

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES SEPTEMBER 13, 2017

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, September 13, 2017, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

Roll Call:

The following agency members were present:

John R. Morrow	Chair
Randall Leverette	Vice-Chair
James Malcolm	Member
Michael Bernholz	Treasurer

The following agency members were absent (with notice):

Robert Kinnin	Secretary
John Livermore	Assistant Treasurer

Office of Economic Development Staff:

Suzanne Holt
Evelyn Heinbach
Bernadette Andreassen

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Chief Financial Officer:

Christopher J. Rioux

Additional Attendees:

Nan Potter	Real Estate Broker
Charles Blaichman	Hudson Valley Kingston Development LLC
Geddy Sveikauskas	Ulster Publishing
William Kemble	The Daily Freeman

The meeting was called to order at 8:00 a.m.

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

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.

INTRODUCTIONS

Introductions were exchanged among the public attendees, the Board members and staff who were present.

PUBLIC COMMENT ON AGENDA ITEMS ONLY

No individuals requested the privilege of the floor. Public Comment on the "agenda items only" section of the agenda was closed.

MINUTES

Motion: James Malcolm, seconded by Randall Leverette, moved to approve the Minutes of the August 9, 2017 meeting. A copy of said Minutes is on file.

Discussion: Chair Morrow offered a comment regarding the position of "Assistant Secretary". He wished a clarification of the minutes of August 9, 2017. He stated that the office of Assistant Secretary should specify "all members are an Assistant Secretary, excluding the Chair, Vice-Chair and Secretary". The Governance Committee is scheduled to meet today following the UCIDA meeting; therefore Ms. Holt suggested reviewing this modification with Governance to make the adjustment. The discussion resulted in no change to the motion.

Vote: The motion was adopted.

FINANCIALS

Chief Financial Officer, Christopher J. Rioux, presented the Financials ending August 31, 2017. A copy of said financials is on file.

Motion: James Malcolm, seconded by Randall Leverette, moved to accept the financials for the period ending July 31, 2017.

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee

John Morrow stated that the Audit Committee will be meeting today. Currently, there is nothing new to report.

Governance Committee

James Malcolm, Chair of the Governance Committee, stated there was nothing to report at the present time; however the committee is meeting later this morning.

PROJECTS

311 Partners LLC and BBG Ventures LLC

Suzanne Holt reported that the Public Hearing for 311 Partners LLC and BBG Ventures LLC will be held on Tuesday, September 19, 2017 at 7:00 PM at the Kingston City Hall. Chair Morrow added that he will be in attendance and Randall Leverette will be chairing that hearing.

HUDSON VALLEY KINGSTON DEVELOPMENT LLC

Nan Potter, Potter Realty, was first to present the project to the Board. Her presentation included, but was not limited to the following:

- The project is composed of four main street properties which will be restored, preserved and re-used as key assets in bringing more people into the City and County for a longer stay than a simple drive through the area.
- The IDA will engage in a cost-benefit analysis of the proposed project. It will measure not only the cost of the project but the benefits it will bring, tangible and intangible, as well as the long-term effects of the project. It is hopeful that this project will further be a stimulus for continued diverse uses of properties and increase property values throughout the county.
- The first building is the State of New York Building (recently the Tonner Doll Co. building, formerly the Bank of New York) located at 301 Wall Street. It was built in 1867 and contains 10,000 sq. ft. Once completed, it will have hotel rooms upstairs with a main lobby and restaurant downstairs.
- The second building is located at 41 Pearl Street which was built in 1820. Ms. Potter gave a brief history of the building stating that it has never been unoccupied except when it went into foreclosure 200 years ago! It has always been privately owned and recently contained law offices. The building will be converted into 13 boutique hotel rooms while preserving the historical value. Each room contains an existing fireplace. (It was subsequently explained that these fireplaces will be converted to gas due to safety and liability insurance reasons.)

- The third building is located at 270 Fair Street, built in 1870. Part of this building was burned before it was rebuilt in 1870, so it is actually older. No Planning Board approval is currently in place for this site; however the intention is to have 12 rooms with a commercial area in the front and handicap-accessible rooms in the rear.
- The fourth building is historically designated (Built in 1700) and is located at 24 John Street. There is an existing barn behind the building which will remain and will be retrofitted. It will be the last building to be completed, presently being occupied until October of next year. It contains 4,000 sq. ft. plus the barn. The intent is to create 8 rooms.
- Ms. Potter stated that all employment during pre-construction to remediate and remove debris thus far has been done through local contractors from the Hudson Valley, including the architect. It is estimated that approximately 20 jobs will be created in the first year. She explained that this number is low because it is planned to have two hotels up and running first. When the remaining hotels are finished, Ms. Potter anticipates this figure to increase to approximately 40.
- The tourism figure of 25,000 was based on a pillow count (double occupancy) and also based on people coming to the restaurant and shopping.
- Full-time valet parking for the project will be provided at two locations in the City: Citizen's Bank, on Wall Street and the "old SAFECO lot" on Broadway.

Ms. Potter then introduced Charles Blauchman, Hudson Valley Kingston Development LLC (the applicant) to provide additional detail and to answer questions of the Board members concerning the project. The discussion included but was not limited to the following: (A copy of the application is on file.)

- Mr. Blauchman stated that he purchased a house in Woodstock over 20 years ago and has been coming to Kingston for at least 40 years. He appreciates the historic part of Kingston and also recognizes a need for places in which people may stay.
- James Malcolm expressed a concern regarding the historical preservation of the buildings. Mr. Blauchman reassured Mr. Malcolm that he is working with contractors toward that same end.
- Randall Leverette inquired about handicap accessibility for the buildings. Mr. Blauchman explained that he will utilize the existing elevators and handicap ramps on three of the properties; however because of the historic preservation of the remaining building, it would be difficult to provide; however he believes there will be sufficient handicap-accessibility accommodations among the three other buildings to address that issue.
- Due to the level of service and first-class quality Mr. Blauchman wishes to achieve for this project, his company is asking the UCIDA for real estate tax relief and some sales tax relief. The remaining funding will be accomplished through conventional bank funding and through equity. Mr. Blauchman explained that he is currently working with Runout Savings Bank who is partnering with another local bank for a construction loan.

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 HUDSON VALLEY KINGSTON DEVELOPMENT LLC.

Motion: James Malcolm, seconded by Michael Bernholz, moved to approve the Resolution.
(A copy of said Resolution is on file.)

Vote: The motion was adopted.

OLD BUSINESS

Attorney Scott informed the Board that he is waiting on paperwork from Star Vodka and will follow up with them in order to close on this project.

Regarding Doug Posey and The Greenhouse Project, Mr. Scott advised the Board that he has proposed documents with him today for signature by the Chairman in anticipation of a closing occurring this month.

Suzanne Holt reported that she recently visited The Greenhouse and was very impressed with the project. Ms. Holt was advised that 30 weddings have been booked for 2018, as required by the bank in order to obtain financing.

Attorney Scott reported that paperwork is being finalized and a checklist for closing has been forwarded to the parties relative to the Saugerties Hotel Project with the expectation of a closing within the next six weeks and the Stout project should follow.

NEW BUSINESS

Chair John Morrow stated that he has been advised by both John Livermore and Robb Kinnin that at the present time they are engaged in other commitments which may prevent them from attending several future meetings. Mr. Morrow continued by stating that Mr. Livermore and Mr. Kinnin expressed a desire to participate in the meetings but could not physically attend. With that, he invited Attorney Joseph Scott to comment on what options would be available in that regard.

Mr. Scott explained that due to the UCIDA being a governmental body, it is subject to the Open Meetings Law which generally means the members of the organization must be physically present at the meetings in order to attend and participate; however a recent change in the law has made the following two options available:

a) Audio/video conferencing: This option would require two devices; one to be used at the meeting showing the remote attendee and another device used by the remote attendee at his location thereby enabling him to view the members. In addition, this option requires 3-days' prior public notice of the meeting in the newspaper of the remote attendee's location so that anyone in that jurisdiction may attend the meeting if so desired;

b) Conference call: This option has some legal limitations. Attending via a conference call meeting would not constitute attendance as officially required under the Open Meetings Law; therefore they could not be counted toward a quorum, could not move or second motions; and could not vote. This alternative would solely be used to allow the absent member to participate in discussions and to offer opinions.

After further discussion, Chair Morrow indicated that the conference call option would be the most appropriate method to use at this point.

Motion: James Malcolm, seconded by John Morrow, moved to concur with the recommendation of Chair John Morrow to utilize a conference call.

Vote: The motion was adopted.

ECONOMIC DEVELOPMENT UPDATE

None.

PUBLIC COMMENT

Geddy Sveikauskas, Ulster Publishing, commented favorably with regard to Mr. Blachman's proposed project; however he expressed a concern with the parking issue which he believes to be awkward. Mr. Sveikauskas would like to see the City develop a more rational parking analysis and long-term plan and asked the IDA to encourage the City to begin a study concerning that issue.

RFP

Chief Financial Officer, Christopher J. Rioux, stated that the audit contract expired through the end of the 2016 fiscal year, and in order for the 2017 audit to happen in early 2018, it needs to go out for RFP early this fall.

Motion: Randall Leverette, seconded by James Malcolm, moved to give authorization to the Chief Financial Officer, Christopher J. Rioux, and the Economic Development staff to begin the RFP.

Vote: The motion was adopted.

ADJOURNMENT

Motion: James Malcolm, seconded by Randall Leverette, moved to adjourn the meeting.

Vote: The motion was adopted.

The meeting was adjourned at 9:03 A.M.

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Respectfully submitted,

, Assistant Secretary