**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**

**November 12, 2019 – 8:00 a.m.**

**Waterford Town Hall**

**65 Broad Street, Waterford, NY**

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

**STAFF & GUESTS**: Scott Duffy, CEO; Jeff Many, CFO; Michael J. Toohey, Counsel to the Agency; Michael Valentine, Administrator; Dennis Brobston, SEDC; Tori Riley, SEDC; Marty Vanags, Saratoga Prosperity Partnership; Larry Regan, Victory Mill, LLC; Bill Sweet, SMP Group; and Lori Eddy.

**ABSENT**: Art Johnson.

Chairman Sutton called the meeting to order at 8:27 a.m.

**Approval of Meeting Minutes: October 21, 2019:**

Chairman Sutton stated the first agenda item is the approval of the meeting minutes of October 21, 2019. Chairman Sutton asked for a motion to approve the minutes. Mr. Valentine stated the minutes were emailed to everybody and you have copies which were distributed this morning. A motion to approve the minutes of October 21, 2019 was made by Ms. DiDomenico. The motion was seconded by Mr. Lewis. Chairman Sutton asked if there were any changes or additions to the minutes. Ms. DiDomenico stated that in the minutes there was a dollar amount left blank. Mr. Valentine stated we have to discuss what that amount was. Ms. DiDomenico stated she thought the amount stated was $2,500. This was on page 15 regarding Resolution #1443 for the hiring of an outside consultant and setting a cap. Ms. Eddy stated the amount discussed for approval was not clear on the recording. Mr. Toohey stated that there should be a revote on this motion just so it is very clear.

Chairman Sutton then asked for an amendment to Resolution #1443 regarding hiring a consultant for infrastructure inspection previously discussed in the minutes of October 21, 2019. Ms. DiDomenico made a motion for an amendment to the Resolution #1443 to cap out the expense for the inspection of the infrastructure at $2,500.00. The motion was seconded by Mr. Lewis. Chairman Sutton asked if there was any further discussion.

**RESOLUTION #1443A (Amended)**

RESOLVED, THAT the Saratoga County IDA accept the motion to allow the Agency to hire outside consultants, either CT Male or some other outside consultant, with regard to the infrastructure that is being placed in the ground on the Luther Forest site in the amount of up to $2,500.00. The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 4-0.

Chairman Sutton then asked if there was any further discussion on the minutes. There being no further discussion, as motioned by Ms. DiDomenico and seconded by Mr. Lewis, all were in favor and the minutes were approved.

Mr. Greene joined the meeting.

**SMP Group/Three Freight Guys: Amended Final Resolution/Extended Expiration Date, Sales Tax Exemption – June 30, 2020:**

Chairman Sutton stated the next item on the agenda is the SMP Group/Three Freight Guys and the amended Final Resolution. Mr. Toohey stated some background on this is the closing took place last week. We took into consideration the possibility that this Resolution would be passed so as to allow them the larger dollar amount. There is no further action that would have to be undertaken short of the Agency not passing the Resolution, the closing was a success. Chairman Sutton then discussed as you know the project went up to $5,925,000. The estimated property tax exemption is $367,823.00. Sales tax exemption $136,920.00 and the estimated value of the mortgage tax exemption is $39,994.00. These were the amended numbers that were given to us last month and that was the reason for the public hearing for this morning.

Chairman Sutton then asked for a motion, and as Mr. Toohey has indicated this has been closed. Mr. Toohey stated there is a Resolution that you all have that merely iterates what he and the Chairman have said with regard to the increase valuation from the $4,900,000 to the $5,925,000 number. Mr. Valentine noted also that this Resolution is the same number as the Resolution adopted last month and that this is just a supplemental Resolution #1441 with the dollar amount change. Chairman Sutton asked that a motion be made to approve the amended tax benefit for the Shaker Group SMP. Ms. DiDomenico moved to act upon the motion as presented. Mr. Wintsch seconded the motion.

**FINAL SUPPLEMENTAL RESOLUTION #1441**

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the amended tax benefit for the Shaker Group SMP. The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 5-0.

Mr. Mooney joined the meeting.

Chairman Sutton then asked for a discussion on the Extended Expiration Date, Sales Tax Exemption to June 30, 2019. Mr. Valentine stated the applicant, Mr. Sweet is here and if he would like to address the Board regarding that and the timing of construction. Mr. Sweet stated yes, he would. Mr. Sweet stated he would be heading downstairs to see if Glen is in. They made the building permit application in anticipation of closing last week. Bast Hatfield is mobilizing and we are ready to go. Construction commencement will be this month. They are hoping to have the majority of the building completed March or April. There will be some outside work that obviously they are going to have to hold on now until the Spring such as landscaping and pavement improvements, things of that nature. They want to get in the building and get at least the distribution side operating so they can move out of Colonie and consolidate their operations. You will see a flurry of activity over there in the next couple of weeks. Mr. Valentine stated that proposed date is moving it from its current expiration of December 31st to June 30, 2020. Mr. Sweet thanked the Board for all of their consideration in the amendment and they are really looking forward to coming to Waterford. He appreciates all of the help. The Board thanked Mr. Sweet.

Chairman Sutton then asked for a motion to extend the expiration date on the Sales Tax Exemption for SMP Group/Three Freight Guys to June 30, 2020. Mr. Wintsch moved to act upon the motion as presented. Mr. Lewis seconded the motion.

**RESOLUTION #1444**

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the extension of the expiration date on the Sales Tax Exemption for SMP Group/Three Freight Guys to June 30, 2020. The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 6-0.

**Application: Regan/Victory Mills, LLC:**

Chairman Sutton asked for a discussion on the next agenda item for Regan/Victory Mills, LLC. Chairman Sutton stated he believes there is a modified application that was submitted. Mr. Valentine stated regarding the application in itself, the items that were adjusted were simply items that Mr. Vanags and he had addressed and Mr. Duffy and Mr. Vanags met at their office and went through them. Items that were primarily discussed at the last meeting that were answered by both Mr. Vanags and the applicant. As we went through the changes, he followed up with Mr. Vanags on those. Those changes have been made and what he has done was to just take the pages that have been signed by Mr. Regan and inserted them into the backup on the other pages of the application so that we have a complete application. He thinks primarily the thing that we looked at was to say that, which you had explained at the last meeting, were those project costs versus whether there was mortgage financing and then the recording tax. He thinks those are primarily the three things on the cost table that we have. From our point, we have a complete application at this point to go forward with. Chairman Sutton stated okay. Chairman Sutton discussed that Mr. Vanags had put together had put together a question. That was submitted to whom? Mr. Valentine stated that went to the meeting of the Town of Saratoga Town Board about a week and a half ago. The Town of Saratoga was looking at reviewing it. There were members from both Villages. Chairman Sutton asked if they all received copies of this? Mr. Valentine stated yes. Chairman Sutton asked if they had any questions that you know of. Mr. Valentine stated not that came up. Chairman Sutton asked Mr. Regan if he knew of any? Mr. Regan stated no and that Mr. Vanags is on his way. He should be here shortly, but he did relate to him that he met not only with the Town, but he met with the Town’s Economic, it was a business forum, which was held in the morning about a week ago. He is saying both the Town representatives and the Village representatives feel very comfortable. He has spoken to the School Board Chair. He is meeting with them this afternoon at 2:00. But they are understanding that this is something that they are in favor of but he is going to fully explain about the units, how many kids and if there is impact, minimal impact on the School Board. We feel that we have covered all of the bases at this point. We are not hearing from any particular constituency that there are any issues. He thinks that we’ve spent the last 30 days or however long since the last meeting doing the outreach that you had requested as a Board and we feel that we’ve done that sufficiently. Mr. Valentine stated this is a repeat question but he just wants to make sure we have it right and there was a follow-up to the changes on that page. Mortgage recording tax, there will not be a mortgage recording tax exemption. Mr. Regan stated no because this is an HDFC which provides a tax exemption for sales tax and a mortgage recording tax through alternate legislation through the real property law. Mr. Valentine stated so the item under bank financing that was on that page is that what you are looking at as saying those are the credits that you are using. Mr. Regan stated correct. Mr. Greene stated what you are looking for is the PILOT. Mr. Regan correct and we get the other benefits through other legislation. Mr. Valentine stated we do have, which I had sent to the Chairman, two letters of support, which came from the State Senator Daphne Jordan and then from Assemblywoman Woerner’s office, a letter of support from both. So we have one from the Senate and one from the Assembly which he will put into the record, but probably when we do have a public hearing read them into the minutes. Chairman Sutton stated we would read those letters into the public hearing. Mr. Greene questioned if HCR doesn’t receive those approvals or support of the community, they will pull it. Even if they are giving it in the beginning and its happened, unfortunately with a couple of his clients, that the support if going forward and at the last-minute communities decide against it for some reason, they will pull it. So, in some ways we are protected here. The State Agency, in his opinion, being Housing Community Renewal Agency, will say unless we see that, we are not going to get it. So, this is something that we should all consider that a State Agency is looking at it too, looking at exactly the same things we are looking for routinely as a Board. Mr. Lewis stated that the fact that kind of rule applies makes him feel all the more comfortable with making what could be called an exception. He thinks this is a unique applicant. Those kinds of rules make him all the more comfortable. Mr. Valentine questioned so hold off these letters until the Public Hearing as far as submitting them then? Chairman Sutton stated yes. Mr. Greene stated at the last meeting Mr. Wintsch wasn’t here and Chairman Sutton made sure your letter was inserted into the minutes. We learned some things during that meeting he thinks were helpful. Mr. Wintsch replied he had read a little bit about it. He has lived previously for 10 years in Johnson City on Crocker Avenue and he knows exactly what properties Mr. Regan is speaking of. He is very familiar with that. But he did not realize when he wrote the memo before that the 30-year PILOT was not unprecedented. You had it in Albany and he thinks you had it in Johnson City also, Broome County IDA sponsored it. He gets that part of it. He didn’t understand that before. Obviously, the government body is looking at it so he can certainly appreciate what he is doing. Mr. Regan thanked Mr. Wintsch. Mr. Valentine questioned Mr. Regan on what has Glens Falls done in terms of the PILOT. Mr. Regan stated that Glens Falls is a different kind of PILOT. The PILOT is done through the City Council. It is a redevelopment under Article 11 of the Real Property Law. So, it’s not an IDA matter. We don’t go to the County IDA. We go to the City and the City passes it and we negotiate a number based on the PILOT amounts working with the Assessor. It is a little bit of a different formula. It’s a different tract of financing. It’s a 9% application, this is a 4% HCR application. Not to say that it would change. We could do a PILOT in the same manner but that is a little bit of a different animal. But the term of the PILOT is still 30 years. The 30-year PILOT creates a conservative fiscal sort of road map that allows us to have underwriting that can continue to the term of the bonds or the terms of the permanent loan. In Glens Falls, it is a private bank from Community Preservation Corporation, here it is a bonded funded New York State Housing Bond. But they are both the same 30-year term and we need our underwriting to show for 30 years to make sure the deal can comfortably operate so that we don’t have any issues half way through the project. Mr. Greene stated to Chairman Sutton that there is a unique concern for precedent. What’s the next applicant going to say? This is unusual for us, we haven’t done it from his understanding, of a 30-year PILOT. However, it does have some other addition in the fact that we require HCR approval and the community support, all the other things and the community is behind it. You can make the argument that is an economic revitalization tool. On top of that, there is this historic tax credit issue that he thinks is attractive in something that should probably go on the record if it hasn’t already, that part of this concern about maintaining this historic building. Mr. Valentine stated the Agency has only one PILOT that we are in to that has an abnormal component. Well, actually there are two, Global Foundries. American Housing Foundation in 1999, it was a PILOT that came out of the Town of Malta, just like you are saying it is a municipal government set up and they set it up for a term of 49 years. We are only involved in it because they needed a conduit for the tax-exempt bond financing. Chairman Sutton stated he thinks we could structure a letter or some kind of Resolution that would protect us as we go forward and housing projects and historic preservation to protect ourselves so that we meet our UTEP definition and that we don’t get into the housing market. He thinks we would have to structure that as we go along. He thinks with the support that we are getting from the Assemblywoman, the State Senator, and individual polling of most of our Board members, he thinks we could set the public hearing. Chairman Sutton asked Mr. Regan what his timetable is in this whole process. Our next meeting would be in December. If we were not to do the public hearing, it would be in January. He is still a little bit uncomfortable. He would like to see a little bit more definitive role from the School District and then you have that meeting today. Mr. Regan stated he would ask that you set the public hearing for your December meeting if at all possible. He is slightly worried. You never know how these deals can proceed. We are still in the process of finalizing things with the State though they are very supportive of the application. They want to see the application. Going forward into next years’ fiscal budget year for New York State, he doesn’t know what the legislature and the Governor are going to do with the funding sources. So, he is not willing to put you on an expedited fast track, but he would like to ask if we could have the Public Hearing in December only because they need to have, if they are going to proceed, and we do get your blessing with the PILOT, we need that to apply for the application. He is slightly worried with everything he is reading with the budget and the issues with Medicare costs and there is going to be budget cuts to the State budget going forward in 2020, he knows it is not until June or July when they set that. But he would like to have the pieces locked in for this deal to go in an submit in January so the State can say this is in, we have it in, and they are not going to jump any other projects in front of us because we are not the only valuable project to a sector or region like the Capital Region or to your County. For that purpose alone, he would like to see if we could move it forward. Mr. Vanags is going to meet with the School Board today and if they have any further issues, we will resolve them or we will get their questions answered prior to your public hearing if you were to set it in December. Chairman Sutton stated that is what we would ask you to do. Mr. Regan stated absolutely. Chairman Sutton stated that is what we would ask you to do, talk to the Village, Schuylerville, and also the School District if we could and have that set prior to. Mr. Vanags stated he apologizes for being late. He went to the Town of Saratoga’s meeting two weeks ago and at that meeting was the Town Counsel, Dave Wood and both Mayors, Mayor Carpenter and Mayor Dewey, and he presented questions. We went through the whole thing. The sewer plant operator was there as well and they answered all of our questions. Both Mayors were supportive of the project as is Tom Wood. He doesn’t think at this point that they have any questions. They have to work out all of their arrangements with sewer and that type of thing which they have done with previous agreements. So, he thinks in that regard we are pretty well set. Chairman Sutton thanked Mr. Vanags.

Chairman Sutton then asked that a Public Hearing be set for December in the Village of Victory for December 10th. Ms. DiDomenico stated she had a couple of questions. Ms. DiDomenico questioned Mr. Regan if the project in Broome County, did that brewery ever take off. Mr. Regan stated yes, the brewery is moving in as we speak. It is the Binghamton Brewery. They were seeking an additional ESD funding source from the Regional Council down in the Southern tier to expand their facilities. So it is going well. As you recall, and as he stated at the earlier meeting, they are able to move in at a far discounted rent rate because we built it into the deal so that as they grow, their rent grows. They are currently in there for a 10-year lease with two 5-year options. But, the year 1 lease amounts are about $1.00 or $1.50 a square foot and then as they grow, those increase. If they don’t, the underwriting to our overall deal in Victory builds a similar structure than what we did down in Johnson City in Broome County. So, it is a win win for everybody and that is why that works well. Ms. DiDomenico stated that her next question would probably be for Mr. Valentine or Chairman Sutton, if we had the same thing built in here in our Agreement, what happens if this brewery doesn’t take off? What happens if we don’t have a commercial space on that first floor, we have the clawback provision. What ends up happening then? Do we want to put a timeframe within our PILOT Agreement that says you have to have this commercial area developed within so many years? Mr. Greene questioned do you need commercial space for this? Ms. DiDomenico stated that is what they presented to us as part of their application, the jobs that they are creating. Chairman Sutton asked Mr. Regan to refresh his memory about the square footage of the commercial. Mr. Regan stated 6,000 square feet. They came to us and they said they needed more. We could scratch out a couple more square feet but not much more. That doesn’t take into account the outside areas they would be using for the patios and building a large deck on the rear that looks out over the brook. So, it is 6,000 square feet, it’s built in right now at he believes $1.00 a foot in the budgets. Ms. DiDomenico stated that she is just concerned that, not so much for us, but for you, if the commercial phase doesn’t make out, we have the clawback provision that says this is what your application was approved for. Mr. Regan stated that would be a problem for the financing. If you could not put that in that would be beneficial because he does not know how the State funds with that. Ms. DiDomenco stated she didn’t think that we could eliminate it. Mr. Regan stated he doesn’t think it is in the other PILOT’s that they have. Mr. Toohey stated what you are suggesting is that the commercial space not be a requirement for this project? Mr. Regan replied no, he thinks it should be a requirement, but he thinks if there is a way to avoid the lapsing of the PILOT if the commercial space goes into a vacancy. Mr. Toohey stated but that is part of the application. Mr. Regan stated right. Mr. Vanags stated it is the jobs. If they don’t have a brewery, they could have a knick knack shop, whatever. It’s the jobs that you are concerned with, right? Ms. DiDomenco stated as you know our applications are always based upon what you are creating for jobs. So, you’ve got a mixed use here which is an exception to our UTEP, so based upon past projects, the applicant tells us this is what you are creating for jobs. Mr. Valentine monitors all of that. As Mr. Valentine is monitoring it, he is asking these people what are you doing here, did you meet your goals. And, if you don’t, that triggers that clawback. She is just throwing that out there for discussion because she doesn’t want to set you up for failure. Mr. Regan stated right, he is not particularly concerned. He thinks that Ms. Schneider has been very active in locating a number of breweries. In fact, he was just with her 3 days ago and there is a local brewery and maybe Mr. Vanags could fill everyone in on that. Mr. Vanags stated there are at least 6 breweries. Mr. Regan stated there is one right in Schuylerville that may want to expand their operations. Mr. Vanags stated right, they have a smaller operation that they are building in Schuylerville at the old coffee shop near the bridge and they are looking very closely at this space as an expansion location. Mr. Greene stated the reason that we are looking at this project and the jobs component was not the issue here. The economic stimulus that came and the historic attractiveness, all of those things together for that particular community, the theory was that this was going to spark some type of economic benefit. He understands what Ms. DiDomenico is saying, but maybe that is part of the weakness here. He thinks that the Johnson City project probably did not have a clawback provision. And most of the times that IDA’s have approved these projects around the State, to his knowledge, don’t have that. He believes the application included that, but this is not a bad discussion right now because he doesn’t know what we do about that. Mr. Mooney questioned if the clawback was a law? Mr.Valentine stated recapture is. Mr. Greene stated he thinks that again that a number of projects have been approved with 30-year PILOTS, even longer. The idea being that we haven’t embraced yet or even talked about until now is it is an economic stimulus for that particular community. Ms. DiDomenico agreed. Mr. Greene further stated that we are not going to really be concerned about job creation for that particular space, it is going to be job creation through the people being able to reside in a community with affordable housing. That is why we are looking at it he thinks. It’s not those couple of jobs in the brewery or whatever it is going to be he doesn’t think. Chairman Sutton stated we have had projects where we have looked at ancillary businesses that will be springing up because of the PILOT that moved forward. Ms. DiDomenico stated she just wanted to put it out there for discussion because if this gets approved, she doesn’t want them set up for failure. Mr. Regan stated that is why we are underwriting it at $1.00 a foot. So, failure is not going to happen from the physical underwriting of the project. Failure will be us not successfully finding a brew pub or a brewery to occupy that space. The $6,000 a year that space is going to bring in will not fail the project on a physical basis. The Board members agreed. Mr. Regan continued that is why we are setting it up like this so that we are ok. That is not to say that we are not going to want that. That is a critical component of this application. That is a critical component of the success of the overall project that goes along with the historic adaptive reuse and the creation of workforce housing that is going to be a synergy for the community. They all fit together and they are all positive pieces to the puzzle. That being said, he thinks we are in good hands with finding an interested brewery that basically we are giving the space away to for the first 10 years. He thinks it will be ok that we will not be set up for failure. Mr. Lewis stated his apologies, but he has to leave but he just wanted to piggyback on what Mr. Greene said. He won’t be at the December meeting so he wanted to make known his thoughts about this. He loves the project, he in favor of it. He is very skeptical whether that is going to work out for the project long-term (the brewery). His sense of real estate and the markets, he hopes it happens, he hopes you keep the rent low because that will help them, but he would not be at all surprised to see that at some point, it goes away based on that market. But, again, the way he is looking at it is it is an economic development. You have something there which is likely never going to be fixed. The taxes go from $11,000 up to $136,000. Chairman Sutton stated $157,000 first year. Mr. Lewis continued and all the fact, and Mr. Greene brought up, all the municipalities aren’t for it and it all goes away, but he thinks you have a failsafe thing there. But, if I was the applicant, I would not want to have a clawback in there knowing how risky it is. They may be fine and they may there 30 years. He is sorry but he has to excuse himself now. Chairman Sutton thanked Mr. Lewis. Mr. Duffy stated you had framed this project as an historic adaptive reuse and he thinks that is a good way to frame it because it almost protects against some of the stuff that you are bringing up here. He thinks if that did go away, the fact that there is a couple of hundred people now in Town living there and spending their money, it is a benefit to the area. Ms. DiDomenico agreed. Mr. Greene questioned Mr. Duffy if that is how it is measured? The State comes in and says well they haven’t produced what we thing they should have produced. They said they are going to maintain those jobs but with that historic component? Mr. Duffy stated he would defer to Mr. Toohey. Mr. Toohey stated every project we have ever had in which the applicant has suggested that a number of jobs are going to be created, that created a clawback. We didn’t suggest it and that they commercial component on this. If this project was good to be designed merely on the historic preservation and recreation of space, then that is what the application should have been. But we’ve got an application before us that says there is going to be jobs created and there has been a lot of conversation about no matter if they are limited, but there are jobs. So, he doesn’t know how we have that in the application and that having a component of the approvals. So, take it out of the application. Mr. Vanags stated first of all, the Capital Regional Planning District has the capability of doing economic impact analysis. So, he has asked them based on the numbers that Mr. Regan has given him to do that. That will show the economic impact of this project in terms of number of induced and indirect jobs that the project in itself will create in the community and the region. You will get to see, and he will have that before the public hearing, you will get to see what impact this overall project has above and beyond its stated jobs. Number two, to your point Mr. Toohey, is he leaves any blanks on that application, Mr. Valentine will be after him. He always makes sure he fills in the jobs. There is no box to check in that application that says this is a project that doesn’t include jobs. We have to fill that out. Mr. Toohey stated and you did. Mr. Vanags replied and they did. Chairman Sutton questioned Mr. Regan when he would have a commitment from the brewery to occupy the space. Mr. Regan stated sometimes it takes a while. It is during the course of the construction. They want to see the space. What you need to understand is even if the brew pub part doesn’t take off, the brewery part, just for the fact that it is such a low amount of rent, there is still jobs being created if they just move brewery tanks and facilities into the space. So, yes, is it possible that over time there may be an issue? He is hoping not. But, for the brew pub, yes. For the brewery, if we can create a usable accessible space that is easily used by the brewery to have their brewing operations alone there, it won’t be the same amount of waitresses and bus staff, but it will still be jobs that will be there and that is how we are underwriting this as well. There is a fallback within the fallback. Ms. DiDomenico questioned Mr. Regan if he was required under these other Stated grants and credits that you have applied for to show that you are going to create jobs? Mr. Regan stated no. Ms. DiDomenico stated so this is all a part of what you have presented to us then? Mr. Regan stated right. If we were running for ESD funds, yes you have to show that. And we did get ESD funds in our Broome County deal. Ms. DiDomenico stated ok. Mr. Regan further discussed even the ESD doesn’t have a clawback, but that is not the PILOT, it is the funding. Ms. DiDomenico stated let me ask you two more questions. If the brew put didn’t come in, you’ve got 6,000 square feet for commercial, you could break that up and rent it out to somebody else for commercial use. Mr. Regan agreed. It you wouldn’t have the number of jobs that a brew pub has because we included wait staff and that, but it is still very leasable space, very accessible to the rear parking lot right around the side. We worked with Pat Dewey and the Village to create this vision and to create a somewhat of a destination in the rear of the building because it is a pool area and that is why we are doing the brew pub. If the brew pub fell back, we are going to find someone to lease that space. It is a pretty cool space and it is all above grade and it has windows, the same windows that are in the building are in the rear. Very light and airy even though it is in the ground floor and faces out. We are going to find someone for it. Ms. DiDomenico questioned if you didn’t use it for commercial, could you create apartments in there? Mr. Regan answered yes but not after the die is cast with the funding. So, no. Ms. DiDomenico questioned then if you were going to make a change you would have to do it now then, correct? Mr. Regan responded yes. Chairman Sutton questioned if they are capped at the 186 units? Mr. Regan answered at this point we are pretty much capped. We have made commitments to the Mayor and to the Village that we want to create this space. We feel that we can successfully do that. Even if it is just a brewery. The brew pub is the vision. There will still be jobs created. The jobs won’t be the amount of jobs if it was a brew pub. Mr. Toohey questioned Mr. Regan if he could designate it as commercial space? Mr. Regan stated of course, absolutely. Mr. Toohey questioned further if he could designate the commercial space to have a certain number of jobs no matter what the commercial space is? Mr. Regan stated yes, with the consent of this Board, we can amend. We put in the amount of jobs based on Ms. Schneider’s knowledge of the industry. But, if we can reduce those amounts of jobs on the application now before you vote to make it more realistic, he understands where you are going and he respects that. You have a mandate. Ms. DiDomenico stated right. That is why she is raising the question. She doesn’t want to see him fail. Mr. Regan stated if we could reduce the amount of the jobs on the application now, it would make it more comfortable that even if we created an office space for an architect or whatever. It is going to lease. At $1.00 a foot, it’s going to lease. The Board members questioned what was the target jobs now. Ms. DiDomenico stated she thought it was 10. Mr. Regan stated we were aggressive because we thought if we put it in as a brewpub with a fair amount of waitstaff and bus staff, but if were just to do it as office space or as warehouse space, we could reduce the number of jobs with your blessing and make it more realistic that the targets could easily be hit. Mr. Valentine stated the one thing for you and for the Agency, the one concern that he would have, you have offered to now modify application again before the public hearing. It would work, because of the fact that later on, we have a public hearing, we have press, and press always puts how many jobs, what kind of jobs, and as you eluded to, these are the things that we check in the reporting later on. Now remember, we had clawback on two companies before. We had that. That makes it into those State bodies that they know what the IDA’s do. His concern was our 2015 audit was on our loan and grant program and they were there for 9 months going through that whole thing. But they reached out to every other component. They didn’t stick with the loans and grants. It was jobs and it was PILOT amounts. So that State that you are talking about is also the State that we are concerned with. Mr. Greene stated maybe we could modify that application with regard to the target number of employees. Because then you are really comfortable and we are still satisfied he thinks because our major objective is the economic development and historic component of this. It’s not the brew pub, he thinks, it is nice. What is driving it is the other stuff. Mr. Toohey questioned Mr. Regan is the Town has bought into this being a brew pub. Mr. Regan answered absolutely. Mr. Toohey further questioned if they will modify so that any commercial space will work with them. Mr. Regan stated he thinks they just wanted to make a go of this. He thinks they will easily find a brewery brew pub to open up in this space. He thinks the caution of Mr. Lewis, agreed, because he always thinks what could happen. So, we are building that in. Financially we built that in because the rent is low. But he thinks the Mayor is looking to create exactly what everybody is talking about which is that its holistic. It is historic adaptive reuse. It is bringing workforce housing. It is revitalizing a community that will get new younger people in there to shop in Schuylerville. Everybody is ok. Everybody is really ok. He thinks that the answer is yes, would the Mayor be disappointed? Yes. He would be disappointed because this is the vision that we all came up with together. At this point, he thinks they could go to them and say worst case yes, we will have a different use whether it is office space or something, he thinks they would be fine. Mr. Toohey stated that would be good. Chairman Sutton stated then why don’t we look at a modification of that job creation and go conservative if you could come back with some numbers. Mr. Vanags questioned what is acceptable. Chairman Sutton stated you would have to come up with that. Mr. Valentine stated you could possibly look up the past application with Uri Kaufman, he doesn’t know what he had for those employment numbers. Mr. Valentine stated we should probably schedule the public hearing for 8:30 and do the amended application prior to that. Chairman Sutton asked how many days Mr. Carminucci would need for notice of public hearing? Mr. Valentine stated 10 days. He may use 14 to go backwards and post. Mr. Toohey stated they can get their application modified and get it to Mr. Valentine and tell Mr. Carminucci to do a public hearing notice for the December 10th meeting. Chairman Sutton asked if there were any other questions on the application. The application for jobs will be amended and returned to Mr. Valentine ASAP. We will then hold a public hearing on December 10, 2019. We will do the amended application at 8:00 at a regular meeting and then hold the public hearing at 8:30.

Chairman Sutton asked for a motion to set a public hearing for Tuesday, December 10, 2019 in the Village of Victory Mills at 8:30 a.m. Mr. Mooney moved to act upon the motion as presented. Mr. Wintsch seconded the motion.

**RESOLUTION #1445**

RESOLVED, THAT the Saratoga County IDA accept the motion to set a public hearing for Tuesday, December 10, 2019 in the Village of Victory Mills at 8:30 a.m.

The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 5-0.

**Discussion: Luther Forest Land Acquisition:**

Chairman Sutton stated the next agenda item is the discussion of the Luther Forest land acquisition and status of the survey, infrastructure installation. Mr. Toohey stated there is a whole bunch of stuff going on. One of the things that the Agency asked for at the last meeting was the financials for Luther Forest as to whether or not you were going to expand or allow an extension of the time period for them to pay us back the money. He got that information on Friday afternoon at 5:00 and he has given a copy of it to Mr. Many so he can report on that at the meeting on the 10th. He has had a meeting with the architects at CT Male to answer his questions with regard to the subject property. He is having meetings with Charlie Dumas who is actually Mr. Carminucci’s partner, but also has the most encyclopedic knowledge of the land uses out there than anybody in the Capital District with regard to the land use. He has not, because he did not think it was his charge, gotten anything with regard to CT Male on the $2,500 that was allocated to them to make sure that the infrastructure was put in. Mr. Duffy stated he can speak to that. He did speak to two people at CT Male and the guy in charge Chad, and he said that they were already engaged with the IDA. He thought that Mr. Toohey might have been a part of that. So, he hasn’t gone further than that with him because he stopped knowing that this meeting was in a week. But he will re-engage with him and the $2,500 cap has already been established. He will keep everyone posted at the next meeting for that. Mr. Toohey stated that is it on that. His understanding and Chairman Sutton may have better information on this, is that there is some concern with regard to the timing for infrastructure improvements, especially utilities that may not have that work completed until 2020. In a discussion as to whether or not we want to have a closing and hold money back in relation to that, his recommendation is never to hold money back. The deal that we have been very patient with is infrastructure, it is in place. Land use, we know what the land use is. His recommendation is that we get this thing closed when in fact all of the infrastructure is on the boundary. Chairman Sutton stated he would agree. Along with that, he has had informal discussions with Tom Roohan and indicating, and he was asking him, where he thought the infrastructure was. He indicated that because of the weather and the related weather problems that we have had in the area, the high winds and everything, that National Grid is putting us on the back burner because they have had too many other issues to take care of. Because this is a site that has no specific end result for it, it is just a spec line, it gets put on the back burner. Tom felt that he was not optimistic that it would close prior to the end of this year. So, we go into another year. He thinks that we have to accept that. He agrees totally with Mr. Toohey. He doesn’t think we should close on anything until we know exactly what the infrastructure looks like and it is in place and make the deal basically relying on all of the infrastructure to be in place before we spend our money. Chairman Sutton then asked if there were any other thoughts or questions on this. The Board agreed with Chairman Sutton. Chairman Sutton stated we will then continue on and hope that we can get this closed sooner than later.

**CFO – Financial Report: (Statements as of 10/31/19):**

Chairman Sutton asked Mr. Many to discuss the next agenda item of financial report. Mr. Many stated the first line on the balance sheet, the Ballston Spa CD, he just updated that for the interest that we received since it started back in June. That is up to $252,000.00. Our CD with Saratoga National Bank has been rolled into the operating account, that was $500,000, along with the Global Foundries wire is why that balance is $11,000,600. Our cash balance, at least temporarily, is obviously very high but that will go down once we pay out our PILOT payments. We do have a receivable with SEDC. Mr. Brobston has received the bill and he is sure they will take care of it pretty quickly. All of our other assets are unchanged throughout the year. The only payables we have had were Mr. Toohey, Mr. Duffy and his service bills, along with a fee for publishing the opportunity to review the budget in the Saratogian. We have collected most of our PILOT payments, and he will let Mr. Valentine go into detail on this. By the end of October, what we have not paid out approximately $10,000,000 that we had taken in by the end of the month. So that is showing as an obligation that we’ve subsequently written most of those checks. That is pretty much it for the P&L. We have a surplus at this time actually. It was a very quiet month in terms of activity. He recorded the administrative fee from the error back in 2017. In the month of October, we paid out a few bills. The year-to-date, revenue wise we are very similar to last year. We’ve got a little less than expenses. We didn’t have to share the extra administrative fee. We have got a surplus right now of $13,000. We are going to have another closing before the end of the year. That is all for the budget. Mr. Many asked if there were any questions. Ms. DiDomenico questioned if we were going to roll over or take some money out and put it back into another CD? Mr. Many stated he does have that report as well. The Saratoga National Bank CD matured. They rolled it into our operating checking account. He got quotes from five different banks. The high bid was from Saratoga National at 1.6%, so it is a little bit of a drop, but Adirondack Trust did .2% because they don’t really look for this kind of opportunity. NBT Bank came in, and this is the first time that they have bid since he has been brought into this and they bid 1.55% so it was really close. Ballston Spa bid 1.25% and he did not hear from Key Bank. They actually secured Ballston Spa’s CD. But they want us to go to set up a brokerage account. Berkshire Bank, he doesn’t have a contact anymore because they basically have a kiosk down somewhere down in Malta that you look into a screen, so he didn’t request a proposal. He guesses the rate is still Saratoga National at 1.6%.

Chairman Sutton then asked for a motion to renew the CD which matured with Saratoga National Bank & Trust Company at a rate of 1.6%. Ms. DiDomenico moved to act upon the motion as presented. Mr. Mooney seconded the motion.

**RESOLUTION #1446**

RESOLVED, THAT the Saratoga County IDA accept the motion to renew the matured CD in the amount of $500,000.00 with Saratoga National Bank & Trust Company at a rate of 1.6% for a period of one year.

The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 5-0.

Mr. Many stated the next item is the 2020 Operating Budget. The 2020 budget was presented last month at the meeting and a notice was published for public review. There has not been any feedback from anyone. Actually, there are two budgets. One is the one he provides to you and then there is another system that is on the PARIS Reporting. There is only like three-line items that he fills out, revenues, outside services, and capital expenditures. He was wondering how this Luther Forest was going to shake out. We budgeted for 2019 that we were going to close. We didn’t, that’s okay. He did not budget for the closing this year either because he was not sure and obviously it is in the next year’s budget. Mr. Toohey questioned Mr. Many if he needed an analysis of what this is going to cost. Mr. Many stated he thought he had budgeted $1.7 million from you. Mr. Toohey stated that is what the number is. Mr. Many stated he has already gotten that number previously. Mr. Mooney stated the budget is going to be the same, just the categories are going to be different, correct? Mr. Many stated yes. There are very few categories in PARIS. He will send a copy of that one so everyone can see it. Then we have the Quickbooks one too.

Chairman Sutton then asked for a motion to approve the 2020 Operating Budget as presented. Mr. Mooney moved to act upon the motion as presented. Mr. Wintsch seconded the motion.

**RESOLUTION #1447**

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the 2020 Operating Budget as presented.

The results of the roll call vote were as follows:

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

NOES: 0

ADOPTED: 5-0.

Ms. DiDomenico was excused from the meeting.

**2019/2020 PILOT Payments for School Taxes:**

Chairman Sutton asked Mr. Valentine to discuss the status of 2019/2020 Pilot Payments for School Taxes. Mr. Valentine asked if everyone had the two charts that were in the email. One was for Global Foundries Distribution and one was for just going through the different school districts. Global has a formula. Their payments are decreased from $13,000,000 to $11,000,000 to $10,000,000 and then to $9,000,000 this year and that is the way it is set up in their PILOT. We get to the point now where you see all the entities that are in here as far as the taxing jurisdictions. We have five of them. The Town of Malta, within the Malta component we also have Ballston Spa School District and then we have Saratoga County. Then we have the Town of Stillwater and Stillwater School District. The County of Saratoga and the PILOT formula was made whole as 100%. Everything that remains extra, if you break it into the Stillwater side and the Malta side, there was a formula base and said 75% of the taxes go to those that make up the Malta components being the Town and the School and then 25% goes to Stillwater, being the Town of Stillwater and the School District. There is no property in the Town of Stillwater. It was done as an agreement between all parties at that time with Malta saying they would experience costs involved with the Global Foundries PILOT. As you go through, this is just breaking down, if you look under A. where it says Malta and then you have number 3 and 4 carrying the decimal points all the way out only because you are dealing with a big number of dollar amount and it just comes out there. He had actually had about four years ago one of the school districts come back with a multiplication type thing, carrying it out. They only carried it out like three or four and they wanted to know what the difference was or why. He just showed them. You will see that this each year will be decreasing until we hit, and he doesn’t remember what year of the 49 it is, but there is sort of a break-even point there. That is Global. The other chart just shows the School Districts that are involved with the PILOT program and we had 20 different companies billed. Then if you note on here two things, under UPH, that project has no PILOT payment in its 10-year abatement period. There is no PILOT. It went from a tax-exempt entity, then taxable so their tax credits, and then it is at this tax exempt with us again but there is no PILOT figured in there. If you look under ACE Hardware in the South Glens Falls School District, it says zero paid. They don’t pay it for the first 5 years. The original project was 1.2 million square feet and then the second part came in at 400,000 square foot addition. What happened was we set up with Jim and then with the Assessor that that addition was built on a separate tax parcel. The land underneath there, that PILOT abatement period and the initial building period, they are paying their full taxes now. The addition, for the first 5 years there is no tax due on that. In year 5 they will pick up 20% of that building improvement, next year 40% and then 60%. So, you just see the notes on the bottom of that sheet just telling total amount of school taxes and how many companies and how many school districts and those two companies that didn’t have a PILOT payment due. One thing to note on here is the one we have talked about and this all he has to mention about the status of projects is about Finch Paper. We have talked about them before. It used to be Finch Paper, it was Finch Waste Company and then they were in an acquisition agreement through Waste Management. Their PIILOT abatement period had ended yet they did not transfer title to us. Then it wound up that the School District itself issued a bill to the Company because the Assessor in the Town of Northumberland put the project back on the tax roll, which unilaterally, he can do that. He did not know that and he was ready to send the bill and luckily his bill was the same amount as what the School District issued. They are off now. Finch is gone. Mr. Carminucci eluded to that the Company may come back to the IDA for something else to go on on the property. That is it for PILOT’s and the Status of projects with Finch as just mentioned. Then, the closing date that was scheduled for Three Freight Guys was scheduled for October 20 something but it was closed last week and he has forgotten the date in November.

**New State Legislation re IDA’s (live streaming of meetings; notices, website):**

Chairman Sutton asked Mr. Duffy to discuss this agenda item. Mr. Duffy stated he went through the Grammercy Communications through New York State EDC and put together a guidance of how to put on public meetings and live stream. What we had to do was create a Google account on behalf of the entity, the IDA. We don’t need to have a phone in order to do this. We can, for about $250 or $300 you can get a microphone and a camera and you set it up as best you can to get a view of the Board. The microphone will probably be in front of Chairman Sutton wherever he is sitting. There is an option to live stream and receive comments live as well. They are suggesting that you might want to think about that. There is also another theory let’s not do that and let’s take a five day look at comments that come in. The law of 5 and 5. You have 5 days to put it on your website and you have to carry that for 5 years. So, the YouTube Channel, when you have a YouTube Channel you can archive for free. It doesn’t cost any money to do this other than the equipment. But it does get pretty detailed on how you want it to show up. There will be a link on our website. It will say IDA meetings, it will say today’s date, the 12th, and if we want to live stream, somebody will be able to click on that at 8:00 in the morning and now they are live watching it. If we go for the 5-day delay, which you are allowed to do that, we could potentially, I don’t know if we would edit or anything like that. Anyway, we don’t have to live stream technically. We have 5 days to put it on the website. Mr. Mooney questioned are those public comments included in the record of the meetings. Mr. Duffy stated no they are not. Reading the legislation, he is not so sure about the comments to be honest with you. Mr. Wintsch stated he doesn’t think it is a good idea to have live stream and answer comments as they come in. That is a bad plan. Mr. Duffy stated no, that is not the idea. The comments, they would show up on your YouTube Channel and float up or whatever they do. It is a slippery slope in his opinion. There are a bunch of things you can do from a Marketing perspective. You can have background pictures of the Town Hall or wherever you are. There is a lot to set this up. He has taken a look at it. Like he said, equipment wise, you can go from anywhere from $300 to $5,000. Mr. Wintsch stated it sounds like there is a big spectrum of choice in some ways, right? Mr. Duffy stated right. Chairman Sutton asked if there was a grace period that this has to be in. Mr. Duffy stated there is a grace period. They are telling everybody to try to get it done, you don’t want to be the one with the bullseye on your back. What he would like to do is get involved in this but on the back end of this thing, he is probably going to need Ms. Schneider’s help in order to tie it into our website. He doesn’t have access to all of that so he will have to work with her to do it. That is where that stands. Mr. Toohey questioned if she could help with the camera and everything else because he thinks that is more complicated than just a little bit for the simple reason that we do it in Ballston Spa, all of a sudden in the middle of snow storm you’ve got to send a camera to the Town of Waterford. Mr. Duffy stated that would be his advice. Mr. Toohey stated he has seen streaming live become disastrous. Mr. Wintsch stated he has too. It can go on forever. Mr. Duffy also stated that he would not recommend the comment part of this thing. There is a box to check when you go through and set up this channel. There are options there. Mr. Duffy stated our meetings are open and transparent. They can look at any records they want. Mr. Duffy stated that is where that stands. Chairman Sutton asked Mr. Duffy to keep the Board posted. Mr. Duffy stated the only other thing he would like to mention is that we did get a response back from the Comptroller’s Office to the submission for the 2018 IDA Report that we do for PARIS and the ABO. There were 12 questions. She okayed 6 of our responses and she had a rebuttal if you will on 6 others. So, Mr. Valentine and Mr. Many and he have to sit down again and go through with it. We are talking about some ticky tacky stuff to be honest with you. He doesn’t think it is going to be too arduous to go through it, but it does just take time and he thinks they will have to amend their report whether its verbiage or breaking out the 7% from 3 to 4 and County and Town taxes in some instances. That is where that stands just to let you know. Chairman Sutton asked if this was constructive enough so that when you do the next PARIS Report that you avoid those types of things. Mr. Duffy stated yes. Chairman Sutton questioned if that could be done on a timely basis. Mr. Duffy stated yes, he just got the response from her a couple of days ago and he has actually forwarded it to you and Mr. Valentine and Mr. Many because we are going to sit down to discuss it.

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

Chairman Sutton asked Mr. Brobston to speak regarding the next agenda items for Project Updates. Mr. Brobston stated at this point we have two large clients that are looking at Luther Forest for a manufacturing facility. They are not technology companies. They are not semi-conductor companies. But they are manufacturers of simple food related product, one of which is more of a casing, not the container and not the product itself. The other one that is looking at Luther Forest is one that we have offered a couple sites. One is in development area 5 and also the 20 acre plot that the IDA has agreed to purchase sometime in the future. They are looking at about 20 acres. So, they wanted two options. By far, the IDA will be more of the rejected one that they would use because it will have a structure. They don’t need a lot of sewer, but sewer would be very helpful for them. We are looking at those. We are actually supposed to get a site visit last week but somebody fell down and broke their ankle. That was the end of that trip. We are hoping to get them in here right after Thanksgiving. If they are going to site at that time, we may also need a brief meeting with the Chair and CEO of the Company. But we are waiting to hear back from them of when they will be here. Two other projects that we are continuing to work on are for the Grande Industrial Park. One is an expansion of an existing company there and the other is a new 35,000 square foot facility that could be a small manufacturer that is looking to grow. They are already in New York State but they are looking to be over this way because of a client that they have. Other than that, those are projects that we are working on. One thing he would like to do is if we could get a date for a sub-committee for the Moreau rail discussion with Supervisor Kusnierz. He knows that Mr. Johnson is not here to figure that out so if there is a way that we could do that. He would say at this point, with the schedules that they are and holidays as it is, we could do it after Thanksgiving, maybe the week after. That would be great. But, if we could do it before that would be fine but he just doesn’t know what everybody’s schedule is. Mr. Toohey questioned Mr. Brobston if he knew the status of approaching the Towns with regard to broadening the uses that are allowed within that zone. Mr. Brobston stated he does. At this point, MRFA is working towards that goal of expanding the PDD usages. There are still warehouses that are looking. MRFA and the Town are working towards that goal. Matt Jones is handling the legislation changes and they are going through the process at this point. Mr. Toohey stated that he and Chairman Sutton were at a meeting the other day, Specialty Silicone. They are thinking of expanding. Mr. Brobston stated he heard that and they asked for an application. Mr. Toohey stated he happened to be sitting next to the CEO and he is very happy with the IDA and what we’ve done and he is thinking of expanding. Mr. Brobston stated they sent him an application last month and he said he would get back to him when he was ready. Mr. Toohey stated he was pretty enthusiastic and we just happened to be sitting next to each other in a meeting. Mr. Brobston stated that Paul requested that about a month ago. One of his questions was that his thought process was if the Town was going to go forward with what they wanted to do, he remembered the big opportunities of if you are not ready through the Planning Board what does that mean and things of that nature. He has asked him to get that under wraps. Chairman Sutton stated to Mr. Brobston that earlier in the Fall he and Mr. Toohey met with the Commissioner Madigan about Quad Graphics. Where is that standing. Mr. Brobston stated we are awaiting a meeting with the School District. The elected officials of the City Council met with the client and they suggested another meeting with the School Board and the School Superintendent which we are waiting for a confirmation of when that will be. It should be soon. They want a certain number, the School District does, and they are going through tertiary process and they are far apart but we are trying to get that worked out. Chairman Sutton asked if the Saratoga Plan still in the running for this new project. Mr. Brobston stated yes absolutely. Chairman Sutton asked if they were high on the list, middle on the list or don’t you know? Mr. Brobston stated high on the list. He thinks this is the last issue we’ve got to deal with and there has been some very good support shown through Empire State Development, National Grid, towards the process. But this tax issue is really big. They’ve been fighting this for a while. They are actually in their second tertiary now. The City Council has been very supportive. Three members are. Mr. Valentine questioned if this was an IDA project you are talking about? Mr. Brobston stated it could be. To be possibly. It has been hush, hush and a lot of people that have been involved and the Company had really asked us to be very quiet about it which we’ve done. But we are working towards that. Chairman Sutton thanked Mr. Brobston.

Chairman Sutton asked if there was any further business to discuss before the Board. Mr. Valentine stated he is just passing out a summary of our insurance certificates. He did not pass it out earlier. It just tells the status of the updates on the current projects and their insurance certificate date.

Chairman Sutton asked for a motion to go into Executive Session at this time. The motion was made by Mr. Greene and it was seconded by Mr. Wintsch. All were in favor and the meeting was adjourned to Executive Session.

Chairman Sutton asked for a motion to go back into the regular session of the IDA meeting. The motion was made by Mr. Mooney and it was seconded by Mr. Greene. All were in favor and the meeting was reconvened to regular session.

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. Wintsch, with all voting in favor.

Respectfully submitted,

Lori A. Eddy