

UCIDA

Ulster County Industrial Development Agency

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

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, December 11, 2013, Legislative Chambers, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following agency members were present:

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| Paul Colucci | Assistant Chair/Assistant Secretary |
| Robert Kinnin | Assistant Chair/Assistant Secretary |
| John Morrow | Secretary |
| Steve Perfit | Treasurer |

The following agency members were absent:

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| Michael Horodyski | Chair |
| James Malcolm | Assistant Chair/Assistant Secretary |

Offices of Business Services Staff:

Linda Clark
Suzanne Holt

Ulster County Finance Office:

Christopher Rioux Deputy Commissioner of Finance - CPA

UCIDA Attorney and Bond Counsel:

A. Joseph Scott Hodgson Russ LLP

Additional Attendees:

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| Paul Brown | New Paltz, NY |
| Brian Cohan | Kirchhoff Properties |
| Bob Cook | New Paltz, NY |
| Phil Costa | New Paltz, NY |
| Jessica DiNapoli | Times Herald Record |
| Bob Gabrielli | New Paltz, NY |
| Josh Honig | New Paltz, NY |
| John Johnson | New Paltz, NY |
| Sam Kandel | Small Business Development Center |
| Peter Loughran | Legislator |
| James Maloney | Assessor, Town of Ulster and Chair, Ulster County Economic Development and Tourism Committee |
| Chan Patel | Darienlake – Kingston |
| Harish Patel | Darienlake – Kingston |
| Hashruti Patel | Darienlake – Kingston |
| James Quigley | Supervisor, Town of Ulster |

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| Amit Shah | Darienlake – Kingston |
| George Sifre | New Paltz, NY |
| Susan Zimet | Supervisor, Town of New Paltz |

The meeting was called to order at 8:10 a.m.

Counsel Scott stated that Chair Horodyski's father had passed away and he was unable to be in attendance at this morning's meeting. The members of the Agency held a moment of silent prayer in memory of Casmir Horodyski.

Counsel Scott stated that by way of operating rules the Agency requires a Chairman to chair the meeting today.

Motion: John Morrow, seconded by Paul Colucci, moved to appoint Steve Perfit as Vice Chair for today's meeting.

Vote: The motion was adopted.

Paul Colucci suggested that the members of the Agency introduce themselves for the members of the public.

Members of the Agency, including staff and counsel introduced themselves.

READING OF THE UCIDA MISSION STATEMENT

Vice Chair Perfit 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.

HUDSON VALLEY AGRI-BUSINESS DEVELOPMENT CORPORATION

Mr. Todd Erling, Executive Director of the Hudson Valley Agri-Business Development Corporation addressed the members of the Agency. A copy of his report/presentation is on file.

Motion: Robert Kinnin, seconded by Paul Colucci, moved to approve \$25,000 for the benefit of the Hudson Valley Agri-Business Development Corporation for 2013; said payment to be released upon receipt of the Corporation's most recent financials/budget.

Vote: The motion was adopted.

PUBLIC COMMENT

Vice Chair Perfit opened the meeting for Public Comment. After discussion with the members of the Agency present, he requested a motion to limit Public Comment to two minutes per speaker for a total period of time allocated of 15 minutes. Continuing Vice Chair Perfit stated that the members of the Agency will be moving towards a public hearing for the Park Point project so that residents could "air their issues" in public and then it will become a part of the record. There will not be any votes until after the public hearing. He realized that it was a contentious issue, but we are

requesting that public comment be limited. Vice Chair Perfit stated that the public comment section of the agenda could continue after the business of the Agency had been completed.

Mr. Colucci stated that for his own edification, the Town of New Paltz Planning Board SEQRA Notice , Notice of Completion of Final Environmental Impact Statement (FEIS) and SEQRA Public Hearing – Park Point New Paltz Housing received November 18, 2013 was included in member's materials. It states that this hearing may be closed on December 9, 2013.

Counsel Scott responded that SEQRA is done, but they have held the hearing open for additional comments on the SEQRA Review.

Mr. Colucci stated then the SEQRA determination has been completed.

Counsel Scott replied with the exception of the hearing being held open for additional comments.

Mr. Colucci asked if it was his understanding than that action can take place and the Agency can move forward.

Vice Chair Perfit responded that what was discussed with counsel was that we are going to run the two public comment periods with the Planning and the Agency's hearing ... run in parallel.

Counsel Scott stated that the bottom line is that the Agency will not take final action until the close of the SEQRA hearing date. The hearing has not been closed....

Mr. Colucci stated but the determination has been made.

Counsel Scott responded exactly.

Mr. Colucci stated then the Agency is going to work with the Town of New Paltz Planning Board, in conjunction we are going to hold our Public Hearing?

Vice Chair Perfit responded not in conjunction, in parallel. The Agency will have their own public hearing with notice before the Town of New Paltz at a place within the town and we will receive our own public comments and have a transcript of same. We operate independently of any other board.

Supervisor Susan Zimet asked Vice Chair Perfit to clarify what determination you said was made.

Counsel Scott responded that the SEQR determination has been made with respect to the project. The Agency will not be taking any final action until ...

Supervisor Zimet stated that a determination has not been made.

Counsel Scott replied that is not what the

Mr. Colucci stated that he has a document dated November 18 and it states that the board will continue the hearing to December 9th at which time it may be closed by the Planning Board or continued. It states here though that this is a "Notice of Completion. The Planning Board gives notice, pursuant to 6 NYCRR 617.9(a)(6) that it has completed and hereby issues a Final Environmental Impact Statement (FEIS) for the action listed below."

Vice Chair Perfit stated that at the hearing time, residents could make comments. We are a separate entity; we are going to have our own public hearing on this issue.

Counsel Scott stated that the bottom line is that the Agency will not take any final action until after all those periods have elapsed.

Supervisor Zimet requested that the members of the Agency hold off on this conversation until after she has had an opportunity to make her statements. Her statements may impact the Agency's decision, hopefully.

Vice Chair Perfit responded that Supervisor Zimet would have that opportunity at the public hearing.

Supervisor Zimet replied no, she was going to make statements now and she thought that some of the statements that she was going to make might impact this decision.

Vice Chair Perfit stated they impact zero; we have a public hearing process.

Mr. John Morrow stated that the Agency is not making any decisions.

Supervisor Zimet responded that she understood the process very clearly. The Agency has on their Agenda today to set a public hearing. She was going to ask that the Agency hold off on setting the date for the public hearing; you might choose not to, but she was asking to hold off on the conversation until after she had had an opportunity to express the concerns and all those questions may be answered and the Agency can determine what they want to do.

Motion: Paul Colucci, seconded by Robert Kinnin, moved to limit public comment time to a total of 15 minutes.

Vote: The motion was adopted.

The following individuals requested the privilege of the floor:

1. Susan Zimet, Supervisor, Town of New Paltz. Supervisor Zimet's comments are as follows:

Thank you for allowing me to speak this morning. I am Susan Zimet, Supervisor of the Town of New Paltz, the home for the Park Point project. As you all well know, the issue of property tax is the single most important issue to people especially in the present economic climate. We have record foreclosures and the numbers are growing. New Paltz is especially burdened due to the extreme percentage of taxable property that is off the roles and their burden to the community in their demands on the emergency services provided by and paid for by the overburdened New Paltz taxpayer. The ability for the UCIDA to grant Park Point an exemption needs to be taken very seriously. Monday night the Town Planning Board held a continuation of its public hearing. It is clear that the foremost issue raised by the public with respect to this application is not the project itself or the importance to SUNY New Paltz, but the applicant's need for the proposed PILOT Agreement. On behalf of the Town Board, I presented a statement I will leave with you where we stated that the Town Board finds no evidence in the record that the applicant has demonstrated that the PILOT will accomplish the objectives set out in the Mission Statement of the Ulster County Industrial Development Agency in any meaningful respect, and certainly not to the extent that would justify the extraordinary relief from property taxes that the PILOT would provide. The Town Board was mindful that the SEQRA does not alter the jurisdiction of agencies and is aware that the responsibility for determining whether the Park Point project receives a PILOT remains with the IDA. Therefore, it was of critical importance that we had a statement in the FEIS record for the IDA to contemplate when reviewing the applicability of a PILOT to this project. The Board remains concerned that so far the applicant has failed to make a convincing

“but for” argument that supports its PILOT request. Therefore, when the application comes before the IDA for action, the Town Board anticipates that the IDA will carefully review the records of the public hearings. As noted in the fiscal impact analysis review conducted by the Planning Board’s consultant, CGR, the project will significantly increase the town’s college age resident population. The town is well aware that this segment of the population creates significant impacts on police, fire and emergency services, as evidenced by the late night calls for police services in the downtown area of the village. That approximate costs to serve the increased student population will likely exceed that cost of \$300,000 that has been identified. For example, this analysis relies upon a three year old contract that does not include increased medical benefits, retirement and increased salaries.

Without a PILOT, the Assessor’s estimate of tax revenues from the project indicates that the taxes paid to the town would be approximately \$370,000. The result is if the project paid taxes it might at least pay for the direct costs of services, and perhaps provide revenue to pay much of the cost of the sundry indirect services provided by the town to all residents, including the future residents of Park Point. What is of great concern to the town board is the project payment schedule defined by the IDA and that even at the highest rate of payment, if a PILOT is granted, the town will suffer a significant adverse impact. Not only is that overall PILOT inadequate to reimburse the town for the actual cost of services required by the project, but is allocated among the taxing jurisdictions, absent consent of the taxing jurisdictions otherwise, in accordance with their share of property tax revenues, not in proportion to the costs incurred by those jurisdictions. The PILOT payment for dormitory housing has been fixed at an amount ranging from \$450 to \$750 based on the number of units. The definition of a unit still requires clarification according to the New Paltz Town Board. The town believes the appropriate definition would be based on the economic units offered for lease, meaning individual bedrooms versus apartments. Based on the calculation for units using the higher end rate (\$750x238 apartments, the PILOT payment would be \$178,500. The town share of the PILOT would be \$43,018. If the calculation was on beds, using the high end rate (\$750x632 beds) the PILOT payment would result in \$474,000. The town would receive approximately \$114,346. Clearly this formula and payment schedule is wholly inadequate in making the town whole. Over the term of the PILOT, the current cost basis of municipal services will likely be subject to numerous variations, from factors as diverse as municipal collective bargaining agreements, implementation of the Affordable Healthcare Act, the imposition of federal and state mandates on police, fire and emergency services, and factors that differentially affect services to the college age population that will be residing in the project. In regards to the public notice itself, upon reviewing with counsel, we believe there are numerous discrepancies between what the IDA states in the notice and the information presented to the planning board that is now a part of the record. Without going into great detail some of the issues include: Describing the size of the project; Issues relevant to the sewer site and ownership; Well locations; Ownership by IDA of facilities deemed taxable by the IDA’s own policy as well as the applicants; Inconsistencies with dormitory housing definition.

It is imperative that the IDA publish a hearing notice that factually represents the project in order to protect the integrity of the public hearing. I am fully aware of the time line desired for the construction of this project and the need to keep the process moving. However, if not done correctly the consequences can affect that time line to the detriment of all the involved agencies as well as the applicant. At the public hearing on Monday night, the Planning Board decided to keep the public hearing open. In addition to the Town Board going on record as opposing the PILOT, the New Paltz School district has also weighed in about the impact the PILOT will have on the school budget. Of great concern to them is the 2% CAP environment, where increased assessed value and PILOTS have a very negative effect on CAP calculations and the need for voter approval for school budgets. The Town Planning Board Chairman understand his responsibility to keep the process moving and will most likely close the public hearing at the beginning of the new year and begin the deliberations on the documents immediately afterwards. Please note that the amendment to include housing to the Agencies Uniform Tax Exemption Policy is still a head scratching decision as many of us believe it does not comply with the pure intent of the missions for IDA’s and the

perceived public benefit. For this project to move ahead in a timely manner, it is imperative that the record is correct and the concerns addressed. I would respectfully request and suggest it would be a prudent course of action to hold off until your next meeting to schedule the public hearing. In the interim, we would ask for the IDA to meet with the affected taxing jurisdictions to discuss the specifics of the current policy. For the record, I would like to submit a copy of my statement at the Planning Boards public hearing for your review and we will be forwarding you the New Paltz School District statement shortly. On behalf of the Town Board, I do wish to take this opportunity to extend our appreciation to the members of the IDA for allowing me to speak this morning.

2. Paul Brown, a resident of the Town of New Paltz. Mr. Brown's comments are as follows:

Mr. Brown thanked the members of the Agency. He has been here since February and has gotten to know the members as people and he trusts who you are as people. This has been an open process. The 2-minutes are reasonable and he will hold to that. There is a technical point that he wished to raise. He was glad that the members heard these things and that is whether or not you can have, or should begin any discussion of Park Point of a substantive nature. He understands that the members discussed calendars, but he sees it on the Agendas and Minutes that are provided that Park Point is on a substantive point under projects. This document is a Planning Board SEQRA Notice; it is a notice of completion of the final environmental impact statement. That is the title. It is also as SEQRA Public Hearing Notice. He wanted to stress that the SEQRA process is not complete. There is, in fact, been an extension because of the new information that came to light to the Planning Board on Monday night. There is going to be another meeting and it is highly likely because of new facts being brought forward that the Planning Board may extend the public hearing into January. His point is simply from a technical standpoint, the Planning Board does not know that the Agency thinks it has completed its SEQRA review. They are in the midst of drafting amongst themselves their own findings statement, which in his understanding, is the completion. He does not understand the rules of the Ulster County IDA, or IDAs within the state. His understanding was that you would not proceed with substantive review of a project until SEQRA was completed. This is simply the completion of the FEIS. He thanked the members of the Agency for the ability to comment.

Counsel Scott stated that from a legal standpoint, the Agency cannot take final action unless SEQRA is complete. This document says Notice of Completion. Perhaps he needs to reach out and just double check with people on your side. But regardless of whether it is complete or not, the Agency can initiate the public hearing process if it is the sense of the Agency to move forward with that aspect of the project. The Agency cannot take final action; the Agency cannot approve the PILOT, the lease documents, move forward to a closing without SEQRA being completed.

Mr. Colucci asked if we had any precedence in the past.

Counsel Scott responded that the SEQRA review on this project is very involved because it is a large project. It is a Type 1 project. He would have to go back and look at perhaps Woodland Pond, which coincidentally is in the same jurisdiction. The position that the UCIDA has taken historically, and that he believed is where Mr. Colucci was leaning to, the Agency wants to be sure that they are not dictating to the local municipality Planning or SEQRA issues. The Agency does not perform their own SEQRA and in fact, the Agency is listed as an involved agency on that. The Agency is differing to the local Planning Board for any SEQRA review. If they re-open SEQRA, that will delay the Agency's final action. Legally, the Agency can certainly move forward if it is the sense of the Agency.

Vice Chair Perfit stated that his thoughts on this, as Mr. Colucci knows, we have had all the negatives about the project as far as a PILOT is concerned and if there was another side, we have not heard that side. The purpose of our public hearing is we hear both sides of the argument. The Agency is not being swayed any way. Our final meeting, after we are done with the public hearing, we will review the minutes of the public hearing, we'd like to hear publicly from all the

taxing authorities, which would include the county. At that point there will be another meeting where you will have an opportunity to make comments. A previous project required a modification to their PILOT and all three agencies were at the meeting and made comments before we make our final vote. So it is not just a single process. We want to hear the other side if there is one.

Counsel Scott continued by stating that it is really deference to locals with respect to SEQRA review. That is really the Agency's policy with respect to SEQRA. It is deference to the local municipalities.

Mr. Colucci stated then all we are going to try to establish today is to establish the date for the public hearing.

Vice Chair Perfit responded that that was correct.

Mr. Morrow stated that the public hearing was a fact finding mission, we don't have the facts yet and that is the purpose of the public hearing.

Mr. Colucci asked then the public hearing would take place somewhere in the Town of New Paltz.

Vice Chair Perfit responded yes.

Mr. Colucci asked what was the time frame. We have so many days

Counsel Scott responded that we have to publish ten days calendar days notice, it has to be held in the jurisdiction where the project is located and the policy of the UCIDA is in years past, we would hold them, candidly, at the convenience to the staff. What we are now doing is holding the hearings in the evening to be sure that local residents can attend. The Agency notifies the applicant, all the affected taxing jurisdictions (the town, county and school district).

Vice Chair Perfit stated that we will convene an evening meeting in the largest venue that we can find.

Counsel Scott stated also, again for purposes for creating an accurate public hearing record, a clear and transparent public record, we arrange through staff, for the participation of a stenographer. So there is no question about the validity and the accuracy of the minutes and the notes taken. We will also include any written comments. Those will be a part of the record.

Supervisor Zimet addressed the members of the Agency once again. She stated that she was very much aware of the legality of what the Agency was doing. We checked it out as we thought that the Agency had to wait for the town to close their public hearing before the Agency could take action to hold its public hearing. Their attorney checked this out and stated that the Agency was well within their rights. She was just making a recommendation to the Agency, and she understood that the Agency members wanted to hear both sides. She is asking the members of the Agency, however, (1) to hold off setting the date for the public hearing and having a meeting with the taxing jurisdictions because both the town and the school district have come out against the PILOT. The Agency now knows where they stand now at this point. Proceeding based upon what you have as your payment policy, does not work. We know that there is a problem right out. So to meet with the jurisdictions first and at least have some conversations prior to your public hearing, might help the public hearing go a little bit better. Secondly, based upon advice of counsel, your public notice is not accurate. The size of the project is not described accurately, the fact of the ownership of the sewer is not accurate; the fact that the UCIDA will take ownership of certain things that right now have been told to us are taxable, whether it is faculty housing and other things, as you, as the IDA will be holding, is not factual. So your notice, according to counsel, is not a factual notice. If you notice, based upon this notice, you are already creating a record that as far as she was concerned can be challenged in court for not being factual. What she was saying, why wouldn't

you take the time to work out the details first that have been presented to you as the supervisor of the town based on counsel's advice asked you to work through the details, talk with us. Let's make sure that what you are putting out as a public notice is correct and then schedule your public notice and then do it at a point where your public hearing will be more beneficial. She can assure them, that if the public hearing is scheduled now, based upon how things are going, she knows how that public hearing is going to turn out and she did not want to be in their shoes. What she is saying is for you to do a better job as an IDA board and serving our community, hold off like our Planning Board did, you have another meeting at the beginning of next year, this is not a stalling tactic by any means. We are not trying to stall and she understood the need of Park Point to want to get their shovel in the ground in the spring to start building. At the end of the day, if this is not done right and not reviewed in a way that is appropriate, not being based upon a foundation of fact and not with a working relationship with the school district and the town, she could assure them that the project will face legal challenges that will create havoc for all of us. So what she was just saying is hold off; put it on your Agenda for the next meeting and set the public hearing next month. She suspects that the public hearing from the Planning Board will be closed by then. They will start working on the statement; we, with our attorneys, can work with you to make sure that your public announcement is factual and maybe in the interim the school district and the town can sit and have some conversations so you could go back to the community and say, you know what there is going to be a change to the payment schedule and the impacts aren't going to be that adverse if we do a PILOT and so lets go forward in a positive way. The course that you are on right now, she thought was a course of destruction.

Vice Chair Perfit asked if there was a date when they were going to close the public hearing?

Supervisor Zimet responded that she thought that there was a chance that it may be closed next Monday. She thought that was the expectation of the Planning Board Chair. The possibility might be that they would have to close it at the meeting right afterwards only because they might have to check out some facts. There was some information brought by somebody asking us for an opinion by the Attorney General on something. She could not remember what the specifics were. There was also something about soil; one of the Planning Board members was concerned about the due diligence on some soil questions and they wanted a few more answers. But the Planning Board Chair is looking to close next Monday and if it is not closed next Monday, she suspects that it will be closed at the meeting afterwards, because they are just doing some due diligence. The Chair understands that they have to get to the FEIS and they need to create a document to submit to you.

Vice Chair Perfit stated that that discussion will be coming up on our Agenda. He wished to close the public comment period.

Mr. John Johnson from New Paltz requested the privilege of the floor.

Vice Chair Perfit stated we had designated fifteen minutes and we are well beyond that.

Mr. Morrow stated that what he would like to suggest is so far this entire session we have heard on one topic from several people from New Paltz. There may be other people who wished to comment on relevant issues that are on the Agenda. Perhaps we should extend the public comment period for another five minutes.

Vice Chair Perfit asked Mr. Johnson if his comments were on a new topic, as he felt that the members of the Agency had heard enough against the project.

Mr. Johnson responded that it was actually on the viability of New Paltz.

Vice Chair Perfit stated that this was not on the Agenda; we could do it at the end of the meeting.

Mr. Johnson expressed his disdain, however with Vice Chair Perfit's permission he continued by stating that he was a resident of New Paltz. The first year Wilmorite would be paying \$1.2 million; on year 25, they would be paying \$3.5 million in taxes. That averages to \$2 million per year. They are suggesting that they are going to have seven employees. Seven employees but yet they are asking for an average of \$2 million per year

Vice Chair Perfit requested that Mr. Johnson stop speaking.

Public Comment was closed.

MINUTES

Motion John Morrow, seconded by Paul Colucci, moved to approve the Minutes of the November 13, 2013 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 November 30, 2013. A copy of said financials is on file.

Vote: The motion was adopted.

ENGAGEMENT LETTER – TEAL BECKER & CHIARAMONTE

Mr. Colucci asked if we had solicited for other outside contracts?

Vice Chair Perfit responded no.

Ms. Suzanne Holt responded that at the last meeting of the Agency the members had wanted to start doing that, but it was too late to do it for this year.

Mr. Colucci asked how long had they been engaged?

Mr. Christopher Rioux responded for several years; there is an increase of less than \$500 per year. The 2013 fee for audit services is \$8,100; the 2012 was \$7,900 and the 2011 was \$7,700. There was a \$200 increase per year.

Vice Chair Perfit stated that perhaps next fall we should do an RFP.

Mr. Robert Kinnin suggested that based upon previous discussion, we talked about every other year.

Mr. Rioux stated that the formal Engagement Letter will have to be signed by Mr. Perfit.

Motion: Paul Colucci, seconded by John Morrow, moved to sign the Engagement Letter from Teal Becker and Chairamonte for the 2013 Audit.

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee. Committee Chair Steve Perfit reported that the Audit Committee had not met.

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

Ready2Go. There was no report from the Ready2Go Committee.

ULSTER COMMONS I, LLC

Counsel Scott presented an outline of the Lease/Leaseback Project located within the Town of Ulster. A copy of his outline is on file.

Mr. Morrow presented a summary of the Ulster Commons I, LLC project, held December 2, 2013 at the Russell Brott Senior Center, 1 Town Hall Drive, Lake Katrine, NY. A copy of the Transcript of Public Hearing is on file. It was noted for the record, that on Page 1 of the transcript that there was an error. It incorrectly listed Chuck Morrow, Secretary, UCIDA. It should read John Morrow, Secretary, UCIDA. On Page 2, Mr. Morrow wished to note that he incorrectly introduced Brian Cohan and Dave Cohan. There were several individuals who attended from the community who spoke in favor of the project. Mr. Cohan gave a brief overview of the project. That was about the extent of it.

Mr. Colucci stated that he had two questions.

1. Acquisition of Land and Structures: the acquisition of an interest in an approximate 2 acre portion of an approximately 15 acre parcel ... do we need a legal description of the actual property based upon the fact that this is sitting on a 15 acre parcel and it is all not subject to a PILOT.

Counsel Scott responded that that is what will be done; in the Lease Agreement. Sometime there are a metes and bounds and sometimes we have a site diagram. The whole idea is that we are not taking the whole site ... we are not taking all 15 acres of the tax roles.

Mr. Colucci stated than his point would be if he was the tax assessor in the town, how would he determine that actual acreage value that falls under the PILOT.

Mr. James Maloney, Tax Assessor of the Town of Ulster, responded that the developer has divided those 15 acres into 5 separate taxing lots.

Counsel Scott replied then that makes it easy.

Vice Chair Perfit stated that if he was not mistaken from the approval of the Mid-Hudson Medical project there were some common areas and he was not certain on how that was classified for parking purposes.

Mr. Brian Cohan responded on behalf of the applicant that there isn't a separate tax parcel for that. Parking is split between all five parcels.

Mr. Colucci asked if the parking was considered a part of the parcel.

Mr. Maloney responded that he believed that the hotel parking was wholly contained on its own parcel.

2. The second question which really doesn't relate to this application, but just an overall picture or question. It is stated that the Agency's fee is estimated to be \$127,600, which is 1% of the project's costs of an estimated \$12,760,000. That information is provided to the Agency by the developer ... correct?

Counsel Scott responded that an Affidavit is obtained supporting that at the time of closing. That is why it states that it is estimated. He has not had the final discussion with the applicant, but they sign an affidavit telling us what the project costs are.

Mr. Colucci asked then we don't do an audit after ... there is no mechanism in place for the IDA to do an audit afterwards to determine the actual costs of construction to determine whether or not we are under or over paid.

Counsel Scott responded no. Currently, we do not have that policy. It is certainly something that he knew that this IDA had talked about and he knows that some of his other IDA clients have talked about. It might be something that you may wish to refer to Governance and we do that.

Mr. Colucci replied again, he was not trying to get into anyone's pockets; he was looking at it from an independent agency issue here.

Mr. Morrow stated then what you are trying to say is if this turned out to be a \$16 million project, we should receive \$160,000.

Mr. Colucci replied that all he was saying that maybe there is a graduation process; instead of 1% it is increments of something. Again, he did not know if this was legal; he was just asking the question.

Mr. Morrow suggested that it be referred to Governance and we can take it up at our next Governance meeting.

Mr. Colucci stated that he wanted to make sure that we are not "zeroing" in on Ulster Commons.

Mr. Morrow thought that there was some merit that should be looked at.

Vice Chair Perfit remarked to Mr. Colucci, that being it is an affidavit, he believed that if it was not in compliance with the original estimate we have the rights to claw back.

Mr. Colucci responded that that claw back thing goes back to those issues that we have had the past few years with some of the reports and documents that have been found to be "running astray". If there is a way that we can clear up these documents and make everyone understands, then we can move forward.

Mr. Colucci continued by asking should the Agency have to claw back do we have right-of-ways in this situation because it is a 15 acre lot.

Counsel Scott replied that the Agency does not have a mortgage to secure the claw back; they have a contractual obligation to pay us back. Issues to access to parking, those are issues that they are dealing with their lender. But we have a contractual obligation; our "hammer so to speak" is to put the property back on the tax roles immediately and then also to go backwards and claw back monies.

Mr. Colucci stated that in the transcript of Public Hearing, it does state, and he is a little concerned that we have not heard from the school district. He understands clearly that the records show that the school district was notified not only by legal notice, but actual letter sent to the school district. We have legally done what is required. Do we need to go any further?

Counsel Scott responded that from our policy standpoint and Mr. Colucci is raising a good point, if the Agency were doing a deviation from our normal Tax Exemption Policy, we would not be moving forward without their consent. What is being offered to them is our typical Uniform Tax Exemption Policy abatement schedule based upon the number of points that they qualify for under our PILOT matrix. There is no special arrangement here.

RESOLUTION ACCEPTING THE DETERMINATION BY THE TOWN OF ULSTER TOWN BOARD TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE ULSTER COMMONS I, LLC PROJECT AND ACKNOWLEDGING RECEIPT OF THE NEGATIVE DECLARATION ISSUED WITH RESPECT THERETO

Motion: John Morrow, seconded by Robert Kinnin, moved to approve said resolution.

Vote: The motion was adopted.

RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR ULSTER COMMONS I, LLC (THE "COMPANY").

Motion: John Morrow, seconded by Paul Colucci, moved to approve said resolution.

Vote: The motion was adopted.

DARIENLAKE – KINGSTON

Vice Chair Perfit reported that the Agency had received an application from Darienlake – Kingston. It was the Vice Chair's understanding that the applicant has not received any official Planning Board approvals or SEQRA resolutions. He welcomed the applicant to present the project to the members of the Agency. Once the applicant has gone through the Planning Board process and we receive a resolution regarding SEQRA, at that point in time, the Agency will consider the application. At this time the application is premature. Approvals must be obtained not only from the Planning Board, but the NYS Department of Transportation, and NYSDEC.

Mr. Chan Patel, representing Darienlake-Kingston, addressed the members of the Agency. He introduced his partners Amit Shah and Harish Patel. Fifteen years ago they opened a Clarion Hotel in Batavia NY. The hotel has 595 rooms, with banquet facilities, conference room, on-site restaurant and indoor water park. They always do something stand alone; we don't like to be in contest with anybody. They have been approached by Intercontinental Hotel. A Holiday Inn Express is available in this market. They started looking at land and they found property at 1851 Ulster Avenue. This is a four acre site right now. They are proposing a 101 room Holiday Inn Express Hotel. Currently, they only need 2 acres for this project. At this time they do not know how they will develop the other 2 acres. They will not be in competition with any other hotel because the Holiday Inn has a priority club loyalty program. Members of the priority club always like to stay at Holiday Inn properties. There is nothing in the Kingston area that is why we are coming to Kingston. They are new to this area, but their businesses are not limited to the hotel business. They have franchises for Dunkin Donuts, etc. Kingston is near the metro-city ... New York City. To do business in the "big city" is a lot of money and a lot of competition. They decided to come to a nearby city. So far, they have met with the Town Supervisor, Town Planning Board, and the Sewer Department. Everyone is very helpful.

It was unanimously agreed by all those present to TABLE the resolution to a date to be determined.

WOODLAND POND

Counsel Scott explained that this resolution authorizes an amendment to their indenture. They want to pre-pay part of their bond issue. In order to do this, they need to amend their documents. The Agency did something similar for them about a year and a half ago. If you look at the resolution, he is very careful about imposing conditions on them, before doing any post-closing items. He make sure that the documents permit it, he makes sure that the bond holder is consenting to it and then he also make certain that local concerns are addressed – namely that they are current on their PILOT payments, current on water and sewer, that they have submitted the job numbers that they are suppose to submit. This request was received on Friday afternoon. There are conditions within the resolution. What is typically done is we do the approvals subject to those conditions and as long as staff and counsel are comfortable that all that due diligence is done and that it is satisfactory, then we move forward.

Ms. Holt stated that just coincidently, she toured Woodland Pond yesterday on behalf of the UCIDA for their yearly visit and their job numbers are up. They have way exceeded what they were expecting. A report will be forthcoming. Their occupancy numbers are beyond expectation and their job numbers are beyond expectation as well.

Mr. Colucci requested that he would like to see the documents supporting this information for the jobs as well as the taxing jurisdictions statement; a letter of some sort that show all PILOTs are current.

Vice Chair Perfit stated that we could approve the resolution subject to ...

Mr. Morrow replied that Ms. Holt would provide that information and get back to the board.

Counsel Scott stated that Mr. Colucci was referring to the previous PILOT enforcement matters. Those matters are not at all like this. This is a situation where this is a performing project and they are asking to make some modifications to some documents. About five years ago there was an IDA project that was looking to terminate their documents, because they were selling the property to another entity and we had that language in the resolution and when we did the due diligence, low and behold they were behind on their PILOTs, behind on their water/sewer and the IDA cleaned all that up for the local municipality because we held them up on their closing.

Supervisor Zimet stated that she supported Woodland Pond whole heartedly. She was glad that the issue of water/sewer was brought up. That is not the fault of Woodland Pond; it is the fault of a former administration in terms of their billing of Woodland Pond. So they are behind on paying for sewer and water, not at their own fault. The way the past administration billed them, they refused to pay because they were over charged. They have been working with them over the past year and a half; they have gotten all the documentation together and now we have to go to Woodland Pond and settle it.

Vice Chair Perfit suggested that Supervisor Zimet contact Ms. Holt with that information.

RESOLUTION AUTHORIZING AN AMENDMENT TO THE INDENTURE AND EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH TAX-EXEMPT VARIABLE RATE DEMAND CIVIC FACILITY REVENUE BONDS (KINGSTON REGIONAL SENIOR LIVING CORP. – WOODLAND POND AT NEW PALTZ – LETTER OF CREDIT SECURED PROJECT), SERIES 2007C IN THE AGGREGATE PRINCIPAL AMOUNT OF \$44,700,000, ISSUED BY ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY.

Motion: Robert Kinnin, seconded by Paul Colucci, moved to approve said resolution subject to compliance.

Vote: The motion was adopted.

PARK POINT

Counsel Scott presented the resolution to the members of the Agency. The resolution follows the standard format that is used for scheduling public hearings and authorizing the staff to work with counsel and the members to schedule a public hearing. He thought that the town supervisor's point about the adequacy of the notice is well taken. To his knowledge, they have not actually prepared the Notice yet, but he would be happy to work with parties to make sure that the Notice is accurate. There is a very general description of the project appears on Page 2. Typically, we work with the applicant to make sure that the Notice is accurate because it does not do frankly anyone any good if the Notice is not accurate. This is a preliminary step; this is not final action. We need at least one more meeting of the UCIDA before we can consider the project. The process has been discussed. We hold the public hearing in the jurisdiction where the project is located. We have a stenographer; it is held in the evening. We understand the characteristics/interest in this project, so we will hold the public hearing at a site that will accommodate the parties. We will post it on our website; we will notify all the affected taxing jurisdictions. It is really up to the Agency to consider the comments made at today's meeting and give some thought as to how they wish to move forward.

Mr. Colucci stated that with respect to the comments that have been made by the public here, specifically those of the Town of New Paltz Supervisor, stating the issues with making sure that our resolution is correct and the issues being challenged. Clearly, this is a generic resolution. We do not get into the specifics as to what the tax rate is going to be or how many beds there are and so on and so forth. He asked Counsel if he foresees a problem. He firmly believed that this was going to take a legal challenge by some or more parties. Does counsel see an issue with our documents so that we can move forward to establish the public hearing.

Counsel Scott responded not with the resolution itself. The resolution delegates to the staff to the process of holding the public hearing. As part of the holding of the public hearing, he will draft the Public Hearing Notice which we are going to want to make sure is accurate and the state statute, unlike the federal tax statute with respect to bond financing, the state's statute is very general on how you describe the project. You almost go at your peril if you go into detail, because you don't need to be detailed. What he will do, he will run the balance on having enough detail in there so that people know what we are talking about, but candidly, everyone is going to know what this project is about whether he says, as an example, that the water storage tank is owned by the company or by the town. He is not going to err on that; he is going to review it with the developer's counsel and he thought that he heard that the Town Supervisor volunteered their counsel for them to look at it also. He is more than happy to take advantage of that; there is no pride of authorship in the holding of a public hearing. Really, the idea is to get it right so there aren't any challenges.

Mr. Colucci asked so what are the pluses or minuses for us in establishing a date for a public hearing at this point. There is no shop clock running at this point for us to schedule a public hearing. All we are trying to do start the process. He wanted to make sure that they were clear on this. We are not jump starting the process; there are no benefits or favoritism being shown to this applicant or any other applicant that comes before the Agency.

Counsel Scott responded yes. He thought the benefit is, and he has not had detailed conversations with the developer's counsel, his presumption is that they want to start construction at some point. The earlier we start our process the sooner they will be able to start their process. It is the same as the Ulster Commons Hotel project. He wants to close by year end so he can start his project. That is really the essence. Again, this is a preliminary action and we do not take final action until SEQRA is done. And as demonstrated as recently as 15 minutes ago, we don't take final action on a project until the local SEQRA is completed because we differ to the local municipality with SEQRA review.

Mr. Morrow stated that the public hearing for this project is a fact finding hearing for the Agency, the public and it gives everybody the opportunity to correct any records that have been filed or misstated or are inaccurate in the past. He did not think that now is the time to judge inaccuracies in stuff that we have received to this point because we have to judge the evidence as it is presented to us in the course of the public hearing. We take all the public input and we evaluate it, we listen to the town, the county, the school district as to their input about the project and any inaccuracies we have to make a determination based upon the public hearing public record at that time. He did not think that this was the appropriate time for the Agency to be doing that.

Counsel Scott this is really authorizing the staff to consider dates and review the locations. It authorizes staff and counsel to move forward with the public hearing.

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF PARK POINT NEW PALTZ, LLC

Motion: Robert Kinnin, seconded by Paul Colucci, moved to approve said resolution.

Vote: The motion was adopted.

CORRESPONDENCE

1. Town of New Paltz SEQRA Notice – Park Point. Vice Chair Perfit stated that this correspondence had already been discussed by the membership.
2. SUNY New Paltz – Office of the President – Park Point. Vice Chair Perfit stated that an 8 page letter had been received from the President of SUNY New Paltz and that will be included in the public hearing.

OLD BUSINESS

Institute of Family Health. Counsel Scott reported that this is an existing bond transaction matter where the company has made a determination to refinance with bank financing and we expect to close on that in the next week of so. There is no formal action required on our part because the documents provide for all that.

Mr. Kinnin asked if there was a fee on the Institute of Family Health.

Counsel Scott stated that there is nothing in the documents it is a payoff. The project pays Hodgson Russ' legal fees. There is no formal action. Typically there is no post closing fee when there is no action required. Counsel recommended that a post closing admin fee be collected from Woodland Pond, but not for Institute of Family Health.

Hudson Valley Economic Development Corporation. Vice Chair Perfit stated that he supported the corporation; but asked to differ the decision to support them until they have an opportunity to make a presentation and receiving financial statements. They do bring leads up here. If we stop supporting them we will be out of the loop.

Mr. Kinnin stated that at this moment he would vote against supporting their organization. He has seen less and less from them. Even with their own activities they are not supporting Ulster County. They are not coming into Ulster County for their own marketing efforts and the conferences and unveilings that they do. He had just received an email from them last night and he was not impressed with how they treat Ulster County compared to even counties further to the south of ours. He certainly appreciated Vice Chair Perfit's concerns. You are a Hudson Valley Commercial Real

Estate broker and perhaps see the fruits of your labors in other counties as well, but for Ulster County he had just not seen it.

Vice Chair Perfit stated that they have organized the Food and Beverage Consortium of which Farm to Table is one of the prominent members. We have to consider who else is involved with the enterprise.

Mr. Kinnin responded that is the project that has been meeting and works with the Culinary Institute of America in Dutchess County.

Vice Chair Perfit responded no. The Farm to Table is located in Ulster County.

Mr. Kinnin replied no, the Food and Beverage Consortium, which they unveiled primarily in Dutchess County.

Vice Chair Perfit stated that a number of farms in Ulster County belong. We are not going to move on it until we see their financials.

Mr. Kinnin responded that in addition to the financials that he would ask that a representative of their organization be here and make a presentation. The President/Executive Director has not come to introduce himself since Mike Oates left and he thought that was a downfall in light of them looking to us.

Motion: Robert Kinnin, seconded by John Morrow, moved to differ any action on the Hudson Valley Economic Development Counsel (HVEDC) until a representative makes a presentation before the Agency.

Vote: The motion was adopted.

NEW BUSINESS

Ms. Holt reported as follows:

- The Governor is making his announcement today for the 10 regions for the CFA process. We will find out what projects in Ulster County, as well as the other regions, will be awarded state grants.
- January Meeting of the Agency. Ms. Holt asked if the members of the Agency wished to postpone/delay the January meeting of the Agency until the transcript of the Public Hearing for Park Point is available. Depending when the public hearing is scheduled, it is unlikely that the transcript would be available for the January meeting.

The members of the Agency did not wish to postpone the meeting. The transcript would be available at the February meeting. It is important that the Agency does not rush to judgment. If the materials are not ready for the January meeting, then they will be considered at the February meeting.

It needs to be clear that the Agency does not look upon New Paltz/Gardiner as downstate. We look at the county as a whole. We look at what is best for the entire county.

The members of the Agency asked staff to advise them of the date/time of the Park Point Public Hearing.

ADJOURNMENT

Motion: Robert Kinnin, seconded by Steve Perfit, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:45 a.m.

Respectfully submitted,

John Morrow

Secretary