

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

**Halfmoon Town Hall
2 Halfmoon Town Plaza
Clifton Park, NY 12065
June 14, 2022 – 8:30 a.m.**

PRESENT: Members: Chairman Rod Sutton, Phil Klein, Yvonne Manso, Kevin Tollisen, Tom Lewis and Erinn Kolligian.

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

ABSENT: Michael Mooney.

Chairman Sutton called the meeting to order at 8:30 a.m.

Application: MJ Properties, Inc.:

Chairman Sutton asked Mr. Brobston to discuss the MJ Properties, Inc. application. Mr. Brobston stated Maggie Rekucki is here on behalf of the Company today. It is a project in the Town of Halfmoon on Tabor Road that is a 43,250 square foot spec building. It can be broken up into six individual units if need be. The cost of the project is \$3,921,500. Tax incentives, the mortgage tax benefit is \$22,500. Sales tax exemption is \$124,000 and change and the 10-year PILOT, which we call the five and five brings a savings over 10 years of \$284,386. The total savings without costs is \$431,013.50. The project will be creating over three years 21 jobs. That ranges from Managers skilled to unskilled. In a spec building, as you are probably aware of, you have tenants. You don't know exactly what would apply. So, the expectation and rules are that the client, MJ Properties, will let us know of the persons looking to lease the facility. We go through the list of items that we have to check off to make sure that they are not being pirated and that they qualify for the incentives. That is something that we we do administratively. Other than that, they have received total approval from the Town. SEQR was accomplished and financing is in place. Chairman Sutton questioned if the Town has made the approvals at this point? Mr. Brobston replied it is all done. Chairman Sutton questioned what the projected dates beginning and end were? Mr. Brobston stated they are going to start as soon as they can. They would like to close within a month and start construction, do site work and as soon as the building gets in, they would like to do that. The buildings are running around 120 days, it is a pretty typical build at this point. Chairman Sutton thanked Mr. Brobston. Chairman Sutton asked if there were any questions from staff and or the Board? Mr. Valentine questioned Mr. Brobston regarding the addendum to the Resolution Mr. Carminucci sent, it deals mostly with pirating. The question he has though is when we get a spec project, we always have jobs listed for the first year. Mr. Brobston stated what we've experienced in the past, we are hoping to continue that, while the building is being built, you run into those people that are going to start leasing. Once the building is completed, that is when the year starts, that date which doesn't always fall in calendar years. The hope is that this building will be in place and could be up by January of next year. So that would be the year that job creation would start. Mr. Valentine questioned in regard to that, just so we know going into it, when we wind up next year, we will send letters out to the companies at the end of

November, beginning of December. We look for those jobs numbers and the reference is always per the application. So now we have the application. They are obviously, just so we know it, going through Mr. Duffy and Mr. Many next year and those numbers that we will receive from you in a December report may not match up with what the application has said. Just so we are aware of that. Mr. Duffy stated it is also probably not going to be a full year. Mr. Valentine continued we have to report back to the Board and also that goes to the State. That is just to let you know. That was my concern, how do the numbers match up, when do they match up. The other thing he had a question on he mentioned to you yesterday just so we know it is in the record. These will be triple net leases with benefits being passed on to tenants. Ms. Rekucki replied yes. Mr. Carminucci stated one way of possibly adjusting that, typically we ask for a three-year employment projection and it gets tested every year. You could, on a spec project, just push that back so the testing begins at the end of the third year so that way if it takes time to lease the building out, their employment numbers aren't at odds with what is in the application or you can just wait and hear from them and adjust it. Mr. Valentine stated we have done that before. Chairman Sutton stated the question for the Board then is how do we want to audit this, do we want to do it after the first year or after in the third year. Is that something that the Board would like to consider? Chairman Sutton asked if there were any thoughts on that. Ms. Kolligian stated she thought we should be updated with how it is progressing. She can understand maybe not reporting numbers until after the third year. Chairman Sutton stated he would like to see something in the leased year, the year to year. Mr. Brobston questioned Mr. Valentine you would have to anyway with PARIS Report, right? Mr. Valentine stated yes, what we do is every year we send that survey out to the companies and every year it is looked at. If we have an explanation to put it back in and they understand that, like he said, we have done it in the past with a couple of spec buildings and literally that is just what it has been, emails back and forth and Mr. Many goes through it with whoever he is corresponding with on the State level. Mr. Carminucci stated you have two different considerations, you have PARIS reporting, which you just have to do, but then you also have your recapture policy which is in the project agreement and that test on employment, actual employment he guesses, projected employment from the application. So, in a given year, if the actual employment doesn't match up to the projected employment by more than a 20% margin, that technically puts the applicant in default and Mr. Valentine's rate of recapture procedure. So, that portion of it you might want to consider on a spec project holding off on having the applicant accountable until the three years is up as opposed to starting in year one since there is a fair chance that the building may not be sufficiently tenanted to be able to hit those employment projections. Or you can just play it by ear and deal with it. Mr. Valentine stated to the advantage of this Company and the project will be winding up with an inducement resolution and we will be sending everything to Tax and Finance now and the project will start construction in this summer/fall and we'll send a notice out in November and there is no way they are going to fulfill that by then. So, we will in fact be looking at it a year later. Mr. Carminucci stated they will sign an agreement and they will agree to be bound by whatever testing we are doing from an employment perspective so he guesses the point is that if we ask them to sign an agreement and hold them to year one employment projections then it's not likely at this point that those are not going to be met. We can agree now that that testing be pushed back or we can leave it in place and deal with it based upon how things play out. Chairman Sutton asked the Board members if there were any thoughts. Mr. Klein stated he votes with the year one. Put something in there that we will take a look at it in November of 2023. Mr. Carminucci stated you always have the ability to look at any situation and there is a host of economic conditions that allows an applicant to not be bound by meeting employment projections, so there is a lot of flexibility that you have. Mr. Duffy stated we are kind of heading in that direction these days too. Mr. Klein stated we need to be reasonable. Chairman Sutton stated he thinks if we have a snapshot of what the project progression is then he thinks we can watch this on a year-to-year basis. Mr. Brobston stated definitely what the client is considering for this facility before we have to come back and

tell staff that what they do and then they qualify, on pirating as well as the other segments, staff will be engaged in that ahead of time. We don't see anything for the first six months that there is no interest. If it is other reasons, we'll know that. So, there won't be back and forth between the applicant and the staff to make sure everybody knows what is going on. Mr. Valentine stated that is a good point too because of what you don't see on a day-to-day basis, Mr. Brobston and I will be in correspondence. We do have a Company which he questioned about their job performance on one of the projects and Mr. Brobston and he talked about it and he did speak to the owner of the business about it. But they went through a really difficult time with COVID and the whole thing was supply chains. We looked at it and said national economic conditions and we looked at that for Quad Graphics before. Those situations you get those and you know they are there and you review and carry on with the report. Chairman Sutton stated then we will defer to Mr. Valentine to continue to process to review the applicant and the applicant's status and keep the Board informed. But this has got to be memorialized in case you decide you are no longer with us.

Chairman Sutton then asked for a motion to approve the Resolution for MJ Properties, Inc. as presented and to instruct our administrator to review the project during construction stages and looking at the project as a whole as to the numbers of jobs that are being created throughout the process in the three-year period that we are allowing. Mr. Klein made a motion to approve the Resolution. The motion was seconded by Ms. Kolligian. Chairman Sutton asked if there was any further discussion. There was no further discussion.

RESOLUTION #1516

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Resolution for MJ Properties, Inc. as stated and discussed be acted upon. The results of the roll call vote were as follows:

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

NOES: None

ADOPTED: 6-0

Chairman's Notes:

Chairman Sutton stated he is sorry he hasn't been here for the past couple of meetings. Back in the early part of the year we talked about doing an economic impact study and talking to Camoin Associates to update the study that was done in 2015-2016 on the economic impact that the race track has on the nine-county area from Albany County to Lake George. We, in theory, approved of the project to go forward and we were able to get a contract with Camoin Associates and he has had many conversations with them. The report is basically going to mirror what they did back in 2016 and they are going to look at what impact racing has on the geographic area coming from attendance to the amounts of people that are attracted to Saratoga County and our geographic area. One of the things that we did do was included Saratoga Performing Arts Center because that is now a year-round venue for tourism and we included Saratoga Casino which at the time in 2016 was not part of the study. But since then, they've opened up the Casino, they've opened up a hotel and they've opened up a restaurant. So, again, another tourist attraction. We have had many discussions with Steve Bulger from the County Administrator and he was in touch with David O'Rourke, the President of the New York Racing Association. All three venues from the track, SPAC and the Casino, they are very enthusiastic about this study to help them out in their marketing program, and it is a good marketing program for the County as well. He had personal

conversations with David O'Rourke and he has assigned a fellow by the name of Jeff Cannizio to talk with Camoin Associates. Elizabeth Sobel from SPAC, she is going to be the point person for them. This would include Live Nations and the programs that they've built up in the past couple of years. Skip Carlson would be the point person for the Saratoga Casino. What they are going to do is tighten up the contract and the scope of the contract and bring that back to me and we should have something for our next meeting. The cost of the study is going to be approximately \$35,000 which is about the same price that they charged us back in 2015-2016. The project will take about four months and so we would anticipate that this report would be ready for publication sometime in late October, maybe early November. Again, all the subjects are very enthused about this so then they can use it for a marketing campaign for 2023. That will give you an update as to where we are at this point. If anybody has any questions, feel free to contact me and we will have a report from Camoin down the road as to the progress as to how they want to set up the program and some of the questions that will be asked. He has also talked to Todd Shimkus at the Saratoga Chamber of Commerce because they will be contacting people from Convention, Tourism, Chamber of Commerce and other organizations that really will kind of affect the study in itself. The last study that was done was about an 84-page report. The economy was affected by about \$250,000,000 back then. A lot of things have changed since 2015. We've gone through a pandemic, we are going to go through a Recession, and then before we started this gasoline was not \$5.00 a gallon when we started doing this back in February. So, there is a lot of different factors that will come into play. Hopefully, they will be able to get a lot of information after our tourist season, say after the racetrack. We are excited about the program. Everyone is excited about the program and more particularly, New York Racing Association is very excited about this because they are constantly in negotiations with the State of New York and the State Legislature for VLT money and they want to be able to show this State how much of an impact racing does have, not only in this area, but the area of the State as well. So that is the project that we are working on.

The other thing that we have been working on and we've met with the County Administrator, Phil Barrett and Todd Kusnierz, on the Champlain Hudson electric study. We are in a position now where we are negotiating what the PILOT Program might look like for the County and the surrounding jurisdictions and the jurisdictions that are being affected by the electrical lines going through their Towns. We've had a number of conversations with the County and we are close to an agreement with that so that can go forward with a public hearing with the Champlain Hudson people.

The last thing he has, and he has to apologize because he hasn't been around, but we are looking at our UTEP and see where we can either improve our UTEP and our classifications of businesses that could be potential applicants to the IDA and see how we can expand our footprint of encouraging businesses into the County. Chairman Sutton asked if there were any questions. Ms. Kolligian questioned regarding the study, it takes the three biggest industries and kind of sees how it affects, but does it trickle down. Do they look at the mom and pops to see that it is feeding down to them, that they are able to stay open or what it takes for them to survive every year and how they can get back in tourism? Chairman Sutton stated they will do that in a broad-brush range, but they will get information as they did in the past on the effects of the downtown businesses, hotels, motels, ma and pa retail stores, restaurants, bars. They will get all that information and they will kind of clean it out and put it together as a complete package. But the main focus would be on those other larger tourist attractions. For example, Steve Bulger, wants to make sure that Saratoga County, the battlefield is part of the study because in three years from now, he thinks it is the 250th anniversary of the Battle of Saratoga. The Federal Government is putting, he could be wrong, but about \$5,000,000 or \$6,000,000 into the improvement of the battlefield. So, with Steve being part of this group, he is going to be able to talk about small businesses as well because it is a

backbone certainly of what we do on a daily basis. So, they will look at all aspects of businesses as well. That is something that we should certainly encourage them to look at as we go through the study. Ms. Kolligian questioned real estate? Chairman Sutton stated they looked at agri-business because, again, agriculture is a large portion of what we do in Saratoga County. They did look at the rentals for August. He doesn't think they went into the day-to-day sales and of real estate firms, but it is something we could take a look at and ask them about. See if it could be part of the study if it is pertinent to what we are doing. Mr. Duffy stated so the Board should take a vote to approve the monies. Chairman Sutton stated at this point it should wait until he gets the final contract. He has a contract but it is being updated. The initial contract did come to us back in March but until we have all of the players involved and so now, they are going to come back and kind of go over the contract, revise the contract based on the people that we are talking to. Mr. Klein stated probably July then probably to clarify the requirements and request. Chairman Sutton stated exactly. It will give them a chance, what he was able to do was to give them the point people to talk with like Elizabeth Sobel and Skip and so they are talking with them and give them the idea of what they are going to need to complete the study. Then they will come back to us. We will have another report hopefully for the July meeting.

CEO Report:

Chairman Sutton stated the next agenda item is the CEO Report. Mr. Duffy stated he will stay on July then because it sounds like we will have a fairly decent meeting, we will have this to handle, we are going to have Champlain Power Express to handle and we will probably have Coretech to handle as well. Mr. Duffy questioned Mr. Carminucci on the open meetings law if it is still open or not because then we can decide if we want to have it remotely or if we want to go in person. If it is in person, it will be at the Town of Ballston because that is where George is and the public hearing will need to be. Right now, that is July 12th on the calendar he believes. The second Tuesday would be July 12th. We will circle that for now. Depending on if George needs something to happen sooner so that on the 12th it is actually a public hearing, maybe we might do something remotely sooner so that the Board has an opportunity to approve the project and push it toward a public hearing and that way he can get ahead of the game. Mr. Brobston stated the approval that you already did to set the original public hearing, does that have any weight in process yet? Mr. Valentine stated he went over this with Mr. Duffy yesterday, why not just take up a motion today to establish that and set the public hearing. If it doesn't happen, it is easy enough to say we strike it from the agenda. Mr. Duffy stated right and while we are here and while we have a quorum it makes absolute sense to do that.

Chairman Sutton then asked for a motion to accept the application for Core Tech Industrial Corporation and to set a public hearing for July 12th. Ms. Kolligian made a motion to accept the application as presented and move it to a public hearing either as an in person at the Town of Ballston or by zoom as necessitated. The motion was seconded by Mr. Lewis. Chairman Sutton asked if there was any further discussion. There was no further discussion, all were in favor, and the motion was approved.

There was a discussion regarding the Open Meetings language. Ms. Kolligian stated we just adopted it for the Town of Wilton. There are some stipulations in there. Mr. Duffy stated it is a local law video conferencing amendment guide. Mr. Valentine stated at one of the preceding meetings Mr. Carminucci said something, he said something. Mr. Duffy stated he doesn't think we have to go down this road if the Open Meetings Law allows it anyway, that is kind of redundant now. Mr. Carminucci stated he hasn't seen evidence of an extension beyond April, but he will be checking. But, in addition to that, that law that was adopted that Ms. Kolligian is referring to creates a 60-day window where you just do remote

meetings before you go through all those procedural requirements. That expires June 8th so that doesn't help you. He would determine if the COVID extension was further extended, he is not seeing anything yet online about that. Mr. Duffy stated so chances are we will probably be in person. Mr. Klein stated we will be at the County then. Chairman Sutton stated no at the Town. Mr. Valentine stated if you didn't go to the Town of Ballston, you have the option to go to a county building office that is located in the Town of Ballston. Mr. Duffy stated as long as you are in the Town you can choose the location is the point. Mr. Klein stated that is just what he wanted to clarify. Mr. Duffy stated that is a lot easier. Mr. Duffy stated so as far as Champlain goes, we are going to get together as a subcommittee afterwards. PARIS is almost completed and that is all he has. Chairman Sutton thanked Mr. Duffy

CFO Report:

Chairman Sutton stated the next agenda item is the CFO Report. Mr. Many stated all of our accounts are reconciled. There is a correction on the agenda, he has sent a request for renewal of a CD for \$500,000. There are no signature card issues. He is waiting to hear from the bank's as to what the rate will be. Loans are going up so he has to believe our certificate of deposit rate will go up as well. Chairman Sutton questioned on the CD's; we are locked in and for how long? Mr. Many stated we will be starting fresh with the next one we do. Basically, we got .2% with the last one we did. Mr. Klein questioned if there was a question as to how long we want to go. Chairman Sutton stated usually it is a year. Mr. Many stated that is what we have been doing. Chairman Sutton questioned when is the next CD due? Mr. Many stated he would have to check and he will send it out for the next meeting so we will know. On revenue, we collected the interest on the loan obligations we have outstanding with people we have loaned money to, they paid for the year. He thinks the Luther Forest situation looks promising in terms of hopefully at some point that will be paid off. Expenses, basically our major expenses are administrative and some marketing through SEDC for economic development and our audit fees and membership dues. It is a pretty routine financial statement at this point.

Agency Counsel Report:

Chairman Sutton asked Mr. Carminucci if he had anything to report. Mr. Carminucci replied nothing to report at this time.

SEDC Report:

Chairman Sutton asked Mr. Brobston if he had anything to report at this time. Mr. Brobston stated he has nothing at this time. Things are still moving forward; clients are still calling. Projects are still being worked on. Nothing that would be ready before September he believes.

Other Business:

Chairman Sutton asked if there was any further business to come before the Board. Chairman Sutton stated our next meeting date will be Tuesday, July 12th and a to be determined location. Mr. Duffy stated and considering it is a public hearing we will do it at 8:30 and not at 8:00.

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