

Economic Development Committee Minutes

December 1, 2010 – 3:30 p.m.

Present: Chairman Daly; Supervisors Grattidge, A. Johnson, Kinowski, Richardson, Sausville, and Wood; Spencer Hellwig, Mgmt. Analyst; Jason Kemper, Planning; Mike Russo, GlobalFoundries; Press.

Chairman Daly called the meeting to order and welcomed all in attendance.

On a motion made by Mr. Sausville, seconded by Mr. Kinowski the minutes of the November 3, 2010 meeting were approved unanimously.

Mr. Kemper gave a brief update on the years accomplishments from the Planning Department as follows: The Zim Smith Trail has been completed with the help of Ms. Daly in securing an agreement with the railroad that was instrumental in completing the project, which included an additional 2.3 miles from Rt. 67 to Oak Street in the town of Ballston. Currently some work is being done in the Town of Malta on work that wasn't up to standards on some of the intersections. Paving at the south end of the Village of Round Lake has been completed.

Two county trail projects were opened this year, Edie Road Trail in the town of Wilton and the Kalabus Perry lot in the town of Wilton and Northumberland.

The Planning Department has taken over the timber management for the county, so as a parcel is logged trails will be graded. The parcel up for harvest this year is in the town of Moreau.

The Planning Department has worked with the Department of Environmental Services and has a good GIS inventory of all of the existing trails on all the county forestland. Work is being done to put information on the Web that will provide people access to those parcels.

Mr. Sausville asked if they were leaving the logging roads as trails? Mr. Kemper said, as we move forward, rather than have to go in and do a parcel it will be done as the timber is harvested. This process will save the county money.

Mr. Kemper said Mr. Hilts has been helping a lot of towns and county departments with the GIS and GPS capabilities including the Board of Supervisors, District Attorney's office, Sheriff, Emergency Services, Public Works, Cornell Cooperative Extension, Soil and Water, Public Health, Elections, Sewer District and Historian. The towns that were helped included Clifton Park, Charlton, Day, Edinburg, Round Lake, Saratoga, Saratoga Springs, Schuylerville, Greenfield, Galway and Wilton. This has saved the towns money

by not having to go outside the county to receive help. Hudson Crossing Park and Saratoga PLAN received assistance as well.

Through the New York State Department of Ag and Markets Farmland Protection Program the county Planning Department is the project manager for two grants, one in the town of Saratoga and one in the town of Ballston. Together they have protected approximately 550 acres of viable agricultural land.

In 2010 the Economic Development Committee received a total of 10 grants from the Farmland Protection Program requesting more than \$2 million. The Board of Supervisors allocated \$500,000 to the committee to award. The committee was pleased to award a total of four grants using the full \$500,000, three for open space and one for farmland protection for a total of 212 acres. To date approximately \$4.33 million has been awarded in farmland and open space protection projects. This year well over 2,000 acres has been protected, with 13 farmland protection projects and 19 open space acquisitions.

The county Planning Department also acts as staff for the Sunday on the Farm project, which was held this year in the town of Charlton on the Arnold Haven Farm with nearly 3,000 people in attendance. In 2011 the event will be held in the town of Northumberland.

The county Planning Department serves as staff to the county IDA. In 2010 the agency collected approximately \$2.4 million in local school district taxes and redistributed those funds to the local tax jurisdictions.

The 2011 planning conference will be held on January 26th. The conference began in 2005 with approximately 240 people in the morning session. In the last two years the attendance has been well over 500 people in attendance. There are 16 courses offered with approximately 9 or 10 new courses offered each year. This provides an inexpensive way for the local municipality, zoning, and planning board members to receive State mandated training. There has been an increase in the out of county attendance, and the registration fees have been increased. Last year 22% of the registrations were from out of the county.

Mr. Sausville said this another example of an outstanding service and program offered by the County Planning Department. He said in his town the planning and zoning officials are required by local law to receive a certain number of credits of training and this is an opportunity where they can go locally to get the very finest of training, programs and courses for a nominal cost.

Mr. Kemper said the county works as the liaison for the snowmobile grant programs. This year there will be approximately 165 miles of trails within the county.

Mr. Richardson said the City of Mechanicville has received a \$200,000 grant to help businesses that are less than five years old with five or less employees. He has

distributed grant applications to many of the small businesses in the City as well as City Hall where they can be picked up. It is hopeful that this grant will help approximately ten businesses, providing approximately \$1,700 to each business. The grant provides a 90% return.

Mr. Richardson said the city received a \$237,000 matching grant to update the dock and build a new building that will provide amenities.

Mr. Russo gave the following update with regard to GlobalFoundries:

Construction

Mr. Russo said there have been some challenges with the infrastructure at the Luther Forest Campus, but with the help of the Empire State Development Corp. and others the project is getting back on track, running on time and within budget.

Jobs

Mr. Russo said they are in the process of finalizing the MOU that began in the beginning of 2010 on the expansion piece. The public number has been 1,450 jobs all along, however, that number has now increased to 1,655 jobs, which is tied to the MOU that was made. With the commitment from the State of New York for \$15.8 million, there has been a commitment to spend \$336 million to fill out the expansion, he said.

At the Technology & Development Center luncheon in October, it was announced that they would be providing an additional 75 jobs to support the development of technology and the automation of the lab, to support fab 8.

Mr. Russo said they are looking at ways to potentially support the fab. It is going to take more room, therefore, rental space is being considered, as well as, exploring the possibility of building another administration building on site. It is anticipated that the first Certificate of Occupancy will be obtained in the second quarter of 2011.

Infrastructure

Mr. Russo said they have been working diligently for the last year and a half on some of the infrastructure components. Notice was served to the State of New York expressing the issues that were occurring with the infrastructure. Work has begun on those issues including Cold Springs Road, gas line improvements, and water. The State has approved the funding for an engineer that will be dedicated to look into the redundant water supply and where it comes from, and looking at all the options. If the water system goes down, you have to be able to continue the operation. Globalfoundries is committed to using as many gallons of water as possible from the Saratoga County Water Authority. The Water Authority is going to be the primary source, he said.

Ms. Daly said there has been a lot of discussion with regard to infrastructure. Everyone is really trying to do what is best for the commitment that the State of New York has made with Globalfoundries, and what is best for Saratoga County. To underscore the importance of the entire project and why we are here is about jobs in Saratoga County, with everyone having the same goal in mind since the project began.

Ms. Daly said, this has been a work in progress, but everything is in a positive path forward. The commitment is to bring quality jobs to Saratoga County.

Mr. Russo said it is important to be cost effective and competitive in this industry. A lot of people have worked hard to make the first Mod as cost effective as possible. Mr. Russo said that the property taxes have been grieved. The assessment on the property was a surprise because what was thought of initially, and what was believed as a fair number based on the formula, was not used in this case. The assessment is approximately three times what is thought to be the fair share which hurts cost competitiveness, he said. It is important; that what Globalfoundries pays is accurate because it will also be instrumental in what will be reimbursed from New York State. If Globalfoundries pays too much tax, they will not be reimbursed for that during the Empire Zone Pilot period.

Mr. Russo said from a property tax perspective, historically speaking when there have been large variances that have gone through the system and have been adjusted, it creates a huge burden on the school districts, and taxing jurisdictions. Ultimately down the road it is very difficult to pay it back. What that would mean is a re-levy, where taxes go up, businesses can't do business in the area, and residents are affected.

Mr. Russo said they are constantly looking at global options for expansion. In order for that to be considered at the Globalfoundries site, all things that are being talked about play into that, with taxes as a huge piece when it comes to cost competitiveness.

Mr. Sausville said he has contacted both school districts in Malta and has alerted them to the fact that there is no guarantee that might be the end number and they understand that. They are budgeting accordingly and spending accordingly.

Mr. Sausville said, with regard to the Town of Malta, there is no town tax, therefore, there will be no property tax received from Globalfoundries.

Mr. Russo said if Globalfoundries continues to have to pay these taxes, and there isn't clarity, that could potentially effect the decision to further build out the site.

Mr. Sausville said the Town of Malta assessor has made the assessment based upon the science associated with making property assessments and it has been grieved and the appeal has not been successful. It has been taken to court and that is the process that we go through. Everybody goes through that process, he said.

Mr. Sausville said the people who are ...the assessment have a seat at the table, including Stillwater, the Ballston Spa school district and the town of Malta.

Ms. Daly said we are all interested in the viability of Saratoga County as we move forward.

Mr. Sausville said he would like Saratoga County, who is a beneficiary of the assessment to be at the table as well.

Ms. Daly said, the county is not part of that action, therefore, it would not be appropriate to ask the county to defend the issue.

Mr. Sausville said the county has been invited and if they would like to take that forward he would urge them to do so.

Mr. Grattidge said he hoped that cooler heads would prevail and the situation could become a negotiating situation rather than a legal situation. In the long run it would be best for everyone to move this forward out of court.

Mr. Johnson said he would hate to see taxes jeopardize the rest of the Technology Park.

Mr. Russo said they are continuing to work on issues with inspections on the current model.

Mr. Russo said Globalfoundries would live up to their agreements with the county.

Ms. Daly asked how many jobs are at the site to date? Mr. Russo said, consistently through the summer there were between 1300 – 1400 jobs. Globalfoundries jobs are currently around 200, with a projection of 250 jobs by the end of the year.

Ms. Daly said, we are ending the year on the fact that this is all about Saratoga County and quality jobs. We are here to work for our people to ensure that we do everything we can to promote job growth in the county so we can continue the quality of life that we have come to enjoy here.

Ms. Daly thanked the committee members for their support throughout the year.

On a motion made by Mr. Kinowski, seconded by Mr. Grattidge the meeting was adjourned.

Respectfully submitted,
Chris Sansom