

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES AUGUST 9, 2017

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, August 9, 2017, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

Roll Call:

The following agency members were present:

John Morrow	Chair
Randall Leverette	Treasurer
James Malcolm	Assistant Treasurer
Robert Kinnin	Secretary
Michael Bernholz	Member

The following agency members were absent (with notice):

John Livermore	Assistant Secretary
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Office of Economic Development Staff:

Suzanne Holt
Evelyn Heinbach
Bernadette Andreassen

UCIDA Attorney and Bond Counsel:

A. Joseph Scott Hodgson Russ LLP

Chief Financial Officer:

Christopher J. Rioux

Additional Attendees:

Michael Ham	International Union of Operating Engineers Local 825
Geddy Sveikauskas	Ulster Publishing
William Kemble	The Daily Freeman
Eddie Jorge	NYC Community Alliance for Worker's Justice
Megan Denver	Costanzi Crane
Timothy McColgan, Esq.	General Counsel for 2-4 Kieffer Lane, LLC

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

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

INTRODUCTIONS

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

PUBLIC COMMENT ON AGENDA ITEMS ONLY

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

MINUTES

Motion: Robert Kinnin, seconded by Randall Leverette, moved to approve the Minutes of the July 12, 2017 meeting. A copy of said revised Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

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

Mr. Rioux explained to the Board members that the process of switching banks is still in progress, and he hopes to have signature cards ready at the next meeting.

In addition, Mr. Rioux announced that, as in previous years, the Finance Committee should plan on meeting in September to begin talking about the 2018 budget. Accordingly, he will prepare a draft budget for discussion at the September meeting for approval at the October meeting.

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

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee

Randall Leverette, Chair of the Audit Committee stated there was nothing to report.

Governance Committee

James Malcolm, Chair of the Governance Committee, stated there was nothing to report; however a meeting of the Committee is in the process of being rescheduled.

PROJECTS

2-4 KIEFFER LANE, LLC REVISED PROJECT

Chair Morrow then introduced the 2-4 Kieffer Lane, LLC Project, which was the next item for discussion by the Board.

Attorney A. Joseph Scott noted that a point had been reached where it was appropriate for the Board to decide whether or not go forward with the project. He added that after numerous discussions among staff and the Chair, it appeared that the members of the IDA have a number of concerns about the project. As a result and in accordance with their discussions, Counsel has prepared a draft Resolution reflecting their concerns for their consideration at this meeting.

Attorney Scott then distributed the draft Resolution and proceeded to review the draft in detail with the members. Mr. Scott also noted that the resolution was in draft form and he expected that he would need to revise the resolution to incorporate any comments received from the members during the meeting.

Mr. Scott began the review with a summary of the "WHEREAS" paragraphs, which described the preliminary actions taken by the IDA, including: The initial application submitted to the Board, followed by a Public Hearing, and the subsequent submission of an amended application, followed by a second Public Hearing (*pages "2" and "3" of the proposed Resolution*).

Next, Mr. Scott then elaborated on the two sections of findings found on *page "4"* of the proposed Resolution:

Under "Section 2" subparagraph "(B)", the Board reviewed and has made certain determinations relating to whether the project constituted a "retail project". After much debate, the members continue to have genuine concerns with respect to the retail issue; and

Under "Section 2" subparagraph "(C)", the Board applied the uniform criteria adopted last year by the IDA to evaluate the application and the project, and then determine if the grant of financial assistance is warranted under such criteria. Based upon the review of the criteria, a determination was made by the Board not to move forward with the project.

At that time, Attorney Scott welcomed any discussion or comment among the Board members. Several board members, including Mr. Bernholz and Mr. Kinnin, made additional comments about the project and the draft resolution and Mr. Scott agreed to add such comments to the final draft of the resolution.

James Malcolm sought to confirm with Mr. Scott that the criteria used to evaluate this project is consistent with every project reviewed by the IDA since its implementation a year ago. Attorney A. Joseph Scott confirmed the same. (A copy of said Resolution is on file.)

The Board then decided to consider the resolution presented by Mr. Scott, with the modifications and additions presented by the board members at the meeting.

RESOLUTION ISSUING FINDINGS AND DECISION ON APPLICATION FOR FINANCIAL ASSISTANCE 2-4 KIEFFER LANE.

Motion: James Malcolm, seconded by Robert Kinnin, moved to approve the Resolution.

Discussion: Chair Morrow then asked whether there was any additional discussion on the Resolution.

Robert Kinnin stated that he had reviewed the transcripts from the Public Hearings in detail and commented on his struggle, as a taxpayer, to believe the company would reinvest in the community as it provided in the application and such a determination weighed heavy on his decision making.

The additional discussion resulted in no change to the motion.

Motion: James Malcolm seconded by Robert Kinnin moved to execute a roll call vote, which resulted in the following:

John Morrow	Yes
James Malcolm	Yes
Randall Leverette	Yes
Michael Bernholz	Yes
Robert Kinnin	Yes
John Livermore	Absent

Vote: The motion was adopted.

The motion was carried unanimously.

James Malcolm wished to make a clarification that a “**yes**” vote reflects a “**no**” vote on the project with counsel’s findings. Attorney A. Joseph Scott verified the same. Mr. Scott also noted that he would put the draft resolution in final form when he returned to his office and then forward the resolution to IDA staff for filing and posting.

311 Wall Partners LLC and BBG Ventures LLC

Suzanne Holt presented the project to the Board. The presentation included, but was not limited to the following:

- The property is known as the "old Woolworth" building located on Wall Street in the City of Kingston.

- 311 Wall Partners LLC (a partnership consisting of a father, son and other partners) is the owner of the building.
- BBG Ventures LLC is the tenant consisting of Zach Lewis (the son), and Ben Giardullo, both renters of the building. The structure will include three commercial kitchens located in the basement which will be available for long and short- term leasing; upstairs will be comprised of an agri tourism /retail facility offering local food products as well as restaurants, alcohol, craft beverages and foods made in the Hudson Valley.
- They have already received a CFA grant from the State for this project.
- To date, they have done some of the mold and asbestos remediation and are now ready to fit out the entire project.
- Opening is anticipated by the Spring of 2018.
- 311Wall Partners LLC is seeking PILOT as well as sales and mortgage tax exemptions.
- BBG Ventures LLC is seeking a sales tax exemption to finish the fit up.

Copies of said applications are on file.

In response to John Morrow's inquiry regarding taxes, Evelyn Heinbach reported that she had consulted with the City Assessor to get a better sense of the expected value of the project and its impact. She stated that she had not met with the Kingston City School District.

Ms. Heinbach clarified that 311 Wall Partners LLC will be seeking the PILOT contingent upon the creation of 50 plus jobs through BBG Ventures LLC, being the operating company.

Suzanne Holt informed the Board that a background check was completed and no issues were found. No individual credit checks were made. Chairman Morrow stated that he would like to have a credit check obtained on the individuals.

Randall Leverette questioned if this project would have an impact on the current incubator project operated by Vincent Cozzolino. Suzanne Holt stated that it would not have an impact and that there is plenty of need.

Attorney A. Joseph Scott presented the Resolution to the Board (a copy of said Resolution is on file).

A discussion pursued regarding the need for two concurrent Public Hearings. It was the consensus of the Board to combine them. Attorney A. Joseph Scott stated that because the project consists of one building, there should be no problem with combining the notice as a matter of convenience.

Motion: Randall Leverette, seconded by Robert Kinnin, moved to combine the Public Hearings for 311Wall Partners, LLC and BBG Ventures LLC Projects in order to hold the Public Hearing at the same date and time.

Vote: The motion was adopted

RESOLUTION AUTHORIZING THE DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF 311 PARTNERS LLC.

-and-

RESOLUTION AUTHORIZING THE DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF BBG VENTURES, LLC.

Motion: Randall Leverette, seconded by Robert Kinnin, moved to approve the Resolutions.
(Copies of said Resolutions are on file.)

Vote: The motion was adopted.

Randall Leverette volunteered to Chair the Public Hearing.

Suzanne Holt asked the Board's permission to pay for the background check associated with this project in the approximate amount of \$150.00. A discussion followed regarding payment of future background checks.

Motion: James Malcolm seconded by Robert Kinnin, moved to authorize payment of background checks as necessary when authorized by the Chair.

Vote: The motion was adopted.

OLD BUSINESS

Chair John Morrow, proposed the following slate:

Randall Leverette	Vice-Chair
James Malcolm	Chairman of Governance Committee with Randall Leverette and Robert Kinnin, Members
Michael Bernholz	Treasurer
John Livermore	Assistant Treasurer
John Livermore	Chair of Audit Committee with Michael Bernholz and Randall Leverette as members. Chair of Finance Committee with everyone as members
Robert Kinnin	Secretary
Everyone	Assistant Secretary
Chair	Ex-officio for all

Motion: Robert Kinnin, seconded by James Malcolm, moved to accept the Chair's recommendations as a slate of Officers and Committee Chairs

Vote: The motion was adopted.

NEW BUSINESS

There was no new business.

ECONOMIC DEVELOPMENT UPDATE

Suzanne Holt reported on the status of the four 2017 Call for Projects stating:

- The film that the IDA chose to support will not be made in the way it was originally planned, but will be proceeding under the UCEDA contract with Luminary. There is a video currently being made to entice filmmaking to Ulster County. That project is going forward, but the IDA will not be contributing financially.
- HVADC is hard at work helping our farms and assisting when asked for help with different farm projects.
- Galileo Technology is fitting up the food incubator at Ulster Greene ARC, and they are expecting to have the construction complete in mid- September together with the appropriate permits. They currently have four tenants ready to sign leases.
- Hudson Valley Film Commission is extremely busy. The tax credit addition has boosted interest in filming here from around the country.

She added the following to her update:

- Just recently, a reality show expressed interest in this area.
- A workshop inviting all of the municipal leaders to learn more about working with the film industry is scheduled for September 6, 2017. Additionally, there will be two industry/training workshops scheduled by the end of the year for businesses that are looking to work in the film industry in Ulster County. One will take place in Southern Ulster County and the other will take place in Northern Ulster County in an effort to educate local businesses on how they can get involved in the film industry.
- There are three other projects in the pipeline which Ms. Holt anticipates to come before the Board by the end of the year.
- Ms. Holt also observed that the craft beverage industry is flourishing here.

Attorney A. Joseph Scott advised the Board members that he should have an update regarding both Star Vodka and the Greenhouses Projects at the next meeting

PUBLIC COMMENT

Megan Denver, Costanzi Crane, thanked the Board for listening to her comments.

Eddie Jorge, NYC Community Alliance, wished to thank the Board for their due diligence in reference to the 2-4 Kieffer Lane, LLC Project and hoped that IDA's in other Counties would follow the same example.

Geddy Sveikauskas, Ulster Publishing, stated that he expected to have the draft Resolution offered to the public prior to the meeting or during the meeting.

William Kemble, The Daily Freeman, concurred with the comment made by Mr. Sveikauskas.

Copies of the draft Resolution for 2-4 Kieffer Lane, LLC Project were then dispersed to those requesting the same.

The Public Comment section of the agenda was closed.

ADJOURNMENT

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

Vote: The motion was adopted.

The meeting was adjourned at 8:48 A.M.

Respectfully submitted,

Robert Kinnin, Secretary