

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

January 14, 2025- 8:30 a.m.

PRESENT: Members: Chairman Sutton, Phil Klein, Tom Lewis, Yvonne Manso, Mike Mooney, Erinn 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;
Guests: George Hubschmitt, Owner of Core Tech Industrial Corporation

ABSENT: Kevin Tollisen

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

Annual Organizational Meeting:

Chairman Sutton stated that this is our Annual Organization Meeting and would like to turn the meeting over to our Secretary Mr. Lewis.

Mr. Lewis stated thank you Mr. Chairman. According to the bylaws of the IDA Section 5.1 of the Saratoga County Industrial Agency states that the board shall annually point, reappoint, or elect its members, Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer. I would like to put the nomination for Mr. Sutton as Chairman, are there any other nominations before I ask for a second?

There were no other nominations.

Mr. Lewis asked for a second; Ms. Kolligian seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1604

RESOLVED, THAT the Saratoga County IDA approves to reappoint Mr. Rodney Sutton to as Chairman of the Saratoga County IDA.

Chairman Sutton stated thank you for your support over the years. It has been a good run for all of us and I do appreciate all the support you have given us.

I want to continue with an aggressive reach for the economic development for the county. So far, it has worked out well. We will have an application today and when they come in, we will see the success that this particular company has had over the years. These are the types of companies that we will be looking for. They will be presenting their application to us in just a few minutes. What we would like to do is to continue to work hard with The Saratoga Economic Development Corporation with the leadership of Mr. Connors and his team and Mr. Bulger and the County Administration.

Again, thank you all for your support. We look forward to working with everybody this year.

At this point, I would like to ask for support for the positions of the officers for this year; Vice Chairman: Phil Klein, Treasurer: Mike Mooney, Assistant Treasurer: Erinn Kolligian, Secretary: Tom Lewis, and Ethics Officer: Yvonne Manso.

I would like to have a consent motion after we submit for the committees as well. Those committees are as follows:

Audit Committee:

Michael Mooney, Chair
Tom Lewis
Erinn Kolligian
Jeff Many, CFO

Governance Committee:

Michael Mooney, Chair
Tom Lewis
Yvonne Manso
Kevin Tollisen

Finance Committee:

Rodney Sutton, Chairman
Michael Mooney
Tom Lewis
Kevin Tollisen
Phil Klein
Erinn Kolligian
Yvonne Manso

Marketing- Website Committee:

Phil Klein, Chairman
Tom Lewis
Yvonne Manso

Sub-Committee

Rodney Sutton
Tom Lewis
Michael Mooney
Substitute: Phil Klein

Mr. Mooney made a consent motion to approve the officers for this year along with the committees and sub committees; Ms. Kolligian seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1605

RESLOVED, THAT the Saratoga County IDA approves the officers for this year as: Vice Chairman: Phil Klein, Treasurer: Mike Mooney, Assistant Treasurer: Erinn Kolligian, Secretary: Tom Lewis, and Ethics Officer: Yvonne Manso. The Saratoga County IDA approves the committees and subcommittee as:

Audit Committee:

Michael Mooney, Chair
Tom Lewis
Erinn Kolligian
Jeff Many, CFO

Governance Committee:

Michael Mooney, Chair
Tom Lewis
Yvonne Manso
Kevin Tollisen

Finance Committee:

Rodney Sutton, Chairman
Michael Mooney
Tom Lewis
Kevin Tollisen
Phil Klein
Erinn Kolligian
Yvonne Manso

Marketing- Website Committee:

Phil Klein, Chairman
Tom Lewis
Yvonne Manso

Sub-Committee

Rodney Sutton
Tom Lewis
Michael Mooney
Substitute: Phil Klein

Approval of Meeting Minutes: December 10, 2024:

Chairman Sutton asked for the approval of the December 10, 2024, meeting minutes and if there were any changes.

Ms. Kolligian stated she will recuse as she was not present.

Mr. Lewis made a motion to approve the minutes; Ms. Manso seconded the motion. There was no further discussion, as all were in favor.

Sales Tax Exemption: add BBL Carlton as Sub-Agent: Maple Avenue Development Associates, LLC:

Mr. Carminucci stated we did sales tax appointments for the Maple Avenue Project in December, and we included BBL Construction Services as well as Maple Avenue Development Associates. We received a request to add another BBL affiliate which is: BBL Carlton as an agent for sales tax purposes so we need a resolution to approve that additional appointment.

Mr. Klein made a motion to approve appointing BBL Carlton as a sub-agent to Maple Avenue Development Associates, LLC. Ms. Manso seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1606

RESLOVED, THAT the Saratoga County IDA approves the appointment of BBL Carlton as agent to Maple Avenue Development Associates, LLC.

Sales Tax Exemption: add cb 9 Old Stonebreak LLC as Additional Agent for cb20 Project:

Mr. Carminucci stated that for the cb20 Project, the application did not indicate the property was owned by a real estate holding company, so we just named cb20 as agent. We were subsequently informed by their attorney that they had created an LLC to own the property. The name of the entity is cb 9 Old Stonebreak LLC. So much like we did for BBL Carlton, we need to have a resolution appointing that entity as an agent for sales tax purposes.

Mr. Klein made a motion to approve the appointment of cb 9 Old Stonebreak LLC as additional agent for the cb20 Project. Ms. Manso seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1607

RESOLVED, THAT the Saratoga County IDA approves the appointment of cb 9 Old Stonebreak LLC as additional agent for the cb20 Project.

CEO Report:

Mr. Connors stated good morning, Mr. Chairman and member of the Saratoga County IDA. The application before you today is submitted on behalf of Mr. and Mrs. George Hubschmitt representing Core-Tech Industrial Corp and CTI Properties LLC.

The Hubschmitt's are certainly no strangers to the IDA. Their investments in the Town of Ballston and benefits previously provided by the IDA in 2015, 2019 and 2022 has already resulted in approximately a 7-million-dollar investment in Saratoga County and the creation of approximately 100 fulltime jobs.

The application for your consideration today is a follow up to the IDA sub-committee presentation on December 10th, 2024. This proposes a new investment of approximately 2.5 million dollars with the creation of an additional 10-15 new fulltime jobs over the next 3 years.

Building 3 as it is currently defined contemplates the construction of a 12,000 square foot building, previously approved by the Town of Ballston and the original site plan application.

The application seeks benefits that include sales tax, mortgage tax relief, and a 10-year manufacturing PILOT with a total value of approximately \$277,000 before the applicant's costs. The completed signed and notarized application along with the filing fee has been provided to the IDA Administrator.

Mr. Hubschmitt is here this morning and will be happy to follow up any of the comments I have already made and answer any of the questions the members of the IDA may have at this time.

Chairman Sutton asked Mr. Hubschmitt, do you have any comments you would like to make to the board other than what Mr. Connors has already said?

Mr. Hubschmitt responded; we are looking forward to expanding here possibly again. This building is the fourth construction project. We expect that this building over ten years will generate about 20-25 million dollars of spend inside the county in terms of labor, jobs, salaries and material purchases. We are requesting the 10-year PILOT on that basis. It would be \$270,000 of savings over 10 years so it is on the order of just over 1% of what we project in spending inside the county, so we do think it is a reasonable basis for a win-win for the county and for Core-Tech.

We had some other alternatives we could go but we are hometown folks, so we like to offer and do it here first. This does help us offset some of the higher costs of business here in New York State like taxes, labor rates, heating/cooling.

We are looking for another partnership with the county to again hopefully reestablish New York State as a manufacturing base and do some good things for local people as well.

Chairman Sutton stated you can see the growth that Mr. Hubschmitt was talking about from the graph. In 2018, he is looking at 57 jobs and revenue of 22 million dollars. As the projections go out, you'll see he has almost doubled the number of employees that he has been offering to the county as well as the economic opportunity to the county.

This is a model as to what we are looking for in the IDA and offering PILOT programs. If you look at the success that Core-Tech has had it resembles what we are looking for here at the IDA.

Are there questions from any of our board members for Mr. Connors or Mr. Hubschmitt?

Mr. Klien asked, based on your product line, you are growing basically internally as far as what you are making? Or is this for something new?

Mr. Hubschmitt responded; the products have evolved over time. We started our first building in 2016 with a PILOT project together. That was a big pivot point in Core-Tech history. We really moved to wholesale design and manufacturing at that point. Since then, the ideas that we have had have become rooted in the fine product lines. Those product lines we basically made more efficient and improved since 2016 with more innovations and they are in very high demand.

The North American Energy market is very strong for our product right now. Everyone hears about renewals but that is only part of the story. The real needs of the energy grid right now with coal retirements, nuclear retirements and no nuclears being built, is heavily dependent on the only other clean burning, efficient, cost-effective technology which is natural gas turbines.

There is a bit of a boom that is projected, not only by GE but also by Mitsubishi, Solar Gas Turbines in California which is a division of Caterpillars, and Siemens of all output sizes from 10 megawatts all the way up to 500 megawatts. So, it is really anchoring the grid of clean burning natural gas for the foreseeable future. For at least 5 years out, the market is very strong.

We didn't intend to grow another 50% over the next two years but it is almost like you can't help it. It is a tricky balance as we didn't want to grow that fast. But if you start telling customers no, then they find competition to you, so we have developed a plan to grow at this place over the next two years. If you would have asked me 18 months ago, the plan was actually to level out with single digit-controlled growth, so we could optimize net income. It is very hard to have high net income when you are growing

and developing new processes, new facilities, and new people; there are always inherit inefficiencies. We didn't really choose this, it's kind of being chosen for us but it is an opportunity and a door that you have to walk through.

Mr. Klien asked, does this max out your growth?

Mr. Hubschmitt responded; it finished to Mcree Hill Development, so we are looking at new land after that. We are done after this building, there is no more that can be put on that campus.

Chairman Sutton asked, if you were not to get this project, where else would you go?

Mr. Hubschmitt responded; we could look elsewhere inside the county but honestly, we could go closer to our customer base. Solar Gas Turbines is in San Diego with operations in Texas, Mitsubishi Small Gas Turbines is in the West so the next concept really would be to start expanding in other states closer to the customer.

We have even looked offshore for a return on investment scenario for Dubai because our products are shipped globally. So how do you cater to the Asian, pacific Asian rim and middle East? We have some connections with families in Dubai that we already employ. So that was kind of put on hold for the moment since the North American market is so strong. Why take the risk in the middle East when you can grow here for the next 5 years. It's a matter of where you grow and where you put your facilities.

We have opened 4 or 5 facilities and moved one from Usher's Road, so we are very proficient in opening new facilities. We know the recipe and it can be done almost anywhere pretty quickly. The nature of our build is not very heavy into machining or fabricating or other infrastructures that other companies have taken. We have kind of reinvented the wheel and pushed a lot of that to our subbase. Our facility needs 15,000 square feet and a high bay with a crane, and you can build or lease that almost anywhere.

Mr. Klien asked, what are your hours of production?

Mr. Hubschmitt responded; the production staff comes in at 7:30 a.m. and there are some staggered hours. The office people leave at 5:00 p.m. Production typically leaves at 3:30 p.m. but occasionally we run a second night shift at peak periods. It is not super-efficient so we don't really like to do that. It is transient running the second shift. We are open 7 in the morning until 5 at night. We are conscious of the neighbors, are close to the townhouse developments that were put on the border of the industrial park.

We are in heavy duty machinery and packaging but the way we build everything is all fastened, screwed and bolted together assembly. Pre-painted materials come in as kits and we are just screwing things together. Our tooling is very easy as it is just battery-operated tools, so we are not doing like a lot of welding or painting. All that fabrication has been pushed to our supply base with the way we designed it. That is what is creating the demand. We approach this totally different, so it cuts our cycles.

We aren't that afraid because of the established folks that are in the same market space as us has already invested in machine tools, paint booths, and large facilities so they are almost slaves to that. It would be very difficult for them to change as they would need to spend several years designing it and getting approved with customers. It would not be worth their while in changing so we don't even see our competitors changing very quickly.

We had to do this to offset labor rates and find a way to differentiate ourselves from other places in the US that are lower labor rates as well as offshore. We have competitors in India and Italy, and we can't play their game. We had to take labor hours out of it and skilled labor like welding out of it.

Chairman Sutton asked, on the employment end, is there any difficulty in filling those positions that you will be looking at?

Mr. Hubschmitt responded; no because the skillsets that we need for production are first, second year IBW electrician type training or HVAC tech training for electricians. It is not high-level electricians although we do have a high number of them that control the crew and do quality checks. It is really screw, fasten, bolted type work. So, our skill set is predominantly if you have a carpenter's type background. The tooling is all set at prescribed torques so it is very easy for us to find the labor skill set and recruit it.

We put a roof over folk's head and treat them well. It is a clean job and that goes a long way. We offer 100% healthcare, 401k and profit sharing.

Chairman Sutton asked, is there any other questions?

Chairman Sutton stated the application for the 10-year PILOT, the ask is for the mortgage recording tax, it would be a savings of \$15,000; sales tax would be on the equipment and construction materials, it would be a savings of \$70,000; and the property tax would be a savings of \$192,000. That is a bottom line is a savings of \$238,000 for the Bedford package for the PILOT. Does anyone have any questions regarding the PILOT or that ask? As you know if we bring this forward, we have to have a public hearing which would next month in the Town of Ballston.

I would like to have a motion to accept the application as present.

Ms. Kolligian made a motion to accept the application as presented. Mr. Mooney seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1608

RESOLVED, THAT the Saratoga County IDA approves the Core-Tech application as presented for the 10-year PILOT program and to set the public hearing will be February 11th, 2025, in the Town of Ballston at 8:30 a.m.

Mr. Hubschmitt said that he would like to thank the SEDC for the support from the last number of years. It has been a good partnership, and we are very conscious about the responsibility here and we have a good track record so far and intend to keep overperforming. We are aware of our duty here given this opportunity.

If anyone wants a visit and a tour, I am happy to do so. Thank you.

Mr. Duffy stated that the other items on the CEO Report are the three required signings of our Fiduciary Acknowledgement Form, Confidentiality Board Evaluations Document, and Conflicts of Interests Policy. Please sign and return those if you haven't already.

CFO Report:

Mr. Many stated that last year in terms of overall we ran a deficit as we only had one closing. That happens from time to time. Our deficit was about \$65,000 for the year.

The other things I wanted to mention are the two C. D's. We had one with Ballston Spa that came due and they renewed it which is against our policy but we worked it out. The C.D is paying 4% which is the same

as Capital Bank. So, we have a C.D now starting with Ballston Spa. I rolled the interest into the C.D since they are paying morning than Saratoga National. We have a \$1,050,000 C.D will Ballston Spa and \$1,000,000 C.D with Capital Bank.

I submitted a couple of small items on the ABO report; one was a PILOT tax reporting error and the other was a small report for a specific project that needed to be cleaned up. I was ready to contact the ABO but the person that is handling our case has not gotten back to me yet.

We have our auditors coming in next week for our 2024 audit.

I should also mention that yesterday we sent out another request for a C.D.

Administrator:

Ms. Lambert stated that are next two items are going out all at the same time: the January PILOT billings as well as the 2024 project surveys. I attached a sample of what we sent out just for your reference. It goes through if there was any company that do their mortgage tax exemption for the year or the sales tax exemption, they will report that as well as their jobs reports. We should be getting those back soon.

The Saratoga County and Zoning Conference is February 5th. The IDA is a sponsor, thank you. If you have not registered yet, please make sure your do so. There will be a lot of great trainings.

Mr. Lewis stated thank you Mr. Connors for doing a presentation at the conference.

Mr. Connors stated that we have been heavily engaged in the planning process. We have about 90 people signed up for our panel, so we are encouraged by that and am looking forward to it.

Ms. Lambert stated we have the quarterly payment to the Saratoga Planning and Economic Development at \$12,500. We also have our quarterly payment to Cassie Drake, which we appreciate her being here with us, for \$1,375.

Agency Counsel:

Mr. Carminucci stated for 113 Tabor Road, I drafted an agreement that I need to run by Ms. Lambert in terms of the billing procedures going forward. As you recall we gave the applicant six months to find a tenant and they offered to pay full taxes on the building during that period of time so that would affect the 2024-2025 school taxes that was already done in the fall as well as the upcoming 2025 town and county taxes. Once Ms. Lambert is comfortable with the agreement, we will get that out to them to sign.

The agreement gives them until the end of June to come up with a tenant that meets all our criteria. If that doesn't happen, then the project would be terminated. In the meantime, they are paying full tax. So, they will have to pay a little more against the school tax bill they paid in the fall and then their payment for the town and county will increase. I think I proposed having full payment and if for some reason they get lucky and find a tenant, we will give them a credit to the extent that they overpaid.

I recirculated revisions to the application to all three IDA's in the county. I am just waiting to hear back from everyone. I am hoping by our February meeting we can have those approved just to bring the application up to date and change some areas that need to be revised.

We have three upcoming closings; cb 20, which seems to be moving the fastest, Maple Ave and Kersia. I think cb 20 and Kersia need to close before March 1st. I don't know that Maple Ave needs to, it hasn't moved forward yet from the financing perspective so that might be delayed a little bit.

As for close outs, I think we had Fred's Tents terminations recorded and we are in the middle of doing that for SSP.

Ms. Lambert stated that we need to terminate Sumit at Halfmoon because we had to do that sales tax exemption extension.

Mr. Carminucci stated that he will add them to the list.

Other Business:

Mr. Connors stated that we have two very large projects for the Town of Waterford. Both proposed applicants are here to present to the subcommittee at the conclusion of this meeting. We are excited about that.

We do have 10 confirmed international prospects coming to Saratoga County for a familiarization event that is in progress of final plans for March 19th, 20th and 21st. Of course, the IDA will be a part of that opportunity so keep an eye on your inbox.

The annual SEDC meeting will be held at the Universal Preservation Hall, tentatively scheduled for April 22nd.

Our year report at SEDC, we were successful in 2024, enabling just over \$1,000,000 in new investment in Saratoga County which equated to about 650 new fulltime job opportunities. We were able to retain about 300 jobs in the county, so we are very pleased with our 2024 results. We are very optimistic about 2025 with these new projects, not only for the county but also for the Clifton Park and Mechanicville-Stillwater IDA.

Also, pleased to report that the governor vetoed the legislation that would obligate the IDA to add new members, one from organized labor and one from school districts. In her veto message, she said that both of those organizations have opportunities to be considered for membership as the opportunities present themselves. The good news is that she vetoed is but the uncomfortable news is that we need to keep an eye on it as I suspect it will probably come back. Not in the assembly but the senate does have some interest.

Mr. Klein asked for an update on Regeneron.

Mr. Connors stated that they are currently using the one million square foot former quad facility for distribution, logistics and warehousing. Their current 3-5-year plan is to transform to pharmaceutical manufacturing. Their long-term objective includes a parking garage, four story administrative office building addition, the potential for 2000 new employees in the Grande Industrial Park.

If you were to drive over there now it is heavily guarded. It is high security. I have no reason to believe that beyond distribution, warehousing and logistics is what they are doing. They are really the point of us trying to extend the electrical capacity to the Grand Industrial Park.

We are still struggling with Nation Grid to be able to move that project forward. I have met with most of the tenants. I still have about half a dozen to speak with regarding their current electrical use and any planned expansion. I am pleased to report that at least 50% has plans for expansion. They are all

concerned about the electric vehicle requirements from New York State and their ability to electrify their fleets and the energy that is currently not available in the industrial park to do that. So, it is a high priority with SEDC so more to follow as it becomes available.

Chairman Sutton stated that our next meeting will be on February 11th, 2025, in the Town of Ballston.

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 Ms. Kolligian with all voting in favor.

Respectfully Submitted,

Cassie Drake