple 50-50. We have increments. If there is a project that closes, and we had one when Ace Hardware closed. Mr. Carminucci and Mr. Toohey will remember this, this is the one that was a long-distance closing and through the mail and through the telephone etc. It closed on March 2<sup>nd</sup> of 2017. Their project cost was \$27,816,000. The IDA set up that we get a fee for the first \$10,000,000 of a project we get  $\frac{3}{4}$  of 1% of that fee. So, that next \$10,000,000 from \$10,000,000 to \$20,000,000 that goes to  $\frac{1}{2}$  of 1%. Following that, anything over \$20,000,000 we wind up with  $\frac{1}{4}$  of 1% of whatever that fee is. Now, the fee split to SEDC or to the Partnership as it was, is that of that first \$10,000,000 where we get a fee, SEDC would have gotten 50% of that. The next portion, that \$10,000,000 to \$20,000,000 that we received,  $\frac{1}{2}$  of 1%, 25% of that would go to SEDC. One of the things to bring up coming out of just looking at this, we've got a gap in our fee split. There is no provision for what to do with that money that is over the \$20,000,000. We need another paragraph in the fee-split. Mr. Toohey, Mr. Duffy and he can look at that. But, once you get in this project, we have nothing to say what do you do with that \$7,000,000 for Ace that is above the \$20,000,000. Now, we have a provision for our money. There is nothing in there to say what does SEDC get on that \$7,000,000. Now, what happened, and I said in Mr. Ferguson's mind, he was saying 50%, 50%, 50%. The fee generated from that project was \$144,540. Mr. Ferguson wrote a letter to Mr. Brobston, Mr. Brobston went back to him "what do I do for the fee"? Mr. Ferguson told him \$72,000. That is not what the fee was supposed to be going by the 50 and 25% he discussed a few moments ago. That would have come to a fee of \$52,442. In effect, there was a \$19,827.50 overpayment. He brought that to the attention of Chairman Sutton and talked with Mr. Duffy about it as well. He has talked with Mr. Brobston about it as well. At this point, it is what do we do regarding this? Do we look to Mr. Brobston and ask for a check back or do we look at it and say divide that up into four closings and pull that money from there or what other provisions? So, he is just putting this out there. Chairman Sutton stated that Mr. Duffy came to him with all of the detail and the corrections that needed to be made on this. He thinks what we probably should do is have Mr. Many and himself meet with Mr. Brobston and see what is the most equitable way of this reimbursement so it doesn't hurt them financially and that we can get on a schedule. We do apologize for the error that was made. It was just a mathematical mistake that was made at the time. We will sit down with you if we can and work out some sort of a payback arrangement. Mr. Mooney questioned if we pay these fees without an invoice from SEDC? Mr. Brobston stated no. Mr. Valentine stated and that was the correspondence

that he alluded to earlier and that Mr. Brobston and Mr. Duffy had that. Mr. Brobston stated on every other one he goes back and does the formula. Mr. Mooney stated so it was an error on both parts then. Mr. Brobston stated he didn't check that. Chairman Sutton stated most of our projects fall well within the 50-50 split. This just happened to be different. Mr. Many stated it was north of \$20,000,000 and that was the issue. Chairman Sutton stated to Mr. Brobston that they would sit down together and go over that and at our next meeting we will come up with some resolution as to how we want to work this out. Chairman Sutton asked if there were any further questions? Mr. Wintsch questioned how much did we owe them from 2011 to 2016? Mr. Many stated it was about \$12,000.

Mr. Valentine stated to Chairman Sutton that there was one last item on Other Business to discuss. We have gone through a bid process to have a tree removed from the IDA property in the railroad area in South Glens Falls. It is right in the back yard of 33 Chestnut in South Glens Falls. It is dead, leaning over his yard. So, we solicited bids. One through the County bid process that and there are about ten or so different vendors that supplied bids back for doing work on County forest land. He sent the proposal to one guy there and they would have won that one and also to Richard Sears from Sears Tree Removal. Sears had a proposal for \$1,399 to remove the large tree in this back yard. What happens, is if you remember the railroad, we have talked about it before, the overgrowth that is in there. This is an instance where you have in South Glens Falls more so than the rail that is in Moreau, but you have the rail line running easily within 50 feet of back yards. This is the second time. In 2010 we had the same problem with a tree falling on the fence in a back yard. That is under contract to remove that tree. Mr. Mooney questioned can they enter from our land or do they have to go on the owner's land. Mr. Valentine stated he has them going on the homeowner's land because to enter on our property, the end is actually going through a cul-de-sac or loop road on another person's property and that guy is just so anxious to have them come in and take a bunch of trees out of his property, or our property that are on his. Mr. Mooney questioned whether if there would be damage to the guy's property afterward. Mr. Duffy stated that Sears matched the bid from Adirondack Tree Surgeons that the County bid is already under which has been extended for a year. So, we only needed an oral because of the amount of money that this is going to cost. Mr. Mooney stated he is just saying something about liability issue is all going on his property. Mr. Toohey questioned what about insurance. Mr. Valentine stated he has a copy of his insurance. One of the reasons we wound up going with Sears is he is already contracted with the homeowner to remove three of his trees. And he asked him okay if you are going to do that, remove the trees on your property first and it gives us clear access to the other. Chairman Sutton asked if there were any further questions.

Mr. Lewis stated just to piggyback on what Mr. Greene said, for a different reason, it would be nice to have Anthony Kennedy come up here. It is close enough that he could either come at 8:00 or 9:00. We might be interested in doing it. Mr. Duffy stated he would reach out to him. Chairman Sutton stated he came to us maybe two years ago. He came to the meeting in Malta and did a presentation. Well informed and we were able to ask questions of him and of his administration. He has been here before but we will certainly reach out. He is the head of Economic Development basically for the State of New York. We can always reintroduce him to Saratoga County and that we are up here.

Mr. Valentine stated regarding a chart that he also included with bold yellow along the top. If you keep this and also look at this while you are also looking through those bulleted points of the minutes, this are our most recent projects from 105 down to 120. It just shows where the project is, what it is assessed at, the project cost, how much was financed, when it closed and what the status of it is right now. That will change. We are up to 120 projects with the last one, the Waterford project. That is not yet closed. The one before that, CoreTech in Ballston has not closed. All the rest on that sheet are closed projects and

active. Mr. Mooney questioned 120 projects since when? Mr. Valentine stated since 1988. The first project was in Halfmoon. He wasn't there then.

Chairman Sutton asked if there was any further business to come before the Board? Mr. Carminucci stated we need a resolution for SMP Group Inc., the Shaker Group, a SEQR Resolution. Mr. Carminucci stated this just a Resolution confirming the action taken by the Town of Waterford Planning Board with respect to the Shaker Group project that you induced in June. It confirms SEQR finding and the Sales Tax Agency appointments of the applicant can move forward and incur expenditures that they need to pay sales tax. There will be a further Resolution down the road once put together. Mr. Toohey stated this is a project you have fully seen. Mr. Brobston stated Mr. Sweet is here this morning just in case there was any questions. Mr. Valentine stated and again the breakup of Resolutions is usually, we met last month and we had the public hearing. We had an Inducement Resolution. If the project had its approvals at that time on an open level, it would have been SEQR Resolution wrapped up piggybacking on that locality SEQR. So, that would have been taken care of at that time. Mr. Mooney stated this is almost just an administrative action really. Chairman Sutton stated correct.

Chairman Sutton asked for a motion to accept the SEQR Resolution for SMP Group, Inc. be acted upon. Mr. Lewis moved to act upon the motion to accept the SEQR Resolution for SMP Group, Inc. as presented. Mr. Mooney seconded the motion.

**RESOLUTION #1438 (Attached)**

RESOLVED, THAT the Saratoga County IDA accept the SEQR Resolution for SMP Group, Inc. as presented. The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 6-0.

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

Respectfully submitted,

Lori A. Eddy