

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING

Malta Town Office

2540 State Route 9, Malta, NY 12020

August 20, 2024 – 8:30 a.m.

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

STAFF & GUESTS: Scott Duffy, CEO; Jeff Many, CFO; Kimberly Lambert, Administrator; James Carminucci, Counsel to the Agency; Greg Connors, SEDC; Steve Bulger, County Administrator; Nisha Merchant, Saratoga County Department of Planning and Economic Development; Chris Pickett, CB20 President & CEO; Tom Franceski; Mike Robyck, MR2 Construction Services; Matt Roberts, MR2 Construction Services; Lenny Goldstock, 612 Maple Avenue; Matt Paulsen, 612 Maple Avenue; Rich Paulsen, 612 Maple Avenue; Paul Goldman, Legal Counsel, 612 Maple Avenue; and Lori Eddy.

ABSENT: None.

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

Approval of Meeting Minutes: July 9, 2024:

Chairman Sutton stated the first order of business is the approval of the meeting minutes of July 9, 2024. Chairman Sutton asked if there were any changes to the meeting minutes. Mr. Lewis made a motion to approve the minutes of July 9, 2024. The motion was seconded by Mr. Mooney. Ms. Manso stated she would like to abstain as she was not present at the meeting. As there was no further discussion, all were in favor and the minutes were approved.

MR2 Construction Services (Inducement Resolution):

Chairman Sutton stated we just had a public hearing and now we have the application for MR2 Construction Services. We've indicated what the benefit package looks like and do we have any comments and questions from our Board members on this application.

Mr. Mooney stated he had a question which was brought up at the last meeting and that was the retail component and size of it. He does not know if someone has numbers on that. Mr. Connors thanked Mr. Mooney for that question. In response to the inquiry by the Committee at your July meeting with respect to the retail portion of the MR2 project, the applicant had submitted a document for consideration by the IDA members and in consultation with the respective tenant, they have confirmed and affirmed that the space allocated for retail services at the new location will not exceed 25% of the total space available and that is contained in an attachment to the application provided. Mr. Carminucci questioned Mr. Connors if that was 25% of the space that they are occupying. Mr. Connors replied yes.

Mr. Mooney questioned and what is the whole project? Mr. Carminucci replied 20,700 he believes. Chairman Sutton replied 20,000. Mr. Carminucci stated he thinks the applicant is occupying 10,700 and the third-party tenant is occupying the 10,000.

Mr. Klein questioned and then we would be within the guidelines of the UTEP? Mr. Carminucci replied right, in order to trigger the retail prohibition, it has to be more than 1/3 of the total project cost as supporting retail, which obviously based on this figure he doesn't think we are anywhere near that.

Mr. Tollisen stated he had a question. It looks to him on the onset here that the exemptions are about \$200,000. He is a little unclear as to what new jobs we are creating here. What jobs are we creating in this first and second year? He had different numbers. One, he had potentially three full time jobs in the first year and then maybe ten after five years, but he is a little confused as to what that is. Mr. Connors asked the applicants to address this question.

Mr. Roberts stated as we continue to expand, we are adding two types of jobs. We are adding professional services, both project managers and superintendents. We intend to add at least two in the next year with those jobs and then we have a trade division that we are expanding, which is where we could add three to ten jobs in the next five years. Additionally, as we continue to expand, additional professional jobs being project managers and superintendents, we will continue to add as the volume grows. We are looking at three to five more of those in the next three to five years.

Mr. Tollisen stated so two jobs in the next year, are they professional, what jobs are they? Mr. Roberts replied the two jobs in the next year will be professional and there will also be trade jobs added as well. He would anticipate one to three trade jobs.

Mr. Lewis stated the application reads that the applicant will use 5,000 square feet office/warehouse adjacent to the proposed spot. The remaining space will be for a commercial tenant. Will you expand on that. Mr. Roberts replied that MR2 will occupy the 10,700. About half of that will be our office space for the professional side. The rest will be the supporting business for our warehousing capabilities and like pre-manufacturing. The proposed tenant will take the remaining space, 10,000 for their warehouse capabilities for the direct consumer and they operate a small sales retail sales component in the front of that space.

Mr. Lewis replied that most of the applicants that we see have serious new job creation. Mr. Roberts replied we tried to be conservative in our approach. The trade division could take off and easily add over ten jobs in the next five years. The professional service of any large construction firm. We went from seven years ago to two employees to twelve today and with the thirteenth starting next month. He thinks that our potential to add more than ten jobs in the five years is very high and it certainly can be significantly more than that if you look at the large construction firms in the area. These firms are operating forty or fifty, one hundred.

Chairman Sutton asked if there were any further questions. Chairman Sutton stated in the warehousing, are you doing some pre-fab manufacturing within the facility that you want to build on. Mr. Roberts replied some of the warehousing will be used to supply our materials of course and then we pre-fab some components going down to job sites that make more sense that doesn't warrant building on site for a number of reasons.

Chairman Sutton asked if there were any questions. Mr. Mooney replied that it doesn't seem like a lot of jobs to me either and very limited manufacturing for sure. Mr. Roberts replied we would certainly like to stay in Saratoga County, we grew up here and we intend to grow as many jobs as we can. We are trying to bring this company to the next level. We have shown that continued growth over the seven years here.

The reason primarily we are out of space where we are, we can't stay where we are now and continue to expand without having the office space or the warehouse capabilities. We would like to do that here and we will certainly bring as many jobs to the market as we can.

Chairman Sutton thanked Mr. Roberts. The carving out of the retail space is something that would be considered by this Board. Taking away the retail portion of the PILOT and look at recording tax, sales tax abatement and maybe carving out that portion of the building that would be pertinent to retail. Is that something that people would be thinking about here?

Mr. Mooney questioned if the application is for ten years? Chairman Sutton replied ten years.

Mr. Klein replied to answer your question, that might be an interesting formula to look at to see how it affects the overall.

Chairman Sutton replied the purpose again is to make job creation which is part of the role that we have as the IDA. The second thing that he is thinking of is to maintain the jobs and keep them in Saratoga County. He would not like to see anybody leave Saratoga County over three or four jobs. That is his opinion at this point. He doesn't know if anybody has any comments on that. Please entertain any thoughts please.

Mr. Tollisen stated his personal opinion is that we want any business to stay in Saratoga County and we want to grow jobs and keep jobs here. His concern is he's just not understanding the amount of jobs because he thinks we have one document that says one and he is just hearing something different again, so he doesn't know if it is the fact that we are trying to be cautious of what jobs we are creating, but he thinks Mr. Mooney's comments are pretty clear that this is not a big job creator and he is not necessarily opposed to it, but based on what he has here is just not comfortable with it at this point.

Ms. Kolligian questioned how often the job creations are reviewed, are they annually? Chairman Sutton replied annually.

Mr. Tollisen stated maybe he should just ask the question and maybe Mr. Connors could help him with that. This letter that was submitted August 2nd said that , the first year they are creating at least four full time jobs and then in the second year, five full time jobs? Mr. Connors replied right. He thinks what we are trying to enable here is not only a new investment, in this particular case in the Town of Malta, but an ongoing enterprise that over the period of their operation here in Saratoga County, the jobs are going to grow. We always want to be careful at this particular stage of over estimating or over promising. He thinks the applicant has done a good job at being conservative in their estimates. But, as you just heard in his comments before the Board, they continue to grow as we speak and he is confident not only in the success that the business has had so far in terms of the jobs creation just since we became involved in the early part of this year, but over the next five years, he thinks, despite the fact that they are being conservative at this time, and understanding the industry, there is going to be job growth that he thinks we can all be proud of.

Mr. Tollisen replied so just for purposes of the application and this submittal, the expectation is four full time jobs additional, so retaining the twelve, having four additional after the first year and five additional after the second year. Mr. Connors replied he believes that is accurate. Mr. Carminucci replied to Mr. Tollisen on our application, there is actually a flaw on the application because the chart and on the

application only carries out job growth for two years, but the attachment carries it out three years. Typically, we do look at three-year job projections in our agreement so we would also need to know what it looks like in year three. At some point we need to get confirmation on what the job projections are going to be.

Mr. Tollisen replied so what is the third year expectation, that is what we need for our records. If we are considering this now what is the third year of job growth. Mr. Roberts replied if you go back to the previous letter he thinks it is stated as two additional professional and three production jobs being the trade jobs. Again, we were conservative when we put this together, we don't want to over promise. That is the way our market is going right now.

Ms. Kolligian questioned and these are jobs on MR2 payroll, but that doesn't include the people that you are going to sub-contract with. Mr. Roberts replied that is correct.

Ms. Kolligian questioned how many people do you sub-contract, how many companies a year and are they within Saratoga County as well? Mr. Robyck replied he just wants to back up for one second. We are talking about growth for the first year mainly for office personnel right, so that is high level project management and supervision that adds up to anywhere between \$85,000 to \$140,000 a year annual salary for those professionals. That is our first-year goal is to take on two more of those types of professionals. The second year, the office staff would continue to grow by another two. What Mr. Roberts was alluding to is part of this whole growth is the framing and drywall division which we currently do in-house. We haven't pushed it as hard because of our lack of facility that we have. He doesn't have the area to produce in the shop right now to send out to the field. That means from anywhere from five to ten people for our own framing and drywall division. To get to your point with the sub-contracting, 75-80% of our work is sub-contracted. He would say if he had to take a guess at the percentage from Saratoga County, it's probably at 40% Saratoga, 60% other areas because we do work in a range of this area up to maybe an hour away. We don't travel out of town too far. We are within an hour range from our home base. So a lot of our trade work is from the County of Saratoga. Again, going back to, he knows the numbers seem jumbled, but we were trying to be conservative about that. That has kind of been our approach since day one partnering up over seven years ago. We just don't want to jump out there and just hire a bunch of people that are \$100,000 plus and then all of a sudden now we see that the market isn't there. It's been growing and we are very comfortable with where we are at and where we are heading. He knows you need to be clear on and it's very important about adding and how many people we are going to hire. He thinks comfortably, two professional the first year and two more the following year. But the trade overall for that three-year projection is going to probably be between five and ten between trade skills.

Mr. Lewis stated he thinks we try to be really consistent and he is usually advocating as much Saratoga County as possible. He appreciates the honesty, it is just he started looking at the number of jobs and it is a low number but at the same time retention matters. He certainly would like to hear from the other Board members as to how they feel.

Mr. Mooney stated he agreed with that, and he feels like we have to base what we do on the commitment from them because they will be audited in the future for those jobs, and they will only be held to what is on the application.

Chairman Sutton asked if there were any further comments. Mr. Tollisen questioned to Chairman Sutton, back to what you were saying about the carve out, can you explain that? Chairman Sutton replied what

we would do is take a look at the square footage of the building itself and the amount of space that is being occupied by the hot tub folks, take that out of the equation of the PILOT. We've done it before in other areas where the building doesn't warrant the full PILOT program and if we take the square footage and we can do the math with that afterwards if that be the case and reduce the amount of the payment in lieu of tax based on the square footage being occupied by MR2 and exclude the hot tub people. Then that way we take a look at the mortgage recording tax would stay the same but the sales tax would be on building material that is being used specifically for the MR2 folks.

Mr. Carminucci replied it will be difficult to monitor and implement he thinks because construction is occurring at the same time and if you try to put aside sales tax relating to that hot tub space he thinks it is going to be really challenging to actually do that.

Mr. Duffy stated so when raw materials are coming in and stuff like that how do you carve out 25%, so you give me an invoice and say okay I only want tax credit for 25%. Mr. Carminucci replied it will be almost impossible to actually implement.

Chairman Sutton replied the projection right now is \$78,000 for the sales tax abatement and you are talking \$15,000 for the mortgage tax. Then if you take a portion of the PILOT currently, it's at \$147,000, that would have to be carved out whatever percentages are being occupied by the hot tub folks.

Mr. Carminucci replied it is a little less than 50%. Chairman Sutton replied so it may be half of the \$147,000 maybe at that point.

Mr. Mooney replied or just simply reduce it to five years. Chairman Sutton replied a five-year PILOT, yes. We could do that as well. There are options that this Board can take if they so choose. He would like to have a motion to proceed this application along.

Mr. Mooney stated he is not sure what that means. Proceed it along, are we voting to accept what we have in front of us, are we going to put it off. What does that mean.

Chairman Sutton stated we can table it until next month and once we do the math.

Ms. Kolligian stated and she doesn't want to penalize you guys for having a conservative approach, you are not a huge corporation, it's two of you building something, it's a mom and pop and that is what this community was built on and I don't think you should be penalized for it for having conservative numbers. Clearly none of us have a crystal ball. But there is a lot to consider. We have a responsibility to the County as far as these numbers. She would certainly consider herself relooking at some of the numbers and making sure it works for this Board and it works for the business as well.

Chairman Sutton stated he is hearing that you would like to table the application and revisit the numbers based on square footage of the occupying that space for MR2 and the job growth.

Mr. Mooney replied yes, several scenarios, maybe just simply reduce the PILOT to a five year.

Ms. Kolligian stated and if you guys could also for that meeting let us know how many companies that you also work with within Saratoga County, if you don't mind sharing a ballpark figure, and certainly you

don't need to tell us how much you paid for each one. But certainly you are making a distribution into the community outside your own workforce correct. Mr. Lewis seconded the motion.

Mr. Connors replied to the Board before you act on the resolution if you could have staff communicate to him so that we can have a clear and concise answer by your September meeting just how exactly the Board wants the information to be clarified.

Chairman Sutton stated we will certainly make every attempt to do that and get that back to you as soon as possible so that we are not delaying this project.

Mr. Duffy stated for his clarity, we are talking about another swing for the three-year job projection and maybe have some of those labor guys involved in that too, not just administrative staff and the higher level folks that you have, the actual guys that might make the panels and things like that. Again, be conservative and then you are talking about a five year instead of a ten. Is that what this Board wants? Ms. Kolligian stated it is on the table.

Chairman Sutton stated he thinks we look at both, we look at the ten and projected on five. Mr. Connors stated so the primary objective is a more crisp number on the job creation for year three through five, is that correct? Chairman Sutton stated that would be the first criteria. The second criteria would be the square footage on the tenants, how much square footage will the tenant be occupying on the total building, to carve out the portion of the property.

Ms. Kolligan stated typically this meeting would be on September 10th, that is only three weeks away. Do we have a set date? Chairman Sutton replied we are looking at September 10th for our next meeting. Ms. Kolligan replied that is quick. Chairman Sutton replied they would like to get in the ground as well, they would like to know sooner rather than later. To be courteous to them he thinks we should fast forward this as best we can.

Ms. Kolligian questioned with the change in numbers, there would have to be another public hearing in October? Will they have to reopen it? Mr. Carminucci replied no he does not believe so. Chairman Sutton replied we just modified the application at this point.

Mr. Carminucci questioned if there was any projected job growth with the tenant or no? The applicant replied they did not list them on the application. Mr. Carminucci replied he is just suggesting that if there were that might add to the application particularly if the PILOT ends up covering that space as well.

Mr. Duffy stated which it sounds like that is where it is headed because having a percentage carved out is going to be impossible administratively. Mr. Carminucci replied you could definitely carve out the space from the PILOT, it's just that is hard to do that. Again, if it ends up being a PILOT that includes all of it and the tenant is projecting job growth it might not be a bad idea to incorporate those numbers into the projections as well to support the request.

Chairman Sutton then asked for a motion to table the application for MR2 until the September meeting as presented and discussed. Mr. Mooney made a motion to table the application and redo the application based on the concerns as presented and discussed. The motion was seconded by Mr. Lewis. There was no further discussion.

RESOLUTION #1585

RESOLVED, THAT the Saratoga County IDA does approve to table the application for MR2 until the September meeting as presented and discussed. All were in favor and the motion was unanimously approved.

CB20, Inc. (Inducement Resolution):

Chairman Sutton stated the next item on the agenda is the application for CB20, Inc. Again, we had our public hearing. We have the details of the applicant, what the ask is, what the job creation is. The recap of the PILOT is a mortgage recording tax of \$22,600, sales tax of \$63,000 and property tax abatement on a ten-year PILOT of \$181,000 for a bottom line of \$212,000. Chairman Sutton asked if there were any questions and thoughts on this application as it has been presented. Mr. Mooney replied no, but if the job creation could be pulled up on the screen on that, this is significant.

Chairman Sutton then asked for a motion to accept the application for CB20, Inc. as stated and presented. Mr. Tollisen made a motion to accept and approve the application as presented and discussed. The motion was seconded by Mr. Mooney. There was no further discussion.

RESOLUTION #1586

RESOLVED, THAT the Saratoga County IDA does approve the application for CB20, Inc. as stated and discussed be acted upon. The results of the roll call vote were as follows:

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

NOES: None

ADOPTED: 7-0

Chairman's Report

Chairman Sutton stated the next agenda item is Chairman's Report. Chairman Sutton stated he has a clarification from last month's meeting. There was an announcement that occurred at the IDA meeting last month from the Planning Department and he will correct the minutes as follows. Kimberly Lambert was promoted as the Senior Planner position last October and she previously held the Economic Development Specialist Planner position, and she took over for Mike Valentine position. Nisha Merchant was promoted to the Economic Development Specialty Planner position, and she will be assisting Kim as we go through the meeting process in the next year. Thank you and I stand corrected on that and change the minutes of the meeting.

CEO Report:

Chairman Sutton stated the next agenda item is the CEO Report. We have an application from 612 Maple Avenue next. Chairman Sutton stated he needs to recuse himself and Vice Chairman Klein will be taking over the meeting at this time. Chairman Sutton was then excused from the meeting.

Application: 612 Maple Avenue:

Vice Chairman Klein asked Mr. Connors to discuss the application for 612 Maple Avenue.

Mr. Connors stated to the Board before the members of the IDA Board this morning for your consideration is the application for 612 Maple Avenue Development Associates, LLC also known as the 612 Maple Avenue Medical Office Park represented here today by Dr. Lenny Goldstock and Richard Paulsen of Paulsen Development. While this project has been in the planning, design and approval process over the last three years, within the last six months the applicants determined that without Saratoga County IDA economic support due to the increasing construction costs, the project as proposed may be in jeopardy. SEDC was authorized by the IDA sub-committee at the conclusion of their meeting on Tuesday July 9th to prepare an application to the IDA seeking economic support for their project proposed in the Town of Wilton. The fully executed and notarized application together with the required fee has been provided to the IDA Administrator. The applicant proposes to construct a 125,000 square foot medical and health care facility that in addition to orthopedic health care services will incorporate in its facility a myriad of health care services together with health care professionals that currently do not exist at scale in northern Saratoga County. The project also proposes to consolidate existing Ortho New York services currently located in Central Saratoga County. For the IDA members not present at the July 9th sub-committee meeting, Ortho New York provides orthopedic medical care throughout the Capital Region. In addition to three ambulatory surgery centers, Ortho New York staffs eight offices with board certified orthopedists and hundreds of health care professionals. The project will be located on a lot that is approximately thirteen plus or minus acres and anticipates a capital investment of approximately \$69,000,000 which includes land acquisition, mortgage financing, supporting of construction costs of approximately \$42,000,000, \$21,000,000 in fixtures, furnishings and other soft costs of approximately \$2,700,000. In addition to the 200 plus temporary construction jobs, the project proposes to create and retain approximately 450 full time job opportunities over a three-year period once the construction is completed and building occupancy begins as identified in the projected employment plan contained in the application. This project proposes to address the unmet medical need for specific health care services for residents in central and northern Saratoga, southern Warren, eastern Montgomery and Washington Counties which is more accurately defined in attachment E and included as part of the application. The sub-committee also requested additional information to be included in the application before you as follows: A detailed description of the cost for the proposed public benefit together with a description of what that benefit is and how it will benefit the residents of the Town of Wilton. The public benefits in the attachment are identified as traffic and pedestrian improvements, multi-level connectivity and sanitary sewer connectivity altogether valued at approximately \$1 million dollars in public benefit. The additional information requested by the sub-committee has been provided and identified as attachment E1 which is included and made part of the application. Preliminary approval has been granted by the Wilton Planning Board and the Town Supervisor has contacted him personally affirming support for this project. The applicant is requesting the IDA, based on the approximate \$69 million dollar investment, to consider an investment package that is estimated as approximately \$416,000 in mortgage tax relief, \$3,000,000 in sales tax related and a ten-year commercial PILOT with an estimate value of approximately \$795,000 representing an estimated total value of the IDA's economic support over a ten-year period of approximately \$4,000,000. With IDA economic support and planning board final approval, construction is planned to begin in November of 2024 with completion, hiring and occupancy to take place in March of 2026. Dr. Goldstock and Mr. Paulsen are in attendance this morning and would be happy to answer any questions the members of the IDA may have at this time.

Vice Chairman Klein thanked Mr. Connors. As you indicated, this is one of the larger projects that we've seen in the last few months for sure and he knows there have been a number of conversations among the Board members and also with some of the officials in Wilton. What he would like to do is possibly open it up to the Board to start with questions.

Mr. Lewis stated he had the benefit of the sub-committee so he has heard this before. He is very enthused about this, there are some issues. Having hip replacement and seeing the waiting line for appointments, it is just off the charts. What this particular project does and for a number of decades he has been involved in economic development in Saratoga County. This as a destination \$70,000,000 project meeting the county's medical needs, the area medical needs, 450 jobs, so hopefully the Board feels this deserves a public hearing. He just wants to say he is very, very enthused about this project.

Ms. Manso stated she can understand the enthusiasm for the project but our goal with the IDA is to give financial assistance to businesses bringing manufacturing and industrial. Outside of the initial construction, after that it is all professional. It's all medical. She needs help understanding why she would approve that or vote in favor of that when being a part of the Board is to bring the construction, industrial, manufacturing and bringing that to Saratoga County. Mr. Lewis agreed.

Mr. Connors replied an excellent question Ms. Manso. He thinks the IDA historically has also considered projects of this type when the proposed use, in this particular case, health care services, is not readily available in the area in which the project is going to be located. Now that is not to say there is not existing health care facilities in the Town of Wilton. But this project proposes to introduce into the Town of Wilton, into Central and Northern Saratoga County, a myriad of health care services that do not currently exist and it is in that respect that we believe the IDA has a vested interest in supporting this project. And, if he may ask either Dr. Goldstock or Mr. Paulsen to address that more specifically, they've worked very hard at identifying the medical services that are not currently available at scale and have proposed to introduce those medical services into a region where, in a lot of cases, it is not currently available. So, your point is certainly well taken, but historically in communities where these services are not available of any kind, the IDA has taken a favorable view of the application. He will ask Dr. Goldstock or Mr. Paulsen to address further Ms. Manso's question.

Ms. Kolligian stated while he approaches, she does want to make clear that Albany ENT was in the Town of Wilton and they left when the new facility was built, she believes, down on Everett Road, so she is curious one, why they left and why they are coming back is one of the questions.

Mr. Goldstock introduced himself. He has been in health care for almost 30 years, prior to managing part of Ortho New York. He has been partnered with Mr. Paulsen for twenty-five years on a handshake, there is no more honest a developer in the capital district. He wants to talk about the opportunity on this project and then he will talk about reality. He first just wanted to recognize the Planning Board in the Town of Wilton is great, he has learned a lot from them, they have been very transparent, very honest and very thorough. We had three months of public hearing and they were only positive comments. He also wants to thank Mr. Connors, he has been a great coach. He wanted to let you know that health care is in crisis. He is not new to this. If you look just locally, CDPHP just sold out to Blue Cross/Blue Shield. Our group relied on withholds for the last year and now we are not going to get them or at least they are being delayed. CDPHP has been the best partner in health care any provider could ask for. They've been willing to work with us and partner with us and now they are in bad shape. I ask all of you to look at your access to health care. If any of you or your family wish to be seen by a primary care provider, a

rheumatologist or an endocrinologist, good luck. He is texted every single day, can you get me into this or that. His answer is no he can't. We do have one record in the Capital District that is a national record and we should all be insulted by this. Our wait times at Albany Med are over six hours. That is the highest in the nation because we don't have providers to take care of people. Again, he doesn't know what the rules are with the IDA, he is just an orthopedist. Recruiting for his organization, Ortho New York, we have the bells and whistles. We have surgery centers, we have MRI's, we have durable medical goods, we have physical therapy. He can't recruit. We have to beg people to come here to join our organization because the challenges in health care in the State of New York. The burnout of physicians is terrible. Everyone is retiring. This idea of preapproval now, health care is broke. So, what the insurance companies are doing are saying you need preapproval for this, preapproval for that. I have to send people for physical therapy when they have arthritis of their shoulder before I can replace it. We don't run it anymore. It's a real challenge. I will get to your point in a minute. This has been a four or five year journey for Rich and I in this medical.

Ortho New York is absolutely bursting at the seams in Saratoga. Our Wilton building leaks, the roof is leaking, none of us own it. So we have now taken the needs of Ortho New York and brought it to Wilton where we could find land that was at a reasonable price. We couldn't do it on our own so we created this medical destination. It really has been a four or five year action. Ortho New York will be the lead. Ortho as he said would have closed our Malta office and not stayed there just because of the building. We cover Saratoga County and we cover Warren County with Glens Falls. We were considering either Saratoga County or Warren County and we came up with Wilton. We are going to build four new ambulatory surgery centers for access to health care and have every aspect of orthopedic care, urgent care, and every specialty, hips and knees and the whole gambit there in Wilton. We also recruited Eyes New York. It is a large ophthalmology group that was planning to build their surgery center and their office in Warren County and because of the opportunity to own, this building isn't two developers getting rich. We are only going to own a small fraction. The physician groups are going to own this building, so they are going to stay there for quite a long time providing health care needs to the people of northern Saratoga County. Albany ENT, they didn't own their building I suspect. I know them very well. They've partnered with us on other projects. The reason that they are moving back to Saratoga County is that Saratoga County is growing. He has known Steve for a long time, we had a nice conversation out front. You want people there to provide services and that is where we want to be in Saratoga County. Since they are going to be owner/operators of this building, that is the reason why Gavin and Larry Kaufman are moving up to Wilton. Capital Cardiology is also moving into this building. They provide a walk in cardiac service. It's great. The other groups include Schenectady and Saratoga GI. That gastroenterology group is going to double their footprint in this building. We have 800 square feet left over. Everything has got a signed LOI for this building. It's filled already. Again, he is the optimist, Rich will give you some reality in a minute. The 800 square feet, we are trying to get CDPHP to fill with access to health care. They educate people on their opportunities for Medicare and Medicaid etc. But now they aren't going to do it, they don't have the money. So, he is trying to get MVP to fill that space because we think that is important for the community. We are strongly supported by Hudson Headwater. They have address contracts where they want their work to be done by private practice physicians. Our work is 30% less expensive than if you go to the hospital. What we are trying to offer the community, and he knows it might not be manufacturing, but we are doing hip replacements, we are doing knee replacements, we are doing spinal fusions as an outpatient. So, if you want access to affordable and high quality health care, you will support this program because I've got the best of the best coming to provide care to northern Saratoga and the adjoining counties.

He has learned a lot today about job creation and these are jobs that are going to start day one because we need to fill these surgery centers with staff so it looks like we are going to retain 150 jobs and create over 200 jobs and that is day one. By the way, lastly, this is only part of our full project. We are also working across the street. We have another 30,000 square feet of medical. He thinks it is going to be full. It will also offer primary care, a lab and imaging in addition to an orthopedic lab and pain management. We are also going to try to construct 140 apartments and try to make them, everybody talks about workforce. These are going to connect, these two projects. Wouldn't it be great if my PA can go to work and live across the street in an apartment that we are building that is going to be affordable. He doesn't know the rules, but he is thirty years in health care and he will tell you we are going down the tubes so this project will certainly help the residents of northern Saratoga County. Thank you for your time.

Mr. Paulsen introduced himself to the IDA Board members. He stated he is not sure if he is going to exactly answer your question, but we will have Paul Goldman, our lawyer, speak to your question as well. What he also wanted to talk about is this has been a three or four year journey that he and Dr. Goldstock have been on and he used to be on the Colonie IDA Board and he has done several medical projects over the last four or five years. He understands the position you are in the responsibility that you have. He never came to an IDA Board either in Colonie, Albany, Saratoga because he didn't believe he had the merit or the project didn't meet all the requirements to get approval. But he is very confident in this one. The reason why we came and we met with Greg several months ago was we came not only to believe we were providing public benefit but also the numbers no longer worked. So when we started this project three years ago, inflation just started. In our application we put that inflation has increased 30 to 40% over the last four years and he does have documentation. The associated general contractors for health care buildings alone is 34.5%. He also has a report here that rents in Saratoga County have remained flat over the last four years. In fact, in the last twelve months rents have decreased in office buildings by 1.2%. When he has to go and stand before 100 physicians who will own this building and say invest in this building and become owner occupied, I have construction costs that have increased by 34% over the last four years, but yet rents have been relatively flat. The numbers do not work. But for your help, I do not have a viable project and that is why on that part of it, we need Saratoga IDA to support this project.

Mr. Paul Goldman addressed the IDA Board at this time. Ms. Manso, I am going to address your point right away. In the IDA statute is the word commercial. He recently had two years of experience going through New York Court of Appeals as to what that term means. There is manufacturing, there is industrial and there is commercial. This would be what you would consider a commercial project. He represented the Oneida County IDA in a case called Nine West Development, it is still winding its way through the tour of the courts, dealing with a parking lot next to a medical office building. It went all the way to the Court of Appeals if you can imagine this. So commercial is defined really just in a simple manner. A rent paying facility. So the facility is rent paid, because next to the parking lot, which was next to a hospital, is a medical office building. That was done with IDA financial assistance. But the word commercial is a committed use, this is a commercial project. So now we have to prove that and he thinks the applicant has set forth why the services aren't reasonably successful in the Town. So, did I answer your question. There is a statutory term, in addition to industrial, in addition to manufacturing, put a word commercial. This is a commercial project. There have been many medical office buildings done throughout this Capital region, again for the reasons set forth by Dr. Goldstock and it does fit as a commercial project, it is a rent paying facility and that is why it qualifies. I hope I answered the question. Ms. Manso thanked Mr. Goldman.

Mr. Carminucci replied to Mr. Goldman that we have done a number of projects over the years, you know when they created industrial development agencies in 1969, they were to bolster the manufacturing sector of the economy and obviously things have evolved since then. Across the State and here you are seeing a lot of different types of commercial projects being undertaken by IDA's. We have done commercial offices, we did the Impact Athletic Center down in Halfmoon. It's rare these days that we actually get a manufacturing application in front of us. So the statute would certainly allow this type of project. As we've discussed previously in the sub-committee, it does fall within the definition of retail, so there are certain criteria that have to be met and there are procedures that are going to have to be followed in order for this to be ultimately approved if that is what you decide to do. He is very comfortable from a legal standpoint that this falls within the parameters of what you are able to undertake.

Ms. Kolligian stated that was one of her questions. On page ten, it is marked as services, not as retail sale. Mr. Carminucci replied there is a box there, it might be on page ten, and he thinks that should have been checked. Ms. Kolligian stated she is curious one why it was marked as a service and not a retail sale and if we are going on definitions, if we want to describe the difference.

Mr. Carminucci replied on page sixteen it gets into the discussion about whether the project constitutes a retail project and they did answer yes, and he thinks on page seventeen, number two, he believes the intent was to check the yes box. Mr. Goldman replied the intent is to answer yes in that box and put forward an addendum and so that sets forth why the services are not reasonably available in Town, but the answer was obviously a mistake, and we'll correct it with an addendum.

Ms. Kolligian further stated on page seventeen the question that was omitted is a yes but back on page ten where it is marked services versus retail sale. Mr. Carminucci replied he thinks the retail sale should be a yes as well. Mr. Goldman replied in the affirmative. We are going to submit an addendum to the application to clarify that and correct it.

Ms. Kolligian questioned on page fifteen, will any of the facilities described above be closed or subject to reduced activity. It is marked yes. So, are we closing facilities, are we relocating, you explained that it is hard to recruit new doctors into the State of New York. What is the plan for this. Dr. Goldstock addressed this question. Ortho New York would have closed our Malta office as a satellite. So what works in Ortho is the doctors are the ancillary weapon right. That is surgery center, real estate, MRI and so forth. There were three senior retired doctors that owned that building so it is small. It wasn't managed well, the roof leaked and it didn't fit our business model. So we are going to close that. Now we have to maintain a presence in Saratoga County so we decided we will just keep a small satellite in Saratoga and do something bigger in Glens Falls. So some of our business from Saratoga were up at 5 Care Lane, we are going to transfer that to this new building. The group doesn't own it, the three retired doctors own that and the Malta building, so we are going to leave that building in Saratoga. We would have closed Malta, that would have been lost jobs and move our enterprise to Wilton. Eyes New York did not have any presence in Saratoga County. They were going to build their building in Warren County and because they can own are moving down to Saratoga County. Albany ENT is a completely new construction, they are not closing anything, they are expanding. Capital Cardiology has one doctor that they took from Saratoga County who is currently in Congress Plaza. They are going to move that one doctor to create this 25,000 square foot cardiac center in Wilton. Schenectady Saratoga GI is going to double their footprint. They do have an existing practice in Saratoga County but they are going to double that footprint in this new building.

Ms. Kolligian replied so they are closing that one to double their space in this one. So we are closing three medical facilities to consolidate in this building. Mr. Goldstock replied but you are doubling and tripling the size. Ortho New York is going from 7,000 to 40,000. Ortho New York is going from zero surgery centers to four surgery “ambulatory surgery rooms”. Eyes New York is going to open five ambulatory surgery centers. Each practice is going to have urgent care capacity. So, yes you can say we are closing, but we are really transferring but we are creating over 200 jobs in doing so because we are expanding the footprint probably four fold of what the existing had versus generating all the new doctor practices in that area.

Ms. Kolligian questioned how many existing jobs are moving into this building, ones that are being relocated and consolidated. Dr. Goldstock replied 166. Ms. Kolligian replied so the chart that comes up, those are built on top of the 166. Dr. Goldstock replied correct. He further stated all the Malta jobs would have been lost. It is interesting, these jobs are going to have to start day one, the new ones. So our 415 minus 166, those are starting day one, because when we open this place, it’s full. Some will grow as we add more practitioners to the area hopefully. But when we open we are going to have four ambulatory surgery centers for Ortho, five for Ophtho, those have to be fully fitted up. This isn’t something we are going to build over three to five years. We are not holding our practices to increase. This is day one that space is going to be full. You may add more over years two and three as we hire more practitioners, but this is existing business that we are going to have to staff day one.

Ms. Kolligian stated so when you are looking for the sales tax abatement on the fixtures, furnishings and equipment, that is going to be a purchase by Maple Avenue Development Associates for the entire building, it’s not going to be each practice purchasing their own? Mr. Paulsen replied we are going to apply for that benefit as well. We could actually do it through Maple Avenue Associates or he would prefer it to have the benefit go directly to the tenants, so like Albany ENT that benefit would go to that group, but we’ll work that out and get direction from our legal counsel. He does want to correct one thing because we’ve heard a couple things. On our application we have 166 employees at the current locations and by year three, 415, 450. When we first sent out that questionnaire to the tenants about where they anticipate the employment will be in three years from now, they came back and said 450 but when we did the application he then sent out another request from the tenants and said be very conservative because we will be audited on these numbers and there is a recapture provision that if we don’t hit that and that is why we had 345. In our application we have 345. That is actually a very conservative number of the jobs that we are creating. We are going from 166 employees at our current facilities, and you heard Dr. Goldstock mention, that is important to understand that this move is necessary to retain those 166. He knows Ortho New York will close their Malta location. And of those 166 employees, 100 are from Ortho New York. We are going from 166 to 345 conservatively generating new jobs at this location.

Ms. Kolligian stated she just wanted to bring to your attention on this chart it does have fixtures and furnishings listed at \$21.3 million. That is why she was asking that question. Mr. Paulsen stated and it’s a good question.

Vice Chairman Klein stated in the numbers we were also looking at the improvements to the area that basically you were going to use 60% overflow on the improvements, the turning lanes, the water and sewer. Does anyone have any questions on that. Mr. Mooney replied no they provided that as an attachment and we have all that.

Vice Chairman Klein then asked for a motion to approve and forward the application for 612 Maple Avenue to a public hearing with the modified documentation as discussed. Mr. Tollisen made a motion to set the public hearing. The motion was seconded by Mr. Mooney. Vice Chairman Klein asked if there was any further discussions on the application as presented. There was no further discussion.

RESOLUTION #1587

RESOLVED, THAT the Saratoga County IDA accept the motion to approve the application for 612 Maple Avenue as stated and discussed be acted upon. The results of the roll call vote were as follows:

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

NOES: None

ABSTAIN: Chairman Sutton

ADOPTED: 6-0

Mr. Carminucci stated to Vice Chairman Klein could he just go through the retail procedure so everybody understands it. Vice Chairman stated if you would please. Mr. Carminucci stated in order for this project to ultimately qualify, the agency needs to make a determination that the project will make reasonably accessible to the community services that are not otherwise available and he thinks there is an appendix to the application that sets forth information that you would rely on to make that determination. At the next meeting if you were to grant preliminary approval for this project you would also need to make a determination that the project will result in an increase in permanent jobs in the community. Once you make that determination, you need to have that confirmed by the Town Supervisor from the Town of Wilton. It is a little bit different procedure because of the fact that this project does constitute a retail project.

Ms. Kolligian replied can you say that again, what does the Town Supervisor need to do? Mr. Carminucci replied he would need to confirm your determination that the project is going to result in the creation of as permanent and when.

Vice Chairman Klein questioned do we need to define community because of the fact that I know it is outside of the Town. Mr. Carminucci replied right, but generally speaking it would be for the residents in the Town of Wilton where the project is being undertaken. He doesn't recall who was on the Board when we received that application for the project that was built at Exit 12 in Malta. They had the same challenge at the time and that determination was not able to be made so that project did not move forward.

Mr. Lewis stated we are always trying to be transparent in these things. Since he is really emotional now he is going to share this with you. Six weeks ago after having gotten an epidural that lasted five months and he could walk, etc. He had to wait two weeks before he could get an appointment whether it warrants another shot. He called every day to see if there were cancellations. This is what is going to happen to old people. He is invested in this personally. Ms. Kolligian stated a lot of the two week wait period is insurance and you have to go to PT before every injection. It is crazy.

Mr. Duffy questioned if the notice to the Supervisor come via a letter from the applicant and then does the Supervisor have to sign off on it? Mr. Carminucci replied there is actually a document that he would generate and would ask him to sign. That would be following the next meeting if this gets preliminarily approved. It would be a condition to actual closing if the project if approved.

Chairman Sutton rejoined the meeting at this time.

Mr. Duffy concluded his CEO report stating regarding the PARIS reporting, we finally got the last holdout on our surveys from Railroad Place and Mr. Many is working with Ms. Lambert this week on a few other details on the PARIS Report, but it should be filed by next weekend. Just an update there.

CFO Report:

Chairman Sutton stated the next agenda item is the CFO report. Mr. Many stated he thinks we have all the information to complete the PARIS Report. Two things need to be added to it. That is the main part of his report. Our financials are in great shape. Ms. Lambert and he will be working on getting some CD requests out so we can start to pool money and get interest returned to us. The other thing he needs to do is the 2025 Budget. He will be working on that as well. That is all he has for now. Chairman Sutton asked if there were any questions of Mr. Many.

Administrator Report:

Ms. Lambert stated the up and coming things are PILOT billings. Once she gets all of the rates from the school districts she will be able to send those billed out probably by the second week of September. We will be going through that process again. That is all she has to report.

Agency Counsel:

Chairman Sutton asked Mr. Carminucci to discuss the next agenda item for Agency Counsel. Mr. Carminucci stated he has nothing to report at this time.

Other Business: SEDC – pending applications:

Chairman Sutton asked Mr. Connors to discuss the next agenda item for SEDC pending applications. Mr. Connors stated he has a couple of things to discuss at the sub-committee meeting after this Board meeting. He does anticipate several sub-committee meetings for the September meeting. He has at least two and possibly three potential projects. He will work with Mr. Duffy, Ms. Lambert and Mr. Carminucci on how we address those. Maybe we can put one of them off, he knows everybody's time is precious and you are all volunteers. These are pretty good projects. Chairman Sutton questioned Mr. Connors if he was looking to meet after our meeting on the 10th? Mr. Connors replied yes and working with Mr. Duffy and Ms. Lambert he will figure out what we are going to do and of course they have to complete the necessary sub-committee forms in advance as well. He still has some additional work on all three potential applicants, but we will have sub-committee meetings at the September meeting. Chairman Sutton thanked Mr. Connors

Other Business:

Chairman Sutton stated the next agenda item is other business and asked if anyone had anything else to come before the Board for today's meeting?

Chairman Sutton stated the next meeting date will be September 10th in the Town of Wilton.

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