**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**

**Halfmoon Town Hall, Halfmoon, NY**

 **November 16, 2021 – 8:30 a.m.**

**PRESENT**: Members: Chairman Rod Sutton, Andrea DiDomenico, Phil Klein, Mike Mooney, Kevin Tollisen.

**STAFF & GUESTS**: Scott Duffy, CEO; Jeff Many, CFO; Michael Valentine, Administrator; James Carminucci, Counsel to the Agency; Dennis Brobston, SEDC (by phone); Frank Nigro, The Summit at Halfmoon, LLC; and Lori Eddy.

**ABSENT**: Walt Wintsch; Tom Lewis.

Chairman Sutton called the meeting to order at 8:40 a.m.

**Approval of meeting minutes: October 19, 2021:**

Chairman Sutton stated the first item on the agenda is the approval of the minutes of the October 19, 2021 meeting. Chairman Sutton asked if there were any additions or changes to the minutes of October 19, 2021. Ms. DiDomenico made a motion to approve the minutes of October 19, 2021 as presented. The motion was seconded by Mr. Klein. As there was no further discussion, all were in favor and the minutes were approved.

**The Summit at Halfmoon, LLC: Final Resolution:**

Chairman Sutton stated the application for The Summit at Halfmoon, LLC, as you know the project as stated is a 22 plus million-dollar project in the Town of Halfmoon. The request by the applicant is to look for $490,000 in sales tax exemption and recording fees of $166,500. There is not a PILOT included in this application. Chairman Sutton asked if any of the Board members had questions in regard to the applicant as stated and if not, if Mr. Brobston also had any other comments on the project. Mr. Brobston stated he had no other comments. Chairman Sutton asked if any of the Board members had any questions or comments at this time. Mr. Valentine stated he had a question for Mr. Carminucci. We went through this one before with Perry Road, when do we come out as far as from closing and when do we come out of title to this property. Mr. Carminucci stated what we did on that project was when construction was completed and the sales tax exemption was over. Mr. Valentine stated he just wanted to make sure before. Mr. Carminucci stated it sounds like about two years. Mr. Valentine stated okay.

Chairman Sutton then asked for a motion to approve the Final Resolution. Mr. Mooney made a motion to approve the Final Resolution. The motion was seconded by Mr. Tollisen. Chairman Sutton asked if there was any further discussion. There was no further discussion.

**RESOLUTION #1500**

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Final Resolution for The Summit at Halfmoon, LLC as presented and discussed be acted upon. The results of the roll call vote were as follows:

AYES: Mr. Klein, Ms. DiDomenico, Mr. Mooney, Mr. Tollisen and Chairman Sutton.

NOES: None

ADOPTED: 5-0

**CEO Report:**

Chairman Sutton stated the next agenda item is the CEO Report. Mr. Duffy stated the only thing he has to cover is what we discussed at last month’s meeting. We have entered into a hosting agreement and a marketing agreement with Overit which we signed and had them sign. Going forward we now control our website and any technical assistance we might need, one thing that we did to the contract that was presented last month was we took out the automatic ten hours and we are just going to go per hour if we need it. They were willing to change the contract so they changed it and I have the signatures on the contract. Mr. Valentine stated to Mr. Duffy that he just wants to go over at some point what we do with Don when we pull him out and things of that nature. Mr. Duffy stated as soon as she points the website away. We will have to get with her on that. Chairman Sutton asked if there were any questions for Mr. Duffy. There were no further questions.

**CFO Report:**

Chairman Sutton stated the next agenda item is the CFO Report. Mr. Many stated with respect to the 2022 Budget, he posted that on PARIS so it is available. With respect to our general financial reports, it was a very routine month. Operationally, through October we are at a break even, the only thing causing a deficit, if you will, is our grant program and wrapping up the Luther Forest property investment situation. The other item he wanted to mention is we have a certificate of deposit which is up for renewal and the interest rate is .2% which on an annual basis is $500.00. That was the high one. We could even go six months and see where we are at in six months at that rate. Mr. Many asked if there any thoughts on this. Should he go with that and go for a year for the $500. The one other thing is Luther Forest did pay the interest on the loan that they have with us. Mr. Valentine deposited that at the bank recently this month. Mr. Carminucci stated we are expecting a closing with Quad within a week or so and that fee will be coming in. He does not remember what that is. Mr. Valentine stated he remembers it being a substantial fee. Mr. Many stated we should have a pretty nice operational surplus this year. Chairman Sutton asked if there were any questions for Mr. Many. There were no further questions.

**Administrator Report: 2021-2022 PILOT Payments**

Chairman Sutton asked Mr. Valentine to discuss the next agenda item for Administrator Report: 2021-2022 PILOT Payments. Mr. Valentine stated the months financials are pretty standard and normal and this round of PILOT’s calculations and mailings and distributions were pretty standard over a two-month process. He gave copies of two different charts. One is the Global Foundries and their PILOT and there is a copy of their bill which was $8.21 million. That has gone down. Our first PILOT bill with Global in 2009 was for half a year and 2010 and thereafter. We started out with bills of $13,000,000 and they have a 49-year PILOT which has appreciated value on the main facility built into that PILOT. So, you will see that we have gone from $13,000,000 to $11,000,000 to $10,000,000. Last year we had $9.1 million and this year $8.1 million. There is a point where it levels off and that main facility stays at a certain value. He is not sure what that year is, we are only a couple of years away from that. Then there is a distribution formula for that $8.0 whatever million and it is in that chart. What he has done with the chart, looking at it, it is on the top half of that chart which shows all the taxing jurisdictions. Saratoga County, out of the five taxing entities, is the only one who stays whole as 100%. Global pays its own tax because they were part of the Empire Zone which has sunset now. Global pays that through the PILOT Agreement and we distribute funds to these jurisdictions. What happened is that with the School Districts and Jim and Kevin representative, another attorney, the formula was put together as a 75% of that amount outside of the full 100% for the County, but distribution of the 75% goes to the Malta facility, being the Town of Malta and the School District and 25% goes to Stillwater even though there is no structure in the Town of Stillwater. That was an Agreement made up because obviously the Town said that they would bear some of the ramifications of construction in Stillwater. That 75/25% split is what you see on the bottom half of that chart. Once you get to the 75%, then you break it down on a pro rata formula based upon tax rates. It is every year I look at this and you can’t believe this but the Town of Malta gets in this one $770. In talking with the Comptroller, they have a formula they figure out within the municipalities as far as what are they going to do with school tax and the revenues given to the school versus what are you going to tax the Town’s residents type of stuff. What is interesting on this one is if you look in the upper chart based upon a normal building in the Town of Malta would receive $1,000. But at this formula they are at $770. On the Stillwater half as he said that is a nice take for a Town that has nothing in it as far as impact to the Town. That chart was also associated with another chart he sent. The breakdown as far as each of the companies listed and then he charted just to show which school district they are in, what Town they are located in. The rest of the information is basically for himself, Mr. Many and Mr. Duffy to use later on as far as what is normal tax versus what is the tax according to their PILOT Agreement and their assessed values and that goes into the reports. The last column on there will give you an indication of the PILOT status and as to what year they are in, if it’s a five year or a ten-year PILOT. That is all he has. Ms. DiDomenico stated thank you, well done. Chairman Sutton thanked Mr. Valentine on the good detail. Chairman Sutton questioned Mr. Valentine on what is the sunset date for the Global Foundries project? Mr. Valentine stated 49-year PILOT and it started in 2009. Chairman Sutton asked if there were any further questions for Mr. Valentine. There was no further discussion

Chairman Sutton asked for a discussion on JV Realty at this time. Mr. Valentine stated this he threw in at the last minute. The Company is looking for an extension. Their sales tax exemption expires December 31st of this year. With Companies dealing with price increases and supply problems as far as construction, they haven’t broken ground yet, they had to get an easement with Niagara Mohawk which put them behind this. It is located in the Town of Milton and a new facility moving out of Ballston. Mike Munter is the GC on the project, Munter Enterprises. Mike and John both have worked with us before as far as letters back and forth for sales tax. They recognize that they were not going to have stuff completed by the end of December this year. Mike advised Jeffrey Shorr, the applicant, to send a request in for an extension and he is looking at some time in July being finished with the foundation and shell but needed time to go beyond that for fit ups and stuff like that on the inside of the facility. He talked with Mike and what he is asking of the Board is if he can get an extension until December 31st of next year, 2022. That is something he would like to put to a vote to agree so we have a record of that if everybody is agreeable with that. He, himself, as far as doing paperwork and stuff on that, he doesn’t see any problems with that. He thinks it is a legitimate concern with what we see with construction projects at this time. All is needed is a simple resolution.

Chairman Sutton then asked for a motion to approve the sales tax exemption request for JV Realty until December 31, 2022 as presented. Ms. DiDomenico made a motion to approve the Resolution for the sales tax exemption for JV Realty until December 31, 2022 as presented. The motion was seconded by Mr. Klein. As there was no further discussion, all were in favor and the Resolution was approved.

Mr. Valentine stated the last order of business he just wanted as we are going towards the end of the year we get going and as generally alluded to earlier, Quad Graphics is closing. It is anticipated next week. He was just looking for Mr. Carminucci and Mr. Brobston to give us an idea of what is out there. We’ve heard before about projects wanting to close before year-end because of the prevailing wage concern. Mr. Brobston stated his understanding is that Quad is working towards this, he thinks Mr. Carminucci got all of the documents to them and Quad is planning on doing that. His understanding was also that Frank Nigro wanted to close by the end of the year as well as the project you approved last month in Halfmoon. Those three he knows. Mr. Carminucci stated he doesn’t believe that Frank Nigro’s project is necessarily going to close before the end of the year. He is not sure that he has his financing committed yet. He reached out to him before he did the resolution twice, only an inducement resolution. PVA, he started the ball rolling on that and he thinks that should get done before the end of the year. The other project was Park Place. He can see that not closing before the end of the year. Mr. Valentine stated and one thing to note on that and Mr. Carminucci alluded to a change was the fact that what you have before you today as Mr. Carminucci stated, is an inducement resolution mainly because the financing wasn’t set and we wind up, okay we have the Board’s resolution but we have different ones and that would be an inducement resolution and a final resolution. We can induce a project, once we know on our end, that SEQR is taken care of. We have everything in. Of course, with project financing it comes under SEQR review. The Town has already taken on SEQR for the project we just heard through the Town Board and also through its Town Planning Board. Resolutions have been passed. We got the information to Mr. Carminucci. We were prepared. But, as Mr. Carminucci noted, the financing was not settled yet. So, again we will have it maybe at the December meeting, we’ll have another resolution for this project. Just to let you know that you are not looking at something and say didn’t we do this last month? That will be before us again. Mr. Carminucci stated the other project that is hanging out there is the transmission line project and he spoke to their in-house attorney and he thinks their expectation is they are looking to close probably by the end of the first quarter of next year. They are still getting their financing lined up and they do need some PSE approvals. Chairman Sutton questioned if that was the Champlain’s attorney? Mr. Carminucci stated yes. Chairman Sutton stated so we have to make some decisions by January or February then. Mr. Carminucci stated right he envisions having some type of final resolution before you next year. Chairman Sutton stated okay. Chairman Sutton stated he thinks some of the discussions that we’ve had about the transmission line, is that we should maybe form a sub-committee to see how the allocations of money should be appropriated on a fair and equitable basis based on the Towns and the Cities and the Villages that are being affected by the mileage that they have. He doesn’t know if anyone wants to head up a committee on something like that we could talk about in the next month or two. Mr. Carminucci stated right. So, as it stands now, you granted preliminary approval for the project, you signed off on what the PILOT revenue would look like. If nothing else happens, they would be redistributed proportionately based upon tax rates and which taxing jurisdiction are affected. It will leave out some Towns that don’t have a Town tax that the line might be passing through. If they don’t have a Town tax, they aren’t going to get any revenue from that. Chairman Sutton stated just to recap it is a 30-year PILOT with about $125,000,000 of revenue coming into the jurisdictions that are affected by this. Mr. Carminucci stated and if a decision was made to try and do any type of reallocation, they would need to get the consent of every affected taxing jurisdiction. It’s not an easy process. Any of those entities could say no. Mr. Valentine stated do we have the Hudson Falls School District in the Town of Moreau. Mr. Carminucci stated he doesn’t remember them being identified. But the other thing he has asked the applicant is to provide a little bit more information in terms of the line and what type of interests are going to be applied, he doesn’t have any of that. Mr. Valentine stated he sent out the mailer of the public hearing, he mailed it to every Town that is on there and mailed to it every school district that is located within that Town just to more or less cover ourselves. We had no comments received from any of them at all. The only comment that has come through his office is the comment from Washington County. They called up and their Chairman of the Board called asking about it. Chairman Sutton stated one of the things that we really need to see before we get into all of this is to get a detailed map of where the line is going in and what affect it has on any one of those Towns, whether it be intersections or just through the rail lines. Mr. Carminucci stated we don’t have any of that. Mr. Duffy stated we do have miles though. We do have taxing jurisdictions. That might be the only fair way. Mr. Mooney stated the distribution by how many miles are in each jurisdiction. Mr. Carminucci stated the other thing is that their power proposal requires that whatever taxes would be due during construction are going to get paid and then this formulated payment does not kick in until construction is completed and that is anticipated to take about three years once they get started. So, in terms of those payments, there is quite a bit of time if somebody made a decision to pursue something different for those taxing jurisdictions. Mr. Klein questioned if there is a quoted end date? Mr. Carminucci questioned for the PILOT? Mr. Klein stated yes. Mr. Carminucci stated it is 30 years after construction is over. Mr. Mooney questioned Mr. Carminucci mechanically, how would we do something like that? Get a proposal and send a resolution to each and try to get them to approve it? Mr. Carminucci stated yes, to each taxing jurisdiction. So, if you do that and you have two that say you know what, I don’t want to agree to anything else other than what I’m getting, then at least those two would have to get whatever they are supposed to get under the normal allocation and then you would have to see how that impacts what you are trying to do with the other jurisdictions. Mr. Mooney questioned can we work on that, just a simple excel table just by mileage and then if you could do the resolutions to each municipality and just a nice letter please approve at your next meeting and return and see what happens. Mr. Duffy stated he thinks your biggest issue is going to be schools. It might be wise to use the Board of Supervisors to take that to their individual Towns and School Districts and make that case. If we come up with a model. Mr. Carminucci stated someone has to take the lead on this and he guesses the downside of the IDA doing it is that you are always doing projects and those projects are being passed by School Districts and you know if you want to get into an antagonistic discussion with them, if this turns out to be that, he doesn’t know. You are going to have to decide whether you want to do anything. If you want to approach the County to see if they want to spearhead it. Mr. Mooney stated he thinks it is reasonable to just start with a nice request. Then go from there. We might be surprised that we get a good percentage of them that sign it and then return it. Mr. Carminucci stated right they may think it is reasonable. Chairman Sutton stated he thinks the starting point for us would be to have the sub-committee along with Mr. Carminucci and Mr. Duffy and our administrative staff to review to refresh our memories as to what we passed and then come up with a game plan as to how we want to approach the Towns and then also talk to the County administration. Mr. Carminucci stated he has a perfect example of who has no Town tax, so a portion of that money that is allocated to the line is going to probably the South Glens Falls School District and Saratoga School Districts. Chairman Sutton stated and Wilton gets nothing. Mr. Carminucci stated right. And you could actually limit it to just to those two jurisdictions where there are no Town taxes and try to get those affected jurisdictions to agree to something and leave the rest alone. For instance, if the Town of Moreau has a Town tax, they are going to get revenue from this. Mr. Mooney stated but all of the taxing rates are different in each Town. Mr. Carminucci stated right. You could completely redo the whole thing or just target those areas where the Towns being left out because they don’t have a Town tax. Mr. Duffy stated what some of these Counties are doing is taking like 60 or 70% of this revenue and carving it out for themselves and disbursing it as they see more fit more fairly and then the remainder is divvied up with the minimal taxing jurisdictions. Mr. Carminucci stated the problem with that is that if it smells like a PILOT payment it is. So, you have to be careful. What they are probably doing is recharacterizing some of this money as not representing PILOT payments. He doesn’t know what you would call it, but if it’s not a PILOT payment then they can do whatever they want to with it. His only concern is that the ship has already left the port of entry because you granted preliminary approval and you attached a resolution that had PILOT payments attached to it. From that perspective, you’ve already made the decision that those are PILOT payments. So, you have to go back and undo that and maybe that might require a new public hearing. That would be his concern there. Chairman Sutton stated okay. Mr. Carminucci stated it might be a little bit late to try to recharacterize these payments as not being PILOT payments which would give you the ability to reallocate them without having to worry about getting consent. Chairman Sutton asked Mr. Valentine whose term expires this year? Mr. Valentine stated Walt Wintsch and Andrea DiDomenico are definite. He doesn’t know if there is a third. Mr. Duffy stated he’s not sure there is. Chairman Sutton stated what we will do is get the sub-committee together with the staff and we will start to analyze the whole project as it stands to see. You don’t want to see Wilton get nothing and they certainly are deserving of some form of compensation for this. We’ll work on this and he will call a sub-committee meeting and probably in the beginning of the year. Probably one of the first projects in January. Then if we can take a look at that. We’ll see what the new Board might look like and we’ll go from there. He doesn’t think it is appropriate for us to do it right now. Many of us could be lame duck if we do it now. He would kind of rather like to do it from the new Board in 2022.

Chairman Sutton asked if there were any other new items to come before the Board. Chairman Sutton stated he does have one thing he would like to get people’s feedback on and start to think about it is that our UTEP has been modified, the last time was 2014. So many things have changed in our business communities over the past seven or eight years and especially through the pandemic where a lot of people are working from home and business models have changed. Is it something that we should be bringing ourselves up to speed as to taking a look at what might qualify for a PILOT program in Saratoga County? He was reading recently, he thinks the Town of Guilderland, they just offer mortgage and sales tax and they don’t offer a PILOT and they made an exception this past couple of months ago. The other thing is we are in competition around the area where they have a broader appetite for businesses that come into their jurisdictions or their Counties or whatever they do. Is that something that we should be looking at as a County to improve and to stay in competition with surrounding areas. It is something to think about and if you haven’t, think about it and let me know and we’ll put it on the agenda to see if we can take a look and maybe modify our definition of businesses that we offer PILOTs to. Mr. Klein questioned if it was possible to put that information together in a grid form or some type of form so we can see what our competition is doing? That way when we meet early next year, we’ll have an idea and start the ball rolling. Mr. Duffy stated he thinks what you are going to see, and maybe Mr. Valentine could back this up or not, there are a lot of places that support housing projects. Really, that is the biggest lever, if you will. But, in Saratoga County, we’ve never had an issue with builders worried about whether or not they should do a project because they are getting a PILOT. They do it anyway because of the market. Mr. Mooney stated well we’ve just had two of them. Mr. Duffy stated no, he knows that. Chairman Sutton stated and that was kind of his point. We’ve been making exceptions on housing this past year. The project that we passed for the Peninsula, the County got something back for that, they are getting three miles of infrastructure that the County doesn’t have to pay for. That was brilliant, that was great. There weren’t a lot of jobs, but it did open up a lot of area. Mr. Valentine stated back in 1991 John Roohan spearheaded looking at housing in Saratoga County as far as assisting with that. Mr. Carminucci stated he thinks we did something. Way back when there was a portion of the UTEP of how you deal with housing projects. What we normally do is we have a public hearing because you are requirement when first adopting is to have a public hearing to solidify all of the taxing jurisdictions and have a public hearing and then go ahead and modify it as you choose to do. Mr. Valentine stated but the other thing that has come up recently if you are reading articles either or the Times Union, the Gazette or Business Review is Albany County and then just below there and in particularly in Hudson they’ve got the IDA’s accordingly mixed type of commercial with a living or housing component. You see that in a lot, of our Towns. Wilton does it, Malta does it, Saratoga Springs. What you hear with that coming through the whole processes there is that financing doesn’t work in a place where you’ve got a component of both commercial, retail and then housing. That is some of the things you come across. But Albany uses it a lot. The City of Albany. Mr. Carminucci stated he thinks what you will find when you look around is that IDA’s adopt their UTEP to suit whatever they are trying to do. He was just involved in a project out in Rome where the IDA is actually granting PILOT benefits for a residential subdivision. It is rare, but they decided out there that is what they need to see happen. You see some of the IDA’s modifying their UTEP to address solar projects because they are being inundated with requests for solar projects. There is a lot of stuff going on out there depending upon the areas. Chairman Sutton stated it is something to think about and if the members of the Board would think about it and get back to me if they have any strong thoughts one way or the other. He will sit down with our administrative staff and see what we can find out from other areas as to how broad their UTEP’s are and if it is something that we may want to get involved in and we’ll also check with the County Economic Development Committee and have an informal talk with them as well. This is just something to think about as we go into 2022. Mr. Mooney stated he thinks we should do that; it makes sense.

Chairman Sutton

Chairman Sutton asked if there was any further business to come before the Board. Chairman Sutton stated the next meeting for December. We are scheduled for the second Tuesday of December which is the 14th. Does that fit into everyone’s schedule? The next scheduled meeting would be December 14th was the consensus of the Board. Chairman Sutton stated he would like to have an in person meeting at the County Building but the offices there are too small and confining. Chairman Sutton asked Mr. Valentine to look into seeing if the Coop meeting room might be available. Mr. Valentine stated there are courts happening there all the time. That is a quick answer in terms of scheduling. It is either open or it’s not. The other thing for a possibility is the Board of Supervisors meeting room. Chairman Sutton stated let’s plan on December 14th at the County complex and we will let you know where we will meet. Mr. Tollisen stated just please know that you are always welcome here.

There being no further business to discuss, Chairman Sutton then asked for a motion to adjourn the meeting. The meeting was adjourned on a motion made by Mr. Tollisen, seconded by Mr. Klein, with all voting in favor.

Respectfully submitted,

Lori A. Eddy