

UCIDA

Ulster County Industrial Development Agency

Ulster County Industrial Development Agency Minutes February 12, 2014

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, February 12, 2014, Legislative Chambers, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following agency members were present:

Paul Colucci	Assistant Chair/Assistant Secretary
Michael Horodyski	Chair
Robert Kinnin	Assistant Chair/Assistant Secretary
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary
Steve Perfit	Treasurer

The following agency members were absent:

None

Offices of Business Services Staff:

Linda Clark
Suzanne Holt

Ulster County Finance Office:

Kenneth Juras CFO, Deputy Commissioner Finance

UCIDA Attorney and Bond Counsel:

A. Joseph Scott Hodgson Russ LLP

Additional Attendees:

T. J. Briggs	Chair, Ulster County Economic Development and Tourism Committee
Paul Brown	New Paltz, NY
Robert Gabrielli	New Paltz, NY
Steve Greenfield	
Mike Hamm	IUOE 825
Josh Howig	
John Johnson	New Paltz, NY
John T. O'Malley	Communications Workers of America Local 1120
Frank Perugiro	IBEW Local 363
Hugh Reynolds	Ulster Publishing
Tim Rogers	New Paltz, NY
George Sifre	Seakill Builders
David Spitzer	Blue Heaven Hosiery
Dan Torres	Town of New Paltz Town Council
Ken Wishnick	Ulster County Legislator District 17
Susan Zimet	Supervisor, Town of New Paltz

Chair Horodyski called the meeting to order at 8:00 a.m.

PLEDGE OF ALLEGIANCE

The members of the Agency participated in the Pledge of Allegiance to the flag.

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

PUBLIC COMMENT

Chair Horodyski announced that each individual wishing to address the members of the Agency would be limited to three minutes.

Mr. David Spitzer. Mr. Spitzer has a business in Ellenville. The 25,000 sq. foot building burned down in January. He will be asking for assistance with sales tax exemptions. He is asking that the Agency act quickly because the business is a supply and demand business and a new season is coming in less than two months and they will be basically out of business if they don't have supply at that time. The business is a ladies hosiery business pantyhose, tights. They have 6-10 employees at this time. They have their own brand, but manufacturing is done out. They want to rebuild in Ellenville; it is very hard to lease a building that can hold the amount of merchandise that they need. Staff and counsel will work with Mr. Spitzer. It appears that the total benefit may be under \$100,000, which would preclude the UCIDA from having a public hearing. An application will be submitted hopefully within the week.

Mr. Paul Brown. Mr. Brown thanked the members of the Agency for their visit to the Town of New Paltz. It was one of the best public hearings in terms of the way it was conducted. It was very fair; he was proud of his community, the county, UCIDA and citizens. He learned a lot. His comment this morning has to do with one of the comments made at the public hearing made by Shawn Griffin from Wilmorite. He said that in his opinion pointing to UCIDA board, this IDA induced us two years ago, and told to hang in there with this project". He then complained that the ground lease payments were significant and if you don't want us here, just tell us to go. Mr. Brown was wondering about the procedures of the UCIDA. Since he knows that you had not been reviewing the application for content, it could be the normal process of the UCIDA to encourage developers to wait for the process. He wanted to resolve any confusion that there was some kind of vetting of the application that led to the UCIDA inducing Wilmorite to hang around thereby exposing their victim ploy of how we spent all this money because you guys He didn't know if there was a way to learn about the process of the UCIDA as to whether there was any vetting.

Mr. James Malcolm responded, not to cut you off Mr. Brown, he would like to very very clear and you can go back to the minutes. Continually when Wilmorite has been in here, they have been told that you are not going to circumvent, you are not going around the local municipalities. Once you go through all the hoops that you have to go through, then you can come to the UCIDA. This is chapter and verse with them. And as far inducing people to come and do a project that is part of the mission of the UCIDA. We don't apologize about that; but we don't vet people prior to them doing what they have to do on the local level. He did not feel that he would be contradicted on that, but if one of his colleagues feels any different, than so be it. He was just telling what has been said in this room.

Mr. Brown stated that he did understand that, he can trust it and believe it. It was just the impression that he wished to clarify.

Mr. Malcolm stated that when someone comes in and feels as though they can overlook other people that is not the mission of this group.

Mr. Tim Rodgers. Mr. Rodgers was speaking as a resident of the Town of New Paltz and not as a member of the Town Planning Board or the New Paltz Board of Ed. He continues to be concerned about numbers that are plausible and Wilmorite has spoken about their contributions in terms of spending that this project will generate for New Paltz or Ulster County. They discuss their rent roll at about \$6.5 million per unit. He thought that it was very reasonable for any developer to say that a portion of their rent roll will go back into the community in terms of ongoing maintenance expenditures. What is that percentage of the developer's rent roll and in the Comoin Report they are suggesting that 65% of \$4.2 million of their \$6.5 million rent roll will be spent in New Paltz as a percentage of their rent roll. This is not a plausible number. CGR, the independent peer review, challenged them on this and they said it is a brand new building it is unlikely that you will spend even 18% of your rent roll, not 65%. He wanted to highlight that the numbers that have been shown are not plausible and need to be looked at very carefully.

Steve Greenfield. Mr. Greenfield is a resident of the Town of New Paltz and a taxpayer. He is speaking only upon his behalf. One thing that he also wanted to bring up, besides from what he has written down, is that there is constant reference to the fact that the property is already off the tax roles and, therefore, generating no revenue for us. He has a difficult time with that being repeated so often because it is currently an empty piece of property. It is not generating any fire alarms, police calls or any other costs of any kind. It is amazing that they can keep repeating that contention when vacant property costs nothing and 720 people will generate quite a lot of costs. He also wanted to call to the Agency's attention to other errors and omissions that are in their application. It is repeatedly said that the college is not increasing its class size and we should trust that. At the recent 2014 Inaugural Faculty Meeting, the Vice President for Enrollment Management, L. David Eaton, said that the steady increase in undergraduate students since 2007 have contributed to students need for housing; the increase in undergraduate is due to the decline of graduate students enrollment. Eaton said that graduate students don't use or need the same housing amenities undergraduates need. Because of the increase in full-time undergraduates, the housing shortage that exists in New Paltz is a serious factor that impacts the college's attractiveness to potential transfer students and graduate students. As you can see different things are being said to different audiences and sometimes like the quote above, the same spokesman is talking out of both sides of his mouth in the same statement. Either grad student enrollment use and need the same housing amenities as undergraduates, or they don't. But the critical take-away here is the open acknowledgment that the student body has been steadily increasing in size since 2007. SUNY has also built several new dorms during that period, has another under construction right now, and a new private apartment complex opened up right across the street that is substantially occupied by students, interestingly, built without property tax breaks, and operating in the black. The truth is that SUNY has been in a steady state of expansion for the last seven years, and is seeking our tax money to subsidize a private developer to ramp up the process at a speed the Dormitory authority will not finance. It's not my job to pay for that, and it's not your job to require me to. Then there is the flawed math presented at the same forum by SUNY President Donald Christian. He says there is a housing shortage now, and students may choose not to enroll because of that. But if you can attract more students because you've built new housing, then as soon as those additional students occupy the new housing, you're right back at the same housing crisis, by the same mechanism we see every time lanes are added to suburban highways to alleviate traffic. As soon as it's evident commute time has gone down, more people hit the roads, and you're right back where you started. By viewing all of these conflicting statements, and doing the math, we can see that this proposed housing development is a want, not a need, for SUNY New Paltz. Class size has been increasing for seven years, and it will continue to increase as housing expands. That was stated by the principals plain as day – but not to you. They pick what they say to suit the

audience. Most critically in terms of the math by which you're supposed to base your decision on benefit to the host community, it will not come within 10% of producing the number of jobs they claim on their application.....

Chair Horodyski concluded Mr. Greenfield's comments and requested that he file the letter with staff for inclusion in the records of the meeting. A copy is on file.

Ms. Susan Zimet, Supervisor, Town of New Paltz. A number of years ago when she was a legislator sitting in this room, she used to have to vote on foreclosing on people's homes on behalf of the state. At a certain point she could not do it anymore. She had killed herself when she was supervisor the first time to hold the budget down, not raise taxes and even took on a police budget which nobody does. When she found herself here as a legislator also to having to vote on foreclosures; then one day about 5-6 years ago she said that she could not do this anymore. It puts in context that the foreclosures in New Paltz are growing and the pressure of property tax is really difficult as it is all over the place, but we have a state college which has property off the tax roles. New Paltz has so much property off the tax roles with such a need for services. It is really a very tough time. This project specifically has really hit a cord with the community as she believes the Agency members can tell. At the end of the day it is student housing for the college that does not bring in jobs and puts all of the landlords who have been there forever paying full taxation at a disadvantage. There is real emotion about this project. You have to handle it whatever way you can and she understands everyone's rules. She said that they were not against PILOTs They support Viking Industries all the time. There is a project that may be coming forward soon that could potentially bring 250 jobs to the community. They will be paying 50% of their taxes because they are in Category 1-4 so they have to pay 50% of their taxes. We are not against PILOTs, but when you talk about the roles of IDAs you created a Category 5. Category 5 is for student housing for four year colleges with dorms. We are the only town in Ulster County that is impacted by Category 5. When creating Category 5 what you did was create a category where they don't have to go through the Matrix that everybody else has to go through are you creating local jobs – are you paying prevailing wage. It is just a schedule that you have created. \$450-\$700 per unit. Now you have not defined a unit. That is a really big issue that she would like the Agency to go on record before you review the PILOT for Park Point. Is a unit a kitchen or is it a bedroom, because that makes a major difference in the PILOT that you give. Kitchens don't need police services; the number of kids in a room that are going to dictate the number of emergency services that this community will have to do. She asks that the Agency really take that on because that is really major. When you created Category 5 and you created your schedule, you never came to the community to talk to us to say, what is a fair schedule for us to come up with that will meet the needs of your community so if and when we give a PILOT, we are doing it with equity to the community that we are burdening it with. That is in essence a really big problem for our community because at the end of the day if your PILOT met certain needs, the other problems and issues that she could not mitigate, but she has to take care that the town concerns are mitigated. It is really basically in your hands. You are going to make the decision; you are going to do what you are going to do. She just begs that when you go into negotiations with them, should you choose to enter with them, that you take everything into account for our community and our taxpayers are not burdened by this project. Understanding that it does not bring jobs into our community, which is really the basis of your granting PILOTs; it is not fair to burden us with the taxes to pay for the services for this project. Please take into deliberation very strongly. For the record, a letter has been sent, not to you, but to Legislator Briggs and to Legislator Maloney copying Michael Hein, County Executive, John Parete, Chair, Ulster County Legislature complaining about their frustration trying to meet with the town to talk about mitigation. Everyone should have received that letter; that letter will be forwarded to you as well. Let the record reflect that six-seven months ago, she said to Park Point put a PILOT on the table. You are creating a void; nobody knows what you are talking about; nobody knows what you are giving the community. A PILOT is a Payment In Lieu of Taxes, she understood that. What are looking to do? At least the community has a sense of what you are talking about and they will know that you are really not looking to hurt us or you are really looking to work with us. She has been asking for months and months. They have not done it. What they did was a week before the public hearing, after the town and the school district came out with a resolution against

the project; all of a sudden they ask our attorney for a private meeting with her. She thought about it and said she cannot do that. He wants to know what I think on behalf of the town. She cannot do that; she is one of five board members. All the board members have opinions. She spoke to her board about it. The Board said that they could not meet with them before the Public Hearing; it is not fair for Wilmorite to get up and say that we are negotiating with the town. We were very clear to them; after the public hearing we would invite them to a board meeting and they would come talk to us in public and that is what we said. We told them, they agreed to come to a meeting. After that they went to the Economic Development Committee Meeting and reported that the Board would not meet with them. It is absolutely not true. She wanted that in the record. We have been trying to understand their role. She has to be professional; she has to deal with the people, the developer. That is what we are trying to do, but at the end of the day our fate is in your hands and she is asking that the Agency takes care of them.

Kenneth Wishnick. He wanted to thank the Agency for the professionalism of the public hearing and holding it in New Paltz. Everyone he spoke to after the meeting came away as if they were heard and that is very important in the community. He thanked the Agency for the courtesy. Expanding a little bit here, as you might know he is in the real estate business and he sometimes has a situation where he has to sit at a table with elderly people who can't afford their taxes in New Paltz. They have to choose ... medicine, taxes, fuel oil, whatever and they cannot do this anymore. They list their home with him and it just about brings him to tears. He truly believes that this project and the way it exists as the PILOT proposed would more aggravate that than it currently is. He has to ask a couple of questions regarding this whole thing. On the but-for provision ... oh we can't build this project if not for the PILOT. He looks at this project and a couple of things come to mind. First he saw in the paper that Wilmont is now proposing a very expensive casino near Syracuse and obviously they have access to resources that is not an issue. So then the next part is the viability of this particular project and on that he has to question if they are talking need for housing on campus. He understands that, he has heard the arguments. But the question is need for housing on campus, why does it have to be expensive upscale housing. Why is it necessary to have apartments Why don't they just build something similar to what is on campus now. Why does there have to be a club house and a pool and the amenities that they are proposing when they could just build on-style, campus style traditional housing and maybe the difference that they are charging could be payable to the community in the way of taxes instead of PILOT. He wonders if that analysis had been done in any way. He understands that there are two parts. There is the feasibility of the project and there are the resources of the company. He respectfully suggests that the resources of the company is not an issue; the feasibility of the project – maybe the rents could be a little higher, maybe the luxuries could be a little lower and then the gap between the two, have the money to pay to the community so we don't have to see our property taxes impacted by this. To him that seems very fair and reasonable; not anti-project. The community is not anti-project; the community is just with their heads spinning on how high their property taxes are and are very scared of the prospect of the additional tax burden would bring to us. That is why you had the turnout that you had there.

John Johnson. He has been told that the average family income in New Paltz is \$40,000 per year. He did not know if that was true, but he did know that the average assessed value of a house in New Paltz pays roughly \$8,000 in taxes; just for the property taxes. If you are making \$40,000 annually and you are spending \$8,000 that is 20% that you are spending strictly on your property taxes. New Paltz cannot afford to give away any tax dollars and foot the burden on the taxpayers. We just can't afford that. The other thing has the applicant provided the Agency with a financial statement showing that all the numbers What it is going to cost; what it is going to cost to manage the place; a complete breakdown so that you can actually tell if, not for a PILOT, that they wouldn't be able to do this. Have they provided that information to you? The Mission Statement of the IDA help expand existing businesses; that is one of the largest points of the IDA. By giving a tax break to the applicant what it is going to do is to put all the existing businesses on an uneven playing field and the existing rental business will not be able to compete. He has a rental business; 1/3 of his rents go directly to the property taxes. If Wilmorite is permitted not to pay their 1/3 that means that their rents could be 2/3 of his and he would not be able to compete with them. The second part of the point, they are

building 700+ bedrooms, if you assume that the average out there is four bedrooms that is approximately 200 buildings throughout the community that will be negatively impacted. At the end of the month, whatever profit is left off the top, he uses that profit and he spends it throughout the community In the restaurants, for services for the building. All that money stays within the community and it gets circulated throughout the community. Wilmorite's third is not go to the restaurants, it is going up to Rochester in the form of dividends and leave at least 200 buildings in financial trouble.

Robert Gabrielli. He reiterated what Mr. Johnson has said. The costs of the community are only going up and that cost is divided by the population. We have everything from institutions from little old ladies in accessory apartments. What you are doing is asking us to have disparaging proportion of the costs. If Wilmorite does not pay their taxes than there are additional costs. Wilmorite says, and it is the most fallacious argument that he has heard put forth by the college, is that this is just vacant land and we are going to give you something. Right now you are getting nothing and something is better than nothing and you should be happy. What about the little old guy who has no children and he owns a vacant farm. This project will cause a tremendous over saturation of housing stock. He is not a landlord. He has no horse in this race, but it is going to cause a tremendous over saturation of housing stock and be completely unfair to the landlords. One quick thing about Wilmorite's pro forma. He thinks it stinks; absolutely invalid. They say that they looked at the housing stock and rents. He knows a lot of landlords. Not one landlord has been interviewed; not one survey has been conducted. Of all the landlords of New Paltz how did they come up with a vacancy factor. This is just incredible to him. With reference to Mr. Johnson's operating statement, he asked at the town board planning board if they would get a simple projection, an operating statement, to show what their anticipated gross rents are, where their expenses are going by category and what their net operating income (NOI) would be. The last time he surveyed those people, they didn't have it. He did not know what format they were using. There should be one sheet of paper so everyone could see, not only you, but the people in the community, here is our rent X per room times the number of rooms; here is what our costs will be, so much attributed to heat, etc. and it could be done very simply so we could all understand it. He has just retired from the state where he did frauds investigation. He was very concerned with little nuances and gimmicks. This is the State of New York that is bound by regulations that require prevailing wage, bidding process, etc. This project benefits a state institution and they are working a defeasance; they are going outside the bounds and getting a private developer to build them a dormitory; solely and specifically for the purpose of the college.

MINUTES

Motion Steve Perfit, seconded by John Morrow, moved to approve the Minutes of the January 8, 2014 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

Motion: John Morrow, seconded by Paul Colucci, moved to approve the financials for the period ending January 31, 2014 as presented. A copy of said financials is on file.

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee. Committee Chair Steve Perfit reported that the Audit Committee had met on February 4, 2014 to review third quarter financials. There was no comment and/or corrections. A copy of said Minutes are on file.

Governance Committee. Committee Chair John Morrow reported that the Governance Committee met on February 4, 2014 immediately following the Audit Committee. At this particular meeting the primary focus was a suggestion made by Agency member Colucci having an audit trail for each project we deal with to make sure that their end costs are similar to what they had suggested in the beginning of the Project.

Chair Horodyski addressed Counsel Scott and indicated what they looking to do is have a post closing certification of construction costs. Somewhere in the business of financing these things, they are never usually under budget and more often over budget. If we are approving projects that are a million dollar construction costs and our fee is actually based on one million dollars. If we see actual construction costs for \$1.5 million, we want the ability to go back and recapture whatever lost fee. That was the crutch of it.

Mr. James Malcolm asked if there wasn't something in Governance with certified payrolls.

Mr. Morrow responded that certified payroll typically applies to prevailing wage.

Mr. Malcolm disagreed. He remembered that there was discussion regarding private projects Just to see if they met the matrix, we would do something tantamount to the certified payroll that would get sent back in from the developer. Perhaps this was a couple of years ago.

Mr. Morrow responded it is possible.

Mr. Malcolm stated it just "sparked" something.

Mr. Paul Colucci questioned when the developer brings the Agency a project, is the contingency already built into his pro-forma.

Counsel A. Joseph Scott responded that the quick answer is generally yes. If you look at the application there will be a project budget and there is a contingency within their budget, so we get the number in the application and that is sworn to by the developer. At the time of closing we get an Affidavit that is also sworn to. We could certainly do a post-closing audit and have them send us something. We could then put that in the documents requiring them to do something at completion if that is what us to do.

Mr. Malcolm responded that honestly he did not think that that was worth the paper it was printed on because they can write whatever they want. The Credit Union project in Port Ewen – he monitored it through his line of work (what he does for a living) and everything that the developer signed off on the application was a lie. There was no prevailing wage; there was no area standard. It was just what he signed off on. It is a great idea if they are going to put down legitimate numbers. He did not see that happening.

Mr. Colucci replied that we have to have some mechanism in order to audit that. He did not know even if that was within the Agency's jurisdiction. He was the author of this idea. He would be happy to research it further.

Mr. Malcolm stated that you could certainly change the application any way you wanted to. If you put down, as part of the parameters of the application that you turn in a monthly payroll that is swearing up and down that these are the dollars spent. There is nothing that prohibits us from that. That is clear transparency. It was his opinion that that was what everyone wants to see anyhow.

Mr. Morrow stated additionally, the committee directed Ms. Holt to check with other IDAs to see what their policies/procedures might be. He has not heard back.

Mr. Malcolm responded that he would rather be out front “kicking the door down”. If we did that, we would adopt a prevailing wage language and he did not think it would go over big up here.

Mr. Morrow replied that he did not think it was the intent to mirror anybody ... the intent was to just find out what the options might be.

Mr. Malcolm thought that you could put anything in there that you want.

Chair Horodyski stated that at the end of the day let’s do thing. Ms. Holt at the end of the day you are going to find out what other IDAs have done to address this. He directed Counsel Scott to “shore up” some of the language within our contract to see if there is a mechanism to satisfy Mr. Malcolm’s concerns.

Mr. Colucci stated that we are talking about project costs, not just labor. Obviously, the labor portion is whatever it is. A certified payroll he could appreciate, but it is only one part of it.

Mr. Malcolm replied that Mr. Colucci’s idea was great. He knew that they had done something in the matrix prior to and part of that was due to the project in Port Ewen that really didn’t create any jobs because it was video tellers that met in Kingston which kind of “blew the lid” off of it. He was not against what Mr. Colucci was saying.

Chair Horodyski stated that it was impossible for him not to weigh in, but just as an aside from that standpoint, you also provided that benefit to an entity that pays zero income tax in the sense of a credit union. He didn’t want to bring in another area of his life, but he just wanted to make sure that that was highlighted as well.

Additionally, Mr. Perfit stated that he contacted Counsel for the Sullivan County IDA that was involved in a deviated PILOT for SUNY Sullivan. His quote to him was that a unit is the number of pillows (beds). He did that research on his own. He did speak to a dormitory developer, they indicated to him in the past decade that dormitory investment is the highest return of any investment in the marketplace. He offered to do the project himself. He was going to research on his own.

Mr. Morrow stated that a discussion of a unit did not happen at the meeting; it happened informally after the meeting.

Chair Horodyski stated that there was no question that it is an important aspect of this project. Chair Horodyski agreed with Mr. Perfit that it is not kitchens that will use services, it will be people within those units.

Ready2Go. There was no report from the Ready2Go Committee.

PROJECT UPDATES

Ulster Commons, LLC

Ms. Suzanne Holt reported that they had not received an update. Chair Horodyski requested that an update be provided at the March meeting.

Counsel A. Joseph Scott reported that he did reach out to them. The developer expressed embarrassment that he was not able to close yet. The issue, if you recall that at the November/December meeting when we took action on the project, he described that they needed to do sound testing to the facility. That cannot be done just on one particular day. It has to be scheduled over a period of time to reflect the varying schedule of the trains. It is taking longer to do that testing then they had anticipated. That is the reason for the delay. He would characterize that as not

controversial, not deal ending or deal threatening. It is just a question as to when they get that done they will be back to us to finish up the transaction.

Park Point Public Hearing

Chair Horodyski expressed his thanks to everybody who attended the public hearing . He thought that it was what the UCIDA Board expected it to be; wide ranging comments passionate people as we have in New Paltz, indicating what their views were on this PILOT. As you can see, this is the actual printed transcript of the meeting. You have been provided thumb drives. He encouraged members to take a look at the thumb drives. This is voluminous, but it is important to highlight and read the comments that are in here. Counsel Scott also provided members with a Memorandum from Hodgson Russ' standpoint. It summarizes various comments; there were a number of comments that were congruent in the same top/same fact. They were reiterating the same information; there were a number of fact lines in that public hearing. He thought that Mr. Perfit highlighted again under the Governance Committee, it is going to be increasingly important from our standpoint that we now have the public hearing transcript, we were provided a Planning Board letter which basically asked us to define a unit before they finalize their findings statement. His opinion is that they are kicking the can down the road a bit. Nonetheless, it is important that we come to a conclusion as to what that unit definition will be. The other aspect, he thought, and Mr. Colucci has talked about this, but he thought that it would be important if there was an ability for Park Point, the school district and the town to get together in a room to talk and let's see if there is some commonality, some common ground where we can find some common ground.

Mr. Perfit thought it important that the Agency sees an pro-forma in a proper format of that project so that we can determine what the economic impact is to the developer. That should be required of every new applicant coming in. We want to see revenue expenses.

Chair Horodyski stated that as you can see we had a letter that went out late Friday, from Counsel Scott on their behest to request from the developer an updated, more updated pro-forma statement as to the costs involved here. One thing that has not been highlighted or discussed and everybody is aware that there in no decision that has been made here, but hasn't been brought up is the burn that the developer is dealing with month to month as they move through this process. That too would be in the calculation or an ROI. You aren't just going to take gross rents, minus this, there is still a burn rate of money right now, month to month while they move through the planning process that they will want to recoup at a certain rate. It is important that we get all that information. Counsel Scott has made that request to the developer's attorney along with the other clarifications that we were requesting. Again, we have talked about this.

Mr. Malcolm stated that there are so many inconsistencies. The only thing that will make New Paltz happy, and he is not speaking for New Paltz, would be if the guy put \$20 million in an escrow account and everything he said that didn't come to fruition he gave to New Paltz. This is not going to happen. They are in the business of doing business. It is just that simple. He can certainly sympathize with the renters in the town and village of New Paltz. Mr. Gabrielli had questions about prevailing wage. Nobody is fixing up the rentals using prevailing wage. This thing is all over the place, but rest assured your issues are going to be answered and there are going to be some people who are not going to be happy and there are people that are happy. Taking off his UCIDA hat and sitting as a guy with organized labor, one guy from the DOL tells me it is a prevailing wage job; somebody else tells me no it is not because they use the term apartment. He cannot rent an apartment at Park Point. There is just a lot of questions to be answered. Rest assured that this board is not shirking their responsibility. All your questions are well thought out but we are not shirking our responsibility; we are not in anybody's pocket. Ms. Zimet he did not understand when you asked the question why they didn't come to us and sit down originally and then five minutes later we can't sit down with you until

we have a public hearing. There are inconsistencies amongst everyone. We will run the process out and he thought that the best that could happen is everybody gets in the same room.

Chair Horodyski stated that we are definitely not getting into it. He would appreciate from the Agency's standpoint, let's just speak to the topic. This is not the avenue for us to get into a debate back and forth.

Mr. Perfit stated that two other points that have been brought up informally was the inconsistency in the labor costs that they projected. There were three different labor costs with significant differences. \$17.6 million, \$11.9 million and there was a third one somewhere in there. He would like to see what the labor costs are.

Mr. Malcolm stated that it affects everyone. The less that they spend and no one comes into the village and spends any money.

Mr. Perfit stated that there was one other inconsistency/clarification, in doing our due diligence, there was a comment made that they are \$20 million in arrears in the City of Rochester. He would need to know more about that because if they are truly in arrears

Chair Horodyski responded that that goes without saying. If you stuck another county we are going to have a problem dealing with you. That again, he thought you will see that that was asked to be addressed.

Mr. Malcolm stated that he would love to see the guy from Wilmorite say that was not a lie. He did not hear that.

Mr. Colucci responded that he had a conversation with him after the meeting and he explained to him clearly what had happened. It was a standalone project that they picked up from the city and the city asked them to complete the project. It was in default or whatever. They ended up finishing the project; selling the project for a loss and the city ...

Chair Horodyski stated what was calculated was what the lost tax revenue is that building was working. We can get independent clarification from the City of Rochester.

Mr. Colucci stated that the complexity of this application and he understands that the applicant is constantly being asked to provide us with documentation, but the complexity of this application warrants the applicant to come and sit down with us. If it has to be a special meeting, so be it. He is not prepared to vote on this thing now or six months from now until he has a very very good understanding.

Chair Horodyski replied that no one is going to ask you to take a position on this issue in a formal voting setting until you are comfortable. He will say this, Counsel Scott has suggested it, Mr. Perfit has indicated it that he does this for a living in the sense that he looks at pro-forma statements and gets a sense. What he would like to do, and we're running out of consultants in New York State to use, but he thought that it would be incumbent upon the Agency to take the pro-forma that we receive and see what our independent person says. Then I will throw another independent person into the mix to get a sense as to where it is.

Motion: Steve Perfit moved to table this whole project until there is more information.

There was no second to this motion. No action was taken.

Chair Horodyski stated that in the sense we are not moving forward – nobody is voting yet. We are still waiting to get all the information. It is a deliberative process and until we are comfortable we are not making a move. Right now

there is a request letter to them saying these are the things we need edification on. When we get those, we come back together, we sit down; if we have more questions we ask them.

Mr. Colucci asked why this has to go from attorney to attorney. No disrespect to the attorney.

Mr. Horodyski replied that he knows, but he has a real job during the day.

Mr. Colucci stated it's like he said, she said. Why can't the Chairman pick up the phone and contact the Chairman of the Board of whomever at Wilmorite and say "hey guys, you want to get this thing pushed through, you want to get a shovel in the ground, we still need to have a good understanding of this project".

Chair Horodyski responded that when he goes out socially in New Paltz and they hear that he went out and called Wilmont on my own, he would get killed. He enjoys the fact that there is some plausible deniability with Counsel Scott making these calls. With that said, he can affect a meeting where we can come together as the mediator ... He does not want to see what he believes in his heart that this project in the sense of making New Paltz a better college, he believes that. Does he agree and understand the arguments from the people of New Paltz that say why them, why this project. He gets it all. He does. We have an established UTEP and Ms. Zimet and he may disagree on this, but we solicited comments from all jurisdictions. I have certified letters that they were received within those jurisdictions, that these were changes to the UTEP. We've received zero comments from any of those affected jurisdictions. In one of the clarifications Stone Ridge would be another option for dormitory housing. It would have been helpful at the point and time when these affected jurisdictions were seeing this type of UTEP change coming ... he gets it ... perhaps the range would have been different. We are going to find the right answer here whether that is a no or a yes or somewhere in between, we are going to find it. We just need to get the information. We have those requests out.

Mr. Perfit addressed Mr. Colucci's comments. Everything should be in writing; the Chair can't simply call.

Chair Horodyski stated that he liked Counsel Scott being able to talk, but what he thinks they are going to leave here today with, reach out to Mr. Griffin; reach out to Mr. Lithgow. Supervisor Zimet is here. She is getting a sense of what we are looking for. We would like to see if there is a way, and he knows that there is a meeting on the 27th where they are coming in front of New Paltz and that is great. He is not trying to do anything behind closed doors but he thinks that trying to negotiate or talk about potential projects in a public hearing setting is going to be extremely difficult whereas if there would be an ability for the school board, town board and for us, some people in the room, talk it out. Let's see if there is some common ground and perhaps there isn't, but that way may be a more He understands the concept of keeping everything public, but that is a difficult thing.

Mr. Colucci stated that the school board and the town board can not have a majority of the members.

Chair Horodyski stated that we will send the letter out. We already have the letter out to Mr. Griffin and see if we can pull something together and be the catalyst for this meeting.

Counsel Scott stated, to be clear, you want the meeting to be with the town, the school and the Agency.

Chair Horodyski responded by all means. There are no hard feelings if they don't want us a party to it. It is absolutely fine. But if they would like us to as a "quasi-mediator" he would be happy to do it.

Mr. Morrow stated that the one thing that has gotten swept under the carpet is the history of the IDA and the relationship with the county and UCDC. First of all we have a new Chair and we have a different relationship on how we do business. Three years ago you had UCDC involved in this thing; it is a "he said, she said thing". There has

always been confusion between the UCIDA and UCDC for a lot of players. Mr. Matteson may have been telling Wilmorite and them confusing it with UCIDA and so forth. There is a lot of confusion in the history. Chair Horodyski got the "ball dropped on him" after this thing was started.

Mr. Perfit remarked about one other clarification. A comment was made at the public hearing the UCIDA has never voted for a project that the community was against. Minutes of a December 9, 2002 meeting – Frito Lay Project. The town was strongly against that project. The procedures were a little bit different back then, but there wasn't a positive comment from the public on that project and the UCIDA did approve that.

Chair Horodyski stated here is the UCIDA. We have a UTEP and that UTEP is basically standard everyday PILOTs. Those standard PILOTs that come under the UTEP do not require jurisdictional support. They don't. The idea of the UCIDA is that you are taking what could potentially be a very hot button topic, tax abatements out of a very political environment and move them to a, in theory, a completely apolitical environment where there is no politics involved. It is purely what is best for the county. Now deviated PILOTs that come off that UTEP, extended terms, different types of terms to the PILOT, yes they require all the affected taxing jurisdictions to come to the table. We, which he thought has been good practice, we listen to the municipalities. He thought that it was important because we are going "hat in hand" at some point back to them potentially. We want to make sure that we "play nice in the sandbox".

Supervisor Zimet addressed the members of the Agency once again. Remember she was a supervisor back when. She did negotiate a deviated PILOT with First Columbia which was originally Dr. Mensches project. First Columbia came and it became a for profit doing something for a not for profit. We did do a deviated PILOT and that is how we got our Community Center in New Paltz. At that time, Legislator Fawn Tantillo, said that we were the first town to actually get something for a PILOT. She understands. She was a supervisor; she was a legislator. She was here when discussions were held regarding defunding UCDC. She gets her role and the UCIDA's role; what you are allowed to do and what you are allowed to do. This is why she keeps saying to people, if this gets approved you are going to get blamed. She does not have the authority, the Planning Board has the authority to issue the Findings Statements, the UCIDA has their authority to whether or not to grant a PILOT; we as a town right now can only say on behalf of our community that our costs need to be covered because you can't burdened us. People do not understand that. The town has a very small role in terms of actually being able to make a decision. We are not the Planning Board; we are not the UCIDA. She gets it; she doesn't need to have that explained to her. She comes with a lot of experience. In terms of the statement regarding us meeting or not meeting. Yes, she did ask six months ago and she actually tried to get a meeting together. There was one scheduled but it was cancelled because of some conflicts. We have been willing to meet. When Wilmorite called and asked to meet a week before the UCIDA Public Hearing that is when the Board said, and she might have been willing to meet but she was not willing to meet to speak on behalf of the town without the board telling her what they wanted to say.

Mr. Malcolm asked what would you have spoke to them about six months prior.

Supervisor Zimet responded that six months ago she was trying to get them to say a Payment in Lieu of Taxes is a Payment in Lieu of Taxes. What are you willing to pay.

Mr. Malcolm replied that you would have been speaking on behalf of your board at that point.

Supervisor Zimet stated that at that point we weren't ... she had been talking to her board all along. This was a meeting that she was requested to have. This was a meeting requested a week before the Public Hearing. If she had had that meeting a week before the public hearing, they would have gotten up at the public hearing and they would

have said that they were negotiating with the town undermining everything that the people came and spoke. It would have undermining that.

Mr. Malcolm was sure that Wilmorite would not have swayed those people. There was a tremendous amount of support there.

Supervisor Zimet responded that regardless, she might have been willing to meet with them but she said to her lawyer we need to meet with the board and the majority of her board members said you can not meet with them. We want to have the public hearing first. We will meet with them afterwards, but we would like it to be done in public because at this point in time with this project and the way the community feels, to do anything else at this point outside of the public would not be acceptable.

Mr. Malcolm asked does that mean that when you meet with Wilmorite you are going to meet in a public forum; because nothing is going to get done then.

Supervisor Zimet replied that she did not necessarily disagree with Mr. Malcolm. She sat in the board meeting when some of her board members said it has got to be a public meeting. What are they going to do at a public meeting? Nothing is going to happen at a public meeting. She understood that; but at the end of the day she is only one of five votes. Her board said we want this to be a public meeting. We told the lawyer to take this back, we are not going to meet until after the UCIDA Public Hearing and when we do we will have a public meeting. Our lawyer came back to the board, we met again, and he said that they agreed to come meet with you at a board meeting. This was before the public hearing so they knew that we were going to meet with them on the 27th. They knew it. They went to the Economic Development meeting after the public hearing and said that they were frustrated because they won't meet with us. All she was saying there is no truth to that statement.

Mr. Malcolm stated that he had a better understanding now and Supervisor Zimet deserves a general apology from anyone who says you are not. When it comes out, the timeline just did not jive for him.

Supervisor Zimet continued by stating that she did send a four page letter. They are suppose to have a public meeting on the 27th. So you understand, they come, they present and whatever we need to talk about as a board we will talk about. What she was told yesterday was that the lawyers said that they are coming on the 27th to talk only about the impacts to the town for emergency services and that is the only thing they are willing to talk about. Her response was what was accepted by the Planning Board in the Findings Statement when they accepted the CGR estimate what it will cost for police, fire and rescue, is what she is standing by. You don't need to come meet with us at a public meeting to be told that what is in the FEIS is the impact to the community. If that is what you want to talk about and you are setting ground rules as to what you want to talk about, don't waste your time coming down from Rochester. Here is the document, that's it, go to the UCIDA. Other board members still feel that they should still come and have the conversation and other board members feel that they are not going to be limited to in terms of what they are going to be allowed to talk about. She is still trying to manage what happens between now and the 27th to the best of her ability. What they did say, according to the attorney, we are only going to talk about the impact on the fire and emergency services. You the town board are out of it; we are going to the UCIDA. That is what they said yesterday. She didn't know what today was going to bring. She couldn't answer the question, and didn't know if you could answer the question, when they talk about recasting the project, if they don't get their PILOT they are going to recast it and take it off the table. If they don't have the shovel in the ground in the spring they are going to recast the project next year and they will do it through the college and it will be totally tax exempt. They won't have to go through the town or zoning or whatever. She didn't know how real that is or how much time there is left to figure this out.

Chair Horodyski responded one man's opinion is that that is a very real option.

Supervisor Zimet stated that at the end of the day she wants the town protected.

Mr. Malcolm replied that he was not a big fan of people drawing lines in the sand. You draw whatever conclusions you want from that.

Supervisor Zimet stated that she agreed wholeheartedly and all she can do is monitor this process that the town's needs are heard. She will say, and she told this to Wilmorite after the public hearing, you saw the passion of the people of New Paltz. She will tell you, honestly, she did not think people should be nasty to opinions that may be different, but in comparison to other public hearings in New Paltz, she felt that the public really handled themselves really well. They were incredibly respectful and stayed on topic. In terms of going back to a meeting of the UCIDA and the town board, she might not be against it, she might think that that is a good idea and she might think that that is something that needs to be done. She won't tell you what she thinks at this point because it isn't important. She believes that at this point, her town board feels that this project is at a point, she doesn't think that her town board members feel that any meeting that is not in public at this point may not want to engage in. Please send us a letter, send it to the school board.

Chair Horodyski addressed Supervisor Zimet by stating that you know what role you have. He was actually trying to make the meeting on the 27th.

Mr. Paul Brown addressed the members of the Agency. He understood that the Agency was extending a lot of courtesy to us. He has a point of information. On Friday morning, he believed the 7th of last week, he was invited to a meeting at 10:00 with Mayor Jason West. At the meeting was also William Frank one of the village attorneys, the village treasurer was there. Also appearing was Mr. Shawn Griffin who spoke on behalf of Wilmorite. He doesn't know if the February 27th meeting will be held. Mr. Shawn Griffin based on talks and requests and comment and demands by Mayor West said that he would, and this is called jurisdictional shopping, not pursue the 8 acre parcel with the sewer. He told Mayor West, with the attorney there, that they would like to take their money and put it into helping the village rebuild their sewer system and bring this under a type of planned unit development. With that Mayor West said full taxes, no PILOT. They said they would pay their full taxes; we argue with the numbers but we could do that in the Developer's Impact Statement. So there was the sewer, there was the annexation, the abandonment of the eight acres, a discussion of a small site for Park Point and naming Renaissance Drive for Mayor West. The discussion ended with the attorney asking Mr. Griffin to send in writing this week that development offer. As of Monday night, Mayor West informed his entire board and has spoken to other people. This is public knowledge in New Paltz. The Mayor was a cheerleader as you are; you listen to all offers; what's best for the community. So now the new thing on the table is that he is sitting here, that my IDA, your attorney, and we are discussing how many angels can dance on the head of a pin when somebody in Rochester is jurisdiction shopping. He thought that by now all of us knowing this, he would like this to be entered into public comment. You can check the facts.

Mr. Perfit called for a point of order. The Village of New Paltz has nothing to do with this project as far as we are concerned. They are asking a PILOT of us. We will have no comment as to what they do with the Village of New Paltz, or the City of Kingston. It has nothing to do with us. We are only making a decision based on the PILOT.

Chair Horodyski stated that we have an application in the Town of New Paltz. The lead jurisdiction is the Town of Planning Board right now. This is the first he has heard and it is certainly interesting comments, but we have

Supervisor Zimet stated that she will deal with this when she returns. As previously stated she never knows what is going to unfold. First of all she is horrified by this information. Her attorney has no idea about this; she has no idea

about this. She didn't know if Tim Rodgers knows about this on the Planning Board. We don't know; we should have been included at that meeting. She is actually outraged beyond belief and she is really handling this pretty well. We have been told that the reason that they need ... they started this project two years ago, they did need a PILOT supposedly. Then because they could not get village water, or village sewer, they are now going to build their own plant increasing the cost of their project. So now they need a PILOT. We are having conversations with the lawyer, spending our money and time. Maybe we as a town can borrow money very cheaply, build our own water and sewer system, they'll become the user, they'll pay the cost, now if we take it off the table we can turn back to them and say now that that is off the table can you now pay your taxes. That is a conversation we are having with them right now. Why are we wasting our time even working on this project, they want to meet with the village. As far as she is concerned this project is off the table for the town and maybe they won't get their meeting on the 27th because if there are going behind the town's back to another jurisdiction to try to negotiate ... she is done.

Chair Horodyski responded that he could appreciate that. We have an application in front of us and this is the first that they are hearing. We are moving on.

Chair Horodyski called for point of order. We are moving on.

OFFICE OF BUSINESS SERVICES REPORT

Ms. Suzanne Holt reported as follows:

- In the month of January the PILOT tax letters went out to the towns with accurate PILOT calculations.
- In addition to meeting with Mr. Spitzer, she has also met with the Nevele. If and when the state grants them a casino license they are ready to go instantly.

CORRESPONDENCE

1. Health Alliance. Correspondence dated December 17, 2014, received January 10, 2014. Counsel Scott explained that Health Alliance wants to initiate the arbitration for valuation of their facility. The facility has some not-for-profit use and so they are contesting the valuation between the two.
2. Wolf-tec. Correspondence dated January 28, 2014, received February 3, 2014. Counsel Scott stated that this was just an annual reporting requirement.

Discussion was commenced by Paul Colucci regarding the Park Point.

Mr. Colucci stated that the Agency needs to respond to the Planning Board letter. The Planning Board sent the Agency a letter stating that they are not going to do anything further. We need to respond to that. Mr. Colucci thought that Counsel Scott needs to send a letter, saying that they are out of order. This is kicking the can back to us.

Chair Horodyski responded that he was perfectly comfortable with that. He asked Counsel Scott if he was comfortable drafting a letter back to them saying thanks very much, but you are way out of order.

Counsel Scott suggested that this be discussed in Executive Session.

EXECUTIVE SESSION

Motion: Paul Colucci, seconded by Steve Perfit, moved to adjourn into Executive Session

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 9:22 a.m. to discuss pending litigation and to receive legal advice from Counsel on another matter.

Motion: Steve Perfit, seconded by John Morrow, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned from Executive Session at 9:45 a.m. No official business was conducted by the Agency while in Executive Session.

OLD BUSINESS

Financials – Hudson Valley Agri-Business Development Corporation (HVEDC)

Ms. Holt reported that she has learned from other counties that different amounts of dues are paid and we are paying more than some counties. The Agreement has been with the UCIDA and UCDC that in the past you have split it. She would like to raise this with the UCDC Board of Directors. They are meeting at the end of the month to see what their thoughts are ... to continue with what we have been paying or pay them less. Then she would come back to the Agency to see if you would pay half. If UCDC wants to lower it, then we will ask the UCIDA to pay less. The financials were received.

Chair Horodyski stated that anything that we are receiving in correspondence or requested materials if you please send to the members of the Agency upon receipt. Do not hold it or ask me about it. Just get it out as quickly as possible.

NEW BUSINESS

Motion Steve Perfit moved to define a unit as a bed or pillow for consideration at the next meeting.

There was no second to this motion. No action was taken.

ADJOURNMENT

Motion: John Morrow, seconded by Paul Colucci, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:50 a.m.

Respectfully submitted,

John Morrow
Secretary