

DATED: MARCH 26, 2022

**OFFICERS**

CHAIR  
James Malcolm

VICE CHAIR  
& TREASURER  
Dr. Diane Eynon

SECRETARY  
Michael J. Ham

ASSISTANT TREASURER  
Faye Storms

ASSISTANT SECRETARY  
Orlando Reece

ASSISTANT SECRETARY  
Daniel Savona

CHIEF EXECUTIVE OFFICER  
Rose Woodworth

CHIEF FINANCIAL OFFICER  
Richard O. Jones

**BOARD MEMBERS**

Dr. Diane Eynon  
Michael J. Ham  
Richard O. Jones  
James Malcolm  
Orlando Reece  
Daniel Savona  
Faye Storms

**GOVERNANCE COMMITTEE**

March 31, 2022 – 2:00 P.M.

via Zoom - <https://us02web.zoom.us/j/81641119687> Meeting ID: 816 4111 9687  
One tap mobile - +16465588656, 81641119687# US (New York)

**MEETING AGENDA**

1. Call to order
2. Pledge of Allegiance
3. Roll call **(page 2)**
4. Approval of minutes of the January 12, 2022 meeting **(page 3)**
5. Public comment on agenda items only
6. Executive Session *(expected to be 15 minutes)*
7. Old business
  - a. Mentoring Program update
  - b. Policies to be amended
    - i. Labor Policy
    - ii. Housing Policy **(page 10)**
    - iii. UTEP and Matrix **(page 13)**
8. New business
  - a. Review of Administrative Staff Contract
9. Adjournment

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.

# Item 2.

## Roll Call

	<u>Present</u>	<u>Absent</u>
Michael J. Ham, Committee Chairman	_____	_____
Diane Eynon	_____	_____
Richard O. Jones	_____	_____

DRAFT

# UCIDA

---

Ulster County Industrial Development Agency

---

## ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY GOVERNANCE COMMITTEE MINUTES January 12, 2022

---

A meeting of the Governance Committee of the Ulster County Industrial Development Agency was held on Wednesday, January 12, 2022, at 10:00 A.M. via Zoom.

**Roll Call:**

The following committee members were present:

Michael J. Ham	Committee Chairman
Richard O. Jones	
Diane Eynon	

The following committee members were absent with notice:

The following additional Agency members were present:

James Malcolm	Arrived at 11:46 A.M.
---------------	-----------------------

Additional Attendees:

Rose Woodworth	Chief Executive Officer
A. Joseph Scott	Agency Counsel

The meeting was called to order at 10:14 A.M. by Committee Chairman Michael J. Ham.

**PLEDGE OF ALLEGIANCE**

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

**ROLL CALL**

The roll was read, and it was noted that a quorum was present.

### **APPROVAL OF MINUTES**

The members of the Committee reviewed the draft minutes from the September 1, 2021 meeting.

**Motion:** Diane Eynon, seconded by Richard O. Jones, moved to approve the minutes of the September 1, 2021 Governance Committee meeting.

**Vote:** The motion was unanimously adopted (3-0).

### **PUBLIC COMMENT ON AGENDA ITEMS ONLY**

Ulster County Legislator Phil Erner asked where to find the agenda. CEO Rose Woodworth replied that there were problems with GoDaddy that caused the delay with website posting. The issue was corrected, but it takes twenty-four hours to upload. She said she would be happy to email anyone in need of a copy.

### **EXECUTIVE SESSION**

**Motion:** A motion was made and seconded to enter into Executive Session for the advice of counsel on certain legal matters related to policies and the operations of the committee.

**Vote:** The motion was unanimously adopted (3-0).

The Board entered into Executive Session at 10:20 A.M.

**Motion:** Diane Eynon, seconded by Richard O. Jones, made a motion to come out of Executive Session.

**Vote:** The motion was unanimously adopted (3-0).

The Board came out of Executive Session at 11:02 A.M.

### **OLD BUSINESS**

#### **Mentoring Program Update**

The Committee spoke about the pamphlet for Economic Development and anyone interested. There is also an applicant checklist for whether or not a project is right for the IDA. The Agency is considering moving forward with the pamphlet or waiting until it moves to a larger marketing and communications platform. Dr. Diane Eynon said the pamphlet has a similar marketing and

advertising feel, but she would like to have something more interactive so she would prefer to wait. CEO Rose Woodworth added that all the information was already typed and was just cut and pasted so there was not much time needed to make the pamphlet. Dr. Diane Eynon agreed by saying it would be a good tool to use while the Agency works on the communications strategy. The CEO said she can print it in black and white or send it as an e-mail to clients in the interim while working on other methods of communication. The Committee Chair Michael J. Ham said it is a good format to use when meeting in the pre-screen groups with potential applicants because the Agency covers 95% of the information in the pamphlet. He agreed with the idea of using the pamphlet until the Agency gets the marketing company's input on the presentation. The CEO said she may print some at Staples to have on-hand. Richard O. Jones agreed to what the CEO thinks is best in the interim.

### **NEW BUSINESS**

#### **POLICIES TO BE CREATED**

##### **UCIDA Fees Shared with UCCRC**

The Committee spoke about ways for the IDA to share its fees with the CRC. The IDA cannot directly give donations or grants unless explicitly and specifically allowed by state law (like the PPE grants that were approved in an extreme circumstance). As the Committee requested at the last meeting, the CEO confirmed with the ABO that there were no issues with a fee share between the IDA and CRC. The Agency's Counsel was also in attendance during this meeting to share input on this matter. The CEO and Richard O. Jones had brainstormed potential pros and cons and what to do with the money if it was able to be shared rather than using it to deal with the administration of the IDA. After reading the e-mail from the ABO, Richard O. Jones said it looks like it is up to the IDA within the constraints of the existing law which says to operate as they would. Agency Counsel suggested creating a resolution to make clear why the Agency is doing this and to have a contract between them indicating the Agency wants the CRC to do economic development work in connection with the splitting of the fees and to report back on a periodic basis as to how they are doing. He said there are provisions and opinions of the comptroller and the ABO: The downside is not criminal or civil penalties, but there may be an audit comment and criticism which can be publicized in the local newspaper. However, there is a basis for moving forward. Richard O. Jones brought up that the Agency's Counsel figured out how to create a CRC when the tax laws changed, and the IDA could not figure out how to do bonding. He said the Governance Committee should report out that they had their attorney create a mechanism for doing this within the constraints of the law. He said it makes no sense to have the money just sitting around. The Committee Chair agreed and said the Agency's Counsel will be creating a resolution. The Board spoke about doing something to benefit the community with the money. Dr. Diane Eynon agreed and said the Committee needs criteria and parameters on the areas for support and also following up with the distribution similar to the grants from People's Place in order to be clear and to maximize the use of resources in the community. Richard O. Jones brought up some of the suggestions in the e-mail regarding potential areas of support including housing and education. Diane Eynon said the Committee

should be clear on why those particular areas. The CEO wanted to clarify expectations on timing. She said it may not be possible to have the resolution draft done for next week's Board meeting because the Board documents have to go out today, but the Agency's CEO and Counsel will work on it. Agency Counsel added that, in the 80s and 90s, when the IDA was administered by a non-profit organization (UCDC), there was a splitting of fees.

### **POLICIES TO BE AMENDED**

#### **Procurement Policy (NDA, RFP)**

The Committee spoke about how they would like to amend existing NDAs and rules regarding RFPs for professional services. There is currently no formal NDA form on file as the Agency procures services. The Agency did use an NDA with one of the vendors, and it was human specific. The Agency's Chair wanted to make sure the NDA goes across the entire vendor. The CEO wanted to check with Counsel to see if any changes need to be made to the NDA and then make it part of the procurement policy just like the Code of Ethics already is. Section Seven of the policy which is Review of Contracts for Professional Services. The Committee had previously added valued over \$5,000 per year shall at minimum be reviewed annually and have a formal request for proposal advertised every three years. Page one of the policy says for \$5,000 and above, that the Agency would get three written quotations or requests for proposal and has to have an RFP. The CEO said it is not very practical for a smaller amount than \$5,000 as the cost of doing an RFP is \$2,000 or \$3,000, and it is very time-consuming. She would like the Committee to consider moving the amount to \$10,000 and above. Richard O. Jones and the Committee Chair agreed to move the amount to \$10,000. Dr. Diane Eynon asked why the Agency asks for verbal quotes instead of written. The CEO clarified that is only for things between \$500 and \$3,000 and can just be notated. Anything above \$5,000 should be documented. Michael J. Ham said the wording was gone over for section 6 Breach of Contract. The Committee agreed to change section 7 to \$10,000 and up. Richard O. Jones asked what the policy is on signing checks. The CEO clarified that only one person needs to sign. However, anything over \$2,500, must be approved by the board. She said it is important to make sure that the bills are signed off as banks don't always check. As part of the internal controls, all bills are approved by the Agency Chair and CEO. For example, Diane Eynon asked to go to the EDC Conference and the CEO had to get James Malcolm's approval to pay for it. The entire General Ledger is on the website so everyone can see.

**Motion:** Richard O. Jones, seconded by Diane Eynon, made a motion to submit the revised procurement policy to be presented to the Board.

**Vote:** The motion was unanimously adopted (3-0).

#### **Compensation Policy (site visits)**

The Audit Committee spoke about changing the time and attendance policy to include site visits, and then voted to move the matter to the Governance Committee. The ABO did not have a minimum attendance for meetings, but they require a policy. There is a currently an Agency

policy, and the Agency had edited the Compensation Policy to include the time and attendance section as a previous adjustment. The Audit Committee had asked to amend it again due to the importance of attending the annual site visits. The Committee Chair suggested the Board members perform some of the annual site visits due to the heavy schedule of the CEO. Dr. Diane Eynon said it is important to have the CEO at the site visits to put people at ease because she has the primary relationship with the projects. She said it is also beneficial to have two people at the site visits for different views and perspectives. The Committee Chair said he did not disagree with Dr. Eynon's assessment. The CEO spoke about how the meetings had been taking longer to schedule this year due to people being unresponsive and starting them one week later than usual. Dr. Diane Eynon wanted to change the attendance policy to have each Board member be responsible for participating in at least two site visits. Agency Counsel suggested changing the name of the policy to include the word "attendance" as to help identify the policy.

**Motion:** Richard O. Jones, seconded by Diane Eynon, made a motion to accept the changes to the compensation and attendance policy.

**Vote:** The motion was unanimously adopted (3-0).

### **Labor Policy**

The Committee spoke about the changes in the UTEP. The Committee removed three points for the local labor at 75%. Applicants receiving UCIDA benefits that utilize at least 75% of local labor of their approved projects will receive one point on the UCID UTEP Matrix. Paragraph 5 of the Local Construction Labor Policy also has to be changed to one point. The Committee added anyone using prevailing wage on any project will receive two or three points which is laid out in the UTEP depending on percentage. In the Matrix, 50% of the construction workforce paid prevailing wage is two points, and 75% is three points. Richard O. Jones clarified that this has already been approved as part of the UTEP. The Committee wanted to check with Loewke Brill to see if the Agency checks for OSHA cards for all employees working on the site because safety is an important concern. The CEO confirmed through e-mail that they are checking however they have only done one so far. They did not have one for RBW because they did not have the Local Labor Policy but they are willing to check anyway. The CEO had just sent over the information to Loewke Brill on the projects that closed at the end of the year so they can start checking with each project going forward and reporting back to the Agency on a regular basis. It is important to check that the OSHA card is dated within the last five years. The Committee Chair was thinking about a community investment and that education and training would fall underneath three points for any contractor or subcontractor providing work on a project that is incentivized by the IDA to have to be enrolled in an active and approved NYS apprenticeship program. This could be optional and a way of earning points on the community investment. However, the new public works bill on certain projects is going to require it. Richard O. Jones asked if this is consistent because most of the community investment category involves the purchasing of materials and services from locals. Michael J. Ham said it's a good idea to look at apprenticeship programs because of the skyrocketing college numbers many people are not

going on to further their education and are going into trades. He also said he requires his workers to pass a drug screen. He said for safety reasons, there should be some kind of drug screen in effect for all people working on incentivized projects for the IDA. Dr. Diane Eynon confirmed that it is up to the company's policy whether they choose to do drug screens or not. Richard O. Jones said it is a good idea but may be overstepping boundaries. Dr. Diane Eynon asked if it opens the liability. Michael J. Ham said the liability would fall on the contractor at the end. Diane Eynon and Richard O. Jones asked about how to track this and the level of checking and rechecking. Michael J. Ham said that the Agency is a partner in these projects so the board should have a say in this. Agency Counsel said he will speak to a litigation lawyer to get more information about this and report back. The numbers in the UTEP and the language will be changed for now. The amended parts of the policy or anything to be added can be done at a later date.

**Agency Chair James Malcolm arrived at the meeting at 11:46 A.M. during the discussion on the Local Labor Policy.**

**Motion:** Richard O. Jones, seconded by Diane Eynon, made a motion to report out to the full board recommending changes to the verbiage or the Local Labor Policy to make it consistent with the existing UTEP.

**Vote:** The motion was unanimously adopted (3-0).

**Motion:** Richard O. Jones, seconded by Diane Eynon, made a motion to table the remaining agenda items until the next meeting.

**Vote:** The motion was unanimously adopted (3-0).

#### **Housing Policy**

Tabled until next meeting.

#### **UTEP and Matrix**

Tabled until next meeting.

#### **NEW BUSINESS**

#### **Review of Administrative Staff Contract**

Tabled until next meeting.

**ADJOURNMENT**

**Motion:** Richard O. Jones, seconded by Diane Eynon, moved to adjourn the meeting.

**Vote:** The motion was unanimously adopted (3-0).

The meeting was adjourned at 11:50 A.M.

Respectfully submitted,

Michael J. Ham, Committee Chair

DRAFT

---

## HOUSING PROJECTS POLICY

---

### SECTION 1. PURPOSE AND AUTHORITY.

The purpose of this Part is to describe the policy of the Ulster County Industrial Development Agency (the “Agency”) with respect to providing “financial assistance” (as defined under the Act) to housing projects. Pursuant to Section 923 of the General Municipal Law and Title One of Article 18-A of the General Municipal Law (collectively, the “Act”), the Agency was created for the purpose of promoting, developing, encouraging and assisting in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration.

### SECTION 2. HOUSING PROJECTS.

(A) The Agency will only consider the granting of any “financial assistance” (as defined under the Act) for following projects that provide housing:

- (1) a project that satisfies the definition of a continuing care retirement community project under Section 859-b of the Act; or
- (2) a project by an industrial, manufacturing, warehousing, commercial, research and recreation facility (as defined in the Act) that provides workforce housing for its employees.

(B) For purposes of determining whether a particular proposed housing project qualifies for “financial assistance” by the Agency under the policy, the local or New York State zoning designation of the proposed project or the project site shall not be taken into account.<sup>1</sup>

---

<sup>1</sup> For example, if a proposed housing project is designated as a “commercial” facility under the local municipality’s zoning code, such designation shall not be considered by the Agency, nor shall it be dispositive, in its determination of the qualification of the proposed project for “financial assistance” under this policy.

(C) The Agency will not consider low income, senior housing, student housing (including, but not limited to dormitories), market rate or any other type of housing project that does not otherwise satisfy the conditions described in (A) above, as determined by the Agency.

(D) Any housing project that satisfies the requirements of subsection (A) above must also satisfy the other eligibility requirements and restrictions contained in the Act.

(E) Notwithstanding anything herein to the contrary, the Agency may consider granting “financial assistance” to any housing project, or any mixed-use project that includes a housing or residential component, that has received the prior approval from the governing board of Ulster County, and of each town, village, city and school district in which the housing project is located.

(F) As described in (E) above, the Agency will attempt to obtain the prior approval of each town, village, city and school district in which the housing project is located. In the event that the Agency is not able to obtain the approvals of all such entities, the Agency may consider the granting of “financial assistance” to such housing project without such approvals.

DRAFT

---

Amended: January 20, 2021

DRAFT

## UCIDA UNIFORM TAX POLICY MATRIX (Applicable to Uniform Tax Exemption Policy ('UTEP') Categories 1-4)

Number of Points per Criteria	Projected New Permanent Full-time Jobs Created	Current (Retained) Full-time Jobs	Projected Wages*	Construction Jobs	Environmental Sustainability	Community Investment	Educational/ Workforce Investment
1	5-9	5-29	All jobs over LW**	At least 75% of the construction workforce consists of regional labor****	-	Project easily accessible using public transportation (bus stop within ¼ mile)	-
2	10-49	30-99	Above + 25% of FTE*** earn over 150% LW + Benefits	At least 50% of the construction workforce is paid prevailing wages	Use of existing industrial site or brownfield; construction in a shovel-ready site or designated business park; energy-efficient technology****, or significant renewable energy use	Development in economically distressed area of County***** -OR- Area is in "special condition" resulting from severe short- or long-term changes in economic conditions*****	At least 50% of workforce required to have advanced educational credential: technical degree from an Accredited Technical College, Approved NYS Apprenticeship Program or Associate Degree, or higher
3	50+: the 1 point for every additional 15 jobs	100+	Above + 25% of FTE earn over between 150% LW and 200% LW + 25% FTE earn over 200% LW + Benefits	At least 75% of the construction workforce is paid prevailing wages	-	-	Workforce housing or continuing care retirement community as defined in UCIDA Housing Projects Policy

\* Based on estimated wages and benefits at project completion.

\*\* No points will be awarded if there are ANY jobs paid at minimum wage. Minimum wage (see attached) is \$12.50 as of 12/31/20. At minimum, all jobs created must provide at least standard living wage for Ulster County. LW = MIT Living Wage for Ulster County (see attached) is \$12.85 for 2021: 150% LW = \$19.28 & 200% LW = \$25.70.

\*\*\* One FTE is equivalent to 1,820 hours per year (35 hours of work per week times 52 weeks per year).

\*\*\*\* Regional labor includes workers who reside in Ulster, Greene, Delaware, Sullivan, Orange, Dutchess or Columbia counties.

\*\*\*\*\* The project utilizes, to the fullest extent practicable and economically feasible, resource conservation, energy-efficiency, green technologies, and alternative and renewable energy measures including but not limited to LEED-Certified Projects. LEED Certification standards are defined by the US Green Building Council ([www.usbc.org](http://www.usbc.org)).

\*\*\*\*\* An area is considered "economically distressed" if one or more of the following criteria is met: 1) (a) The poverty rate of at least 20% for the year to which the data relates OR at least 20% of households receiving public assistance; AND (b) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates; OR 2) An area which was designated an empire zone pursuant to article 18B of NYS General Municipal Law.

\*\*\*\*\* The area is, at the sole and absolute discretion of the Agency, subject to a "special condition" resulting from severe short- or long-term changes in economic conditions, such as the shutdown of a major employer or the loss of a significant industry.

# UCIDA

---

Ulster County Industrial Development Agency

---

## UNIFORM TAX EXEMPTION POLICY

---

SECTION 1. PURPOSE AND AUTHORITY. Pursuant to Section 874(4)(a) of Title One of Article 18-A of the General Municipal Law (the “Act”), Ulster County Industrial Development Agency is required to establish a uniform tax exemption policy applicable to the provision of any financial assistance of more than one hundred thousand dollars to any project.

SECTION 2. DEFINITIONS. All words and terms used herein and defined in the Act shall have the meanings assigned to them in the Act, unless otherwise defined herein or unless the context or use indicates another meaning or intent. The following words and terms used herein shall have the respective meanings set forth below unless the context or use indicates another meaning or intent:

(A) “Administrative fee” shall mean a charge imposed by the Agency to an applicant or project occupant for the administration of the project.

(B) “Agency fee” shall mean the normal charges imposed by the Agency on an applicant or a project occupant to compensate the Agency for the Agency’s participation in a project. The term “Agency fee” shall include not only the Agency’s normal Administrative fee, but also may include (1) reimbursement of the Agency’s expenses, (2) rent imposed by the Agency for use of the property of the Agency, and (3) other similar charges imposed by the Agency.

(C) “Applicant” shall mean an applicant for financial assistance.

(D) “City” shall mean any city located in the County.

(E) “County” shall mean Ulster County.

(F) “PILOT” or “Payment in Lieu of Tax” shall mean any payment made to the Agency or an affected tax jurisdiction equal to all or a portion of the real property taxes or other taxes which would have been levied by or on behalf of an affected tax jurisdiction with respect to a project but for tax exemption obtained by reason of the involvement of the Agency in such project, but such term shall not include Agency fees.

(G) “School District” shall mean any school district located in the County.

(H) “Tax exemption” shall mean any financial assistance granted to a project, which is based upon all, or a portion of the taxes, which would otherwise be levied and assessed against a project but for the involvement of the Agency.

- (I) "Town" shall mean any town located in the County.
- (J) "Village" shall mean any village located in the County.

### SECTION 3. GENERAL PROVISIONS.

(A) General Policy. The general policy of the Agency is to grant tax exemptions as hereinafter set forth to any project which has been or will be financed by a straight- lease transaction or by the issuance by the Agency of bonds, notes or other evidences of indebtedness with respect thereto. Each project shall be scored by the Agency on the basis of the Uniform Tax Exemption Matrix. Benefits will be based upon the score achieved by a particular project as determined by the Agency.

(B) Exceptions. The Agency reserves the right to deviate from the general policy enunciated under subsection (A) in special circumstances. In determining whether special circumstances exist to justify such a deviation, the Agency may consider factors which make the project unusual, which factors might include but not be limited to the following factors: (1) the magnitude and/or importance of any permanent private sector job creation and/or retention related to project; (2) whether the affected tax jurisdictions will be reimbursed by the project occupant if the project does not fulfill the purposes for which tax exemption was granted; (3) the impact of the project on existing and proposed businesses and/or economic development projects; (4) the amount of private sector investment generated or likely to be generated by the project; (5) demonstrated public support for the project; (6) the estimated value of the tax exemptions requested; and (7) the extent to which the proposed project will provide needed services and/or revenues to the affected tax jurisdictions. In addition, the Agency may consider the other factors outlined in Section 874(4)(a) of the Act.

(C) Application. No request for a tax exemption shall be considered by the Agency unless an application and environmental assessment form are filed with the Agency on the forms prescribed by the Agency pursuant to the rules and regulations of the Agency. Such application shall contain the information requested by the Agency, including a description of the proposed project and of each tax exemption sought with respect to the project, the estimated value of each tax exemption sought with respect to the project, the proposed financial assistance being sought with respect to the project, the estimated date of completion of the project, and whether such financial assistance is consistent with this part.

(D) Enforcement. The Agency has enacted an Agency Enforcement Policy to provide for compliance by the applicant with the terms of this Uniform Tax Exemption Policy and any contracts entered into by the applicant and the Agency. The provisions of the Agency Enforcement Policy include a variety of enforcement actions that may be undertaken by the Agency upon the failure by the applicant to satisfy its obligations, including the termination of the PILOT Agreement (as hereinafter defined) and the "claw-back" of any or all financial assistance granted by the Agency.

### SECTION 4. SALES AND USE TAX EXEMPTION

(A) General. State law provides that purchases of tangible personal property by the Agency or by an agent of the Agency, and purchases of tangible personal property by a contractor for incorporation into or improving, maintaining, servicing or repairing real property of the Agency, are exempt from sales and use taxes imposed pursuant to Article 28 of the Tax Law. The Agency has a general policy of abating sales taxes applicable only to the initial acquisition, construction, reconstruction and/or

equipping of each project with respect to which the Agency grants financial assistance. The Agency has a policy of not abating sales taxes for projects that score under 6 points on the Uniform Tax Exemption Matrix. The Agency has no requirement for imposing a payment in lieu of tax arising from the exemption of a project from sales and/or use taxes applicable to the initial acquisition, construction, reconstruction and/or equipping of such project, except (1) as described in subsection (E) below or (2) in the circumstance where (a) a project is offered sales tax exemption on the condition that a certain event (such as the issuance of bonds by the Agency with respect to the project) occur by a certain date and (b) such event does not occur, in which case the Agency may require that the applicant make payments in lieu of sales tax to the New York State Department of Taxation and Finance.

(B) Period of Exemption. Except as set forth in subsection (A) above, the period of time for which a sales tax exemption shall be effective (the “tax exemption period”) shall be determined as follows:

(1) General. Unless otherwise determined by the Agency, the tax exemption for sales and use taxes shall be for the tax exemption period commencing with the issuance by the Agency of bonds, notes or other evidences of indebtedness with respect to the project and ending on the date of completion of the project.

(2) Early Commencement. The tax exemption period may, at the discretion of the Agency, commence earlier than the date of issuance by the Agency of the Agency’s debt relating to the project, provided that (a) the Agency has complied with the requirements of Section 859-a of the Act, (b) the Agency thereafter adopts a resolution determining to commence such period earlier, (c) the applicant agrees to the conditions of such resolution and supplies to the Agency the materials required to be supplied to the Agency thereunder, and (d) the Chief Executive Officer of the Agency acknowledges satisfaction of all conditions to the granting of such tax exemption set forth in such resolution.

(3) Normal Termination. The tax exemption period will normally end upon the completion of the project. On construction projects, the parties shall agree on the estimated date of completion of the project, and the tax exemption shall cease on the earlier of (a) the actual date of completion of the project or (b) the date, which is six (6) months after the estimated date of such project. On non-construction projects, the parties shall agree on the estimated date of completion of the project, and the tax exemption shall cease on the earlier of (a) the actual date of completion of the project or (b) the date, which is three (3) months after the estimated date of completion of the project. If the Agency and the applicant shall fail to agree on a date for completion of the project, the Agency shall on notice to the applicant make the determination on the basis of available evidence.

(4) Later Termination. The Agency, for good cause shown, may adopt a resolution extending the period for completion of the project and/or extend the tax exemption period.

(C) Items Exempted. The sales and use tax exemption granted by the Agency shall normally extend only to the following items acquired during the tax exemption period described in subsection (B) above:

- (1) items incorporated into the real property;
- (2) tangible personal property, including furniture, furnishings, and

equipment used to initially equip the project or otherwise forming part of the project if purchased as an agent of the Agency;

(3) the rental of tools and other items necessary for the construction, reconstruction and/or equipping of the project, if rented as an agent of the Agency; and

(4) office supplies, fuel and similar items consumed in the process of acquiring, constructing, reconstructing and/or equipping the project, if purchased as an agent of the Agency.

(D) Items Not Exempted. A sales and use tax exemption shall not be granted for the following:

(1) purchases occurring beyond the tax exemption period described in subsection (B) above;

(2) repairs, replacements or renovations of the project, unless such repairs, replacements or renovations constitute major capital-type expenses approved by the Agency as a separate project in the manner contemplated by the Act; or

(3) operating expenses, unless such operating expenses constitute major capital-type expenses approved by the Agency as a separate project in the manner contemplated by the Act.

(E) Percentage of Exemption. Unless otherwise determined by resolution of the Agency, the sales and use tax exemption shall be equal to one hundred percent (100%) of the sales and/or use taxes that would have been levied if the project were not exempt by reason of the Agency's involvement in the project. If an exemption of less than one hundred percent (100%) is determined by the Agency, then the applicant shall be required to pay a PILOT to the Agency equal to the applicable percentage of sales and/or use tax liability not being abated. The Agency shall remit such PILOT within thirty (30) days of receipt by the Agency to the affected tax jurisdictions in accordance with Section 874(3) of the Act.

(F) Confirmation Letter. The final act of granting a sales and/or use tax exemption by the Agency shall be confirmed by the execution by an authorized officer of the Agency of a confirmation letter by the Agency. Such confirmation letter shall be in the form of either Appendix 17B (where the exemption is permanent, because the Agency is satisfied that any conditions precedent to such tax exemption, such as the issuance of bonds by the Agency, have been satisfied) or Appendix 17C (where such exemption is tentative, because there remain conditions precedent to such tax exemption which have not been satisfied). Each such confirmation letter shall describe the scope and term of the sales and use tax exemption being granted.

(G) Required Filings. The New York State Department of Taxation and Finance requires that proper forms and supporting materials be filed with a vendor to establish a purchaser's entitlement to a sales tax exemption. For example, TSB-M-87(7) outlines the materials that must be filed to establish entitlement to sales tax exemption as "agent" of the Agency. It is the responsibility of the applicant and/or project occupant to ensure that the proper documentation is filed with each vendor to obtain any sales tax exemptions authorized by the Agency.

(H) Required Reports and Records.

(1) Pursuant to Section 874(8), the applicant and/or project occupant is required to annually file with the New York State Department of Taxation and Finance

a statement of the value of all sales and use tax exemptions claimed under the Act by the applicant and/or the project occupant and/or all agents, subcontractors and consultants thereof. The project documents shall require that (1) a copy of such statement will also be filed with the Agency and (2) that the project occupant shall maintain, for a period ending seven (7) years after the last purchase made under the sales and use tax exemption, and make available to the Agency at the request of the Agency, detailed records which shall show the method of calculating the sales and use tax exemption benefit granted by the Agency.

(2) Pursuant to Section 874(9) of the Act, the Agency is required to file within thirty (30) days of the date that the Agency designates an applicant to act as an agent of the Agency a New York State Department of Taxation and Finance form ST-60. The form identifies the agent of the Agency, provides a brief description of the project and an estimate of the value of the sales tax exemption and certain other information. The project documents shall require the applicant to assist the Agency in completing the form.

## SECTION 5. MORTGAGE RECORDING TAX EXEMPTION

(A) General. State law provides that mortgages recorded by the Agency are exempt from mortgage recording taxes imposed pursuant to Article 11 of the Tax Law. The Agency has a general policy of abating mortgage recording taxes for the initial financing obtained from the Agency with respect to each project with respect to which the Agency issues debt, which will be secured by a mortgage upon real property. In instances where the initial financing commitment provides for a construction financing of the Agency to be replaced by a permanent financing of the Agency immediately upon the completion of the project, the Agency's general policy is to abate the mortgage recording tax on both the construction financing and the permanent financing. The Agency has a policy of not abating mortgage recording taxes for projects that score under 6 points on the Uniform Tax Exemption Matrix.

(B) Refinancing. In the event that the Agency retains title to a project, it is the general policy of the Agency to abate mortgage recording taxes on any debt issued by the Agency for the purpose of refinancing prior debt issued by the Agency, and on any modifications, extensions and renewals thereof, so long as the Agency fees relating to same have been paid.

(C) Non-Agency Projects. In the event that the Agency does not hold title to a project, it is the policy of the Agency not to join in a mortgage relating to that project and not to abate any mortgage recording taxes relating to that project.

(D) Non-Agency Financings. Occasionally, a situation will arise where the Agency holds title to a project, the project occupant needs to borrow money for its own purposes (working capital, for example), and the lender will not make the loan to the project occupant without obtaining a fee mortgage as security. In such instances, the policy of the Agency is to consent to the granting of such mortgage and to join in such mortgage, so long as the following conditions are met:

(1) the documents relating to such proposed mortgage make it clear that the Agency is not liable on the debt, and that any liability of the Agency on the mortgage is limited to the Agency's interest in the project;

(2) granting of the mortgage is permitted under any existing documents relating to the project, and any necessary consents relating thereto have been obtained by the project occupant; and

(3) the payment of the Agency fee relating to same.

(E) Exemption Affidavit. The act of granting a mortgage recording tax exemption by the Agency is confirmed by the execution by an authorized officer of the Agency of an exemption affidavit relating thereto. A sample exemption affidavit is attached as Appendix 17D.

(F) PILOT Payments. If the Agency is a party to a mortgage that is not to be granted a mortgage recording tax exemption by the Agency (a “non-exempt mortgage”), then the applicant and/or project occupant or other person recording same shall pay the same mortgage recording taxes with respect to same as would have been payable had the Agency not been a party to said mortgage (the “normal mortgage tax”). Such mortgage recording taxes are payable to the County Clerk of the County, who shall, in turn, distribute same in accordance with law. If for any reason a non-exempt mortgage is to be recorded and the Agency is aware that such non-exempt mortgage may for any reason be recorded without the payment of the normal mortgage tax, then the Agency shall prior to executing such non-exempt mortgage collect a PILOT equal to the normal mortgage tax and remit same within thirty (30) days of receipt by the Agency to the affected tax jurisdiction in accordance with Section 874(3) of the Act.

## SECTION 6. REAL ESTATE TRANSFER TAXES

(A) Real Estate Transfer Tax. Article 31 of the Tax Law provides for the imposition of a tax upon certain real estate transfers. Section 1405(b)(2) of the Tax Law provides that transfers into the Agency are exempt from such tax, and the New York State Department of Taxation and Finance has ruled that transfers of property by the Agency back to the same entity, which transferred such property to the Agency, are exempt from such tax. The general policy of the Agency is to impose no payment in lieu of tax upon any real estate transfers to or from the Agency.

(B) Required Filings. It shall be the responsibility of the applicant and/or project occupant to ensure that all documentation necessary relative to the real estate transfer tax and the real estate transfer gains tax are timely filed with the appropriate officials.

## SECTION 7. REAL ESTATE TAX EXEMPTION

(A) General. Pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, property owned by or under the jurisdiction or supervision or control of the Agency is exempt from general real estate taxes (but not exempt from special assessments and special ad valorem levies). However, it is the general policy of the Agency that, notwithstanding the foregoing, every non-governmental project will be required to enter into a payment in lieu of tax agreement (a “PILOT Agreement”), either separately or as part of the project documents. Such PILOT Agreement shall require payment of PILOT payments in accordance with the provisions set forth below.

(B) PILOT Requirement. Unless the applicant and/or project occupant and the Agency shall have entered into a PILOT Agreement acceptable to the Agency, the project documents shall provide that the Agency will not file a New York State Department of Taxation and Finance, Division of Equalization and Assessment Form EA-412-a (an “Exemption Form”) with respect to the project, and the project documents shall provide that the applicant and/or the project occupant shall be required to make PILOT payments in such amounts as would result from taxes being levied on the project by the taxing jurisdictions if the project were not owned by or under the jurisdiction or supervision or control of the Agency. The project documents shall provide that, if the

Agency and the applicant and/or project occupant have entered into a PILOT Agreement, the terms of the PILOT Agreement shall control the amount of PILOT payments until the expiration or sooner termination of such agreement.

(C) PILOT Agreement. Unless otherwise determined by resolution of the Agency, all PILOT Agreements shall satisfy the following general conditions:

(1) Amount of Abatement: Each project shall be scored by the Agency on the basis of the Uniform Tax Exemption Matrix. Based upon the score achieved by the particular project as determined by the Agency, said project shall be entitled to the following benefits:

(a) **Category 1**: If a project scores 6 points or less there will be no PILOT.

(b) **Category 2**: If a project scores more than 6 points but less than 9 points, (i) the Initial Period shall be ten years, and (ii) the percentage of exemption in each tax year shall be as set forth in the following table:

**CATEGORY 2**

Tax year	Percentage of Exemption
1	50%
2	45%
3	40%
4	35%
5	30%
6	25%
7	20%
8	15%
9	10%
10	5%

(c) **Category 3:** If a project scores 9 or more points but less than 12 points, (i) the Initial Period shall be ten years, and (ii) the percentage of exemption in each tax year shall be as set forth in the following table:

**CATEGORY 3**

Tax year	Percentage of Exemption
1	100%
2	90%
3	80%
4	70%
5	60%
6	50%
7	40%
8	30%
9	20%
10	10%

(d) **Category 4:** If a project scores 12 or more points (i) the Initial Period shall be fifteen years, and (ii) the percentage of exemption in each tax year shall be as set forth in the following table:

**CATEGORY 4**

Tax year	Percentage of Exemption
1	95%
2	90%
3	85%
4	80%
5	75%
6	70%
7	65%
8	60%
9	55%
10	50%
11	40%
12	30%
13	20%
14	10%
15	10%

(e) **Category 5:** Notwithstanding anything herein to the contrary, if the project consists of employee workforce housing projects, and/or senior housing projects, the applicant shall make annual payments in lieu of property taxes pursuant to a PILOT Agreement that has been determined by the UCIDA after seeking input from all affected taxing jurisdictions and the community where the project resides.:

(i) PILOT payments would be fixed at an amount based on the number of units, within the ranges described as follows:

Type	Annual Amount
Workforce housing	\$450 – 1550/unit
Senior housing	\$450 – 1600/unit

(ii) The Agency shall determine the amount of the PILOT by considering the cost of the project and the impact the project has on the local community. In connection with such determination, the Agency shall take into account information provided by the applicant, the local municipalities and school districts, the local assessor, Ulster County real property tax services and any appraisal company retained by the Agency.

(iii) An adjustment based on the consumer price index will be assessed annually.

(iv) The term of the abatement shall be 15 years or a length that is no longer than the term of financing.

(v) The amounts payable under the PILOT Agreement with respect to these category 5 projects shall be payable at the times normal taxes are billed and collected and allocated among the affected tax jurisdictions in proportion to the tax rates of such affected tax jurisdictions in accordance with Section 858(15) of the Act.

(vi) Definitions:

1. “Workforce housing” shall mean a project proposed by or on behalf of an industrial, manufacturing, warehousing, commercial, research and recreation facility that is designed to provide workforce housing for the employees of such facility.

2. “Senior housing” shall mean housing facilities that meet the definition of a continuing care retirement community project under Section 859-b of the Act.

(2) Reduction for Failure to Achieve Goals: If the Agency’s approval of a particular project is predicated upon achievement by the project of certain minimum goals (such as creating and maintaining certain minimum employment levels), the PILOT Agreement may provide for the benefits provided thereby to the project to be reduced or eliminated if, in the sole judgment of the Agency, the project has failed to fulfill such minimum goals. Upon expiration of the Initial Period as aforesaid, the

assessment of the project shall revert to a normal assessment (i.e., the project will be assessed as if the project were owned by the Applicant and not by the Agency). Also, any addition to the project shall be assessed normally as aforesaid, unless such addition shall be approved by the Agency as a separate project following the notice and a public hearing as described in Section 859-a of the Act. Other than fixing the Final Assessment for the Initial Period as aforesaid, the general policy of the Agency is to not provide the Applicant and/or project occupant with any abatement, other than abatements allowed under the Real Property Tax Law.

(3) Special District Taxes. As indicated above, the Agency is not exempt from special assessments and special ad valorem levies, and accordingly, these amounts are not subject to abatement by reason of ownership of the project by the Agency. The PILOT Agreement shall make this clear and shall require that all such amounts be directly paid by the applicant and/or project occupant.

(4) Payee. Unless otherwise determined by resolution of the Agency, all PILOT payments payable to an affected tax jurisdiction shall be assessed, billed and collected directly by the same officials which assess, bill and collect normal taxes levied by such affected tax jurisdiction. Pursuant to Section 874(3) of the Act, such PILOT payments shall be remitted to each affected tax jurisdiction within thirty (30) days of receipt.

(5) Enforcement. An affected tax jurisdiction, which has not received a PILOT payment due to it under a PILOT Agreement, may exercise its remedies under Section 874(6) of the Act. In addition, such affected tax jurisdiction may petition the Agency to exercise whatever remedies that the Agency may have under the project documents to enforce payment and, if such affected tax jurisdiction indemnifies the Agency and agrees to pay the Agency's costs incurred in connection therewith, the Agency may take action to enforce the PILOT Agreement.

(6) Late Payments.

(a) First Month. Pursuant to Section 874(5) of the Act, if the Company shall fail to make any payment required by the PILOT Agreement when due, the Company shall pay the same, together with a late payment penalty equal to five percent (5%) of the amount due.

(b) Thereafter. If the Company shall fail to make any payment required by the PILOT Agreement when due and such delinquency shall continue beyond the first month, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the affected Tax Jurisdiction until such payment in default shall have been made in full, and the Company shall pay the same to the affected Tax Jurisdiction together with (1) a late payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due hereunder is delinquent beyond the first month, plus (2) interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would be payable if such amount were delinquent taxes, until so paid in full.

(7) Pro-Rata Allocation. Unless otherwise agreed by the affected Tax Jurisdictions, any PILOT Agreement shall provide that payments in lieu of taxes shall be allocated among the affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected Tax Jurisdiction had the project not been tax exempt due to the status of the Agency.

(D) Required Filings. As indicated in subsection (B) above, pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, no real estate tax exemption with respect to a particular project shall be effective until an exemption form is filed with the assessor of each county, city, town, village and school district in which such project is located (each, a "Taxing Jurisdiction"). Once an exemption form with respect to a particular project is filed with a particular Taxing Jurisdiction, the real property tax exception for such project does not take effect until (1) a tax status date for such Taxing Jurisdiction occurs subsequent to such filing, (2) an assessment roll for such Taxing Jurisdiction is finalized subsequent to such tax status date, (3) such assessment roll becomes the basis for the preparation of a tax roll for such Taxing Jurisdiction, and (4) the tax year to which such tax roll relates commences.

(E) Real Property Appraisals. Since the policy of the Agency stated in subsection (C)(1) is to base the value of a project for payment in lieu of tax purposes on a valuation of such project performed by the Assessor of the applicable Taxing Jurisdiction, normally a separate real property appraisal is not required. However, the Agency may require the submission of a real property appraisal if (1) the assessor of any particular Taxing Jurisdiction requires one or (2) if the valuation of the project for payment in lieu of tax purposes is based on a value determined by the applicant or by someone acting on behalf of the applicant, rather than by an assessor for a Taxing Jurisdiction or by the Agency. If the Agency requires the submission of a real property appraisal, such appraisal shall be prepared by an independent MAI certified appraiser acceptable to the Agency.

## SECTION 8. PROCEDURES FOR DEVIATION

(A) General. In the case where the Agency shall determine that any policy of the Agency as herein established is inappropriate or unfair, the Agency may determine:

(1) the amount of the tax exemption, the amount and nature of the PILOT Agreement, the duration of the exemption and of the PILOT Agreement and whether or not an exemption of any kind shall be granted and shall impose such terms and conditions as shall be just and proper; and

(2) the Agency shall give written notice of the proposed deviation from the policy set forth herein to each affected Tax Jurisdiction setting forth the terms and conditions of the deviation and the reasons therefore. Such notice to the affected Tax Jurisdictions shall be given to the chief executive officer of each affected Tax Jurisdiction at least thirty (30) days prior to the meeting of the Agency at which the Agency shall consider whether to approve such deviation. Prior to taking any final action on a proposed deviation, the Agency shall review and respond to any correspondence received from any affected Tax Jurisdiction regarding the proposed deviation and allow any representative of an affected Tax Jurisdiction present at such meeting to address the Agency regarding the proposed deviation.

(B) Troubled Projects. Where a project is owned and operated by the Agency or has been acquired by the Agency for its own account after a failure of a project occupant, the project shall at the option of the Agency be exempt from all taxes in accordance with law.

(C) Unusual Projects. Where a project is unusual in nature and requires special considerations related to its successful operations as demonstrated by the appropriate evidence presented to the Agency, the Agency shall consider the granting of a deviation from the established exemption policy in accordance with the procedures

provided in the title. The Agency may authorize a minimum PILOT or such other arrangement as may be appropriate.

(D) Review by Agency with Affected Tax Jurisdictions. Before the Agency shall enter into a PILOT Agreement that deviates from the policy set forth herein, the Agency shall (1) notify each affected Tax Jurisdiction in accordance with Section 8(A)(2) hereof, and (2) attempt to obtain the written consent of all the affected Tax Jurisdictions to such deviation. In the event that the Agency is not able to obtain the consents of all the affected Tax Jurisdictions to such deviation, the Agency may enter into such PILOT Agreement that deviates from the policy set forth herein without the consents of such affected Tax Jurisdictions. The provisions of this Section 8(D) shall not apply in situations where the Agency holds title to property for its own account.

## SECTION 9. ANNUAL REVIEW OF POLICIES

(A) General. At least annually, the Agency shall review its tax exemption policies to determine relevance, compliance with law, effectiveness, and shall adopt any modifications or changes that it shall deem appropriate. Unless otherwise provided by resolution, such annual review shall take place at the annual meeting of the Agency each January, notice for comments on such policies shall be circulated thirty (30) days prior to such meeting to Ulster County and affected Tax Jurisdictions, and adoption of any changes shall take effect immediately upon approval by the Agency. The Chief Executive Officer (CEO) shall be responsible for conducting an annual review of the tax exemption policy and for an evaluation of the internal control structure established to ensure compliance with the tax exemption policy, which shall be submitted, to the Agency for approval. The thirty (30) day comment period shall not apply to the adoption of the original policies of the Agency, which said policies shall become effective as herein provided.

---

Affirmed: May 13, 2020