

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES OCTOBER 5, 2016

A regular monthly meeting of the Ulster County Industrial Development Agency was held on Wednesday, October 5, 2016, in the Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

Roll Call:

The following agency members were present:

| | |
|-------------------|------------------|
| Michael Horodyski | Chair |
| Robert Kinnin | Secretary - late |
| Michael Bernholz | Member |
| Randall Leverette | Treasurer |
| John Morrow | Vice Chair |

The following agency members were absent:

| | |
|----------------|---------------------|
| John Livermore | Assistant Secretary |
| James Malcolm | Assistant Treasurer |

Office of Economic Development Staff:

Linda Clark
Christopher Fury
Suzanne Holt

UCIDA Attorney and Bond Counsel:

A. Joseph Scott Hodgson Russ LLP

Chief Financial Officer:

Christopher Rioux Ulster County Deputy Commissioner of Finance

Additional Attendees:

| | |
|-------------------|-------------------|
| Bill Kemble | Daily Freeman |
| Geddy Sveikauskas | Ulster Publishing |

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 September 14, 2016 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted. Robert Kinnin, John Livermore and James Malcolm absent.

FINANCIALS

Christopher Rioux, CFO, reported that the online banking issues with Catskill Hudson Bank have been resolved; he now has the ability to obtain the bank statements in a timely manner.

Motion Randall Leverette, seconded by Robert Kinnin, moved to approve the Financials for the period ending September 30, 2016. A copy of said Financials is on file.

Vote: The motion was adopted. John Livermore and James Malcolm absent.

2017-2020 BUDGET

Motion Robert Kinnin, seconded by Randall Leverette, moved to approve the 2017-2020 Budget as presented. A copy of said Budget is on file.

Vote: The motion was adopted. John Livermore and James Malcolm absent.

COMMITTEE REPORTS

Audit Committee

Committee Chair Randall Leverette reported that the next meeting of the Audit Committee is scheduled at 7:30 a.m., Wednesday, November 9, 2016.

Governance Committee

Committee Chair John Morrow reported that the Governance Committee had met on Monday, September 19, 2016 to review the following documents; copies of which are on file: Draft Construction Labor Policy; Draft Construction Labor Form; Draft uniform Tax Exemption Policy; Draft uniform Tax Exemption Policy Matrix; Draft uniform Criteria for the Evaluation of Projects Policy.

Discussion included, but was not limited to, the following:

1. Draft Local Construction Labor Policy

- The idea of incentivizing, rather than requiring businesses to employ workers from the local labor market during the construction phase was thought to be a better way to stimulate the county's economy.
- The initial Policy was created previously by the committee, but not formalized. It was determined that the Local Construction Labor Policy would be put in place when next the Uniform Tax Exemption Policy was changed.
- Clawback provisions – if a violation of the Policy occurs, the Agency may in its discretion, take action to revoke Agency's benefits.

2. Draft Local Construction Labor Policy Form

- This form will be used by the project applicant to track the criteria of the Labor Policy; it must be filed with the Agency bi-annually.
- The submission requires a Notarized Affirmation.

3. Draft Uniform Tax Exemption Policy – A general review of the various Categories of PILOTS

- Each category of PILOT equates back to the Uniform Tax Exemption Policy Matrix as far as the number of points earned based upon the application. Once members decide that this is the direction that they wish to take, staff would like the opportunity to revisit the points allocated to each category of PILOT by conducting a review of the last 10 projects to ascertain where they would have fallen. It may be necessary to renumber the points in order to maintain consistency with the past. The points should be reviewed last.
- Category 5 – Dormitories and Senior Housing.
 - ◆ The Agency will make their decision after seeking input from all the taxing jurisdictions to make them more inclusive in the process. There are no points awarded; each project will be judged individually and a decision will be made accordingly.
 - ◆ The possibility of a deviated PILOT was discussed with reference to this category.
 - ◆ The term of the abatement was lowered from 25 years to 15 years. The change in the term of the abatement in Category 5 could be problematic. Traditionally terms of abatement match financing. Consideration should be made to add a clause that states the term of the abatement is 15 years subject to financing issues. Lenders on certain types of projects will not go forward unless there is a "lock-in" PILOT for the term coterminous with the financing.
 - ◆ Without a roadmap, it was felt that the process would become more political and counterproductive to the Agency; a project is viewed as a public benefit to the whole county. It creates the potential for more issues and more negative feedback for making individual or politically driven decisions as opposed to up front having a road map to follow.

- ◆ Every community in Ulster County is not the same. Unlike the other projects, you are bringing jobs and business; with dormitories and senior housing you are bringing tenants. These individuals are going to need services. Home owners who have no children still pay school tax; just because you don't add to those things it doesn't mean that you don't pay for them. Because you are not adding to it or using it you are not absolved from contributing to it. There will be some level of contribution.
- ◆ With deleting the table in Category 5 it puts some responsibility on the part of the Agency with respect to the consideration of a project and consideration of projects thereafter. The whole idea of the Agency being a governmental body is that you are not acting arbitrarily or capriciously. It puts more responsibility on the Agency because you are not going to be able to rely on a table.
- ◆ Suggested changes to Category 5 of the Uniform Tax Exemption Policy
 1. Two Options should be presented for Public Hearing:
 - a. Option 1 should include the language as presented in the proposed draft documents including an amended statement with reference to the term of the abatement statement to read "the term of the abatement will be 15 years or in any event, no longer than the term of the financing arrangement".
 - b. Option 2 should retain section (i), the Table, and section (ii). The Table should be amended to read Dormitory Housing - Annual Amount 450-1,500 and Senior Housing - Annual Amount 450-1,600. Additionally, the language of the term of the abatement should be amended to read the "term of the abatement will be 15 years or in any event no longer than the term of the financing arrangement".

4. Draft Uniform Tax Exemption Policy Matrix.

- The matrix is being recalibrated; copies of the present and proposed are on file.

5. Draft Policy Respecting Uniform Criteria for the Evaluation of Projects

- This document is required by the NYS Authorities Budget Office. The reform legislation requires IDAs to consider criteria when considering a project.

Public Hearing

1. Public hearing requires 30 days' Notice.

2. Copies of the amended documents will be forwarded to the members of the Agency for final review and comment. The period of comment will be one week.

3. Staff should reserve the Legislative Chambers in the Ulster County Office Building for the purpose of the public hearing.
4. All five proposed documents are to be included in the transmittal of the Notice of Public Hearing to the taxing jurisdictions.

Motion John Morrow, seconded by Robert Kinnin, moved to direct staff to schedule a public hearing on the Uniform Tax Exemption Policy subject to the changes of Category 5. A copy of said document is on file.

Vote: The motion was adopted. John Livermore and James Malcolm absent.

OLD BUSINESS

Ms. Holt distributed copies of the proposed draft 2017 Call for Projects that Deliver Services to New and Expanding Ulster County Businesses. The draft will be discussed at the November 9, 2016 meeting of the Agency. Copies of said documents are on file.

NEW BUSINESS

Chair Horodyski reported that he had met with Vincent Cozzilino of the Galileo Group. Mr. Cozzilino along with the Orange County Accelerator and the IDA have repositioned old barracks at Stewart Airport and made them into incubator pods for manufacturers. In addition they assist these businesses with financial/accounting and marketing expertise. Mr. Cozzilino will be invited to the next meeting of the Agency to give a presentation on what they do and see if this is something that the UCIDA would want to participate in.

PUBLIC COMMENT

As no individual requested the Privilege of the Floor, the Chair closed the Public Comment section of the Agenda.

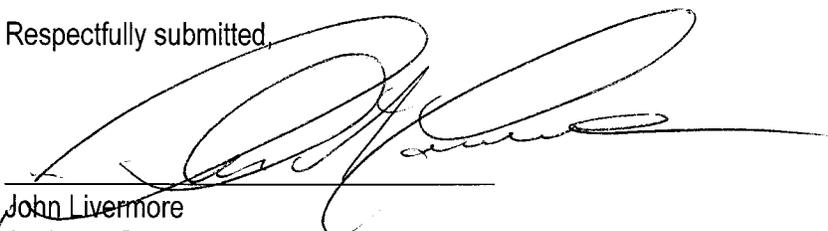
ADJOURNMENT

Motion: Randall Leverette, seconded by Michael Bernholz, moved to adjourn the meeting.

Vote: The motion was adopted.

The meeting was adjourned at 9:25 a.m.

Respectfully submitted,



John Livermore
Assistant Secretary