

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES NOVEMBER 9, 2016

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 9, 2016, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

Roll Call:

The following agency members were present:

Michael Horodyski	Chair
John Livermore	Assistant Secretary
James Malcolm	Assistant Treasurer
John Morrow	Vice Chair
Michael Bernholz	Member
Randall Leverette	Treasurer

The following agency members were absent:

Robert Kinnin	Secretary
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Office of Economic Development Staff:

Christopher Fury
Suzanne Holt

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Chief Financial Officer:

Christopher Rioux	Ulster County Deputy Commissioner of Finance
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Additional Attendees:

Vincent Cozzilino	Galileo Technology Group
Charles Ferri	Star Estate Development Group
Ruth Ann Frank	Bardavon 1869 Opera House
Laura Mann	Galileo Technology Group
Paul Seres	Star Estate Development Group
Chris Silva	Bardavon 1869 Opera House
Geddy Sveikauskas	Ulster Publishing
Dr. Walter Woodley	Institute for Family Health

Chair Horodyski called the meeting to order at 8:00 AM.

PLEDGE OF ALLEGIANCE

The members of the Agency participated in the Pledge of Allegiance to the flag.

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 John Morrow, seconded by Randall Leverette, moved to approve the Minutes of the October 5, 2016 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted. Robert Kinnin absent.

PROJECTS

Star Estate Development Group

Paul Seres representing Star Estate Development Group, reported that the Project had been changed to allow for a more "phased approach" which the revised application reflects. A copy of the revised application is on file.

The revised phased approach includes the distillery, events, and restaurant portion up and running first, with the hotel portion to follow. A SEQR Negative Declaration has been received; the SPDES Permit is well on its way; site plan approval has been received from the Town of Esopus; and special use permits for distillery, hotel, restaurant and events have been secured. It was thought that the phasing would take about a year before work on the hotel would begin. Consideration is also being given, which is not reflected in the revised application, developing the southern portion of the structure to build out those hotel rooms first, allowing for hotel rooms to be available. Alternately down the road, perhaps a year after they have opened, they would finish off the second and third floor of the northern structure which would be the balance of the hotel rooms. The revised application does not reflect any lodging. It was felt that outside visitors will come for the agri-tourism and tours of the distillery as well as the trend for visitors to not only visit their facility but others in the region.

RESOLUTION CONCURRING IN THE DETERMINATION BY THE TOWN OF ESOPUS PLANNING BOARD AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE STAR ESTATE DEVELOPMENT GROUP, LLC PROPOSED PROJECT

Motion: John Morrow, seconded by John Livermore, moved to adopt said resolution.

Vote: The motion was adopted. Robert Kinnin absent.

RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR STAR ESTATE DEVELOPMENT GROUP, LLC (THE "COMPANY").

Motion: Randall Leverette, seconded by James Malcolm, moved to adopt said resolution.

Vote: The motion was adopted. Robert Kinnin absent.

Bardavon 1869 Opera House d/b/a Ulster Performing Arts Center

Chair Horodyski stated that the Bardavon, which is located in Poughkeepsie, now owns the UPAC Building in Kingston.

Chris Silva, Executive Director, presented an overview of the project. He has been with the Bardavon since 1994; in 1999 the Bardavon took over the Hudson Valley Philharmonic Symphony Orchestra and in 2007 the Ulster Performing Arts Center (UPAC) was merged into their corporate structure saving them from having to close their doors. \$9,000,000 has been spent in renovations at the Bardavon during this time and since the UPAC merger, an additional \$3,000,000 has been spent at that facility. \$4.7 million is available to spend next year to replace and retrofit the heating ventilation-air conditioning system which is 50 years old and far past its useful life. Currently, UPAC has to close during the months of July, August and September because the system is unreliable; likewise, they have lost heat during the winter. Additionally, they are expanding restroom facilities. They have \$3.3 million in funds raised for the project. Gaining a federal and state historic tax investor is critical to the project. In order to do that, the investment must look as good as possible. They have come to the Agency to ask for a tax exemption for that investor.

Suzanne Holt pointed out that currently UPAC is a non-profit but needs to create a for-profit structure to get the tax credits. UPAC has historically never paid taxes as a non-profit but as a for-profit, without a deviated PILOT, would be forced to pay taxes.

Chair Horodyski stated that this is a Deviated PILOT; an eight year zero percent PILOT. That is not something that the Agency currently has available in their Uniform Tax Exemption Policy. The other taxing authorities (City of Kingston, Kingston School District and Ulster County) would have to agree to the Deviated PILOT. The Agency is only a vehicle to affect their ability to finish their financing.

RESOLUTION AUTHORIZING THE DIRECTOR OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF BARDAVON 1869 OPERA HOUSE, INC.

Motion: John Morrow, seconded by Randall Leverette, moved to adopt said resolution.

Vote: The motion was adopted. Robert Kinnin absent.

Chair Horodyski requested that members consider the option that the Agency forgo the portion of their fees and re-invest back into UPAC or "stay the course" with what our normal fees are.

The members of the Agency were not favorable to the request at this time.

Institute for Family Health

Dr. Walter Woodley addressed the members of the Agency and provided an overview of the project. The Institute is a federally qualified held group; their Mission is basically to take care of all "comers" irrespective of the ability to pay, race, creed, gender, etc. They have Centers between Kingston and Manhattan. In addition to providing healthcare, a part of their Mission is to train physicians so that there is always another generation of doctors. The Physician's Training Group started in Kingston in 1982. At that time it was Mid-Hudson Family Health; in 2006 the Institute for Urban Family Health merged with Mid-Hudson Family Health and formed The Institute for Family Health (IFH). The New Paltz Center was built in 1996. Three years ago, the option became available to purchase the building. They

have increased their clinical space as leases of the building's various tenants have expired. At this time the Note is due and they are in the process of re-financing.

Council A. Joseph Scott stated that in 2007 the property was owned by a for-profit entity named New Paltz LaSalle. In 2014 they conveyed the property to Family Health New Paltz which is a for-profit entity the sole member of which is the Institute for Family Health a not-for-profit. All documents went from New Paltz LaSalle to Family Health New Paltz. The request before the Agency is to assign those same documents to the Institute for Family Health. This is part of a corporate restructuring as part of their refinancing. The Agency would be assigning the documents to the related entity who are the currently tenants of the building.

RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE ASSIGNMENT AND ASSUMPTION OF THE NEW PALTZ LASALLE MEDICAL OFFICE, L.L.C.

Motion: John Morrow, seconded by Randall Leverette, moved to adopt said resolution

Vote: The motion was adopted. Robert Kinnin absent.

Vincent Cozzolino – Galileo Technology Group

Vincent Cozzolino presented an overview of Galileo Technology Group. Mr. Cozzolino stated for full disclosure that Galileo is also the managing director of the Orange County Industrial Development Agency; they also manage the Accelerator.

The Accelerator, located at Stewart International Airport, is a certified New York State incubator focused on bringing manufacturing back to the mid-Hudson Valley. The Accelerator works to attract manufacturing-based businesses in the areas of fashion design and production, bottling, artisan manufacturing and artisan foods by providing below-market occupancy costs, workforce training, mentoring programs, easy access to experienced professionals and a high-tech plug-and-play environment with SMARTT Pods and a host of other resources.

The Accelerator Without Walls brings the onsite services of the Accelerator to support existing, established manufacturing companies at no cost. All engagements are confidential. This support leverages their team of scientists, engineers and business experts to assist client in areas such as engineering, production support, investment readiness, etc. Orange County funds the Accelerator Without Walls through the IDA. As a result, established manufacturing companies in Orange County receive free on-site support.

Mr. Cozzolino presented a proposal to the members of the Agency. Ulster County has a rising artisan food manufacturing cluster; an Accelerator around food would be most beneficial. Ulster/Greene ARC (ARC) has a building on Cornell Street in the City of Kingston that formerly was used for manufacturing. ARC clients participated in the manufacturing environment. At this time, the building is used for bottle recycling. It has been proposed that that space be used to create artisan food pods to fit the space and to attract food manufacturing start-ups using Cornell, CIA, etc. The companies would be brought in, set-up with all necessary equipment necessary to run and provided with all the support they need through Galileo. The benefit to ARC would be that some of their clients would become interns/assistants. When it came time for the company to move, it was hoped that they would take their employees with them. The whole idea behind this proposal is to start companies up and get jobs created and graduate them out. The proposed venture will cost \$5,000 per month, for a total cost of \$60,000 (12 months). The ARC is willing to be a partner at \$40,000. The request was for the Agency to consider an investment of \$20,000. After the first year, it will

have to be determined how to sustain the project. Additional discussion included the concept of putting a consultant on retainer to help manufacturing companies.

No formal action was taken. Agency Counsel Scott will review the proposal, formalize documentation and investigate the consultancy side. The proposal will be taken under consideration at the December meeting of the Agency.

FINANCIALS

Motion Randall Leverette, seconded by James Malcolm, moved to approve the Financials for the period ending October 31, 2016. A copy of said Financials is on file.

Vote: The motion was adopted. Robert Kinnin absent.

COMMITTEE REPORTS

Audit Committee

Committee Chair Randall Leverette reported that the Audit Committee had met that morning to review/adopt the 2016 second and third quarter financials.

Motion John Morrow, seconded by James Malcolm, moved to accept the Audit Committee Report.

Vote: The motion was adopted. Robert Kinnin absent.

Governance Committee

Committee Chair Morrow reported that the Committee had not met.

OLD BUSINESS

2017 Call for Projects that Deliver Services to New and Expanding Ulster County Businesses

It was agreed by all those present that the Funding Section be eliminated from the documentation. The proposed Deadline for filing the Application will be the last Friday in January. Agency members will review the submitted Applications at their February meeting, with announcements made by the last Friday in February. At this time it was uncertain if the funds would be coming from the UCIDA or the UCCRC.

NEW BUSINESS

2017 Economic Development Conference

Ms. Holt requested approval to attend the NYSEDC 2017 Economic Development Conference, held January 17-19, 2017 at the Marriott Hotel, Wolf Road, Albany, NY.

Motion: John Morrow, seconded by Randall Leverette, moved to approve Suzanne Holt's request to attend the NYSEDC 2017 Economic Development Conference.

Vote: The motion was adopted. Robert Kinnin absent.

PUBLIC COMMENT

Geddy Sveikauskas, Ulster Publishing, requested an update on the review of past projects with reference to PILOT eligibility under the proposed Uniform Tax Exemption Policy. One project would have qualified for a lower PILOT; another, older project, would have qualified for a higher PILOT; all others remained the same.

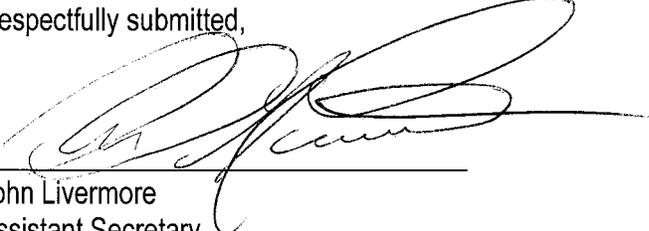
ADJOURNMENT

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

Vote: The motion was adopted.

The meeting was adjourned at 9:40 a.m.

Respectfully submitted,



John Livermore
Assistant Secretary