

UCIDA

Ulster County Industrial Development Agency

Ulster County Industrial Development Agency Minutes May 14, 2014

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, May 14, 2014, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following agency members were present:

Michael Horodyski	Chair
Robert Kinnin	Assistant Chair/Assistant Secretary – Arriving late ¹
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary
Steve Perfit	Treasurer

The following agency members were absent:

Paul Colucci	Assistant Chair/Assistant Secretary
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt

Ulster County Finance Office:

None.

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jessica DiNapoli	Times Herald Record
Jeff Kane	Ulster Commons
William Kimball	Daily Freeman
James Maloney	Legislator/Assessor Town of Ulster
Theresa Skaine	LemeryGreisler LLC
Geddy Sveikauskas	Ulster Times

Chair Horodyski called the meeting to order at 8:04 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.

¹ Robert Kinnin was not present for the following votes: Minutes/Appointment of CFO/Transfer of Funds/Amendment to Fee Schedule Policy
P.O. Box 4265, Kingston, NY 12402-4265

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.

MINUTES

Motion John Morrow, seconded by Steve Perfit, moved to approve the Minutes of the April 9, 2014 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No Financials were presented.

COMMITTEE REPORTS

Audit Committee

Committee Chair Steve Perfit reported that the Audit Committee met on May 6, 2014. A copy of said Minutes is on file.

Appointment of CFO

Committee Chair Perfit reported that previous CFO Kenneth Juras has assumed another position within the county. The Audit Committee has recommended that Christopher J. Rioux be appointed CFO to replace Mr. Juras.

Motion: Steve Perfit, seconded by James Malcolm, moved to appoint Christopher J. Rioux as CFO of the Agency.

Vote: The motion was adopted.

Authorization of Transfer of Funds

RESOLUTION APPROVING THE TRANSFER OF AN AMOUNT EQUAL TO \$5,000 FROM THE AGENCY GENERAL FUND TO THE GENERAL FUND OF THE ULSTER COUNTY CAPITAL RESOURCE CORPORATION

Counsel A. Joseph Scott stated that he had prepared the resolution, together with an agreement, whereby the Agency would transfer funds over to the CRC, pursuant to this agreement. He was concerned about possible ABO/OSC review. It has been set up in the most conservative fashion whereby we will transfer the money pursuant to an agreement.

Committee Chair Perfit explained that the UCCRC has had no activity during the past year; so the transfer is being implemented to allow for the payment of bills. When the UCCRC collects sufficient fees, the money will be paid back to the UCIDA.

Counsel Scott explained the resolution to the members of the Agency. The operative provisions of the resolution are on Page 2 which states that the transfer of money is consistent with the UCIDA's Mission under Section 1; Section 2 is

the transfer of the actual money - \$5,000 pursuant to an Agreement and Section 5 authorizes the Chairman to sign any documents to facilitate the transfer. A copy of said Resolution is on file.

Committee Chair Perfit asked if this would be a recurrent type of thing or a "one shot deal".

Counsel Scott responded that he would suggest, given that it is an allocation of money, that we do it via resolution each time.

Chair Horodyski stated that the only other recommendation or condition would be upon the recommendation of the Audit Committee; to allow for a catch valve there.

Mr. James Malcolm asked if this couldn't just be run through Governance as a Standard Operating Procedure if necessary. To basically have to do a referendum vote all the time is a little redundant.

Chair Horodyski responded that the only thing is that he thought than whenever you are dealing with money you are suppose to

Mr. Malcolm didn't think you had to do a resolution all the time.

Chair Horodyski stated that he did not have a problem with Governance taking up the baton to look and see if there is precedent for that.

Mr. Malcolm stated that if you run it through the body it saves Counsel Scott from having to prepare a resolution all the time.

Motion: James Malcolm, seconded by Steve Perfit, moved to adopt said resolution.

Vote: The motion was adopted.

Governance Committee

Committee Chair John Morrow reported that the Governance Committee had met on April 22, 2014. A copy of said Minutes are on file.

Approving Amended Fee Schedule Policy

RESOLUTION APPROVING CERTAIN ADMINISTRATIVE MATTERS OF THE AGENCY.

Counsel Scott provided an overview of the Resolution Approving an Amended Fee Schedule Policy. The new language in the Fee Schedule Policy is in the third paragraph underneath Section 3 which talks about the applicant completing a Post-Closing Affidavit. The Affidavit is attached at the end of the Guidelines. Essentially what it does is ask the applicant, at the completion of the project, to send the Agency a statement in the form of the Affidavit of Sworn Statement that the total amount of project costs were actually incurred in connection with the project and that ties in nicely with the Affidavit that is obtained at the closing which is the applicant's estimate of what the project costs are. This requirement will be contained within the UCIDA documents. It will be a contractual obligation on the part of the applicant to do this and a further contractual obligation on the applicant to make the additional payment within 60 days of the submission of the Post Closing Affidavit. Failure to do so will be an event of default and that would then lead to the remedies that can be taken under any other event of default in the documents.

Chair Horodyski stated that he thought that this was a very good policy to make sure that we “button up” the back side of a construction project. Construction projects very rarely go fully according to budget. Now when they go over, we will have a mechanism to go back and capture the fees that were due the UCIDA for the work that they did on that particular project. Nothing is given back if the project comes in under budget. A copy of said resolution is on file.

Motion: Steve Perfit, seconded by James Malcolm moved to approve said resolution.

Vote: The motion was adopted.

Legislator James Maloney addressed the members of the Agency. As a back up detail that you may wish to look into, whenever major projects are done and there is an architect involved, there is an AIA Form 702/703 that architects fill out with all the costs of the project. It is notarized and signed-off on – just as a backup detail.

Ready2Go. There was no report from the Ready2Go Committee. Anthony Campagiorni, Chair, Ulster County Development Corporation and who also works for Central Hudson who also put money into the Ready2Go Program has asked Dennis Doyle from the Planning Department to give an update at the next UCDC meeting. An update will be available after the next UCDC Board Meeting.

Mr. Perfit stated that a project will be submitted for Ready2Go. He will recuse himself. He stated that his company has listed all of the Tech City property. They have a new Master Plan and a new vision. There is a whole change of attitude; change of philosophy. This is a significant property in the Hudson Valley and anytime that he is involved he will recuse himself and step away.

ARHC BCKNGNY01, LLC – LaSalle Benedictine

RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE ASSIGNMENT AND ASSUMPTION OF THE BENEDICTINE LASALLE MEDICAL OFFICE, L.L.C. PROJECT

Chair Horodyski provided the background on this resolution. There has been a bit of a stalemate between Benedictine and the City of Kingston in regards to the actual tax amounts that are to be paid under the PILOT Agreement. We, as an IDA, have tried to protect the City in making sure that they will receive what was due to them and in doing so it has put a “clamp” on this transfer. It appears, based upon conversations that counsel has had with Corporation Counsel and Counsel for Benedictine and LaSalle, and whoever the other parties are that are involved, there seems to be an agreement in place. What is before the Agency is a resolution authorizing the assignment and assumption. There is a “catch valve” in there with regard to the Finance Committee meeting.

Counsel Scott stated that as the Chairman indicate we have been in constant negotiations or discussions with the City, the hospital and the representatives for the owner. Ms. Theresa Skaine is present today. She has attended, along with her partner Jim Carminucci, several meetings of the Agency in their capacity as counsel to the current owner of the facility. They are very interested in moving forward because they are under a lot of pressure to consummate the sale of the transaction. This resolution is modeled after what was adopted previously for the New Paltz facility which is also owned by Ms. Skaine’s client. The sticking point here is what the UCIDA has done, and what we have done with all other projects seeking this type of approval, is we’ve made sure that all taxes and/or PILOT payments are current. That is described in Section 2(1) of the Resolution where we get confirmation that all PILOT payments are all paid up. If you recall at the last meeting, Corporation Counsel, along with counsel to the hospital, attended the meeting and gave a report on the status of the negotiation. He spoke to Corporation Counsel yesterday and he indicated to Counsel Scott that the two sides have reached an agreement on a settlement on the terms of the amount of the PILOT to be paid. The school is going to go along with the City’s position with respect to this settlement. Corporation

Counsel Mr. Zweben indicated that he would be proposing or delivering that proposal to the Finance Committee of the Common Council at their meeting this evening. Obviously, we are not going to know if the City of Kingston has formally approved this for some time. The Finance Committee will meet tonight and the Common Council will meet in the first week or two in June. One solution is that we could certainly approve the resolution subject to those conditions. Further, to protect the UCIDA to make sure that an agreement is worked out, what has been done in the past for example the Head Trauma parties that was one situation where the Agency entered into a Settlement Agreement where the Agency joined in that Agreement and we required the settlement to take place and payments to be made within a certain period of time. If they didn't satisfy those conditions, we would then terminate the transaction and place the property back on the tax roles. Counsel Scott indicated that he has discussed this preliminary with Ms. Skaine and Mr. Carminucci and they don't have any significant objection to that structure. What he was thinking in terms of discussion with the Chairman, is that those provisions will be added to the condition clause at the end of Section 2, namely the entering into this agreement the delivery of termination documents to be held in escrow. We give them some reasonable period of time to finish the Common Council approvals and to wrap anything up; say 60 days. If they don't comply with everything within that 60 day period even though we have approved the assignment, the transaction is terminated and while they have been able to effectuate their closing, the property with the new holder will then go back on the tax roles. A copy of said resolution is on file.

Chair Horodyski thought that this was a way to protect everyone that is involved. It also shows that we are looking to move these things along and not be the holdup; we go back hat in hand to the taxing jurisdictions to ask them for their consideration in projects, we want to make sure we are protecting their interests too.

Motion: Steve Perfit, seconded by John Morrow, moved to adopt said resolution subject to the agreement of the taxing authorities.

Vote: The motion was adopted.

REPORT FROM THE OFFICE OF BUSINESS SERVICES

Ms. Suzanne Holt updated the members of the Agency. Her comments included, but were not limited to the following:

- Ulster County Advantage Program was introduced yesterday by the County Executive.
 - A buy local initiative plus
 - One component is working with local banks; most of the local banks committed to place an Ulster County Advantage logo on their debit cards. Card holders could use these cards to receive discounts from local participating businesses.
 - County Executive Hein has also directed the Director of Ulster County Purchasing to revamp the County's Procurement Policy to be as buy local friendly as possible. There are some constraints in state law; County Executive Hein has directed the Legal Department to draft amendments to the state law to propose to the State General Municipal Law which limits our ability to buy local in as many cases as one would like.
 - County Executive Hein has requested that the UCIDA address their Local Labor Policy. There are some other counties including Orange, Erie and maybe Monroe that have policies that require when there is an IDA project that local labor be used or considered. Different counties have done it in different ways as well.
 - Chair Horodyski stated that he had an opportunity to speak to the County Executive about that. As he said to him, the Agency would be very willing to look at it. He thought that it was important that we do not put the county in a competitive disadvantage with other counties with reference to projects that may be looking to site themselves there. As has been done in the

past and with some success, we have encouraged every applicant to work with the local labor coalitions.

- Mr. Malcolm stated that as far as he was concerned that a tax dollar being utilized within this county is better than a developer from Connecticut who uses people from Pennsylvania and the dollars that they are being paid are walking out of the county. That is unfortunate. He thought that somehow, someday you should be part of a Mission Statement too to increase and improve business within the county, but not at the oversight of the residents and the trades people, contractors.
- Chair Horodyski told the County Executive that the Agency would look at it and see if there were ways. He thought that they have had good success in encouraging projects to talk to the local labor. He knew that Wilmorite has struck a number of different deals with the local labor/trade unions. This was not forced by any policy. It is just good practice from their standpoint. For any developer it would be good practice to work with the local labor pool. He reiterated his previous statement that we are Ulster County and we need to stay competitive in our ability to site larger projects in this County.
- Referred to the Governance Committee for review.

➤ Guaranteed Jobs Program.

- County Executive Hein's Guaranteed Jobs Program was proposed after hearing from local manufacturers that if there was just somebody who had this one training, they would hire them. Obviously, there are individuals in Ulster County who would like to be trained and work in manufacturing.
- A meeting was held a few months ago with 15 local manufacturers, BOCES, SUNY Ulster and really listened to what their needs were and went back and put together a training program that will hopefully meet the needs of the manufacturers.
 - This is PILOT Program. This hasn't been done by anyone else.
 - The UCIDA was previously asked to fund this program
 - Participants will be trained, but manufacturers need to guarantee that there is a job at the end of the training.
 - There are contracts for both the participants and the employers.
 - Working with the Legal Department and a number of the employers, contracts were developed

➤ Focus Media

- UCDC has contracted with Focus Media to do a huge marketing campaign for the county.
- They are about to present their plans to the Board of Directors.
- New collateral is expected to come out of this; the UCIDA may wish to consider. This would be a "good bang" for your buck add on to whatever the county does.
- Revamping the UCIDA's website is included.
- The Agreement for Services includes the website; but not collateral. There was definitely marketing included in the first contract.
- A consistent brand is important.
- All the administrative fees that were being paid were supposed to be rolled into marketing. It was hoped that those dollars are well spent.

- Invitations will be extended to the members of the Agency as to the date/time of the Focus Media presentation.
- Consolidated Funding Application (CFA)
 - Work is being done with municipalities, local businesses and non-profits
 - Very quick turn around time this year
- Start-Up New York
 - SUNY Ulster has met with a number of businesses so far including a large attraction at Tech City
 - At least two or three have been sent to Empire State Development (ESD).
 - The process is they go to SUNY Ulster, if SUNY Ulster approves it they get sent to ESD and ESD has 60 days to approve or not. If they don't do anything it becomes approved.
 - There should be some new projects soon
 - SUNY New Paltz was also just approved.
 - Mr. Perfit stated that some ungodly amount was spent on this advertising campaign ... \$80 million. It was his understanding that there are 14,000 leads sitting in Albany. He thought that a better connection should be made with ESD so that we at least get showings in Ulster County and the Hudson Valley. The leads are usually generic. He felt that SUNY New Paltz was going to be a little short on off-campus.
 - One of the biggest challenges is bringing low electric into the area. We are competing with Buffalo that pays 2 cents per kilowatt hour; the prices here in the Hudson Valley are 10-12 cents a kilowatt. To bring any high-tech firm up here, any campus, you have to be competitive with Buffalo because they are getting their hydro electric costs at 2 cents per kilowatt hour. This was thought not to be a major problem because ESD controls the "valve". They could bring low cost electric here.
 - Mr. Malcolm remarked that they are doing a new power plant down in Orange County – CPV – Competitive Power Ventures. It is eminent that the Governor is going to sign-off on that. That will be about 6,500 kilowatts so there will be more access. The other one that was on the boards, Cricket Valley in Dover Plains, they basically just put a stop on it because there has been nothing solid coming out of the Governor's Office. He would bet that you will see the one in Wawayanda. There is opportunity out there.
- Nevele.
 - Paul Hakim is doing the Nevele's application; they hoped to have it in for this meeting. Perhaps next meeting.
- Buttermilk Falls – Bob Pollack – Milton
 - Putting together a presentation for the members of the Agency along with an application.
- Requests for a "fillable form" for the UCIDA Application.
 - Good time to review the Application
- Conferences.
 - The county has paid for an IDA Conference held in February of this year for Suzanne Holt and Melinda Beuf
 - Request approval to attend a NYSEDC training at SUNY Albany Campus – June 23-26, 2014 – Tuition \$600 plus 3-nights accommodation and meals

Motion: James Malcolm, seconded by Michael Horodyski, moved to approve Ms. Holt's request to attend the 45 Annual Economic Development Course provided by NYSEDC at the SUNY Albany Campus, June 23-26, 2014. Said motion to include tuition, accommodations, meals.

Vote: The motion was adopted.

OLD BUSINESS

Ulster Commons

Mr. Jeff Kane representing Kirchoff Properties addressed the members of the Agency. The medical office building across the way is expecting to see patients within 40 days. The hotel project has encountered some delays due to its the location of the property to the train and the ability to successfully mitigate the noise from the train whistle as it crossed Grant Avenue, they are asking the UCIDA to entertain the possibility of relocating the hotel from the rear parcel, closer to the train, to the front parcel, directly across from Adams to the left side of the entrance going in. It is a 1.9 acre parcel; virtually the same size but a better location for the hotel given the site characterizes.

Mr. Malcolm asked how that affected their permitting. Do you have to change your site plan and your environmentals and everything else?

Mr. Kane responded with reference to the permitting from the town, they had a Master Plan and a Master SEQR approval with the town. The SEQR issues do not change. Same water/sewer, traffic, etc. They always have to go back to the town for specific site plan approval so the actual layout of the hotel actually changes a little bit. Yes, that will need to be reviewed, but each of those parcels receive their own site specific review. They are well within the conceived plan.

Mr. Malcolm stated that given the fact that you were given your approvals for where you were set in the project, how this affects it time wise. Do you go to the town and next month you tell us it was approved.

Mr. Kane responded that basically is the way it will be done essentially.

Mr. Perfit stated that when you have received site plan approval we can move forward on your application.

Chair Horodyski stated that nobody has an issue about moving it per se; but we want to make sure that the town has done their review and sign-off.

Mr. Perfit stated that counsel has advised that there will probably be a need for a new public hearing. So once the public hearing is done, we could do the approving subject to site plan approval.

Mr. Kane stated that SEQR has generically completed; his assumption is that generic approval of SEQR will satisfy the IDA.

Chair Horodyski thought that the need for the public hearing is because of the site relocation from one spot to another.

Counsel Scott stated that the application needs to be updated to reflect these changes.

Mr. Perfit requested an updated Site Plan.

14 Pine Street – Blue Haven Hosiery

Counsel Scott reported that the documents have been sent out, he has been in touch with their counsel. The project has not moved as quickly as he had hoped; we are waiting on them.

Wildberry Lodge

Chair Horodyski reported that the Agency was expecting an application. This is the water park/hotel in New Paltz.

NEW BUSINESS

Chair Horodyski stated that he thought that everyone had received correspondence from Chairman Parete and the Economic and Tourism Committee. For those who choose to, he encouraged to submit their applications/resumes and to schedule their time. It was his opinion that the members of the Agency do good work; we will wait and see what happens.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment. There were no individuals who requested the Privilege of the Floor. The public comment section of the Agenda was closed.

ADJOURNMENT

Motion: Robert Kinnin, seconded by James Malcolm, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 8:50 a.m.

Respectfully submitted,

John Morrow
Secretary