

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

November 12, 2024- 8:30 a.m.

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

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, and Cassie Drake

ABSENT: Kevin Tollisen

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

Approval of Meeting Minutes: October 8, 2024:

Chairman Sutton stated the first order of business is the approval of the meeting minutes of October 8, 2024. Chairman Sutton asked if there were any changes to the meeting minutes. Mr. Mooney made a motion to approve the minutes of October 8, 2024. The motion was seconded by Mr. Klein. Ms. Kolligian stated she would like to abstain as she was not at the meeting. As there was no further discussion, all were in favor and the minutes were approved.

Chairman's Report:

Chairman Sutton stated he attended a meeting that Mr. Klein had on the UTEP. There's a lot of things that Mr. Klein's Committee are bringing to our attention. One of the things that we discussed is affordable housing vs. workforce housing. Workforce housing in many of the IDA jurisdictions have been available for credits through the various IDA's. One of the things I happened to read over the past couple months is that workforce housing is very critical for companies to come into an area so that they can fill the positions of employment, but the big thing is do they have places to live? These are people that are working at minimum wages. These are people that work in hospitals and school districts at minimum wage. In many cases, the employer cannot pay them enough to live in the vicinity that they want to work in so they must commute them in and out. So one of the things we have been thinking about is what is the definition of workforce housing as opposed to affordable housing which could be market rate. These are things that Mr. Klein and his committee are looking into it.

Mr. Klein stated we need good solid definitions.

Mr. Carminucci stated there is a HUD definition that is between 80-120% of area median income. It is a fixed percentage, and the numbers change as income changes but that is HUD's definition.

Mr. Connors stated that he has seen lower percentages and agrees with Mr. Carminucci of HUD's guidelines. Some of the IDA's that I have spoken to do 40-60% of the AMI which seems to be a little bit more palatable in terms of economic incentives. It could be anything within that range based on demographic. The example might be if we were speaking about the town of Waterford, it would be closer to 60% AMI. The City of Saratoga would be closer to say 40% AMI if that was the range that the UTEP permitted. I can send a link that is pretty good in terms of the explanation of area median income.

Mr. Klein asked to go along with that, if we could see what comprises the formula so that we could see by moving 40 miles to the north what the components are to make that change. I just want to be in a defensible position to say it meets the criteria or doesn't meet the criteria.

Mr. Connors stated that housing doesn't fit into the current UTEP so the UTEP must be amended before the developers could even come in and chat with us about housing. The developers don't appear to me to be very educated on that because of Chairman Sutton's point, they all want to do affordable market rent, which helps their bottom line and proforma. They aren't sensitive to what an AMI percentage might be. Again, to follow up on Chairman Sutton's point, it is not only a job creator issue I get when someone calls but it's also a job retention issue. I'm talking to employers and their entry level employees are driving 55-70 miles one way to get to work and they just simply cannot afford to buy a house or rent an apartment. If they receive an opportunity, even outside their field of expertise, they take it if it's less than that one-way trip. If the Committee could come up with some answer, there are several very significant capital investment intensive projects on the drawing board that would certainly create an economic opportunity. I mean they aren't big job creators which is my challenge with these people. They bring in construction workers to build but then there is just a property manager and maintenance guy so there has to be some sort of conversation in respect to how we address that.

Chairman Sutton stated maybe some sort of relief someplace along the line. It might not necessarily be a PILOT, but it could be sales tax abatement or something of that nature depending on the geography of where we are talking about. I think it is economic development on the backend of what we are looking for. We are looking for jobs and looking for people to come into the county, but we also have to help the new developer come in and fill those positions. It might not be a full PILOT, but it is something that we should be looking at and talking about at this time.

Mr. Connors stated that he gets more calls from employers than from developers at this point.

Mr. Mooney stated that there is case law regarding that. A place in Long Island did a PILOT for residential and the neighborhood objected and took them to court, and they ruled in favor of the IDA. The other concerning thing is what happens after the PILOTS are gone. Do they just raise the rents?

Mr. Duffy stated that is also his question, what happens after that first cycle of that first renter? How do you hold that rent to a position where it is effective still for the long term?

Ms. Kolligian asked if you accept HUD, doesn't it have to stay within a certain threshold?

Mr. Carminucci responded that you have to sign a regulatory agreement that obligates you to maintain those rents for a certain period of time. If you were doing a PILOT on a project, in consideration for that they could agree to maintain whatever rents you agreed upon for a period of time even after the benefits expire. That would then enable you to claw them back and it would just be a matter of monitoring.

Mr. Connors stated that it could be part of the annual compliance requirement; you are granted X amount of incentives for workforce housing in this range.

Mr. Carminucci stated that typically our compliance ends when the project terminates but that doesn't mean you can't obligate them to report and if they don't meet the agreed upon measures, they would still have to repay benefits.

Ms. Kolligian stated another big renter in the area is the Navy. We had 212 apartments, and we accepted HUD so we had to maintain where our rents were at. We had a lot of naval people that came in every six months and the housing had to be affordable because they were always on the move.

Mr. Carminucci stated to follow up on what Mr. Mooney said, to clarify for the minutes, housing is usually considered commercial projects. So even though your UTEP right now doesn't specify housing as an eligible project, we have done housing projects under the guise of them being commercial. I think Mr. Connors point is that going forward it would be helpful to have some specific criteria for housing built into the UTEP.

Mr. Klein stated I am not sure how the numbers work out, but my instinct is that you would have to give large benefits to make that work. Most of the projects that we get the developers know this is going to work and this is what I want to do but the IDA helps my margin. It would seem to me you would have to give a pretty big incentive to make those numbers cancel out.

Mr. Connors stated wouldn't it follow that one of the opportunities that a developer that receives IDA benefits can say to a prospective commercial tenant, your rent is lower because I'm getting these incentives. It would seem to me that could follow as well with housing. There has to be some sort of formula that we would be guided by. It is not an easy problem to solve but it is in very high demand.

Ms. Kolligian asked if banks incentivize those kinds of projects where they would receive a lower interest rate based on those types of projects?

Mr. Carminucci responded that if there is a tax credit program sometimes the banks will take an interest in the property and get tax credits and that will enable them to lower the interest rate for the borrower. The banks are just looking for something that that they feel comfortable financing. That's why sometimes PILOTS can help particularly if there is some type of fixed payment because they don't have to worry about tax rates going up or assessments increasing for five years can sometimes help a project get done.

Mr. Klein asked if there is a stipulation that can be enacted that the developer has to maintain ownership of that property?

Mr. Carminucci stated that you are providing benefits to the project not the developer. You have the ability to consent to a transfer, but I don't think the developer would go along with tying them to a project for a certain amount of time.

Mr. Connors stated this is a priority and appreciates Chairman Sutton and the Committee trying to tackle it because there are a lot of projects.

Mr. Mooney asked if this will be limited to multifamily? If it is a single family and someone got a 5-year PILOT for their taxes for the first 5 years, that could be a big deal.

Mr. Carminucci stated you aren't going to want to get into a PILOT for individual ownership.

Mr. Connors stated you could put some guard rails up and say our incentives are only available for a developer that is prepared to build 25 units or more, 50 units or more, etc. We want it to be impactful.

Chairman Sutton stated we are trying to help out the schools, hospitals, and some of the business that have minimum wage employees.

Chairman Sutton stated as a reminder that Mr. Lewis, Mr. Klein, Mr. Mooney and myself's appointments come due at the end of they year. If you are inclined to stay on the board, send a letter to Mr. Bulger.

CEO Report:

Mr. Duffy stated we sponsored the SEDC Holiday Reception last year at the Promote Level of \$3,500.00. That request is up again so I'd like to see if the board would like to participate in that.

Ms. Kolligian made a motion to approve to participate at the Promote Level Sponsorship in the amount of \$3,500.00 for the SEDC Holiday Reception. Mr. Lewis seconded the motion. There was no further discussion, as all were in favor.

Resolution #1594

RESOLVED, THAT the Saratoga County IDA does approve to participate at The Promote Level Sponsorship in the amount of \$3,500.00 for SEDC Holiday Reception.

Mr. Duffy stated that there is a sales tax exemption extension request from AgroChem. The construction has gone on longer than anticipated.

Ms. Lambert read the following letter from Phillip Berggren CFO of Kersia USA Inc, AgroChem USA LLC, and Biosan LLC:

'We are requesting an extension of our ST-60/ST-123 Sales Tax Exemptions for the Kersia Project to March 31, 2025. Due to some delays with the building permit approvals, we were unable to start on time. We greatly appreciate your help and look forward to hearing back from you. Please let me know if you have any questions.'

Ms. Lambert stated the Exemption was supposed to expire October 31, 2024 so they did request it before the expiration.

Mr. Mooney made a motion to approve the Sales Tax Exemption Extension for AgroChem USA, LLC; Biosan, LLC; Kersia USA Properties, LLC; Munter Enterprises, Inc. until March 31, 2025. Ms. Kolligian seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1595

RESOLVED, THAT the Saratoga County IDA approves the Sales Tax Exemption Extension for AgroChem USA, LLC; Biosan, LLC; Kersia USA Properties, LLC; Munter Enterprises, Inc until March 31, 2025.

CFO Report:

Mr. Many reported that our finances are in good order and excellent health. The CD's need to start going out. We have formatted letters to get the request out and to get them back. We will do them every 2-3 weeks as we have a fair amount of reserves that we can use to put into these accounts. We haven't approved the Saratoga County Chamber request yet.

Chairman Sutton stated the invoice for the Saratoga County Chamber is \$480.00 for the annual dues.

Mr. Klein motioned to approve the payment of \$480.00 for the 2025 annual dues to the Saratoga County Chamber of Commerce. Ms. Manso seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1596

RESLOVED, THAT the Saratoga County IDA approves the payment of \$480.00 for the 2025 annual dues to the Saratoga County Chamber of Commerce.

Ms. Lambert stated the 2025 budget was noticed to the County. No response came back so they did not have any suggestions or comments on it, so Mr. Carminucci is suggesting that does get reapproved.

Ms. Kolligian motioned to reapprove the 2025 Budget. Mr. Lewis seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1597

RESOLVED, THAT the Saratoga County IDA reapproves the 2025 Budget.

Agency Counsel:

Mr. Carminucci stated he has been working with Jason regarding the County Administrative Services Contract and it is currently in his hands. He is dealing with getting things done on the county level.

The NYSERDA update I will refer to Mr. Connors when he does his presentation.

As for the application update, we had a second meeting, and I made some further changes. I am trying to corral all three IDA's so we can stay on the same page. Hopefully, that will wrap up fairly quickly.

Mr. Mooney asked if there is anything new on National Grid for Grande?

Mr. Connors responded that him and Mr. Carminucci have discussed the Support Services Agreement between the IDA and National Grid. Mr. Carminucci has offered for National Grid's consideration of some changes; I wouldn't call the changes significant. However, I suggested that we hold off on executing that agreement because I have some concerns with National Grid in the conversations I have had with them subsequent to the IDA's approval to invest the \$30,000.00 about the timing of when they can deliver a completed project to the Grande Industrial Park. I have employed the influence of Empire State Development so that conversation continues.

Of course, the big dog in the yard now is Regeneron, who doesn't need the extra power or substation tomorrow but will need it within the next 3-5 years if they continue on the path of converting that building into a pharmaceutical manufacturing facility. National Grid is not on that timeline according to what they have told me. Typically, their unofficial response is 4-6 years, it's now 6-8 years to bring in additional power and substations. So I am not comfortable with their deliverable at this point. I don't want to encourage the IDA to obligate themselves to pay for something that isn't worked out yet. When we have an agreement between Empire State Development and the tenants in the Industrial Park and National Grid, I will come back to the IDA and give an appropriate update.

Administrator:

Ms. Lambert stated we have received quite a few of the checks for the billings so we have written the checks for the distributions which I will deliver today, specifically for Global Foundries, which is one of the bigger ones. Some of the other schools, we have written the distribution checks for as well.

Moving on to the Saratoga Planning and Zoning Conference, which is February 5th, this agency did cosponsor one of the WiFi Boosting packages last year at \$1300.00. It worked out very well. We had about 250 people log on individually through this specific WiFi boosting process so that was good to get the IDA's name out there as well as SEDC. We would like to have you sponsor for \$1300.00 again unless there is another sponsorship opportunity that you are interested in.

Ms. Manso motioned to approve to sponsor a WiFi Boosting Package in the amount of \$1300.00 for the Saratoga County Planning and Zoning Conference. Mr. Mooney seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1598

RESOLVED, THAT the Saratoga County IDA approves to sponsor a WiFi Boosting Package in the amount of \$1300.00 for the Saratoga County Planning and Zoning Conference on February 5, 2025.

Other Business:

Mr. Connors stated that we have a Town of Ballston Project looking to extend. The board will be familiar with Core Tech, which you provided incentives to in the past. They are planning to extend their program.

You'll recall that I spoke about the former Cascades building in the town of Waterford. We went long ways down the road with that respective purchaser on their rehabilitation and renovation project and the sale fell apart a couple weeks ago. So unfortunately, what I thought would be a really good project in a badly needed area of Saratoga County is back to the drawing board. I am working with the seller to try to market that property more efficiently and effectively. To finish up on the projects, we have a few sub committee meetings at the conclusion of today's public meeting.

Also, some miscellaneous things, the SEDC Board of Directors adopted a \$1,079,000.00 budget at their October meeting. It is pretty much the same dollar amount that we had last year. I've considered it to be a transformative budget. We have held the line in member stakeholder dues, they won't be increasing this year. We have a new billing policy; everybody will be billed once a year at the beginning of the year. There is a much more aggressive budgeted member stakeholder engagement process program that I put into place this year. We are migrating to a new IT communications platform and a new back-office platform. I am very pleased with our progress and ability to hold the line on spending for 2025.

We do have several projects in the pipeline, so I expect 2025 to be a great year not only for the county IDA but for Clifton Park and Stillwater.

On behalf of the Board of Directors and Staff, I extend my thanks and appreciation to the IDA for your constant encouragement and support. I am very pleased to say that we are growing the organization, we have about 235-240 members and I would like to see that increase to 275 by the end of next year.

Chairman Sutton stated the next meeting will be 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. Kolligian, seconded by Mr. Klein with all voting in favor.

Respectfully Submitted,

Cassie Drake