

December 2, 2021

# UCCRC

---

Ulster County Capital Resource Corporation

---

## ULSTER COUNTY CAPITAL RESOURCE CORPORATION MINUTES December 2, 2021

---

A special meeting of the Ulster County Capital Resource Corporation was held on Thursday, December 2, 2021 at 7:00 P.M. via Zoom.

The following agency members were present:

James Malcolm	Chair
Diane Eynon	Vice Chair/Treasurer
Michael J. Ham	Secretary
Faye Storms	Assistant Treasurer
Richard O. Jones	Member/Chief Financial Officer

The following agency members were absent with notice:

Orlando Reece	Assistant Secretary
Daniel Savona	Assistant Secretary

Additional Attendees:

Rose Woodworth	Chief Executive Officer
A. Joseph Scott, III, Esq.	Agency Counsel

The meeting was called to order at 7:01 A.M. by Chair James Malcolm.

### **PLEDGE OF ALLEGIANCE**

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

### **READING OF THE UCCRC MISSION STATEMENT**

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.

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

**Roll Call**

Roll was called, and it was noted that a quorum was present.

**MINUTES**

**Motion:** Michael J. Ham, seconded by Richard O. Jones, moved to approve the minutes of the October 20, 2021 meeting as presented.

**Vote:** The motion was unanimously adopted (5-0).

**PUBLIC COMMENT**

There was no public comment.

**OLD BUSINESS**

**Romeo Kia, LLC**

Chief Executive Officer Rose Woodworth presented old business as follows:

There were Project changes (which were covered at the Public Hearing) due to how long the Project has been waiting to close and changes in estimates from the contractor. The total Project cost has increased to approximately seven million dollars. Because of this, there will also be an increase to the mortgage recording tax and sales tax incentives needed. Originally, there was a very good cost benefit ratio, but now it is much higher because there is much less in incentives and a larger investment into the County. Counting only IDA incentives, the benefit to cost ratio of 87:1.. If the Project proceeds with the 485(b) through the town, then it would still be a benefit to cost ratio of 44:1.

The Board has all of the written public comments that were submitted from the Public Hearing, but the Agency has not received the transcript from the hearing back yet from the stenographer. In lieu of the transcript, all of the Board members have received the link to the video to watch, and there were three communications sent in prior to the hearing that were read out loud and are included in the written public comments for the Public Hearing. Some comments were also sent in after the meeting. Most comments that came in after-the-fact were in favor of the Project, but there may have been one or two not in favor of the Project. At the Public Hearing, the Board members listened to some misconceptions regarding what the IDA and CRC do and how they do it. Two people thought that the IDA was physically buying the land and building the building for Romeo and then letting them lease it back. After explaining that Romeo is paying for the Project themselves, it led to further conversation. One of the gentlemen reached out to others in the community and compiled a list of concerns and things he did not understand and things he feels other people in the community don't understand. He sent the list over so the Agency can help the public better understand what the Agency does. There were 4 or 5 people with concerns or in disapproval of the project, but Board members took the time to explain some things

outside the meeting and Town of Ulster Supervisor James Quigley gave a quick overview about the economics of the situation and how it affects the Town of Ulster.. The incentives that the Corporation is giving total \$352,000. However, only half of that figure is basically what's coming from the County, which was one of the things Supervisor Quigley touched on. Half of \$304,000 (the sales tax incentive) is Ulster County and then \$48,000 (the mortgage incentive) is Ulster County as well. He also spoke of the positive impact financially from the business to the Town and County.

Agency Counsel presented the resolutions for Board consideration. He explained that the SEQR Resolution needs to be considered first in order to consider the Approving Resolution. The SEQR Resolution is similar to what was considered by the IDA several months ago. The SEQR Resolution is confirming the action taken by the Town of Ulster Town Board with respect to the SEQR clearance. Part of the reason for this meeting is due to the construction restrictions on the site which are impacted partly by the weather and the eagles. It is understood that everything is resolved with the eagles.

Board Chair James Malcolm asked Lucia Romeo, representing the project, if she had anything to say before the Board voted, but she declined. He then inquired as to the name of general contractor for the Project. Lucia let the Board know that Mike Schatzel is the general contractor for the Project.

**Motion:** Faye Storms, seconded by Richard Jones, made a motion for a roll call vote to approve the resolution accepting the determination by the Town of Ulster Town Board to act as lead agency for the environmental review of the Romeo Enterprises, LLC Project and acknowledging receipt of the negative declaration issued with respect thereto.

**Vote:** The Board voted as follows:

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

The motion was unanimously adopted.

Agency Counsel then presented the resolution approving the documents by the CRC entering into the lease as follows:

The various financing documents appoints the company agent for the Corporation for sales tax purposes and the benefits being extended are mortgage recording tax and sales tax. These transactions are usually structured through the IDA. However this transaction is through the CRC because of the procedural legal issue that the Agency had with the IDA process. The primary reason the CRC was created was for the issuance of tax-exempt bonds for not-for-profit corporations. The ability of IDAs to do projects for not-for-profit corporations expired in January of 2008. However, the mission statement of the CRC is broad

and says “to promote community and economic development in ways that compliment the work of Ulster County.” This resolution is consistent with the mission statement of the CRC and also the certificate of incorporation which is sub c of the findings which talk about undertaking projects and activities within the County for the purpose of relieving and reducing unemployment and bettering and maintaining job opportunities. The reason for the special meeting is due to the SEQR resolution and to accommodate the construction schedule. This Project has been delayed for a number of months and has created stress on the Applicant. This meeting is to accommodate their undertaking and initiating the construction on the project site. The IDA and CRC combined have held two public hearings with respect to this matter. The Board has reviewed both public hearing reports. The balance of the resolution authorizes the Chairman and the other authorized officers to execute documents. The balance of the items is consistent with what was considered through the IDA in terms of project benefits: The 18 retained jobs, the 18 new jobs, the 40 full-time equivalent construction jobs, the value of the exemptions, and the balance of the items listed on the resolution.

**Motion:** James Malcolm, seconded by Michael J. Ham, made a motion for a roll call vote to approve the resolution authorizing execution of documents in connection with a lease/leaseback transaction for a project for Romeo Enterprises, LLC (the “company”).

**Vote:** The Board voted as follows:

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

The motion was unanimously adopted.

Lucia Romeo said they are hoping to complete the Project by the end of next September. Their lease has been extended to next January.

#### **EXECUTIVE SESSION**

**Motion:** James Malcolm, seconded by Faye Storms, made a motion to enter Executive Session for the advice of Counsel.

**Vote:** The motion was unanimously adopted (5-0).

The Board entered Executive Session at 7:22 P.M.

**Motion:** James Malcolm, seconded by Michael J. Ham, made a motion to come out of Executive Session.

**Vote:** The motion was unanimously adopted (5-0).

The Board came out of Executive Session at 8:08 P.M.

No action was taken during Executive Session.

### **NEW BUSINESS**

#### **Donations to Local Non-Profit Organizations**

The Ulster County CRC is looking to make a charitable donation to a local food bank in order to have money distributed throughout Ulster County to different area food banks. There will be more discussion on this when there is a resolution at the next meeting.

### **ADJOURNMENT**

**Motion:** Faye Storms, seconded by Dr. Diane Eynon, moved to adjourn the meeting.

**Vote:** The motion was unanimously adopted (5-0).

The meeting was adjourned at 8:10 P.M.

Respectfully submitted,

Michael J. Ham, Secretary