The minutes of the public hearing and regular meeting of the Village of Green Island Industrial Development Agency held on Thursday, August 17, 2023 at 3:00 p.m. at the Green Island Municipal Center, 19 George Street, Green Island, NY.

In attendance: Chairperson Perfetti, Treasurer Alix, Secretary Koniowka, Attorney Legnard, IDA CEO – Sean E. Ward, IDA CFO – Anthony Ferrandino; Michele Bourgeois, Assistant to the CFO; Christopher Canada of Hodgson Russ, LLP, IDA Special Counsel; Victoria Storrs of Storrs Associates, Chuck Pafundi representing 25 Tibbits Avenue LLC Project, Kevin Catalano of Albany Alliance, Mayor Ellen M. McNulty-Ryan, Anne M. Strizzi, IDA Recording Secretary.

Sean stated today we are holding this public hearing to allow citizens to make a statement for the record relating to the involvement of the Agency with a project for the benefit of 25 Tibbits Avenue LLC, a New York limited liability company.

Sean stated that Chairperson Perfetti has appointed me, Sean Ward, as the convener to hold the public hearing and he is opening the public hearing at this time. He would normally ask for the Notice of Public Hearing to be read, but it is quite lengthy and if no one has any objection, it has been posted, published on the Website and it has been posted in two (2) places – the Village Office and the outside this meeting hall and unless anyone has any objection, he would ask to waive the reading of the Notice of Public Hearing and the full text will be inserted into the record of this Public Hearing.

The notice reads as follows:

NOTICE OF PUBLIC HEARING

ON PROPOSED PROJECT

AND FINANCIAL ASSISTANCE

RELATING THERETO

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the “Act”) will be held by the Village of Green Island Industrial Development Agency (the “Agency”) on the 17th day of August, 2023 at 3:00 o’clock p.m., local time, at the Green Island Municipal Center located at 19 George Street in the Village of Green Island, Albany County, New York in connection with the following matters:

25 Tibbits Avenue LLC, a New York State limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of a leasehold interest in approximately 11.8 acres of land located at 147 Cannon Street (tax map no. 21.13-1-2) in the Village of Green Island, Albany County, New York (the “Land”), together with approximately seven (7) existing buildings located thereon (collectively the “Existing Facility”), (2) the demolition of the Existing Facility and the construction of two (2) buildings comprised of approximately 120,000 square feet and approximately 30,000 square feet, respectively (collectively with the improvements, the “Facility”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “Equipment”), all of the foregoing to constitute office and warehouse facilities to be owned and operated by the Company (the Land, the Existing Facility, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Albany County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, demolition, construction, and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency’s uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, demolished, constructed, and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the “Agreement”) requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the “SEQR Act”) regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Sean E. Ward, Chief Executive Officer, Village of Green Island Industrial Development Agency, 20 Clinton Street, Green Island, New York 12183; Telephone: (518) 273-2201

Dated: August 2, 2023.

VILLAGE OF GREEN ISLAND INDUSTRIAL DEVELOPMENT AGENCY

BY:/s/ Sean E. Ward

Chief Executive Officer

Sean stated that before we open for any public comments, he would like to have a couple of brief presentations and the first will be by the applicant, representing 25 Tibbits Avenue LLC – Chuck Pafundi, who is certainly no stranger to this community.

Chuck Pafundi thanked Sean and proceeded to state that we are here today for 25 Tibbits Avenue LLC, it is speculative industrial project. The property that they purchased is the old Freedman’s Junkyard or EMR Recycling, so they purchased it approximately two (2) months ago and we ran it through the Planning Board with the approval of the Site Plan for two (2) buildings, comprised of 120,000 sq. ft. building and a speculative 30,000 sq. ft. building which would be completing a Class A Industrial complex, a state-of-the-art industrial facility with flex space component to really be able to hit the market on all ends. The flex space will include tech, medical, industrial distribution and just warehousing. A nice front end architectural component with a high-end office façade and then, back-end warehousing. We are doing this project again on environmentally sensitive property, it was originally cleaned up by Eastern Metal and Recycling and we are working under their Site Management Plan which involves air monitoring, following procedural steps with DEC, a ton of notifications and Health Department requirements. Our ultimate goal is to create exactly what we are creating down in Watervliet, it is very polished and landscaped industrial park. A nice postmark to the community with taking another piece of underutilized property out of Green Island and bringing it back on the tax roll. Today, we are here to talk about our IDA Application, the overall cost of the project is $20 million, speculatively right now at the very minimum, we are looking to add 40 jobs to the community. The estimated value that they are requesting for their tax exemptions would be $445,000 in New York State Sales Tax compensation use tax for our sales tax exemption for materials and a Mortgage Recording Tax Exemption as well of $160,000 and we are not looking for any real property tax exemptions via Pilot, we are just looking at avenue of a 485-b.

Sean asked if there were any questions at this time. He stated that he would like to add that for the minutes that this project has been approved by our Planning Board and has all Village approvals necessary to build, although it has been stated that financial assistance would be necessary in order to move this project forward on the site that it is on.

Sean again asked if there were any questions or comments. If not, the second component for financial assistance is that the IDA is required to do a Benefit/Cost Analysis to determine how this project would benefit the community. The IDA has hired/procured Victoria Storrs from Storrs Associates, who is well known in IDA circles, she is a member of the Bethlehem IDA and has done a lot of work on Benefit/Cost Analysis throughout New York State but this is her first time with us and we are happy to have her here with us to give an analysis and he knows that he has sent the draft study out to everyone, if you read it you will know. Victoria is now going to give us a synopsis of the report.

Victoria Storrs of Storrs Associates thanked Sean and the members for inviting her and it is great to meet you, Chuck. So as Sean stated, I am Victoria Storrs, President and Founder of Storrs Associates, which is an economic and development finance consulting firm based here in Albany County. I have been engaged in a Cost/Benefit Analysis for the Cannon Street Project and she does work with IDA’s throughout the state and municipalities and organizations throughout the northeast with a special focus on things like Benefit/Cost Analyses, the values, the exemption taxes and really if the investment is not made what could happen and then what could happen if the investment is made. She would like to state for the record that her work is directly for the IDA and the applicant responded quickly and thoroughly to her questions. My analysis, her source of information was the application submitted. The real property tax rate and values published by the Village and County online, tax rates were sent by the school district in cooperation were much appreciated and the Village Assessor confirmed the current assessed value and provided a preliminary estimate of the future value and the preliminary estimate for the purpose of this analysis only and the final fair market value will be up to her once the project is completed.

Ms. Storrs stated that in her conclusion which right in the Executive Summary of the report is that the new taxes anticipated from the completion of the project and the investments that Luizzi is making are reasonably expected to come from the completed project would outweigh the value of the financial assistance and the 485-b by a ratio of $3.08 in new tax revenues for every dollar of taxes exempted. Measure the dollars within all of the taxing jurisdictions and that is $3.4 million over ten (10) years in net benefits, none of which would be received without the project. For Green Island and its school district, the benefit cost ratio is stronger at $3.96 of fiscal benefits for every dollar of exempted tax with a $3 million dollar net benefit and that is primarily because of the effect of the real property tax savings and savings to the project but the net new real property tax is coming from the increased value. She will summarize briefly how she came to this conclusion you will find details in the report but she would like everyone attending or later listening to this public hearing to have this brief overview. For the construction sales tax and the mortgage recording tax exemptions, she confirmed the interest from the applicants, the tax rates and the requested dollars of assistance. She took into consideration the taxing jurisdictions affected by the decisions made here in Green Island that is Albany County for Sales Tax and Mortgage Recording tax and an amount of real property taxes. Clearly the Village of Green Island, the Green Island Union Free School District, will also allocate some of that to the State of New York which is affected by Sales Tax Exemptions for construction materials and a portion of the Mortgage Recording Tax, as is the Capital District Transportation Association, So, she looked at pro-rata and everything that she is talking about where she stated in summary, the report will show the specific effects on the different taxing jurisdictions. The sales taxes collected within Albany County are allocated to the most of the municipalities including Green Island based upon your share of the population in the County. As a small village that is not a big share but she did apply that calculation even though it is not a large dollar amount, it is in there in recognition that there will be additional income. She also asked the applicant to confirm that the Capital Plan covers the full $20 million of the project costs and then, she estimated the effects of the 10-year real property tax exemptions under New York State Property Tax Law 485-b, which begins with an initial 50% exemption on the approved value ultimately and then, declines to 5% after 10 years. So, to do this she looked up the current assessed value on the tax rolls, the current tax rates from all of the jurisdictions from online systems, school district rate and the Assessor confirmed all of this for me and so then she calculated a if not for what is going to happen tax wise, what revenues do we get if the project never goes forward and that is the base line. The Assessor provided that estimated future value so she will then able to estimate what kind of taxes would come if the project is completed as planned, she applied the 485-b exemption to get at the net taxes that would actually be paid pending a successful application and award of that exemption and compared the project with the exemption to the if not for and she also compared it without the exemption and you will see that in the report. The result of this is the annual dollar savings to the project that supports its financial feasibility, the net new tax revenues even after this report received by all of the jurisdictions and input for the benefit cost ratio, which is a fiscal ratio. She knows larger projects, certainly are often analyzed for jobs, wages and all of the ripple effects throughout the economy. This was a narrow scope given the nature of the project at the IDA’s request. So, the benefits cost ratio which she calculated includes its fiscal benefits, what the sales tax would be if the project went forward without the benefits, so the sales tax is given on construction materials, mortgage recording tax that you would get, ongoing sales taxes from employee and construction worker spending, allocated among the jurisdictions and then, the property tax revenue from the completed project without any exemption, that is the fiscal benefits, that is the gross that is what you would get but as you know this is a if not for situation and that is not going to happen absent the exemptions that are requested and anticipated. She then shows the value of the fiscal costs on revenue which are the exempted sales taxes and construction materials, mortgage recording tax exemptions and the value of the real property tax exemption from the 485-b and divide costs into benefits and that creates the ratio of $3.08 of benefits for every dollar of cost and the net fiscal benefit of just over $3.4 million over 10 years. There are certainly more details in the report. She is happy to answer any questions.

Sean commented that the State is normally looking for more than a dollar on every dollar that is exempted and basically you are looking for a return.

Ms. Storrs stated that she is looking for a return when she is working with her clients. The State requires that a cost/benefit business analysis be conducted. They don’t actually establish a minimum threshold. So, what she says to the communities that she works with, you want to at least break even, but it is also important when you are close to break-even which this project is not, is to look at the other factors for example is it affordable housing, does it meet some need in the community and then you can reasonably factor in those decisions. She does not know if the State has any plans to set a threshold, she hopes not. She thinks it is important that IDA’s look at this benefit/cost ratio in the context of a lot of qualitative benefits that can come from the project …

Sean stated so the bottom line is County wide, we will be looking at a benefit of just over 3 to 1, $3 for every $1 we exempt and the School and the Village are looking at close to 4 to 1.

Ms. Storrs stated that is correct.

Sean asked if there were any other questions of Victoria.

No questions.

Sean thanked Victoria for her very thorough report.

Sean stated that now we will open the Public Hearing for any comments from anyone in the audience.

No comments or questions.

Sean would like to recognize that we have Kevin Catalano of the Albany Alliance in the audience today and of course our Mayor Ellen McNulty-Ryan.

Sean stated that if there are no public comments to be heard, he will close the Public Hearing at 3:15 p.m.

Chairperson Perfetti called the **monthly meeting** of the Village of Green Island Industrial Development Agency to order.

Roll Call - Chairperson Perfetti, Treasurer Alix, Secretary Koniowka, Attorney Legnard, IDA CEO – Sean E. Ward, IDA CFO – Anthony Ferrandino, Michele Bourgeois, Assistant to the CFO.

Also, in attendance: Christopher Canada of Hodgson Russ, LLP, IDA Special Counsel; Victoria Storrs of Storrs Associates, Chuck Pafundi representing 25 Tibbits Avenue LLC Project, Kevin Catalano of Albany Alliance, Mayor Ellen M. McNulty-Ryan, Anne M. Strizzi, IDA Recording Secretary.

All present.

Chairperson Perfetti stated that the next item is consideration of the minutes from the Regular Meeting held on July 20, 2023.

On a motion by Treasurer Alix seconded by Secretary Koniowka and carried, to approve the minutes of the Regular Meeting held on July 20, 2023. All ayes.

Chairperson Perfetti stated that the next item is consideration of the financial statements for July 2023 as provided.

On a motion by Secretary Koniowka seconded by Treasurer Alix and carried, to accept the financials for July 2023 as presented. All ayes.

Chairperson Perfetti stated that the next item is consideration of the Audit of Claims for July 18, 2023 to present.

On a motion by Treasurer Alix seconded by Secretary Koniowka and carried, to approve the Audit of Claims for July 18, 2023 to present. All ayes.

Chairperson Perfetti stated that Item #6 is being deleted from the agenda.

Chairperson Perfetti noted that Treasurer Alix will be abstaining from voting on the next two (2) items.

Chairperson Perfetti stated that the next item is consideration of adopting a resolution confirming SEQRA Determination for 25 Tibbits Avenue LLC Project.

On a motion by Chairperson Perfetti seconded by Secretary Koniowka and carried, to adopt a Resolution concurring in the Determination by Village of Green Island Planning Board, as Lead Agency for the Environmental Review of the 25 Tibbits Avenue LLC Proposed Project. Two ayes and Treasurer Alix abstained.

Chairperson Perfetti stated that the next item is consideration of adopting approving resolution for 25 Tibbits Avenue LLC Project.

On a motion by Secretary Koniowka seconded by Chairperson Perfetti and carried, to adopt a Resolution Authorizing Execution of Documents in connection with a Lease/Leaseback Transaction for a Project for 25 Tibbits Avenue LLC. Two ayes and Treasurer Alix abstained.

No further business.

On a motion by Secretary Koniowka seconded by Treasurer Alix and carried, to adjourn the meeting at 3:20 p.m. All ayes.