

ECONOMIC DEVELOPMENT Transcript

3/3/2021

SPEAKERS

Matt Rose, Phil Barrett, Sandra Winney, Tara Gaston, Brian O'Connor, Jonathan Schopf, Dustin Lewis, Joe Grasso, Kevin Tollisen, Several Supervisors, Rod Sutton, Therese Connolly, Tom Wood

Phil Barrett

Welcome to the March 3rd Economic Development Committee meeting. First I'd like to entertain a motion to approve the minutes of February 3.

Kevin Tollisen

So moved.

Tom Wood

I'll make a motion Supervisor Wood.

Phil Barrett

Mr. Tollisen, seconded by Mr. Wood discussion. All in favor?

Several Supervisors

Aye.

Phil Barrett

Opposed? Motion carries. Next up, establishing the Capital Reserve Fund for the municipal Economic Development Assistance Grant Program. This is a program we started in, coming out of the reforms that were approved by the Board of Supervisors regarding economic development and it has been a successful program helping many municipalities engage in planning studies to further economic development and community development within their own community. So this program was about investing in, directly in the municipalities themselves. Brian O'Connor is here, Brian, if you could come up, please. He is our Director of Finance. How are you doing today?

Brian O'Connor

So this reserve account would be similar to what we have for Trails and Open Space currently, where if there is unexpended amounts for the program at the end of the year, those funds will be kept in a reserve account for future use. There is \$150,000 appropriated for this program in the 2021 budget. So I think the intent would be to use those funds for projects that are ongoing, and then if there is a need for additional funding, it could come out of this reserve. We spent \$38,255.98 from the 2020 funds for

Halfmoon, Greenfield, Providence, Mechanicville, Saratoga Springs, and Edinburg. The remainder of that would be the initial setup of this fund \$111,744.02.

Phil Barrett

Good. So are there funds that have been applied for but not allocated yet?

Brian O'Connor

There are not any that I know of that have reached the County for reimbursement yet. These are all the ones that have come for the County for reimbursement that we've paid out. I'm not sure if there has been additional applications made to Prosperity Partnership that have not come to us yet.

Phil Barrett

Oh, okay. So basically, this will be a... Supervisor Tollisen, did you?

Kevin Tollisen

Wasn't last year, wasn't there a whole spreadsheet? I thought it was a whole lot more than that that was spent out in Economic Development last year, with respect to the allocations, maybe I'm wrong.

Brian O'Connor

These are the ones that we've actually, that the County has actually paid out.

Kevin Tollisen

I'm going to have to see if I can dig through my old spreadsheets, I thought there was a lot more than that. That was already in the queue.

Brian O'Connor

There are a lot of projects, yes, that are, Matt has a list of all the projects that are in the queue. But these are the projects that the County actually paid.

Kevin Tollisen

So this fund allows us to then pay those that are pending once they get final paperwork or whatever needs to be done to get reimbursed.

Brian O'Connor

Right. So we have \$150,000 in the budget this year that could be used to pay those. And then this would be a reserve for if there's additional need for expenditures ongoing aside from that 150 they already budgeted.

Kevin Tollisen

Is there a separate application for this year to apply for those funds again? Or do we use the same one as last year?

Brian O'Connor

That I do not know? I would assume the same one?

Phil Barrett

Yeah, it's the same one, just a different date. With the open space program and trails programs that we've had in place for a number of years, some of the projects take longer than that calendar year to go from start to finish to then money being requested from the County by the municipality. So there's typically a carryover with a lot of projects into the next year. This allows us to make sure that the money that is supposed to be for this program and for individual municipalities remains in play for that purpose. Is that basically how you would describe it?

Brian O'Connor

Exactly, yes.

Phil Barrett

Okay. So any questions on that? Anybody from the committee? Yes. Mr. Grasso?

Joe Grasso

So do we know how much of \$150,000 was appropriated or funded for projects?

Phil Barrett

Yeah, you said 38 and change

Brian O'Connor

\$38,25.98.

Joe Grasso

That's what's been spent.

Brian O'Connor

Yes.

Joe Grasso

But I mean, how much, isn't this subject to like a grant where you apply for certain funds, and then they get awarded?

Brian O'Connor

Yes.

Joe Grasso

What was the total amount awarded? I know that 38,000 was spent, but.

Phil Barrett

Did you have that figure Matt?

Matt Rose

I don't have it handy on me right now, no.

Joe Grasso

No, but less than 150,000 or the whole 150,000?

Therese Connolly

I believe it was the whole amount.

Joe Grasso

Oh it was for the full amount. Yeah. Okay. All right. I'm good.

Kevin Tollisen

I think each Town had like, just over \$7,000 or something that they could apply for. So those might be in the queue still. But then there's that again this year. So,

Brian O'Connor

Yes, each Town had \$7,100 eligible for reimbursement.

Sandra Winney

Right.

Kevin Tollisen

I'll make the motion to set up this capital reserve fund.

Tara Gaston

I'll second.

Phil Barrett

Second by Ms. Gaston. Are there any other discussion questions on this item? Okay. So it's a good reminder too just to make sure everybody's aware that this is a program that's out there, if you have any planning studies that are coming up economic development, community development, you know, GISs, zoning, you know, consideration of zoning changes, overlays. Anything, there's a myriad of different options where this money can be used. So some good opportunity here. Very good. And if there's no further questions, then we'll okay, all in favor?

Several Supervisors

Aye.

Phil Barrett

Opposed? Okay, motion carries. Few years ago, there was money made available through DEC, Dustin Lewis, in the Saratoga, SWCD were assigned the leadership role and administering this program. And I'll allow him to describe it, but it was, is, was, a great incentive for people that lived in proximity of the Dwaas Kill and its tributaries, I guess is how you explain it. Where they could receive grant funding to

improve upon their septic system situation. So I'll let Dustin first explain the parameters of the program and then explain geographically who is eligible a little better than I just did.

Dustin Lewis

Thank you. In 2018 DEC along with Environmental Facilities Corporation made the money available around the State. It was only focused on watersheds that are impacted by septic systems, failing septic systems. Dwaas Kill was identified as one of the septic system affected areas. And so what we did was, we talked to plan or Saratoga Planning. And they agreed to make us a map along with a list of all the individuals who own parcels that are within 250 feet of the Dwaas Kill or any of its tributaries, there's a lot of unnamed tributaries that connect in there. In total, we had about 350 parcels that were within that 250 foot boundary. Just because they were within that 250 foot boundary doesn't mean they're completely eligible for the grant. That was the parcel boundary was within 250 feet, the home and septic system could be like at the front of the parcel, and the stream at the back. So it could be a lot further distance. So there were just potentially eligible tax parcels. So what we did was we took the information Saratoga Planning gave us, and sent a letter out to each homeowner, each parcel owner, not necessarily all the owners were local, because some of them are rental or seasonal properties. We sent a letter to them, notifying them that they were eligible. Along with that letter from us, included septic system health awareness handout, an application if they were if they were interested in having work done on their septic system, and a letter from either Supervisor Tollisen or Supervisor Barrett, depending on which town it was in. The majority of the parcels about 300 were in Clifton Park, around 50 were in Halfmoon. To date, we have had five projects completed. So on average one to two projects per year. And all of those projects that have been completed, I believe were in Clifton Park so far, just because that's who has contacted us, and the reimbursement is for up to \$10,000 for a project at a 50% reimbursement rate. So if the project cost \$20,000, the landowner would get reimbursed for \$10,000. To date, only having five projects completed is not ideal. We prefer to use up the funds if possible. The original five year term is coming up but the State has extended it another five years. So we've got time and of the \$150,000 that we were awarded to begin with, there's still 125,000 roughly left to spend. So total we've had about 50 grand worth of projects. So we've reimbursed about \$25,000.

Phil Barrett

Okay. With that money sitting there, and now where, did those original letters go out five years ago?

Kevin Tollisen

They went out in the spring of 2018.

Phil Barrett

Alright, okay. I didn't think it was that long. Time flies, but

Dustin Lewis

Yeah.

Phil Barrett

Well, so it's been three years. Yep. So maybe if Mr. Tollisen agrees, maybe the best course of action would be to update the letter and get that back out to residents with some of the information that you

just mentioned, there have been projects, and there's been X amount of dollars, but there's still dollars remaining. Now you have another five years, maybe somebody that wasn't interested three years ago is interested now, maybe somebody new bought the house and has no idea there is a program? So I think a letter directly to those addresses, would take care of any of the possibility of people not knowing that the project is out there and this money is available, because it's. Now it does require obviously, some investment on the homeowners part. But a lot of the cost is covered. So I mean, that's a terrific opportunity.

Dustin Lewis

And if it's something that needs to be done, it's it needs to be done. If it's a failing system, it needs to be repaired. So if you can get half the replacement cost, that's definitely a plus for the homeowner.

Phil Barrett

The other thing I was trying to remember was, was there an opportunity to use some of that grant money to also connect to maybe a nearby pipe.

Kevin Tollisen

We've attempted and DEC has told us that's not an eligible expense, it would have to be changed in the legislation that created the fund. So it would have to go back to the State Legislature to actually change the law that created the fund, and that's why we can't do that with the money.

Phil Barrett

And that part makes no sense. Because that kind of goes counterintuitive to where the State's trying to go. Yeah, by eliminating as many septic systems as possible.

Kevin Tollisen

Yeah, it's a permanent fix, as opposed to 20 to 30 year fix by replacing the septic system., and the people I've talked to at DEC completely agreed, but it's in the law and the DEC has no jurisdiction over changing the law itself, unfortunately.

Phil Barrett

Well, obviously, it was an oversight in the law. Because you would think they'd give an even larger incentive, if you went to a pipe as opposed to fixing your septic system, because that's their stated policy. They want you to go to a pipe.

Dustin Lewis

Yes. Agreed.

Phil Barrett

Because new lines are run periodically and somebody three years ago, maybe there wasn't a line nearby, now there is and that could have been another thing that we throw into the letter. But well, if you could draft an updated letter for myself and Mr. Tollisen and also send us the one that we sent as well, so we can update ours and get that and we'll get both letters out at the same time again.

Kevin Tollisen

Okay. Yeah. Because I'm sure when spring comes, that's when people start finding issues in their yard that they didn't realize were there over the winter. So hopefully, we will get it out before then.

Phil Barrett

Now, obviously, part of this particular program is for one specific area of the County, is there any talk of maybe expanding it this is for the Dwaas Kill? Is there another body of water that they've talked about releasing money for as well?

Kevin Tollisen

Not in Saratoga County, the new five year extension that they did on the program, they had a very specific matrix that they use for selecting the water bodies. And in that matrix, the only water body that's eligible in Saratoga County is the Dwaas Kill, there was no for this pot of money. I reached out about other projects and so far, they have not gotten back to me yet, from the folks at DEC that we work with on this program, but I reached out to them on other projects and about other funding sources, but nothing has come back from them yet.

Phil Barrett

Okay. All right. Well, we'll, we'll get that out. And Mr. Grasso?

Joe Grasso

So in terms of the program, it's a 50%. Match.

Kevin Tollisen

Yes, up to \$10,000. So if you're over \$20,000 in expenses, the most we're going to get is 10.

Joe Grasso

And does it only cover like a full system replacement or what if somebody is having their tanks pumped?

Dustin Lewis

It doesn't cover just pumping, but if you need to, say the tank is fine and they need to repair a line or something like that, repair is okay? It's not just a pumping system, or it doesn't pay just to pump, it's pays to repair or replace components of the system.

Joe Grasso

And if the pumping is done together with a tank replacement or (?) replacement?

Dustin Lewis

Yeah, that's usually worked into just the overall cost, but just a pumping is not eligible.

Joe Grasso

It would be good to clarify that in the letter. It may spur some interest then.

Phil Barrett

Yeah, and a septic system nowadays doesn't take too long to get to 15-20 thousand.

Joe Grasso

Not at all.

Kevin Tollisen

Especially not if you have an alternative system or raised bed or something like that.

Phil Barrett

Yeah, so if we can get half of that covered that's pretty good. Great, any questions for Dustin about this program or anything else that his group might be working on? Okay, thank you, Dustin, appreciate it. And if you could draft an update on the letter that was sent under your signature and Mr. Tollisen and I will follow up with you. So if you could just email that to us, and the letter we sent to if you gave it, great. All right. Rod Sutton, Saratoga County IDA. How are you doing, sir? Now we had a press conference last week, where we highlighted very successful County program, and I want to thank Supervisor Tollisen, who's a member as well as Rod for their leadership on that program. Clifton Park had a similar program that provided grants to small businesses that incurred additional costs due to COVID-19. And it was very important, as we heard from business owners at the press conference, very crucial to them being able to get through a very difficult period of time. So Rod, if you could update us on that program, where we stand and then anything else that the IDA might be doing.

Rod Sutton

Great. Thank you, Chairman. The IDA has been very active this past year, despite the COVID and not having live meetings has been very awkward. As you all know, that has been very difficult having Zoom meetings and things like that. I think when you're sitting in a situation like that, you'd like to have a circular firing squad so you know where things are coming from. And so it got a bit awkward during the course of the year. But the good news is that the applications still continued to come in to the Board of the IDA. And so we had opportunities to take a look and analyze many large and or small businesses throughout the County. And I'll just a review a couple of the projects that we approved a PILOT program for. The first one was Coretec, which is in the Town of Ballston Spa, in Town of Ballston, I'm sorry. And the project was \$1.7 million addition to their existing 27,000 square foot manufacturing facility. And it created jobs for construction jobs, needless to say, and it's basically warehousing for an expansion for Coretec. They were growing quite nicely. We had given them a PILOT maybe about three years ago. And their businesses have taken off, and now they had to add on to have more storage. And so they will be, the projection is they have 5 to 10 more new jobs coming up in the next two to three years. Another business was 574 Hudson River Road, LLC, and this is in the Town of Halfmoon. That project was a \$600,000 project to add 7,000 square feet onto a small manufacturing, I think their machine shop. I think, Kevin, I believe they are and again they had construction jobs. And in a case like this, there are only two or three jobs that were created. But again, the IDA is looking at job creation, whether it be small or large. And again, what we talked about at the press conference is that small businesses are still very critical to the backbone of the businesses here in the County. One of the more interesting projects we got involved in last year was Quad Graphics. We approved of a project a \$45 million renovation to one of their buildings. And what happened was that the management team

came before us and said that they they're looking for a PILOT to continue on it with a new press. Quad Graphics nationwide, I think they have maybe seven or eight facilities around the country, and Saratoga was one of the plants that were vying for a new press, as most of us know, the printing industry nationwide, has taken a hit because of lack of advertising, social media and things like that. So Time Magazine, Newsweek, all these major publications have reduced a lot of the need for the press. And so what happened was that Quad Graphics came in with a new press, state of the art press, and it was only going to be offered to one or two of their major plants within the country. And Saratoga was being one of them. So what they did, they came before us and asked us if we would consider a PILOT project. Had they not gotten this press, chances are jobs would have been eliminated over a period of time. With the new press the project, like I said, it's \$45 million. And what they had to do is they had to remove the roof of one of the buildings, so they could drop in the press. Munter brothers was the people doing the construction. And so they were awarded this this new project. What I wound up doing is saving the existing jobs that we have here in Saratoga County, which amounts to about 650 people. And in over the next three years, they're going to add about 75 new jobs onto the project. So these are the success stories that people don't really read about, they don't know about. We were, it was a possibility of losing jobs over a period of time. Now we have a net gain. And I thought that was one of our more interesting projects that we got involved in. And the PILOT program was only for that one particular building that had the renovations on it. So if you go in there, you'll see the campus, there's probably five or six buildings in there. I will say that the Grande Industrial Park has been very, very active for us, with businesses adding on a lot of storage space. And that has been a very active site in Saratoga County. The other project that we approved just recently was the Litchfield Holding, LLC again, in Halfmoon. This is an \$11 million project and it's on a 33 acre site, and the building of 82,000 square feet. And this is going to be the Athletic Center for basketball and volleyball. The reasoning for us there and there will be close to 30 jobs in the first couple of years. Our thought process on this is that by having a facility like this, it'll be drawing in people from all over the Northeast, to have tournaments, whether it be volleyball, basketball, or whatever the case might be. And these people will be staying, and the parents of the kids playing will be staying in hotels, they'll be going to the restaurants, and they'll be using the facilities that will be around the Halfmoon Saratoga County area. We thought that this was a very good project and warranted a PILOT program. The other project that we ran into was the PBA campus which is, again it Halfmoon is it's an \$11 million project where they have taken over the Sports Plex. And so they're bringing their home office, they're bringing everybody into this one location. And again, they will be creating a number of jobs as we go through the next year or two. And right now they have 162 jobs and they are looking for about 23 jobs down the road. The other project that was of interest to us this year and has been over the past five years is the Victory Mills project, which is headed up by Reagan Development, is a developer downstate, and this is bringing new life into the old plant in Victory. And this has been going on with the IDA for a number of years. They came back to us where we were going to be having a public hearing on Tuesday's meeting. Unfortunately, the grants that they were looking for the State it was held up and so the project got delayed by almost a year. And with that the cost rose from an addition, I think the construction costs, I think they had to add on about \$9 million to construction cost because of that delay. But that is a \$55 million project and it will be for affordable housing in the Town of Victory. It's been very much endorsed by the Town and the Schuylerville area, and also the school district. So that project, we're looking forward to having the public hearing this coming week. And we think that that's a project that well deserves. It's a 30 year project, a 30 year PILOT, which we normally don't do, but because of the

nature of the building, affordable housing, we thought that this was a project that the IDA should stand behind. The other project, which, again, is a nice project was Aerosmith, and this is a cell tower business. And they headquartered in Saratoga Springs. And they have, they spend about just under \$4 million creating their home office. This is owned by Margaret Smith and so she gets a lot of credit, because this is a female owned business in the State of New York and or Saratoga County. She has over 20 people in her corporate office and she's statewide where they sell cell tower contracts, and they also do maintenance of cell towers throughout the State of New York. So those are some of the success stories that we've had this year, despite the pandemic and the problems that we're going through. So, again, our role at the IDA is basically let's create jobs. Let's open up Saratoga County, let's show people that this is a viable County, we've got the great natural resources here. We have roadways, we have waterways, we have railroads, we have great school districts, we have hospitals, we have everything that a business really needs. And we have an employment base where people can come in here and we have lower unemployment. So we have people that, this is a great place for people to come, work and live and entertain themselves. So that's what the IDA is really all about trying to create and entertain those types of businesses that want to do business here in Saratoga County. And lastly, the best program that we have, is like Supervisor Barrett had talked about is the grant program. Because of the pandemic, the State of New York allowed us to offer grants to businesses, small businesses, profit or non for profit businesses within Saratoga County or within the IDA jurisdiction, which is for us, it's all of Saratoga County with the exception of Clifton Park. No offense, Phil, but I think we do things a little better than you do at times. But that's alright, a little dig, that's alright. but what little dad sorry.

Phil Barrett

All right, let's wrap it up.

Jonathan Schopf

Mr. Chairman, Jon Schopf here (Mr. Schopf and Mr. Sutton speaking simultaneously)

Joe Grasso

Thanks, Kevin. If you notice all those projects were in Halfmoon. But the grant program was something that we enthusiastically supported. And we had some monies that we could allocate towards this program. Initially, we offered \$250,000 to put into the grant program, and we blew through that money within probably two weeks. To date, we've had over 99 applications, we've allocated up to \$750,000 for the grant program. And to date, we've sent out checks of over \$500,000. And we have left in the kitty right now, just about \$225,000 left for the program. The program is for businesses, small businesses, whether like I said, whether they're non for profit or for profit that have employment of 50 or less employees, in their businesses, and they are domiciled here in Saratoga County, and we can offer them up to \$10,000 worth the grants. And so we have been able to offer grants of a couple \$100 up to the full amount of \$10,000 for any range of businesses, from doctor's offices to hair salons to food and beverage places. So it's been an overwhelming success. And right now we are probably, it depends on how far this project goes and how long it goes, how much more money we'll be able to allocate towards it. But it has been an overwhelming success for the smaller businesses that have been really hit hard. They've been hit the hardest than anybody at this point.

Phil Barrett

Yeah, they sure have. Well, that's great Rod. Thank you very much. Impressive group of projects around the County and a good diverse group of projects too, a lot of different uses and, but all very important to our economy.

Rod Sutton

That's great.

Phil Barrett

Thank you. Any questions for Rod? Okay, thank you. Right.

Rod Sutton

Thank you. Thanks for your time.

Phil Barrett

And now we have a great IDA in Saratoga County, which will be represented by its Chairman Supervisor Schopf. Are you on the line sir?

Jonathan Schopf

I am good afternoon. Sorry for my tardiness, my calendar is not quite correct this week.

Phil Barrett

Well, how you doing today? Appreciate you being here and giving us an update.

Jonathan Schopf

Oh, no problem. So, as Mr. Sutton mentioned, we are the other standalone IDA here and the political and economic center of the County, and I'm happy to announce as we did at the press conference earlier in the week, that when the New York State Legislature authorized the use of IDA's to create this grant program, back in the end of May of last year, Clifton Park was prepared, we jumped on it, we released our program within about three weeks, we were able to allocate \$150,000 of our fund balance to cover the grants. We started distributing those a few weeks later, and as of the end of January, we've distributed just over \$143,000 of that allocation to 45 separate businesses solely within the Town of Clifton Park. Predominantly, to small medical practices, dental practices, fitness and wellness centers, service and retail business, restaurants and food service, daycare and standalone private educational, as well as beauty and personal care. So really those industries, as Rod mentioned, severely impacted by the government shutdown. We still have about \$7,000 in the hopper for that program. So we're certainly able to supply a couple more grants. If anyone knows of anybody in Clifton Park, that's a business that could benefit from the grants. And the legislation does authorize us to continue this program up until the end of December of this year. I'm hoping with some of the projects that we have pending through SEDC that we're going to be able to rejuvenate our fund balance, and we might be able to make another large 50 or 60 thousand dollar allocation with this grant program if we need it.

Phil Barrett

Thank you so much, Chairman. You know, Clifton Park is obviously the economic engine of the County. And I think you have rightly stated that in your in your update. Is there anything else that you'd like to update the County on at this point?

Jonathan Schopf

I don't think so things are things are chugging along here. We've got a few things in the pipe for the spring. I know one of our larger projects that we've been working on a couple of years, this Synergy tech park right off of Kinns Road. It looks like the UHaul distribution facility is almost fully up and running there, and hopefully there'll be a few more few more projects taking advantage of those Pad sites over the next couple of years.

Phil Barrett

A big driver for Clifton Park and the diversification of our economy has been healthcare. And that's really played a large role in bringing vital services close to home and expanding the tax base. And those are great multipliers for sales tax and bed tax as well. All right, well, thank you, Mr. Chairman. We appreciate it.

Jonathan Schopf

No, thank you.

Phil Barrett

You're also Vice chair of this Committee as a matter of fact.

Jonathan Schopf

I know it, I might even show up to the next meeting I guess.

Phil Barrett

Well, who knows I might I might not be able to then you'd have to, but thank you very much. Any other business the come before us today? I know we're having we're having way too much fun. So I don't want to have anybody get used to that? Ye?

Tara Gaston

Supervisor Gaston. Just a very quick other business. I'd just like to state on the record that you and Supervisor Schopf are incorrect in your assessment. But that is unfortunate, and I just want to state my objection to your representation. I think we might have to we have to fight on that one maybe.

Phil Barrett

Duly noted.

Tara Gaston

But thank you.

Rod Sutton

I think you're the geographic center Tara. (laughter)

Tara Gaston

Let it be noted Supervisor Schopf's not in the room. He's taking it a little easy right now.

Phil Barrett

So with that, any other business that is truthful? Seeing none, I'll entertain a motion to adjourn.

Kevin Tollisen

So moved.

Phil Barrett

Mr. Tollisen.

Jonathan Schopf

I'll second.

Phil Barrett

Who's that? Oh, Mr. Schopf. Second by Mr. Schopf. Okay, all in favor, aye. Aye. Opposed? Motion carries. Thank you, everybody. Thank you.