

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

**Saratoga County Chamber
28 Clinton Street
Saratoga Springs, NY 12866
July 27, 2023 – 8:30 a.m.**

PRESENT: Members: Chairman Rod Sutton, Phil Klein, Mike Mooney, Tom Lewis and Erinn Kolligian.

STAFF & GUESTS: Scott Duffy, CEO; Jeff Many, CFO; James Carminucci, Counsel to the Agency; Kimberly Lambert, Asst. Administrator; Tori Riley, SEDC; Piere Bruno, SKS; Ken Horan, SKS; Josh Laber, GMES; Philip Berggren, AgroChem/Kersia; Robin Cooper, Business Review; and Lori Eddy.

ABSENT: Kevin Tollisen, Yvonne Manso.

Chairman Sutton called the meeting to order at 8:40 a.m. We do not have the minutes from the meeting earlier this month but will have them for the August meeting. If we don't have an August meeting, then we will have them for the September meeting.

Assignment and Assumption of Twinbrook/SKS to GMS Realty, LLP:

Chairman Sutton stated the assignment and assumption of the Twinbrook/SKS to GMS Realty, LLP application. As you know, in the public hearing notice, we deviated a bit from our UTEP so that we could make an exception that we normally don't do and it was a position that the Board was looking at to save 55 jobs and welcome a new tenant and new business into Saratoga Springs and Saratoga County, being Green Mountain Electric Supply. Chairman Sutton asked Ms. Riley if she had any other comments. Ms. Riley stated first she wanted to thank the IDA, it is a unique situation and understanding that one PILOT is coming to an end and another one coming in. She thinks that this is a great opportunity to secure businesses as well as attract additional investment GMES and we are excited about having the headquarters in New York and not in another State. We ask the IDA to consider that, with the incentives proposed due for those two reasons, and that makes it a multi-win-win for Saratoga County.

Chairman Sutton stated just to review, the benefits, we are looking at a mortgage recording tax of \$105,000, sales tax abatement of \$91,000 and real property tax of \$1,365,408. Chairman Sutton asked if there were any questions or comments from our Board. Mr. Carminucci stated he wants to make sure that he is doing this correctly. He believes what was discussed at the prior meeting as reflected in the application that employment tracking going forward is just going to be centered on Green Mountain Electric and excluding what might be happening with SKS, correct? Chairman Sutton replied correct. Mr. Carminucci replied thank you.

Chairman Sutton then asked for a motion to approve the Resolution for GMS Realty, LLP as presented. Mr. Mooney made a motion to approve the Resolution. The motion was seconded by Mr. Klein. Chairman Sutton asked if there was any further discussion. There was no further discussion.

RESOLUTION #1550

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

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

NOES: None

ADOPTED: 5-0

Application: Kersia USA Properties, LLC:

Chairman Sutton stated the next agenda item is the application for Kersia USA Properties, LLC. Ms. Riley stated thank you and good morning. Thank you for seeing us. Here this morning with us is Philip Berggren and he is Kersia USA and AgroChem USA CFO. AgroChem came to Saratoga approximately six years ago. Mr. Berggren stated we have been here fifteen years and were acquired a year and a half ago by a Kersia Group out of France who basically does the same exact thing throughout Europe and throughout the world in 90 countries. They acquired us to make their US push into the dairy market. Ms. Riley questioned Mr. Berggren how many employees do you currently have? Mr. Berggren stated we currently have 45. We should be up to the 50-60 range after release of new product. Ms. Riley continued they are in the Grande Industrial Park. They have the opportunity from Corporate to do an expansion at one of the U.S. locations.

Ms. Riley stated that Philip and his team have come to us for consideration of incentives for a ten-year manufacturing PILOT for a 27,500 square foot addition to their existing building and that would not just position them for additional investment and secure this location, but also signals to corporate that this location is open for business and available to continue with investment and growth. At this point, Kersia's total project costs are coming in at about \$6,434,800. We are requesting a ten-year manufacturing PILOT with an estimated value property tax exemptions of \$567,412 with an estimated value of sales tax exemptions coming in at \$201,425 and with an estimated value of mortgage tax exemption of \$38,609.00. We ask the Board to consider incentivizing this so again, we give this Saratoga location an opportunity for corporate investment and expansion when they are looking at all of the sites that they've acquired.

Chairman Sutton asked if there were any questions from the Board members. Mr. Klein stated he has a question. If his memory serves him right, he heard something about a company located up in Glens Falls area. Is that basically doing the same thing that you might be? Mr. Berggren stated that is Specialty Sales, it is very similar. They are more into the health care side of it. We are in both. Their main business though is formaldehyde sales, they basically sell formaldehyde to dairies. They have a process set up where they do bulk deliveries of formaldehyde. They set up tanks. They have been in the area for years; they are a competitor of ours. We both sell the same product when it comes to formaldehyde in bulk. Mr. Klein stated it is nothing new then? Mr. Berggren replied no.

Mr. Berggren stated that if people realize the dairy industry, the way it works, cows walk through formaldehyde a couple of times a day to clean off their hooves. We patented a product called "Healmax" that is organic, it breaks down organically so it is safe for the environment. That is something that we have as an alternative formaldehyde which a lot of our customers like and a lot of industries are taking up. A lot of countries are starting to take it in as well. China is starting to use it, as well as Japan. We've been in Japan and China for the last five or six years now. Ms. Riley stated, and Specialty Sales has, in order to get their product, you have to use their machinery and equipment, that is kind of the difference she thinks. Specialty Sales has an actual machine, and they fill that up, but you cannot get their product without having their machine. Mr. Klein replied thank you.

Ms. Kolligian stated when she looked at page six with the estimated sales inside Saratoga County, looking at some of the percentages, that makes sense then. Mr. Mooney stated just one thing on the application. He noticed the job numbers are different on three different pages. On page seven you say six jobs, on page fourteen you say five, and then on twenty-five you say seven. If you could just clarify the real numbers. Ms. Riley replied to Mr. Mooney that she will fix the first page on fourteen, she thinks Mr. Duffy and she had this conversation to ask for the first and second year but on the page after it asks for first, second and third year. Mr. Mooney replied, ok I see. Ms. Riley continued it is five for first two years and the addition is two jobs that will come after. Mr. Carminucci stated he thought we had done this, but page fourteen of the application needs to be modified to show the third year because that is how we track it in a project agreement and that is consistent with the projected employment plan on page twenty-five. We'll have to fix that. Ms. Lambert stated thank you for clarifying that because on the application it actually says new construction not an addition. Making sure that actually goes to the construction as actually an addition, not new construction. There are current employees there and that should be reflected in the jobs report too.

Ms. Lambert stated that the other part of the application is as you are doing your breakdowns, the request for sales tax exemptions, one of the exemptions is manufacturing equipment within the request and manufacturing equipment in the State of New York can be done through a different tax exemption and not through the exemption you are requesting here. That can be adjusted as well. Mr. Berggren replied so the five seventy-five? Ms. Lambert replied correct. Mr. Berggren questioned are we going to take that out of this application. Mr. Carminucci stated it is interesting. It is part of the project costs, it's just not necessarily part of the calculation of the sales tax exemption because it is going to be exempt as manufacturing equipment. Ms. Riley replied and she didn't add that in, she just did half of the construction with the \$25,000 for the soft costs. Mr. Carminucci stated he thinks that is ok to be included on page ten as it is a project cost, it just doesn't go into the sales tax exemption. Ms. Riley stated she took it out of the sales tax but added in the total project so you could see that. Mr. Duffy stated make sure all you three are on the same page when we have a public hearing. Mr. Berggren stated most of that equipment too is going to be done through Rasp who is a Saratoga County vendor as well.

Ms. Kolligian questioned the PILOT you are referring to, is that still active or has that expired? Mr. Berggren stated there are three years left. Mr. Carminucci replied and this addition is being built on land they are acquiring. Ms. Riley stated exactly, they are acquiring 1.2 acres for this to be able to do that addition so that is where those numbers came from. Ms. Lambert stated she does have one question, the site plan that was submitted through Saratoga Springs says 1.39 acres. Mr. Berggren replied he thinks it was amended after. Ms. Lambert replied ok.

Chairman Sutton questioned, what is the timetable for your project? Mr. Berggren replied well we are out of space now, so the big thing is to try to get the ball rolling. Right now, they are looking at Wisconsin for a greenhouse facility, Kersia USA has a facility out in Wisconsin, so they are exploring that option as well. We would like to keep it here just because we can be more hands on here, versus now somebody is going to have to travel from here out to there. A lot of our business from here ships out from Wisconsin, so if we pick that up then possibly could decrease our employment there.

Ms. Riley questioned Mr. Berggren would a public hearing in September, an inducement in September work. Mr. Berggren replied yes when I proposed this option to them, they were very happy with the savings. They are going to foot some of the money out of their pocket but most of it will be financed. Chairman Sutton questioned if the application went forward and was approved when would you want to break ground? Mr. Berggren replied it would all be based on Mr. Munter's scheduling whether he could order the steel and things like that. He would assume, we have stepped up the process and put in the plans for steel so if we do get approved it's not an extra three to four months wait time. He would think

timewise we could probably start in early November starting to get the site work done and then maybe even pour the concrete for the building and wait for the building to come in. Chairman Sutton stated the reason is we have to schedule a public hearing and we don't anticipate gathering in any kind of a meeting in August. The earliest date for a public hearing would be in September. Mr. Berggren replied that is fine with us.

Chairman Sutton asked if there were any further questions from the Board? Ms. Lambert questioned about starting in September, the application start date says October. Then the next page for construction it says 6-9 months. Just want to make sure that the application reflects six or nine months as far as your construction and make sure that gets adjusted depending upon when we have our public hearing. Mr. Duffy replied right now we are probably looking at September 12th unless something comes up that requires urgency.

Chairman Sutton then asked for a motion to forward the application for Kersia USA Properties LLC to a public hearing. Ms. Kolligian made a motion to approve the Resolution. The motion was seconded by Mr. Mooney. Chairman Sutton asked if there was any further discussion on the application as presented. There was no further discussion.

RESOLUTION #1551

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Resolution for Kersia USA Properties LLC as stated and discussed be acted upon. All were in favor and the motion was approved.

Chairman's Report:

Chairman Sutton stated the next agenda items is the Chairman's Report. As we keep talking about and this is probably the last go around with this, but the economic impact study that we presented back here in July was an overwhelming success by all indications. We did receive a notification from Baker and Jeff Riddick who kind of coordinated the whole project and one of the things that was calculated by them is that they felt between the news media, the print media, tv media, social media, that we received almost \$28,000 worth of advertising for the project. It was well received. He has seen some comments and memos going out that went statewide, the New York State Economic Development got a hold of this. We received a lot of positive feedback and people are using it for their own purposes. Again, \$47,000,000 worth of benefit is quite an achievement. That is only 4 sites in the Saratoga area. You are not talking about the smaller venues, the smaller museums, and things like that. Again, he appreciates the support that we received from this Board and the financial commitment that we got from this Board. We got a lot of great publicity for it. Thank you again.

Mr. Lewis stated it was money well spent. Chairman Sutton stated Baker was very good. The Assistant County Administrator did this for a living and he came up with the suggestion of getting a PR firm involved and it was well received. We were a little skeptical about spending that kind of money, but it was money well spent. He thinks we accomplished what we set out to do over a year ago so thank you again. Ms. Lambert stated the copies from the County, she knows Deputy Administrator Ridge is out of Town for some national association of counties business, but he should be back so the extra copies that are there we will get those together so if anybody needs any extra copies they will be in the Saratoga County Planning and Economic Development office. Chairman Sutton replied he did have a discussion with Assemblywoman Carrie Woerner and she would like 30 of the abbreviated versions for her office if we can get that down to her. Ms. Lambert stated she would see how many we have and get them to her.

CEO Report:

Saratoga County Chamber of Commerce Annual Renewal:

Chairman Sutton stated the next agenda item is the CEO Report. Mr. Duffy stated item number one, renewal of Chamber membership in the amount of \$480. We need to approve that payment.

Chairman Sutton then asked for a motion to approve the payment of the invoice for the Chamber membership in the amount of \$480. Mr. Klein made a motion to approve the payment of the invoice as presented. The motion was seconded by Ms. Kolligian. Chairman Sutton asked if there was any further discussion on the invoice as presented. There was no further discussion. All were in favor and the motion was approved.

Bond Allocation Report:

Mr. Duffy stated the next agenda item is the Bond Allocation Report. Mr. Carminucci stated you get an allocation every year for the purpose of issuing tax exempt debt but you are not issuing any, so you do not need it. Ms. Lambert stated they do request a form be filled out but because we are not issuing any bonds so the actual form just needs to be filled out and the letter should suffice. Mr. Duffy stated Mr. Valentine did write a letter. Ms. Lambert replied if it does not suffice, she is sure they will let us know.

SEQR Resolution – Munter Land Holdings, LLC:

Mr. Duffy started the next agenda item is the Munter/Soleno project SEQR Resolution. Mr. Carminucci stated this was originally emailed out and then we sent a corrected one yesterday because we had to add Munter Enterprises as an agent together with Munter Land Holdings. This Resolution confirms the action that was taken by the Planning Board with respect to SEQR and makes the sales tax agency appointment, so they are in a position to receive the purchasing of items with respect to construction. He spoke with Mr. Munter yesterday and they are moving forward. Ms. Kolligian questioned if everything got cleared up with the neighbors. Mr. Carminucci replied they filed an Article 78 and they lost and John said that written decision is not expected until the end of the year. John feels that they are still going to move forward.

Chairman Sutton then asked for a motion to approve the Resolution to confirm the action that was taken by the Planning Board with respect to SEQR and makes the sales tax agency appointment, so they are in a position to receive the purchasing of items with respect to construction. Mr. Klein made a motion to approve the Resolution. The motion was seconded by Mr. Lewis. Chairman Sutton asked if there was any further discussion on the Resolution as presented. There was no further discussion.

RESOLUTION #1552

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Resolution to confirm the action that was taken by the Planning Board with respect to SEQR and makes the sales tax agency appointment, so they are in a position to receive the purchasing of items with respect to construction as stated and discussed be acted upon. The results of the roll call vote were as follows:

AYES: Ms. Kolligian, Mr. Mooney, Mr. Klein, Mr. Lewis, and Chairman Sutton.
NOES: None

ADOPTED: 5-0

Baker PR – Adjusted Final Payment:

Mr. Duffy stated the next agenda item is the Baker Public Relations adjusted final payment. There was a \$3,000 line item for a video. Geoff from Baker PR missed that so we didn't do the video but they actually did create a video that was looping the entire time we were doing the press release, so we cut it in half and we just need the Board to approve the final payment. The amount is \$3,825.00.

Chairman Sutton then asked for a motion to approve the payment of the invoice for the Baker PR firm adjusted final payment in the amount of \$3,825.00. Mr. Mooney made a motion to approve the payment of the invoice as presented. The motion was seconded by Mr. Lewis. Chairman Sutton asked if there was any further discussion on the invoice as presented. There was no further discussion. All were in favor and the motion was approved.

Mr. Duffy then asked Mr. Carminucci if we were all set on Tabor Road. Mr. Carminucci stated we just got an email and he is not sure that transaction is moving forward, the one that was approved. Mark Rekucki may end up continuing to own the building. He doesn't know that for certain, but it was supposed to close and the closing date has passed so he doesn't know what is going on there. However, we did get an email yesterday he is developing the property next to that and not an IDA application. He is doing a lot line adjustment, so he is adjusting the acreage of a parcel that we have an interest in and the parcel also next to, so we have been asked to sign. We need to modify our PILOT lease agreement to adjust the description so he has prepared those documents but since we are not meeting until September, he just wanted to bring that to your attention there will need to be authorization to do that. Mr. Mooney questioned just because that closing didn't happen it is still active right? Mr. Carminucci replied yes. Mr. Mooney questioned how long, say they want to close next week, it could still close right? Mr. Carminucci replied yes, they could. Mr. Mooney questioned how long does that last? Mr. Carminucci replied our approvals are usually good for two years for those types of things. Chairman Sutton questioned so if a new purchaser comes in, it's a new application. Ms. Lambert stated because we did that assignment and assumption of 113 Warehouse has assumed? Mr. Carminucci replied well it never closed so you approved an assumption, but it hasn't happened. Mr. Duffy stated that concludes his report.

Mr. Klein questioned Mr. Carminucci about something else in South Glens Falls. Mr. Carminucci stated he was thinking about another project that might be coming your way at some point. Mr. Mooney questioned if that was BioChar. Mr. Carminucci replied yes. That was the one where there was an Article 78 filed and they did get a decision. He was mixing projects. Mr. Lewis questioned what was the decision? Mr. Carminucci replied it was in favor of the Town. Ms. Riley stated we met with the subcommittee. Mr. Carminucci continued, the decision was in favor of the Town and the applicant and against the opponents. Mr. Mooney stated they make fertilizer from sludge. Ms. Riley stated we met with them when they first started looking at the site, she thinks it was 2019 and then with COVID and everything, it kind of slowed the process down a little bit. It has been through she believes eight Planning Board meetings before it even started into the SEQR process and as Mr. Carminucci mentioned, the latest determination on their Article 78 is leaning them towards the site and she thinks when we had brought them to the subcommittee it was mentioned that once there is Town approval, acceptance or whatever, that at that point you would invite them to come in.

Mr. Lewis questioned if all of their approvals are done and valid. Mr. Carminucci replied yes. He thinks they may have some approvals to obtain from the State, but all of the local approvals are in place. Ms. Riley stated New York State has updated their policies and they may have to go through some of those approvals to determine if the sludge they have meets that. Ms. Riley stated they were exceeding their standard before; she thinks the standard from NYS DEC is way below what they did. This was like the third BioChar group that had come to us since probably 2016. The first couple, albeit great, using similar technology, they were looking like at a Morton building. They looked at Fort Edward's old GE site and a couple of other sites, but it really wanted a whole facility as sophisticated as the equipment.

He is doing zero emissions after hearing the concerns from the neighbors. He has met with the neighbors and has changed four or five different things that were major concern. Most of it, she thinks 95% of it was sequestered and that actually is what propels and motivates the equipment to board the end product and she thinks he is up to 99.7% with no emission. It is a carbon negative facility as built, but he's really gone above and beyond for that facility to be as safe as the equipment. Mr. Mooney stated that is all theoretical though because he hasn't built the equipment. Ms. Riley replied, well he's upgraded his buildings so the engineers, the contractors, and John is doing that building too. He is continually seeing the vacuums in place, more vacuums for both equipment and the building. All of the fees keep going up because he just wants to make this a little bit safer. If this is really what the neighbors concern is, he is willing to put this in. We are trying to be an environmentally friendly operation and we want to do this right. He is an environmental PhD and a lawyer by trade. This is his thing. He wants to save the earth. Ms. Kolligian questioned what road is that on? Ms. Riley replied it is in the Moreau Industrial Park.

CFO Report:

Chairman Sutton asked Mr. Many to discuss the next agenda item for CFO Report. Mr. Many stated he has just a few things. He has a few checks that need to be signed. The other thing we are going to be doing is sending out bids for the certificate of deposits. We just need to move that forward and earn ourselves some interest. The bids will be going out shortly. We have a minor issue with PARIS. He sent an inquiry because he wanted to make sure the jobs report was correct for one our projects, Impact Athletic. They were a little confusing on their report, so he just wanted to clarify that mistake. Finally, we updated the banking to bring Kim Lambert on board and Mike Valentine is off our accounts due to his retirement. There is not a lot going on this month.

Administrator Report:

Chairman Sutton asked Ms. Lambert to discuss the next agenda item for Administrator Report. Ms. Lambert stated the only thing she actually has to report and to get a Resolution to do, as you all know Mr. Valentine will be retiring on August 3rd. He has been a great mentor and a great asset to this Board and any other Board he has any input to. It was her honor and privilege to be able to be mentored by him for this Board. With that, if we can get a vote on her being the Administrator, Mr. Valentine is retiring. Ms. Lambert questioned Chairman Sutton how he would like to proceed with that? Chairman Sutton questioned if we need discussion from the Board members as to change in title? Mr. Lewis stated he has a comment. He has seen first hand because of his other volunteer job at the County Planning Board that Ms. Lambert is up to task. He has visibly seen that.

Chairman Sutton then asked for a motion to approve the appointment of Ms. Lambert as Administrator. Mr. Mooney made a motion to approve the appointment as presented. The motion was seconded by Mr.

Lewis. Chairman Sutton asked if there was any further discussion on the appointment as presented. There was no further discussion.

RESOLUTION #1553

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the Resolution for Kimberly Lambert to be appointed as Administrator as stated and discussed be acted upon. All were in favor and the motion was approved.

Chairman Sutton stated he will write a letter of gratitude for all of the services Mr. Valentine has given to the IDA over the years. Ms. Lambert stated she appreciates that. To have that opportunity to sit with him and go through this whole process has been completely amazing and she appreciates all of the Board members for your patience in that process. She appreciates this opportunity that you have given her and she appreciates the opportunity to be able to have to sit in and to go through this process. Chairman Sutton stated for the record he does want to acknowledge all of the service that Mr. Valentine has given to the Saratoga County IDA over the years. Mr. Valentine was never short of opinion which is good because that is how a dialogue continues. He kept everybody on their toes, he had that institutional knowledge that a lot of us don't have. He was a dedicated public servant, and he would like to recognize all of the good work that Mr. Valentine has done for the County and for the services he gave to the IDA. Mr. Klein asked if it would be appropriate to get a certificate for downtown or something of that nature.

Agency Counsel:

Chairman Sutton stated the next agenda item is Agency Counsel. Mr. Carminucci stated he did finally hear back from the Champlain Hudson Power Express on the language that he marked up, so he has to look at what they came back with. He guesses they will be finalizing that at some point. Other than that, that project continues to be a slow roll. Mr. Klein questioned Mr. Carminucci if he had any idea if they are on time or near? Ms. Kolligian stated she had site visits with them in Wilton. Mr. Klein questioned if they are on time? Ms. Kolligian replied they are, but they are not. There are issues with different areas in Wilton. There are also issues with people down in Rockland County buying up property to sell it back to them at a price. Discussion continued amongst the Board regarding the rail property owned by the IDA and the easements to be put in place.

SEDC-Pending Applications:

Chairman Sutton stated the next agenda item is SEDC Pending Applications. Ms. Riley stated we have a couple of pending applications. Jerson, we met with them at the subcommittee. They should be ready for September and then we will also have Park Place Peninsula. She is meeting with them at 2:30 today to determine what they are proposing. She will reach out and you can decide when you want to do that in the subcommittee as well as Tech Protective Coating in Halfmoon. They are still in the process of doing an acquisition and a new property near area 51. They are fine with September agenda dates.

Other Business:

Mr. Duffy questioned if we want to set the next meeting date for September 12th? Chairman Sutton stated it depends on the Chamber if they will allow us to do that. This is a little more convenient with parking than City Hall. Mr. Duffy stated if we could do it here this would be our first choice rather than go to City Hall. Mr. Carminucci stated the only thing he would mention is they seem to want us to have the

door closed because they are conducting business and it is supposed to be a public meeting, so we just need to somehow work it for here.

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

Respectfully submitted,

Lori A. Eddy