

# **2019 Annual Report**

(January 1, 2019 – December 31, 2019)

## **RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

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

**Chairman**

**Douglas Baldrey**

**Ronald Bounds**

**Jim Church**

**Michael Della Rocco**

**Cynthia Henninger**

**Renee Powell**

# **TABLE OF CONTENTS**

*I. Summary*

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

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

*IV. Management Report on Internal Controls*

*V. Industrial Development Agency Board Member Biographies*

## ***I. Summary***

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

**~~Ronald Reagan**

*"A big business starts small."*

**~~Richard Bronson**

*"There is no finish line. There are only mile markers."*

**~~Michael Ventura**

During 2019, the Rensselaer County Industrial Development Agency (IDA) continued its mission of creating a predictable and stable business environment. Economic conditions continued to grow in the United States and throughout the world and, in Rensselaer County, Regeneron Pharmaceuticals was able to commit to an additional \$93.6 million investment into their three East Greenbush locations and a new day care facility (2020) in North Greenbush. Regeneron's total investment in Rensselaer County over the last four years has exceeded \$370 million while their total employment now approaches 2,800, a true testament to their commitment to our County and New York State. In addition, Regeneron's research and development efforts to respond to the world-wide COVID-19 virus outbreak will put their expanded facilities and talented scientists and staff to good use.

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. In total, the IDA currently maintains an interest in nearly \$1.8 billion in projects while creating and retaining nearly 7,150 full time equivalent jobs and 540 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 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 2020.

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 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***

### ***MetLife***

Over a two year period MetLife will upgrade their grounds, facility and purchase new technology for their Northeast Data Center located in Rensselaer Technology Park through an agreement with the IDA, which provides sales tax exemptions for these purchases. The value of the improvements is estimated to be \$244,733,051. The company currently employs approximately 258 people.

### ***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.

Regeneron now reports nearly 2800 jobs created since receiving IDA assistance and a payroll of \$286 million in Rensselaer County.

### Turnpike Redevelopment Group

This IDA lease agreement project redevelops the former K-Mart and Big Lots site on Columbia Turnpike in East Greenbush. The prior development agreement was modified to increase the authorized NYS Sales Tax exemption by \$120,000 to a total of \$560,000. This \$16,640,000 project provides 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.

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

In 2019, the Rensselaer County IDA provided support to 63 projects with a combined total project investment of \$1.782 billion. A total of 7,145 full time equivalent jobs were supported by these businesses. An additional 538 construction jobs were also supported in 2019.

These projects provided \$2,314,472 in PILOT payments to the County, \$1,866,171 to local governments and \$5,928,150 to school districts in Rensselaer County. In addition, these businesses reported \$403,425,000 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, 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. Finally, the Agency reviewed its current investment practices and acted to increase its use of Certificates of Deposit, which helped increase interest income by \$34,873.

#### *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.