

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING
Saratoga Springs City Hall
474 Broadway
Saratoga Springs, NY 12866
April 11, 2023 – 8:30 a.m.

PRESENT: Members: Vice Chairman Phil Klein, Tom Lewis, Mike Mooney, Yvonne Manso, Kevin Tollisen and Erinn Kolligian.

STAFF & GUESTS: Scott Duffy, CEO; Jeff Many, CFO; James Carminucci, Counsel to the Agency; Michael Valentine, Administrator; Kimberly Lambert; Tori Reilly, SEDC; John Munter, Munter Enterprises; David Hamel, Benjamin Robitaille, Soleno Enterprises; Robin Cooper, Albany Business Review; Bruce Steves, Health Partners of Saratoga; and Lori Eddy.

ABSENT: Chairman Rod Sutton.

Vice Chairman Klein called the meeting to order at 9:30 a.m.

Approval of Meeting Minutes: February 14, 2023:

Vice Chairman Klein stated the first order of business is the approval of the meeting minutes of February 14, 2023. Ms. Kolligian made a motion to approve the minutes for February 14, 2023 as presented. The motion was seconded by Ms. Manso. As there was no further discussion, all were in favor and the minutes were approved

Application: Munter Holdings, LLC /Soleno:

Vice Chairman Klein then asked for a motion to approve the Resolution for Munter Holdings, LLC/Soleno as presented. Mr. Carminucci stated for this Resolution, if it is adopted, it is subject to the applicant receiving all necessary State and local approvals with respect to the project and compliant with SEQR. Vice Chairman Klein stated and they have met and we have examined the criteria necessary to meet our rules and regulations. Mr. Mooney made a motion to approve the Resolution. The motion was seconded by Mr. Lewis. Vice Chairman Klein asked if there was any further discussion. There was no further discussion.

RESOLUTION #1529

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Resolution for Munter Holdings, LLC/Soleno as stated and discussed be acted upon. The results of the roll call vote were as follows:

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

NOES: None

ADOPTED: 6-0

Assignment/Assumption: Columbia HPS to Health Partners of Saratoga:

Vice Chairman Klein stated the next agenda item is the Assignment/Assumption: Columbia HPS to Health Partners of Saratoga. Mr. Carminucci stated this was a project approved in 2012 he believes by the IDA. It is for the facility at Exit 12 which is partially an urgent care facility which was undertaken at that time by Saratoga Hospital and Albany Med. The purpose of the application at the time was to allow for a real property tax exemption as if the Hospital's that owned the property but it was being done by a private developer. Without the assistance of the Industrial Development Agency the property would have been subject to real property tax even though 90% of it was occupied by the Hospital.

What has happened now is that one of the affiliated hospital entities has an option to purchase the property and they have exercised that option. Ultimately once that happens the property will be owned by a not-for-profit which would remove the need to have a continuing PILOT for the project. The problem is when that occurs it would result in a tax liability instantaneously when that transfer occurs until you can get beyond the next March 1 and the not-for-profit can apply for a tax exemption.

So, the Hospital is requesting that we approve the Assignment and Assumption of the PILOT and Lease Agreement from the original for-profit developer to the Hospital Entity. Next year this would all be terminated and it would no longer be an IDA project.

Ms. Kolligian questioned if they had the PILOT and then it goes to a non-profit? Mr. Duffy stated no it is going to a hospital entity. Mr. Carminucci stated that under State law even though it is going to a not-for-profit entity, that doesn't get recognized until the next tax status date which is March 1. If the transfer were to occur in May, there would be a real property tax liability from May until ownership by the new not-for-profit that is recognized next year.

Ms. Kolligian stated she guesses that was her question. Will taxes ever be received from that property. Mr. Carminucci stated as long as it is eligible for an exemption, once the IDA ownership ends, the answer is no. There is some private use right now and right now we've been billing under the PILOT Agreement. That private use area is being subject to taxes under the PILOT Agreement. His presumption is that we continue once the PILOT is over. Mr. Valentine stated it is 60,000 square foot and the Agreement is written up that usable, feasible square footage for private use is taxed. We get a report from the Company once a year to give us a report on that amount of private use square footage. That is how the assessed value is figured out for that building. There is an exemption and there is taxed billing.

Vice Chairman Klein asked if there was a gap in between in the taxability of their property. Mr. Carminucci stated there would be if you don't do this.

Mr. Valentine stated what we reported at previous meetings is we have four projects that were just reconveyed and that is what Mr. Carminucci is alluding to next year come that March 1st date. This is another one that will come off Roll section 8 and total exempt and go to Roll section 1 but as a not-for-profit entity. Mr. Carminucci continued so currently about 7% of the project is not getting PILOT benefits so there is a PILOT payment of about \$11,500 that is being paid and that premium would continue even beyond when the time the Hospital acquires title to the property.

Ms. Kolligian questioned is that because what the property is being used for, because it is medical? Mr. Carminucci replied right. Ms. Kolligian stated because what would keep any other company from using a 10-year PILOT and then being bought by a not-for-profit to not having to keep paying taxes. She thinks that is what she is kind of missing, that they've never had to account for that property. Mr. Carminucci stated right, when this project was done in 2012, if the Hospital had done it, it would be the same situation that is occurring under the PILOT, about 7% of the property would be paying taxes. But, because it was

being built by a for-profit entity, 100% of the project would have had to pay taxes including the 93% that is being used by the Hospital. So, to avoid that, they came in and made the argument that well, the Hospital was doing the project directly, it won't have to pay taxes, if taxes are going to have to get paid on the property, we are going to pass that obligation along to the Hospital. So, they asked the IDA to make this an IDA project to avoid that taxation that would have been passed to the not-for-profit Hospital. So, in a year from now, there will no longer be a need to have this as an IDA project. It is just trying to address this gap period between the time the Hospital acquires the property and next March 1 when it is now recognized as not-for-profit.

Vice Chairman Klein stated so it is basically poor timing on their part. If they had done this earlier, they could have gone from not-for-profit. Mr. Carminucci replied when you do it in the year, until you hit that next tax status date, there is always that gap there. Vice Chairman Klein stated but if they had done it in January, they would only be paying taxes for a couple of months. Mr. Valentine stated what happens then is he winds up sending the bill, and we did this with Danforth the most recent one, is that he sends the bill out. Whatever that time is within the year and the bill it in advance and bill it behind going back to whatever January. Mr. Carminucci stated to Vice Chairman Klein, to answer your question, if they closed on February 28th, then that would have created one day of tax liability. But, because of the fact that the closing is occurring in May or June, that increases that gap period when it could be subject to 100% taxation which the Hospital would have to pay. Vice Chairman Klein replied ok. Mr. Steves stated he is here on behalf of the Health Care Partners of Saratoga and would be happy to speak to this. Pursuant to the Option Agreement that is in place for Health Care Partners to purchase the interest of Columbia, we have a two-to-two-and-a-half-month window with which we can close on it. And that is every year depending on the year that the option is exercised. So, in this case, that is May 1st through the end of July. That is the period we are constrained by pursuant to that option agreement within which we can close the transaction. Vice Chairman Klein stated so that was part of the original? Mr. Steves replied yes back in 2012. Vice Chairman Klein asked if there were any further questions. There were no further questions from the Board.

Vice Chairman Klein then asked for a motion to approve the Resolution for the Assignment/Assumption: Columbia HPS of Saratoga to Health Partners of Saratoga. Mr. Tollisen made a motion to approve the Resolution. The motion was seconded by Mr. Mooney. Vice Chairman Klein asked if there was any further discussion. There was no further discussion.

RESOLUTION #1530

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Resolution for the Assignment/Assumption: Columbia HPS of Saratoga to Health Partners of Saratoga as stated and discussed be acted upon. The results of the roll call vote were as follows:

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

NOES: None

ADOPTED: 6-0

Chairman's Report: Camoin Study

Vice Chairman Klein stated the next agenda item is the Chairman's Report: Camoin Study update. Vice Chairman Klein asked Mr. Duffy to discuss this agenda item.

Mr. Duffy stated right now Chairman Sutton is still working with Camoin to complete the summary portion. It has been difficult. It is close. He has given them three or four different versions that this is what we are looking for.

Ms. Kolligian stated the numbers are going to be obsolete pretty soon. Mr. Duffy stated he doesn't think Chairman Sutton sees it going that long, but yes you are right. That is where that stands.

CEO Report:

Vice Chairman Klein stated the next agenda item is the CEO Report. Mr. Duffy stated the first item on the CEO Report is the SEDC annual networking reception which is actually Thursday. Tori Riley replied next Thursday. Mr. Duffy stated after canvassing the Board we had enough agreement to increase our sponsorship for SEDC from the \$3,000 level of growing to the \$5,000 retained. Tori Riley stated yes and thank you very much. Mr. Duffy stated all we need is for the Board to have a vote to acknowledge that increase so that the check can be written.

Vice Chairman Klein then asked for a motion to authorize the agreement to increase our sponsorship for SEDC from the \$3,000 level of growing to the \$5,000 retained. Mr. Tollisen made a motion to approve the Resolution authorizing the increase to the IDA sponsorship for SEDC from the \$3,000 level to the \$5,000 level as presented. The motion was seconded by Ms. Kolligian. Vice Chairman Klein asked if there was any further discussion on the Resolution as presented. There was no further discussion. All were in favor and the motion was approved.

RESOLUTION #1531

RESOLVED, THAT the Saratoga County IDA accept the motion to approve authorizing the agreement to increase our sponsorship for SEDC from the \$3,000 level of growing to the \$5,000 retained. All were in favor and motion was approved.

Mr. Duffy further stated the second item is PARIS Reporting. We still have a couple of surveys out there, we have one left so we are getting very close to starting that exercise and Mr. Many and he will be on that and obviously go through that process with Ms. Lambert. Vice Chairman Klein questioned when is the date that has to be in. Mr. Duffy replied March 31st. We are fine, almost every IDA in the State keeps going on especially when your CFO is an accountant and has tax time on their hands. Mr. Many stated the sooner we start the better obviously.

The other item he will touch on is Champlain Hudson rail issue. Mr. Duffy presented slides of the IDA rail property currently and the portions the Champlain Hudson needs to have a temporary easement and permanent easement. As part of this easement, you have got a very small amount of property that is going to be disturbed but there is a contract that goes with it. They have offered a certain payout for the permanent easement and a payout for the temporary easement and then they would put it back in place. Mr. Valentine questioned if he could interject the location. Mr. Valentine stated you have two segments of blue, the part to the south is below Reynolds Road, which is 197. Going left from right, it branches from the Town of Moreau into the Village of Fort Edward so you are going to hit the bridge going over the river to the right up top. You have to the right, Fort Edward Road, County Route 29. That rail line that we have runs in that blue area, more from 197. You can start to see the open area on the tree line there and that is where that rail curves right along the top and then heads up again to the Village of South Glens Falls. So, it is a five point something mile run there with a mile spur off of it into the Industrial Park.

Mr. Duffy further stated long story short, he needs to have Mr. Carminucci take a look at this contract because he found some things in it yesterday that would have made taking care of this thing after construction our problem and that shouldn't be that way. He wants to make sure there isn't anything else in there that we want to make changes to before we sign it. It is an FYI now. It's not a big deal, but the money and whatever, we've already approved this project. It is just that we want to make sure that the document that we sign is correct and doesn't have anything to fall on us to do for perpetuity.

Mr. Mooney stated they want a permanent easement so we are giving them something. We have to get compensated for that.

Mr. Carminucci stated he assumes that the permanent easement, is there is another line where a spur off the main line. So, he presumes their transmission line is otherwise following the main line, that there is a point where the main line and the spur intersect and that is where they need the permanent easement, is that correct? Mr. Valentine stated no. Mr. Valentine stated the spur is more to that, it comes off the main one. You don't see it on the map. It goes into the Industrial Park. This is off another rail line and goes in an east west direction. Mr. Carminucci questioned and that is the line that the transmission line is following? Mr. Valentine stated it is following an east west direction in the area on the map. Mr. Carminucci stated to that intersects with our spur and that is where they want the permanent easement at the intersection point? Mr. Duffy represented on the map where the temporary and the permanent easements would be. Mr. Valentine stated the red goes across the base of our blue line, that is our right-of-way line, our rail line. That is where the IDA owns and that is where they want to run their course of line in there. They are looking for that permanent easement where the red line is.

Vice Chairman Klein stated so we have two questions really. We will all agree he thinks that a permanent easement is ok based upon what they want. Mr. Valentine stated it isn't going to harm us in any way because it is an easement over our property so that if at any time you sell or develop or whatever, it is still carved outright.

Vice Chairman Klein stated the question here is who is going to maintain the property on an ongoing basis. If it is going to be their property, their use of it, let them maintain it. Mr. Duffy stated and they had guarantor in the contract and he thought guarantee. Mr. Carminucci stated let's think about this. Their line is going to go underneath our rail line or alongside it. He thinks their point is once they put the line there and bury it, that we still have the surface line that we own and he thinks they are suggesting that similar to the rest of the line that we own we have to maintain the line.

Mr. Valentine stated the only thing is there is a construction staging area. Mr. Carminucci stated right but that is the purpose of the temporary one. Mr. Duffy stated we haven't maintained that line in any way shape or form in the past. He doesn't want to have to maintain it so that they can have access to it if something ever happened and they had to go in and fix something.

Mr. Carminucci stated he thinks their point was if we had to maintain it now, once they are done burying their line then we should continue to maintain it. They might not be able to gain access. He thinks we can adjust that language and get it to where it needs to be. You can either approve this now subject to his review of everything or you can hold off and deal with it. Vice Chairman Klein stated why don't we hold off. Mr. Mooney stated yes, this is not a lot of money. Mr. Carminucci's time already is probably half of this but we shouldn't lose money on it, that is the point. We are helping them and theoretically it's easier for them to do it this way with the easement.

Ms. Kolligian stated she has a question for the Board or Counsel. The Supervisor in the Town of Wilton appointed her to be the liaison with Champlain Hudson when it does come through the Town of Wilton. She just wants to make that known and to kind of get clarification on what decisions she can be a part of as far as the IDA goes with Champlain Hudson. She knows this is not in the Town of Wilton. She does just want to make that known that she was given that task last Wednesday.

Mr. Carminucci stated you are fine from a conflict standpoint.

Mr. Duffy stated he came from Vermont this past weekend and when you are going into Whitehall on the right-hand side, they have already flattened out a massive piece of property all the way back to the rail line from the road. It's all burned up, there is probably 50 brand new yellow containers and there are new trucks. This is a staging area for probably a pretty long mileage of construction he would say.

Mr. Carminucci asked Mr. Valentine if there were any residences adjacent to the area where this is going to be occurring. Mr. Valentine stated in that area no, but what there is though is to the east and west side of that bottom one is a horse farm. There is an operation there. When you drive by it you can see it on the right side just before you get to the County Road.

Mr. Carminucci asked if the easement area is within the Town of Moreau. Mr. Valentine stated yes, it is. Mr. Carminucci replied maybe you should reach out to them because he presumes much like Wilton they have somebody who is coordinating.

Vice Chairman Klein stated do we want to table this and let Mr. Carminucci work out the details? Mr. Duffy stated you are going to have to do it anyway so you might as well wait. There is no harm, no foul. Vice Chairman Klein agreed. Mr. Duffy stated that is all he has for the CEO Report right now. Mr. Valentine stated know however that at some point in time we will get notice or wind of or hear something from that horse farmer on the other side. He objects to the use of the rail more or less.

CFO Report:

Vice Chairman Klein stated the next agenda item is the CFO Report. Mr. Many stated the financial statements year-to-date are running a small deficit of \$17,000. We just haven't had any revenue and we've had to pay our staffers. We have established a new certificate of deposit of \$250,000 at 4.8% with Saratoga National Bank. We also need our Board Member signatories to go over and sign the form so that when the time comes for maturity to actually close out the account. that is a year off, but we do need Mike Mooney and Rod Sutton when he gets back. Mr. Mooney asked how long the new CD was for? Mr. Many replied one year at 4.8%. Mr. Mooney questioned could we go longer than that? Mr. Many stated we could but we have other ones that are coming up the road.

Mr. Many stated one of the things that we ran into was we are short a signer on some checks because Mr. Mooney was on vacation and Chairman Sutton was in Florida. We are looking to perhaps add a third person, a Board member, that can sign over a \$2,500 check. Logically, it would be the Vice Chairman.

Vice Chairman Klein then asked for a Resolution to authorize adding an additional Board member (Vice Chairman) as a signatory on the deposit accounts for the IDA. Mr. Lewis made a motion to approve the Resolution authorizing the additional signatory as presented. The motion was seconded by Ms. Kolligian.

Vice Chairman Klein asked if there was any further discussion on the Resolution as presented. There was no further discussion. All were in favor and the motion was approved.

RESOLUTION #1532

RESOLVED, THAT the Saratoga County IDA accept the motion to authorize adding an additional Board member (Vice Chairman) as a signatory on the deposit accounts for the IDA. All were in favor and motion was approved.

Mr. Many continued that Ms. Lambert and Mr. Valentine have some reports with respect to PILOT's and payments and all that they have been gathering. Mr. Valentine stated we also need to have a Resolution and roll call vote to have Ms. Lambert approved as a signer. With him leaving in August, Ms. Lambert can sign now and come into effect later.

Vice Chairman Klein then asked for a motion to approve the Resolution to add Ms. Lambert as a signer on the IDA deposit accounts. Mr. Tollisen made a motion to approve the Resolution. The motion was seconded by Ms. Kolligian. Vice Chairman Klein asked if there was any further discussion. There was no further discussion.

RESOLUTION #1533

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Resolution to add Ms. Lambert as an approved signer on the IDA deposit accounts as stated and discussed be acted upon. The results of the roll call vote were as follows:

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

NOES: None

ADOPTED: 6-0

Administrator Report:

Mr. Valentine stated what we are going to do is pick up, and Ms. Lambert is going to discuss this, is the last few items under the CFO Report and it has to do with our PILOT's that we have just went through for the Town and County and the distribution of those. Then we will go into the year-end surveys and the ST-340's which Mr. Duffy and Mr. Many will use for the PARIS Reporting.

Ms. Lambert stated as you know we did get our PILOT billings out. Everyone has paid us. We have done our due diligence to all the Towns, Cities and Counties that required so. Also, we made sure to include some spreadsheets for all of them to make it easier for each municipality to know where that money came from so that way they are aware of everything. Even some of the ones that are going to be going to Roll Section 8, for example JB Real Estate in the Town of Milton and Summit of Halfmoon. They are going to be on the non-taxable status hopefully as our assessors are working diligently on that. Those worked out well. As our CEO Mr. Duffy mentioned about our surveys, she has pretty much got most all of them. There are a couple that needed some adjustments just for ST-340's what they were reporting for sales tax exemptions which is also reflected directly on their surveys as well. She is working with them on that. Mr. Valentine stated coming down under Administrator's ST-62 is just another report to the State. It is a little bit of a redundancy as they are looking at sales taxes which they already get the ST-340's and they already have them on file and they are going to have PARIS Reporting. We have to put them on a report together on year-end sales tax exemptions. That was a rather simple one we will get that out either the end of April or beginning of May. The company insurance chart which you

would have seen on the agenda is just a note that we are current with all of the companies having it in there. Liability insurance policies, we have just two questions to consider. He knows he has asked Mr. Carminucci about it before; do we have an area and always look at the lease agreement in Section 6, it covers about insurances. He just wants to say is there something that is a standard that we should be looking to, a \$1,200,000 or \$1,000,000 and whatever as far as an aggregate? Mr. Carminucci stated yes, we have fairly standard provisions in our lease agreement in terms of what our liability insurance requirements are. We did run into a situation with Global Foundries. There was an incident on the property and because we have a leasehold interest in the property we were actually names in the lawsuit. The insurance company for Global resisted defending us even though we had an insurance certificate that identified us an additional insured because the actual insurance policy had some language that was in conflict with the insurance certificate. He mentioned this to Chairman Sutton since he was in the insurance business and it raises an issue whether we need to go beyond insurance certificates to make certain that we have coverage. On the subject of Global Foundries, we finally convinced Global's insurance company to appear and defend on our behalf and the lawsuit was actually dismissed as to the IDA because we were not served properly. They had to go back into court and get a judge to approve late service on us and in conjunction with that we were able to convince them just to drop us. We are no longer a part of that litigation. Mr. Valentine stated he and Ms. Lambert went to the Town of Malta and met with Assessor. If anything is more confusing in writing up PILOT bills together and then trying to keep track of all parts of that billing, it is in the writing of bills for the Global Foundries and Arnoff projects because these projects have multiple phases and components. The assessor deals with Arnoff's level of suffixing each phase of the property's development and Global Foundries' billing changes each year in accord with the PILOT Agreement. The meeting time was useful for Ms. Lambert to meet with Rae-Lyn Dussault who is the Assessor.

Mr. Valentine stated that Mr. Carminucci already addressed the first item on the agenda. Mr. Carminucci stated he didn't have anything beyond that discussion on Global. He further stated on Quad, we ultimately agreed to an amended and restated PILOT with Quad that has a new start date for the 10-year term because of the fact that the City failed to get it on the tax rolls last year. He does believe there is an Article 78 that the School District filed against the City but he doesn't know the status nor are we involved in that.

Mr. Valentine stated the last item is just a follow-up to what we did mention before and to what Ms. Lambert went over explaining the PILOTs and again with what Mr. Carminucci referenced with discussion before, that March 1st date is where it comes in. This was a rush. With him we had just finished up the bills in February for the Town and County bills and then he is going to take those ones we just billed them and say now we are taking them off. Those four projects are off our roll as far as projects.

Mr. Duffy stated we have a sub-committee meeting to follow this meeting. The next meeting date, we would like to push that back. We have some conflicts, so May 9th would be the normal date, so May 16th, the third Tuesday of May, if everyone could let me know if that conflicts with anybody else's calendar where we might not have a quorum. This one will not be a public hearing so it will be held in Ballston Spa.

Vice Chairman Klein asked if there was any further business to come before the Board. As there was no further business, Vice Chairman Klein asked for a motion to adjourn the meeting. The meeting was adjourned on a motion made by Ms. Kolligian, seconded by Ms. Manso, with all voting in favor.

Respectfully submitted,

Lori A. Eddy