

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

December 10, 2024- 8:30 a.m.

PRESENT: Members: Chairman Sutton, Phil Klein, Tom Lewis, Yvonne Manso, 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; and Cassie Drake

ABSENT: Kevin Tollisen; Erin Kolligian

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

Approval of Meeting Minutes: November 12, 2024:

Chairman Sutton stated the first order of business is the approval of the meeting minutes of November 12, 2024. Chairman Sutton asked if there were any changes to the meeting minutes. Mr. Klein made a motion to approve the minutes of November 12, 2024. The motion was seconded by Mr. Mooney. As there was no further discussion, all were in favor and minutes were approved.

Final Resolution: Kersia USA Properties, LLC Project:

Chairman Sutton stated we have a final resolution for the Kersia USA Properties.

Mr. Carminucci stated this is a final resolution because this will allow us to close. There may be a financing resolution in the future, but I think the building is pretty far along. This is the construction of a 27,500 square foot facility which is in addition to what's already there on Adams Road. This would authorize an officer to sign all the necessary documents in order to close.

Mr. Mooney made a motion to approve the final resolution of Kersia USA Properties, LLC Project to authorize an officer to sign all the necessary documents in order to close. Mr. Klein seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1599

RESOLVED, THAT the Saratoga County IDA approves the final resolution of Kersia USA Properties, LLC Project to authorize an officer to sign all the necessary documents in order to close.

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

NOES: None

Motion Passes: 5-0

SEQR/Final Resolution: cb20, Inc:

Chairman Sutton stated that cb20, that is the project we approved a couple months ago. I don't think anything has changed from the original application, correct Mr. Carminucci?

Mr. Carminucci confirmed there are no changes. They are obtaining a loan from Saratoga National for 3.2 million to finance the project. I had asked them where they were in terms of planning process in Malta and they told me that because they were just renovating the building, they didn't believe they needed any kind of approval or building permit. Ms. Lambert surfaced the fact that much like Malta, and a few other communities, they have a change in tenancy requirements, so I alerted them to the fact that they do need to apply for that. I forwarded them the application that Ms. Lambert had sent to me. It doesn't really affect this resolution. We will just make sure they have completed that process before we close with them.

Ms. Lambert stated that she spoke with the Town of Malta planning department, so they are aware that the change in tenancy is coming, and they were also at the public hearing as well, so they knew about the application.

Mr. Carminucci stated he could see the applicant missing that since they are doing interior work they probably assumed they didn't need to do anything.

Mr. Connors stated that the tenancy change is a fairly new regulation in Malta.

Mr. Carminucci stated that the resolution would allow for a closing.

Mr. Lewis made a motion to approve the final resolution of cb20, Inc to allow a closing. Ms. Manso seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1600

RESOLVED, THAT the Saratoga County IDA approves the final resolution of cb20, Inc to allow a closing.

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

NOES: None

Motion Passes: 5-0

Final Resolution: Maple Avenue Development Associates (612 Maple Avenue):

Mr. Carminucci stated that we previously had a public hearing. They are presumably obtaining a loan from Berkshire Bank in the amount of 25 million dollars for the project. I was told at one point that they were going to close before the end of the year but I'm not certain that is the case, but I thought it made sense to move ahead with this final resolution, so we don't hold them up.

Mr. Klein made a motion to approve the final resolution of Maple Avenue Development Associates. Ms. Manso seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1601

RESOLVED, THAT the Saratoga County IDA approves the final resolution of Maple Avenue Development Associates.

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

NOES: None

Motion Passes: 5-0

Mr. Carmunicci stated that you will recall we need a signoff from the chair of the board of supervisors for this project because it fell into the retail category. We did obtain that so that is all set.

Chairman's Report:

Chairman Sutton stated that myself, Mr. Klein and Mr. Carminucci met the other day to review ideas on how to increase the definition of our UTEP. We will continue to do that and there is nothing definitive to talk about right now. Mr. Connors, can you attend one of the next meetings that we do have? So we can start to plan what 2025 might look like.

Mr. Connors replied absolutely.

Chairman Sutton stated just as a recap of this year, we had a successful year in terms of projects we approved. One of the projects we just talked about, cb20, is a nice project we were able to maintain. We did have some competition, but they decided to stay here in Saratoga County moving from Saratoga Springs to the town of Malta. Again, thank you for the support on these projects. The other project, Maple Avenue Development, that's a 70-million-dollar project. They are clearing the land as we speak. I think they want to start construction as soon as possible and get as much concrete in the ground before the weather turns. Kersia, which is a repeat basically for us, these are projects that we have approved and show the success that we have had with the applicants that have come before us.

The other big one is the Soleno grand opening and they are already looking to expand. We went international on this one where they had choices between the state of Ohio and Pennsylvania, and they chose New York and more specifically Saratoga County. I am very grateful for that and grateful for all your support and input on all these projects we now have in Saratoga County.

CEO Report:

Mr. Duffy stated that SKS declared Chapter 11 Bankruptcy recently. There's nothing we need to do.

The holiday reception with SEDC is this Thursday, December 12th, at 5:30.

Mr. Connors stated he is pleased with the sponsorship and support of the IDA.

Chairman Sutton stated, on SKS, we worked hard on that project over the years where they built the large building in the Grande Industrial Park. They got caught up during COVID and they got hacked. At one point they had 125 employees and now they are down to less than two dozen. They had sales of 125 million dollars down to 5 million dollars. These things can happen to good businesses, and they couldn't rebound from the pandemic. Hopefully, they can reorganize.

CFO Report:

Mr. Many stated that we got a notice from ABO regarding our PARIS submission. Basically, a list of questions and clarifications and I responded to that. I don't anticipate any real problems with it. The one

area they focused on was some nonprofits and they were wondering why they weren't PILOTS. It's kind of like if they don't understand it, they question it,

The financial report is very routine. We haven't had many closings this year, so revenue is down quite a bit, but we are still very solid from an economic basis.

The highest CD rate that came in was 4% for one year Capital Bank. The other bids were Ballston Spa at 4% for six months, M&T was 3.49% for a year and Saratoga National came in at 3.75% for one year.

We have a CD with Ballston Spa currently that they rolled over and they are willing to raise the rate on that CD to 4% retroactively if we go with the 4% for six months on the new CD. Any thoughts on doing anything with Ballston Spa?

Chairman Sutton asked if we are keeping these CDs under \$500,000?

Mr. Many stated that we asked for 1 million.

Chairman Sutton asked if anyone has a motion as to how we want to proceed?

Mr. Mooney made a motion to have Mr. Many do the math on the CD rates and whichever rate is in the best interest of the IDA, go with that one. Mr. Lewis seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1602

RESOLVED, THAT the Saratoga County IDA approves Mr. Many doing math on the CD rates and whichever rate is in the best interest of the IDA will be chosen to move forward with.

Administrator Report:

Ms. Lambert stated there are two companies that have not submitted their PILOT billings yet, so I was in contact with them last week. They said they sent them out last Friday, so hopefully I will have them by today. They are Litchfield Holdings and Active Solar. Once those are submitted, we can do the distributions to the Ballston Spa School District. Just a note, Ballston Spa has received their Global Foundries distribution already. We like to do that separately. The other one is for the Shenendehowa School District.

The Saratoga Planning and Zoning conference is February 5, 2025, so that is exciting. We appreciate the sponsorship from the IDA and SEDC for our WiFi Boosting Package.

Mr. Lewis stated the first year of the conference was 200 people, the second year was 400 people and 650 people last year. It sells out every year.

Ms. Lambert stated that the year-end project surveys will be going out for job surveys as well as any sales tax construction that they have received the benefit from. The surveys usually come back at the end of January and the sale tax surveys at the end of February.

Agency Counsel:

Mr. Carminucci stated that 113 Tabor Road had approval from the IDA for a PILOT and built a building. They ran into problems with some of their engineering. It didn't follow the town code, so they had to go back and redo some work. In the meantime, last year they had a buyer for the building, and we approved having that buyer step in. That buyer walked away, in part of the approval issue so they recently listed the property for sale but also supposedly listing it for leasing as well. The subcommittee recommended giving them six months to see if they can find a tenant to allow the PILOT to continue or sell the building.

Mr. Mooney stated that the other issue is natural gas as opposed to propane.

Mr. Carminucci stated that they were planning on using propane which was causing an issue for them trying to find someone to buy or lease the building. They are now looking into having natural gas extended but I don't know what that involves and how long that takes.

Since this is a spec project, it's not unusual that even when the building is built they are still trying to locate a tenant and I think that is why the subcommittee felt it made sense to give them six months to see if they can find a tenant.

I think we will need a motion to implement what I just described.

Mr. Mooney made a motion to extend 113 Tabor Road Project for six months to see if they can find a tenant. Ms. Manso seconded the motion. There was no further discussion, as all were in favor.

RESOLUTION #1603

RESOLVED, THAT the Saratoga County IDA approves to extend the 113 Tabor Road Project for six months to see if they can find a tenant.

Mr. Carminucci stated this resolution will supersede the previous resolution because they were given an opportunity to come in to discuss their side of things.

Mr. Carminucci stated we got back to National Grid with comments related to the Grande Industrial Park and we have not yet received a reaction to what was sent over.

Mr. Mooney asked if we were trying to get someone from the state involved in this as well?

Mr. Connors responded yes, Empire State Development as well as National Grid. National Grid has grant programs that would help support the project of this scale. This is a 75-million-dollar project. My conversation with Mr. Carminucci to escalate the agreement between the IDA and National Grid followed a conversation I had with them to accelerate the whole process. This would still be a four-to-five-year effort. I have a 60-day task in front of me now that I am working through. There are twenty-five to thirty tenants and owners in Grande, and I am surveying each one of them either face to face or over the phone.

There's a lot of public transportation companies there that are staring down the barrel of this CLCPA so that has National Grid's interest.

It was after I took on the assignment of doing this analysis that I suggested to Mr. Carminucci to send his red line over. This was just about 10 days ago. Internally, National Grid is on board with advancing the project to the design phase. Once we get to the conclusion of the design phase, we are going to have to look at it. We don't want to obligate the IDA today beyond the Commitment for the \$30,000 for the

design. National Grid has said in our conversations that they don't believe this phase would be \$30,000 but that is their standard fee and then they reimburse whatever they don't use. It is a long-term project and I was encouraged by the conversation. Empire State Development said to me you don't want to ask us for money now, you want to ask us for money when it's a 75-million-dollar bill.

Mr. Mooney asked, if each customer would pay their fair share?

Mr. Connors responded that it is part of the exercise now. I have said to them everybody has to be a part of this. The IDA is taking the first step, the state and National Grid will support it as well but Public Service Commission requires improvements of this type have to be paid for by the people who specifically benefit.

Mr. Duffy asked, what about the people that don't need the extra power?

Mr. Connors responded that it is going to be part of the engineering work. I am going to have my assignment completed and I will be able to communicate that to National Grid. They will be able to decide then if it is one substation for three tenants, is it two substations for the entire park, etc.

It's difficult having conversations with some of these tenants and property owners since this is 10 years out. I don't want to say it is a difficult process, it is a labor-intensive process. I wouldn't be surprised if some of these tenants or property owners held back a little bit on their ten year plan knowing they would have to participate in the expense of the actual project, that's just human nature.

There's a lot of moving pieces in this and we are moving forward. The next step is to finish the agreement with Mr. Carminucci and National Grid and then we are on our way.

Mr. Carminucci stated the next item is the agreement with the county. If you recall you approved the three-year agreement with escalation.

Ms. Lambert stated that the resolution has gone to the economic development committee, finance will be tomorrow and the board of supervisors next week.

Mr. Connors stated that he has taken a step back from the NYSERDA initiative. I continue to market it but I'm not so sure what we originally discussed back in the summer, which was the IDA option it, is really in the best interest of the IDA. I would feel better about it if NYSERDA's due diligence documents were a little bit earlier than eleven years old. My whole focus was for the IDA to take an interest in marketing the property and me being able to use reliable due diligence documents to do that marketing. There has been an administrator change with respect to the supervision of the NYSERDA Park and shortly after the first of the year they are going to authorize funding to update all of those due diligence documents.

The list price of the property has come down significantly since I negotiated the 70 acres on behalf of Global Foundries. I don't feel at this point there's a county or IDA play there for this step. I continue to market it. As Global Foundries continues their expansion efforts, I think there will be more activity. In my opinion, they need to get themselves in the frame of mind where they have to sell the whole thing at once. It is just not marketable like it is. NYSERDA has a couple of subdivided parcels. I would encourage them to sell to some of the prospects that we have brought to them but they are not there yet. I am hoping with this change of leadership I will be able to express my opinion based on historical record and hopefully they will change that.

As of today, I don't think there is a benefit for the county or IDA taking a position.

I guess they have had some conversations with the county about the road. Part of their investment is that they are going to provide funding to upgrade Hermes Road to the county specifications.

Mr. Bulger stated alternatively, the county would be willing to take the road as-is if we can get a good deal for the overall situation. Either way, the county stands ready to help.

Mr. Carminucci stated his last item is the revisions to the IDA application. I have been working on this for some time. I do have some additional comments from Ms. Lambert and Ms. Merchant. I have been trying to have the other two IDA's focus on the document and have one document that all three IDA's in the county will utilize. My expectation is that in our January meeting I'll probably have a redline application that will get distributed for review by the members of the agency.

Mr. Lewis asked if there is any update on the governor signing the bill for the IDA?

Mr. Connors responded that the clock is ticking. In my opinion, as we get closer to the end of the year, I'm not sure that she is going to sign that. As you may have read, Senator Skoufis, who is the symbol in the fight against the IDA, has thrown his hat in the ring for being the chairperson of the Democratic National Party. If he gets that, that kind of an issue would go away. There is a lot of upstate angst about the governor signing that. I am going to rely on her deadline as we get closer to the end of the year but I don't think she is going to sign that.

Other Business:

Mr. Connors stated we have a subcommittee meeting after this meeting on an expansion project in the Town of Ballston. The project applicant will certainly be of no stranger to either the subcommittee or the IDA. I fully expect in January to have two subcommittee meetings, both in Waterford. Those proposed projects are moving along very quickly. I was very happy to see that the Cascades building has come back again with a new buyer.

Also, Mohawk Paper is planning a huge expansion in Waterford. We have some competition with the Mohawk Expansion with Albany County, but we are in a good space because their main operation is in Waterford.

The Town of Malta Craft Brewery application has cooled somewhat. I have had a couple conversations and their application doesn't fit nicely into the current UTEP. It may with the revision of the UTEP but it doesn't now. There were also questions regarding the job creation they needed to verify so that has cooled down a little bit. I will keep the board updated with that.

Chairman Sutton asked Mr. Bulger when he has his next organization meeting?

Mr. Bulger responded on January 2nd. For those with their terms that are expiring this year, we have received the expressions to serve again. My sense is they all have been positively received but that will be confirmed on January 2nd.

Chairman Sutton stated the next meeting will be on January 14th, 2025.

Chairman Sutton stated if there was no other business to come before the board, I hope everyone has a happy holiday and again, thank you everyone for all your help this year. This was a successful year for us, and we will continue to create jobs and create opportunities for other businesses to move into our county and that's a positive sign. Hopefully this whole board will meet again and stay as a unified committee for 2025.

Have a Merry Christmas and a Happy New Year and thank you to everyone.

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. Mooney, seconded by Mr. Lewis with all voting in favor.

Respectfully Submitted,

Cassie Drake