

# **2018 Annual Report**

(January 1, 2018 – December 31, 2018)

## **RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**John H. Clinton, Jr.,**

**Chairman**

**Douglas Baldrey**

**Ronald Bounds**

**Jim Church**

**Michael Della Rocco**

**Cynthia Henninger**

**Renee Powell**

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## *I. Summary*

*"Entrepreneurs and their small enterprises are responsible for almost all the economic growth in this country."*

*~~Ronald Reagan*

*"Innovation is the central issue in economic prosperity."*

*~~Michael Porter*

During 2018, the Rensselaer County Industrial Development Agency (IDA) continued its mission of creating a predictable and stable business environment. While the macro economic conditions continued to ebb and flow in the United States and throughout the world, Regeneron Pharmaceuticals was able to commit to an additional \$246 million investment into their East Greenbush campus. Regeneron's total investment in Rensselaer County over the last three years has exceeded \$280 million while their total employment now approaches 2,700, a true testament to their commitment to our County and New York State. While other regions in Upstate New York and the northeast continue to struggle, Regeneron and other recent projects like Scannell's proposed \$100 million regional distribution center for Amazon and General Electric's Healthcare \$165 million Digital X-ray Imaging facility, continue to generate significant economic benefit to the surrounding communities. All totaled, in 2018 the IDA induced closed over \$41 million worth of projects. In total, the IDA currently maintains an interest in over \$1.5 billion in projects while creating and retaining nearly 6,900 full time equivalent jobs and 750 construction jobs for new projects. Although the global economic recovery has been mixed, the quality of our projects in the pipeline and the overall strategy employed in targeting the industries that complemented our assets has us optimistic for 2019.

The IDA continues to lay the groundwork to rally the County (and Capital Region) around a clear message of commitment to growth and the promise of rewards to enterprising businesses and individuals. In the latter part of 2013, the IDA funded an initiative called Center of Gravity (COG). The goal was to create, on an accelerated timeline, frameworks to advance three economic development objectives: retention and growth of young professionals and entrepreneurs in Rensselaer County, with particular emphasis on technology-based start-up businesses; international investment and trade benefiting Rensselaer County enterprises; and optimized networking tools to serve public and private sector individuals and organizations. To date, the COG has been a resounding success.

As a result, and in partnership with the COG and HVCC, the IDA is now leasing close to 10,000 sq. ft. of space in the Quackenbush building in Troy. That space is designated as Start Up NY space and will provide a landing for emerging companies. Several start ups have already committed to the space. The Quackenbush project can be the epitome of economic development. It will not only provide space for early stage companies but expand the rebirth of Troy's urban center. We continue to be very bullish about it.

## II. Industrial Development Agency Projects and Other IDA Initiatives

### MetLife

MetLife was able to purchase approximately \$111,213,084 in new technology for their Northeast Data Center located in Rensselaer Technology Park through an agreement with the IDA, which provides sales tax exemptions for the equipment purchases. The company currently employs approximately 318 people.

### Regeneron Pharmaceuticals

Regeneron continues to grow in Rensselaer County. Regeneron renovated one building and built a parking garage on the East Campus. Regeneron purchased the former MapInfo Building in the RPI Tech Park to add more office space for their employees. They also constructed a two story, 211,600 square foot warehouse on Temple Lane in East Greenbush, a \$58.2 million investment. It will be used as a storage facility for raw materials used in manufacturing. Regeneron is also adding a new manufacturing facility and garage at their Temple Lane location in conjunction with their warehouse, an additional investment of \$188.5 million. In total, Regeneron now reports nearly 2500 jobs created since receiving IDA assistance and a payroll of over \$271 million in Rensselaer County.

### Greenbush Associates

In part to accommodate Regeneron's growth in the County, Greenbush Associates are constructing a two story office and light assembly building in the East Greenbush Technology Park. This new building will allow AutoTask to leave their current facility in the Tech Park and expand, while Regeneron expands in the existing building. The project will cost \$10,646,806, retain 295 jobs and allow for 100 new jobs at the existing site. 49 temporary construction are expected.

### Turnpike Redevelopment Group

This IDA lease agreement project redevelops the former K-Mart site on Columbia

Turnpike in East Greenbush. This \$15,550,000 project will provide commercial office space and a state of the art training center for Child Care, Child Welfare, Juvenile Justice and Domestic Violence employee training. This facility will bring in several hundred trainees weekly from across NYS, which will bolster hotel occupancy and retail sales within the vicinity. The training Center will have 2 full time employees on site.

A. Servidone, Inc.

The IDA is in the process of assisting A. Servidone in the construction of a \$2,702,600, 7,200 square foot addition to their facility on Route 9 in Castleton to accommodate the existing and expansion needs of the multistate construction company.

255 River Street, LLC

This mixed-use project will renovate an existing building in Downtown Troy to include 8 micro-office suites on the river level, one or two office suites on 1st floor, and 19 Class A apartments on the 2nd to 5th floors. The total project investment is \$7,083,000 and is expected to create 13 new jobs.

Finelli Development LLC

This new \$4.09 million student housing facility near the RPI campus includes the construction of a 3 story, 21 unit student housing building consisting of 57 bedrooms with a bath for each bedroom, common areas on each floor, one professional office on the ground level and underground and surface parking. Four new jobs operating the facility are expected.

Scannell Properties #262, LLC

Scannell Properties is the developer for the proposed construction of a one million square foot regional sales distribution facility in the Town of Schodack on behalf of Amazon. The project, which is expected to close in 2019, will cost \$97,668,067 and is expected to create 800 new jobs in the Town.

***III. Authority Measurement Report in Accordance with Section 2824 – a of the PAL***

In 2018, the Rensselaer County IDA provided support to 63 projects with a combined total project investment of \$1.52 billion. A total of 6,861 full time equivalent jobs were supported by these businesses. An additional 758 construction jobs were also supported in 2018.

These projects provided \$2,122,432 in PILOT payments to the County, \$1,742,302 to local governments and \$4,918,292 to school districts in Rensselaer County. In addition, these businesses reported \$465,200,000 in total payroll (some project owners did not report their payroll, making the actual payroll number higher).

#### ***IV. Management Report on Internal Controls***

In an effort to further improve timeliness and accuracy of information provided to the public, potential business prospects and the Authority Budget Office and State Comptroller, Management initiated a number of actions starting in 2015. First, Management initiated and the Board approved entering into a multi-year contract with Millennium Business Communications, LLC to update and improve the Industrial Development Agency and related economic development offices website. The new site allows for enhanced public dialogue through Facebook and Twitter. In addition, Management transferred, effective with the fall 2015 responsibility for calculating County, local and school PILOTS to the County Office of Real Property Tax Services. This has allowed the Agency to provide a greater direct effort in monitoring project compliance with their job growth and retention performance goals and the accuracy of information required by the Agency. Also, following the recapture of State and local sales tax exemptions that were claimed by a project in excess of the amount in their Uniform Project Benefit Agreement in 2017, the Board initiated some policy changes to help address potential excess sales tax claims before they require recapture. Finally, following a 2018 Authority Budget Office review of the Rensselaer County IDA's Sales Tax reporting procedures, monitoring processes were upgraded to enhance accuracy and timeliness.

#### ***V. Industrial Development Agency Board Member Biographies***

**John H. Clinton, Jr., Chairman** – Mr. Clinton is the owner of Clinton Funeral Home and is a former staff member (retired) in the Office of New York State Senator Kemp Hannon.

**Douglas Baldrey** – Mr. Baldrey is a lifelong resident of Rensselaer County, a graduate of RPI with a Bachelors and Masters Degree, and a former associate dean and a foundation board member at Hudson Valley Community College.

**Ronald Bounds** – Mr. Bounds is a retired vice president and senior relationship manager with HSBC Bank, specializing in domestic and international financial services for small and medium size businesses. He is a graduate of the American Institute of Banking, the SUNY Buffalo Bank Management Institute and the RPI School of Management. He is also a board member of the Rensselaer County Job Development Loan committee.

**Jim Church** – Mr. Church is the Director of Strategic Initiatives at Questar III BOCES in Rensselaer County. He earned a Master of Arts in Political Communications from SUNY

Albany and a B. A. in English from Siena College. He has also served as the Director of Public Affairs for the New York State Senate Majority's Office of Policy Development, the Director of Constituent Relations for State Senator Roy McDonald and the Director of District Communications for Senate Majority Leader Joseph L. Bruno.

**Michael Della Rocco** – Mr. Della Rocco is the owner and proprietor of Dellwood Farm and also owns and manages a commercial development property.

**Cynthia Henninger** – Ms. Henninger is a lifelong resident of Rensselaer County, a 1979 graduate of Russell Sage College with a BS in Economics/ Accounting, a former member/ Chairman of the Zoning Board of Appeals for the Town of Schodack (1988 – 2000) and a retired Senior Auditor for New York State Insurance Fund.

**Renee Powell** – Ms. Powell has resided in the capital region for more than 17 years. Prior to relocating to the region, she served as Acting Branch Chief and Mathematical Statistician for the U. S. Department of Agriculture in Washington, D.C. where she was employed for over 25 years. She currently serves as a Realtor specializing in Rensselaer County. She possesses an M. S. in Computer Information Systems from the University of Phoenix and a B.S. in Mathematics/Computer Science from Delaware State University.