

SARATOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY SPECIAL MEETING

**Saratoga County Planning Department
50 West High Street, Ballston Spa, NY 12020**

August 19th, 2025-12:00 pm

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, Nisha Merchant, Saratoga County Planning Department Administrator; James Carminucci, Counsel to the Agency; Greg Connors, SEDC; Cassie Drake

ABSENT: Kevin Tollisen

Chairman Sutton stated the order of business we are here to talk about today is the UTEP. Mr. Carminucci has been able to redline the current UTEP that we have. Just to reiterate the first paragraph of what the charge has been since the introduction of the IDA in Saratoga County, I will just read it briefly. The agency possesses a broad range of powers to enable and to fulfill its purpose to promote, develop, encourage and assist with the construction, expansion, equipping and economically sound industrial and commercial facilities in order to advance job opportunities, general prosperity and economic welfare of the citizens of Saratoga County. The agency utilizes financial tax incentives to increase employment. This is the keyword on the first page of the UTEP, to increase employment opportunities by attracting new development and maintain the present employment phased by stimulating and reinvesting in existing Saratoga County businesses.

This was developed probably 40 years ago, and we are still using the same criteria as we accept applications in today's economic world.

Mr. Carminucci has been able to redline and exclude some of the paragraphs and some of the contents that no longer pertain to what we are doing. The big issue we have today will be the housing market and how we want to treat that. But before we get into that, Mr. Carminucci can you please go over why you made the changes you made?

Mr. Carminucci stated a lot of what you see before you get to the housing portion that was added, is just cleaning up some of the language that has been in here forever that was adopted when state legislature required all IDA's adopt a Uniform Tax Exemption Policy. On page two, I eliminated item 1. That would essentially require the IDA to take a mortgage on property that we provide assistance to. We looked at that early on and there are some IDA's that do that, and the purpose of the mortgage is to secure repayment on PILOTs, but it gets to be pretty complicated when you are dealing with a lender in terms of the IDA having a mortgage then you have to figure out priority. So, we have language in our lease agreement that the lease acts as a lien to secure those payments. We have never really had to test that to see if it is effective. Typically, in instances where there is a PILOT default, is to try to get the property back on the tax rolls as quick as we can and once we record the termination, that creates a lien going forward to the only risk is a gap period from the time they last made a payment to the time the lease is terminated. It really hasn't been an issue, so I proposed eliminating that language because it isn't something we ultimately decided to do. Other than that, there's just a lot of clean up until you get to commercial retail and then after that section I

added a category for residential and that was based on the memo that Mr. Duffy and I prepared a few months back. It just intended to be a starting point, I know there are some other changes that need to be made. Beyond that, I eliminated hydroelectric and cogen facilities as we just don't see applications for those anymore. Beyond that, there is just continues clean up consistent with what has been done on prior pages.

Chairman Sutton asked if anyone has any questions for Mr. Carminucci.

Mr. Mooney stated just in number 1, the financial review, I thought we were talking about a cost benefit analysis.

Mr. Carminucci stated I made a note to change that. It was in the memo as a financial review, but I think it was meant to be a cost benefit analysis.

Mr. Lewis stated that the part I would like to add is that it is an option of the board to ask for it because it shouldn't be something that all applicants are required to do, or should it?

Mr. Duffy stated to that point, I did have a chance to talk to MRB. The fee for that cost benefit for reviewing a proforma is \$8,000.00. It is a flat fee. They call it a test of reasonableness. It really usually comes in from the applicant as an excel spreadsheet where they can look at the ROI and make some determinations. It typically is a two-to-three-week process. Unless they go back to the applicant for more information and to revise the numbers. In that case, there may be additional fees. They suggested that you do not do this for manufacturers and at-risk projects. You would only do this if it was a housing application.

Mr. Carminucci stated that other IDA's have used it to determine benefits vs costs. So, they look at the jobs that are created, increase sales tax as a result of the project and then they weigh that against the benefits that the applicant is getting. That is another approach we can use.

Ms. Kolligian stated, wouldn't you think most of the companies are doing a feasibility study prior to even applying to their municipality?

Mr. Duffy stated that most people would and to be conservative, they would cut their revenue in half and double their expenses so a worse scenario, would it still make money? And that is what we are talking about. We want to see that clarity.

Chairman Sutton stated that Park did do that. They provided us with 30-page report that did come to use. They made the argument that housing is needed, and they can get \$2400 for a two-bedroom apartment but they still need some financing in order for the project to pass their financial test.

Mr. Carminucci stated that he does a lot of lending work for banks with multifamily and hospitality where the bank doesn't approve the project until the bank sees some kind of feasibility study and economics of the project.

Chairman Sutton asked if \$8,000 is a typical fee?

Mr. Duffy stated if you look at the projects that we do, they are anywhere from 5 or 6 million to 150 or 160 million so at the end of the day, \$8,000 isn't that much at the end of the day.

Ms. Kolligian stated that chances are, we aren't the only ones that will be looking at it. They will bring it to the bank and use it more than just in front of this board.

Chairman Sutton asked so when would this board require it and what type of project and what is the value of the project before we need it?

Mr. Duffy stated they didn't put a value on it. They just said if you want to have discretion to consider housing that you could use this lever to double check to see if the applicant is being honest with the board.

Chairman Sutton stated so let's go back to housing then. What kind of jobs are being created? They are very minimal. You have people that will be doing the lawn and plowing the parking lot and those are jobs that anyone of us in business knows that we have to provide those services for our tenants. So, why would that be a criterion of a public benefit in creating jobs? I don't see it that way. The housing project itself does not create enough jobs to warrant a PILOT; sales tax and mortgage tax probably but certainly not a PILOT. Saratoga County tax rate is relatively low compared to the rest of New York.

Mr. Lewis stated that Saratoga County has the lowest tax rate of the 62 counties.

Ms. Kolligian stated that if we are looking at housing, there has to be a commercial aspect to it.

Mr. Lewis stated so again, I love the idea of the study but I don't think it should be required by everybody. I agree with housing should have it.

Mr. Carminucci stated he was reading the Green Island IDA minutes to see what their third-party report entailed, and they had their consultant come up with a ratio of benefit to cost. They look to see that it is higher than 1:1. That report costs \$2,500. So, that takes a different look.

Mr. Connors asked Mr. Carminucci, in his experience in lending, what would your opinion be on occasions when a bank would ask for this test of reasonableness.

Mr. Carminucci stated that in a situation where they have an office building constructed and there are leases in place, they can look at the economics that way but if they are looking to do a hotel they will ask for the feasibility study to see what that market is and if there is a need for another 200-room hotel. Or is there a need for 300-unit family housing, how is it going to fill up and what the expectations are. That is what they key in on.

Mr. Connors stated we could ask if there is a test of reasonableness available that should be provided to the IDA and be a little bit more reactive to the existence of a test instead of being proactive and asking for the test. I mean if an applicant has made an application to the bank and the bank has asked for documents of this type, why wouldn't we ask for a copy of it.

Mr. Carminucci stated that the Storr's report that the Green Island IDA obtained is more in line with the statute that assumes you are looking at. That is why we built all that information into the application so you are getting feedback from the applicant, and you can look at and undertake that analysis.

Mr. Connors asked what the name of that report is?

Mr. Carminucci stated that it was done by Storr's Associates. I am not sure where they are located.

Ms. Kolligian stated that Storr's website says for public boards, organizations and private companies, they do pro forma cash flows, rate of returns and feasibility studies, 'if not for' testing tax abatement scenario testing, project capital structure analysis, 'look back' evaluation at outcomes overtime, and housing analysis.

Chairman Sutton asked can we get a resume from a couple of these organizations so we can make a better decision? The \$2,500 cost is better than \$8,000.

Mr. Klein stated I think it is an option on our part to require this, and we could exercise it more.

Ms. Manso stated we should look at applying it just to housing projects. If you say housing, you are going to get every developer. If we are going to do something, I would think mixed use is needed where you have a benefit to the community. The senior development that came before us, that doesn't add a community benefit.

Mr. Lewis stated to summarize, if it is apartments we require it; if it is apartments plus something else, is it discretion? I am asking if that is what I heard.

Mr. Mooney stated housing is prohibited.

Ms. Kolligian stated that if it is mix used, it has to provide an exceptional community benefit. I don't think sidewalks count as a community benefit because planning boards require that.

Ms. Manso stated the mixed medical use in Wilton, that is mixed use, brings in employment and jobs so that is something I can get behind.

Mr. Carminucci asked if you could envision a strictly housing project that you would want to provide benefit for like the one down in Halfmoon. Because once you lock yourself in, it will be hard to open the box.

Mr. Duffy stated well if it were only a housing project, it would require a significant community benefit.

Ms. Manso stated I think we need to figure out housing first then figure out the feasibility.

Mr. Lewis stated well to Mr. Carmunicci's point, if it is housing and a demonstratable public benefit, it should be considered.

Ms. Kolligian stated if it is just housing, they should not only be coming to us. If it is an affordable style community that has state incentives that we could help or advance that extra bit, then I think that is different, but I don't think we should be there only stop.

Chairman Sutton stated to your point, we spent 10 years on the Victory Mills project, and they came before us three times and that was strictly housing. The only component we asked for at that time was daycare and we took cover under that. Once the development did not get the financing from New York, the project fell apart, and it fell apart three different times in those 10 years. Again, it was discretion of our board at the time that we allowed a PILOT and that it was in a depressed area. We have never seen any application from Corinth in the 15 years that I have been here. Every other project has been in a more affordable and

progressive town or village, so we have to keep that in mind. We take cover under our current UTEP so how do we narrow this thing down for just the housing aspect of this.

Mr. Lewis stated we can make a case that any application should be subject to the majority of the board and subjected to community benefit.

Ms. Kolligian stated if you look at page three, Item F, for the project benefit criteria, it says project involves redevelopment of distressed or under utilize property. I think we are protected by that as a designation that could possibly open the door for housing. I think they need to show each of these points.

Mr. Carminucci stated that I think you need to be careful of your wording so that you don't overly encourage every housing project. Your sub-committee could be inundated with these applications.

Mr. Mooney stated you could say generally housing does not qualify.

Mr. Klein stated you have to leave the discretion to the board.

Mr. Connors stated that today I received one call for only housing and the second call was for very small retail use and housing, which seems to be the thing. I get the sense that developers are hearing this in the marketplace, and they are trying to pigeonhole their project.

Mr. Duffy stated that if it is an urban project, the mixed used will most likely be mandated by the town or planning boards.

Ms. Kolligian asked if we can require a percentage of commercial space so even if the town doesn't require it, we can.

Mr. Duffy stated at the end of the day, you are always trying to protect your discretion so you can make your decision on whether a project is good or not. I can guarantee you that you are never going to model a perfect project here. A project will come along that you have never seen before and you might like it but you will have to say, well, however...

Mr. Connors stated I think there can be stronger language as to what we are describing as a public benefit. If you were to talk to a developer and they say well the planning board has made me do this and do that and they think those are public benefits which they aren't.

Mr. Lewis stated well you can say excluding any town requirement for the town approval.

Mr. Duffy stated that I would say any infrastructure requirement that is in the approval process in the taxing jurisdiction does not count as far as a public benefit.

Mr. Carminucci stated well we had a project that required an extension and that line extension opened up other property for development.

Mr. Lewis said but again that all falls under discretion. Let me give you an example that I learned back in the 1990's. I am working at Stewarts, and we keep going to Manchester, Vermont and we keep getting denied. So, I read their code, and it is as short of a paragraph as you can imagine, and it says architectural design is

up to the discretion of the board. So, I found a location, made an application and they denied me. That's a true story.

Mr. Connors states I think with some of these projects, the applicants say they can't do this without the IDA, so that means the project is marginal. So, if it is marginal, then the IDA says in order to qualify, the public benefit, which excludes the town requirements, has to be 5% of the total project costs. That even makes the project even more affordable and that gives the applicant pause to even apply. I am not suggesting we make it so restrictive that we don't get applications but with some of these projects that are marginal at best, we impose a percentage of the total project cost as a benefit. I think it would eliminate some applications.

Ms. Kolligian stated if they show us the benefits they have provided the town, should that exceed 5%? So, that way we are not adding additional community but what they brought forward in their project and got vetted through their town and municipality first as something that they wanted to show a 5% or do they need to do more before they came here. The town or municipality should have a say as that is who is approving their plan. We can't then require the sidewalk because they have to go get it from the town. Well now that becomes part of the town requirement which we say is excluded.

Mr. Mooney stated I don't think we can exclude it, and the Krauss project is a perfect example.

Ms. Kolligian stated but not to add on, do they need to show they are providing 5% of the project cost to the town or municipality before they come to this board?

Mr. Lewis stated that it says the IDA may require 5%. I just want the board to have as much flexibility as possible.

Ms. Kolligian states that way it gives Mr. Connors some discretion. He can let them know you need at least 5% before you come to the IDA.

Mr. Connors stated that it would be a great help to the applications. It qualifies the application as an additional step before we get to the subcommittee.

Chairman Sutton stated that two things come to mind with these applications; first, is the elected official of that town. Some of those elected officials want the projects, while others do not. It affects their tax revenues. The second is workforce housing. Some supervisors may say they need workforce housing, we think they are eligible for a tax benefit. While others don't need workforce housing.

Mr. Carminucci stated that there are certain types of housing projects that allow municipality to get into PILOT programs directly. Most of them are subsidized projects where they are getting tax benefits from the state. There is no provision for market rate housing projects or even workforce.

Mr. Connors stated the problem is there is no definition of workforce housing. I think that if we want to address workforce housing, you can address it by applying the Area Median Income.

Ms. Kolligian stated it goes back to Ms. Manso point, which is and to be under utilized or distressed property which would not be Clifton Park.

Mr. Lewis stated that the Halfmoon project I look at is in such a different way. To have people go into the Halfmoon and Clifton Park area, that is such a draw. It is a destination for me; it brings people to Saratoga County so that's the exception I am making.

Chairman Sutton stated to your point, I went to Bass Pro shops on Friday morning, and I asked how the opening was going and to date, they estimate over 30,000 people have come through the doors. I think by creating a downtown development in Halfmoon, that kind of atmosphere will bring the sales tax dollars and will start to get jobs. But I am torn of the housing on this project. I am all for the sales tax and recording tax, but the housing market is the one that has got me baffled. There is a new request for a 5-year PILOT now.

Mr. Lewis said well look at Treehouse, they said without the project they aren't going ahead. And they walked because they were going to build it anyways and I think that is the same thing here. I want to thank Mr. Connors because I would like to see it added, where if someone gets IDA benefits, when the PILOT is over, they cannot grieve the assessment.

Mr. Carminucci stated that it is already in place. We had a project years ago that had a PILOT and then their PILOT burned off they challenged their assessment, even though the assessment had been in place for the past 7 years. So, the IDA adopted a policy stated that you can challenge your assessment, but you have to do it on a timely basis. You cannot wait until the PILOT ends, and if you do that, you forfeit the challenge the assessment. We had one applicant that tried to challenge their assessment and violated the policy, and it was thrown out.

Mr. Connors stated that my supervisor experience says it can't be strong enough. Mechanicville- Stillwater IDA gave NYSIG a PILOT for the hydroelectric plant on the Hudson River and then in year 9 they grieved the assessment at a significant amount. Once they started the proceeding it took 4 years to be resolved by the court. The court ruled in favor of NYSIG, giving them the reduced assessment, which then reduced the yearly payment but then the town had to pay them back six years of taxes, we had to bond 6 million dollars after they had received 9 years of taxpayer benefits.

Mr. Carmunucci stated I will give you another example. In Corith, they built a cogen facility next to the paper mill. The town put an assessment of like 90 million on it. The owner didn't care because they had a PILOT in place that required six payments per year that had nothing to do with the assessment. So, they left it alone and then once the PILOT ended, they immediately went in and challenged the assessment. It has been 7 years and that still isn't settled yet.

Mr. Connors stated well when that is settled, Corinth is going to have a big bill to pay on the back of the taxpayers.

Mr. Carminucci stated that policy helps to attempt to address that, but it gives them 7 years to challenge it when assessment increases. Maybe 7 years can be scaled back if you think that is too long. But we did use it, and it was successful against one of our applicants.

Mr. Connors stated that I would leave it to the boards discretion to decide but I would prefer to make it much stronger in terms of its language.

Chairman Sutton stated they have every right to challenge the assessment.

Mr. Connors stated that he agrees but this is special circumstances.

Chairman Sutton stated we should start to wrap this up.

Mr. Mooney stated I would like to see some language in there that housing is not generally permitted. We just can't eliminate our discretion to approve a project that has tremendous benefit to the county.

Mr. Connors stated that I think that needs to be defined though if you put a limitation on housing.

Chairman Sutton asked if housing would qualify for sales and mortgage recording?

Mr. Mooney stated I don't think they should.

Mr. Duffy stated there might be some housing projects you want to consider; it's up to your discretion.

Mr. Lewis stated I like this wording used here that additional abatements based on demonstrated circumstances. The word demonstrated you can articulate it and quantify it.

Mr. Klein stated and that give you your out. It gives Mr. Connors an answer to the question when it is asked of him, yes you can look at it quickly to see if it demonstrates the necessary public benefit.

Ms. Kolligian stated that it should be under the bullet point of a mixed-use residential, not residential. We want to keep that clean, right? And use discretion.

Mr. Connors stated I think the other issue that bears consideration is a point that Ms. Kolligian brought up is that the developers read the UTEP and they say housing is not permitted unless under certain circumstances. So, when I tell them the circumstance is that it has to be mixed-use, they are going to put a coffee shop in thinking that works.

Ms. Kolligian stated the town planning board will probably tell them that it won't work. But to come in front of this board, I think there should be a number.

Chairman Sutton asked how many planning boards do we deal with? Every planning board is going to have a different criteria, and we have our own criteria.

Mr. Duffy asked if putting it in a box of percentage is the right way to go over language? The language is what gives you flexibility where the number is set.

Ms. Kolligian stated but does that help Mr. Connors. Residential is not typically considered unless it is multi-use with a 10% minimum of commercial, 5% minimum of community benefit based on the project costs in front of the planning board. You can give them something tangible to look at it and gives you flexibility to filter it whether its worth coming in front of the subcommittee.

Mr. Connors stated I think whatever the board decides on amending the UTEP, I think in cooperation with the team, we can put together a one-page fact sheet. This fact sheet that goes down the list of requirements, just simple one pager.

Mr. Carminucci stated this is what I have so far: If a project is strictly housing, generally not permitted unless special demonstrated circumstance exists as determined by the agency. Let's say that criteria is met for a certain project, are all benefits on the table? Including property tax abatement?

Mr. Lewis stated I think they should be based on the discretion of the board.

Ms. Kolligian stated that item 1 should be on the bullet point sheet, that a cost benefit analysis could be asked so they know there may be an additional expense.

Mr. Klein asked Ms. Kolligian about the project with daycare as an example, what happens if two years after the PILOT, the daycare disappears.

Ms. Kolligian stated well it depends on whether it is sales and mortgage tax benefits or a PILOT. That would have to be determined by the board. I just meant something that could cross over where we could play with the numbers is in the instance to balance each other out.

Mr. Carminucci asked what happens with mixed use projects. Do we need to have a minimum of mixed use or is it up to the agency to decide. I am trying to distinguish between strictly housing. When it comes down to it, you really don't want to see but you will entertain under special circumstances. The next category is under mixed use, you really don't want to see those, but you don't want to see those as much as you don't want to see strictly housing so I am trying to find a way to say that.

Ms. Kolligian stated it is mixed use where we set the numbers and utilize AMI?

Mr. Carminucci stated AMI is okay, but you can't tie it into a PILOT because then you need to monitor it on an annual basis which you don't want to do.

Ms. Lambert stated I like Mr. Carminucci's idea to attempt to narrow down and be more specific in the UTEP, however if you get too specific, it takes away that discretion. Keeping more items broad would be more helpful.

Mr. Mooney stated that mixed use with housing still falls under housing, which is generally not permitted.

Mr. Carminucci stated that you can say for housing projects, whether it is 100% housing or mixed use, generally not favored unless special circumstance exists as determined by the agency. Projects that are deemed eligible may be allowed sales tax, mortgage tax, and/or property tax; keep it really simple and keep everything else to your discretion. That sends a message that you are generally not looking for housing applications.

Mr. Connors stated I need some sort of granularity that goes beyond your discretion but protects your discretion anyways.

Mr. Carminucci stated, I think what Mr. Connors is saying is that it will be hard for him to police this. Do we modify the UTEP this way and then still end up with applications or do you talk to Mr. Duffy, and he understands what you are looking for and directs you from there.

Mr. Connor stated I think there can be a couple of steps before we get to the subcommittee. I think this fact sheet comment is really helpful. I have four people I will send that fact sheet right away. When they come to me and say what if, then I can go to Mr. Duffy and Chairman Sutton and ask for their thoughts.

Mr. Mooney stated well you will know what an exceptional community benefit is. If they aren't doing anything out of the ordinary, then every applicant is not going through to the planning board.

Mr. Connors states I think that is true in some part. But when you take Park Community, in my opinion, the sidewalk, the sewer, the water, I would have interpreted that as a substantial community benefit.

Ms. Kolligian stated, but those were required by the town, they had to do it.

Chairman Sutton stated with One Four Six, their community benefit to EMS and fire are exception community benefits.

Mr. Duffy asked if we want to put a minimum project value to consider housing like it has to be a 10-million-dollar project or something like that?

Chairman Sutton stated I think that would be hard to do. The bottom line for our board is to see how many jobs are going to be created in the process.

Mr. Connors stated I will say that these housing projects that have come before me aren't creating jobs.

Chairman Sutton stated there will be an application that is coming before us that will be 147 jobs that will be moved from Albany to Saratoga County. That is manufacturing and warehousing and that fits exactly in the UTEP criteria.

Ms. Kolligian stated I think by setting up the fact sheet it will help the town too. Let's say if a project is in Wilton and they know they are going to IDA benefits, the planning board knows what they can work toward for a community benefit. The developer wants to put it here they can then say no we want it in Parks and Rec so it's a good thing for the town to create what that dollar amount looks like and where they see the need for it.

Mr. Duffy asked based on this discussion, do we feel comfortable having a public hearing?

Chairman Sutton stated we will wait to see the changes that Mr. Carminucci makes and the public hearing will be most likely in October.

Ms. Kolligian made a motion to adjourn the meeting. Ms. Manso seconded the motion. There was no further discussion, as everyone was in favor.

Respectfully submitted,

Cassie Drake

