

# UCCRC

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Ulster County Capital Resource Corporation  
P.O. Box 4265, Kingston, NY 12402-4265

## **GOVERNANCE COMMITTEE**

June 22, 2021 – 12:00 PM

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. Roll call **(page 2)**
3. Approval of minutes of the April 6, 2021 meeting **(page 3)**
4. Old business
  - a. FOIL Policy
5. New business
  - a. Mentoring Program update
  - b. Policies to be created
    - i. Policy for Return of All or Part of Financial Assistance **(page 5)**
    - ii. Policy for the Suspension, Discontinuance, or Modification of Financial Assistance
    - iii. Resolution Approving Public Comment Policy for Meetings
    - iv. Record Retention & Disposition Policy
  - c. Policies to be amended
    - i. Procurement Policy **(page 10)**
    - ii. Compensation Policy **(page 14)**
    - iii. UTEP and Matrix **(page 15)**
6. Public comment (on agenda items only)
7. Adjournment

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.

# Item 2.

## Roll Call

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

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Ulster County Capital Resource Corporation

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## ULSTER COUNTY CAPITAL RESOURCE CORPORATION GOVERNANCE COMMITTEE MINUTES April 6, 2021

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A meeting of the Governance Committee of the Ulster County Capital Resource Corporation was held on Tuesday April 6, 2021, at 11 A.M., or immediately following the Governance Committee meeting of the Ulster County Industrial Development Agency, via Zoom.

**Roll Call:**

The following committee members were present:

Michael J. Ham	Committee Chairman
Richard O. Jones	

The following committee members were absent with notice:

Diane Eynon

The following additional Agency members were present:

Additional Attendees:

Rose Woodworth	Chief Executive Officer
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The meeting was called to order at 11:14 A.M. by Committee Chairman Michael J. Ham.

**ROLL CALL**

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

**APPROVAL OF MINUTES**

The members of the Committee reviewed the draft minutes from the January 13, 2021 meeting.

**Motion:** Richard Jones, seconded by Michael J. Ham, moved to approve the minutes of the January 13, 2021 Governance Committee meeting.

**Vote:** The motion was unanimously adopted (2-0).

### **NEW BUSINESS**

#### **Contractor Complaint Procedure**

The Committee discussed moving the contractor complaint procedure to the Audit Committee's next meeting since it was overlooked during the UCIDA's Governance Committee meeting.

#### **Community Investment, Mentoring Program, and Harassment Policy**

**Motion:** Richard Jones, seconded by Michael J. Ham, moved to accept the Community Investment Agreement and the Mentoring Program as previously reported in the UCIDA Governance Meeting as well as recommending the adoption of the Harassment Policy to the full Board.

**Vote:** The motion was unanimously adopted (2-0).

In the interest of time, the remainder of the agenda was tabled until the next Committee meeting.

### **PUBLIC COMMENT**

No public comment received.

### **ADJOURNMENT**

**Motion:** Richard Jones, seconded by Michael J. Ham, moved to adjourn the meeting.

**Vote:** The motion was unanimously adopted (2-0).

The meeting was adjourned at 11:19 A.M.

Respectfully submitted,

Michael J. Ham, Committee Chair

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Ulster County Capital Resource Corporation

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## ENFORCEMENT OF CORPORATION PROJECTS POLICY

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### **SECTION 1. PURPOSE AND AUTHORITY.**

The purpose of this policy is to outline the procedures utilized by the Ulster County Capital Resource Corporation (UCCRC) to review compliance with UCCRC requirements relating to project implementation, policy conformance and reporting. The UCCRC was created in order to promote community and economic development in Ulster County. The intent of the Enforcement Policy of the UCCRC is to maintain the integrity and accountability of UCCRC projects, while being supportive of and constructive with project entities that are attempting in good faith to implement their project commitments and goals.

### **SECTION 2. DEFINITIONS.**

- (A) “Active projects” shall mean projects that are approved and have received UCCRC benefits and/or are subject to an agreement with UCCRC that has not completed its term.
- (B) “Full Time Equivalent (FTE) jobs” are defined as the total number of person hours, at a given point in time, working as of that time, divided by the number of person hours that the employer has designated as full time. The minimum weekly full time hours shall be thirty-five.

### **SECTION 3. REQUIREMENTS OF THE APPLICANT.**

- (A) Background. The UCCRC is required to submit certain annual reports relating to UCCRC projects to the New York State Office of the Comptroller and to the NYS Authority Budget Office. In order to satisfy its annual reporting requirements and other requirements, as well as the policies of the UCCRC, the UCCRC will require applicants for financial assistance to satisfy the requirements described in Section 3(B) below.
- (B) Applicant Requirements. Each applicant for financial assistance from the UCCRC will agree to satisfy the following requirements as a condition to the receipt of such financial assistance:

- i. The applicant shall insure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.
- ii. Except as otherwise provide by collective bargaining agreements, new employment opportunities created as a result of the project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and the Ulster County Office of Employment and Training (the "UCOET") such programs collectively with the DOC, hereinafter referred to as the "Workforce Investment Program."
- iii. Except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in the Workforce Investment Program who shall be referred by DOC and the UCOET for new employment opportunities created as a result of the Project.
- iv. The applicant must, whenever requested by the UCCRC, provide and certify or cause to be provide or certified such information concerning the applicant, its finances and other topics as the UCCRC from time to time reasonably considers necessary or appropriate, including, but not limited to such information as to enable the UCCRC to make any reports required by law or governmental regulation.
- v. Within sixty (60) days after the end of each calendar year, the applicant shall furnish to the UCCRC a certificate of an Authorized Representative of the applicant stating that no Event of Default under the Installment Sale Agreement (or Lease Agreement) has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the applicant has taken or proposes to take with respect thereto, and setting forth the unpaid principal balance of the Bonds and accrued but unpaid interest thereon and that no defenses, offsets or counterclaims exist with respect to the indebtedness evidenced thereby.
- vi. In cases where the UCCRC has administered a payment in lieu of tax (PILOT) program for an applicant, within sixty (60) days after the end of each calendar year, the applicant shall furnish to the UCCRC a certificate of an Authorized Representative of the applicant stating that all such PILOT payments for the prior calendar year have been paid on time. In the event that PILOT payments have not been paid on time, the applicant shall certify as to the nature and period of non-payment and what action the applicant has taken or proposes to take with respect compliance with future payment requirements.

- vii. The applicant must file with the UCCRC, no later than sixty (60) days after the end of each calendar year, reports regarding the number of people employed at the Project Facility and certain other matters.
- viii. The applicant must annually file and cause any sub-lessee or other operator of the Project Facility to file annually, with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Annual Sales Tax Report"), a statement of the value of all sales and use tax exemptions claimed by the applicant and all contractors, subcontractors, consultants and other agents of the applicant under the authority granted to the applicant pursuant to the Installment Sale Agreement (or this Lease Agreement) and/or the Final Inducement Resolution and/or the Sales Tax Exemption Letter.
- ix. The applicant must furnish to the UCCRC a copy of each such annual report submitted to the New York State Department of Taxation and Finance by the applicant.

#### **SECTION 4. COMPLIANCE.**

- (A) Monitoring. UCCRC project monitoring shall be the responsibility of the Chief Executive Officer or his or her designee which shall include but not limited to the following:
  - i. The UCCRC will perform a monitoring visit of every active project site at least every two (2) years.
  - ii. The UCCRC will, at least annually, collect information for each active project involving a PILOT that will enable it to reasonably verify that PILOT invoicing has been done correctly, that payments due for the same have been made, that jobs have been substantially retained or created as projected, and that major project objectives have been substantially achieved.
  - iii. Annually collect information as of the last day of the calendar year for the number of full time equivalent (FTE) jobs projected in the application for the year being reported on, the number of FTE jobs currently employed, and the total dollar payroll amount. At the expense to the project entity a certified public accountant shall verify and certify that the aforesaid numbers are consistent with the payroll data submitted to the State of New York in the entity's NY45, Proof of Workers' Compensation coverage.
  - iv. During project site visits the UCCRC will require the applicant, upon request, to show copies of payroll related documents, which may include but not be limited to, NY45, proof of Workers'

Compensation coverage, proof of Disability Insurance coverage, proof of Unemployment Insurance, etc.

- v. Annually collect for each active project other information relating to project performance.
- (B) Annual Reports. Within seventy-five (75) days after the end of each calendar year, the audit committee of the UCCRC will prepare an internal compliance annual report describing the compliance by applicants with the requirement described in Section 3 above, including the filing of annual reports and the number of jobs created and retained by the applicant.
- (C) UCCRC Review. Projects that are administratively deemed out of compliance will be reviewed by the Governance Committee, which may make enforcement action recommendations to the UCCRC. The UCCRC will review the internal compliance report at a regular meeting of the UCCRC. The UCCRC will take such actions as it deems necessary, including but not limited to, (1) scheduling meetings with applicants to review non-compliance and to discuss remedial actions, (2) considering enforcement action against applicants that fail to comply with the requirements described in Section 3 above, as described in Section 5 below, and (3) preparation of letters of commendation or other form of congratulation to those applicants that have created and/or retained jobs consistent with (or in excess of) the estimates contained in the applicants original application to the UCCRC.

## **SECTION 5. ENFORCEMENT.**

- (A) General. Upon completion of the report prepared by UCDC regarding compliance by the applicants with the requirements described in Section 3 above, the UCCRC will initiate enforcement action against those applicants that have failed to comply with such requirements.
- (B) Compliance. Compliance action by the UCCRC may include, but not be limited to, the following:
  - i. An active economic development project for which less than 80% of the projected jobs have been retained and/or created after three years from closing will be subject to review and possible enforcement action.
  - ii. An active project that has not substantially achieved its construction, expansion or services goals after three years from closing will be subject to review and possible enforcement action.
  - iii. The UCCRC will notify the concerned entity in writing of the fact if its project is administratively determined to warrant compliance review, will require that they report to the UCCRC on project status within sixty (60) days of the date of the letter, and will schedule

meetings with the entities in question to discuss explanations and remedial actions.

- (C) Enforcement Action. Enforcement action by the UCCRC may include, but not be limited to, the following:
- i. Requesting the information and/or compliance by a final notice letter.
  - ii. Forwarding an event of default notice to the involved parties, including the lender.
  - iii. Forwarding an event of PILOT nonpayment to the affected taxing jurisdictions.
  - iv. Notifying appropriate New York State, Ulster County, and local municipal agencies of the applicant's failure to comply with such requirements.
  - v. Terminating all or a portion of the financial assistance provide by the UCCRC, including any sales tax exemption letters and PILOT agreements.
  - vi. Recapturing any or all benefits provided to an applicant under a PILOT agreement or sales tax exemption letter or other agreement, in which case the UCCRC will return any such recovered funds to the taxing jurisdictions affected.
  - vii. Referral to appropriate agencies for criminal or civil prosecution.

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Ulster County Capital Resource Corporation

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## PROCUREMENT POLICY

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**SECTION 1. PURPOSE AND AUTHORITY.** The purpose of this Part is to outline the procurement policy (the "Procurement Policy") of Ulster County Capital Resource Corporation (the "Corporation") as set forth by the procurement policy resolution (the "Resolution") adopted by the Corporation pursuant to Section 858-a(2) of Title One of Article 18-A of the General Municipal Law (the "Act").

**SECTION 2. SECURING GOODS AND SERVICES.** All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods will be purchased at the lowest price and that favoritism will be avoided, except in the following circumstances: purchases costing less than \$500; goods purchased from agencies for the blind or severely handicapped pursuant to Section 175-b of the State Finance Law; goods purchased from correctional institutions pursuant to Section 186 of the Correction Law; purchases under State contracts pursuant to Section 104 of the General Municipal Law; purchases under county contracts pursuant to Section 103(3) of the General Municipal Law; or purchases pursuant to Section 504 of this policy.

**SECTION 3. METHOD OF PURCHASE.**

(A) General. The following method of purchase will be used when required by this policy in order to achieve the highest savings:

<b>Estimated Amount of Purchase Contract</b>	<b>Method</b>
\$500-\$2,999	2 verbal quotations
\$3,000 and above	3 written/fax quotations or written request for proposals

<b>Estimated Amount of Public Works Contract</b>	<b>Method</b>
\$500-\$2,999	2 verbal quotations
\$3,000-\$4,999	2 written/fax quotations
\$5,000-and above	3 written/fax quotations or written request for proposals

- (B) Number of Proposals or Quotations. A good faith effort shall be made to obtain the required number of proposals or quotations. If the purchaser is unable to obtain the required number of proposals or quotations, the purchaser will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.
- (C) Documentation.
  - (1) Documentation is required of each action taken in connection with each procurement.
  - (2) Documentation and an explanation is required whenever a contract is awarded to other than the lowest responsible offeror. This documentation will include an explanation of how the reward will achieve savings or how the offeror was not responsible. A determination that the offeror is not responsible shall be made by the purchaser and may not be challenged under any circumstances.

**SECTION 4. CIRCUMSTANCES WHERE SOLICITATION OF ALTERNATIVE PROPOSALS AND QUOTATIONS NOT IN BEST INTEREST.** Pursuant to General Municipal Law Section 104-b(2)(f), the procurement policy may contain circumstances when, or types of procurements for which, in the sole discretion of the members of the Corporation, the solicitation of alternative proposals or quotations will not be in the best interest of the Corporation. In the following circumstances, it may not be in the best interests of the Corporation to solicit quotations or document the basis for not accepting the lowest bid:

- (A) Professional Services. Professional services or services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgement, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Corporation, e.g., legal and accounting services, impact liability issues of the Corporation and its members, including securities liability in circumstances where the Corporation is issuing bonds. These qualifications and the concerns of the Corporation regarding its liability and the liability of its members are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Corporation shall take into consideration the following guidelines: (1) whether the services are subject to State licensing or testing requirements; (2) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (3) whether the services require a

personal relationship between the individual and Corporation members. Professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); services of a physician; technical services of an engineer engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or art work; management of municipally owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

- (B) Emergency Purchases. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the public. This section does not preclude alternate proposals if time permits.
- (C) Purchases of Secondhand Goods. Purchases of surplus and second-hand goods from any source. If alternate proposals are required, the Corporation is precluded from purchasing surplus and second-hand goods at auctions or through specific advertised sources where the best prices are usually obtained. It is also difficult to try to compare prices of used goods and a lower price may indicate an older product.
- (D) Goods or Services Under \$500. The time and documentation required to purchase through this policy may be more costly than the item itself and would therefore not be in the best interests of the taxpayer. In addition, it is not likely that such de minimis contracts would be awarded based on favoritism.

**SECTION 5. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITY GROUP MEMBERS AND WOMEN.**

- (A) All Corporation documents soliciting bids or proposals for Corporation contracts shall contain or make reference to the following provisions:
  - 1. The Corporation will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. For purposes of this Section, affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation; and

2. The Corporation shall state, in all solicitations or advertisements for employees, that, in the performance of the Corporation contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.
- (B) Any contract awarded by the Corporation will include the provisions of Section (A) of this Section in any subcontract, in such a manner that the provisions will be binding upon each subcontractor as to work in connection with the Corporation contract.
  - (C) The provisions of this Section shall not be binding upon contractors or subcontractors in the performance of work or the provision of services or any other activity that are unrelated, separate or distinct from the Corporation contract as expressed by its terms.
  - (D) In the implementation of this Section, the Corporation shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this Section. The Corporation shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such law and if such duplication or conflict exists, the Corporation shall waive the applicability of this Section to the extent of such duplication or conflict.
  - (E) The Corporation shall ensure that "certified businesses" (as defined in Section 310 of the Executive Law of the State of New York) shall be given the opportunity for meaningful participation in the performance of Corporation contracts and to identify those Corporation contracts for which certified businesses may best bid to actively and affirmatively promote and assist their participation in the performance of Corporation contracts so as to facilitate the award of a fair share of Corporation contracts to such businesses.

**SECTION 6. POLICY REVIEW.** This policy will be reviewed annually.

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\_ Re-affirmed: January 20, 2021

# UCCRC

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Ulster County Capital Resource Corporation

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## COMPENSATION POLICY

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1. Generally. Members of the Ulster County Capital Resource Corporation shall serve without compensation.
2. Reimbursement. Members may be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 858 of the Act. Members may not be compensated for rendering services to the Corporation in any capacity other than member unless such other compensation is reasonable and is allowable under the provisions of Section 858 of the Act.

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Re-affirmed: January 20, 2021

# UCCRC

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Ulster County Capital Resource Corporation

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## UNIFORM TAX EXEMPTION POLICY

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**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 Capital Resource Corporation 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 Corporation to an applicant or project occupant for the administration of project.
- (B) "Corporation fee" shall mean the normal charges imposed by the Corporation on an applicant or a project occupant to compensate the Corporation for the Corporation's participation in a project. The term "Corporation fee" shall include not only the Corporation's normal Administrative fee, but also may include (1) reimbursement of the Corporation's expenses, (2) rent imposed by the Corporation for use of the property of the Corporation, and (3) other similar charges imposed by the Corporation.
- (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 Corporation 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 Corporation in such project, but such term shall not include Corporation 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 Corporation.
- (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 Corporation 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 Corporation of bonds, notes or other evidences of indebtedness with respect thereto.
- (B) Exceptions. The Corporation 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 Corporation 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 Corporation 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 Corporation unless an application and environmental assessment form are filed with the Corporation on the forms prescribed by the Corporation pursuant to the rules and regulations of the Corporation. Such application shall contain the information requested by the Corporation, 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 Corporation has enacted a Corporation 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 Corporation. The provisions of the Corporation Enforcement Policy include a variety of enforcement actions that may be undertaken by the Corporation upon the failure by the applicant to satisfy its obligations, including the termination any project benefits agreement and the “claw-back” of any or all financial assistance granted by the Corporation.

#### SECTION 4. MORTGAGE RECORDING TAX EXEMPTION

- (A) General. State law provides that mortgages recorded by the Corporation are exempt from mortgage recording taxes imposed pursuant to Article 11 of the Tax Law. The Corporation has a general policy of abating mortgage recording taxes for the initial financing obtained from the Corporation with respect to each project with respect to which the Corporation 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 Corporation to be replaced by a permanent financing of the Corporation immediately upon the completion of the project, the Corporation's general policy is to abate the mortgage recording tax on both the construction financing and the permanent financing.
- (B) Refinancing. In the event that the Corporation retains title to a project, it is the general policy of the Corporation to abate mortgage recording taxes on any debt issued by the Corporation for the purpose of refinancing prior debt issued by the Corporation, and on any modifications, extensions and renewals thereof, so long as the Corporation fees relating to same have been paid.
- (C) Non-Corporation Projects. In the event that the Corporation does not hold title to a project, it is the policy of the Corporation not to join in a mortgage relating to that project and not to abate any mortgage recording taxes relating to that project.
- (D) Non-Corporation Financings. Occasionally, a situation will arise where the Corporation 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 Corporation 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 Corporation is not liable on the debt, and that any liability of

the Corporation on the mortgage is limited to the Corporation'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 Corporation fee relating to same.
- (E) Exemption Affidavit. The act of granting a mortgage recording tax exemption by the Corporation is confirmed by the execution by an authorized officer of the Corporation of an exemption affidavit relating thereto. A sample exemption affidavit is attached as Appendix 17D.
- (F) PILOT Payments. If the Corporation is a party to a mortgage that is not to be granted a mortgage recording tax exemption by the Corporation (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 Corporation 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 Corporation is aware that such non-exempt mortgage may for any reason be recorded without the payment of the normal mortgage tax, then the Corporation 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 Corporation to the affected tax jurisdiction in accordance with Section 874(3) of the Act.

#### **SECTION 5. REAL ESTATE TAX EXEMPTION**

- (A) General. The Corporation generally works with tax exempt nonprofit organizations. However, should an applicant reach an agreement with its host taxing authorities to a payment in lieu of tax agreement (a "PILOT Agreement"), the Corporation Board may decide to accommodate such PILOT Agreement shall require payment of PILOT payments in accordance with the provisions agreed upon, permitted by law, and conforming with the mission, goals, and policies of the Corporation

#### **SECTION 6. ANNUAL REVIEW OF POLICIES**

- (A) General. At least annually, the Corporation 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 Corporation 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 Corporation. The Chief Executive Officer 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 Corporation for approval. The thirty (30) day comment period shall not apply to the adoption of the original policies of the Corporation, which said policies shall become effective as herein provided.

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Re-affirmed: January 20, 2021