

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES NOVEMBER 8, 2017

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 A.M., Wednesday, November 8, 2017, Legislative Chambers, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

Roll Call:

The following agency members were present:

John R. Morrow	Chair
Michael Bernholz	Treasurer
John Livermore	Assistant Treasurer
James Malcolm	Member

The following agency members were absent (with notice):

Randall Leverette	Vice-Chair
Robert Kinnin	Secretary

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:

Nan Potter Real Estate Broker

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

Dan Hausberg
Mike Moriello, Esq.

HVKD
Counsel for HVKD, LLC

Bill Slutzky
Mike Moriello, Esq.
Brian Raddock
Kathleen Deegan
Chris Bombardier
Francine Kellman

Peak Home Inspections
Counsel for HVKD, LLC
Landmark Preservation, LP
Landmark Preservation, LP
Landmark Preservation, LP
Landmark Preservation, LP

Abe Eisner
Alex Betke

Ellenville Development Partners
Ellenville Development Partners

Geddy Sveikauskas
William Kemble

Ulster Publishing
The Daily Freeman

The meeting was called to order at 8:00 A.M.

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 one asked for the privilege of the floor. The Public Comment on the "agenda items only" section of the agenda was closed.

MINUTES

Motion: John Livermore, seconded by James Malcolm, moved to approve the Minutes of the October 11, 2017 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

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

Motion: James Malcolm, seconded by John Livermore, moved to accept the financials for the period ending October 31, 2017.

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee

Committee Chair John Livermore reported that the Audit Committee did not meet last month.

Governance Committee

Committee Chair James Malcolm stated there was nothing new to report.

PROJECTS

Hudson Valley Kingston Development LLC

UCIDA Attorney and Bond Counsel, A. Joseph Scott, stated that the Board had previously approved this project for a Public Hearing and the hearing was held since that time. The company would like to initiate construction on two of the sites for which SEQR clearance has been obtained from the City. A request is now being made for the granting of an interim sales tax letter, pending completion of the formal and final IDA documents in order to start the preliminary work at the two sites.

He continued by stating that the Resolution before the Board is structured so that the grant of the interim sales tax letter will be limited. An administrative fee will be collected upon delivery of the granting of the interim sales tax letter. There will be a recapture of any benefits if a closing does not take place or in the event the company does not complete the project in accordance with the application. UCIDA will have the normal protections by way of insurance, recapture and clawback.

Attorney Scott proceeded to review the Resolution with the Board. A copy of said Resolution is on file.

Michael Bernholz asked for a confirmation of the timing to obtain final approval before any recapture. Mr. Scott explained that if they do not close before January 15, 2018, they will either need to come back to the Board for an extension or there would be a recapture at that point.

Nan Potter stated that the Planning Board is meeting on November 20th regarding SEQR approval of the additional two parcels.

RESOLUTION APPOINTING HUDSON VALLEY KINGSTON DEVELOPMENT LLC AS INTERIM AGENT OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY FOR THE PURPOSE OF INITIATING A PROJECT FOR THE BENEFIT OF HUDSON VALLEY KINGSTON DEVELOPMENT LLC.

Motion: Michael Bernholz, seconded by John Livermore, moved to adopt the Agent Resolution, Hudson Valley Kingston Development LLC Project. (A copy of said Resolution is on file.)

Vote: The motion was adopted.

LANDMARK PRESERVATION, L.P.

Chris Bombardier, a representative of Landmark Preservation, L.P., gave an overview of the project which included, but was not limited to the following:

- The project includes two buildings consisting of a total of 196 units of Senior Housing, Section 8 housing. They are located at 295 Broadway, Kingston, New York which building consists of 104 units, and 1 Albany Avenue, Kingston, New York which building consists of 92 units of Senior housing.
- Renovations and rehabilitation will be made to the common areas and the exterior as well as the individual units with an estimated cost of \$50,000 per unit (all encompassing).
- Total project cost is over 35 million.
- The purchase price is 17.5 million.
- The buildings will continue to be used as Senior, low income Section 8 Housing with a 40-year agreement to maintain the housing as low income.
- The company will continue to pay the property taxes.
- Jobs for the renovations will be sought locally.

- The applicant is currently in communication with the City of Kingston and the School District with regard to a deviated PILOT.

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 LANDMARK PRESERVATION, L.P

Motion: James Malcolm, seconded by Michael Bernholz, moved to adopt the Agent Resolution, Hudson Valley Kingston Development LLC Project. (A copy of said Resolution is on file.)

Vote: The motion was adopted.

OLD BUSINESS

Greenhouses Project

Suzanne Holt stated that Doug Posey has relayed to her that he would not be able to attend the UCIDA meeting today, but has provided the Board with a project update dated November 6, 2017. (A copy of said update is on file)

Ms. Holt advised the Board that as a provision for financing approval, Mr. Posey was required to book all his weddings in 2018, which he has done. This would also mean that he will need to have the project open and running by May, 2018.

As a result, Mr. Posey has requested a proposed adjustment to the fee structure upon closing. He offered to pay the full attorney's fee and divide the IDA's fee over a twelve-month period.

A discussion among the members followed regarding the concern of potentially establishing a precedent if they were to agree to the adjustment in the fee structure. After some consideration and in light of the ramifications of a clawback at this point, it was the consensus of the Board members who were present to allow the adjustment.

Motion: John Livermore, seconded by Michael Bernholz, moved to permit acceptance of full payment of legal fees at the time of closing and payment of the agency's fee to be paid over a twelve-month period at the conclusion of the construction, or July 1, 2018, whichever occurs first.

Vote: The motion was adopted.

NEW BUSINESS

Schrade Property

Alex Betke spoke on behalf of AmTrust Realty (George Karfunkel, owner) with regard to property located at 7 Schrade Court, Ellenville, New York and the use of a feasibility analysis to determine the highest and best use of the property. (Copies of said application and proposal are on file.)

Board member, Michael Bernholz, expressed his opinion that the Board should not share in a company's research of a proposed project. He added that much of the information contained in such a study can be found on various websites.

Board member, James Malcolm, pointed out that there is no security for the Board's share of the cost for the report in the event the analysis is never used.

It was unanimously agreed by the members present to provide a letter of support to AmTrust Realty Corp.'s development of the Schrade property. Suzanne Holt shall draft said letter for approval by the Chair.

A suggestion was offered to have counsel draft a resolution in which certain provisions would be made including but not limited to: a) the Board will be given a full and complete copy of the study; b) in the event that nothing happens with a period of 2 years, there would be a reimbursement of the monies expended by the Board; c) in the event the study results in a proposed applicant, the applicant will be responsible for that portion of the expense of the study previously expended by UCIDA.

Motion: James Malcolm, seconded by John Livermore, moved to have a Resolution drafted concurrent with the recommendations of counsel.

Vote: The motion was adopted.

EXECUTIVE SESSION

Motion: James Malcolm, seconded by Michael Bernholz, moved to enter Executive Session for the purpose of discussing pending litigation by 2-4 Kieffer Lane, LLC.

Vote: The motion was adopted.

The Board of Directors moved into Executive Session at 9:11 AM

Motion: John Livermore, seconded by James Malcolm, moved to come out of Executive Session.

Vote: The motion was adopted.

The Board of Directions moved out of Executive Session at 9:36 AM

No official action was taken by the Board during Executive Session.

ECONOMIC DEVELOPMENT UPDATE

Suzanne Holt reported the following:

- Film Industry: Three workshops were held and were very well attended.
- Tech Industry: Four Square is looking for another location. Dennis Crawley is looking at the Hudson Valley and Toronto.
- UCARC will be taking longer to open
- 311 Wall/BBG Ventures will be getting kitchens. There has been a growing interest.
- In general, all looks very positive right now.

Ms. Holt also updated the Board with regard to Woodland Pond's recent request to the UCCRC for refinancing. There will be a meeting in December.

Additionally, it was noted that a legal RFP will be slated for next year since the audit RFP occurred this year and the standard procedure has been to alternate years between both.

PUBLIC COMMENT

Chair Morrow opened the meeting for public comment. There were no individuals who requested the privilege of the Floor. The public comment section of the Agenda was closed.

ADJOURNMENT

Motion: James Malcolm, seconded by John Morrow, moved to adjourn the meeting.

Vote: The motion was adopted.

The meeting was adjourned at 9:42 A.M.

Respectfully submitted,

John Livermore, Assistant Secretary