

**SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING**  
**Saratoga County Office Building**  
**50 McMaster Street, Ballston Spa, NY 12020**  
**March 8, 2022 – 8:30 a.m.**

**PRESENT:** Members: Chairman Rod Sutton, Michael Mooney, Phil Klein, and Erinn Kolligian.

**STAFF & GUESTS:** Scott Duffy, CEO; Jeff Many, CFO; James Carminucci, Counsel to the Agency; Dennis Brobston; SEDC; George Hubschmidt, Core Tech Industrial Corporation; and Lori Eddy.

**ABSENT:** Tom Lewis, Yvonne Manso, and Kevin Tollisen – Members; and Michael Valentine, Administrator.

**Approval of Meeting Minutes: February 8, 2022:**

Chairman Sutton stated the first order of business is the approval of the meeting minutes of February 8, 2022. Chairman Sutton asked if there were any changes to the meeting minutes. Mr. Mooney made a motion to approve the minutes of February 8, 2022. The motion was seconded by Mr. Klein. There was no further discussion, all were in favor, and the minutes were approved.

**Application: Core Tech Industrial Corporation:**

Chairman Sutton stated we have an application from Core Tech Industrial Corp., a familiar business located off NYS Rt. 50 in Ballston. He noted that the Agency and the Company have had some great success through this particular project. This company has expanded twice in the past couple of years and the owners are coming back seeking financial assistance through the IDA's issuance of an additional 10-year PILOT. The proposed expansion of business could possibly result in 15-20 new jobs being created. The Chairman asked Mr. Brobston to further review the application with us.

Mr. Brobston stated that the project proposed is construction of an 18,000 square foot facility as an addition to the existing operation, which he presented along with George Hubschmidt from Core Tech. Mr. Hubschmidt explained that this project's construction costs are a little over \$3,000,000, also involving manufacturing equipment, furniture, fixtures and cranes. The PILOT being requested is a 10-year manufacturing PILOT with a PILOT assessed value based on the land and the parcel's existing building, with there being no value assessed on the improved value. An exemption from sales tax on construction-related purchases and rentals is requested for an estimated \$201,250 and the mortgage recording tax (MRT) exemption associated with the project's financing is not to exceed \$19,500. The total for the project savings (property tax abatement, sales tax exemptions and an MRT) would be a little over a half-million dollars over ten years.

The total number of full time equivalent (FTE) jobs to be created are noted on page 14 of the application. In the first year the application indicates six new jobs being created and an additional ten in the second year. On page 15 it shows that the number of existing jobs at the 2 McCrea Hill Road site are 64 full-time people. Mr. Brobston explained an error on the application by noting that the number of part-time employees should show as zero; it should not be 19,500 as shown, for whatever reason. He apologized, as the existing employees should show as a total of 65. Payroll associated with the first year of the new

application would be \$350,000-plus. Right now, company-wide, because of the work this IDA has done, their payroll is up to \$5.1 million dollars.

Mr. Hubschmidt handed out some additional information about the Company. He stated that many here this morning are familiar with Core Tech, but for those new to what our Company has been doing for the last few years he will quickly explain. Core Tech concentrates primarily on making systems for the power industry, but also for other industrial customers as well. The systems consist of cabinet-size to large package electrical systems and fire safety systems that could be about the size of this room. The last two expansions have been to facilitate the production and operation of producing the large systems that are about the size of this room. They run in weight from 8 tons up to 80 tons now. We have some customers who need flywheel energy storage and flywheels are based on mass energy storage, so they get very heavy. One of our purposes in constructing this addition is to facilitate the business' growth and acquiring new customers, like Mitsubishi Power Systems America in Florida and Siemens which have both been added in the last year or so as customers. Our base customer was General Electric. A few years ago we added Solar to our list of customers, a division of Caterpillar. This new expansion is to facilitate some growth we are seeing in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of this year and into 2023. Last year was a record down-year in our industry sector due to COVID, but we see this as our rebound year, especially into 2023.

Mr. Hubschmidt explained that the efficient operation of his business at the Ballston facility requires more space to produce this equipment locally. He noted the use of a leased space on Ushers Road, but it's not very efficient, there is no crane, and this has required hiring others to pick things out the door for loading. So, at the same time his business is being consolidated here and significant growth is being experienced. The previous expansion at this Ballston site was 14,000 square feet and this addition is going to be 18,000 square feet. He sees this project being very similar in nature, with a proposed 10-year manufacturing PILOT as was submitted for a couple of years ago. The project is going to be an 18,000 square foot clear span with a crane going down the center of the building. Initially, it may be a 40-ton or 80-ton crane, depending upon how the finances work out. We are going to know quite a bit in the next couple of weeks as far as bookings, but we know enough right now that indicates we need the space somewhere, somehow. So, the best option is to try to consolidate operations and develop this property under a project timeline that is very aggressive: breaking ground in April for the annex and trying to be moved in by September.

We are again working primarily with Plank Construction as the GC and their plan and building kit supports that whole timeline. Mr. Hubschmidt asked if there were any questions and Mr. Klein asked how long it takes to make a unit that would be the size of this room. Mr. Hubschmidt replied we have done some pretty creative and inventive things. Our competition is both offshore (in China and India) and then domestically in Texas, Louisiana, and the southeast. You don't find a company in upstate New York that usually competes with those kinds of players, but we are successfully competing with those folks on price and cycle by automating a lot of our production. All of our modules of this size come in as kits with pre-painted wall-roof panels, bases, and powder-coat finish, which isn't something prevalent in our market sector. We have a clean operation which differentiates us from our competition, who are usually fabricators primarily. We are solutions primarily and we have pushed the fabrication through our design approach into our sub-tier and our sub-tier happens to be, in many cases, local businesses (like Stone Bridge as a good example). They are highly automated and they supply us base kits. So, the modules are sent to us as beams and joists that are all ready to screw together, with no in-house welding by us for these large modules. So, nearly all the painting, welding, and fabrication is completed by others and

when the kit arrives we place them in our inventory where we have racks all around the outside of the building and we start picking and throwing together a module. We are able to produce an electrical package the size of this room, with switch gear, from the time it hits our shop floor, produce three or four units in a 15-day cycle. So, it's a pretty crazy cycle for that kind of package. Mostly, we plan around a 30 to 35 or 40-day cycle, which is still very aggressive, but it keeps us very nimble and flexible, and we are able to adapt. By taking that design approach and having everything pre-painted and using screw-together type kits takes a lot of the complex labor out, the higher order labor, and that is where you can compete on labor-hours with India, for example. We have had to figure how to be more efficient and that is the approach we have taken. We've tried to take the labor hours out and our supply based, the paint booths, the welding is robotic, the power coat paint booths are highly automated. So, aside from competing against labor costs, we also work from the position of less labor involved in the way we've decided to approach these modules. That is how we are kind of taking on folks in the Southeast or Texas who have maybe leveraged volume to get lower labor rates and efficiencies. We've done it through our design process and pushed it into key suppliers.

Mr. Klein thanked Mr. Hubschmidt and Ms. Kolligian then asked where the project is in regard to the local planning process? Mr. Hubschmidt replied that the Company has an approved plan from 2019, but his present need is for a different building and the plan in front of you is what is before the town of Ballston Planning Board. So, we've been thrown a little bit of a curveball recently because we didn't understand that the moratorium in Town of Ballston applied to sites in our commercial park, a PUDD. We have, therefore, submitted a variance or waiver request for planning board review to continue outside of the moratorium passed by the Town Board. That Board has a public hearing scheduled for tonight and if it goes well and the Town Board gets back to me quickly - which is his expectation from talking to the Town Supervisor - we should be able to move forward with the Planning at the end of this month. Or, in the worst case, it will be reviewed at the April Planning Board meeting. Mr. Hubschmidt reiterated that he is looking to build from the site plan now before the IDA, which really is just the building addition to the north. The site has two prior Town approved plans for 30,000 square feet total, he explained; but we only need the 18,000 square feet right now. So, the plan is to break it up into two buildings at two different elevations, and this will also allow for our setback from Route 50.

Ms. Kolligian asked Mr. Hubschmidt if he wanted to break ground in April? Mr. Hubschmidt replied yes. Ms. Kolligian stated you still have to go in front of the Planning Board then? Mr. Hubschmidt replied that is the plan. Ms. Kolligian noted that could take a couple of months and Mr. Hubschmidt replied that he does have this approved plan under which he could start breaking ground. So, that is kind of what he has been telling the Town, is he is going to break ground with a construction permit for this plan, but he would like to get this other one approved. We would have been approved but for this moratorium that wasn't on his radar as applicable to us. We would have been approved in last month, so this is setting us back one or two months but he is also going to proceed with the building kit, placing us a little bit at risk. He will go through an engineering phase on this building and if for some reason the Town doesn't allow him the change, then he'll just absorb the cost of the engineering fee and switch to this building. It's not optimal, but it's not terribly expensive to do that. Chairman Sutton asked if Plank Construction has done all of your work prior and are familiar with the construction? Mr. Hubschmidt replied they did our original building and the annex extension that followed a couple of years after. Chairman Sutton stated you are wall to wall with your property then, pretty much, in terms of building. Mr. Hubschmidt replied he is not planning to construct the building to the south yet. That would be 12,000 square feet in reserve. Don't know if it would be better suited at some point in the future to be office flex space or warehouse so he is just going to punt on the 12,000.

Regarding proposed job creation, the Chairman asked Mr. Hubschmidt if the new jobs are skilled or technical jobs, or if they are warehouse jobs? Mr. Hubschmidt replied that our average salary across the whole company is on the order of \$70-\$75,000 a year. It is a mix of engineering, procurement professionals, on-staff CPA, some management people and then we get into the production folks as well. The benefits on top of that is that at Core Tech we pick up 100% health care, we have a 401K program and we have a profit-sharing plan. Mr. Brobston stated that the application indicates skilled jobs on Page 25, noting that they fall under production which is between \$40-\$85,000. Mr. Hubschmidt restated plied so the jobs specifically going into this facility would be mostly production folks, electricians, mechanics with like carpentry type skills, maybe some fabrication. Chairman Sutton questioned so you are able to find the technical people? Mr. Hubschmidt replied yes, if you mean engineers and such. We've done very well on that as GE has let people go over the years and have absorbed people from GE over the years. GE HR is actually kind of happy about that. Most of our top-level management and a good portion of our engineering are al ex-GE folks. We have hired some younger professionals out of college. We hired a batch of them two years ago, four out of Union and RIT, and two others out of Clarkson. They are coming along very well.

Chairman Sutton asked Mr. Hubschmidt how a business finds out about you, how do you get information about your product out into the public? Mr. Hubschmidt replied he would say they are not the best marketing company, but he has invested this year in an outside but local marketing firm run by two persons. The firm is Avant Business Solutions and they are helping us do things like email marketing campaigns to our customers and other prospects, trade shows and other things to brand our products. We weren't really branding our large products, he stated; but now the inside of our doors are going to have our logo, and if you are inside the module you are going to see big Core Tech logos, phone numbers, websites and QR Codes. Chairman Sutton stated that the IDA has now had a couple of applications from Mr. Hubschmidt and his is a success story within Saratoga County, starting off with an idea and growing it to the point where you now produce products to the market and provide good employment for over 70-80 people.

Mr. Klein questioned if there was shift work and Mr. Hubschmidt replied that there are no shifts. A kind of our business philosophy is that employees enjoy their lives, that work shouldn't be their overwhelming focus. So, everybody is out the door (or the production staff is out the door) at 3:30 and everybody else is out at 5:00, except for a few people that want different hours. As a rule, we try not to work any overtime. If we are working overtime, we are working harder and not smarter. So, we try to stay working smarter and not harder. Mr. Klein explained that he was thinking in terms of the backlog that hopefully will increase and that you might then be considering shift work. Mr. Hubschmidt explained that the bottleneck for us really isn't so much the man hours, the bottleneck is the footprint and the space. You can only have so many of these on the floor at one time. Then there are only so many people when you have all these units on the floor that you can actually fit to be working productively. Otherwise, folks are kind of tripping over each other and it could actually be a safety issue right if there is too much going on in the facility at one time. We haven't done any shift work. He guesses that could be a possibility, but it would be a change in the philosophy of what we try to do for the folks working there.

Chairman Sutton questioned if his business has been affected by supply chain constraints and Mr. Hubschmidt replied that Core Tech did a good job mitigating those problems last year because we had a lot of long-term contracts. Maybe we overbought and our inventory became a little too fat because some of our customer commitments didn't come through. We bought a lot of materials at good pricing. Around

November our long-term contracts started running out so we had to renew and that is where we saw a significant cost increase and we had to raise prices at that point in time, too. He noted that the Company is a little slow on the mark on raising prices ourselves, and that has been good and bad because we are now kind of fighting for some higher pricing when there was fighting in the market for price increases last year and we may have been able to condition some of our customers then. We do a lot of long-term planning in purchasing with our supply base. We have been able to mitigate the trends. Hopefully, steel prices will start coming down at some point soon. Steel is the primary driver for us. Chairman Sutton stated this truly a made in America product. Mr. Hubschmidt replied it is and so far, particularly for domestic orders where we don't have a transportation tally to add into cost. You know, if you ship a 40-ton module to Asia you are going to pay a lot of money; it's going to have \$25,000 or so tacked on to our price, so we have some partnerships in mind for Asian to whom we will send an Asian partner a kit that they assemble. We are working in that manner for our Asian market, but as far as North America and South America, we are beating offshore folks because they have the transportation tally. As far as Middle East, it is kind of a toss-up; it all depends on where our competition is located. Some are in Italy, but on the electrical side of business that competition is primarily in India. It's a toss-up and we are winning mostly in Middle East because it's about the same transportation costs for both of us. Europe is not a primary player for our customer base, that is kind of dominated by Siemens and other companies. GE doesn't even really have much of a market share in the EU for power.

Chairman Sutton asked if there were any questions from the Board members and there were no further questions.

Chairman Sutton stated we have before us an application by which Mr. Hubschmidt has laid out the quality and vision for his business. Like he said, this is the third application for a PILOT that has come before us from Core Tech and we've approved the last two. As Mr. Brobston stated, the mortgage recording tax exemption is anticipated to be about \$19,000. The sales tax exemption sought at this point is \$200,000 and the amount of abated property taxes under the PILOT would be about \$289,000.

Chairman Sutton then asked for a motion to accept the application for Core Tech Industrial Corporation and to set a public hearing for April 12th. Ms. Kolligian made a motion to accept the application as presented and move it to a public hearing. The motion was seconded by Mr. Mooney.

#### **RESOLUTION #1507**

RESOLVED, THAT the Saratoga County IDA accept the application presented by and for Core Tech Industrial Corporation and move to establish the date for a public hearing on that application as April 12, 2022. The result of the roll call vote was as follows:

AYES: Mr. Klein, Ms. Kolligian, Mr. Mooney, and Chairman Sutton.

NOES: None

ADOPTED: 4-0

#### **Application Amendment: Summit at Halfmoon:**

Chairman Sutton stated the next agenda item is consideration of the amended application submitted by Summit at Halfmoon, LLC. Chairman Sutton asked Mr. Carminucci to discuss this item. Mr. Carminucci stated this is a project that we actually closed on at the very end of December, 2021. He

explained that project financing for construction of the senior housing facility has, however, not been wrapped up since Mr. Nigro moved forward to close with the Agency before the calendar year ended. Mr. Brobston, he noted, can address the fact that project costs have changed and that has resulted in the need for an amended application. Additionally, Mr. Carminucci, added that the applicant did indicate when we were working on this application in the fall that they may have to come back and modify the project costs; and, that is what is happening now. Mr. Brobston stated that the material and construction costs at that time were estimated to be \$22,199,000 and have presently increased to \$26,000,000. What they wanted to do was make sure they cover their mortgage recording tax and the full benefit of sales tax. As noted on page 20 of the application, the project's sales tax exemption has grown from \$490,000 to \$700,000 and the estimated value of the mortgage recording tax exemption increased from \$166,500 to \$195,000. The percentage of the project costs financed is 3.44%.

Chairman Sutton asked if the project changes are associated with the applicant extending the footprint of the building or if the cost increases are just for increased cost of materials and Mr. Brobston stated that the footprint remains the same, so it is the material cost increases that are impacting the project. Mr. Nigro thought they would wait to see if prices started to go the other way, that they might hold off, but being into the construction season for a few months and having done their due diligence, they don't believe costs are going to drop, so that is why they wanted to get in the ground and get started. It is recognized that an amended application would require another public hearing and an approval. Mr. Carminucci asked Mr. Brobston if they were applying for a PILOT and Mr. Brobston stated there is no PILOT, just sales tax and mortgage recording tax relief.

Chairman Sutton then asked for a motion to approve the amended application for Summit at Halfmoon, LLC and to set a public hearing via Zoom conferencing for April 12th. Mr. Klein made a motion to approve the amended application and move it to a public hearing. The motion was seconded by Ms. Kolligian.

#### **RESOLUTION #1508**

RESOLVED, THAT the Saratoga County IDA does hereby approve the amended application as submitted by SEDC on behalf of the Summit of Halfmoon, LLC and further RESOLVES to move the application for further review at a public hearing scheduled for April 12, 2022 to be convened by Zoom conferencing. The result of the roll call vote was as follows:

AYES: Mr. Klein, Ms. Kolligian, Mr. Mooney, and Chairman Sutton.

NOES: None

ADOPTED: 4-0

#### **CEO Report:**

Chairman Sutton stated the next order of business is the CEO's Report. Mr. Duffy stated we have a few things here. The first thing is the SEDC Services Agreement renewal. The current two-year Services Agreement between the Agency and SEDC expired on September 16, 2021 and we are seeking to renew that Agreement under the same basic components. Just to refresh everybody's memory, the fee established within the currently expired Economic Development Services Agreement cites that SEDC is to receive 50% of the Agency's administrative fee for the first \$10,000,000 on the project cost. The current (expired) Agreement provides SEDC with 25% of the administrative fee paid to the IDA

associated with a project cost of between \$10,000,000 and \$20,000,000. For those projects with costs between \$20,000,000 and \$60,000,000 the Agreement specifies that SEDC would receive 12 ½% of what the Agency receives as its associated administrative fee. The Agreement establishes that SEDC is to receive a maximum of \$75,000 as its fee for those projects with costs over \$60 million. Mr. Duffy explained that those are the details and he included them in the meeting materials so you've all got them and it just needs to be approved by the Board so that Mr. Brobston can have a renewed contract.

Chairman Sutton then asked for a motion for the renewal of the SEDC Services Agreement as presented and discussed. Ms. Kolligian made a motion to approve the SEDC Services Agreement. The motion was seconded by Mr. Klein. Chairman Sutton asked if there was any further discussion. There was no further discussion.

### **RESOLUTION #1509**

RESOLVED, THAT the Saratoga County IDA does approve the renewal of the currently expired two-year SEDC Services Agreement as presented and discussed. The renewed Agreement will run from September 17, 2021 through September 16, 2023. The results of the roll call vote are as follows:

AYES: Mr. Klein, Ms. Kolligian, Mr. Mooney, and Chairman Sutton.

NOES: None

ADOPTED: 4-0

Mr. Duffy continued with the next agenda item for discussion on the Moreau Rail Spur. This property has been dormant for a long time and suddenly there has been some interest out of the blue. He has gotten calls, one of them from Boralax regarding a right-of-way for a solar array on their property in the Moreau Industrial Park. Another inquiry was from Will Morris of Ocean Block Capital out of Manhattan. He was supposed to send me some things and it has been three weeks or so with nothing received. If it goes any further, he will let everyone know.

Mr. Duffy stated the next item is there is a fundraiser for SEDC which he also attached to the meeting information. We have never sponsored this event in the past for a variety of reasons with other entities involved in the County, etc. This is something for the Board to discuss and decide if you would like to change anything here. Mr. Carminucci stated it has been some time since we did this. Chairman Sutton agreed. The fundraising sponsorship levels range from supporting sponsor at \$1,000 up to the promotion sponsor of \$7,000. Chairman Sutton stated he thinks at this point in time, we should take a look at this. SEDC is the economic arm in Saratoga County which is an independent arm as opposed to what we've been working with in the past when we've had conflicting companies promoting economic development in the County. His feeling is that we do a sponsorship so that we have a unified approach to economic development within the County and to help the fundraising aspect of SEDC. SEDC gets their monies through closings that we have here with the IDA. They also raise operating monies through the memberships they have and other businesses throughout Saratoga County. The process, he stated, is similar to that of a Chamber of Commerce where the businesses within the County support the economic growth. He thinks we are a part of that and he thinks we have to send out a unified message to everyone that we are all in as an IDA. The question now is if the Board want to pursue this and, if so, at what level.

Chairman Sutton asked the Board members if there were any thoughts or questions on that? Mr. Klein asked Counsel if there is any conflict of interest or, better put, is there a perceived conflict of interest out

in the public with regards to supporting SEDC? Mr. Carminucci indicated that there is nothing that would actually prevent you from doing that. If the Agency is concerned about perception, he understands that, but that is definitely less than a legal issue in the sense of the Board decision. There was a time when the IDA would sponsor the annual SEDC fundraiser, it's just been a while. He added that the Clifton Park IDA does sponsor the event.

Chairman Sutton explained that this Board is open to receiving applications from individuals, from attorneys, and businesses. The path of least resistance for any entity to come before us is to go through the SEDC because of the complexities of our application, complexities of what we are trying to do through a PILOT Program; so, using a vehicle like SEDC makes life a little easier for us to review and qualify prospective business for a PILOT Program. He doesn't think there is a conflict at this point in time and thinks we should have a unified approach to economic development right now, especially in this time of uncertainty with what is going on. The economy is in flux and we need all the help we can get to promote Saratoga County and increase our footprint in New York State. While he would be in favor of having some form of a sponsorship at this point, this is not something, he believes, that we would automatically sponsor each year. He reiterated that the sponsorship levels run from \$1,000 to \$3,000, \$5,000 and \$7,000. Chairman Sutton asked if there was any other discussion from the Board members for any thoughts on the idea and Mr. Mooney stated he thinks we, as partners with them, should support them and we can discuss the amount if everyone agrees. Mr. Klein stated he would recommend a level of \$3,000 and Mr. Mooney agreed. Ms. Kolligian agreed as well.

Chairman Sutton then asked for a motion for sponsorship of the SEDC fundraiser in the amount of \$3,000. Mr. Mooney made a motion to sponsor the SEDC fundraiser at the \$3,000 level as discussed. The motion was seconded by Mr. Klein.

#### **RESOLUTION #1510**

RESOLVED, THAT the Saratoga County IDA approved the expenditure of \$3,000 toward one level of sponsorship for an SEDC fundraiser. This expenditure is a one-time, non-recurring sponsorship. The results of the roll call vote were as follows:

AYES: Mr. Klein, Ms. Kolligian, Mr. Mooney, and Chairman Sutton.

NOES: None

ADOPTED: 4-0

Mr. Duffy continued, stating that the last agenda item he has is a renewal invoice from Economic Development Council, EDC, and it is for \$1,250.00. We have typically supported a membership in the past, but with things changing as they have he just wanted to bring it up to the Board for them to determine if the Agency still wants to participate, and if so at what level. He stated that he doesn't know if there are any levels below this. He expressed that there are not necessarily a lot of things that they do for us in Saratoga County unless he is missing something. Mr. Carminucci stated he went down to their event and meeting last week and attended the first session. He noted that it was pretty well attended, mostly economic development folks from across the state. It was Mr. Carminucci's thought that EDC acted as a lobbying entity on behalf of economic development entities across the state and that Ryan Silva, who is the Executive Director, used to be with Empire State Development. Mr. Duffy stated that he



doesn't know if the EDC is changing its approach and doing different things. Mr. Carminucci added that he met someone at their event who stated that she is actually their lobbyist and this confused him somewhat. Mr. Brobston stated he can provide an SEDC-point-of-view, stating that SEDC will not be joining because of one issue. He explained that as Mr. Carminucci stated, EDC is now starting to get involved in some types of projects in which previously they would have acted as a lobbyist group for the economic developers and IDAs. His thought was that EDC is now broadening their business approach from the perspective of there being money out there to be had - and they want to grow their own organization.

With regard to semi-conductors, Mr. Brobston stated that EDC has been lobbying all of the economic developers to be a marketer for that industry in the state; they want to do everything. So, they will want to come in here with a client and they will want to talk to the IDA. They want to do all those things. They now want to lead. That is just unacceptable. They don't know the facts and they don't have people on the ground.

That is the principal reason SEDC is not going to be participating by membership. Mr. Duffy asked if EDC is moving to develop a fee for this type of service and Mr. Brobston stated that they want the local EDC's to give them money to market. When he looks at it from the perspective of the future potential for Saratoga County he sees Luther Forest right now in a sort of upheaval situation, adding that Scannell is gone and there is a question of Global Foundries buying the land in Luther Forest. Additionally, the amount of property within the county we can ably market to semi-conductor manufacturers is very, very limited. So, he sees that EDC's direction is not the smart way to go, it's not what we do. It's the supply chain and things like that. Until Global decides to partner with that, it is very difficult. So, because of that kind of marketing and what we see at this point as dollars not really being spent well, these are the reasons why the SEDC Board just doesn't feel comfortable partnering with at this time. That doesn't mean that we are going to stay like that forever. But, at this point, we are not happy with that scenario and we are just going to stay with our mission. Mr. Duffy stated that if the Agency and Saratoga County have made decisions to support SEDC as a marketer and now the Agency is talking about supporting another entity for the same service and, he noted, they are not really focused on Saratoga County outside of Luther Forest. Chairman Sutton stated he thinks they made one presentation before us two years ago maybe. Mr. Brobston stated that perhaps the IDA should give them the opportunity to come speak to you. Chairman Sutton stated he thinks we need a little bit more information as to how this money is being spent. He doesn't think we contributed last year. Mr. Many stated he believes that we actually might have, but he will double check on that. Mr. Duffy stated he also believes the Agency did make a membership payment. He does think after their presentation which was pretty broad and encompassing, but it's the greater Capital area is what their focus was. Mr. Many stated he thinks they helped us a lot on the grant program because they had all the calls and how it was being set up that is where we got some benefit from there. Mr. Duffy stated they did provide support for that program. Mr. Carminucci stated he doesn't know if EDC ever made a presentation to the IDA, but he knows that CEG did and Mr. Duffy agreed, stating that is right, it was CEG who presented, not EDC.

Mr. Duffy stated that the only thing we got out of them is running the grant program. They did educate IDA's across NYS on how to implement that program in late 2020 and 2021. Mr. Brobston questioned if they have training for new members? Mr. Carminucci stated he doesn't know that they do. There was some issue that came up between larger and smaller IDA's this past year that they got in the middle of and probably shouldn't have. He doesn't remember what the issue was, there was some legislative effort for something that happened and they took sides and kind of split their membership a bit. Mr. Brobston

stated their Board is made up of IDA members, IDA chairs and Directors of economic development organization, and positions of that nature. The Director, Ryan Silva, doesn't make those decisions without his Board approving it, no doubt. They have had the tendency to coalesce more towards what NYS's thought process is and how they want to run things. It hasn't been easy to swallow because there has been a lot of control imposed.

Chairman Sutton stated his only thought of something like this is that \$1,250 is not a lot of money and he thinks we want to be in the knowledge, in the know as to what they are doing so that we can modify what we want to do here as an IDA. If they want to get into the development program, then we'll know how they want to do it, what approach they are taking and how we can react to that. If we don't have the knowledge of what they are doing then we are blind as to where we go. For \$1,250 he would rather know what is going on rather than to be in the dark. Mr. Klein agreed that it's not a lot of money. Ms. Kolligian stated what you just said is a good argument for supporting it, just not to shut ourselves out of it. Chairman Sutton stated we might not get anything out of it, although the grant program was a big success story for everybody, but that's behind us now. Mr. Mooney stated he is fine with that, regardless of what SEDC and the County does.

Chairman Sutton then asked for a motion for authorization to make payment of the submitted invoice for renewal of SCIDA's membership in the Economic Development Council in the amount of \$1,250. Mr. Klein made a motion to approve the payment of the renewal invoice from Economic Development Council in the amount of \$1,250 to be reviewed each year as discussed. The motion was seconded by Ms. Kolligian. Chairman Sutton asked if there was any further discussion. There was no further discussion.

#### **RESOLUTION #1511**

RESOLVED, THAT the Saratoga County IDA approved the one-time annual expenditure of \$1,250 invoiced by the Economic Development Council for the Saratoga County IDA's annual membership with the understanding that any successive invoices be brought before the Board for further review and discussion. The result of the roll call vote is as follows:

AYES: Mr. Klein, Ms. Kolligian, Mr. Mooney, and Chairman Sutton.

NOES: None

ADOPTED: 4-0

#### **CFO Report:**

Chairman Sutton asked Mr. Many to discuss the CFO Report. Mr. Many stated he sent out the draft audited financial statements. There really are no changes from where our financial statements were when they started. Mr. Many asked if anyone had any questions regarding the Audit or concerning various comments about the PPE grant made in the management letter. There were no questions and Mr. Many stated he would just go ahead and tell the audit firm to finalize the Audit and issue the financial statements. Mr. Many stated that regarding PILOT payments, we've collected all of the Town and County PILOT payments and distribution payments will be going out this week. The third item he has is we have a \$500,000 CD that matured, and we will be looking to get a quote on a new CD, one either for six months or one year. He would imagine, at some point, very soon, interest rates are going to rise so we'll see if that sort of helps us in a sense. The next big step for us on the accounting and financial side is to get PARIS underway and completed by March 31<sup>st</sup>, which is fairly involved. That is all he has to

report. Chairman Sutton asked if there were any questions of Mr. Many. There were no questions from the Board. Chairman Sutton questioned where do we stand on PARIS? Mr. Many replied square one. Mr. Duffy stated we have all of our information. Mr. Many stated yes we have all of the data, it is just a matter of inputting it.

### **Chairman's Report:**

Chairman Sutton stated the next agenda item is the Racing Study Update. We've had two studies that followed the initial economic impact analysis of the Saratoga Race Course conducted by HR&A Advisors in 2006. The second study and an update on the economic impact that racing has on the geographic area are the 2011 Economic Analysis Of The Saratoga Race Course and the Economic And Fiscal Impact Analysis Of The Saratoga Race Course: 2014 Update (released in 2015). He got thinking about it and he is of the opinion that maybe it is something that we should update because so many things have changed since printing in 2015. The economy is changing rapidly, we went through a pandemic, we are now going into a recessive economy. What we would like to do is revisit this Study so that it gives us a footprint as to where we can go in the future with Saratoga County. Now that we've narrowed things down where SEDC is the primary arm of development in Saratoga County now because of the dissolvment of Partnership, he thinks it's important that we open Saratoga County up and let people know what Saratoga County is about. This study would be independent of anybody else. It would be sanctioned by the IDA and prepared by the Camoin Associates who did this work for us back in.2015.

The Chairman had an opportunity to talk to Rob Camoin last week to see if his firm would be interested in updating the program that we had established back then. The Chairman state that we should be focusing on would obviously be the racetrack and what the impact it has on this area. We've seen where we had to shut down for a year and now the racetrack came back bigger and better last year. But there are other businesses that have had changes in how they do business, namely Saratoga Casino and Saratoga Performing Arts Center, which has grown tremendously under new leadership. Additionally, Albany Medical Center has taken over a lot of our hospitals which is very important and part of the report that we had years ago. Also to report on are the importance of education and our school systems, how important hospitals are to this geographic area for people to come in here to invest their time, their energy, their business and their monies.

What this study would do is look at all aspects of the businesses that are in Saratoga County and the surrounding areas and determine what impact they might have. He would be asking the Board to approve a motion to at least explore what Camoin Associates and define the parameters of such a study. Mr. Sutton recommended that the report probably submitted to us by the end of the year so that we take advantage of the information that they could garner from SPAC over the summer, to Saratoga Casino, the racetrack and other businesses. He thinks it is something that the County can take a look at, they can use it for their own promotional purposes by showing that Saratoga County is up and running and vibrant. SEDC can certainly use it as a tool to promote businesses to come into the County. Again, if we do this independently then the direction is not coming from a particular industry, but all industries are being looked at. He would like to have the approval of the Board to at least explore this from Camoin and see what the timetable might be and what the cost might be to us.

The last study, if memory serves me correctly, he stated, costs us about \$30,000 or thereabouts to do the study. He could be wrong on that number. Mr. Many stated it was before him, but he could talk to Mr.

Valentine about it. Chairman Sutton stated what he and Mr. Camoin talked about was that we would take the old study and kind of refresh the numbers that you see there and expand the classifications of businesses that were affected by this particular study and if anybody has any other ideas or thoughts of other businesses that should be a part of the study, he would like to open that up to the Board so that we have a full view of what we are looking at in Saratoga County. Again, the chip plant is a big factor in Saratoga economic development and if things go the way we think it's going to go, they are going to be a bigger factor as we go forward to have chips manufactured in America as opposed to relying on Southeast Asia or Germany or these other places. There are a lot of things that are going on in Saratoga County now that we really should have an update as to what effect it all has and what it is going to mean to Saratoga County to promote businesses to come here.

Chairman Sutton asked if any of the Board members had any thoughts on this? Ms. Kolligian asked if the study would also bring into account the different school districts and housing, could we use it as a marketing tool for businesses that are going to bring employees there? Chairman Sutton stated yes. Mr. Klein suggested that maybe, because some of the people on the Board have changed since the last report, if we could review the last one and that might generate some good questions and areas that we want to make sure to have covered and paid attention to. Mr. Duffy stated there is a link to it in the invitation for this meeting. It is also on the Saratoga IDA website. Chairman Sutton stated Mr. Valentine has hard copies, he still has some hard copies that weren't distributed back a number of years ago, he just needs to find them. We do have an abbreviated version. It is about an 80-page report but there is an abbreviated version that we passed out to various organizations to promote Saratoga County. Mr. Mooney stated a couple of things that come to mind that should probably be talked about with Camoin and maybe in the study is the online gambling that is legal now in the State as well as many people working remotely and the general impact of the pandemic. Chairman Sutton stated again, he agrees totally with that because that was kind of the thought. Business has changed and that is going to go into his next topic on the UTEP because so much has changed in the past three years that everyone has had to change their style of business and how we do things whether it be remotely and/or in person. He thinks hopefully this would be part of the study but again, the study is only as good as what we want to put into it. So, these ideas, like yours for example, is something that we would ask them to investigate and explore. If everyone got a copy of the past report, then you can come back with ideas of where we want to take this study. He is throwing out a fishnet as to where we want to go with it. Certainly, the racetrack is the biggest engine that we have drawing a million people into Saratoga County each year. But, so does SPAC affect that and so does Saratoga Racino. That is a good point and what we would do is get everybody a copy and if he could go ahead and at least talk to Camoin so he can give us an idea as to what the timetable might be for him for a production of sort of this kind of information that we give them.

Chairman Sutton stated the next item he would like to discuss is the UTEP that we have currently. This has not been revised since 2014. Again, so many things have changed in the business community that we should be looking at, he thinks this IDA should be looking at, various qualifications and classifications of businesses that would qualify for PILOT benefits. He has asked Mr. Klein to help him out with that along with Mr. Duffy. He will need one other person from our Board to help us out. What he would like to do is take a look at surrounding communities, surrounding counties, and see how broad their exempt classifications are and determine if we need to add to or modify our own. Not so much to mimic what other people are doing because he thinks we've done a good job ourselves promoting business in Saratoga County, and we don't have to give away the ranch in order to get people here, whereas other counties have had to do just that, whether it be by including for-profit private housing or retail or some other use. But, he stated, the business model has changed tremendously since 2014 and it is something that we as a

Board should take a look at again. Our objective should be to provide a good vision of what we see and can document in order to that with the SEDC, Saratoga County's Economic Development Committee, the Chambers of Commerce and the County itself. That sort of ties in with what we are talking about with looking at the study from Camoin. We take a proactive approach to where we want to take the IDA and how we can help visualize what we see as development for our geographic area. Again, this study done back in 2016 encompassed nine counties from Albany County up to Warren County and east and west of them. We recognize that in many aspects we exert a regional impact, in many aspects we in Saratoga County are like the straw that stirs the drink.

Chairman Sutton then asked for motion endorsing further basic discussion with Rob Camoin of Camoin Associates. Along with Mr. Klein and the CEO he would like to move forward on the idea of updating the study itself (previously titled the Economic And Fiscal Impact Analysis Of The Saratoga Race Course). Following discussion(s) we can bring back to the Board a proposal from Camoin Associates to see if it is something that the Board would like to continue to explore. Ms. Kolligian made a motion authorizing the Chairman to pursue continued discussion with Rob Camoin which may result in a proposal from Camoin Associates for an updated study as discussed. The motion was seconded by Mr. Mooney. Chairman Sutton asked if there was any further discussion. There was no further discussion.

#### **RESOLUTION #1512**

RESOLVED, THAT the Board of the Saratoga County IDA does authorize the Chairman, Mr. Klein and the CEO to continue discussion with Camoin Associates to develop a concept for a 2022 Update to the previous 2016 Saratoga Race Course Study and Update, and further

RESOLVES that the Chair moves toward the receipt of and presentation to the Board a proposal from Camoin Associates to complete the noted Update. The result of the roll call vote is as follows:

AYES: Mr. Klein, Ms. Kolligian, Mr. Mooney, and Chairman Sutton.

NOES: None

ADOPTED: 4-0

Chairman Sutton asked Mr. Brobston if he had any further items to discuss. Mr. Brobston stated he had just two things. You were talking about UTEP and he keeps getting information from different sources. Mr. Brobston distributed a handout from the New York Business Real Estate Review and the Westchester IDA is the IDA of the Month. What he reads about is what private projects the IDA's are doing and because you are talking about UTEP there is some stuff in there that talks about what they are doing. A lot of people are doing are to raise housing with a percentage of affordable housing in them now. He wanted to give that out. When we met, he had given you a document about a primer. He has copies for everyone if you would like. As we are talking about the Uniform Tax Exemption Policy, this is just a document that was done by a gentleman who has dealt in that for over 40 years. It really just talks about the thought process behind how the history of how incentives got started and how everybody does it. But it also gives a brief economics lesson on primary industries and consumptive industries. And, manufacturers and the type of things you deal with on that end are really the primary. They drive the wealth and give the money out. The consumptive are the ones that take the money and use it, the racetrack, restaurants, those kinds of things. Cindy Hollowood and he had a brief discussion on this because she was definitely in the tourism piece. It gives a hierarchy of what incentives were given sort of things. That is why this IDA didn't really do anything unless it was very different with hotels because

that is something that is driven. Other places that can't get hotels, they might do it that way until they get an abundance of it. So, there is some history in there and just some very good facts that you can look at and will raise some questions. He just asks you to take it and he will send it to the members if want. Ms. Kolligian stated another thing in that report that would be interesting that would be interesting is the impact of AIRBNB and BRBO and the hotel industry. Because you go on those sites and search by zip code and kind of see. Mr. Brobston stated the convention and tourism bureau, he thought was working on some kind of reporting for that and they did a study type thing. There is a place in Ulster County or Dutchess that brought in \$7,000,000 in ABR fees. The amount of money that is going through that is just amazing. Other than that, we are still busy. Clients are still coming through the door. It is a little slower because of the economy. He has to wait and see what is going on with gas, 30 cents is enough to at least make people take a look. But, still have people working towards goals and we have a few people in front of properties along the river in Halfmoon, a couple more in Moreau Industrial Park and one company looking at a site in Grande right now. We are still moving ahead.

Chairman Sutton asked if there was any further business to come before the Board. Mr. Klein questioned picking up on what was just stated about the economy and tourism. He is just wondering if we are hearing anything, or anybody is hearing anything, about the employment situation or lack thereof with regards to running Saratoga this year or running Lake George or whatever? Mr. Brobston stated the County Employment trainee, Jennifer McCloskey, is working with entities in the area for the tourist industry and making sure how they can promote the jobs for here and they are all working on wondering if there will be people coming into the area from outside as there was before. The Eastern Europeans are probably not going to be coming this year as they did before COVID. There are conversations going on about that. Mr. Klein questioned whether she might be willing to come in and give us a brief overview. Mr. Brobston stated she is very knowledgeable, knows what she is doing and they are just trying to get people back into the workforce that is starting to occur. Chairman Sutton asked Mr. Duffy to jot that down and maybe for the May meeting when we are in person, we could entertain that idea.

Chairman Sutton asked if there was any further business to come before the Board. Chairman Sutton stated the next meeting will be a virtual meeting on April 12, 2022. There will be two public hearings that day. Mr. Duffy will send out an agenda. 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. Klein, seconded by Ms. Kolligian, with all voting in favor.

Respectfully submitted,

Lori A. Eddy