

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING
Saratoga County Planning Department
50 West High Street, Ballston Spa, NY 12020

October 08, 2024 - 8:30 a.m.

PRESENT: Members: Chairman Sutton, Phil Klein, Tom Lewis, Yvonne Manso, and Mike Mooney.

STAFF & GUESTS: Jeff Many, CFO; Kimberly Lambert, Administrator; James Carminucci, Counsel to the Agency; Greg Connors, SEDC; Steve Bulger, County Administrator; Nisha Merchant, and Cassie Drake

ABSENT: Erinn Kolligian, Kevin Tollisen, Scott Duffy, CEO;

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

Approval of Meeting Minutes: September 10, 2024:

Chairman Sutton stated the first order of business is the approval of the meeting minutes of September 10, 2024. Chairman Sutton asked if there were any changes to the meeting minutes. Mr. Lewis made a motion to approve the minutes of September 10, 2024. The motion was seconded by Mr. Mooney. As there was no further discussion, all were in favor and the minutes were approved.

Chairman's Report:

Chairman Sutton stated that Regeneron bought the Quad Graphics property in Saratoga Grande Industrial Park. He said this is a great testament to Saratoga County that a major company like Quad Graphics leaves in May and we are able to turn this property around in five months; that is a tremendous feather in the county's cap that we found a company that will come in and take over the entire project. Congratulations to the county, SEDC, and the board that people want to move into Saratoga County and do business here. I think that is a tremendous asset for our county and the Grande Industrial Park, it looks great for what we do here. Congratulations to everybody and welcome Regeneron.

Mr. Klein asked if there has been a closing for Regeneron yet. Mr. Carminucci confirmed they have closed.

Chairman Sutton stated he was not able to make the Soleno grand opening. Mr. Klein was there and stated it was a very impressive plant that was constructed in a super time. The way they make the pipes are unbelievable and they are huge. The safety that they instill in their employees is a credit to the organization. I was able to go on the tour and every time I had an opportunity I asked the employees where they were from and it was amazing how many people were from Greenfield and Saratoga Springs. Additionally, a number of the Quad employees were hired there. I did see all the cranes had Zinter Handling so they bought local, which is very good. Very impressive operation.

Chairman Sutton stated that this is a great project the IDA worked on and welcome Soleno.

Chairman Sutton stated he has asked Phil to review the UTEP.

Mr. Klein thought he was going to have something to put on the table today but it is going to have to wait until next month. He has asked Kim and Jim to put together a UTEP comparison of everything that we allow and everything that other counties allow that we don't allow and look at that as to what we might want to include in what is allowable in the UTEP in our county/jurisdiction. He has asked Yvonne and Mike to be on a committee to review that and then we will bring our findings to the board, hopefully next month or the latest December.

There are some counties that go ahead and utilize funding from the IDA for education. He stated Jefferson county does electricians, CDL's and education for nurses and that these are things we might want to consider and look into further.

Chairman Sutton welcomed Cassie, the new recording secretary.

CEO Report:

Mr. Duffy is not present today. Chairman Sutton stated the first order of business was the Tabor Project that was approved back in 2023. We received a timeline in regards to what has taken place. The building has been built and offered for purchase. The original purchaser walked away from the project for a couple of reasons: they didn't receive the CO, interest rates took off, and when the purchaser went to refinance, the numbers were much greater than anticipated so the property went back on the market. Halfmoon Planning Department wouldn't give them the CO because of a stormwater management problem they have. They have not met the requirements that we set up as a PILOT program. I assume they have received the recording tax and I assume they have received sales tax benefits but now they have not offered any jobs in the past year and a half.

Chairman Sutton asked Ms. Lambert to confirm if the Tabor Project has offered any new jobs in the past year and a half. Ms. Lambert stated that they haven't had any new jobs.

Chairman Sutton stated that the applicant/project has not met the job requirements that they had anticipated over the course of this application. This particular applicant has been before us before and we have given them PILOTS prior to this and it's never really been smooth sailing for this particular applicant. I don't know if they are taking advantage of what we are offering but my feeling at this point is that they have not met the requirements that we have set out. Since they are in the construction business, they should have known that they were not meeting the requirements to get the CO from the town. I think that is careless on their part and I think we should take a hard look at clawback on the requirements for employment. Any comments?

Mr. Mooney stated that he agrees and asked that as far as the taxes go is there a certain time frame it would have to go back on the rolls, is that just once a year? Mr. Carminucci stated that March 1st is the next tax status roll. If there was a transfer in the next month or so, it wouldn't get picked up until next March which means that it would be first on the rolls for 2025-2026 school tax year. I think there are two issues; first they were delayed to get the building built so their job creation expectation has probably been pushed back a year. Second, they are no longer trying to lease the building but instead trying to sell it.

Mr. Connors stated that the CO of the property was issued by the Town of Halfmoon in June of this year. It does now seem to be a marketable property as far as the regulatory approvals are concerned. I can't speak for them but it is on the market. I have had some inquiries by potential tenants that I have sent down to them to interview. I haven't gotten any feedback yet on the success of those interviews. So it is on the market and they have hired a real estate company to market and sell the property.

Chairman Sutton stated that we have a fiduciary responsibility to offer tax incentives for good projects. I'm not saying this is a bad project but it's been two years. If we don't do anything now, they take advantage of tax abatement. How do we justify this as a board?

Mr. Mooney stated he is in favor of getting it back on the tax rolls. Their M.O. has been the same, sell the building, same as last time and that is dishonest.

Mr. Carminucci asked Chairman Sutton if they are looking to terminate to get back on the tax rolls or looking to have them repay back the property tax benefit that they received in 2023 or or both?

Chairman Sutton responded that in fairness, they couldn't control the interest rates and things of that nature so my feeling is to go back on the tax benefit.

Mr. Carminucci stated that since they are no longer trying to lease the property then they won't meet employment projections at the end of 2024 and the project will be terminated. If they cooperate, this can be done fairly quickly. The sooner it gets back on the tax roll, even though it won't show until March 1, it becomes a tax liability on the day it terminates. They owe money as of the day we get that off record.

Mr. Mooney made a motion to terminate the project as a result of delays and failure to meet employment projections along with the fact that the building is for sale and not for lease. The motion was seconded by Ms. Manso.

RESOLUTION #1591

RESOLVED, THAT the Saratoga County IDA approves to terminate the 113 Tabor Road Project as a result of delays and failure to meet employment projections along with the fact that the building is for sale and not for lease.

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

NOES: None

Motion Passes: 5-0

CEO Report (Continued)

Chairman Sutton stated the PARIS Report has been filed and accepted by the state. Chairman Sutton asked Jeff Many if he had any comments on the financial end of it? Mr. Many stated there were no comments but that it is nice that it is filed and there were no further questions on the report.

Chairman Sutton confirmed with Mr. Carminucci that the Saratoga County Administrative Services Contract is currently being reviewed. Mr. Carminucci asked if the existing contract has been resolved to increase the amount being paid? Chairman Sutton stated that we are talking about getting a two or three year contract at the amount of about \$60,000.00 to meet the criteria of helping out employment contracts. Mr. Carminucci asked that the two changes are increasing to \$60,000.00 and making it a threeyear contract? Mr. Many stated yes and adding some type of an escalator.

Ms. Lambert stated from the last meeting, there are two options that this board was looking at but doesn't know how that works with the county contracting. One option was to do CSEA 2.95% and the other CPI.

Chairman Sutton asked Mr. Bulger when he would need this information for the budget? Mr. Bulger asked if we are taking action today? Mr. Mooney commented that we could commit to \$60,000 today. Mr. Bulger stated that he would prefer to have a fixed amount vs a CPI because it's easier for projections on everyone's part. The standard contracts are 2.95% and that's locked in for the next four years.

Ms. Lambert asked with the percentage, would then the budget then change because the \$10,000 has been for the stipend so the 3% would just be potentially on the stipend portion? Mr. Mooney responded that it would be on the whole thing since presumably the county's cost increases every year.

Mr. Klein made a motion to go to a three year contract with the County Administration with the base being \$60,000.00 with a 3% annual increment. Mr. Mooney seconded the motion. There was no further discussion.

RESOLUTION #1592

RESOLVED, THAT the Saratoga County IDA does approve a three year contract with the Saratoga County Administration Services with a base of \$60,000.00 with a 3% annual increment.

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

NOES: None

Motion Passes: 5-0

CFO Report:

Mr. Many stated that the September financials have been sent out. We are running a small deficit, year to date \$37,000.00. It is nothing to worry about but obviously we want to have some closings and projects to help but that is where we are at year to date. The budget for 2025 that we just discussed will need to be posted on PARIS and the budget that was sent out actually showed \$50,000.00 to the county so we will have to increase that to \$60,000.00.

Mr. Many stated we just had a CD mature and it paid us \$40,000 of interest for one year.

Mr. Many stated there are no invoices to talk about, anything that has been approved and has been sent out.

Mr. Mooney asked if we are going to have any closings by the end of the year? Ms. Lambert stated the Paulsen project but there was an additional component of having verification of the employment numbers because it's the retail portion.

Mr. Carminucci responded that Chairman Barrett signed the certification and we need to have a further resolution once I have an understanding of what their financing looks like. I think that will happen at our November meeting.

Ms. Lambert asked if we need a vote on the 2025 budget? Chairman Sutton confirmed yes with the caveat that the Saratoga County Administrative Services contract has been increased to \$60,000.00.

Mr. Klein motioned to accept the 2025 budget. Ms. Manso seconded the motion. There was no further discussion.

RESOLUTION #1593

RESOLVED, THAT the Saratoga County IDA has approved the 2025 budget with the change that the Saratoga County Administrative Services is increased to \$60,000.00.

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

NOES: None

Motion Passes: 5-0

Administrative Report:

Ms. Lambert stated that some of the PILOT billings have gone out already that Jeff has gone over. One item that we did receive was a verification request from the City of Saratoga Springs School District of what property taxes were collected and distributed and the county did their portion. Usually, I guess there are two letters, at least that's what the treasurer's office had said. I made a note on the request that we do collect library taxes but that is submitted directly to the library. Jim at the beginning of year had asked me to do some research to see when the school and library taxes were separated. Previously, the school taxes would be paid and the school would distribute the taxes to the library. In 2005, the library requested that it be done separately.

Agency Counsel:

Mr. Carminucci stated he received a draft of the service contract with National Grid at the Grande Park and I made comments that Greg is reviewing. It gets complicated when the parties of the contract don't own the property in terms of what National Grid's approach is and their contracts are open ended in terms of cost. I tried to change that to a fixed price so that nobody is required to pay beyond what was agreed to.

Mr. Connors stated that National Grid has reached out to him for an update which he believes was

motivated by the Regeneron purchase. Regeneron doesn't need additional power or at least power other than what is currently available on site today. Grid is interested in getting our feedback and I will get together with Jim on that this week.

Mr. Lewis asked if anyone knows where the state legislature landed on new board members of the IDA? Mr. Connors responded that his understanding is that the Governor has not signed the bill and is not even sure if she has been delivered the bill from the legislature. The timeline on her obligation to either sign or veto is based on when the bill is actually delivered to her.

Mr. Bulger stated that he doesn't think there is a sunset on the bill. I'm told there are several bills they are holding on to until after the election, including the short term rental bill.

Other Business-SEDC Pending Applications:

Mr. Bulgers stated there are no applications to be considered or presented today. I anticipate a minimum of two, maybe three subcommittee meetings for potential applicants for the November meeting. I had one that was ready to go today but the applicant asked to put that on the November agenda due to the observance of the Jewish holiday.

Other Business:

Chairman Sutton stated there are four appointments coming up for renewal: Tom, Mike, Phil and myself. Mr. Bulger requested letters from anyone interested be submitted to Chairman Barrett just so we have it on file. The sooner we can figure out the makeup of the board, the better.

Chairman Sutton stated the next meetings will be November 12th and December 10th.

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 Ms. Manso, seconded by Mr. Klein with all voting in favor.

Respectfully submitted,

Cassie Drake