

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY GOVERNANCE COMMITTEE MINUTES August 4, 2020

A special meeting of the Governance Committee of the Ulster County Industrial Development Agency was held on Tuesday, August 4, 2020, at 10:00 A.M. at the Legislative Chambers in the County Office Building, 244 Fair Street, 6th Floor, Kingston, NY.

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:

James Malcolm

Additional Attendees:

Joseph P. Eriole, Esq.	Agency Counsel
Rose Woodworth	Agency Staff

The meeting was called to order at 10:28 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 April 30, 2020 meeting. Rose Woodworth noted that at the last meeting James Malcolm made a motion, but he was not a member of the Governance Committee. Agency Counsel advised the Committee to re-approve the motion at this meeting.

Motion: Richard Jones, seconded by Michael J. Ham, moved to re-approve the minutes of the December 4, 2019 meeting with clarified verbiage.

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

Richard Jones noted that the April 30, 2020 meeting minutes say 2019, not 2020.

Motion: Richard Jones, seconded by Michael J. Ham, moved to approve the minutes of the April 30, 2020 meeting with the date change discussed.

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

OLD BUSINESS

Project Compliance

The members of the Committee discussed the Project Compliance 2019 document, which outlines compliance information received by each project. Rose Woodworth noted that the percentages have improved since the last Governance Committee meeting because a number of projects have turned in missing information. As of one week prior to this meeting, 14% of projects were still missing documents, 26% were underperforming, and 43% were out of compliance including non-payment of late fees. The Committee discussed the 80% leeway on employment numbers that is automatically given to projects and decided to refer that to the Audit Committee. The Committee discussed compliance for each individual project.

PSH Development (Albany Med EmUrgent Care) still owes \$1,000 for their late fee. The Project sent a letter to dispute the charge citing the questions they asked prior to the submission deadline that were not answered until after the deadline. The \$1,000 late fee will be removed and the Project will be marked as compliant.

Amthor (Amthor Welding Service) did not submit their questionnaire or most of the information requested. The payroll journal was submitted late with no supporting documentation to verify the figures. Based on the figures submitted, they have fulfilled 75.8% of promised jobs. Agency Counsel will draft a final letter requesting outstanding information by August 14, 2020, or else the Agency will move to revoke the bond.

Benedictine Hospital is non-compliant because of their job numbers, which have been below the amount promised since 2017. The Committee will send a letter stating that the Project should have notified the IDA before selling and inviting the new owners to come in and discuss why the jobs are below the numbers promised.

Central Hudson has never had employees at the Project location. The project is currently receiving a negative benefit so a clawback would not be beneficial to taxpayers. The late fee will be removed as requested by the Projects attorney.

Gardiner Library (Gardiner Library 1&2) submitted documents late and still has not submitted the proper insurance documents. The project has ended but hasn't been closed out. Agency Counsel will work with the Project to close out.

Darien Lake Kingston, LLC (Holiday Inn Express – Lake Katrine) has been underperforming since 2016. The CEO will send a letter from the Governance Committee requesting a written plan as to how the Project plans to address this issue moving forward. The letter will also advise the Project that the Agency reserves the right to claw back or revise the PILOT.

Saugerties Hospitality (Holiday Inn Express – Saugerties) did not submit information in time for CPA verification. The CEO calculated the FTEs to be 13.6 which is still above the 11.4 promised. The Project did not pay the late fee and is subject to claw back if not paid by August 14, 2020.

Wolf-tec, Inc. (JBT-Wolftec Kingston) did not submit information in time for CPA verification. The CEO calculated the FTEs to be above the amount promised. The Certificate of Insurance for NYS Disability is still missing. The Project will be advised that the outstanding information and payment must be received by August 14, 2020.

Hudson River Valley, LLC (Northeast Center for Rehabilitation and Brain Injury) has not paid the late fee. The Project will be advised that the payment must be received by August 14, 2020.

Marlboro Distr Rte 9 LLC (PODS Marlboro) is in compliance based on the closing documents but out of compliance based on the application. Agency Counsel advised that the Agency has to use the figures in the closing documents.

Star Estate has never had employees, but the application indicated that they would start with two employees which was an error. The Project is still under construction. No action will be taken.

The Greenhouses Hotel, LLC (The Greenhouse & Audrey's Farm) indicated at the annual site visit that the employment numbers decreased because they no longer have kitchen staff. The CEO will send a letter from the Governance Committee requesting a written plan as to how the Project plans to address this issue moving forward. The letter will also advise the Project that the Agency reserves the right to claw back or revise the PILOT.

Hudson Valley Kingston Development, LLC (The Kingsley) is underperforming. The CEO noted that the Project was still under construction during the annual site visit. The CEO will send a

letter from the Governance Committee requesting a written plan as to how the Project plans to address this issue moving forward. The letter will also advise the Project that the Agency reserves the right to claw back or revise the PILOT.

Kingston Medical Properties (111 Marys Ave) is slightly underperforming based on the 51 FTEs promised in the closing documents. The original owner of the Project had promised 57 FTEs. The CPA was unable to verify the employment data sent from each tenant. The issues that arise when having multiple tenants will be referred to the Audit Committee to draft a policy. The Governance Committee will draft a letter advising the Project that the certificates of insurance, payroll journals and NYS-45s are respectfully requested for each tenant by August 21, 2020.

ARHC BCKNGNY01 (111 Marys Ave prior owners) has not submitted anything. There is no valid mailing address on file. The CEO has called and emailed all contacts. Agency Counsel will reach out to the Project's attorney.

The full Board and all taxing jurisdictions will be carbon copied on all correspondence.

Revised UTEP Review

The Committee reviewed the revised Uniform Tax Exemption Policy from Agency Counsel. The CEO noted that the definition of "senior housing" was changed to match the Agency's policy. The CEO noted that the wording in the last paragraph should be changed to delete "Administrative Director" and replaced with either "CEO or designee". The change will be presented to the full Board.

NEW BUSINESS

The Committee is working to review all of the Agency's policies. The following policies are being sent to the Audit Committee prior to the Governance Committee review: Background Check Policy, Code of Ethics, Enforcement of Agency Projects Policy, Fee Schedule Guidelines, Investment and Deposit Policy, Local Construction Labor Policy, Policy Respecting Uniform Criteria for the Evaluation of Projects, Procurement Policy, Travel and Discretionary Funds Policy.

- Travel and Discretionary Funds Policy: The Committee would like to add a section that allows the Board to open a credit card. The change will be referred to the Audit Committee.
- Investment and Deposit Policy: Being referred to the Audit Committee to update Appendix A.
- Audio Policy: The policy is no longer needed because of the new live-stream mandate, deletion be recommended to the full Board.

- Compensation Policy: No change.
- Defense and Indemnification Policy: This should be changed to add verbiage from the Agency's Directors and Officers Liability insurance policy.
- Housing Projects Policy: The Board discussed reviewing the Housing Projects Policy terms almost two years ago, but never completed it. Michael Ham noted that there has been a large demand in Ulster County for housing, mainly low income and senior housing. Mr. Ham asked Counsel to review the policy and see if there was a way to broaden it. Mr. Ham proposed adding subsection E which would allow the Agency to consider granting 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. The CEO will draft a redline of the policy to present to the full Board.

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 12:02 P.M.

Respectfully submitted,

Michael J. Ham, Committee Chair