Ulster County Industrial Development Agency
Minutes
September 5, 2012

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, September 5, 2012, Conference Room 108, Business Resource Center, Development Court, Kingston, NY.

The following agency members were present:

Paul Colucci	Assistant Chair/Assistant Secretary
Michael Horodyski	Assistant Chair/Assistant Secretary
Robert Kinnin	Assistant Chair/Assistant Secretary
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary
David O'Halloran	Chair
Steve Perfit	Treasurer

The following agency members were absent:
None.

UCDC Staff:
Melinda Beuf
Linda Clark

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP

Additional Attendees:

March Gallagher	Representing the Office of the County Executive
Jessica DiNapoli	Times Herald Record
John J. Lease	Lloyd Park 1 and 2
James Maloney	Assessor, Town of Ulster and Chair, Ulster County Economic Development and Tourism Committee

Chair David O'Halloran 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.

PUBLIC COMMENT

Chair O'Halloran opened the meeting for Public Comment. There being no individual(s) requesting the privilege of the floor, Chair O'Halloran closed the Public Comment segment of the Agenda.

MINUTES

Motion: Michael Horodyski, seconded by Paul Colucci, moved to approve the Minutes of the August 15, 2012 meeting. A copy of said minutes is on file.

Vote: The motion was adopted.

UNIFORM TAX EXEMPTION POLICY

RESOLUTION APPROVING CERTAIN AMENDMENTS TO THE AGENCY'S UNIFORM TAX EXEMPTION POLICY

Chair O'Halloran stated that this is a policy that was discussed at the last meeting of the Agency. At that time members requested additional time for review. A copy of said policy (UTEP) is on file.

Counsel A. Joseph Scott explained that this is essentially a repeat of the resolution introduced at the last meeting of the Agency and tabled because members wanted more time to review the terms of the resolution. The resolution approves the policy that the board gave preliminary approval to several months ago in that we held a public hearing on with the exception that we have deleted two provisions from the policy; provisions dealing with affordable housing and workforce housing. The reason for the deletions as described at the last meeting was that at the public hearing that the Agency held on 30-days notice and with written notice to each of the affected taxing jurisdictions, there were some concerns raised by the people in attendance at the public hearing about the terms of the workforce housing and affordable housing provisions.

Chair O'Halloran stated that it was the Agency's intent to revisit the proposed deleted provisions. In the Town of Saugerties, even though the supervisor was opposed to the changes to the proposed UTEP, the town board accepted PILOT payments for much less than our minimum amount would be. He felt there was a benefit to the community to establish some standards for affordable housing in the county as well as the benefits which we will discuss at a later date. He requested that the Governance Committee re-look at the numbers and better communicate to the towns and taxing authorities why it is in their best interest to support these changes. This will be addressed at a later date.

Continuing Counsel Scott stated that the substance of the resolution is that it approves the policy as modified. It recites in great detail that we held a public hearing; staff sent copies of the redlined policy to all the affected taxing jurisdictions within Ulster County….

Mr. Horodyski stated that he appreciated the time that members were allowed to fully digest the policy. He still felt that the policy was overly restricted with the 62 years on the senior housing.

Chair O'Halloran responded that that can be amended. Counsel/CEO can be instructed that if a senior housing project has an issue, then bring it to the Agency so that a discussion can be held regarding that particular PILOT. If we need to change the age we can do it as a condition of approval for that particular project.

Mr. James Malcolm questioned the rational for moving the age to 55; people who are 55 are still working.

Mr. Horodyski responded that you are going to miss a segment of the population.

Mr. Malcolm replied that you are designing lower cost housing for people who are still out in the market earning.

Chair O'Halloran stated that what he thought Mr. Horodyski was communicating was that at his bank he is seeing more people retiring earlier at 55.

Mr. Horodyski replied or you are seeing people wanting to get out of a bigger house and moving to something smaller. However, he did not want to dilute the policy, that the policy was sufficient.

Continuing Counsel Scott reviewed the substantive part of the resolution where he reviewed key facts. With reference to Section 1D, when doing IDA projects some consideration must be given to SEQR and the impact of SEQR on any of our actions. The adoption of a policy is a non-impact issue with respect to SEQR so the language was added that there were no SEQR concerns with respect to the adoption of the policy. Section 2 recites the steps taken regarding the preliminary actions with respect to the adoption of the policy. On June 29, 2012 staff mailed a copy of the revised policy to all taxing jurisdictions and a list of all those entities will be attached to the resolution. A public hearing was held on August 1, 2012 and Notice of that Public Hearing was published in the Daily Freeman and the Times Herald Record on June 30, 2012; a copy of the Affidavit of Publication will be attached; as well as, a copy of the record of the Public Hearing which was previously sent to each member of the Agency. Copies of the Notices of Posting in all Towns/Villages/City halls will also be attached. A summary description of the extensive public hearing record was provided at the last meeting. Typically, with revisions to the UTEP, invitations are extended to the affected taxing jurisdictions to attend the Agency meeting and to offer them the opportunity to make comments at that meeting. The affordable housing and workforce housing have been deleted in response to the comments received and, as the Chair has indicated, those policies will be subject to further review by the members of the Agency and Agency staff.

Chair O'Halloran asked James Maloney, Assessor, Town of Ulster and Chair Ulster County Economic Development and Tourism Committee, if he had any comments with reference to this resolution. He noted that he attended the public hearing and made comments as well.

Legislator Maloney responded that at the public hearing he did offer that the Agency consider adopting a reallocation of the tax amount that would be generated so that the local host community could retain 60%.

Chair O'Halloran responded that he had requested Counsel to look into the legality of us doing that unilaterally. It was determined that the Agency would require the approval of each of the affected taxing jurisdictions. Staff will begin that process and we will attempt that process on a case by case basis.

Chair O'Halloran asked March Gallagher, representing the Office of the Ulster County Executive's Office, if she wished to make a comment.

Ms. Gallagher declined to comment.

Motion: John Morrow, seconded by Robert Kinnin, motioned to approve the Uniform Tax Exemption Policy as amended.

Vote: The motion was adopted.

New Business

Chair O'Halloran stated that he had been working with Ms. Beuf and Agency Counsel Scott regarding a policy that he would like support regarding enforcement. Previously Ms. Beuf contacted other IDAs within the state as well as the ABO, and Counsel Scott reviewed those 20+ clients that his firm represents. Typically, what IDAs do is review their active applications. What makes an application active is (1) it either has ongoing bonds until their maturity or (2) a PILOT until its maturity. The Agency reviews them each year as required by our policies and the ABO. We have

findings of underperformance and it goes into a file. That basically is the consistency throughout the state. Upon investigation, one county was found that defaulted a PILOT on a project; but not with consistency. A copy of the UCIDA 2011 Under Performance Review document is on file.

Ms. Beuf stated, that in particular, we were looking for a partial sanction. No one actually did a partial sanction; they either completely defaulted it or left it alone. There was no granularity in their sanctions; it was all or nothing.

Chair O'Halloran continuing stated that an all or nothing approach is challenging; for example when the Agency was dealing with the Head Trauma Center last year and their default on their PILOT. What we were looking at was our big concern of 400 jobs. We worked out a plan with them and the Town of Ulster. In that same philosophy, he asked the members to consider a policy which creates accountability to active applicants to meet the numbers in which they agreed to in the terms of their PILOT specifically. Bonding - he had no recommendation at this time; it is all or nothing with a bond. For those active projects receiving PILOT benefits, he proposed the following as part of the Agency's Enforcement Policy that the following standard be adopted:

> Based upon the percentage of underperformance, we reduce the PILOT going forward for the upcoming year, by 50% of the underperformance.

If you are underperforming by 100% you would be reduced by 50% of your benefit going forward. This recognizes the other benefits that active ongoing businesses are providing and have been providing to our community, which would be sales tax revenue, jobs it does have, property taxes, increase to the value of the property. It enables them to continue their operation, but it reflects more in line with the amount of jobs that they currently have.

Mr. Malcolm questioned, given that scenario, what prohibits someone from front loading their numbers and promising to create "x" number of jobs and whatever. So in the first year they receive whatever; the next year you are only going to get such and such. Previously, there were businesses out there where it was difficult to get information from people. It is tough to reward people for not working hand and hand with the Agency.

Chair O'Halloran responded that since he has been on the board, all claw backs have been placed into our procedures policy. In most of the projects that Mr. Malcolm has participated in, if someone front loads, not only can we terminate the PILOT, we can get back the sales tax dollars and mortgage recording tax dollars. The PILOTS of the active applications that we are looking at this time, they do not have claw back language in their documents and they are towards the end of their maturity – 3 to 4 years out. What he proposes was for the first time that we put these benefited PILOTs more in line with the job performance that they are actually doing.

Continuing Chair O'Halloran stated that we will be reviewing three projects this fall. Today we will be discussing the Hudson Valley Sportsdome (Hudson Valley Domicile) project, initial discussion with John Lease (Lloyd Park 1 and 2) and next month we will ask TLB Management (Skatetime 209) to attend. These are the three that have PILOTs that are underperforming. He was proposing this addition to the policy for all underperformers from this point forward and the years to come. He thought this was reflective of our importance. The Agency goes to taxpayers on a regular basis and asks for their support to help us encourage jobs and growth in our communities and they give it to us. When those numbers don't materialize with what we asked, he thought that we need to come back to them and say we have reviewed and the numbers have not materialized and you are going to receive some money back into your accounts when it comes property tax time.

Mr. Malcolm stated that he was of the school of less is more. He would rather see the Agency, if we are going to undertake this step, he would rather see the Agency go a few months, six months, a year, and then go back and show them what we did as oppose to putting it out there to the public that this is what we are going to do. We do an injustice

to ourselves if we start putting this stuff out there that this is what we are going to do and it doesn't work. He would rather see us do something.

Chair O'Halloran responded that he was proposing to put this out there today.

Mr. Malcolm responded that he did not want to pick up the Freeman or the Times Herald Record and see all of this tomorrow; he wanted to go back to them and say we undertook this in September, 2012 and look at the difference. We are under the microscope as it is.

Chair O'Halloran replied this has been a process over 5 to 6 months getting to this point. We have done interviews and we've done this process; we've met with applicants we've confirmed that they are underperforming. Do we just stick it in a file and be done.

Mr. Malcolm responded that we should not just stick it in a file; we should follow the provisions that we have put in place.

Chair O'Halloran replied that he is suggesting that we change the provisions today and adopt the policy.

Mr. Malcolm stated that he did not disagree with that. What he was saying was that he did not think it was in the Agency's best interest to tell everyone. Taxpayers and other businesses, with what is going on with UCDC we are under a microscope. He would like to keep as low key as possible.

Chair O'Halloran responded that he respected that, but we are public.

John Morrow asked that so he understood, we should not go out and actively make press releases, however, we have press in the room, this is a public meeting, the minutes are public, what the press picks up we have no control over.

Mr. Malcolm responded that what the press picks up and writes is what they are writing on. He did not think we should be out there putting the cart before the horse.

Mr. Morrow replied we need to make sure that this is not perceived as being secret.

Mr Malcolm stated that the press is here; there are no secrets.

Mr. Horodyski asked why the 50% level; why wouldn't we make it more punitive?

Chair O'Halloran responded for exactly that word; we are also trying to maintain growth and jobs in the community. Looking at each one of them, doing a 50% base takes them down. They certainly can appeal to us next year if they can get their numbers back up and get themselves back to a whole PILOT. They will have that right at any time to come back to us and say "listen I've increased my job numbers and I want you to re-look at your reduction". We are not trying to take anyone out of business immediately. We are trying to be accountable to the taxpayers. He had no strong argument for the 50% or 100% or 75%. He felt that it needs to be something; and he proposed 50%. If the members would prefer 100%, that is something to be considered.

Mr. Malcolm stated how about 75%; in that way we are rewarding performance; not underperformance.

Mr. Perfit stated if you look at the list, he would say a maximum of 50%. Brooklyn Bottling is only 15% under the jobs required.

Chair O'Halloran responded that Brooklyn Bottling had no PILOT.

Mr. Perfit replied that in most cases, if someone is off by 2 out of 8, perhaps a 25% penalty versus 50%.

Chair O'Halloran stated that what reduces the spread, if you are only off by 20%, our 50% reduction is just a 10% reduction on those jobs. The applicant determines the amount of reduction. If you are off by 50% you are only going to get a 25% "haircut". There is an incentive to improve and at the same time it is not as punitive as 100% of their under performance.

Ms. Beuf stated that in canvassing other IDAs one of the reasons that they did not impose their defaults was that they felt it was too punitive. Having a very punitive sanction made them less willing to sanction under performers.

Mr. Horodyski responded that his only thought was that if a project is 100% off its job quote; the worst reduction you are going to get is a 50% reduction in your PILOT.

Chair O'Halloran replied that a 100% off a job quote, we would look at default and, if it is current, claw backs. That is a different scenario than this. All these companies built their facilities, hired employees and are running them. They are performing, not just according to original application.

Paul Colucci asked if Counsel had prepared a complete explanation of our policy.

Chair O'Halloran responded it is in the infancy stages. We've talked about it over the past 2 months. For consistency we are asking the Agency to consider the policy today.

Mr. Horodyski suggested a draft a policy be prepared.

Mr. Colucci responded that he would be uncomfortable at this time. He asked the Chairman if he was looking for some understanding.

Chair O'Halloran replied that he would like an understanding so we can take some action today on project enforcement. That is all he was looking to do. The Agency has had the Sportsdome before us three times. He would like to take some action so that the Agency can move forward with the other two applicants.

Mr. Colucci asked what was implied by "move forward".

Chair O'Halloran responded meet with them, ask why they are under performing, listen to them, see if our numbers match their numbers before we go and recommend the same enforcement to them.

Mr. Colucci responded that personally he did not have a problem with moving forward.

Chair O'Halloran stated that work will be done on the policy and at the same time, we will work on the enforcement. Counsel will work on the policy and have it for Agency members review next month. He thanked the members of the Agency.

PROJECT MONITORING AND ENFOCEMENT

Lloyd Park II

Ms Beuf presented a summary overview of the Lloyd Park 1 and Lloyd Park II projects. Lloyd Park 1 and 2 are two office building right next to each other. Lloyd Park 1 had an estimate of 20 employees and they have 40 at last count. Lloyd Park II estimated 66 employees in their application and they have 42. If you add the two together they have 82 employees versus the 86 if you add both applications. These are two separate building; two separate projects. They have struggled to pay taxes on the one where they have had vacancies. It is the same exact ownership. The economy has hit them very badly, but they have come back up. Both projects have PILOTs – one ending 2015; the other 2014.

Chair O'Halloran stated that he doesn't know how you could put them together. He recognized that putting them together helps the performance of the one; they are two separate taxing entities in the Town of Lloyd. We will split them up and review next month. He suggested that the two projects be split and add a new column giving the PILOT terms, etc.

Ms. Beuf stated that the document UCIDA 2011 Under Performance Review was a legacy document, which combined the two projects in the Project Name column, while the data listed was only for Lloyd Park II.

Mr. John Lease addressed the members of the Agency. Mr. Lease stated that the PILOT that the Agency gave them was huge for them. It helped them through the past three years; they were 30-40% vacant during that time. It was always a two-phase construction. They did one building and then went right to the Planning Board and did the second building. They did the PILOT for the first building and then the PILOT for the second building. It always was a two-tiered approach. There have been a ton of success stories; expansions, attractions, companies from other counties that came to Ulster, companies that outgrew our building(s) then got purchased and moved to Kingston; almost like an incubator space. Our buildings are not big; they are only 7500 sq. foot. When you put the two together, there are 83 jobs; 2 vacancies still exist so they could be over that 86 threshold for the total projects. They are underperforming a little bit if you parcel out phase II, with the 1 vacancy they could get within 10. He knew that 20% window was the Agency's threshold. They are going to be close to that, they would have to get to 52 to get within 20% for Lloyd Park II. He thought that they could get to the high 40's.

Chair O'Halloran asked if he thought that Lloyd Park II was underperforming by how much.

Mr. Lease responded Lloyd Park II is 66 we are at 43.

Chair O'Halloran stated so 30% underperforming.

Mr. Malcolm stated that it was his opinion that these projects were "springboards" for the Route 299 area.

Chair O'Halloran stated that if he understood correctly there were two vacancies in Lloyd Park II; what percentage of the building are two vacancies?

Mr. Lease responded no, 1 and II each have one vacancy.

So you have one vacancy is Lloyd II what size unit is ….

Mr. Lease stated that they are averaging 8 employees per space. If an average was taken, they could get from that 43 up to 50. If you want to parse out II and say the two projects don't go together, philosophically, he thought he could get three jobs of the 80% window. He thought he was almost there.

Counsel Scott gave a historical perspective regarding the division between Lloyd Park 1 and Lloyd Park II. There was extensive discussion with the developer about whether to do the two projects as one straight lease project as one set of papers with two buildings or two sets of papers, which is what was ultimately done - one set of papers for each of the two buildings. Part of the analysis on the developer's part was not wanting to incur all the closing costs for both transactions on the first closing. That was one of the determinant factors with dividing, with one could say, one project into two projects. The Agency will have to give some thought as to how to look at that. He was just giving some personal history with respect to the discussions that took place many years ago with respect to the project.

Mr. Perfit stated that he was fine with passing this project down the road for further review because you can have 1200 sq foot office and have two people in it that office or you could have eight. You never know. It is hard to project how many people per square foot; you can't put it in a lease.

Chair O'Halloran responded that the existing board at the time of approval based the benefit package on the amount of jobs expected. That has to be accountable. We need to be consistent and hold our projects accountable.

Mr. Lease expressed his appreciation. When the property was purchased, it was generating about $2,000 in real estate taxes, it is now up around $35,000. There were no jobs before they put in construction and now they have 82. He knew that the Agency is trying to set guidelines and live by those guidelines, but he really thought that business acumen really needs to be level headed and to look at each property with some flexibility.

Chair O'Halloran stated that the Agency will have discussion about Lloyd Park 1 and II; we are going to have discussion regarding performance of each individually and then the Agency will make a decision.

Mr. Morrow stated that in the future when an individual builds a building that they are planning on leasing out to various folks we need to point out to the takers of the application to not be too liberal in their numbers and be realistic because they won't necessarily know what kind of client they will be putting into these spaces.

Hudson Valley Domicile (Hudson Valley Sportsdome)

Chair O'Halloran stated that the Agency has met with the Sportsdome owners and he believed that all members of the Agency recognized the tremendous effort that the owners have done to keep their place viable and to adjust to the regulations of New York State. They are tremendously underperforming. They proposed 16 new jobs with leaseback benefits - sales tax on the construction and purchase of equipment during their construction phase; they were given mortgage recording tax benefits and they received PILOT benefits from the day it was built. Based upon the information that we received, this totals over $200,000.

Continuing, Chair O'Halloran proposed because they're 88% underperforming, the Agency reduces their PILOT benefit for 2013 and moving forward by 50% of their shortfall. It gives the Agency teeth as an IDA and holds applicants accountable for the lines they sign and the numbers they project. At the same time that percentage reflects the tremendous work this property has done in tourism and growth within the community, etc.

Mr. Robert Kinnin stated that one of the concerns that he has heard multiple times from the applicant was not knowing things going into the project, or plans changed. As it relates to the jobs numbers, he remembered that the applicant didn't realize that the referee and officials were going to be paid differently. In other words, paid through an organization who then paid the officials and yet they are there all the time. He felt it was unfortunate and we were almost penalizing them for that. He hoped the Agency would consider that.

Mr. Perfit asked if the Agency can penalized without the formal policy being in place.

Chair O'Halloran responded yes.

Mr. Colucci stated that this was before his time and he needed to understand it. There was a matrix/policy/formula in place that gives you the PILOT based upon jobs created. How does the job numbers correlate to the actual PILOT received.

Chair O'Halloran stated that it is the most important number on the page as far as the calculation of the benefit received.

Counsel Scott responded under our existing policies, but not back then. The Agency board did look at the application and saw how many jobs were estimated to be created. The PILOT abatement was not based upon the number of jobs; it was just a standard PILOT. They didn't have as many tiers when this was being considered.

Chair O'Halloran replied that the Mission of the UCIDA did not change. The mission of the IDA then and now is incentives and benefits for job creation. The IDA's number one priority since existence has been jobs. That is why a lot of things weren't allowed to be done. We cannot due retail for example. It is not about building space, it's about jobs and building jobs.

Mr. Colucci asked if he was a company who was only going to create two jobs, would they have received the PILOT.

Chair O'Halloran replied that he did not know – it would have been an Agency's decision.

March Gallagher stated that she was Chair of the UCIDA in 2006 that is the time when the Agency adopted the PILOT Points calculator. Up to that point, there was no threshold on job creation; it could have been based upon investment only. Job creation was considered a goal, but there wasn't a threshold job number required.

James Maloney stated that going back to 1998 the UCIDA benefit just mirrored the state benefit of the 485(b) exemption. The matrix was identical; there was no job creation tied to it.

Chair O'Halloran stated that not all companies received IDA benefits.

Ms. Beuf stated that this is a more generous PILOT than 485(b).

Mr. Maloney replied originally it mirrored it and around 2000 a new structure was introduced and it evolved.

Counsel Scott stated that the IDA back in the 80's had two tiers – commercial tier (485(b)) and a very advantageous abatement schedule which started out zero for three years and gradually moved up over a ten year period. That was initially designed just for manufacturing projects. In 1998 they merged the two so that very advantageous policy was extended to all projects that came to the IDA – commercial and manufacturing. This company benefitted from the very advantageous tax abatement program. And, as Ms. Gallagher indicated, the IDA then in 2006, went to a point's process where they looked at job creation as part of the abatement program.

Mr. Colucci stated if in 2004 there wasn't a point process for jobs creation (no matrix at that time) and this applicant put down on his application that he anticipated 16 jobs and now moving forward in 2012 we are saying you are under performing based upon the new criteria.

Ms. Beuf replied that job numbers were always scrutinized as part of the application. There wasn't a formal matrix.

Mr. Morrow stated that at the time, there was no penalty for under performing jobs and we are changing the rules on the guy at this time.

Mr. Colucci stated that what he has a problem with is we are making changes, and he is underperforming by a significant amount by today's rules. This is a significant reduction in his PILOT.

Chair O'Halloran responded that it would be a $10,000 reduction each year. Most of his PILOT benefits have been received; he is in the waning years.

Mr. Perfit stated we are about economic development. He sees 16 jobs projected which seem to be full-time jobs within this county and 13 independent contractors jobs. Referees can come from anywhere in the state and/or out of the state for a one shot deal. To him the project is underperforming on jobs that mean economic development for this county. $20,000 away from his PILOT spread over the remaining years is not going to kill him. We have to show that we are fairly enforcing our policies.

Mr. Horodyski stated that he should probably abstain from the vote. It was his feeling that this project is an economic development engine in Milton; it is a destination location. Ship Lantern Inn, Dunkin Donuts, the Highland Diner all received business from it. When there is something going on there; it has a huge impact to the local economy.

Chair O'Halloran agreed. That is why it is based the way he suggested because we need to recognize the tremendous benefits he provides and it is also why we are not recommending any claw backs even though he has been under performing pretty much for all the years.

Ms. Beuf pointed out that on the application there is a reference that he has 16 jobs and at the very end there is a statement that there also will be work for referees.

Motion: John Morrow, seconded by Steve Perfit, moved to reduce the PILOT benefit for Hudson Valley Domicile for years 2013 to maturity by 50% of its underperformance.

Vote: The motion was adopted. Michael Horodyski abstained from the vote.

Mr. Colucci stated that the policy will be in place …

Chair O'Halloran stated that he would like a written policy approved at next month's meeting, moving forward to be consistent in future years.

Mr. Colucci asked Counsel if we are in any way creating a problem for ourselves by enforcing a policy that is not actually ….

Chair O'Halloran stated that the project absolutely has grounds to challenge this because their closing documents have no provisions for claw backs. They do have grounds; it would be up to a judge to see if they were successful. They are underperforming by 88%. It was his opinion that it was worth the legal risk to be taken in costs to be enforcing accountability on applicant's to our taxpayers.

Mr. Kinnin asked about the process going forward to share this information with the taxing authorities.

Chair O'Halloran responded that we will now inform the taxing authorities to adjust accordingly.

Benedictine Hospital

Ms. Beuf reported that Benedictine Hospital has stated that they have incorrectly reported their job numbers in 2011. They did not add up all the hours, dividing by 35 to get the FTE's. That was their mistake. The subsequent documentation provided support 628 FTEs which is 83% of the original application estimate of 756. Note that the PARIS report incorrectly states the number of FTEs. Even with the corrected amended higher amount, they are still within the threshold. A copy of the documentation is on file. Based upon the documentation, PARIS should be corrected to reflect the 628 and the original number of FTEs. If the corrections are made in PARIS, then the project would be removed from the list.

All members of the Agency were in agreement.

Birchwood Village

Counsel Scott reported that we are waiting the next step from Birchwood Village to begin the arbitration process as afforded to them in their documentation. Birchwood is in litigation with the City.

FINANCIALS

Mr. Perfit reported that due to the short turn-around and the fact statements had not yet been received, there was no financial report for the period ending August 31, 2012.

2013 Budget

The members of the Agency discussed the proposed 2013 Budget, a copy of which is on file. It was noted that the budget could be approved at this time and amended as the Agency moves forward.

Motion: John Morrow, seconded by Paul Colucci, moved to adopt the proposed 2013 Budget.

Vote: The motion was adopted.

COMMITTEE REPORTS

Governance Committee. Committee Chair John Morrow reported that the committee had not met and he had nothing to report at this time.

Audit Committee. Committee Chair Steve Perfit reported that the committee had not met and he had nothing to report at this time.

Ready2Go Committee. John Morrow reported that committee was presently working on rewriting the requirements for the Ready2Go projects. March Gallagher and Dennis Doyle are working on it.

Ms. Gallagher stated that the Saugerties project goes to public hearing on the 18th of this month.

Chair O'Halloran asked to get an idea of the percentage of the funds spent on the application, the percentage upon sale that would come back … is it 100%?

Ms. Gallagher responded 100% of your funds.

CEO Report

CEO Melinda Beuf reported as follow:

- 18 prospects in various stages of probability
- 1 application withdrawn – Body of Truth
- 15 prospects in the information stage
- Anticipating two applications this fall
- Two projects pending closing – Wolf-tec and Stavo
- PARIS updates – waiting for the ABO to come back to her with directions on how to handle certain circumstances.
- Transition – we now have the accounting firm in place and transition is proceeding smoothly
- Receptionist stating next week – part of the hire Senior Program
- Bi-annual visits – 14 completed; 25 to go.
- Key Bank – signed and submitted
- CD just rolled over yesterday
- RFP for banking for next year
- County resolution – Summary Report for the Legislature, however, hesitant to address the resolution until the numbers are finalized within PARIS.
- Ready2Go narrative has been prepared
- Waiting on contract for the Town of New Paltz Feasibility Study
- Confidentiality Form – when a project submits a project application, should there be information that should be excluded from a FOIL due to trade secrets, etc. that they complete that.
- Create a new application for Contracts for Services
- Brooklyn Bottling – underperforming PILOT ended in 2002; at this point a bond. The bond – they are paying 8.6% - essentially there is no incentive there. For all intensive purposes they are not receiving much benefits.
- FOILed by Times Herald Record re: one of the underperforming projects. The ABO has also been FOILed with reference to the same project.

EXECUTIVE SESSION

Motion: David O'Halloran, seconded by Robert Kinnin, moved to adjourn into Executive Session at 9:10 a.m. for discussion of real estate matters.

Vote: The motion was adopted.

Motion: Steve Perfit, seconded by Robert Kinnin, moved to adjourn out of Executive Session at 9:15 a.m.

Vote: The motion was adopted.

No official action was taken during Executive Session.

OLD BUSINESS

Ulster County Resolution 157 Adopted June 19, 2012

Chair O'Halloran stated that he received correspondence concerning County Resolution 157. A month ago when this resolution was brought up, our liaison to the Ulster County Legislature, Legislator James Maloney from the Economic Development Committee, was consulted and he told us that it was annual and that we should get this promptly done in early 2013. It would appear that this was news to Legislator David Donaldson, Minority Leader of the Ulster County Legislature. He sent a letter to my attention asking where the information was that they had asked for. Chair O'Halloran has spoke to Legislator Donaldson. Chair O'Halloran asked staff if we had a sense of what they want.

Ms. Beuf responded that we have a sense of what they want.

Chair O'Halloran stated that he wants to comply.

Mr. Horodyski asked are they just looking for who the underperformers are and then the subsequent follow-up on those underperformers. Mr. Horodyski suggested that we put the list of underperformer's report on the website.

It was unanimously agreed by all those present to put the 2011 Under Performance Review Report on the website.

ADJOURNMENT

Motion: John Morrow, seconded by David O'Halloran, moved to adjourn the meeting

Vote: The motion was adopted.

Meeting adjourned at 9:20 a.m.

Respectfully submitted,

John Morrow
Secretary