

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

Saratoga County Office Building

50 McMaster Street, Ballston Spa, NY 12020

February 8, 2022 – 8:30 a.m.

PRESENT: Members: Chairman Rod Sutton, Michael Mooney, Tom Lewis, Kevin Tollisen, Phil Klein, Erinn Killigian; and Yvonne Manso.

STAFF & GUESTS: Scott Duffy, CEO; Jeff Many, CFO; Michael Valentine, Administrator; James Carminucci, Counsel to the Agency; Dennis Brobston; SEDC; and Lori Eddy.

ABSENT: Michael Valentine, Administrator.

Chairman Sutton called the meeting to order at 8:30 a.m. Chairman Sutton stated at this time he would like to turn the meeting over to the Secretary Tom Lewis to call this meeting to order and to go through the elections. Mr. Lewis stated according to the bylaws of the IDA, Section 5.1 of the Saratoga County Industrial Development Agency state that the Board shall annually appoint, re-appoint, or elect from among its members a Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer. Mr. Lewis asked if there were any nominations for Chairman for 2022. Mr. Lewis stated he would like to nominate Rodney Sutton to serve as Chairman. Mr. Mooney seconded the nomination.

RESOLUTION #1505

RESOLVED, THAT the Saratoga County IDA elects Rodney Sutton for the position of Chairman of the Saratoga County IDA.

The results of the roll call vote were as follows:

AYES: Mr. Mooney, Mr. Tollisen, Mr. Klein, Mr. Lewis, Mr. Sutton, Ms. Kolligian, and Ms. Manso.

NOES: None.

ADOPTED: 7-0

Chairman Sutton thanked the Board for their continued support. We have had a very successful year on the Board and first he would really like to thank the staff. Mr. Duffy, Mr. Many, Mr. Carminucci and Mr. Valentine. Without their help every year, this would not go as smoothly as it does. He would also like to thank all of the Board members and their constant participation in the dialogue and really looking at the projects and seeing the abilities to create jobs, create opportunities for jobs in the County. He thinks this is an important Board to promote and really talk about Saratoga County and all of the benefits that we have. We always talk about the natural resources that we have. We have roadways, we have great school systems, we have great hospitals and what does really attract a lot of potential businesses to move into the County and without the cooperation from this Board and all of its members and the dialogue that we have, he thinks we do a great service for the County and he is proud of what we have done. A couple of the projects that we did do last year, such as Precision Valve, Litchfield Holdings, Arnoff Moving and Storage, Saratoga Supply/NAPA, Summit of Halfmoon, and Impact Athletics, these are projects that were approved of last year. But the most important thing that we did do last year was the grant program which we have all talked about where we allocated over \$750,000 to businesses throughout Saratoga County in our jurisdiction and offering them up to \$10,000 worth of grants to help their businesses offset the costs

of the pandemic and the shields, the masks, the air filtration systems and things like that. It was a very successful program and it was money well spent and it was spread out throughout the County. Again, he thanks everyone for all of their participation and he is looking forward to another good year. We look forward to working with Mr. Brobston at SEDC and anyone else that brings in projects to the County. So, thank you again very much.

New Board Members – Introduction:

Chairman Sutton stated at this time, he would also like to thank Andrea DiDomenico and Walter Wintsch for the participation that they have had over the past couple of years. They were very valued members of our Board, always talking about and asking provocative questions and we thank them for all their services. So, with that we have two new Board members. Yvonne Manso is a new Board member from Mechanicville. Although we don't have an IDA in Mechanicville, you are representing that side of the County. If you would like to say a few words and introduce yourself at this time. Ms. Manso thanked the Board for letting her be a part of it. She is the Director of Sales for DA Collins Construction. She has been with the Company for 15 years now and she rose up from an Administrative Assistant all the way up the Director of Sales. She is heavily involved with projects within our County and she is just having growth within our County for jobs which she thinks is a big plus for Saratoga County she thinks. That, and her background within the hospitality industry and an Army veteran help bring a lot to the table. Chairman Sutton thanked Ms. Manso and welcomed her to the Board. Chairman Sutton then recognized Erinn Kolligian as a new Board member and invited her to introduce herself. Ms. Kolligian stated she was born and raised in the Town of Wilton. She spent ten years on the Wilton Planning Board and was elected to the Town Board in 2019. That has been fun. That and SEDC have been a part of her entire life pretty much with her dad. So, she understands the importance and the understanding of economic development and making sure that we bring strong businesses and families into Town and provide services we need. She is looking forward to being on the Board. Chairman Sutton thanked Ms. Manso and Ms. Kolligian.

Election of Officers and Committees 2022:

Chairman Sutton stated that at this time he would like to introduce the next order of business as election of Officers and Committee Members. He propose the following and will look for a consent motion at the end.

Chairman Sutton then asked for a motion to accept the positions of Officers and Committee Members as follows:

Officers:

Vice Chairman – Phil Klein
Treasurer – Mike Mooney
Assistant Treasurer -Erinn Kolligian
Secretary – Tom Lewis
Ethics Officer – Yvonne Manso

Committees:

Subcommittee – Rod Sutton, Tom Lewis, Mike Mooney and Phil Klein (alternate, as needed)

Governance Committee – Mike Mooney as Chair, Tom Lewis, Yvonne Manso, Kevin Tollisen, and Chairman as Ex Officio.

Marketing & Website Committee – Phil Klein as Chairperson, Tom Lewis, Yvonne Manso and Chairman, Ex Officio.

Audit Committee – Mike Mooney (Chair), Tom Lewis, Erinn Kolligian and Jeff Many

Finance Committee – Members of the full Board (Committee of the Whole)

Chairman Sutton asked for a motion to accept the Officers and Committee Members as proposed. The motion was made by Mr. Mooney and seconded by Mr. Klein.

RESOLUTION #1506

RESOLVED, THAT the Chairman’s slate of Officers and Committee Members to represent the Saratoga County IDA be approved as presented.

The results of the roll call vote were as follows:

AYES: Mr. Mooney, Mr. Tollisen, Mr. Klein, Mr. Lewis, Mr. Sutton, Ms. Kolligian, and Ms. Manso.

NOES: None.

ADOPTED: 7-0

Approval of Meeting Minutes: December 21, 2021:

Chairman Sutton stated the next order of business is the approval of the meeting minutes of December 21, 2021. Chairman Sutton asked if there were any changes to the meeting minutes. Mr. Lewis made a motion to approve the minutes of December 21, 2021. The motion was seconded by Mr. Mooney. As there was no further discussion, all were in favor and the minutes were approved.

CEO Report:

Chairman Sutton stated the next order of business is the CEO Report. Mr. Duffy stated he just spoke to Mr. Brobston and Mr. Carminucci. We need to update and re-approve the SEDC fee schedule and we do have some conflicts, not conflicts but we’ve got a document that doesn’t have one more level of payouts. We’ve got to make sure that is congruent. With Mr. Carminucci and Mr. Brobston, we will get that together and get it out to the Board and we can move that. That is number one. He handed out all of the Fiduciary and Ethics and Board Review. If you were on the Board last year, thank you for doing those. Just hand them off to him when we are done. Ms. Manso has already taken care of that, so that is good. The PARIS Report process has started and he and Mr. Many will make some time to get together and go through that stuff while Mr. Valentine is gone and hopefully it will go smooth. Chairman Sutton asked Mr. Duffy to discuss the PARIS Reporting. Mr. Duffy stated the PARIS reporting is just an exercise that all IDA’s have to perform. You have to review all of your projects, you have to go through and send out a questionnaire that they have to fill out as we talked about the other day, how many jobs do they currently have, are they maintaining that schedule that the put out in their PILOT. We go through that and then we do a report and it gets submitted to the Authorities Budget Office. It is something that we have to do every year and even the Water and Sewer Board has to do that every year, Mr. Mooney has to do that kind of a report. It is just common among IDA’s and other Public Authorities. Mr. Mooney stated yes, it is a database of all Authorities, IDA’s, etc., that anyone can go on and look at the budgets

and all of that stuff. Mr. Duffy stated it is a totally transparent kind of thing. We have to post that on our website too, if you go in the past, you will see previous PARIS Reports and stuff like that. It will also give you an idea of all the projects that we've approved over the years and the ones that are current. He also signed the engagement letter for Cusack & Company for the 2021 Audit. So that is in play. He thinks there is a few questions that they have for Mr. Many and himself so they are going to get together with them sometime this week. That is scheduled this week. Mr. Many stated it is pretty well along already. We'll talk about their issues. Mr. Klein questioned how often do we change? Mr. Many stated we haven't done it in a few years. Mr. Duffy stated it is five years and then there can be a partner that can change and can be a new lead. He thinks you can do that two or three times and then you have to change indefinitely. Mr. Mooney stated every five years. Mr. Many stated the field person has been different in the last three or four years, actually one came twice but skipped a year. It is really the field person. Mr. Klein questioned how long have we had them? Mr. Many stated that is a great question. It is pre-me. Mr. Mooney questioned how long have we used Cusack & Company? He is just looking at fiduciary responsibilities and other people may apply such as that. Mr. Many stated it should be put out for bid, he agrees. Maybe after this year, we can talk about that. Chairman Sutton stated maybe the Finance Committee can look at this. Chairman Sutton questioned Mr. Duffy if the new members had the list of members and the emails. Mr. Duffy stated yes, he actually attached it through the meeting invite. Everybody has the new contact sheet and information. Chairman Sutton asked if the website was on their as well? Mr. Duffy replied the website is being updated right now. It doesn't have these two on there yet and Bobbi is in the middle of doing that and he doesn't think she will have any trouble but if she does, we have a new company that is running our website and in charge of it, they can handle that. They can do the IT work. Chairman Sutton questioned so we aren't doing the Prosperity Partnership anymore, we are working with those folks. Mr. Duffy responded the entity is out there, if they ever, it is hard to say, certainly SEDC though.

CFO Report:

Chairman Sutton asked Mr. Many to discuss the CFO Report. Mr. Many reported that we had seven closings last year. We had a very successful year capped by Mr. Carminucci doing four between Christmas and New Year's. You will see in the financials, we couldn't get the money in the bank, per se, Mr. Carminucci had it. We did include it on our reports as we had it in some form. It really was constructive; we see it from an accounting perspective. That is showing on our balance sheet. We also showed what we owed to Mr. Brobston for his hard work in bringing these applicants to the table and closing on those projects. On the assets side, he is going to cover this as part of the Audit actually, is the couple of issues that have come up. They've come up before with the Auditor and we have kind of pushed them back, but Luther Forest, obviously that has been unchanged in terms of their principal balance, so just we'll have to kind of keep after them and quite frankly, he is going to need to get some financial information from them to provide our Auditors because they are slow payers. Chairman Sutton asked Mr. Many if he wanted to send a letter to Tom Roohan at the Luther Forest and explain to them that we are getting ready to submit our reports and we do need a letter from them so that we are not waiting at the last minute to enter into the PARIS Report? Mr. Many stated actually he wants to get a financial report from them of some sort. Mr. Mooney questioned is that \$400,000, does that include the past due interest? Mr. Many stated they actually paid that interest. Chairman Sutton stated to Ms. Mason and Ms. Kolligian, Mr. Duffy and he met with the ladies the other day to go over some of the things that we do here at the IDA level, and we did talk about grants that we can no longer afford to give because of the statute. We did lend money to Luther Forest to help jumpstart the facilities down there and to open the Park up for development things of that nature. We were able to do that 10 or 12 years ago Mr.

Carminucci? Mr. Carminucci stated at least. Chairman Sutton continued it was to the tune of at one point he thinks it was about \$600,000 thereabouts. They paid down part of the principal but there is still a balance of over \$400,000 and they have been paying us interest only. We've been very generous with our monies, one because we are not in a financial pinch that we needed the \$400,000 but we have to justify the grant that we offered them so we are just getting interest only on this project. We are hoping that sooner than later that the Park will open up again for some development. But, again, it's been a situation what the Town of Malta wants or the Town of Stillwater wants, but certainly Global Foundries has been big with 3,000 jobs. Whatever we did do down there, it did come back in spades with all the jobs that were created over the years. So, we have to stay on top of this at this point. As they sell property, then we get paid. Mr. Duffy stated they usually come to us with an offer or a letter on an annual basis, has that happened yet Mr. Many. Mr. Many stated no. The other issue the Auditor's brought up and this is again the rail spur that we have up in Town of Moreau that might have some value if we are ever able to exercise our rights on that property. We did have study a few years ago, because of COVID we never heard back from Camoin to present to us, because at that point COVID came in and they were to present to us as to what future prospects were for that property. So, he thinks if we could do that for this year, that would push that back. Mr. Duffy questioned if the report was complete? Chairman Sutton questioned Mr. Brobston if that report was completed? Mr. Brobston stated it was but we did not have a presentation. Chairman Sutton stated right we never had the presentation with them. But are there no federal monies for it? Mr. Brobston replied there are still Federal monies for it and the Northern Borders Program and there are still clients, one in the park that want rails, and others that are looking at it, they could use in the future. So, they are still looking to do that. But with COVID and the situation in Washington, things have all gotten slowed down. We always miss the application time, which now is March, we can't do anything now until next year. It is still alive and those numbers are still good. Mr. Many stated those are two of the key issues that the Auditor brings up. Everything else is cash so they don't have any issues with that. Mr. Brobston questioned if the rail crossing in the Grande Industrial Park still on the books? Mr. Many stated he doesn't believe so. Mr. Carminucci stated he believes that went over to McNearly. Mr. Brobston stated SEDC still has a piece of it, the piece next to it and we can't get rid of it for another two years, because you had to hold it for 37 years because of the Federal money that went into it. Mr. Brobston stated he couldn't remember if anything happened with it. Mr. Many stated we don't have any of that. Mr. Many continued we are setting up a CD at the Adirondack Trust for \$250,000 hopefully today. Getting back to the overall financial report, we had a very successful year for 2021, one of the better ones since he has been here. Looking at the Auditor list, those were the two major items he was looking at, the rail spur and Luther Forest and that situation. Chairman Sutton stated and you will be with the admin fees, a lot of the projects that Mr. Brobston and SEDC brought into us, again these were fees that were earned and close on in this past year in 2021. So, the list that Mr. Many had given us earlier, these were projects which we had mentioned earlier, were good projects that brought in jobs and brought in activity and opportunity for the County. We benefit from it, the SEDC benefits from it then over a period of time the County benefits from it everything that we are doing. Just to build on what we have been talking about. Mr. Klein stated he just had one question for Mr. Carrminucci. Were there any projects that didn't make it? Mr. Carminucci stated nothing that was trying to close. Everything that wanted to did close. There was a legislative change relating to prevailing wages affecting IDA projects so a lot of projects were trying to get done before the end of the year. Most of them probably wouldn't have been subject to it in any event but there was a little question about it, so applicants were nervous. Everything got done that wanted to get done. Mr. Mooney questioned Mr. Many regarding the COVID grant, we allocated more than that? Mr. Many stated there was some used in the prior year too. Mr. Klein stated it was \$750,000 to total, wasn't it? Mr. Many stated yes, he believes so. Mr. Mooney stated it looks good. He does like the format; it is easy to read. Mr. Duffy offered a

clarification on the grant program, explaining that there were three separate funding tranches of \$250,000. So, the IDA allocated a total funding of up \$750,000 from which we spent \$731,346.00 and what was remaining of the \$750,000 we swept back into our cash account. To the question by Chairman Sutton, Mr. Duffy indicated that there were 135 small businesses awarded grant funds, with roughly 9 or 10 applications not accepted.

Agency Counsel Report:

Chairman Sutton asked Mr. Carminucci to discuss the Agency Counsel Report. Mr. Carminucci stated everything went smoothly, everything that wanted to close, as he indicated there are a few projects pending for closing this quarter or next quarter, which is Park Place at the Peninsula and the Champlain Hudson Power Express. He believes those are the only two that are preliminarily approved that haven't closed yet. Chairman Sutton stated ok. He had in his remarks for the Champlain Hudson Power Express and the sub-committee had met on that earlier last week. Again, the project was approved by our IDA on a preliminary notice to them because they were in a fitting position at that point. The Champlain Hudson Valley were awarded the contract and so now we will have to get back into reviewing the application. They haven't submitted an application; we need a new application, correct? Mr. Carminucci stated this is a project that involves hydroelectric power from Quebec into New York City and is passing through a bunch of municipalities in Saratoga County and they are looking for PILOT Agreement to have definite payments so they wouldn't be subject to increases over time in their property taxes. We approved it last Spring. At the time we approved it, they did not provide instruments for sales tax or mortgage recording tax benefits. We now have received those in a letter which supplements the application. So, at some point, we are going to have a second public hearing and approve that batch of benefits. Ms. Kolligian had a question about Champlain. Because it is going through the Town of Wilton, actually it came through the Town at the start of 2020, she remembers talking to Mr. Brobston about it because they hadn't approached the County yet, but being on the Town Board, does she recuse herself from any and all of that? Mr. Carminucci stated no you can still participate. Chairman Sutton stated there has been a lot of talk about Global Foundries in the papers and we don't have any preliminary reports as to them expanding or anything of that nature. Chairman Sutton questioned Mr. Brobston if he has heard anything else either? Mr. Brobston stated their statement was when the Federal Government figures out what they are doing with the chips update, then shortly after that if it was amenable to their project that they would announce. That was passed in the House this past week. The Senate already passed, but it there is a difference between the two. But they did leave in the \$54,000,000 for chip. But it is going to take three to four weeks to sort of hash that out. Then, it requires some conversation between what government agency is going to be the one that gives the money out. There is not going to be a clear picture of this for a few months. They are looking at Luther Forest and they are also looking at the NYSERDA property still. Chairman Sutton thanked Mr. Carminucci.

SEDC's Activity Update:

Mr. Brobston gave an overview of various companies looking to locate to Saratoga County and the logistics of these companies. In the Moreau Industrial Park there are about 7 parcels that are under option with a Letter of Intent. He explained that SEDC has a project that it has been working on for about four years. It is a green environmental project that is going to be coming through NYS DEC for final approval soon and then the Town of Moreau will consider it for final approval. He noted that the project will be preparing an application to present the IDA for assistance.

Additionally, there is a California manufacturer that approached SEDC, needing to be located in this area. The business partners with Hexion - which is the only plant in the park right now and is looking to build a facility next to Hexion. Mr. Brobston explained that he can't actually take the credit for getting this lead as the business called and talked to town Supervisor Todd Kusnierz following a search and review of maps to note "where the cows were," as his business is tied to the dairy industry. He looked in our area, saw that the Moreau Industrial Park was out away from everybody and then called the Supervisor. So, said Mr. Brobston, here we are. He informed the Chairman that he would like to get a meeting with the sub-committee scheduled to talk further about this business.

Mr. Brobston noted that most of the Board remember George Hubschmidt and his two applications and his business operations assisted through the IDA. Mr. Hubschmidt is back with another application. Business is going gangbusters, even though he had a bad year last year, with it being his worst year, but a break-even year. Mr. Brobston would like to schedule a subcommittee meeting to discuss an application for assistance for building another facility. Regarding what he has read concerning Core Tech, the Chairman asked if it is correct that Mr. Hubschmidt wants to build and complete construction by the 4th quarter of this year. Mr. Brobston stated they plan on having planning board approval from the Town of Ballston sometime in March of this year. Chairman Sutton stated that he did tour the plant with George at one time following his first application for a PILOT. He thought the facility and the business is very interesting, noting that the business and its top officials are a spinoff from GE. They are in a park over in the Town of Ballston, it is a smaller, built-out industrial park and his business is one of the principal occupants of that park. An interesting operation, he stated; they do fire suppression systems and it is really well beyond my pay grade to tell you about its operations, but in any event, he has been a good corporate citizen for the County. Mr. Brobston stated the salaries provided are above average and the business employs a lot of engineers.

Mr. Brobston explained that he also has a spec building proposed for within the Town of Halfmoon which he would like to discuss further, if we could.

Chairman Sutton stated that Mr. Duffy should set up a time for a meeting for Mr. Hubschmidt to meet with Mr. Mooney, Mr. Lewis, the Chairman and himself. Mr. Duffy asked Mr. Brobston if he has developed a preliminary application for Core Tech and Mr. Brobston stated that he has one prepared.

On another matter, Mr. Brobston stated that not everybody here was around when Global Foundries presented its original application, but noted that everyone here remembers its beginning and the impact on Saratoga County business and employment. Another thing concerning the competitiveness of site location and attracting businesses among various states is that, if you didn't notice, our former Chancellor of SUNY (and its nanotech facilities and programs), is now the head of Ohio State University. She is very aware of how these industries and programs of governmental assistance work toward economic development. He stated that she is in Ohio working the links to economic development, education programs and technology and government financial assistance. He stated that his home state of Ohio just landed Intel, a project of \$20,000,000,000 with a state incentive package of over a \$2,000,000,000, supplemented by \$4B in Federal chip funding. That \$2B is about 10% of the total project cost. What assistance NYS provided for the Global Foundries project was 20% of the project costs. He explained that it was a smaller project at that time and initially the GF project costs were estimated to be \$4.6B but by the time of construction that cost nearly doubled. The area got a lot more than what the Company originally presented. The Company has paid taxes at full value, obtaining through its PILOT payments a credit on business income through the state's Empire Zone program, the provisions of which have now

sunset. In this case, Intel is going to get \$600,000,000 from Ohio to help them offset the cost of the building and \$700,000,000 for roadwork and water infrastructure upgrades, including a system that will allow the plant to reuse wastewater (which would have been really good here with all the extras that we have had with sewage). This summer the Ohio State Legislature approved a 30-year tax break to allow Intel to save \$650,000,000. The State of Ohio does it differently than our IDA's. Where in NYS we can abate school tax and local property, the State has to do the school taxes in Ohio. The Ohio town of New Albany is providing the Company a 30-year, 100% property tax abatement on all the buildings that they construct in their facility, in their area. On top of that, they are going to get another \$150,000,000 in combined economic development and workforce grants. That is over \$2,000,000,000 by the time you get done. There is no doubt, Mr. Brobston noted, that this is looked on as a long-term project. Our projects, when we do them, there is a list on our page, we come between 10-21% depending on the size of the building and the project for the percentage of incentive, it probably averages more than 14% range, but that is the number that seems to go forth. But this Ohio project is huge and the Company is guaranteeing 3,000 jobs in the first phase.

Mr. Brobston stated that he just thought it would be worth sharing that information as discussions arise on just what might be coming with Global? The other things to note is that Global needs electricity and that there may be a half-billion dollars worth of upgrades required over a period of time to get what they need. He doesn't know what the State is going to do and how much the Feds may give them. Mr. Klein stated that is why we need that substation instead of down of down in New Scotland or wherever it is. It should be right here. Mr. Duffy stated that substation right there is strategic for a lot of different energy.

Other Business:

Chairman Sutton asked if there was any other business to bring before the Board. Chairman Sutton stated he does have a few things. One is, he would like to take again to our UTEP which really kind of governs what we do and how we qualify businesses into the IDA and what qualifies for potential PILOT and mortgage tax and sales tax review hasn't been updated since 2014 he believes thereabouts. In the past 8 years, so many businesses have changed because of COVID, because of changes in the economy and changes basically in the industrial sector of businesses changing how they do business. So, what he would like to do this year is set up a committee where we review the UTEP and the qualifications and see if we can broaden the scope of those businesses that don't qualify now that we might be able to take a look at. If anybody has any input or any thoughts about it, please contact him. But what he would like to do is form a committee so we can review that UTEP. The last thing is we do miss Mike Valentine and we wish him well in his recovery and his operation and he would like to get a card if we could and some type of a basket or something to cheer him up as he recovers from his operation. Does anyone have any updates on his recovery? Mr. Duffy stated he is stiff but he is getting better. He is getting around. Mr. Many stated he will be back late February.

Chairman Sutton asked if there was any further business to come before the Board. 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. Lewis, seconded by Mr. Klein, with all voting in favor.

Respectfully submitted,

Lori A. Eddy