

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
September 11, 2013**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, September 11, 2013, Karen Binder Library, 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
Steve Perfit	Treasurer

The following agency members were absent:

James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

Offices of Business Services Staff:

Linda Clark
Suzanne Holt

Ulster County Finance Office

Kenneth Juras	Deputy Commissioner of Finance
Christopher Rioux	Deputy Commissioner of Finance - CPA

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Paul Brown	New Paltz
Patrice Courtney-Strong	Courtney Strong Inc.

Chair Michael 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.

Chair Horodyski requested a moment of silence to remember the fallen heroes of September 11th.

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

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.

PUBLIC COMMENT

Chair Horodyski opened the meeting for Public Comment. The following individuals requested the Privilege of the Floor:

1. Patrice Courtney-Strong, representing Courtney Strong, Inc., serving the New York State Energy Research & Development Authority (NYSERDA), addressed the members of the Agency. Ms. Strong's presentation included, but was not limited to:
 - Courtney Strong, Inc. represents NYSERDA in the Hudson Valley. Her business is located on Broadway in Kingston.
 - NYSERDA has money for new construction and for substantial renovation.
 - The individuals, who receive the most money/assistance, be it technical or financial, are those who engage early. It is a good time for individuals/corporations that are just starting to form their plans, to engage with the state.
 - The Governor has streamlined the application process in New York State; anyone seeking virtually any type of assistance goes through the Comprehensive Funding Application. Ms. Courtney-Strong's office assists in completing these types of applications.
 - Courtney-Strong, Inc. partners with various individuals in the Hudson Valley – Steve Finkle for example.
 - The new construction and substantial renovation program is where most of the money comes into the state, but there are also other dollars for ... i.e. municipal money to assist with solar permitting, research and development businesses, funding of community groups who advise municipalities on sustainability and sustainable plans for the Cleaner/Greener New York Program.
 - Loan Program – tremendously under utilized. Last year the Legislature passed a bill where you can finance an energy project on your Central Hudson bill. Applicants would get a scope of work from a local contractor and that amount of money could be loaned to you by the State of New York, but you will pay it off on your Central Hudson bill over five or ten years. The way the Legislation is written it cannot “jack-up” your electric bill by so much; it has to be offset by the electric savings that this project is going to cost you.
2. Mr. Paul Brown, a resident of the Town of New Paltz, addressed the members of the Agency. Mr. Brown stated that the problem with communications is the assumption that they have taken place. He thought that it must have been frustrating at the last meeting for members to sit here and listen to a person, with the same last name as his, but unrelated to him, not speaking knowledgably about what the IDA does and where it comes from, how it is funded. It just shows the need to keep communicating. He wanted to express his appreciation for the flow charts that now appear on the UCIDA website which shows the banking and the

leaseback which came out of the decisions of the Agency and will be used tonight, with the New Paltz Central School District to acquaint them with what the IDA process is all about. From a communications standpoint, those of us who have been attending here and also attending in the Town of New Paltz School Board meetings, it was realized that our Superintendent of Schools had no concept of what the IDA does, where it comes from, how it is chartered and totally "missed the boat" on the Woodland Pond project. From a communications standpoint, they waited and assumed that the only option that they had, the only time that they could provide input, was during the negotiations. The Board of Education is passionately defending the education of their children, but is beginning to learn. Thanks to the flowchart, at least four out of the seven board members understand that they have an opportunity at a public hearing to comment. Previously, they didn't really see it; now they see it and now they will do it. There are some members who are reluctant; they feel it is a political act to speak to this board at a public hearing. He urged the Agency to continue the communications and to perhaps in the coming years to have an outreach program, well before specific applications, so that communities can welcome what the IDA does and celebrate it. Additionally, he will be repeating the Mission Statement so the touchstone of the recommendations from people from the town board and school board, who are the taxing authorities, can be done consistent with what Mr. Perfit educated him about with communications. He wanted to thank the members of the Agency.

Steve Perfit remarked about Mr. Brown's reference to Woodland Pond. He thought that Woodland Pond was a not-for-profit.

Counsel A. Joseph Scott responded that Woodland Pond did enter into a PILOT Agreement as a condition to get certain benefits/consents/approvals. They are actually paying.

Mr. Perfit asked wasn't their biggest benefit to enable them to get bonding.

Counsel Scott replied that that was the major driver of the transaction.

Paul Colucci stated that he had brought up to the Agency the idea that we would move these meetings monthly or every other month into the municipalities within the county and speak to the Supervisor of the respective town to find a meeting space. He still supports that idea. If more people are aware of the IDA's existence it might bring out more public.

Chair Horodyski was not adverse to the idea. Perhaps it is something that we begin in 2014; every other month we convene in a different municipality. It is important that people hear what we do and how we do it.

Chair Horodyski asked that for the record, from a public comment standpoint, we've always been very liberal in our allowance for public comment and we do want to continue to hear from the public at times, but we will be limiting individual public comment to five minutes. There will be the hard "kill-switch" on public comment, because we need to move meetings along and continue to do our business.

MINUTES

Motion Paul Colucci, seconded by Steve Perfit, moved to approve the Minutes of the August 14, 2013 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

Motion: Robert Kinnin, seconded by Paul Colucci, moved to approve the financials for the period ending August 31, 2013. A copy of said financials is on file.

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee. Chair Horodyski reported that the Audit Committee would be meeting immediately following this meeting to discuss the 2014 budget,

Governance Committee. In the absence of Committee Chair John Morrow, Chair Horodyski reported that the Governance Committee had met and at the behest of Mr. Walsh, representing IBEW, to relook at the suspended 2009 Labor Policy. He had mentioned several other municipalities within the state have one. A very small minority of the municipalities in the state have a Labor Policy in place and basically what came out of the Governance Committee was at this point, given the economic conditions and the extent and competitiveness of trying to get projects in our state, let alone our county, the Governance Committee is making a recommendation to continue the suspension of that policy until other information is brought forward that would make it more palatable.

Mr. Perfit believed that there was a misstatement made by Mr. Walsh. Mr. Walsh indicated that Orange County was adopting a Labor Policy. He did not believe that Orange County is adopting it. The statement should have been that they were trying to.

Chair Horodyski remarked that it is a challenge to get businesses to come to this state to do business and at this point, for the Agency to force upon developers/builders a certain type of labor is not going to be competitive. The Governance Committee is recommending continuing the suspension of the Labor Policy.

Ready2Go. There was no report from the Ready2Go Committee.

PROJECT MONITORING AND ENFORCEMENT

TLB Management and Lloyd Park II. Counsel Scott reported that the final documents to “wrap up” these issues were going to be signed by the Chair today.

CORRESPONDENCE

Chair Horodyski reported that the correspondence referenced on the Agenda were letters sent by the County to our taxing jurisdictions basically giving a play book as to how to calculate PILOT payments to make certain that the PILOT bills were going out correctly.

Suzanne Holt stated that as an update to last month, these letters did actually go out by August 29th, but every municipality was contacted before hand to know that they were coming. There was an issue about the September 1st deadline, so they all knew this was coming in time for the deadline. They all received the information in time for the billing. The correspondence was prepared by Real Property which is a department within the Department of Finance.

The Office of Business Services did review the letters in advance of the mailing. Seven of the eight school districts have PILOTs.

Chair Horodyski reported that the issue with the City of Kingston is that they did not get the school tax rate and all the information from the Assessor as of yet and that letter is actually going out this month.

Mr. Colucci asked if this was something that would be done annually.

Mr. Holt responded that it is part of the Agency's contract. Assuming that the contract remains the same as this year, then yes.

Chair Horodyski asked will the municipal taxing jurisdictions receive the same type of letter in December or January.

Ms. Holt responded yes, if they haven't already.

Robert Kinnin questioned the fact that there wasn't a project worksheet included for Central Hudson in the Town of Saugerties' correspondence. Was that a mistake or because it was a deviation?

Mr. Perfit responded that he believed that the deviation was a "flat tax" throughout the agreement.

Counsel Scott responded that he would have to check.

Mr. Perfit stated that to his recollection, there was no reduction in taxes, but simply a "flat amount".

Chair Horodyski asked staff to follow-up on the omitted project worksheet.

OLD BUSINESS

Chair Horodyski stated that the Agency was presented a letter from Kitty Brown from New Paltz last month. There were a number of misinformation points within that letter with regard to the Agency's function, mission, how we operate, how we are funded. He felt that it was important that it be documented to some degree to set the record straight.

Mr. Perfit suggested perhaps a public answer from the Agency. Our mission statement, who we are, how we were created, who funds us, etc. We are also not controlled by any political party. A paragraph on our web page would probably suffice.

Chair Horodyski agreed that something on the website, entitled Facts About the Ulster County Industrial Development Agency.

Ms. Holt suggested that a draft be prepared for the next meeting of the Agency.

Chair Horodyski asked that the draft be circulated via email to give the membership an opportunity to comment.

NEW BUSINESS

Chair Horodyski welcomed Kenneth Juras, the new CFO of the Agency. Mr. Juras is the Deputy Commissioner of Finance and will be taking over for Burton Gulnick, our former CFO.

Mr. Juras thanked the members of the Agency and gave a brief overview of his credentials. Mr. Juras has been employed by the Ulster County Department of Finance for the past five months, prior to that he was with the Schenectady County Department of Social Services. He received his MPA from Rockefeller College/University of Albany, undergraduate is from Marist College. He is originally from the area – grew up in Rhinebeck – he and his wife live in Stone Ridge.

Motion: Paul Colucci, seconded by Steve Perfit, moved to appoint Kenneth Juras as CFO of the Ulster County Industrial Development Agency.

Vote: The motion was adopted.

CFA PROCESS - UPDATE

Ms. Holt stated that the Governor's Consolidate Funding Application Process is going on right now. Approximately 13 state departments and Agencies have about 26 or so different programs that they were accepting applications for. The Office of Business Services assisted many Ulster County businesses and non-profits to apply for all these different pots of funding. As the County Executive's representative on the Mid-Hudson Regional Economic Development Council, which includes local counties, the goal is to come up with priorities for the region. She was working hard to think not only regionally, but represent Ulster County's businesses there. The projects that she is particularly pushing hard for is the SUNY 3-D Printing Initiative, which has the ability to be transformational for the entire region, as well as the Nevele, Town of Lloyd's water project - they are trying to get money from the state to bring water down the 9-W corridor. Right now it stops at the Rite-Aid. They want to bring it all the way down to the Town of Marlborough town line and that will enable an organization named the Hudson Valley Wine Village to build. In addition, there are probably another dozen applications from other Ulster County businesses and non-profits that need to continue through the process.

Mr. Perfit asked when these would be awarded.

Ms. Holt responded that the last two years the Governor did it in December. What happens is the Mid-Hudson Region Economic Development Council has about 20% say in the final decision. They rank all these projects 20 which is transformational, 15 which is regionally significant, 10 is good for the county, but not for the region and 5 has no value. 200 applications were received from the 7 county regions. Ulster County had more than their fair share of applications because staff did a really good job in getting the word out that this was available to county businesses. Every year it is growing and growing. Monday and Tuesday of this week, 10 hour meetings were held to discuss and rank these applications. Next Tuesday morning the council will meet again. For the priority projects the region will get either \$25 million or \$5 million. At this time it is not known. A plan is basically put together and then we compete with the other 9 regions in the state for this funding. Two plans will be put together on Tuesday – one for the \$25 million and one for the \$5 million. From there it goes up to the individual state departments and they all have a say and then the Governor's Office has the final say. We are hopeful that we will get the \$25 million and then we are hopeful that the Governor will make his decision by December so that they can plan for 2014.

Mr. Perfit stated that through his personal involvement as a real estate broker he is involved in three projects – two out of this county and one in this county. He thanked the staff of the Office of Business Services with their assistance in working with a very aggressive nationally known company looking for an apple orchard. The company is looking to go into manufacturing operations.

In addition, Mr. Perfit reported that Laurent Rejto, Woodstock Film Commission, received a \$10,000 Fees for Services allocation from Orange County. The Woodstock Film Festival will be held October 2-6, 2013 with extended venues in Rosendale, Saugerties, Dutchess County.

MALIK V MID-HUDSON VALLEY FEDERAL CREDIT UNION

Counsel Scott reported that he sent a very stiff letter three days after the last meeting of the Agency. He received an immediate response from the project applicant. They are doing what they need to do and they are going to indemnify the Agency and hire counsel and include us in that.

ADJOURNMENT

Motion: Steve Perfit, seconded by Paul Colucci, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 8:45 a.m.

Respectfully submitted,

Michael Horodyski

Chair