

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES May 13, 2020

A regular monthly meeting of the Ulster County Industrial Development Agency was held on Wednesday, May 13, 2020 at 9:00 A.M. via Zoom.

Roll Call:

The following agency members were present:

Randall Leverette	Chair
Faye Storms	Vice Chair/Assistant Treasurer
Richard O. Jones	Treasurer
Michael J. Ham	Secretary
Paul Andreassen	Assistant Secretary
James Malcolm	Assistant Secretary

The following agency members were absent:

Daniel Savona	Member
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Additional Attendees:

Rose Woodworth	Agency Staff
Joseph P. Eriole, Esq.	Agency Counsel

The meeting was called to order at 9:00 A.M. by Chair Randall Leverette.

Roll was called, and it was noted that a quorum was present.

READING OF THE UCIDA MISSION STATEMENT

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: Richard Jones, seconded by Michael Ham moved to approve the minutes of the March 11, 2020 meeting as presented.

Vote: The motion was unanimously adopted (6-0).

COMMITTEE REPORTS

Audit Committee

Richard Jones, Chair of the Audit Committee reported that the Agency submitted the ST-62 report to New York State. Mr. Jones would like to schedule an Audit Committee meeting for late May or early June as it is required to review the details of the financials each quarter. Mr. Jones informed the Board that the Agency will need to start sending RFPs to audit firms as the three year contract with UHY, LLP has expired.

Finance Committee

Chair Leverette informed the Board that there will be a Finance Committee meeting once the Audit Committee has met.

Governance Committee

Paul Andreassen, Chair of the Governance Committee, reported that the Committee had a meeting on April 30, 2020 to discuss the PARIS report and Project compliance issues. It was noted that 46% of projects were out of compliance, 26% were found to be underperforming, and 26% were missing documents. Agency Counsel is working to prepare a packet for the Board to review and then send to all projects. The packet should help Projects better understand the reporting requirements. Mr. Malcolm suggested some a mentoring program to help projects understand the Agency's reporting requirements. Agency Counsel noted that he is willing to contribute a set amount of time to the mentorship program pro bono. Ms. Storms suggested producing short informational videos to help applicants understand the reporting requirements. Chair Leverette proposed a checklist which would outline what is required, due dates, etc. Mr. Jones would like to see the Agency put together information for members of the County, specifically the Economic Development Committee and Chamber of Commerce to give them a better understanding of what IDAs can do and where they are limited.

Mr. Andreassen noted that all Board Members interviewed with the County Legislature and completed the required questionnaire.

FINANCIALS

Executive Director Rose Woodworth presented the financial report for March and April 2020. Since the bookkeeping is done on the accrual basis, the Project Administrative Fees, which includes late fees for late annual reporting, of \$49,800 reflects the amount billed, not the amount collected. The Insurance expense represents the general liability insurance premium which was paid in full for one year. The Seminars and Conferences expense represents the New York State Economic Development Council IDA workshop that Ms. Woodworth, planned to attend in April. Ms. Woodworth will find out if they plan to issue a refund or reschedule.

Mr. Jones asked about the excess money in cash savings account. The Board passed a motion at the December meeting to move the bank accounts to M&T Bank. After the motion was passed, the Chair directed the Executive Director to research competing banks. Mr. Jones pointed out that the motion to switch to M&T Bank has already been passed and no further research should be required. Mr. Malcolm suggested looking into Key Bank since there may have been rate changes since the motion was passed in December. The Executive Director will work to switch banks this month.

Ms. Woodworth asked if the Board would like a monthly report of Accounts Receivable now that the Administrative Fees have been billed to Projects. The Audit Committee will determine what information they would like presented on the Accounts Receivable report.

Motion: James Malcolm, seconded by Paul Richard Jones, made a motion to accept the financial report for March and April 2020 as presented.

Vote: The motion was unanimously adopted (6-0).

CHAIR'S REPORT

Chair Leverette presented his Chair's Report. As part of his report, the Chair reported on the following:

- A. PARIS Report – The Chair reported that the PARIS Report was submitted at the end of April. A copy was presented for the Board to review. The Legislative Report that results from PARIS data should be completed shortly.
- B. Potential Project – The Chair reported that a potential project will go through the pre-screen process next week. Mr. Jones asked if Agency policy requires the pre-screen meeting to be public. Chair Leverette said that previous counsel advised that that process stay confidential because financial and private corporate information is presented. Agency Counsel agreed and noted that the confidential meeting serves as an opportunity to review the application with the applicant. They can ask questions, gather information and decide if they would like to proceed and present to the full Board.

- C. Loewke Brill Monthly Report – The Chair presented the construction monitoring reports. It was noted that local employment figures for Inness NY, LLC are increasing as expected. He reminded the Board that Brooklyn Bottling did not commit to using local construction labor so there is no comparable information for that project.
- D. Agency Staff Contract – The Chair reported that the contract with Christopher J. O’Connor, CPA is up for renewal at the end of May. The Chair recommends the Agency extends the contract for one month as the legal team works to finalize the contract.

Motion: James Malcolm, seconded by Richard Jones, made a motion to extend the administrative contract with Christopher J. O’Connor, CPA for one month.

Vote: The motion was unanimously adopted (6-0).

- E. COVID-19 – The Chair reported that he has researched ways the Agency could help local businesses in distress. He noted that he has been working on this since mid-April, before the letters were sent out to County Executive, Patrick Ryan. The Chair presented the option of an emergency loan fund through the UCCRC as a replacement for Call for Projects. The Agency could either use a consultant or consider partnering with the Revolving Loan Fund. The Chair also discussed how to help industrial and manufacturing clients of the IDA who will need to reconfigure to comply with social distancing. The Chair suggested a sales tax exemption for construction materials and non-production material such as sanitizing equipment. No public hearing is required for any benefit \$100,000 or less, so no additional resources, staffing, or consultants would be necessary. Another suggestion was to relax the standard for job numbers. In conjunction with that, Mr. Malcolm asked if the Agency is able to re-arrange PILOT in such a way that the percentage is changed for a few years. The Agency can easily relax its required job numbers but cannot easily adjust the existing PILOT agreements. To change any PILOT agreements the Agency would have to discuss with each municipality and come to an agreement to either reduce the assessment or accept less money. This process would require additional expenses such as legal fees. Mr. Jones asked about limiting sales tax and mortgage tax exemptions in an effort to not drastically reduce tax revenue to the County. It is not possible to limit a sales tax exemption to a certain percentage and the Agency is also unable to just blanket limit the mortgage or sales tax benefit, the benefits are discretionary. The Chair suggested waiving administrative or application fees, etc. to help smaller businesses. Ms. Storms noted that from her experience in real estate there has been a mass exodus from New York City area. She suggested supporting that movement and helping smaller businesses and startup businesses moving to the area. Mr. Andreassen noted that all government agencies are struggling. As a Councilman, he has even received multiple calls to reduce water/sewer bills because residents are struggling financially.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Rose Woodworth presented her Executive Director's Report. As part of her report, she reported on the following:

- A. PARIS – The Executive Director reported that the annual report has been submitted, and she is now working to complete the Resolution 157 report.
- B. Invoices for Board Approval – The Executive Director presented monthly invoices from The Eriole Law Firm for legal services rendered during January-April 2020.

Motion: Paul Andreassen, seconded by Faye Storms Jones, made a motion to empower the CEO to remit payment for the invoices as presented.

Vote: The motion was unanimously adopted (6-0).

OLD BUSINESS

Status of Pending Projects

Board Counsel, Joseph Eriole, reported on the status of pending projects:

- Wildberry Lodge, LLC – No change. Project is completing SEQR process. No action can be taken until the process is completed.

Status of Expired Projects

Board Counsel, Joseph Eriole, reported on the status of expired projects:

- Gateway Industries – Closing has been confirmed and documentation is now on file.
- Viking 2 (RD Croce Family Holdings LLC) – Closing has been confirmed and documentation is now on file.
- 346 Washington – Closing has been confirmed and documentation is now on file.
- TLB Management Corp – Closing has been confirmed and documentation is now on file.
- Kingston Hospitality – Missing some closing documentation, Agency Counsel is working with applicant to obtain documentation.
- Spotted Dog Ventures (Fort Shandaken) – Agency Counsel is awaiting return documents from the County Clerk.

- MHVFCU-Kingston – Hodgson Russ, LLP submitted final filing on May 8, 2020, Agency Counsel is waiting on confirmation.
- Lloyd Park II (60 Park Lane) – There has been a lack of response from the project regarding missing documents. Agency Counsel will continue to follow up.
- Simulaid – There has been a lack of response from the project regarding missing documents. Agency Counsel will continue to follow up.

Uniform Tax Exemption Policy

The Board reviewed the transcript from the Public Hearing regarding the Review of the Agency Uniform Tax Exemption Policy as well as the comment received via e-mail from Town of Woodstock Supervisor, Bill McKenna. Mr. Jones noted that the Board has worked on these changes for a year and thanked Mr. Andreassen for his help and guidance with these changes. Mr. Jones noted that the Agency’s bylaws require that the Agency reviews the UTEP each year. Mr. Jones thanked Mr. McKenna for his comment and noted that Public Hearing is the way that the Agency allows for local municipalities to voice their opinion of proposed projects. The Agency will continue to be receptive and responsive to local concerns. Mr. Jones asked if we received any comments or input from the County, specifically the Economic Development Committee. The Chair noted that he sent the documents to Brian Woltman, Lynn Archer and Victoria Fabella, but no comments were received.

Motion: Richard Jones, seconded by James Malcolm, made a motion accept the changes to the Uniform Tax Exemption Policy as presented.

Vote: The Board voted as follows:

Randall Leverette	Yes
Faye Storms	Yes
Richard Jones	Yes
Michael Ham	Yes
Paul Andreassen	Yes
James Malcolm	Yes
Daniel Savona	Absent

HVKD Tax Credit Sublease

Charles Blaichman, Gina Vigna, Andrew Kellner and Michael Moriello attended the meeting representing Hudson Valley Kingston Development. Agency Counsel reminded the Board that the last request was not approved as the Project was not in compliance and the sublease transaction would result in the project being entitled to do something that went beyond what was originally approved. Agency Counsel noted that since the last meeting, the Project has submitted all outstanding documentation, and the Project is aware that there will be fees associated with the application as well as an outstanding late

fee. The Project plans to comply with the outstanding fees. Agency Counsel has confirmed that their transactional documents will indicate that nothing in the new structure can act to enlarge the benefits or curtail the obligations of the project to the IDA. There will be a blanket statement that says that all obligations of the project will remain in place and will not be curtailed or modified as result of this transaction. Charles Blaichman summarized the Project's request to the Board: The Project is looking to get historic tax credit funding for the rehabilitation of the buildings. Mr. Blaichman noted that the historic tax credits will allow them to restore and preserve the historic buildings by granting the projects extra funds. Mr. Keller noted that the documents will include the blanket statement that the closing is completely separate from the lease from the IDA. Mr. Blaichman stated there is a slight rush to get the IDA's approval as he cannot get a TCO for the building on Pearl Street which has 14 rooms until this is completed. Mr. Jones requested a redline document that shows the changes to the document that the Agency originally reviewed in March. It was noted that the historic tax credit would not affect the tax assessment for the City of Kingston.

Motion: James Malcolm, seconded by Faye Storms Jones, made a motion authorize the Chair to execute the necessary documents contingent on Counsel's approval.

Vote: The motion was unanimously adopted (6-0).

NEW BUSINESS

HVKD Sales Tax Extension

The Project requested a six-month extension for their sales tax exemption, and the Board reviewed the resolution that was prepared. The Chair noted that the extension will not go into effect until the outstanding late fees have been collected from the Project.

Motion: Paul Andreassen, seconded by Faye Storms Jones, made a motion to approve the Six-Month Sales Tax Exemption Letter for Hudson Valley Kingston Development, LLC project.

Vote: The motion was unanimously adopted (6-0).

PUBLIC COMMENT

Lynn Archer congratulated the Agency on passing the UTEP and thanked each Board member for their efforts over the past few years.

ADJOURNMENT

Motion: James Malcolm, seconded by Faye Storms, moved to adjourn the meeting.

Vote: The motion was unanimously adopted (6-0).

The meeting was adjourned at 11:03 A.M.

Respectfully submitted,

Michael Ham, Secretary