

UCIDA

Ulster County Industrial Development Agency

Ulster County Industrial Development Agency Minutes September 10, 2014

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, September 10, 2014, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following agency members were present:

Michael Horodyski	Chair
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary
Mary Sheeley	Member

The following agency members were absent:

Robert Kinnin	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:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Lynn Archer	Ulster County Legislator
Bill Kimble	Daily Freeman
Geddy Sveikauskas	Ulster Publishing

Chair Horodyski called the meeting to order at 8:02 a.m.

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

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

other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Livermore, seconded by Mary Sheeley, moved to approve the Minutes of the August 13, 2014, meeting as amended. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

Christopher Rioux presented the financials for the period ending August 31, 2014. A copy of said financials is on file

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

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee. The next meeting of the Audit Committee will take place at 7:30 a.m., Wednesday, October 8, 2014.

Finance Committee. The Finance Committee will meet immediately following this meeting, Wednesday, September 10, 2014.

Governance Committee. The next meeting of the Governance Committee is scheduled for 4:00 p.m., Friday, October 3, 2014.

Ready2Go. No report was offered.

PROJECTS

Darienlake-Kingston

Chair Horodyski reported on the Darienlake-Kingston Public Hearing held 7:00 p.m., Thursday, September 4, 2014. There was zero public comment. A copy of the Transcript of Public Hearing is on file. At this time there is nothing more that can be done as the applicant is still working through the SEQR process. The project may potentially be on the December meeting Agenda for further consideration.

ARHC BCKNGNY01 – LaSalle Benedictine

Counsel A. Joseph Scott reported that the project closed two weeks ago. The Agency's administrative fee has been collected and has been mailed.

LaSalle New Paltz

Counsel Scott reported that LaSalle New Paltz would be closing this week.

14 Pine Street – Blue Haven Hosiery

Counsel Scott reported that the project owners were still negotiating/completing their insurance discussions. Documents have been out for at least four months. We continue to wait.

Ulster Commons

Counsel Scott reported that the project owners were continuing to deal with the noise issues. He indicated that he would “push them hard” and suggest that the project applicant attend the next meeting to make a report.

Feasibility Study – Town of New Paltz

Ms. Suzanne Holt reported that Ulster County has a Shovel Ready Program. Only municipalities may apply for benefits under this program. There are two components; (1) a Feasibility Study which is paid for by the Agency and (2) the county which covers implementation of infrastructure programs. There has been no action on Shovel Ready and she and Dennis Doyle, Director of Planning, have been reviewing the program in an effort to update and revitalize it and do a call for projects. The 2012 application of the Town of New Paltz Feasibility Study in the amount of \$4,500 remains outstanding. In reviewing the budget proposal for next year, there is \$30,000 in that line, \$4,500 is earmarked for the Town of New Paltz.

Mr. James Malcolm suggested that this matter be sent to Governance to consider implementing a time line.

Chair Horodyski stated that when you read the Grant Agreement there is no teeth to it necessarily. The key here is we have to get to New Paltz and find out what they are doing. Right now the \$4,500 has been earmarked and nothing has happened.

Chair Horodyski proposed that Counsel Scott send a letter. Within the Grant Agreement we do have the option to ask for progress, where are you and where do you expect to be. He did not think that anyone expected that there would be no progress after two years.

Counsel Scott stated that what he thought the Chairman was eluding to was that the Grant Agreement needs to be updated. When applicant's come to the Agency, there is the expectation that the project is ready to go, so a time limited could be implemented.

Mr. John Morrow replied that he thought that Governance should look into this and put some “teeth into it”.

Chair Horodyski stated that as it stands, the Agency will have to live with the signed 2012 Agreement. Per the Agreement, the Agency has the right to ask for (a) progress report regarding the Project, (b) an itemized list indicating how the Grant is being spent; and (c) such other information as the Agency may request. Basically, the other information that will be requested is a timeline.

NEW BUSINESS

Ms. Suzanne Holt reported in the past month she has met with two businesses, one located in Dutchess County and the other in Westchester. Both businesses are looking to expand. The Dutchess company is definitely coming to Ulster. They have a site in the Town of Lloyd picked out. She expected them to be coming to the Agency shortly. The other is a Westchester based manufacturer with 100 jobs. She did not know the name of the manufacturer. They are looking to expand north and are looking at six to eight counties. There are two sites of interest in Ulster County; one

the City of Kingston Business Park. If that should go through there most likely will not be a PILOT because there is a 99 year lease. They are also looking at the Ready2Go site in Saugerties. If they choose that site, it is likely that they may come to the Agency for a PILOT.

Mr. John Livermore asked where the Ready2Go site is in Saugerties.

Ms. Holt responded 993 Kings Highway in Saugerties.

Mr. Livermore stated that one of the things that Kings Highway does not have is natural gas. There is a high pressure line, but there are no businesses that are tapped into natural gas. He finds it very hard to say that they are shovel ready. It was his opinion that if we are going to really consider that corridor as shovel ready, than there is a need to get together with Central Hudson to see what can be done to get natural gas down that road.

ADDITIONAL QUESTIONS

Mr. Floyd Lattin asked if all the forms were essentially the same in terms of what applicants fill out; is it all based upon job creation.

Ms. Holt referred Mr. Lattin to the Pilot Points calculator, there is a job creation piece, the employment piece, whether you are you paying prevailing wage and if you are hiring locally and the construction piece, for instance if they were to be LEEDS certified, brownfields, etc. There are a number of categories of criteria.

Mr. Lattin stated that in a hospitality type of project, like the Holiday Inn Express, the information that they provided about the economics is 2012 which he felt was a little old. Their location is not too distant from another hospitality business that enjoys a PILOT. There is a whole notion of at what point do you begin to scavenge or cannibalize somebody else's economics by approving something for some other project. Is that something that is ever talked about in the application? Is it discussed by the Agency when reviewing the application?

Chair Horodyski responded that he would say that the cannibalization is probably handled more at the project level than it would be here from an incentive level. You are putting capital at risk.

Mr. Lattin responded that banks put capital at risk all the time and loose it.

Mr. Malcolm stated that the Agency is a public entity. It has been his experience that you are "rolling the dice" when you come here. You are "rolling the dice" when you look for a PILOT program to start a business. There are factors involved. If you don't create the jobs, if your business does not perform than

Mr. Lattin stated then it gets revoked.

Mr. Malcolm continued that if the Agency started to say no we have two hospialities within three miles of each of other, you are closed out; he did not believe that it would serve the public benefit. He thought that was the way the Agency had to look at it.

Mr. Morrow thought that business modeling is not a function of the UCIDA.

Mr. Malcolm agreed.

Mr. Lattin stated so really what you are saying is it is formulaic.

Mr. Malcolm agreed. If somebody is willing to rent their rooms for \$67/night, while Holiday Inn rents theirs for \$89/night that falls upon them.

Chair Horodyski stated that make no mistake, the formula is driven from the standpoint of at least consistency.

Mr. Lattin responded that he got the consistency, but there isn't a whole lot of judgment that gets exercised outside of the formula.

Mr. Morrow replied that he did not think that was the Agency's function.

WOODLAND POND

Counsel Scott stated that this was a quasi-UCIDA project. At the last meeting of the UCIDA/UCCRC, the Agency took action on the Woodland Pond Project. That project is scheduled to close this week. It is appropriate to bring it up at the UCIDA meeting because it was originally an UCIDA project and there still are some UCIDA bonds outstanding. We are amending certain of those documents and the refunding is taking place under the UCCRC.

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: James Malcolm, seconded by Mary Sheeley, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 8:20 a.m.

Respectfully submitted,

John Morrow
Secretary