

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
October 14, 2015**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, October 14, 2015, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

Roll Call:

The following agency members were present:

Michael Horodyski	Chair
Robert Kinnin	Secretary
Floyd Lattin	Treasurer
James Malcolm	Assistant Treasurer
John Morrow	Vice Chair
Mary Sheeley	Member

The following agency members were excused (absent with notice):

John Livermore	Assistant Secretary
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Office of Economic Development Staff:

Linda Clark
Suzanne Holt

Chief Financial Officer:

Christopher Rioux

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

None.

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.

MINUTES

Motion John Morrow, seconded by Floyd Lattin, moved to approve the Minutes of the September 9, 2015, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted. John Livermore excused

FINANCIALS

Motion: John Morrow, seconded by James Malcolm, moved to approve the financials for the period ending September 30, 2015. A copy of said financials is on file.

Vote: The motion was adopted. John Livermore excused.

Zumtobel Staff Lighting

It was unanimously agreed by all those present to send a formal letter of communication to Zumtobel Staff Lighting stating that the Contract for Services must be signed not later than December 31, 2015.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the committee had not met.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the committee had not met.

READY2GO

Ms. Suzanne Holt reported that currently there are two programs – Shovel Ready and Ready2Go. Shovel Ready is created by the state to assist municipalities to perform feasibility studies or infrastructure programs. For all intents and purposes the municipality receives the benefit of the work that has been done; i.e. water, sewer. Ready2Go is created by Ulster County, nothing in the state has dictated or created it. The purpose of it was a loan program for the landowner to borrow money. Central Hudson and the UCIDA contributed funds. The landowner would keep the money until the property was sold and then the fund would be paid back. In the two plus years that the Ready2Go program has existed, one property on Old Kings Highway in Saugerties has availed itself of the money. They have performed the work, but the property has not yet been sold. This pot of money has not been paid back.

Chair Horodyski asked what the UCIDA's pro-rated share of the project was.

Ms. Holt responded that she did not know.

Ms. Holt asked CFO Rioux if he knew how much money is in the Ready2Go pot in the UCEDA.

CFO Rioux responded that he did not know off the top of his head.

Ms. Holt explained that she was informing the members of the Agency at this time, because next month she would be reporting on the status of the proposal. The UCIDA contributed \$100,000 (\$50,000/year for two years) and Central Hudson contributed \$148,000. The mortgage for the Mullins' property is for \$35,000; about \$250,000 went in and less than \$50,000 went out. There should be an estimated \$200,000 sitting in the pot and no one else has availed themselves of it.

The Town of Saugerties would like to run natural gas down Old Kings Highway for economic development purposes and it does not qualify for Shovel Ready because at the end of the day the gas company will be the one to benefit and not the municipality. The County is unable to do something that would benefit a private company. Anthony Campagiorni, Central Hudson, asked about the Ready2Go money; the money was given two years ago by Central Hudson. He asked if these funds could be used for this. A meeting will be held next week to figure out if we may use the Central Hudson portion of the Ready2Go funds on the natural gas line.

Mr. John Morrow stated that the way he saw it Central Hudson would be the direct beneficiary of the gas line, but the town and the county would be second in line to benefit.

Ms. Holt responded that the Town of Saugerties really wants this; Central Hudson is not going to do this. Its' own business case does not support doing this without help.

Mr. Morrow replied sure because there are not enough people on the line.

Mr. Holt stated that currently the Army would pay; they have some money put aside to "connect-in".

Mr. Robert Kinnin asked Ms. Holt to find out from Central Hudson how far down it would go and the total cost.

Chair Horodyski stated that if you would just scrap the Ready2Go and give everyone back their money, Central Hudson would have the money to then in turn to just do it.

Ms. Holt responded that she did not think Central Hudson could do that. They are so regulated. This was money that they had designated to Ulster County for economic development. She did not think that they could take it "in-house" and just do it.

Mr. Morrow thought that it would have to be formally earmarked for this project.

Mr. Kinnin stated that there seems to be some vehicles at the former Ferroxcube/Phillips Manufacturing facility.

Ms. Mary Sheeley asked the future of Ready2Go if they do this; the money would be depleted.

Ms. Holt responded that the funds would not be depleted even with this project; there would still be money. She talks about the program all the time, but no one has expressed interest in using it.

Chair Horodyski stated that he always envisioned Ready2Go/Shovel Ready was when a municipality could identify a parcel, obtain generic site plan review, generic SEQR review and be ready should someone come in and say they want to build a 10,000 square foot building and they would already be $\frac{3}{4}$ of the way through the planning phase and ready get to market.

Ms. Sheeley stated that coming out of the Ellenville Million meetings, one of the projects proposed is the joint infrastructure project between the town and the village, centered mostly around the old Schrade Building which is in the process of coming down. The problem was that Napanoch has plenty of water, but no sewer capacity; the village has tons of sewer capacity but not enough water so they need to "marry" these two to make that parcel attractive. Something like Shovel Ready would definitely be an option.

Ms. Holt replied that Shovel Ready is definitely available. If the owner of the property is interested in the Ready2Go money as a low-interest loan, that is available as well.

Chair Horodyski asked that at the next meeting Ms. Holt supply a report from the County Attorney's office with what the budget would be and how much money would be left.

Ms. Holt stated that \$371,000 was the total cost of the project.

APPROVAL OF THE 2016-2019 BUDGET

Motion: Robert Kinnin, seconded by John Morrow, moved to approve the 2016-2019 Budget; a copy of said budget is on file.

Vote: The motion was adopted. John Livermore excused.

OLD BUSINESS

Darienlake – Kingston

Chair Horodyski reported that the Darienlake-Kingston project had closed and the Agency had received its \$95,000 administrative fee.

Counsel Scott stated that after not hearing from the applicant for quite some time, they gave a very short timeline and they were able to turn around and close. Ms. Holt met with the applicant prior to closing to review the Clawback Agreement. The entire process was addressed in a responsible manner.

Birchwood Village

Chair Horodyski reported that he had had a conversation with Steve Aaron. It would appear that Mr. Aaron is not currently living up to the judicial order that came down with reference to the re-configuration of his PILOT. It isn't so much the issue with the City of Kingston, it is squaring up all the other people that were involved in the process - the arbitrators, etc.

Mr. Lattin asked what project was this.

Chair Horodyski responded Birchwood Village. We had a PILOT, the applicant thought the PILOT terms were no good, so rather than address that, they did not pay the PILOT. The Agency terminated his PILOT Agreement and

forced him back onto the tax rolls. The City was unable to take him to court; they ended up going to arbitration and coming to an agreement. In that judicial order, the applicant was required to basically pay the fees of UCIDA counsel, and arbitrators which was all negotiated as part of this agreement. The applicant has not done that. Counsel Scott reached out about two weeks ago and expressed his desire to also be paid; we are going to pass this off to our litigation counsel. That started some conversations. The applicant called Chair Horodyski and wanted to have a discussion regarding the fees and to what Counsel Scott and his firm charged. His response was that the applicant should contact Agency Counsel and perhaps you could work out a deal. In typical fashion as we have seen here, he did not think that there was necessarily a deal to be worked out. Agency Counsel will continue to move this towards litigation and hopefully they will be paid for their services.

Agency Counsel A. Joseph Scott reported that the arbitrators have not been paid. With all due respect, the applicant personally signed the order and he has signed contracts with all the UCIDA documents who are supposed to pay post closings fees. While the Chairman gave a good summary of what has transpired, but this has been over a three to four to five year period where we tried to work things out; gone to meetings. He has talked to four different lawyers.

Mr. James Malcolm stated that if you get a judgment, a judgment is worth nothing, the guy isn't going to pay you anyhow if you freeze his accounts. Is there something that we can put into these things, like a drop dead measure whereby we freeze these accounts. It is going to get to the point where we all know that he is going to want to settle for ten cents on the dollar kind of thing.

Counsel Scott responded that because we inserted some language in the court order, he thought that they have some real leverage, because he has negotiated a transaction with the City and that transaction was premised on and conditioned upon the payment of fees.

Mr. Malcolm stated that if you negotiate that in 2015, then he drags you on for three or four years, guess what he says I've got no money. That is type of guy you are dealing with.

Counsel Scott stated that he has a litigation lawyer on it and he is satisfied.

Mr. John Morrow remarked that that is the applicant's "MO". He doesn't pay anybody – contractors, governments. This is nothing new.

Chair Horodyski stated that if the applicant ever came back to the Agency's table for a PILOT that would be something else that would have to be considered. Continuing, he wanted the members of the Agency to know that Counsel is judicious in making sure as an Agency that we are OK with his collection tactics. In this instance, he gave Counsel the go ahead to bring whatever force was needed to bear to get himself and the arbitrators paid.

NEW BUSINESS

2015 Technology Based Economic Development Conference

Motion: James Malcolm, seconded by Floyd Lattin, moved to approve the attendance of not more than three individuals to attend the 2015 Technology based Economic Development Conference scheduled November 12-13, 2015 at the Culinary Institute of America.

Vote: The motion was adopted. John Livermore excused.

Wilmorite

Mr. Kinnin stated that it has been reported in the media that the Wilmorite project is dead.

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.

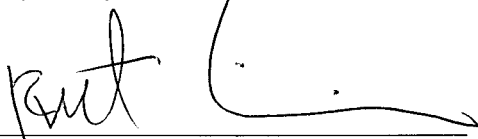
ADJOURNMENT

Motion: John Morrow, seconded by James Malcolm, moved to adjourn the meeting

Vote: The motion was adopted. John Livermore excused.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Robert Kinnin', written over a horizontal line.

Robert Kinnin
Secretary