

UCCRC

Ulster County Capital Resource Corporation

Ulster County Capital Resource Corporation Minutes August 13, 2014

A regular monthly meeting of the Ulster County Capital Resource Corporation was held immediately following the meeting of the Ulster County Industrial Development Agency on Wednesday, August 13, 2014, Legislative Chambers, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following agency members were present:

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| Michael Horodyski | Chair |
| Robert Kinnin | Assistant Chair/Assistant Secretary |
| Floyd Lattin | Member |
| John Livermore | Member |
| John Morrow | Secretary |
| Mary Sheeley | Member |

The following agency members were absent:

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|---------------|-------------------------------------|
| James Malcolm | Assistant Chair/Assistant Secretary |
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

Ulster County Finance Office:

Christopher Rioux

UCIDA Attorney and Bond Counsel:

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| A. Joseph Scott | Hodgson Russ LLP |
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Additional Attendees:

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| Chris Allen | Ulster County Legislator |
| Lynn Archer | Ulster County Legislator |
| Thomas J. Briggs | Chair, Ulster County Legislature Economic Development & Tourism Committee |
| Manna Jo Greene | Ulster County Legislator |
| Bill Kimble | Daily Freeman |
| James Maloney | Ulster County Legislator/Assessor Town of Ulster |
| James Nani | Times Herald Record |
| Geddy Sveikauskas | Ulster Publishing |

Chair Horodyski called the meeting to order at 9:15 a.m.

READING OF THE UCCRC MISSION STATEMENT

P.O. Box 4265, Kingston, NY 12402-4265

Chair Horodyski read the Mission Statement of the Corporation.

The mission of the Ulster County Capital Resource Corporation (UCCRC) is to promote community and economic development in Ulster County in ways that complement the work of Ulster County, primarily through issuing and selling bonds for non-profit institutions.

MINUTES

Motion Robert Kinnin, seconded by Michael Horodyski, moved to approve the Minutes of the July 9, 2014 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

Financials for the period ending June 30, 2014 and July 31, 2014 were presented to the members of the Corporation. A copy of said financials is on file.

Motion: Floyd Lattin, seconded by John Morrow, moved to accept the financials as presented.

Vote: The motion was adopted.

ELECTION OF TREASURER

Motion: John Morrow, seconded by Robert Kinnin, moved to appoint Floyd Lattin Treasurer of the Ulster County Capital Resource Corporation.

Vote: The motion as adopted.

COMMITTEE APPOINTMENTS

The following appointments to the Audit Committee were made by Chair Horodyski:

Floyd Lattin, Chair
John Livermore
Mary Sheeley

The following appointments to the Governance Committee were made by Chair Horodyski:

John Morrow, Chair
Robert Kinnin
James Malcolm

The following appointments to the Finance Committee were made by Chair Horodyski:

Michael Horodyski, Chair
Robert Kinnin
Floyd Lattin
John Livermore
James Malcolm

John Morrow
Mary Sheeley

PROJECTS

Health Alliance Senior Living Corp. d/b/a Woodland Pond at New Paltz

Chair Horodyski reported that the Woodland Pond Public Hearing scheduled 7:00 p.m., August 5, 2014 was attended by about 30 residents of Woodland Pond. Comments were overwhelmingly positive. The only negative from the public hearing was the accessibility by handicapped individuals.

Counsel A. Joseph Scott presented a Project Synopsis. A copy of said synopsis is on file. The bond issuer is the Ulster County Capital Resource Corporation. The Corporation is a not for profit entity established to do not for profit financings. We are refunding two of the original series of bonds that were issued in 2007. The project is described within that paragraph. Item 2 at the top, the corporation needs to approve the SEQR resolution with respect to the project. This is a refinancing, so by definition, it is a type 2 project, which by definition, does not have an environmental impact on the environment. A public hearing has been held with respect to the project, which is outlined under item 5. The business terms, we will enter into a Loan Agreement with respect to the project. There is an issuer fee with respect to this project that is outlined under III and item 6. The project will be exempt from mortgage recording tax in connection with the recording of the mortgage securing the bonds. There is no new construction money in connection with this project, so there is no sales tax, no PILOT involved and because they are a not for profit they are already exempt from those taxes. The amount of the bond issue is being finalized. The original estimate is \$14,065,000 with an outside amount of \$17,500,000. This appears in all the documents including the public hearing. The bonds will be purchased by Ziegler and then re-sold. The bonds will be re-marketed. The goal is for them to be fixed rate and with payments semi-annually. The redemption and maturity dates will be essentially carried forward from the prior transaction. The bond documents are described in item 9. There are a Trust Indenture, a Loan Agreement, a Pledge and Assignment, a Mortgage, a Guaranty from the Company to the Trustee. As part of this transaction we will be defeasing the 2007 bonds that are being redeemed. Those bonds were issued by the UCIDA in 2007, when the UCIDA had the authority to do projects of this type. The expected time frame for this transaction is early to mid-September.

Mr. Floyd Lattin asked if this was a re-issuance or a re-funding.

Counsel Scott replied that the tax term for re-issuance is you have made amendments to an exiting set of papers and the amendments are significant enough that it creates a new bond for tax purposes. This is technically a re-funding because there are new bonds ...

Mr. Lattin stated you are defeasing the old bonds with the same maturity and presumably you are getting a better interest rate and that is the point. They have the same priority.

Counsel Scott replied exactly

Mr. Lattin stated and nobody has to consent to

Counsel Scott responded that the bond holders are consenting to some of these amendments because some of the amendments include some covenant changes. But yes, the bondholders are consenting. We have their cooperation. Ms. Gramoglia made a very interesting presentation at the last meeting of the UCCRC where she spoke about the history of this and Counsel stated that he has had some similar experience with CCRCs in other parts of the state

where there were other economic issues, financial issues due to 2008, due to the economy, due to people being able to sell their homes and move in. All of this is consistent with improving their cash flow.

Mr. Lattin stated that this is really do to with reducing their operating costs.

Counsel Scott agreed.

RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF HEALTH ALLIANCE SENIOR LIVING CORP. D/B/A WOODLAND POND AT NEW PALTZ IS A "TYPE II ACTION" AND THAT NO FURTHER ACTION IS REQUIRED UNDER SEQRA WITH RESPECT THERETO

Motion: John Morrow, seconded by Mary Sheeley, moved to approve said resolution as presented.

Vote: The motion was adopted as presented.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY ULSTER COUNTY CAPITAL RESOURCE CORPORATION OF ITS TAXABLE/TAX-EXEMPT REVENUE REFUNDING BONDS (HEALTH ALLIANCE SENIOR LIVING CORP. – WOODLAND POND AT NEW PALTZ PROJECT), SERIES 2014A AND SERIES 2014B IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$17,500,000 AND THE EXECUTION OF RELATED DOCUMENTS

Motion: John Morrow, seconded by Floyd Lattin, moved to approve said resolution as presented.

Vote: The motion was adopted as presented.

OLD BUSINESS

None.

NEW BUSINESS

None.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment. There were no individuals who requested the Privilege of the Floor. The public comment section of the Agenda was closed.

ADJOURNMENT

Motion: Mary Sheeley, seconded by Robert Kinnin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:34 a.m.

Respectfully submitted,

John Morrow, Secretary