

# **2021 Annual Report**

**(January 1, 2021 – December 31, 2021)**

## **RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**Cynthia A. Henninger, Chair**

**Douglas Baldrey**

**Ronald Bounds**

**John Clinton**

**Michael Della Rocco**

**Renee Powell**

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## ***I. Summary***

*"Victory at all costs, victory in spite of all terror, victory however long and hard the road may be; for without victory, there will be no survival."  
~~Winston Churchill*

In the year 2021, the world continued to struggle through the pandemic and businesses faced the most challenging time to survive. Rensselaer County Industrial Development Agency (IDA) rose to the challenge to continue its mission of creating a predictable and stable business environment. As businesses were forced to either shut down or continue to operate at a much smaller capacity, with many employees working from home, Rensselaer County continued to flourish as new businesses opened and existing companies expanded.

While other regions in Upstate New York and the northeast continue to struggle, Regeneron and other recent projects like Amazon's \$135 million regional distribution center continue to generate significant economic benefit which helped increase sales tax revenues in the county while sales tax revenues across the state declined by 10%. In total, the IDA currently maintains an interest in nearly \$1.309 billion in projects while creating and retaining nearly 7,525 full time equivalent jobs and 423 construction jobs for new projects. Although the global economic recovery has been mixed and the risk to world-wide supply chains and economic growth due to the COVID-19 outbreak still looms, the quality of our projects in the pipeline and the overall strategy employed in targeting the industries that complement our assets has us cautiously optimistic for 2021.

The IDA continues to lay the groundwork begun in 2020 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 spring and summer of 2020, the IDA initiated two regionally significant projects. The first was creating a gaming software accelerator with Velan Venture, CEG and RPI as our initial partners. The ongoing growth and success of online games serves as an unprecedented opportunity for the region to scale up. By creating a Games-as-a-Service Center of Excellence in Rensselaer County, new jobs will be created along with increased revenue/tax potential. Additionally, the talent-first nature of the initiative is well equipped to address the typical lack of diversity in the game sector. The successful history and current makeup of the local game industry provides a unique environment to create a center of excellence to focus on multiplayer and online games -- the segment of the industry with the most upside potential.

At its core, the GaaS Center of Excellence will attract talent, upskill that talent, and put the talent through an ideation and validation process to produce GaaS games with hit success potential, spinning those teams out into new venture-investible high-growth

companies. As a baseline, each year, the Center will create 30 new jobs for highly skilled knowledge economy workers. If those participants are able to build sufficient traction, the job growth potential will be many times over. Or, alternately, that talent will cycle into the local economy and take up high-paying jobs at existing studios.

The GaaS Center of Excellence will be composed of several elements, all aimed at creating new prosperity for the local economy and providing opportunity to a diverse range of talents. The elements include:

- An elite level Executive Director and Chief of Staff to serve as initial leaders
- A physical co-working hub to house the Center and run programs
- A GaaS focused training program in partnership with RPI
- A Venture Builder to manage the ideation>validation>traction>spin out process
- An Investor Syndicate ready and willing to invest in the winning spin outs

The Center will be structured as a non-profit entity and look towards government grants and foundations as the primary funding sources. The target is to secure 3 years of funding, amounting to an estimated \$5m in total funding.

The second initiative was the approval of the I90 Schodack Corridor study. The goal is to identify preferred development sites for new logistics, manufacturing, R&D and tradable sector-based development within an approximately 6,000-acre study area in and around the Route 9 corridor in the town of Schodack. It is expected to last between 12 and 18 months with a total investment of \$500,000.

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. In response to the critical shortage of personal protective equipment (PPE), the COG partnered with the Center for Economic Growth and Benet Laboratories with funding provided by the Rensselaer County IDA to produce face shields to be distributed throughout the community.

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. IgniteU NY has leased space on the 3<sup>rd</sup> floor to run their entrepreneur programs and events. Several start ups including United Aircraft Technologies and SelfArray are located in the building. The Quackenbush project has been the epitome of economic development. It not only provides space for early stage companies but expands the rebirth of Troy's urban center.

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

### ***2001 Fifth Ave, LLC***

The proposed project consists of the conversion of an existing 3 story medical office building to a 5-story mixed use residential building. Upon completion, there will be 43 residential units (15 studio, 24 one bedroom and 4 two bedroom) and 2 retail/office suites available. There will be 60 parking spaces at the time of completion.

### ***555-Two, LLC***

The proposed project is located in the DeLaet's Landing development site in the City of Rensselaer. Construction of a 4 story, 103,000 +/- sf building featuring 84 market rate apartments will compliment the existing 96 unit building already on site. The project will include 6 new parking spaces for public access to the existing Rensselaer Esplanade.

### ***580 Columbia Turnpike, LLC***

The proposed project includes the first phase of a multi phased mix use development. Phase One includes approximately 5 acres of land and construction of approximately 115,000 sq. ft. consisting of 78 residential units along with 22,000 sq. ft. of commercial/retail space, 550 lineal ft. of municipal road, sidewalk and infrastructure and over 200 parking spaces.

### ***Bryce Properties, LLC***

Bryce Properties, LLC project includes the renovation of 4 Fourth Street (Troy Atrium) and 2 Third Street (Frear Building) to accommodate the year-round Troy Farmers Market and the creation of the Gaming District Accelerator. In addition, 96 residential units will be added along with 300 to 400 off-street parking spaces. Restoration and modernization of the façade and entrance is also planned.

### ***Capital City Produce LLC and 3 E Industrial Assoc. LLC***

The applicant is acquiring a 2.4-acre parcel consisting of a 25,700-commercial building for the operation of wholesale distribution and processing of produce and related products.

First Columbia on behalf of entities to be named

First Columbia has unveiled a new phase of its Troy Waterfront Master Plan to bring economic balance to North Central through real estate development. The plan includes three core projects: a supermarket, a senior housing facility and a fitness center. Each of these projects helps strengthen the others while providing jobs, housing and essential services to the surrounding community.

Regeneron Pharmaceuticals

Regeneron continues to grow and prosper in Rensselaer County; as soon as Regeneron completes a new facility, it initiates plans to expand it. In 2019, the IDA approved projects to expand the new warehouse and garage at 401 Tempel Lane, the garage at 25 Discovery Drive, and the office space and labs at 1 CSC Way in East Greenbush. They also initiated a new four-story, 240,000 square foot office and lab facility at the Temple Lane Campus in East Greenbush, a \$156.7 million investment that closed in early 2020.

In addition, in early 2020 Regeneron acquired an existing 21,770 square foot day care facility located at 300 Valley View Drive in North Greenbush and plans to spend \$4.85 million to renovate it. Regeneron also has purchased a facility it leased from Greenbush Associates at 26 Tech Valley Drive. This \$20,614,093 acquisition and renovation project will result in 60 new full-time jobs and 15 FTE construction jobs.

At the end of 2021, Regeneron began the process of purchasing 30 Tech Valley Drive in East Greenbush to use as office, manufacturing and warehousing space.

Regeneron now reports 3,563 jobs created since receiving IDA assistance and a payroll of \$552 million in Rensselaer County.

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

In 2021, the Rensselaer County IDA provided support to 53 projects with a combined total project investment of \$1.309 billion. A total of 7,525 full time equivalent jobs were supported by these businesses. An additional 423 construction jobs were also supported in 2021.

These projects provided \$1,946,967 in PILOT payments to the County, \$1,873,623 to local governments and \$6,426,277 to school districts in Rensselaer County. In addition, these businesses reported \$751,642,311 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, 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. 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. In 2019, the Agency updated its" Whistleblower "Retaliatory Action Policy to better conform to Section 2857 of the NYS Public Authorities Law. The Agency also authorized the Executive Director to make minor equipment purchases of less than \$5,000 without prior Board approval as long as such amounts were within the approved Agency Budget. In 2020, the Agency adopted a new Records Retention and Disposition Schedule. Finally, during 2021, the IDA Board adopted a Standard Workday.

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

**Cynthia A. Henninger, Chair** – 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.

**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.

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

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

**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.