

DATED: March 10, 2022

OFFICERS

CHAIR
James Malcolm

VICE CHAIR
& TREASURER
Dr. Diane Eynon

SECRETARY
Michael J. Ham

ASSISTANT TREASURER
Faye Storms

ASSISTANT SECRETARY
Orlando Reece

ASSISTANT SECRETARY
Daniel Savona

CHIEF EXECUTIVE OFFICER
Rose Woodworth

CHIEF FINANCIAL OFFICER
Richard O. Jones

BOARD MEMBERS

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

March 16th, 2022 - 9:00 AM

via Zoom - <https://us02web.zoom.us/j/81641119687> Meeting ID: 816 4111 9687
One tap mobile - +16465588656, 81641119687# US (New York)

AGENDA

- 1) Call to order
- 2) Pledge of Allegiance
- 3) Roll call **(page 2)**
- 4) Mission statement
- 5) Approval of the minutes of February 16, 2022 Regular Meeting **(page 3)**
- 6) Public comment agenda items only
- 7) Executive Session *(expected to be at least 15 minutes)*
- 8) Financials **(page 10)**
- 9) Chair's report
- 10) Chief Executive Officer's report
 - a) Hodgson Russ engagement letter - 2022 **(page 12)**
- 11) Committee reports
 - a) Audit
 - i) Construction labor monitoring report **(page 24)**
 - ii) 2021 Audited Financial Statements - DRAFT **(page 25)**
 - b) Finance
 - c) Governance
 - i) Resolution Authorizing Modifications to Agency Fee Schedule Guidelines **(page 55)**
 - ii) Resolution Approving Various Policy Changes **(page 60)**
- 12) Old Business
 - a) Status of Pending Projects **(page 65)**
 - b) Status of Pending Enforcement Matters **(page 66)**
- 13) New Business
 - a) KAGR/KMP **(page 67)**
- 14) Adjournment

The next meeting of the Ulster County Industrial Development Agency is scheduled for
9:00 a.m., April 20, 2022.

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.

Item 3.

Roll Call

	<u>Present</u>	<u>Absent</u>
James Malcolm, Chair	_____	_____
Diane Eynon, Vice Chair/Treasurer	_____	_____
Michael J. Ham, Secretary	_____	_____
Faye Storms, Assistant Treasurer	_____	_____
Orlando Reece, Assistant Secretary	_____	_____
Daniel Savona, Assistant Secretary	_____	_____
Richard O. Jones, Member	_____	_____

DRAFT

Dated: February 17, 2022
DRAFT FOR DISCUSSION PURPOSES ONLY

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES February 16, 2022

A regular monthly meeting of the Ulster County Industrial Development Agency was held on Wednesday, February 16, 2022 at 9:00 A.M. via Zoom.

The following agency members were present:

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

The following agency members were absent with notice:

Orlando Reece	Assistant Secretary
---------------	---------------------

Additional Attendees:

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

The meeting was called to order at 9:02 A.M. by Chair James Malcolm.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

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

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.

MINUTES

Motion: Richard O. Jones, seconded by Dr. Diane Eynon, moved to approve the minutes of the January 19, 2022 regular meeting as presented.

Vote: The motion was unanimously adopted (6-0).

PUBLIC COMMENT

There was no Public Comment.

EXECUTIVE SESSION

Motion: Faye Storms, seconded by Richard O. Jones, made a motion to enter executive session for discussion on financial history and background regarding personnel matters.

Vote: The motion was unanimously adopted (6-0).

The Board entered Executive Session at 9:04 A.M.

Motion: Faye Storms, seconded by Michael Ham, made a motion to come out of Executive Session.

Vote: The motion was unanimously adopted (6-0).

The Board came out of Executive Session at 9:20 A.M.

No action was taken during Executive Session.

FINANCIALS

CEO Rose Woodworth presented the financial report. There is revenue for the month of January, and the Agency is on the accrual basis. The \$36,000 is for the annual fees that were billed out for January 1st, 2022

for all of the projects. The range for annual fees is between \$500 and \$1,500 depending on the size of the project. The Agency has been receiving money in. There will be a Governance Committee meeting planned shortly to go over annual reporting issues, etc. The staff fees are high but no different than in past years for this time of year January, February, and March are usually high because of the annual reporting. There were also the livestream and zoom expenses. The \$225 was for the EDC conference that the CEO and Diane will be attending on February 28, 2022. There is also a small amount of interest income. No differences in the bank balances on page 14. This month, the CEO moved \$200,000 out of the M&T checking account to the Bank of Greene County checking account due to the slightly higher interest rate, but this will be reflected on the February financial statements. The accounts receivable is mostly due to the Kingstonian because of the annual fees and CPA fees that have not been paid yet by any of the projects. There was a small amount due from the CRC at year-end for reimbursing the IDA for administrative fees and small amounts of postage, etc. Accounts payable will be the CPA fees from year-end bookkeeping which will be mostly cleared up this month. Most of escrow is the Kingstonian for Loewke Brill and the accrued expenses for December 31, 2021 for financial statement purposes. The adjusting entries are made at year-end.

Motion: Daniel Savona, seconded by Faye Storms, made a motion to accept the Financial Reportas presented.

Vote: The motion was unanimously adopted (6-0).

CHAIR'S REPORT

Chair James Malcolm presented the Chair's Report. He expressed that it has been busy with a lot of discussion regarding housing and Enterprise Drive and what is going to happen there. Last month the Chair was re-elected. However, he will not be seeking reappointment to the Board. He added that it has been an honor and a privilege to serve the citizens in the County for nearly 14 years. He commended the Board and the professionals who brought great perspective and the ability to have good, educated dialogue, and come to some common ground. He added that it was an honor to finish his tenure as a Board member by serving as Chair. He thanked the Board Members, Brian Cahill and his Committee, Joe Scott, and Tim Weidemann for his report.

CHIEF EXECUTIVE OFFICER'S REPORT

Rose Woodworth presented the Chief Executive Officer's report. As part of her report, she reported on the following:

- A. Annual Reporting is in progress. The Agency has had some disappointing pushback from some projects. The CEO spoke with the Governance Committee and Vice Chair and sent out late fees in accordance with Agency policy and gave 10 days leeway which is against the regular policy. Some are having trouble with their fourth quarter NYS-45's coming from their payroll company on time. There were 11 late fees issued on February 10, 2022 and a few more on February 15, 2022. Every few days another \$250.00 will accrue if the people don't have their information in, and by the end of the month, it will be \$1,000. The CEO explained to the projects that the only change is that it is on Google forms. Everything else is the same as in previous years. Reminders were sent via email and phone calls. That information will be reported during the Audit committee and then the Governance Committee will go over any issues and any non-compliant projects.
- B. There was an additional pre-screen last week for one of the current projects that is looking to re-structure. Their application should be before the Board by next month.
- C. The Open Meetings Law stated that the state of emergency ended February 14, 2022. However, the meetings are allowed on Zoom through March 16, 2022, which is the date of the next Board meeting.
- D. There is a training from the ABO on PARIS this Friday February 18, 2022. The CEO is attending along with Emily, from the office, who started helping with PARIS reporting last year.
- E. The CEO clarified that in the previous meeting Michael J. Ham made a motion and Daniel Savona seconded for the resolution on extending the Housing Moratorium. The Board was in favor.
- F. The CEO commended the Chair for his work, time, and the changes that were instituted over the years.
- G. There was an invoice from Hodgson Russ for the remainder of the work done in 2021 which needs approval by the board because it is over \$2,500. The full invoice is \$5,368. \$2,090 is for the CRC. \$3,278 is for the IDA.

Motion: Daniel Savona, seconded by Richard O. Jones, made a motion to pay the IDA portion of the Hodgson Russ invoice.

Vote: The motion was unanimously adopted (6-0).

Diane Eynon asked for an update on getting an RFP out to some communication firms. The CEO had reached out to three different marketing companies recommended by the EDC. She met with them via zoom or phone and took notes on what they have to offer. She got an RFP from the EDC that may not have been comprehensive enough. One of the vendors for marketing sent over some RFPs which he had responded to from other IDAs in order to give more ideas of what should be put in it. The CEO will reconvene afterwards with the marketing working group.

COMMITTEE REPORTS

Audit Committee

Committee Chair Dr. Diane Eynon reported the on the following information:

- a. The only project reported for the month of January was Inness. They were 100% compliant. There is an error on the report. The 20 should be changed to a 9.

The Agency has changed the contract because the Board wanted more insight into what was happening at the projects in their monthly reports. Diane Eynon asked when there will be more detailed reports from them. Loewke Brill gets insurance information etc. from RBW and was going to ask them for the OSHA certificates which just started this past month. The basic one is OSHA 10 which is the bare minimum requirements for health and safety for anyone who is doing a project. The Chair urges the Board moving forward to include that into their contractual documents. Michael J. Ham expressed his agreement with the Chair on this matter. Daniel Savona asked if an employee from one of the Projects the IDA has invested in gets hurt and is not OSHA certified and there is a lawsuit, can the IDA be named in the lawsuit because someone was not following protocol? The Agency's Counsel answered that they can be named, however he does not think that they would be successful against the IDA. Richard O. Jones asked when Loewke Brill will start to report on this matter. Diane added that the Agency would also like to have more actual site visits instead of the way the information has been reported back from Loewke Brill. The CEO answered that this has been agreed upon this month and she will talk to them about getting the report changed for February to show information on RBW for their OSHA compliance and anything else from the subcontractors. There will be more seen with the monthly site visits once other projects start their construction. Faye Storms asked if this was the resolution that was done to require the OSHA or if this was just added in. Michael J. Ham answered that this was in the labor policy and the CEO confirmed and added that it was not something that Loweke Brill was staying on top of as much as the Agency had hoped. The Chair added if it is put into the contractual documents then they will stay on top of it because they will be responsible for it.

Finance

No report.

Governance

Committee Chair Michael J. Ham presented the Governance Committee as follows:

- The last Governance Committee meeting was on January 12, 2022. There was a lot of activity which was all previously reported in the January 16, 2022 meeting. Currently, we are still gathering information together on the mentoring pamphlet. Because of time constraints at the last Governance meeting, the housing discussion, the UTEP, and the matrix updates were tabled for the next Governance meeting. The Agency will be scheduling another Governance meeting before the end of the month. There is a small work group meeting to discuss the housing policy in hopes to bring the full report back to the board in the March meeting.

Michael J. Ham thanked the Chair for his leadership in the IDA.

Motion: Richard O. Jones, seconded by Diane Eynon, made a motion to accept the Governance Committee Report as presented.

Vote: The motion was unanimously adopted (6-0).

OLD BUSINESS

Status of Pending Projects

Agency Counsel A. Joseph Scott reported on the status of pending projects:

- A. Wildberry Lodge LLC – No changes.
- B. Magruder Solar, LLC – No changes.
- C. Romeo Enterprises, LLC- Expected to have re-drafts out soon and pushing to close in February.
- D. Bayside Marlborough – No changes.

Status of Pending Enforcement Matters

Agency Counsel A. Joseph Scott reported on the status of pending enforcement matters:

- A. Greenhouse/Posey – Documents have been distributed, and the Project is expected to close this month.
- B. Darien Lake – Documents have been distributed, and the Project is expected to close this month.

- C. Golden Hill/NH Realty – The City Assessor will report back information regarding a claw-back bill.

NEW BUSINESS

There was no New Business.

ADJOURNMENT

Motion: Faye Storms, seconded by Richard O. Jones, moved to adjourn the meeting.

Vote: The motion was unanimously adopted (6-0).

The meeting was adjourned at 9:50 A.M.

Respectfully submitted,

Michael J. Ham, Secretary

DRAFT

Ulster County Industrial Development Agency

Statement of Financial Activity

Budget vs. Actual

February & January - February 2022

	Feb 22	Jan-Feb 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
4000 · Operating Revenues					
4010 · Project Closing Fees	0.00	0.00	360,000.00	-360,000.00	0.0%
4025 · Annual Administrative Fees	0.00	36,250.00	40,000.00	-3,750.00	90.63%
4030 · Application Fees	1,000.00	1,000.00	2,000.00	-1,000.00	50.0%
4070 · Miscellaneous Fees	500.00	500.00	1,000.00	-500.00	50.0%
4080 · Late Fees	4,250.00	4,250.00	0.00	4,250.00	100.0%
4090 · Project Admin Fees (Pass-Thru)	540.00	540.00	15,000.00	-14,460.00	3.6%
Total 4000 · Operating Revenues	6,290.00	42,540.00	418,000.00	-375,460.00	10.18%
Total Income	6,290.00	42,540.00	418,000.00	-375,460.00	10.18%
Expense					
6000 · Professional Fees					
6010 · Administrative Staff Fees	18,550.00	35,600.00	151,200.00	-115,600.00	23.55%
6030 · Legal Fees	0.00	0.00	30,000.00	-30,000.00	0.0%
6040 · Auditing Fees	0.00	0.00	15,000.00	-15,000.00	0.0%
6050 · Website & Marketing	0.00	0.00	15,000.00	-15,000.00	0.0%
6055 · Livestream	0.00	1,500.00	10,000.00	-8,500.00	15.0%
6060 · Contracts for Other Services	0.00	14.99	168,300.00	-168,285.01	0.01%
Total 6000 · Professional Fees	18,550.00	37,114.99	389,500.00	-352,385.01	9.53%
6100 · Project Admin Exp (Pass-Thru)	540.00	540.00	15,000.00	-14,460.00	3.6%
6200 · Other Expenses					
6210 · Office Expense & Postage	0.00	0.00	1,500.00	-1,500.00	0.0%
6215 · CBA Software	0.00	0.00	5,000.00	-5,000.00	0.0%
6220 · Insurance	0.00	0.00	4,000.00	-4,000.00	0.0%
6230 · Dues & Fees	0.00	0.00	1,000.00	-1,000.00	0.0%
6250 · Seminars & Conferences	0.00	225.00	1,500.00	-1,275.00	15.0%
6260 · Travel/Meals	0.00	0.00	1,500.00	-1,500.00	0.0%
6290 · PPE Grants Program	0.00	0.00			
6299 · Miscellaneous	0.00	0.00	500.00	-500.00	0.0%
Total 6200 · Other Expenses	0.00	225.00	15,000.00	-14,775.00	1.5%
Total Expense	19,090.00	37,879.99	419,500.00	-381,620.01	9.03%
Net Ordinary Income	-12,800.00	4,660.01	-1,500.00	6,160.01	-310.67%
Other Income/Expense					
Other Income					
7010 · Interest Income	67.95	132.41	1,500.00	-1,367.59	8.83%
Total Other Income	67.95	132.41	1,500.00	-1,367.59	8.83%
Net Other Income	67.95	132.41	1,500.00	-1,367.59	8.83%
Net Income	-12,732.05	4,792.42	0.00	4,792.42	100.0%

Ulster County Industrial Development Agency

Balance Sheet

03/10/22

As of February 28, 2022

Accrual Basis

	<u>Feb 28, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash, Checking (BOGC)	516,289.43
1055 · Cash, Checking (M&T 3923)	142,535.99
1065 · Cash, Savings (M&T 4428)	63,319.25
1090 · Rhinebeck Savings CD	201,518.52
Total Checking/Savings	<u>923,663.19</u>
Accounts Receivable	
1200 · Accounts Receivable	453,300.00
Total Accounts Receivable	<u>453,300.00</u>
Other Current Assets	
1400 · Due from UCCRC	2,090.00
Total Other Current Assets	<u>2,090.00</u>
Total Current Assets	<u>1,379,053.19</u>
TOTAL ASSETS	<u>1,379,053.19</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 · Escrow	62,567.74
2250 · Accrued Expenses	23,118.00
Total Other Current Liabilities	<u>85,685.74</u>
Total Current Liabilities	<u>85,685.74</u>
Total Liabilities	85,685.74
Equity	
3000 · Unrestricted Net Assets	1,288,575.03
Net Income	4,792.42
Total Equity	<u>1,293,367.45</u>
TOTAL LIABILITIES & EQUITY	<u>1,379,053.19</u>

March __, 2022

Ulster County Industrial Development Agency
PO Box 4265
Kingston, New York 12402
Attention: James Malcolm, Chair

Re: Ulster County Industrial Development Agency
Agency Counsel/Special Counsel/Bond Counsel - 2022

Dear Chair Malcolm:

We are very pleased that the Ulster County Industrial Development Agency (the “Agency”) has requested us to perform certain legal services for the Agency as Bond/Special Counsel and Agency Counsel. The scope of the work you have asked us to undertake is briefly described on Schedules A and B attached to this letter. A description of our policy with respect to certain administrative matters, including attorney representation conflicts and client communications is attached as Schedule D to this letter.

For each type of work described on a schedule attached hereto, we propose to bill for such work in the manner described on the respective schedule relating thereto. If such bill is sent to a party other than the Agency, a courtesy copy of such bill will be sent to the Agency upon request.

In connection with performing legal services, we will typically incur expenses, such as photocopying, shipping of documents, travel, long distance telephone calls and filing fees. Such expenses are not included as part of our fee for professional legal services, and periodic statements showing the amount of such disbursements will be rendered to the party responsible for paying for the legal services to which such expenses relate. Such out-of-pocket expenses are not included as part of our fee for professional legal services, and periodic statements showing the amount of such disbursements will be made available for review by the Applicant and/or the Agency upon request. For your information, we have attached hereto as Schedule C our policy with respect to the recovery of client disbursements. If such bill is sent to a party other than the Agency, a courtesy copy of such bill will be sent to the Agency upon request.

In the unlikely event that a dispute arises between us relating to our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

During the course of this engagement, the firm may collect certain personal information relating to the services contemplated by this letter. When we do so, we require that clients provide the minimum amount of personal information necessary for us to perform our legal services. The collection of any such personal information will be governed by, and such personal information will be processed in accordance with, the firm’s Privacy Policy, as well as any applicable privacy laws and codes of professional conduct.

You can obtain a copy of the firm's Privacy Policy on our website at www.hodgsonruss.com or by requesting one from us.

We understand that our engagement as Bond/Special Counsel and Agency Counsel to the Agency is subject to annual review and approval. In the event that the Agency determines to terminate our engagement during the calendar year, or determines not to renew our engagement, we will bill the Agency for our legal services for the work performed on the matters and projects, including any general administration and enforcement matters, that we are handling on your behalf to the date of such determination based on our normal hourly rates.

In the event that our engagement is terminated, at your request, your papers and property will be returned to you upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by the firm. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, credit and accounting records, and internal lawyers' work product, such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. All such documents retained by the firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

This agreement to provide legal services may be terminated by either party upon thirty (30) days prior written notice. The Firm reserves the right to vary the services offered to the Agency from those illustrated above upon two months prior written notice to the Agency.

Please acknowledge your agreement to the above by signing and returning a copy of this letter for our records.

We appreciate the opportunity to represent you.

Very truly yours,

HODGSON RUSS LLP

By: _____
A. Joseph Scott, III

Agreed and Accepted as of this
__ day of _____, 2022

ULSTER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
James Malcolm, Chair

DRAFT

SCHEDULE A

Applicant Projects

Services as Bond Counsel (or Special Agency Counsel)

Where an applicant (the “Applicant”) requests that the Agency undertake a particular project (an “Applicant Project”) and such Applicant Project will be financed out of proceeds of taxable or tax-exempt revenue bonds issued by the Agency (each separate issue of bonds being sometimes hereinafter referred to as the “Bonds”), we would anticipate acting as bond counsel to the Agency with respect to said transaction.

As a matter of custom and prudence, both the issuers and purchasers of taxable and tax-exempt Bonds require an opinion of nationally recognized bond counsel. Such opinion ordinarily states that (1) the Bonds have been properly authorized and issued and are legal, valid and binding obligations of the Agency, (2) the legal documentation effectively provides the intended security for the Bonds, (3) interest on the Bonds is exempt from personal income taxes imposed by the State of New York, and (4), if the Bonds are intended to be issued as federally tax-exempt obligations, interest on the Bonds is excludable from gross income for federal income tax purposes. We anticipate rendering such opinions in connection with the issuance of each issue of the Bonds issued by the Agency during the period of our engagement.

Where the Applicant requests that the Agency undertake a Applicant Project and such project will not be financed out of proceeds of Bonds (a “Straight-Lease Transaction”), we would anticipate acting as special counsel to the Agency with respect to said transaction. As a matter of custom and prudence, the Agency and the Applicant require an opinion of counsel indicating that (1) the Straight-Lease Transaction has been properly authorized, and (2) the documents relating thereto have been properly executed by the Agency and are legal, valid and binding special obligations of the Agency. We anticipate rendering such opinions in connection with each Straight-Lease Transaction entered into by the Agency during the period of our engagement.

In order to establish the factual basis for the legal conclusions expressed in such opinion, we will prepare a record of proceedings (or transcript) for each issue of Bonds and each Straight Lease Transaction, which transcript will contain all documents and other materials necessary to assure that the form and substance of the transaction conform with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the New York Industrial Development Agency Act (Article 18-A of the New York General Municipal Law) (the “Act”) and other applicable New York laws. The record of proceedings for each such transaction will typically include the following, as appropriate: (A) a copy of the application made by the Applicant to the Agency with respect to the particular project (the “Applicant Project”), together with documents relating to the Agency’s actions accepting said application, holding a public hearing with respect thereto, and obtaining any required approvals with respect to the Applicant Project from the governing board or “chief elected official” of the municipality for whose benefit the Agency was created; (B) a transfer of the proposed project facility (the “Project Facility”) by the Applicant (and/or any seller thereof) to the Agency; (C) an installment sale agreement or lease agreement, whereby (1) the Applicant agrees, as agent of the Agency, to undertake and complete the Applicant Project, (2), if the transaction includes Bonds, the Agency agrees to make the proceeds of the Bonds available to pay the costs of the Applicant Project, and (3) the Agency grants to the Applicant the right to occupy the Project Facility and agrees to transfer ownership of the Applicant Project to the Applicant for a nominal sum (upon repayment of any Bonds); (D), if the transaction includes Bonds and there are multiple holders of the Bonds, a trust indenture between the Agency and a corporate trustee

acting as representative of the owners of the Bonds; (E), if the transaction includes Bonds and if required by the purchasers of the Bonds, a mortgage and/or security agreement from the Agency and the Applicant to the trustee (or the owner of the Bonds); (F), if the transaction includes Bonds, a guaranty of the Bonds from the Applicant to the trustee (or the owner of the Bonds); (G) various other security documents; (H) a uniform agency project agreement, which provides for the granting of the “financial assistance” and the enforcement of the conditions for the granting of such “financial assistance,” including any claw-back or other remedy provisions; (I), if the transaction includes Bonds, the Bonds are intended to be issued as federally tax-exempt bonds, various tax compliance documents; (J), if the transaction includes Bonds, a bond purchase agreement among the Agency, the Applicant and the initial purchaser of the Bonds; and (K), if the transaction includes Bonds and the Bonds are intended to be offered to multiple potential purchasers, various bond offering documents (including a preliminary and a final official statement or private placement memorandum relating to the Bonds). As Bond/Special Counsel or Agency Counsel, we typically draft all of such documents (excepting the bond offering documents, which are typically drafted by counsel to the initial purchaser of the Bonds, with input from us), as well as other documents which are customary and appropriate in such transactions. In addition, we assume responsibility for certain administrative matters, such as coordinating meetings, preparing bond forms, making arrangements for the closing and coordinating with counsel to the other parties to the transaction.

We typically assume no responsibility for any disclosure which may be required under state or federal securities law in connection with the issuance and sale of the Bonds (excepting only the description of the Bonds and the bond documents appearing in the bond offering documents) or for the accuracy, completeness or fairness of statements, representations, information or financial data supplied by the Applicant, or any of its affiliates.

Where we represent an industrial development agency on a regular basis, we typically provide certain pre-application services at no cost to the Agency (or the applicant) unless an application is subsequently filed with the Agency and the transaction subsequently moves beyond the inducement phase. Such pre-application services include providing advice to Agency staff as to whether a proposed transaction meets the requirements of Article 18-A of the New York General Municipal Law (the “Act”); and attendance at pre-application meetings with prospective applicants whenever requested by Agency staff.

Upon receipt from the Agency of an application and accompanying documentation relating to a particular project, we review the application to ascertain conformity of the proposed project with applicable state and federal laws affecting the Agency; prepare an opinion letter to the Agency regarding the legality of the proposed project; assuming said project appears legal, prepare the necessary documentation allowing the Agency to indicate preliminary acceptance of said application and allowing the Agency to conduct a public hearing relating to the transaction; assist the Agency in complying with the requirements of the New York State Environmental Conservation Law applicable to said application; and, if the Agency determines to reject an application, advise the Agency on how best to accomplish said rejection. We typically request that our industrial development agency clients include as part of their application an indemnity agreement, whereby the Applicant agrees to pay all legal expenses incurred by the Agency, whether the transaction closes or not.

Once the Agency has adopted a final inducement resolution with respect to the Applicant Project (and, if the transaction includes Bonds, we have received a draft commitment letter from the initial purchaser of the Bonds), we will prepare a first draft of the basic documents relating to the transaction. Upon receipt of comments from the relevant parties, we will finalize the basic documents and distribute drafts of the various supplemental documents to be delivered at closing for approval of the various

parties. If the transaction includes Bonds and the Bonds are intended to be reoffered to multiple parties, once the documents are in good order, (A) the initial purchaser will circulate the preliminary official statement or preliminary private placement memorandum to judge market interest in the Bonds, (B) once the preliminary official statement or preliminary private placement memorandum has been circulated, the initial purchaser of the Bonds will “price” the Bonds (i.e., set the interest rates and other business terms of the Bonds), and (C), if the Applicant accepts the pricing on the Bonds, the various parties would then enter into the bond purchase agreement and the other documents relating to the sale of the Bonds, and the sale of the Bonds will be consummated.

Upon closing and delivery of our opinion, our responsibilities as Bond/Special Counsel or Agency Counsel will be concluded with respect to the transaction; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide continuing advice to the Agency or any other party relating to the transaction.

Once an application is filed with the Agency, if the Applicant requests that we begin drafting the basic documents for the transaction and for any reason thereafter the transaction does not close, we typically bill the Applicant for our legal fees on an hourly basis, based on our standard hourly billing rates, as well as our disbursements incurred in connection therewith.

For sale/leaseback transactions, we generally charge Applicants a fixed fee in the range of \$5,000-\$45,000, plus disbursements, depending on the size, timetable and complexity of the matter. The size of the fee may be greater for large, multi-million dollar capital projects (e.g., large manufacturing projects, large mixed-use commercial or housing projects, big-box distribution center projects, co-generation projects, solid-waste projects and wind-farm projects).

With respect to taxable and/or tax-exempt bond transactions, once the structure of said transaction is decided upon, based on our understanding of the proposed structure of the transaction, the anticipated timing of the closing, our normal hourly rates and our educated guess as to the amount of time it will take us to conclude a particular transaction, we will discuss with the Agency and/or furnish to the Applicant an estimate of our anticipated fees for such transaction. For certain transactions where the amount of required legal services which are predictable, we will if requested furnish a fixed fee for such transaction. Our fees as bond counsel are generally in the range of \$10,000-\$95,000, plus disbursements, again, depending on the size, type, timetable and complexity of the bond financing.

Our statement for services for an applicant transaction will be rendered at closing. If the structure of the transaction changes significantly, or the closing of the transaction occurs beyond a reasonable period (3 months for a Straight-Lease Transaction or 6 months for a bond transaction), and such restructuring or delay results in an increase in the time that we must expend on the transaction, we reserve the right to renegotiate any fixed fee. Any fee estimate is based upon the foregoing assumptions and further assumes that there will be no extraordinary questions of law, that the structure of the transaction does not change significantly once the initial draft of the basic documents are prepared and that we will not need to prepare more than the normal 3 or 4 drafts of the documents prior to closing. It also assumes that our firm will not be called upon to perform additional services with regard to securities law disclosure or other aspects of the transaction falling outside the traditional responsibilities of Bond/Special Counsel or Agency Counsel outlined above. In the event that the facts do not bear out the foregoing assumptions, we expect to charge for our additional services on an hourly basis. In any event, we will discuss with the Agency any additional services to be performed by us prior to our performing them.

We recognize that the Agency will have more applicants and more repeat business if project beneficiaries feel that they have been fairly treated by the Agency and its staff, including legal counsel. In this regard, we feel almost as a partner with the Agency and often sacrifice short-term gain for the long term interests of the Agency. Accordingly, we take pains to ensure that the project beneficiary is advised early on in the process regarding what magnitude of legal bills to expect, and endeavor to enter into an engagement letter with the client spelling out both his and our expectations prior to performing significant work beyond the inducement stage. We also endeavor to ensure that our bills do not exceed comparable bills rendered by upstate firms on comparable transactions.

Sometimes, our client will advise us early on in a transaction that the transaction is “fee-sensitive”-i.e., that the applicant will only utilize the Agency in the transaction if total fees are kept below a certain ceiling. In these circumstances, we will advise our client whether it is possible to keep our fees below a ceiling, and if we agree that it is possible, we will thereafter ensure that our fees do not exceed the ceiling. Similarly, if we agree to include our disbursements in such a ceiling, we will ensure that our total bill does not exceed the ceiling.

If the Agency or the Applicant requests that we perform additional services beyond those described above, our fee for those additional services will be based on the time which we devote to said additional services. Our firm’s hourly rates presently range between \$235 and \$885 for lawyers and between \$130 and \$400 for legal assistants. The current hourly rates for the Firm’s attorneys that comprise the legal team for the Agency are described as follows:

Attorney	Hourly Rates
A. Joseph Scott, III	\$515/hour
Christopher C. Canada	\$385/hour
Nadene E. Zeigler	\$380/hour

Periodic statements showing the current legal fee due will be made available for review by the Applicant and/or the Agency upon request.

In connection with the issuance of the Bonds or a Straight-Lease Transaction, we typically incur significant out-of-pocket expenses, such as photocopying, shipping of documents, travel, long distance telephone calls and filing fees. In addition, we compile a closing transcript after the Bonds are issued or the Straight-Lease Transaction is completed, which is distributed to each of the parties to the transaction and which involves additional photocopying costs and binding fees. Such out-of-pocket expenses are not included as part of our fee for professional legal services, and periodic statements showing the amount of such disbursements will be made available for review by the Applicant and/or the Agency upon request. For your information, we have attached hereto as Schedule C our policy with respect to the recovery of client disbursements. The actual amount of the disbursements may be minimized by shipping documents first class mail rather than by overnight courier and by limiting the number of drafts of documents. Upon request, we will discuss with the Applicant or the Agency in more detail the steps we can take to minimize disbursements.

In performing our services as Bond/Special Counsel or Agency Counsel, our primary client relationship will be with the Agency, although the transaction will be for the primary benefit of the Applicant. We assume that the Applicant and the other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their respective interests in the transaction.

SCHEDULE B

Non-Applicant Projects

As general counsel to the Agency, if the Agency proposes to undertake a transaction involving a project which does not involve an applicant (a “Non-Applicant Project”), we would anticipate acting as counsel to the Agency with respect to said transaction. Examples of Non-Applicant Projects undertaken by industrial development agencies around New York State include offices for the industrial development agency, incubator buildings, industrial parks, shortline rail facilities, community centers, an airport, a parking garage and similar examples of “economic development infrastructure”. Examples of transactions involving Non-Applicant Projects might include obtaining financing (in the form of grants and/or loans) with respect thereto; reviewing real estate title records and/or title reports relating thereto; reviewing acquisition and/or construction documentation relating thereto; documenting the leasing and/or sale thereof, in whole or in part; and handling other matters relating thereto.

As general counsel to the Agency, we would also anticipate acting as counsel to the Agency on the typical, customary general matters (“General Matters”) relating to the Agency. Examples of General Matters would include the attendance of regular Agency meetings (where there is not an Applicant Project or Non-Applicant Project on the Agenda), the review of Agency policies and procedures, including policies relating to the Public Authorities Accountability Act, the representation of the Agency in any litigation, and the preparation of Application Forms and Policy Manuals.

In general, we would expect that our fees for General Matters for calendar year 2022 would be in the range of \$20 – 35,000. We would work with the Agency staff to stay within this budget and to provide legal services on General Matters in the most efficient manner so as to minimize the financial impact on the Agency.

With respect to Non-Applicant Projects, once we understand the scope of the work which the Agency desires us to undertake with respect to a particular transaction, we will discuss with the Agency an estimate of our anticipated fees for said transaction. We would expect to bill such matters at our normal hourly rates. Periodic statements showing the current legal fee due will be made available for review by the Agency upon request.

SCHEDULE C

Firm Policy With Respect to Client Disbursements

In the course of providing legal services to its clients, the Firm will from time to time incur various expenses on their behalf. These expenses are generally invoiced to the client in addition to the fees for legal services rendered. It is the policy of the Firm to attempt to keep these charges as low as possible, consistent with the timely performance of high quality legal services. Further, the Firm reserves the right to adjust the various charges for client disbursements on an annual basis, in the course of the Firm's customary review of attorney hourly rates and charges. Any adjustments in such charges will be made available to the client at the client's request.

The client is entitled to establish certain parameters in an attempt to limit disbursement charges, but it must be recognized that certain charges may be inevitable due to the nature of the transaction or legal services involved. Clients who desire to establish parameters for disbursements should contact the attorney-in-charge of the specific matter.

Certain of the disbursements described below are increased by a multiplier to compensate the Firm for various costs not identifiable to a particular client.

Set forth below are summary descriptions of the categories of disbursements commonly incurred on behalf of our clients. This list is by no means exhaustive, and other charges not described below will be invoiced to the client in an appropriate manner. Furthermore, the charges for certain of the items described below are imposed by third parties and may be increased without notice to us or to our clients:

1. **BINDING:** The entire cost of binding transcripts for circulation to various financing participants is invoiced to the client. The total cost is a function on the number and size of the transcripts to be bound and the charges for photocopies (see below).
2. **COMPUTER TIME SHARING:** The actual cost of computer time sharing for access to legal and other data bases will be passed through to the client. These charges are generally incurred in the course of performing legal research.
3. **FILING AND RECORDING FEES AND CERTIFICATE CHARGES:** The cost of various filings and recordings with federal, state and local agencies is borne by the client. Charges for obtaining certified copies of documents from federal, state and local agencies are also invoiced to the client. Occasionally, due to the nature and timing of the transaction involved, filings or requests for certified copies will be handled through service companies which may charge a premium rate.
4. **PUBLICATION:** Certain transactions require the publication of legal notices. The charges for such publication are established by the respective newspaper or periodical, and it is the policy of the Firm to pay the vendor directly and then forward the invoice to the client for reimbursement of same to the Firm.
5. **STAFF OVERTIME:** When secretarial or other support staff are required to work overtime with respect to a specific transaction, the cost is invoiced to the client at the rate of \$32.00 per hour. In addition, all employees who work 10.5 consecutive hours or more are entitled to receive either lunch or dinner at the Firm's expense. These meal costs will be charged to the client responsible for the overtime costs.

6. **PHOTOCOPIES:** Photocopies are charged at a rate of 10 cents per page. For large quantities of photocopying which do not require immediate turnaround, we will use a local photocopying service if it can provide copies at a lower rate.
7. **SHIPPING AND LOCAL DELIVERY:** The cost of shipment by Federal Express, United Parcel Service, Express Mail, U.S. Mail or other delivery service at the retail price charged for such service is invoiced directly to the client. The actual amount of the charges will depend upon the number, weight, and carrier of packages and letters sent. The client will also be charged for local delivery by outside couriers at their normal rates, and for our in-house courier (\$7.50 per delivery or package).
8. **TELEPHONE:** The Firm's telephone system allows for the attribution of long distance charges to the appropriate client and file. These charges include long distance charges for telecopies, as well as conference calls arranged through Soundpath Conferencing Services. Most of our long distance calls are placed through RCI Long Distance Service at rates approximately the same as AT&T rates.
9. **TELECOPY:** Telecopies are charged at 50 cents per page. The charge is designed to amortize the cost of acquiring and maintaining our telecopiers, as well as to cover the cost of administrative expenses associated with telecopy charges, the cost of collection and the time-value of money.
10. **TRAVEL:** The actual cost of travel, including charges for mileage for firm-owned or attorney-owned automobiles at 56 cents per mile, parking, plane or train fares, taxi, hotel, meals, etc., will be invoiced to the client.

DRAFT

SCHEDULE D

Firm Policy With Respect to Various Administrative Matters

General

For your information, Part 1215 of the Joint Rules of the Appellate Division requires that a letter of engagement be sent to any person or entity that is responsible for the payment of attorney's fees. Further, in the unlikely event that a dispute arises between us relating to our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

Attorney Representation Conflicts and Waivers

In performing our services to the Agency, we represent only the Agency. We assume that other parties to a transaction involving the Agency will retain such counsel as they deem necessary and appropriate to represent their interest in the transaction. As we have discussed, you are aware that we represent many other clients in numerous and diverse matters. It is possible that, during the time that we are representing the Agency, some of our past, present or future clients will have transactions with the Agency (i.e., a transactional conflict). The Agency agrees that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work with the Agency (even if the interests of such clients in those other matters is directly adverse to the interests of the Agency); however, we agree that your prospective consent to conflicting representation shall not apply in any instance where, as a result of our representation of the Agency, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. Examples of transactional conflicts include our representation of Manufacturers and Traders Trust Company, Roosevelt and Cross, Inc., Jefferies LLC, Piper Sandler, and RBC Capital Markets, Inc. on unrelated matters.

In certain circumstances, a past or present client of our firm may ask us to represent that client directly in a transaction involving the Agency. In such situation, if the Agency obtains separate counsel to represent the Agency and if the Agency consents to our representation of such client in such transaction, we may represent such client in such transaction, even if the interests of such client in such transaction is directly adverse to the interests of the Agency; however, we agree that your prospective consent to such conflicting representation shall not apply in any instance where, as a result of our representation of the Agency, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in such transaction by such client to your material disadvantage.

Acceptance of this proposal further constitutes authorization by the Agency to permit the Chair or the Chief Executive Officer of the Agency to execute any writing required by our conflicts partner to resolve any such "potential" conflicts of interest that may arise in the future.

Client Communications

As noted above, in performing our services as bond counsel to the Agency, our client is the Agency, and we represent its interests in connection with the particular matter. While the Agency takes formal action by resolution of its board (the “Agency Board”), the Chief Executive Officer typically has the day-to-day responsibility for the operations of the Agency and the undertaking of Applicant and Non-applicant Projects. Further, since the members of the Agency Board are appointed officials and not full-time employees of the Agency, we anticipate that the majority of our conversations and discussions will be with the Chair, the Vice Chair, the Chief Executive Officer, the Chief Financial Officer and other officers of the Agency.

Accordingly, when we need to communicate information to the Agency, you agree that communicating same to the Chair, the Vice Chair, the Chief Executive Officer, the Chief Financial Officer or any other official of the Agency shall be treated as if we had communicated such information to the full membership of the Agency. Further, if in our reasonable judgment we believe it necessary to communicate directly with the full membership of the Agency, we will be permitted to do so.

DRAFT

February 2022 Monthly UCIDA Report

March 7th, 2022

Inness New York, LLC – A total monthly head count of **0** workers were reported

- A. Of the 0 workers **0** were compliant and no exemptions
- B. Of the 0 workers **0** were non compliant
 - a. **Total monthly compliance average was N/A**

DRAFT

**ULSTER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**
(a component unit of Ulster County, New York)

AUDITED FINANCIAL STATEMENTS

As of and for the years ended December 31, 2021 and 2020

DRAFT

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
Statements of Net Position	7
Statements of Revenues, Expenses and Changes in Net Position	8
Statements of Cash Flows	9
Notes to the Financial Statements	10
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14
SUPPLEMENTARY INFORMATION	
Schedule of Revenues and Expenditures – Budget to Actual	16
Schedule of Conduit Debt Obligations	17
Schedule of Projects and Exemptions	18
Schedule of PILOTS	23
OTHER INFORMATION	
Schedule of Full Time Equivalent Jobs	24

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ulster County Industrial Development Agency

Report on the Financial Statements

Opinion

We have audited the financial statements of the Ulster County Industrial Development Agency (a component unit of Ulster County, New York), (the "Agency") as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Ulster County Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ulster County Industrial Development Agency as of December 31, 2021 and 2020, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ulster County Industrial Development Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Ulster County Industrial Development Agency's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ulster County Industrial Development Agency's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ulster County Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ulster County Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise Ulster County Industrial Development Agency's basic financial statements. The Schedule of Revenues and Expenditures – Budget and Actual, Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions and the Schedule of PILOTS are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues and Expenditures – Budget and Actual, Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions and the Schedule of PILOTS are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenditures – Budget and Actual, Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions and the Schedule of PILOTS are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the Schedule of Full Time Equivalent Jobs but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connections with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March __, 2022 on our consideration of Ulster County Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ulster County Industrial Development Agency's internal control over financial reporting and compliance.

Kingston, New York
March __, 2022

DRAFT

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2021 and 2020

Introduction

Our discussion and analysis of Ulster County Industrial Development Agency's (the Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the Agency's financial statements that follow this discussion and analysis. Ulster County Industrial Development Agency is a New York State public authority and industrial development agency operating in the County of Ulster, New York. This summary discussion and analysis includes only the financial and general business of the Agency.

Financial Highlights

The Agency's net position increased by \$528,050 (or 69.4%) as a result of operations in 2021.

In 2021, revenues increased \$555,115 compared to 2020, or 250%.

In 2020, revenues decreased \$112,055 compared to 2019, or (34)%.

In 2021, expenses decreased \$115,445 compared to 2020, or (31.71)%.

In 2020, expenses increased \$186,499 compared to 2019, or 105%.

Agency Highlights

For the year ended December 31, 2021, the Agency closed on six (6) different projects during the year. These projects are anticipated on bringing significant job growth to the area, in particular the Kingstonian project, which is anticipated to bring a total of approximately \$80,000,000 of growth to the region, as well as to create approximately 357 job opportunities in the construction phase, and 106 job opportunities as a result of the project. The Agency collected \$713,896 in project fees and \$61,480 in other various administrative fees.

For the year ended December 31, 2020, the Agency authorized the modification of incentives for one (1) reassignment of benefits of an existing project for new ownership. The project is paying nearly double the amount of tax to all jurisdictions, expected to retain fifty (50) more jobs than the original owners had committed to, and maintain the same Medicare ratings and hours of certain nursing professionals. All of these changes will help to contribute to Ulster County's economic diversity and vitality. The Agency collected \$150,000 in project fees and \$66,568 in other various administrative fees.

Using This Annual Report

This Annual Report consists primarily of the Statements of Net Position, Statements of Revenues, Expenses, and Changes of Net Position and the Statements of Cash Flows, which provide information about the activities of the Agency only.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The statements report the Agency's net position and changes in net position. One way to measure the Agency's financial position is to look at the net position - the difference between assets and liabilities.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Ulster County, New York)
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2021 and 2020

Condensed Comparative Financial Statements and Analysis

The Agency's net position at the end of the 2021 was \$1,288,575, an increase of \$528,050 from \$760,525 at December 31, 2020. The Agency's net position at the end of the 2020 was \$760,525, a decrease of \$142,510 from \$903,035 at December 31, 2019.

Our analysis below focuses on net position (Table 1) and the changes in net position (Table 2).

Table 1 – Net Assets

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current Assets	<u>\$ 1,360,916</u>	<u>\$ 776,496</u>	<u>\$ 940,787</u>
Current Liabilities	<u>\$ 72,341</u>	<u>\$ 15,971</u>	<u>\$ 37,752</u>
Net Position - Unrestricted	<u>\$ 1,288,575</u>	<u>\$ 760,525</u>	<u>\$ 903,035</u>

Current Assets:

Cash and cash equivalents totals at the end of 2021 were \$709,505 versus \$497,066 at the end of 2020. The increase is a direct result of higher project fees and less grant expense compared to 2020. Cash and cash equivalents totals at the end of 2020 were \$497,066 versus \$679,202 at the end of 2019. The decrease in cash and cash equivalents was a direct result of allocating money to time deposits in 2019.

The Agency purchased certificates of deposit in 2019 to obtain a better interest rate return given the increase in assets over the past few years.

Current Liabilities:

Outstanding payables were for services performed in the current fiscal year and paid for in the subsequent fiscal year, and deposits held in escrows, as outlined below.

During the year ended December 31, 2019, the Agency began collecting an additional fee held in escrow for labor audits. As those labor audit fees are incurred, the IDA recognizes revenue and expense. Any remaining escrow money not spent at the end of the project is returned to the project owner.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

December 31, 2021 and 2020

Condensed Comparative Financial Statements and Analysis (Continued)

Table 2 – Changes in Net Assets

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues:			
Project fees	\$ 748,646	\$ 187,250	\$ 239,530
Project admin fees	15,930	14,268	4,848
Application fees	6,000	2,000	1,000
Interest income	1,277	4,970	8,215
Other income	4,800	13,050	80,000
Total revenues	<u>776,653</u>	<u>221,538</u>	<u>333,593</u>
Expenses:			
Operating expenses	<u>248,603</u>	<u>364,048</u>	<u>177,549</u>
Total expenses	<u>248,603</u>	<u>364,048</u>	<u>177,549</u>
Changes in Net Position	<u>\$ 528,050</u>	<u>\$ (142,510)</u>	<u>\$ 156,044</u>

The Agency's revenues in 2021 were \$776,653 versus \$221,538 in 2020. Expenses in 2021 were \$248,603 versus \$364,048 in 2020. The revenue increase in 2021 over 2020 was caused by a significant increase in project closing fees. The expenses decreased in 2021 predominantly due to a decrease in grant expenses from 2021 over 2020. The Agency's revenues in 2020 were \$221,538 versus \$333,593 in 2019. Expenses in 2020 were \$364,048 versus \$177,549 in 2019. The revenue decrease in 2020 over 2019 was caused by significant decrease in project closing fees. The expenses increased in 2020 predominantly due to an increase in administrative staff fees and grant fees from 2020 over 2019.

Capital Assets and Long-Term Debt

There were no capital asset additions in 2021 or 2020 and the Agency did not take on any long-term debt in 2021 or 2020.

Budget

In October 2021, the Agency adopted and amended the 2021 budget projecting revenues to be \$838,439 and expenses to be \$305,480. Actual 2021 revenues totaled \$776,653 and actual 2021 expenses totaled \$248,603. Much of the decrease in total revenues as compared to budget related to lower than anticipated closing fees revenue in 2021.

Contacting UCIDA Financial Administrator

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Ulster County Industrial Development Agency, P.O. Box 4265, Kingston, New York 12402-4265.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 648,397	\$ 497,066
Cash and cash equivalents - restricted for escrow	61,108	-
Certificates of deposit	201,451	200,524
Accounts receivable	447,770	78,806
Due from UCCRC	2,190	100
Total assets	<u>\$ 1,360,916</u>	<u>\$ 776,496</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	11,233	\$ 11,531
Escrow payable	61,108	4,440
Total liabilities	<u>72,341</u>	<u>15,971</u>
NET POSITION		
Unrestricted	<u>1,288,575</u>	<u>760,525</u>
Total liabilities and net position	<u>\$ 1,360,916</u>	<u>\$ 776,496</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Administrative fees	\$ 34,750	\$ 37,250
Application fees	6,000	2,000
Miscellaneous and late fees	4,800	13,050
Project fees	713,896	150,000
Project pass-thru fees	15,930	14,268
Total operating revenues	<u>775,376</u>	<u>216,568</u>
OPERATING EXPENSES		
Administrative	144,253	134,623
Contracts for services	345	2,326
Grant Expense	38,400	159,043
Insurance	3,615	3,063
Membership dues	850	850
Miscellaneous	468	655
Project pass-thru expenses	15,730	14,168
Professional	42,586	47,821
Website	756	1,499
Bad debt	1,600	-
Total operating expenses	<u>248,603</u>	<u>364,048</u>
Operating income (loss)	<u>526,773</u>	<u>(147,480)</u>
OTHER REVENUES		
Interest income	1,277	4,970
Total other revenues	<u>1,277</u>	<u>4,970</u>
CHANGE IN NET POSITION	528,050	(142,510)
NET POSITION, Beginning of year	<u>760,525</u>	<u>903,035</u>
NET POSITION, End of year	<u>\$ 1,288,575</u>	<u>\$ 760,525</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Project fees	\$ 358,772	\$ 93,547
Project escrow	56,668	-
Application fees	6,000	2,000
Administrative fees	34,750	37,250
Other fees	4,800	13,050
Payments to vendors	(50,518)	(59,157)
Payments for grants given	(38,400)	(159,043)
Payments for administrative expenses	(159,983)	(167,404)
Net cash provided by (used for) operating activities	<u>212,089</u>	<u>(239,757)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,277	4,970
Purchase of certificate of deposit	(201,451)	(200,524)
Redemption of certificate of deposit	200,524	253,175
Net cash provided by (used for) investing activities	<u>350</u>	<u>57,621</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	212,439	(182,136)
CASH AND CASH EQUIVALENTS, Beginning of year	497,066	679,202
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 709,505</u>	<u>\$ 497,066</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 526,773	\$ (147,480)
Changes in operating assets and liabilities		
(Increase) in accounts receivable	(368,964)	(75,197)
(Increase) decrease in due from UCCRC	(2,090)	4,476
Decrease in prepaid expenses	-	225
Decrease in accounts payable	(298)	(11,546)
Increase (decrease) in escrow payable	56,668	(10,235)
Net cash (used for) provided by operating activities	<u>\$ 212,089</u>	<u>\$ (239,757)</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents - unrestricted	\$ 648,397	\$ 497,066
Cash and cash equivalents - restricted for escrow	61,108	-
Total cash and cash equivalents	<u>\$ 709,505</u>	<u>\$ 497,066</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 — NATURE OF ORGANIZATION

The Ulster County Industrial Development Agency, a component unit of Ulster County, New York, (the "Agency"), a public benefit corporation, was established by New York State legislation and commenced operations in 1978.

The Agency's present function 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.

The Agency also has the power to acquire, construct, reconstruct, lease, sell, improve, maintain, equip, or furnish certain properties and facilities.

The members of the Agency are appointed by the County of Ulster's legislature. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters.

The Agency is exempt from federal, state and local income taxes.

Payment in lieu of taxes (PILOT):

The Agency enters into and administers PILOT agreements for various companies in the surrounding area. The PILOT agreements are entered into between the Agency and a third-party business. Title to Property owned by the third-party business is transferred to the Agency for a period of time. During the term of the agreement (when the Agency holds the title to the property), the third-party business pays the Agency an annual PILOT amount based on a calculation derived by a formula in the agreement. The calculation is performed by the Agency and sent to the municipalities. The PILOTS allow the participants to make payments at a lower rate than if the company paid the property's assessed value at the current tax rates for county, town and school taxes. Certain requirements are to be met by the company to be able to maintain their PILOT. These requirements, stated in the PILOT agreement, can be comprised of reaching and maintaining certain employment goals and paying their PILOT in a timely fashion. This promotes employment and economic development. The Agency will in turn pay the respective tax authorities. At the completion of the PILOT program, title to the property is transferred back to the third-party business owner and the property goes back on the respective tax rolls.

The Agency generates fees from PILOT agreements called "Administrative and Application Fees." The Agency also administers bonds for several projects and receives an administrative fee upon issuance of the bond.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred. In accordance with accounting principles generally accepted in the United States of America, the Agency applies all applicable Governmental Accounting Standards Board (GASB) pronouncements including GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The government-wide financial statements include the Agency's only fund (single enterprise fund).

Deferred Outflows/Inflows of Resources

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Statement 63 changed how governments organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet).

As a result of Statement 63, financial statements will include deferred outflows of resources and deferred inflows of resources (“deferrals”), in addition to assets and liabilities, and will report net position instead of net assets.

Budgetary Data

The budget policies are as follows:

By October of each year, the Chief Financial Officer submits a tentative budget to the Finance Committee and, the Finance Committee recommends the budget to the Board of Directors for final approval for the next fiscal year which begins the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of reporting cash flows, the Agency considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents.

Certificates of Deposit

The Corporation records certificate of deposits at amortized cost.

Revenue Recognition

The Agency recognizes revenue annually in the period services are performed. Revenue is recognized for administrative services performed related to bond issuances in the period the services are performed generally when the related bond issuances are finalized.

PILOT receipts and PILOT payments related to the property not owned by the Agency to the respective taxing authorities are accounted for as pass through transactions and are not included in the revenues or expenses of the Agency. The Agency has the responsibility for administering the program, but the jurisdictions ultimately bear the risk of loss if PILOT payments are not paid by the respective companies. Participants in the PILOT program are instructed to pay the taxing authorities directly.

Net position

Net position is an element of proprietary fund financial statements and is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflow of resources.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Project Pass-Thru Fees and Expenses

The Agency incurs costs as part of its project oversight due diligence. Project owners provide the Agency with advanced funds that remain in escrow. The funds are recognized as project pass-thru fees and expenses on the Statement of Revenues, Expenses and Changes in Net Position as the costs are incurred.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic.

As the pandemic continues to endure, the disease could have a material adverse effect on the Organization's activities, results of operations, financial condition and cash flow.

Subsequent Events

Subsequent events have been evaluated through March __, 2022, which is the date the financial statements were available to be issued.

NOTE 3 — CONCENTRATIONS

Credit Risk

The Agency's investment policies are governed by New York State statutes. The Agency's funds must be deposited in FDIC insured commercial banks or trust companies located within New York State. The Agency is authorized to use demand accounts and certificates of deposit.

Collateral is required for demand deposits and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the New York State and its municipalities and school districts.

As of December 31, 2021 and 2020, cash and cash equivalents were covered by federal depository insurance up to \$250,000 or pledged collateral except \$9,514 as of December 31, 2021. The following is a summary of cash and cash equivalents and certificate of deposit as included in the statements of net position at December 31:

	2021		2020	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Checking and Savings Accounts	\$ 709,505	\$ 718,464	\$ 497,066	\$ 521,879
Certificates of deposit	201,451	201,451	200,524	200,635
Total	<u>\$ 910,956</u>	<u>\$ 919,915</u>	<u>\$ 697,590</u>	<u>\$ 722,514</u>
			2021	2020
Certificates of deposit:				
Rhinebeck Bank CD (0.65% due 07/29/2021)			\$ -	\$ 200,524
Rhinebeck Bank CD (0.20% due 07/29/2022)			201,451	-
Total			<u>\$ 201,451</u>	<u>\$ 200,524</u>

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 3 – CONCENTRATIONS (Continued)

Project fees

Project fees totaling \$713,896 and \$150,000 for the years ended December 31, 2021 and 2020 were derived from six and one project applicants each year, respectively. For the period ended December 31, 2021 and 2020, one project represented 77% and 100% of total project fees, respectively.

Accounts receivable

Accounts receivable is comprised of fees totaling \$447,770 and \$78,800 for the years ended December 31, 2021 and 2020 derived from one project each year, respectively. Collateral is not required. The current year amount is expected to be fully collectible within one year of the fiscal year end. As of December 31, 2021 and 2020, one project represented 99% and 95%, respectively.

NOTE 4 — CONDUIT DEBT OBLIGATIONS

From time to time, the Ulster County Industrial Development Agency issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County of Ulster Industrial Development Agency, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021 and 2020, outstanding bonds totaled \$5,492,002 and \$7,886,594, respectively.

NOTE 5 – RESTRICTED ESCROW ACCOUNTS

Restricted escrow accounts relate to fees held in escrow related to labor audits. As the fees are incurred, the Agency will recognize revenue and expense. Any funds remaining in escrow at the completion of the project will be returned to the owner.

Participants had \$61,108 and \$4,440 held in escrow as of December 31, 2021 and 2020, respectively. Deposits are maintained in a separate Agency savings account.

NOTE 6 — RELATED PARTY TRANSACTIONS

As of December 31, 2021 and 2020, the amount due from Ulster County Capital Resource Corporation (UCCRC) was \$2,190 and \$100, respectively. The amount due to the Agency was related to costs to create UCCRC's website along with the Agency's annual site visits and administration. For the years ended December 31, 2021 and 2020, the Ulster County Capital Resource Corporation incurred \$14,430 and \$8,450, respectively, in total administration fees, postage, and other costs to the Agency.

NOTE 7 — GRANTS

In response to COVID-19, the Agency authorized a grant program during the year ended December 31, 2020 to reimburse the cost of personal protective equipment to Ulster County businesses and charities, which was extended to the 2021 fiscal year. The agency authorized \$200,000. \$141,904 was issued for direct grants, and \$17,139 was spent to administer the program during the year ended December 31, 2020. \$36,066 was issued for direct grants, and \$2,334 was spent to administer the program during the year ended December 31, 2021. Total expenditures over the two years totaled \$197,443. The program was not extended as of and for the year ended December 31, 2021.

SUPPLEMENTARY INFORMATION

DRAFT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ulster County Industrial Development Agency
A Component Unit of Ulster County, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ulster County Industrial Development Agency as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Ulster County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March __, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ulster County Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ulster County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Ulster County Industrial Development Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ulster County Industrial Development Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kingston, New York
March __, 2022

DRAFT

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL

Year ended December 31, 2021

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Administrative fees	\$ 35,000	\$ 34,750	\$ 34,750	\$ -
Application fees	2,000	5,000	6,000	1,000
Miscellaneous and late fees	1,000	4,250	4,800	550
Project fees	215,000	776,779	713,896	(62,883)
Project pass-thru fees	12,000	16,020	15,930	(90)
Investment earnings	2,750	1,640	1,277	(363)
Total revenues	<u>267,750</u>	<u>838,439</u>	<u>776,653</u>	<u>(61,786)</u>
Expenditures:				
Administrative	144,000	144,000	144,253	(253)
Contracts for services	34,750	34,750	345	34,405
Grants	-	38,400	38,400	-
Insurance	3,500	3,590	3,615	(25)
Membership dues	1,000	1,000	850	150
Miscellaneous	5,500	2,920	468	2,452
Project pass-thru expenses	12,000	15,820	15,730	90
Professional	52,000	50,000	42,586	7,414
Website	15,000	15,000	756	14,244
Bad debt	-	-	1,600	(1,600)
Total expenditures	<u>267,750</u>	<u>305,480</u>	<u>248,603</u>	<u>56,877</u>
Total revenues in excess of expenditures (expenditures in excess of revenues)	<u>\$ -</u>	<u>\$ 532,959</u>	<u>\$ 528,050</u>	<u>\$ (4,909)</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF CONDUIT DEBT OBLIGATIONS

Year ended December 31, 2021

<u>Bonds Listing</u>	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity Date
Amthor	\$ 735,159	\$ -	\$ 735,159	\$ -	
Benedictine	565,000	-	565,000	-	
Partition Street	5,842,435	-	480,433	5,362,002	2022
Selux	270,000	-	140,000	130,000	2024
Viking Industries	474,000	-	474,000	-	2026
	<u>\$ 7,886,594</u>	<u>\$ -</u>	<u>\$ 2,394,592</u>	<u>\$ 5,492,002</u>	

DRAFT

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS

Year ended December 31, 2021

Project Code	Project Owner	Real Property Tax Exemptions County	Real Property Tax Exemptions Local	Real Property Tax Exemptions School	Sales Tax	Mortgage Recording	Total Exemptions
5101-13-02a	Ulster NH Realty LLC 99 Golden Hill Drive Kingston, NY 12401	\$ -	\$ -	\$ 313,884	\$ -	\$ -	\$ 313,884
5101-16-01	2007 Route 9W, LLC 10 Lumen Lane Highland, NY 12528	4,338	5,581	26,289	-	-	36,209
5101-11-02	Central Hudson Tomson Rd & NYS Rt 212 Saugerties, NY 12477	35,296	54,943	177,077	-	-	267,316
5101-15-01	Darien Lake Kingston, LLC 8250 Park Road Batavia, NY 14020	42,096	70,008	303,339	-	-	415,443
5101-13-02	Golden Hill Acquisition, LLC 99 Golden Hill Drive Kingston, NY 12401	39,361	141,976	-	-	-	181,337
5101-98-02	Hudson River Valley LLC 24 Lohmaier Lane Lake Katrine, NY 12449	125,377	208,510	903,858	-	-	1,237,744
5101-09-001	Jimlee Realty 203 Malden Turnpike Saugerties, NY 12477	8,380	13,045	-	-	-	21,425

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2021

<u>Project Code</u>	<u>Project Owner</u>	<u>Real Property Tax Exemptions County</u>	<u>Real Property Tax Exemptions Local</u>	<u>Real Property Tax Exemptions School</u>	<u>Sales Tax</u>	<u>Mortgage Recording</u>	<u>Total Exemptions</u>
5101-03-02	Kingston Medical Properties 111 Marys Ave Kingston, NY 12401	10,306	37,174	82,185	-	-	129,665
5101-98-03	Lasalle New Paltz Medical Office New Paltz, NY 12561	19,802	56,781	112,137	-	-	188,720
5101-13-01	MHMG-KM Kingston, LLC 1561 Ulster Avenue Lake Katrine, NY 12449	187,395	311,650	1,350,349	-	-	1,849,393
5101-11-01	MHVFCU - Port Ewen 185 Broadway Port Ewen, NY 12466	4,422	3,960	28,082	-	-	36,463
5101-10-01	PSH Development 2976 Route 9W Saugerties, NY 12477	5,886	9,162	29,528	-	-	44,576

DRAFT

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2021

<u>Project Code</u>	<u>Project Owner</u>	<u>Real Property Tax Exemptions County</u>	<u>Real Property Tax Exemptions Local</u>	<u>Real Property Tax Exemptions School</u>	<u>Sales Tax</u>	<u>Mortgage Recording</u>	<u>Total Exemptions</u>
5101-10-002	Partition Street Partition and Dock Streets Saugerties, NY 12477	17,110	42,274	85,838	-	-	145,222
5101-09-002	Rocking Horse Ranch 600 Route 44/55 Plattekill, NY 12568	2,483	2,272	-	-	-	4,755
5101-17-03	Saugerties NY Hospitality LLC 2778 Route 32 Saugerties, NY 12477	16,988	26,444	85,226	-	-	128,658
5101-12-02	Stavo Industries, Inc. 132 Flatbush Avenue Kingston, NY 12401	8,058	29,067	64,263	-	-	101,388
5101-17-02	UPAC, LLC 601 Broadway Kingston, NY 12401	13,517	48,755	107,789	-	-	170,061
5101-12-01	Wolf-tec, Inc. 132 Flatbush Avenue Kingston, NY 12401	13,093	47,225	104,407	-	-	164,725

DRAFT

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2021

Project Code	Project Owner	Real Property Tax Exemptions County	Real Property Tax Exemptions Local	Real Property Tax Exemptions School	Sales Tax	Mortgage Recording	Total Exemptions
5101-18-01	Henry Stout and Creative Environments, LLC 1 Valley View Road Big Indian, NY 12410	10,050	15,501	31,628	-	-	57,178
5101-18-03	Hudson Valley Kingston Development, LLC and Sojourn Hotel, LLC 161 Chrystie Street New York, NY 10002	10,805	38,975	93,122	64,668	-	207,571
5101-18-04	Landmark Preservation, LP 295 Broadway Kingston, NY 12401	42,683	153,957	530,032	-	-	726,671
5101-18-02	Marlboro Distr. RTE 9 LLC 1100 NYS Route 9W Marlboro, NY 12542	-	-	111,813	-	-	111,813
5101-17-04	The Greenhouses Hotel, LLC 2187 Bruynswick Road Walkill, NY 12589	8,049	6,967	50,173	-	-	65,190
5101-07-02	Woodland Ponds 60 Park Lane, Suite 5 Highland, NY 12528	148,248	425,101	839,527	-	-	1,412,876

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF PROJECTS AND EXEMPTIONS (CONTINUED)

Year ended December 31, 2021

<u>Project Code</u>	<u>Project Owner</u>	<u>Real Property Tax Exemptions County</u>	<u>Real Property Tax Exemptions Local</u>	<u>Real Property Tax Exemptions School</u>	<u>Sales Tax</u>	<u>Mortgage Recording</u>	<u>Total Exemptions</u>
5101-19-02	Inness NY LLC 161 Chrystie Street New York, NY 10002	-	-	23,345	200,091	-	223,436
5101-19-01	Star Estate Development Group LLC 1835 Broadway West Park, NY 12493	-	-	27,465	37,666	1,725	66,856
5101-19-03	Ham III Realty, LLC PO Box 808 Milton, NY 12547	-	-	-	89,572	-	89,572
		<u>\$ 773,741</u>	<u>\$ 1,749,328</u>	<u>\$ 5,481,356</u>	<u>\$ 391,996</u>	<u>\$ 1,725</u>	<u>\$ 8,398,147</u>

DRAFT

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Ulster County, New York)
SCHEDULE OF PILOTS
Year ended December 31, 2021

Project Name	Project Code	County		School	Total
		PILOT	Local PILOT	PILOT	PILOTS
2007 Route 9W, LLC	5101-16-01	\$ 809	\$ 1,041	\$ 10,250	\$ 12,101
Central Hudson	5101-11-02	44,712	69,600	220,529	334,841
Darien Lake Kingston, LLC	5101-15-01	12,968	21,567	93,448	127,983
Golden Hill Acquisition, LLC	5101-13-02	12,982	46,797	-	59,779
Henry Stout and Creative Enviroments, LLC	5101-18-01	4,962	7,654	15,617	28,233
Hudson River Valley LLC	5101-98-02	93,005	154,674	670,577	918,256
Hudson Valley Kingston Development, LLC and Sojourm Hotel, LLC.	5101-18-03	7,297	26,322	58,193	91,813
Inness NY LLC	5101-19-02	-	-	23,345	23,345
Jimlee Realty	5101-09-001	4,883	7,600	-	12,483
Kingston Medical Properties	5101-03-02	4,220	15,223	33,655	53,098
LaSalle New Paltz	5101-98-03	-	12,151	-	12,151
Landmark Preservation, L.P.	5101-18-04	30,203	108,943	229,354	368,500
MHMG-KM Kingston, LLC	5101-13-01	19,907	33,107	143,466	196,479
MHVFCU- Port Ewen	5101-11-01	2,696	2,415	16,531	21,643
Marlboro Distr. RTE 9 LLC.	5101-18-02	-	-	64,563	64,563
PSH Development	5101-10-01	3,607	5,615	18,098	27,321
Partition Street	5101-10-002	9,636	23,809	48,343	81,788
Rocking Horse Ranch	5101-09-002	1,242	1,136	-	2,378
Saugerties NY Hospitality, LLC	5101-17-03	1,799	2,800	9,024	13,623
Star Estate Development Group LLC	5101-19-01	-	-	-	-
Stavo Industries, Inc.	5101-12-02	5,524	19,926	41,950	67,400
The Greenhouses Hotel, LLC.	5101-17-04	-	-	-	-
Ulster NH Realty LLC	5101-13-02a	-	-	94,361	94,361
UPAC, LLC	5101-17-02	-	-	-	-
Wolf-tec, Inc.	5101-12-01	6,516	23,503	49,481	79,500
Woodland Ponds	5101-07-02	79,510	242,995	442,496	765,000
	Total	<u>\$ 346,479</u>	<u>\$ 826,877</u>	<u>\$ 2,283,282</u>	<u>\$ 3,456,638</u>

See notes to financial statements.

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Ulster County, New York)

SCHEDULE OF FULL TIME EQUIVALENT JOBS

Year ended December 31, 2021

Project Name	Project Code	Status	# of FTE		# of Current FTE Employees	# of FTE Construction Jobs Created During Fiscal Year
			Employees at Project Location Before IDA	Original Estimate of Jobs to be Created		
2007 Route 9W, LLC	5101-16-01	21	5	21	25	0
Amthor	5101-09-003	29	10	29	0	0
Benedictine Hospital	5101-06-04	726	0	726	424	0
Central Hudson	5101-11-02	6	0	6	0	0
Darien Lake Kingston, LLC	5101-15-01	0	27	0	15	0
Gardiner Library	5101-07-03	2	3	2	3	0
Golden Hill Acquisition, LLC	5101-13-02	279	11	279	265	0
Ham III Realty, LLC	5101-19-03	135	20	135	144	0
Henry Stout and Creative Environments, LLC	5101-18-01	47	6	47	22	0
Hudson River Valley LLC	5101-98-02	0	383	0	329	0
Hudson Valley Kingston Development, LLC and Sojourn Hotel, LLC	5101-18-03	0	50	0	20	0
Inness NY LLC	5101-19-02	2	10	2	2	0
Jimlee Realty	5101-09-001	38	31	38	69	0
Kingston Medical Properties	5101-03-02	51	0	51	47	0
LaSalle New Paltz	5101-98-03	28	46	28	145	0
Landmark Preservation, L.P.	5101-18-04	0	8	0	11	0
MHMG-KM Kingston, LLC	5101-13-01	88	54	88	122	0
MHVFCU - Port Ewen	5101-11-01	0	7	0	9	0
Marlboro Distr. RTE 9 LLC.	5101-18-02	11	13	11	8	0
PSH Development	5101-10-01	0	11	0	11	0
Partition Street	5101-10-002	0	40	0	50	0
Rocking Horse Ranch	5101-09-002	225	24	225	161	0
Saugerties NY Hospitality, LLC	5101-17-03	0	11	0	11	0
Selux Corporation	5101-01-04	122	36	122	171	0
Star Estate Development Group LLC	5101-19-01	2	26	2	0	0
Stavo Industries, Inc.	5101-12-02	51	8	51	63	0
The Greenhouses Hotel, LLC	5101-17-04	0	17	0	4	0
Ulster NH Realty LLC	5101-13-02a	330	0	330	201	0
UPAC, LLC	5101-17-02	13	3	13	13	0
Viking Industries	5101-98-07	62	10	62	75	0
Wolf-tec, Inc.	5101-12-01	74	31	74	97	0
Woodland Ponds	5101-07-02	0	126	0	208	0

See notes to financial statements.

157 Stockade Drive
Kingston, NY 12401

Phone 845-331-5030
Fax 845-331-0242
Web www.uhy-us.com

March __, 2022

Audit Committee
Ulster County Industrial Development Agency
244 Fair Street
Kingston, NY 12402

Dear Audit Committee Members:

We have audited the financial statements of Ulster County Industrial Development Agency as of and for the year ended December 31, 2021 and have issued our report thereon dated March __, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 29, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Ulster County Industrial Development Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

Non-attest services we performed included preparation of the Agency's financial statements. Rose Woodworth was the management representative responsible for overseeing our non-attest services.

Significant Risks Identified

We have identified the following significant risks:

- Management override of controls, and
- Improper revenue recognition

No issues were identified in these areas during our audit.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Ulster County Industrial Development Agency is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Ulster County Industrial Development Agency's financial statements relate to: credit risk, conduit debt obligations, and related party transactions.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were none.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were none.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Ulster County Industrial Development Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated March __, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Ulster County Industrial Development Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Ulster County Industrial Development Agency's auditors.

This report is intended solely for the information and use of the Ulster County Industrial Development Agency, the audit committee, board of directors, and management of Ulster County Industrial Development Agency and is not intended to be and should not be used by anyone other than these specified parties.

DRAFT

**RESOLUTION AUTHORIZING MODIFICATIONS
TO AGENCY FEE SCHEDULE GUIDELINES**

A regular meeting of Ulster County Industrial Development Agency (the “Agency”) was convened on March 16, 2022 at 9:00 o’clock a.m., local time, in public session via video conference.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

James Malcolm	Chair
Diane Eynon, Ph.D.	Vice Chair/Treasurer
Faye Storms	Assistant Treasurer
Michael J. Ham	Secretary
Orlando Reece	Assistant Secretary
Daniel Savona	Assistant Secretary
Richard O. Jones	Chief Financial Officer/Member

Each of the members present participated in the meeting either in person or remotely pursuant to the signing into law on September 2, 2021 of Chapter 417 of the Laws of 2021, as amended on January 14, 2022.

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

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

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0322-

**RESOLUTION APPROVING CERTAIN AMENDMENTS TO THE AGENCY’S
POLICY REGARDING AGENCY ADMINISTRATIVE FEES.**

WHEREAS, Ulster County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 787 of the 1976 Laws of New York, as amended, (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing, and warehousing facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to

improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Agency has adopted operating policies regarding the imposition and collection of Agency administrative fees (the “Fee Schedule Guidelines”); and

WHEREAS, the Fee Schedule Guidelines regarding Straight Lease Transaction and Bond Transaction are generally described on Schedule A attached; and

WHEREAS, the staff has reviewed the guidelines and noted to the Agency that the Ulster County Capital Resource Corporation (the “County CRC”) plays a significant role in connection with the promotion and support of economic development in Ulster County, New York; and

WHEREAS, the staff has also noted that the County CRC is in need of revenues in order to continue its mission of assisting in the promotion and support of economic development of Ulster County, New York; and

WHEREAS, in connection with such discussion, the Agency is considering making certain revisions to its Fee Schedule Guidelines; and

WHEREAS, the proposed revisions are described on Schedule A attached hereto (the “Revised Policy Provisions”); and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency has reviewed a copy of the Revised Policy Provisions attached hereto as Schedule A. The Agency makes the following findings and determinations with respect to the Revised Policy Provisions:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The approval of the Revised Policy Provisions will assist the County CRC in promoting its mission and purpose to benefit Ulster County, New York; and

(C) The approval of the Revised Policy Provisions will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Ulster County, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Agency to approve the Revised Policy Provisions; and

(E) The adoption by the Agency of the Revised Policy Provisions constitutes continuing agency administration and management (not new programs or a major reordering of priorities), and is therefore a “Type II action” under Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environment Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations”) (the SEQR Act

and the Regulations being collectively referred to as “SEQRA”) and, according, no further action by the Agency under SEQRA is required.

Section 2. The Revised Policy Provisions constitutes an amendment and revision to the Agency’s existing Fee Schedule Guidelines.

Section 3. The form, terms and substance of the Revised Policy Provisions are hereby approved in all respects.

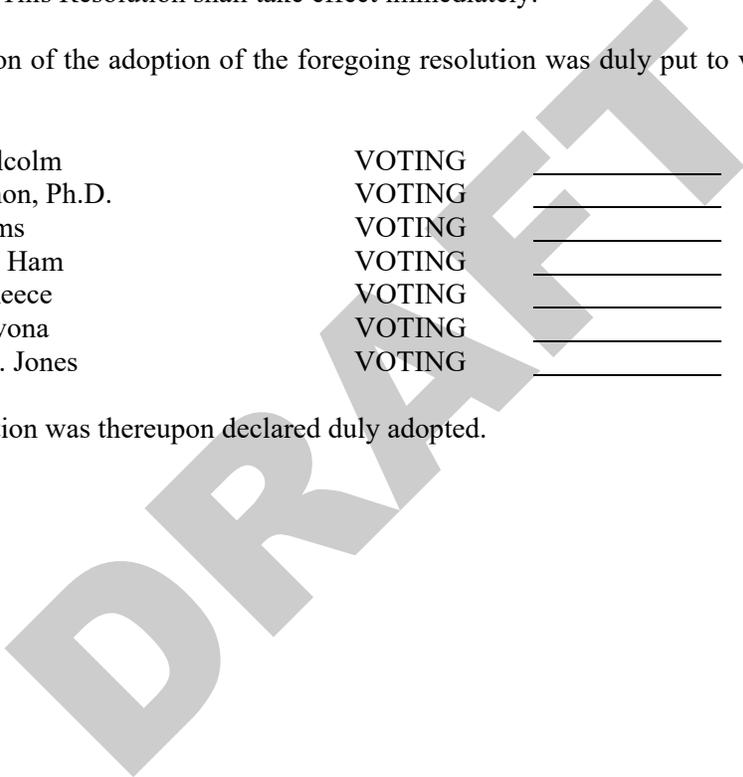
Section 4. The Agency hereby authorizes the Chairman, the CEO and Agency Counsel/Special Counsel to take all steps necessary to implement the Revised Policy Provisions.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

James Malcolm	VOTING	_____
Diane Eynon, Ph.D.	VOTING	_____
Faye Storms	VOTING	_____
Michael J. Ham	VOTING	_____
Orlando Reece	VOTING	_____
Daniel Savona	VOTING	_____
Richard O. Jones	VOTING	_____

The resolution was thereupon declared duly adopted.



STATE OF NEW YORK)
) SS:
COUNTY OF ULSTER)

I, the undersigned (Assistant) Secretary of Ulster County Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on March 16th, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Chapter 417 of the Laws of 2021, as amended (the “2022 Laws”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given; and (D) there was a quorum of the members of the Agency, either in person or attending remotely in accordance with the 2022 Laws, throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed, or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ___ day of March, 2022.

(SEAL)

(Assistant) Secretary

DRAFT

SCHEDULE A

AGENCY FEE SCHEDULE GUIDELINES

A. Current Fee Schedule Guidelines: The Agency collects an administrative fee equal to 1% of the cost of the Project (in cases of Straight Lease Transactions) and 1% of the principal amount of the Bonds (in cases of bond financings).

B. Proposed Revised Fee Schedule Guidelines: Based on the resolution, the Agency's Fee Schedule Guidelines would be modified to provide for the following:

1. The Agency's administrative fee would be equal to $\frac{1}{2}$ of 1% of the cost of the Project (in cases of Straight Lease Transactions) and $\frac{1}{2}$ of 1% of the principal amount of the Bonds (in cases of bond financings).

2. In connection with each Project undertaken by the Agency, the Agency would require the project applicant to pay directly to the Ulster County Capital Resource Corporation an administrative fee in the following amount: $\frac{1}{2}$ of 1% of the cost of the Project (in cases of Straight Lease Transactions) and $\frac{1}{2}$ of 1% of the principal amount of the Bonds (in cases of bond financings)

C. Annual Review: The Agency will review the Agency's Fee Schedule Guidelines at least annually, and in connection with such review request the Ulster County Capital Resource Corporation to report on the collection and use of such administrative fees.

D. Effective Date: Effective immediately for all Projects currently being considered and to be considered by the Agency.

**ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION APPROVING VARIOUS POLICY CHANGES**

A regular meeting of Ulster County Industrial Development Agency (the “Agency”) was convened on March 16, 2022 at 9:00 o’clock a.m., local time, in public session via video conference.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

James Malcolm	Chair
Diane Eynon, Ph.D.	Vice Chair/Treasurer
Faye Storms	Assistant Treasurer
Michael J. Ham	Secretary
Orlando Reece	Assistant Secretary
Daniel Savona	Assistant Secretary
Richard O. Jones	Chief Financial Officer/Member

Each of the members present participated in the meeting either in person or remotely pursuant to the signing into law on September 2, 2021 of Chapter 417 of the Laws of 2021, as amended on January 14, 2022.

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

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

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0322-

**RESOLUTION APPROVING VARIOUS POLICY CHANGES OF THE ULSTER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY.**

WHEREAS, Ulster County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 787 of the 1976 Laws of New York, as amended, constituting Section 923 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, under Section 858 of the Act, the Agency has the power to make certain appointments and approve certain administrative matters; and

WHEREAS, the Agency has previously adopted the following policies: Compensation Policy, Procurement Policy and Labor Policy (collectively, the "Policies"); and

WHEREAS, as provided in the Agency's by-laws and the Governance Committee Charter, the members of the Governance Committee have reviewed the Policies and made certain recommendations to the full board regarding certain amendments to the Policies; and

WHEREAS, the members of the Agency desire to make the amendments to the Policies recommended by the Governance Committee;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby takes the following action: Approves the amendments to the Agency's Policies, as described as Schedule A attached.

Section 2. The Agency hereby authorizes the Chair and the Chief Executive Officer to take all steps necessary to implement the matters described in Schedule A attached.

Section 3. This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

James Malcolm	VOTING	_____
Diane Eynon, Ph.D.	VOTING	_____
Faye Storms	VOTING	_____
Michael J. Ham	VOTING	_____
Orlando Reece	VOTING	_____
Daniel Savona	VOTING	_____
Richard O. Jones	VOTING	_____

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ULSTER)

I, the undersigned (Assistant) Secretary of Ulster County Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on March 16, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Chapter 417 of the Laws of 2021, as amended (the “2021 Laws”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given; and (D) there was a quorum of the members of the Agency, either in person or attending remotely in accordance with the 2021 Laws, throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed, or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this _____ day of March, 2022.

(Assistant) Secretary

(SEAL)

DRAFT

SCHEDULE A

A. Compensation Policy Amendments:

1. Rename the policy the “Compensation and Attendance Policy”
2. Add a provision that board members are also responsible for attending at least two (2) site visits per year.

B. Procurement Policy Amendments:

1. Add a NDA for all vendors. (if approved Agency Counsel to prepare a form)
2. Amend Section 7 of the Policy to change dollar amount from “\$5,000 and up” to “\$10,000 and up”.

C. Labor Policy Amendments:

1. Change the reference to “1 point” to “3 points” with respect to scoring on the UCIDA UTEP.

DRAFT

DRAFT

Pending Transaction List

	<u>Deal Name</u>	<u>Agency Action</u>	<u>Status</u>
1.	Wildberry Lodge LLC	Public hearing resolution – 5.9.2018	Project applicant is completing SEQR process. Agency cannot take any action until SEQR process is complete.
2.	Magruder Solar, LLC	Agency adopted PH resolution – 3.17.21.	Ready to schedule PH once project applicant finalizes Application.
3.	Romeo Enterprises, LLC	Agency adopted final resolutions – 5.19.21.	Closing has moved to March, 2022.
4.	Bayside Marlboro, LLC	Agency adopted PH resolution – 9.15.21	<p>Agency has adopted a resolution approving a moratorium on housing projects. Agency has adopted PH resolution, but Company has changed PILOT numbers. There has been on-going discussions with the Project applicant. Ready to consider scheduling a Public Hearing if desired.</p> <p>Have prepared PILOT Approval resolutions for the Town and the School District.</p>

Dated: March 9, 2022

Pending Enforcement List

	<u>Deal Name</u>	<u>Agency Action</u>	<u>Status</u>
1.	Greenhouse/Posey	Agency adopted resolutions re new PILOT structure and new job levels.	Documents finalized and completing file copies.
2.	Darien Lake	Agency adopted resolutions re new PILOT structure and new job levels.	Documents finalized and completing file copies.
1.	Golden Hill/NH Realty	Agency adopted resolution determining to terminate IDA Straight Lease Documents.	City Assessor is reviewing whether to send a Claw-back bill. City has billed for taxes for 2022.

Dated: March 9, 2022

**Ulster County Industrial Development Agency /
Ulster County Capital Resource Corporation**

Application for Incentives



Date: March 2, 2022

Answer all questions. Use "None" or "Not Applicable" where necessary.

I. APPLICANT INFORMATION

A) Applicant:

Name: KAGR2 Kingston, LLC
Address: c/o Remedy Medical Properties, Inc., 800 W Madison St., Suite 400
City: Chicago State: IL Zip: 60607
Federal ID/EIN: _____ Website: _____
Primary Contact: Gregg Graines
Title: General Counsel
Phone: [REDACTED] Email: [REDACTED]

B) Real Estate Holding Company (if different from Applicant):

Will a separate company will hold title to/own the property related to this Project? If yes:

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Federal ID/EIN: _____ Website: _____
Primary Contact: _____
Title: _____
Phone: () - _____ Email: _____

Describe the terms and conditions of the lease between the Applicant and the Real Estate Holding Company. If there is an option to purchase the property, provide the date option was signed and the date the option expires:

DRAFT

C) Current Project Site Owner (if different from Applicant or Real Estate Holding Company):

Name: Kingston Medical Properties, LLC
Title: _____
Address: c/o Remedy Medical Properties, Inc., 800 W Madison St., Suite 400
City: Chicago State: IL Zip: 60607
Phone: [REDACTED] Email: [REDACTED]

D) Holding Company of Applicant:

Is the Applicant a subsidiary, direct, or indirect affiliate of another organization? If yes, attach an organizational chart:

Name: Please see Attachment 1, Organization Chart
Address: _____
City: _____ State: _____ Zip: _____
Federal ID/EIN: _____ Website: _____
Primary Contact: Gregg Graines
Title: General Counsel
Phone: [REDACTED] Email: [REDACTED]

E) Attorney:

Name: Robert G. Murray
Firm Name: Harris Beach PLLC
Address: 726 Exchange Street
City: Buffalo State: NY Zip: 14210
Phone: [REDACTED] Email: [REDACTED]

F) General Contractor:

Name: N/A
Firm Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: () - Email: _____

DRAFT

II. APPLICANT'S COMPANY OWNERSHIP & HISTORY

A) Company Organization:

Year founded: 2021 NAICS Code: 531112

Type of ownership (e.g., C-Corp, LLC): LLC

B) Company Ownership:

List all stockholders, members, or partners with ownership of greater than 5% and attach an organizational ownership chart with complete name, TIN, DOB, home address, office held, and other principal businesses (if applicable).

Name	Office Held	% of Ownership	% of Voting Rights
*** See Org Chart attached hereto			

Is the Applicant now a plaintiff or a defendant in any civil or criminal litigation? Yes No

If yes, describe: _____

Is a member(s) of the Applicant's management now a plaintiff or a defendant in any civil or criminal litigation? Yes No

If yes, describe: _____

Has any person listed above ever been charged with a crime other than a minor traffic violation? Yes No

If yes, describe: _____

Has any person listed above ever been convicted of a crime other than a minor traffic violation? Yes No

If yes, describe: _____

Has any person listed above, any concern that such person is related to, or any person related to this Project ever been in receivership or been adjudicated as bankrupt? Yes No

If yes, describe: _____

C) Company Description:

Describe in detail the Company's background, products, customers, goods and services: Company is a real estate holding company that focuses on the acquisition, disposition, financing and holding of medical office buildings. The company intends to obtain an interest in the Project Facility housing the Benedictine Hospital and to then continue to lease the Project Facility to the Benedictine Hospital.

Major Customers: Benedictine Hospital

Major Suppliers: N/A

Existing Banking Relationship(s):

Has the Company ever received incentives tied to job creation?

Yes No

If yes, describe: _____

Were the goals met?

Yes No

If no, why not? _____

Additional sheets may be attached, if necessary.

Provide estimates in either dollar amount or percentage based on your existing Company's business. If this is a new Company, provide estimates based on proforma financial projections:

Estimated annual sales to customers in Ulster County:	\$0.00	100%
Estimated annual sales outside of Ulster County but within New York State:	\$0.00	N/A%
Estimated annual sales outside of New York State but within the U.S.:	\$0.00	N/A%
Estimated annual sales outside the U.S.:	\$0.00	N/A%
Total	\$0.00	100%

Estimated annual sales subject to local sales tax: \$0.00 N/A%

Estimated value of annual supplies, raw materials, or vendor services that are expected to be purchased from firms in the Mid-Hudson Economic Development Region (i.e., Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties): \$ 100%

DRAFT

III. PROJECT DESCRIPTION AND DETAILS

A) Assistance requested from the Agency:

Select all that apply:

- Exemption from Sales Tax
- Exemption from Mortgage Tax
- Exemption from Real Property Tax
- Taxable Bonds
- Tax-exempt Bonds (typically for non-for-profits or qualified manufacturers)
- Other, specify:

Consent to Assignment of PILOT Agreement.
The Company is simply requesting the Agency to consent to the assignment of the existing PILOT Agreement affecting the Project Facility from Kingston Medical Properties, LLC to the Company, with no changes or amendments thereto, such that the existing real property tax abatement can continue to be afforded to the benefit of Benedictine Hospital

B) Project Description:

Attach a map, survey or sketch of the Project site, identifying all existing or new buildings/structures.

Project Location (address/SBL): 111 Mary's Avenue, Kingston, NY-see Attachment 2, Survey

Property Size (acres): existing: 0.4 +/- acres proposed: _____

Building Size (square feet): existing: 14,295 +/- sq.ft. proposed: _____

Note - the Project Facility is already constructed and in operation. Applicant is requesting the Agency consent to the assignment/sale of the Project Facility

Proposed Project Time Table: start: Facility end: _____

Is the Applicant the present legal owner of the Project site? Yes No

If yes: Date of Purchase: _____ Purchase Price: \$ _____

If no:

1. Present legal owner of the Project site: Kingston Medical Properties, LLC

2. Is there a relationship, legally or by common control, between the Applicant and the present owner of the Project site? Yes No

If yes:

3. Does the Applicant have a signed option to purchase the site? Yes No

If yes: Date option signed: Not an option but is a party to a certain Purchase and Sale Agreement with a projected closing date of 1/31/22 Date option expires: _____

Is the Project site subject to any property tax certiorari? Yes No

If yes:

DRAFT

Describe the Project including, scope, purpose (e.g., new build, renovations, and/or equipment purchases, equipment leases, etc.), timeline, and milestones. The Project scope must entail only future work, as the Agency's benefits are not retroactive: The project simply involves the Company's acquisition of the Project Facility, currently being leased to Benedictine Hospital, from current owner Kingston Medical Properties, LLC and a request that the existing PILOT Agreement real property tax abatement currently affecting the Project Facility will then continue to remain in place for the benefit of Benedictine Hospital.

*** There will be no change in use or operations of the Project Facility, merely a change in the ownership of the Project Facility. Existing employment levels are expected to remain the same.

If the PILOT Agreement real property tax abatement were no longer able to be provided to the Project Facility for the benefit of the Benedictine Hospital, the Applicant would not proceed with its purchase of the Project Facility.

DRAFT

Would this Project be undertaken **but for** the Agency's financial assistance? Yes No

If no, describe why the Agency's financial assistance is necessary and the effect the Project will have on the Applicant's business or operations: There is no new request for Agency Financial Assistance, only a request that the Agency consent to the assignment of the existing PILOT Agreement from current Project Facility owner Kingston Medical Properties LLC to the Company, all said real property tax abatement benefits as provided within the PILOT Agreement to continue to flow through to, and for the benefit of, the Benedictine Hospital. If the Agency were not to consent to the assignment of the PILOT Agreement as herein requested, the Company would not be able to, and thus would not, purchase the Project Facility.

C) Project Site Occupancy

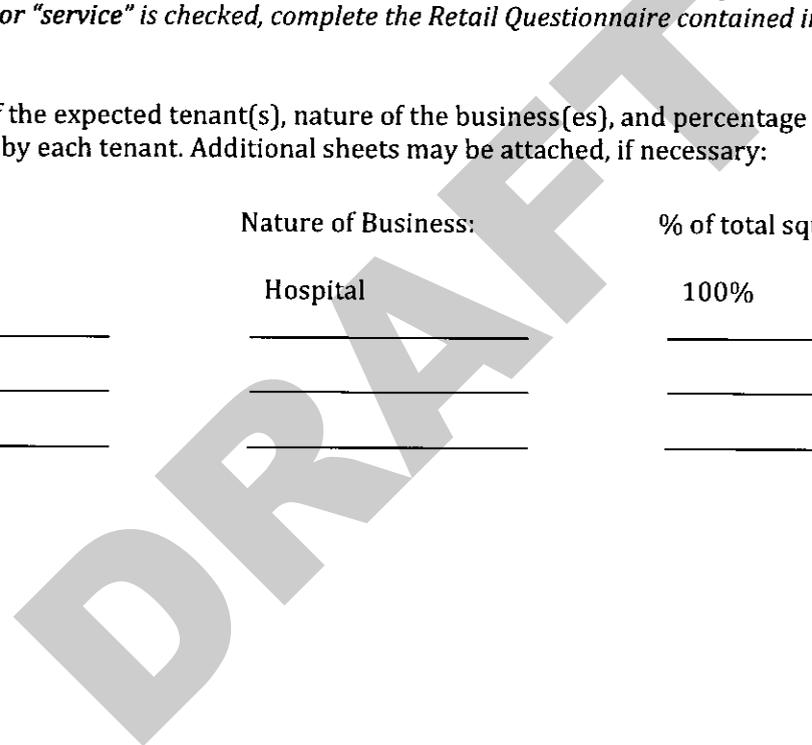
Select Project type for all end-users at Project site (choose all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Service* |
| <input type="checkbox"/> Acquisition of existing facility | <input type="checkbox"/> Back-office |
| <input type="checkbox"/> Housing | <input type="checkbox"/> Mixed use |
| <input type="checkbox"/> Multi-tenant | <input type="checkbox"/> Facility for Aging |
| <input type="checkbox"/> Commercial | <input type="checkbox"/> Civic facility (not-for-profit) |
| <input type="checkbox"/> Retail* | <input checked="" type="checkbox"/> Other |

** The term "retail sales" means (1) sales by a registered vendor under Article 28 of the Tax Law of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property, as defined in Section 1101(b)(4)(i) of the Tax Law, or (2) sales of a service to customers who personally visit the Project location. If "retail" or "service" is checked, complete the Retail Questionnaire contained in Section IV.*

List the name(s) of the expected tenant(s), nature of the business(es), and percentage of total square footage to be used by each tenant. Additional sheets may be attached, if necessary:

Company:	Nature of Business:	% of total square footage:
1. Benedictine Hospital	Hospital	100%
2. _____	_____	_____
3. _____	_____	_____



IV. RETAIL QUESTIONNAIRE

(Fill out if end users are "retail" or "service" as identified in Section III)

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or purchase services.

No Changes.

- A) Will any portion of the Project consist of facilities or property that will be primarily used in making sales of goods or services to customers who personally visit the Project site? Yes No

If yes, continue with the remainder of the Retail Questionnaire. If no, do not complete the remainder of the Retail Questionnaire.

- B) What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the Project? 0 %

If the answer is less than 33.33% do not complete the remainder of the Retail Questionnaire.

If the answer to Question A is Yes and the answer to Question B is greater than 33.33%, complete the remainder of the Retail Questionnaire:

1. Is the Project location or facility likely to attract a significant number of visitors from outside the Mid-Hudson Economic Development Region (i.e., Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties)? Yes No
2. Will the Project make available goods or services which are not currently reasonably accessible to the residents of the municipality within which the proposed Project would be located? Yes No
3. Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes No

If yes, explain:

4. Will the Project be located in an area designated as an economic development zone pursuant to Article 18-B of the General Municipal Law (Source: <https://esd.ny.gov/empire-zones-program/>)? Yes No

If yes, explain:

5. Will the Project be in a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? (Source: United States Census Bureau <https://factfinder.census.gov/>) Yes No

If yes, explain:

V. ENVIRONMENTAL REVIEW AND PERMITTING

The Applicant must comply with the State Environmental Quality Review Act (SEQRA) before the Agency can vote on proposed financial incentives. It is the Applicant's responsibility to provide a copy of the final SEQRA determination to the Agency.

Environmental Assessment Form: Short Form Long Form

Lead Agency: _____

Agency Contact: _____

Date of submission: _____

Status of submission: _____

Final SEQRA determination: Action is a Type II Action Under SEQRA

A) Site Characteristics:

Will the Project meet zoning and land use regulations for the proposed location?

Describe the present zoning and land use regulation:

Is a change in zoning and land use regulation is required? If yes, specify the required change and status of the change request:

If the proposed Project is located on a site where the known or potential presence of contaminants is complicating the development/use of the property, describe the potential Project challenge:

B) Permits:

Describe other permits required and the status of the approval process. Attach copies of variances and special permits to this Application.

Permit:	Status:
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

VI. INTER-MUNICIPAL MOVE DETERMINATION

The Agency is required by State law to make a determination that, if completion of a Project benefiting from the Agency's financial assistance results in the removal of a plant of the Project occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Project occupant located within the State, Agency financial assistance is required to prevent the Project occupant from relocating out of the State, or it is reasonably necessary to preserve the Project occupant's competitive position in its respective industry.

Will the Project result in the removal of a plant of the Project occupant from one area of the State to another area of the State? Yes No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the State? Yes No

If yes to either question above, explain how notwithstanding the aforementioned closing or activity reduction, the Agency's financial assistance is required to prevent the Project from relocating out of the State or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

DRAFT

Does the Project involve relocation or consolidation of a Project occupant from another municipality?

Within New York State: Yes No

Within Ulster County: Yes No

If yes, explain: _____

VII. EMPLOYMENT INFORMATION

A) Current and Projected Employee Headcount

	Current Headcount	Projected Headcount			
		New Year 1	New Year 2	New Year 3	Total by Year 3
Full-time	46.98 as provided with the 2020 Jobs Report submitted to the Agency	51	51	51	51
Part-time					
Seasonal					

B) Employment Plan in FTE

Estimate the number of full-time equivalent (FTE) jobs that are expected to be retained and created as part of this Project. One FTE is equivalent to 35 hours of work per week or 1,820 hours per year. Convert part-time jobs into FTE by dividing the total number of hours for all part-time resources by 35 hours per week or 1,820 hours per year.

Attach a list that describes in detail the types of employment for this Project, including the types of activities or work performed and the projected timeframe for creating new jobs.

Occupation in Company	Current (Retained) Permanent FTE		Projected New Permanent FTE			
	Average Annual Salary or Hourly Wage ¹	Number of Current FTE	FTE in Year 1	FTE in Year 2	FTE in Year 3	Total New FTE by Year 3
Professional/ Management	\$27.78 as provided for within, and as all information within this table was also provided within, the 2020 Jobs Report submitted to the Agency	2.21				

¹ Wages are defined as all remuneration paid to an employee. Remuneration means every form of compensation for employment paid by an employer to an employee; whether paid directly or indirectly by the employer, including salaries, commissions, bonuses, and the reasonable money value of board, rent, housing, lodging, or similar advantage received. Where gratuities are received from a person other than the employer, the value of such gratuities shall be included as part of the remuneration paid by the employer. Source: <https://labor.ny.gov>.

Administrative						
Sales						
Services						
Manufacturing						
High-Skilled	\$277.16	6.24				
Medium-Skilled	\$47.11	38.53				
Basic-Skilled						
Other (specify)						
Total	Average \$76.36	46.98				

C) Estimated Wages and Incentives

What is the estimated percentage of FTEs (retained and new) will receive the following hourly wage² and benefits or more?

\$12.85 or less	%
\$12.86 - 19.28	%
\$19.29 - 25.70	%
\$25.71 or above	100%
Total	100%

Estimate the percentage of the current workforce whose wages meet or exceed the livable wage for Ulster County as defined by the Living Wage Calculator, Massachusetts Institute of Technology, Updated 2016 NY (<http://livingwage.mit.edu/counties/36111> for 1 adult): _____ %

Will the Applicant pay a livable wage for Ulster County, as defined by the Living Wage Calculator for 1 adult, to all employees for the duration of the Agency's incentives? Yes No

Estimate the percentage of residents of the Mid-Hudson Region (Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties) who are expected to fill the projected new jobs at the end of year three (3) years after Project completion: _____ %

² The wages are based on most recently available data annualized by multiplying quarterly wages by four (4) and adjusting for 35 hours of work per week. Source: Quarterly Census of Employment and Wages (QCEW) for Ulster County for All Industries.

Describe the benefits you offer or plan to offer to your employees:

Describe the internal training and advancement opportunities you offer or plan to offer to your employees:

DRAFT

VIII. INDEPENDENT CONTRACTOR RESOURCES

Estimate the number of full-time equivalent (FTE) jobs that are contracted to independent contractors (e.g., contractors or subcontractors) that would be retained and created as part of this Project.

Attach a list that describes in detail the types of contract resources for this Project, including the types of activities or work performed and the projected timeframe for creating new contractor positions.

	Current Headcount	Projected			
		New Year 1	New Year 2	New Year 3	Total by Year 3
Full-time	N/A				
Part-time					
Seasonal					

IX. CONSTRUCTION LABOR

Number of construction workers expected to be hired for this Project: N/A

Does the Applicant utilize contractors who:

- Have a certified apprenticeship program? Yes _____ % No
- Pay a prevailing wage? Yes _____ % No
- Pay a living wage as defined by the Living Wage Calculator for 1 adult? Yes _____ % No
- Use construction labor from Ulster, Greene, Delaware, Sullivan, Orange, Dutchess or Columbia counties? Yes _____ % No

Describe the general contractor's plans and selection process for using regional construction labor or regional sub-contractors:

X. PROJECT COSTS AND FINANCING

Attach additional
A) Project Costs

		Estimated Amount
Land Acquisition:	acres	\$ _____
Building Acquisition:	square feet	\$17,500,000
New Building Construction:	square feet	\$ _____
Building Addition(s):	square feet	\$ _____
Infrastructure Work:		\$ _____
Reconstruction/Renovation:	square feet	\$ _____
Manufacturing Equipment:		\$ _____
Non-Manufacturing Equipment (furniture, fixtures, etc.):		\$ _____
Soft Costs (professional services, labor, etc.):		\$ _____
Other (specify):		\$ _____
TOTAL:		\$17,500,000

Have any of the above costs been paid or incurred as of the date of this application? Yes No
 If yes, describe: _____

B) Sources of Funds for Project Costs

Equity:	\$7,000,000
Bank Financing:	\$10,500,000
Tax Exempt Bond Issuance:	\$ _____
Taxable Bond Issuance:	\$ _____
Public Sources (Include total of all State and Federal grants and tax credits):	\$ _____

Identify each State and Federal program:

_____	\$ _____
_____	\$ _____
_____	\$ _____

Additional sheets may be attached, as necessary.

TOTAL: _____ \$

Amount of total financing requested from lending institutions: \$7,000,000

Amount of total financing related to existing debt refinancing: \$0

Has a commitment for financing been received? Yes No

If yes:

Lending Institution: Capital One National Association

Contact: _____ Phone: _____

XI. UCIDA UNIFORM TAX POLICY MATRIX – PILOT POINTS CALCULATION

UCIDA's Uniform Tax Policy Matrix is applicable to Uniform Tax Exemption Policy ("UTEP") Categories 1-4.

Projected New FTE Jobs ³ to be Created – ONLY CHOOSE ONE, IF ANY <ul style="list-style-type: none"> • 5-9 – <u>(1 point)</u> • 10-49 – <u>(2 points)</u> • 50+ – <u>(3 points plus 1 point for every additional 15 jobs)</u> 	_____ # of FTE _____
Current (Retained) FTE Jobs – ONLY CHOOSE ONE, IF ANY <ul style="list-style-type: none"> • 5-29 – <u>(1 point)</u> • 30-99 – <u>(2 points)</u> • 100+ – <u>(3 points)</u> 	_____ # of FTE _____
Projected Wages ⁴ - ONLY CHOOSE ONE, IF ANY <ul style="list-style-type: none"> • All jobs over LW – <u>(1 point)</u> • 25% of FTE earn over 150% LW plus benefits – <u>(2 points)</u> • 25% of FTE earn over between 150% LW and 200% LW plus 25% FTE earn over 200% LW plus benefits – <u>(3 points)</u> 	Enter Point Value _____
Construction Workforce – ONLY CHOOSE ONE, IF ANY <ul style="list-style-type: none"> • 75% regional workforce⁵ (Ulster County & neighbors) – <u>(1 point)</u> • 50% paid prevailing wages – <u>(2 points)</u> • 75% paid prevailing wage – <u>(3 points)</u> 	Enter Point Value _____
Environmentally Sustainable – <u>(If any of the following apply, 2 points)</u> <ul style="list-style-type: none"> • Use of existing industrial site or brownfield • Construction at a shovel-ready site or in a designated business park • Use of energy-efficient technology • Use of significant renewable energy 	Enter Point Value _____
Community Investment – CHOOSE AS MANY AS APPLICABLE <ul style="list-style-type: none"> • Project within ¼ mile of public transit – <u>(1 point)</u> • In economically distressed area of County⁶ – <u>(2 points)</u> 	Enter Point Value _____ _____

³ One FTE is equivalent to 35 hours of work per week or 1,820 hours per year.

⁴ The wages for each PILOT point level are based on most recently available data annualized by multiplying quarterly wages by four (4) and adjusting for 35 hours of work per week. Source: Quarterly Census of Employment and Wages (QCEW) for Ulster County for All Industries.

⁵ Regional labor refers to workers residing in Ulster, Greene, Delaware, Sullivan, Orange, Dutchess, and Columbia counties.

⁶ Economic distress applies if one or more of the following criteria is met: 1) The unemployment rate is, for the most recent 24-month period for which data are available, at least one percentage point higher than the national average unemployment rate; 2) Per capita income is, for the most recent period for which data are available, 80 percent or less of the national average per capita income; or 3) The area is subject to a "special condition" resulting from severe short- or long-term changes in economic conditions, such as the shutdown of a major employer or the loss of a significant industry. See US Economic Development Administration, 13 CFR 301.3 (www.eda.gov)

Educational/ Workforce Investment – CHOOSE AS MANY AS APPLICABLE

Enter Point Value

- At least 50% of workforce has advanced educational credential – (2 points)
- Workforce housing or senior/disabled housing – (3 points)

Total Points

XII. ESTIMATED VALUE OF INCENTIVES

A) Property Tax Exemption:

Agency staff will complete this section with the Applicant based on information submitted by the Applicant and the local taxing jurisdiction's Assessor.

Current assessed full value of the property **before** Project improvements: \$2,600,000

*** See Attachment 3
for PILOT Payment
Estimates

Estimated assessed value of Project improvements (i.e., increase in value of the property's assessment with the Project improvements) \$0

Estimated new assessed full value of property **after** Project improvements \$2,600,000

Estimated real property tax rate per dollar of full assessment \$50.57

Assumed annual increase in assessment and tax rate 1%

Abatement schedule based on PILOT Points Calculation results

Estimated PILOT property tax abatements over 8 years \$643,409

	A	B	C = A + B	D	E = B x (1-D)	F = A + E
PILOT Year	Existing Real Property Taxes	Estimated Real Property Taxes Without PILOT ⁷	Estimated Total Without PILOT	% of PILOT Exemption, according to Abatement Schedule	Estimated PILOT Payments With PILOT	Estimated Total With PILOT
1				%		
2				%		
3				%		
4				%		
5				%		
6				%		
7				%		
8				%		

⁷ The figures in this column assume that the Project is completed as described in the Application and without the involvement of the Agency and, therefore, subject to real property taxes. However, as provided in this Application, the Applicant has certified that it would not undertake the Project without the financial assistance granted by the Agency. Accordingly, this column is prepared solely for the purpose of determining the estimated amount of the real property tax abatement being granted by the Agency.

9				%		
10				%		
11				%		
12				%		
13				%		
14				%		
15				%		
Total				--		

If the Applicant is requesting incentives that are greater than the Agency's standard tax exemptions, describe the incentives and provide a justification for this Deviated PILOT request⁸:

B) Sales and Use Tax Benefit:

Note: The figures below will be provided to the New York State Department of Taxation and Finance and represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to the application.

Costs for goods and services that are subject to State and local sales and use tax⁹: \$0
 Estimated State and local sales and use tax benefit (sales tax amount multiplied by 8.0% plus additional use tax amounts): \$_____

C) Mortgage Recording Tax Benefit:

Mortgage amount (include construction, permanent, bridge financing or refinancing): \$0
 Estimated mortgage recording tax exemption benefit (mortgage amount multiplied by _____ %): \$_____

D) For bond applicants only: (Projected _____ year borrowing term)

	Without Bonds	With Bonds
First Year Debt Service:	\$_____	\$_____
Total Debt Service:	\$_____	\$_____

⁸ Historically, the Agency has required consent from all local taxing jurisdictions before approving a Deviated PILOT.

⁹ Sales and use tax (sales tax) is applied to: tangible personal property (unless specifically exempt); gas, electricity, refrigeration and steam, and telephone service; selected services; food and beverages sold by restaurants, taverns, and caterers; hotel occupancy; and certain admission charges and dues. For a definition of products, services, and transactions subject to sales tax see the following links: <https://www.tax.ny.gov/bus/st/subject.htm> and https://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/quick_reference_guide_for_taxable_and_exempt_property_and_services.htm.

E) Percentage of Project Costs Financed from Public Sector:

Percentage of Project costs financed from public sector: 3.67%
(Total B + C + D + E below / A Total Project Cost)

A. Total Project Cost:	<u>\$17,500,000</u>
B. Estimated Value of PILOT:	<u>\$643,409</u>
C. Estimated Value of Sales Tax Incentive:	<u>\$0</u>
D. Estimated Value of Mortgage Tax Incentive:	<u>\$0</u>
E. Total Other Public Incentives (tax credits, grants, ESD incentives, etc.):	<u>\$0</u>

DRAFT

XIII. OTHER

Is there anything else the Agency's board should know regarding this Project?

The purpose of this application by Applicant is to obtain the UCIDA's consent for current owner to sell the Project Facility to, and to assign, amongst other agreement, the UCIDA PILOT Agreement to, the Applicant, for the continued benefit of permtting the PILOT Agreement real property tax abatment to flow through to the Benedictine Hospital.

Current operations within the Facility, and current employment levels, are expected to remain unaffected by this transaction.

DRAFT

REPRESENTATIONS, CERTIFICATIONS AND INDEMNIFICATION

Krysta Bavlsik

confirms and says that she is the authorized signatory of KAGR2 Kingston, LLC named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. **Job Listings.** In accordance with Section 858-b(2) of the New York General Municipal Law ("GML"), the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed Project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and the Ulster County Office of Employment and Training (collectively with the DOL, the "OET Entities"), the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300) ("OET LAW"), as supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220), in which the proposed Project is located.
- B. **First Consideration for Employment.** In accordance with Section 858-b(2) of the GML, the applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in OET LAW programs who shall be referred by the OET Entities for new employment opportunities created as a result of the proposed Project.
- C. **Employment Reports.** The Applicant understands and agrees that, if the proposed Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, and salary levels, including (1) the NYS-45-Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the "NYS-45"), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Project Agreement between the Agency and Applicant.
- D. **Sales Tax.** In accordance with Section 874(8) of the GML, the Applicant understands and agrees that, if the proposed Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the GML, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copies of all filings shall be provided to the Agency.

Applicant hereby understands and agrees, in accordance with Section 875(3) of the GML and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant.

- E. **Agency Enforcement Policy.** The applicant acknowledges that it has read and understands the Agency's Enforcement of Agency Projects Policy and recognizes that in connection the assistance by the Agency in the undertaking by the applicant of the Project, the Agency will require the applicant to execute and deliver a Uniform Agency Project Agreement outlined in Section F below.

- F. Uniform Agency Project Agreement. The applicant agrees to enter into a uniform agency project agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the "Public Benefits") and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.
- G. Assignment of Agency Abatements. In connection with any Agency Straight Lease Transaction or Agency Bond Transaction, the Agency may grant to the applicant certain exemptions from mortgage recording taxes, sales and use taxes and real property taxes. The applicant understands that the grant of such exemptions by the Agency is intended to benefit the applicant. Subsequently, if the applicant determines to convey the Project and, in connection with such conveyance to assign such exemptions to the purchaser, the applicant understands that any such assignment is subject to review and consent by the Agency, together with the satisfaction of any conditions that may be imposed by the Agency.
- H. Post-Closing Cost Verification. The applicant agrees (1) the scope of the Project will not vary significantly from the description in the public hearing resolution for the project and (2) to deliver to the Agency within sixty (60) days following the completion date of a project an affidavit providing the total costs of the project. In the event that the amount of the total project costs described in the affidavit at the completion date exceeds the amount described in an affidavit provided by the applicant on the closing date of the project, the applicant agrees to adjust the amounts payable by the applicant to the Agency by such larger amount and to pay to the Agency such additional amounts. In the event that the amount described is less, there shall not be any adjustment to the Agency fees.
- I. Hold Harmless Provision. The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and hereby releases the Agency, including the members, officers, servants, agents and employees thereof, from and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (ii) the Agency's acquisition, construction and/or installation of the Project described therein and (iii) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.
- J. Fees. By executing and submitting this Application, the applicant covenants and agrees to pay the following fees:
- (i) A non-refundable Application Fee of \$1,000 per application;
 - (ii) Expenses associated with Applicant background check;
 - (iii) Expenses associated with Public Hearing(s), including stenographers' fees;
 - (iv) A Closing Fee in accordance with the Fee Policy effective as of the date of this application, to be paid at transaction closing (unless otherwise outlined in the Project Agreement or authorizing resolution). This fee will be equal to 1% of the total value of expenses that are positively impacted by the Agency incentives.
 - (v) All fees, costs, and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed Project; with all such charges to

be paid by the Applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefor (please note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel);

- (vi) The cost incurred by the Agency and paid by the Applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

If the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

- K. **FOIL.** The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.
- L. **Financial Review.** The Applicant acknowledges that the Agency shall undertake an assessment of all material information included in connection with the Application for Financial Assistance as necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project, including, but not limited to qualification of the proposed project under the GML (including any retail analysis, as applicable), conducting a full application review, review of applicant financial history and project pro-formas, and consideration of all local development priorities.
- M. **Background Check.** The Applicant acknowledges that the Agency shall undertake a background check on the Applicant, including but not limited to the Applicant's related business entities and stockholders, members or partners with a % ownership greater than 5%. The Applicant shall furnish the Agency with a Certificate of Standing from the Department of State or personal tax reports and police records as outlined in the Agency's Background Check Policy.
- N. **Compliance with Article 18-A of the GML.** The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the GML, including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862 of the GML, and the provisions of subdivision one of Section 862 of the GML will not be violated if Financial Assistance is provided for the Project.
- O. **Compliance with Federal, State, and Local Laws.** The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, State and federal tax, worker protection and environmental laws, rules and regulations.
- P. **False or Misleading Information.** The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement in the Project.
- Q. **Absence of Conflicts of Interest.** The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

R. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency are included in the Agency's Policies which can be accessed at <http://ulstercountyny.gov/economic-development/ulster-county-industrial-development-agency/policies>.

S. Representation of Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.

STATE OF NEW YORK)
) SS.:
COUNTY OF ULSTER)

Krysta Bavlsik, being first duly sworn, deposes and says:

1. That I am the authorized signatory (Corporate Office) of KAGR2 Kingston, LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate, and complete.

Krysta Bavlsik
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury

This 2 day of March, 2022

Michelle Robertson
(Notary Public)



DRAFT

NEW YORK STATE FINANCIAL REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES

Be advised that the New York General Municipal Law imposes certain reporting requirements on IDAs and recipients of IDA financial assistance. Of importance to IDA Applicants is Section 859 (<https://www.nysenate.gov/legislation/laws/GMU/859>). This section requires IDAs to transmit financial statements within 90 days following the end of an Agency's fiscal year ending December 31, prepared by an independent, certified public accountant, to the New York State Comptroller, and the Commissioner of the New York State Department of Economic Development. These audited financial statements shall include supplemental schedules listing the following information:

1. All straight-lease ("sale-leaseback") transactions and whether or not they are obligations of the Agency.
2. All bonds and notes issued, outstanding or retired during the period and whether or not they are obligations of the Agency.
3. All new bond issues shall be listed and for each new bond issue, the following information is required:
 - a. Name of the Project financed with the bond proceeds.
 - b. Whether the Project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the Project.
 - d. The estimated amount of tax exemptions authorized for each Project.
 - e. The purpose for which the bond was issued.
 - f. The bond interest rate at issuance and, if variable, the range of interest rates applicable.
 - g. Bond maturity date.
 - h. Federal tax status of the bond issue.
 - i. Estimate of the number of jobs created and retained for the Project.
4. All new straight lease transactions shall be listed and for each new straight lease transaction, the following information is required:
 - a. Name of the Project.
 - b. Whether the Project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the Project.
 - d. The estimated amount of tax exemptions authorized for each Project.

- e. The purpose for which each transaction was made.
- f. Method of financial assistance utilized for each Project, other than the tax exemptions claimed by the Project.
- g. Estimate of the number of jobs created and retained for the Project.

Sign below to indicate that you have read and understood the above.

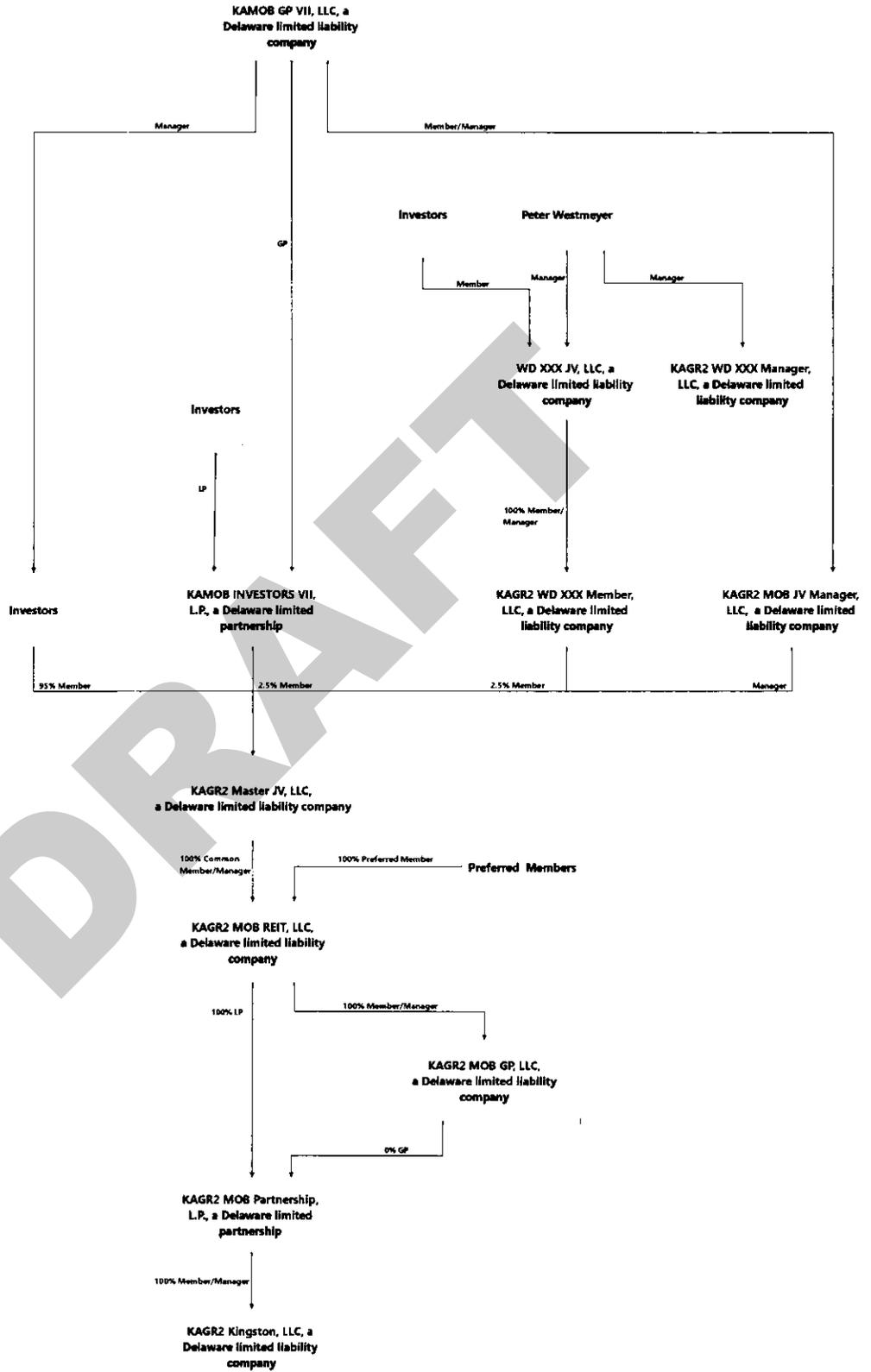
Signature: *Knysta Bavlisk*
Name: Knysta Bavlisk
Title: Authorized Signatory
Company: KAGR2 Kingston, LLC
Date: March 2, 2022

DRAFT

ATTACHMENT 1

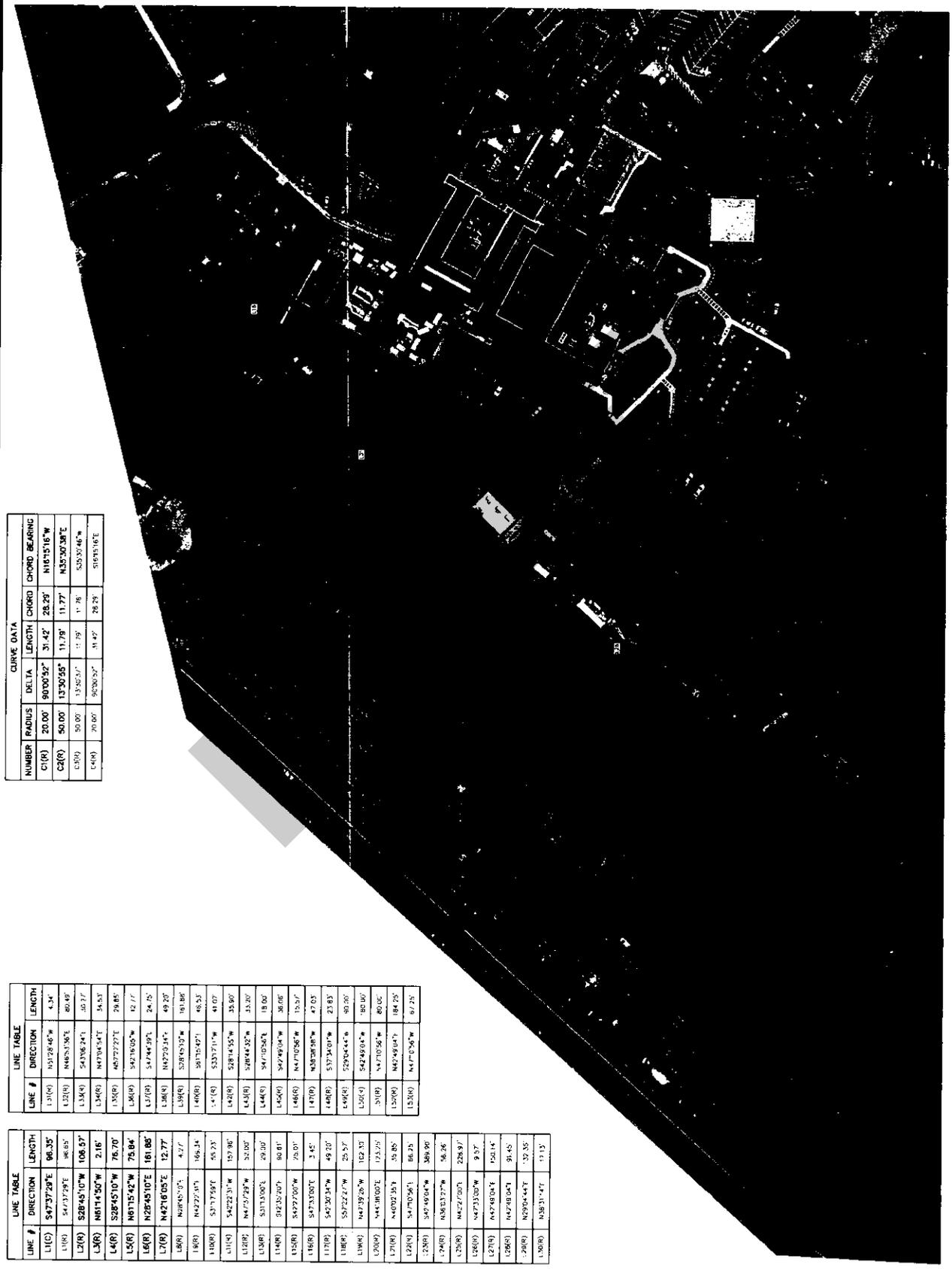
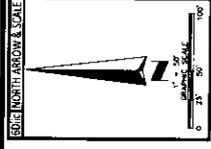
DRAFT

KAGR2 Kingston



ATTACHMENT 2

DRAFT



CURVE DATA

NUMBER	RADIUS	DELTA	LENGTH	CHORD	CHORD BEARING
C1(R)	20.00'	90°00'52"	31.42'	28.29'	N16°15'18"W
C2(R)	50.00'	13°30'58"	11.79'	11.77'	N35°30'38"E
C3(O)	50.00'	13°30'57"	11.79'	11.76'	S25°30'46"W
C4(O)	70.00'	9°20'52"	11.47'	10.29'	S10°30'16"E

LINE TABLE

LINE #	DIRECTION	LENGTH
L1(O)	S91°28'46"W	4.34'
L2(O)	N46°25'38"E	60.48'
L3(O)	S43°08'24"E	30.77'
L4(O)	N47°34'44"E	54.53'
L5(O)	N67°27'27"E	29.85'
L6(O)	S42°16'05"W	12.77'
L7(O)	S47°44'39"E	24.75'
L8(O)	N47°20'14"E	49.20'
L9(O)	S28°45'10"W	81.84'
L10(O)	S81°15'42"W	75.84'
L11(O)	S81°15'42"W	75.84'
L12(O)	N28°45'10"E	161.68'
L13(O)	N42°16'05"E	12.77'
L14(O)	N69°45'05"E	43.7'
L15(O)	N47°27'30"E	106.34'
L16(O)	S31°17'58"E	55.23'
L17(O)	S42°22'33"W	157.90'
L18(O)	N47°27'28"W	52.00'
L19(O)	S31°15'00"E	29.20'
L20(O)	S42°32'00"E	80.81'
L21(O)	S47°27'00"E	75.01'
L22(O)	S47°24'00"E	3.45'
L23(O)	S47°30'33"W	49.20'
L24(O)	S57°22'27"W	25.57'
L25(O)	N47°29'05"W	102.30'
L26(O)	N44°40'00"E	122.20'
L27(O)	N40°02'30"E	35.85'
L28(O)	S47°05'00"E	86.25'
L29(O)	S49°49'04"W	386.90'
L30(O)	N35°13'27"W	56.26'
L31(O)	N42°27'00"E	228.97'
L32(O)	N47°33'00"W	9.57'
L33(O)	N47°48'00"E	150.14'
L34(O)	N47°48'00"E	91.45'
L35(O)	N39°04'44"E	137.35'
L36(O)	N35°31'47"E	11.15'

ATTACHMENT 3

DRAFT

UGDA - Benchmarking Analysis

Tax Rates, Calculation assumes 1% per year increase

City 4.14
 County 14.24
 School 32.19
 50.57

PILOT Year	% Occupancy	Assessed Value	Tax Rate per \$1000	Taxes (as if owned)	Abatement %	Abatement Amount	PILOT Payment
2022 For-Profit	40.94%	2,600,000	50.57	53,829	0%	0	53,829
2022 Not-for-Profit	59.06%	2,600,000	50.57	77,653	100%	77,653	0
2023 For-Profit	40.94%	2,600,000	51.08	54,367	0%	0	54,367
2023 Not-for-Profit	59.06%	2,600,000	51.08	78,430	100%	78,430	0
2024 For Profit	40.94%	2,600,000	51.59	54,911	0%	0	54,911
2024 Not-for Profit	59.06%	2,600,000	51.59	79,214	100%	79,214	0
2025 For Profit	40.94%	2,600,000	52.10	55,460	0%	0	55,460
2025 Not-for-Profit	59.06%	2,600,000	52.10	80,006	100%	80,006	0
2026 For-Profit	40.94%	2,600,000	52.62	56,014	0%	0	56,014
2026 Not-for-Profit	59.06%	2,600,000	52.62	80,806	100%	80,806	0
2027 For Profit	40.94%	2,600,000	53.15	56,575	0%	0	56,575
2027 Not-for Profit	59.06%	2,600,000	53.15	81,614	100%	81,614	0
2028 For Profit	40.94%	2,600,000	53.68	57,140	0%	0	57,140
2028 Not-for-Profit	59.06%	2,600,000	53.68	82,431	100%	82,431	0
2029 For-Profit	40.94%	2,600,000	54.22	57,712	0%	0	57,712
2029 Not-for-Profit	59.06%	2,600,000	54.22	83,255	100%	83,255	0
TOTAL				1,089,417		643,409	446,007

Note: Chart uses 1% escalation for Tax Rate

**RESOLUTION AUTHORIZING ASSIGNMENT AND ASSUMPTION
KAGR2 KINGSTON, LLC
FORMERLY FIRST COLUMBIA BENEDICTINE, LLC PROJECT**

A regular meeting of Ulster County Industrial Development Agency (the “Agency”) was convened on March 16, 2022 at 9:00 o’clock a.m., local time, in public session via video conference.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

James Malcolm	Chair
Diane Eynon, Ph.D.	Vice Chair/Treasurer
Faye Storms	Assistant Treasurer
Michael J. Ham	Secretary
Orlando Reece	Assistant Secretary
Daniel Savona	Assistant Secretary
Richard O. Jones	Chief Financial Officer/Member

Each of the members present participated in the meeting either in person or remotely pursuant to the signing into law on September 2, 2021 of Chapter 417 of the Laws of 2021, as amended on January 14, 2022.

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

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

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0322-

**RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND
DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE ASSIGNMENT
AND ASSUMPTION OF THE FIRST COLUMBIA BENEDICTINE, LLC PROJECT.**

WHEREAS, Ulster County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 787 of the 1976 Laws of New York, as amended, (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing, and warehousing facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to

improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to a closing on November 25, 2003 (the “Closing”), the Agency entered into a lease agreement dated as of November 1, 2003 (the “Original Lease Agreement”) by and between the Agency and First Columbia Benedictine, LLC (the “First Company”) in connection with a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in a parcel of real estate containing approximately 0.4 acres of land located between buildings located at 105 Mary’s Avenue and 117 Mary’s Avenue, Kingston, Ulster County, New York (the “Land”), (2) the construction on the Land of a new two story building to contain approximately 26,000 square feet of space (the “Facility”), and (3) the acquisition and installation thereon and therein of machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “Project Facility”), all of the forgoing to constitute an outpatient radiation cancer treatment center and support areas and other related uses and activities to be owned by the First Company and to be leased to Benedictine Hospital; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the First Company pursuant to the Original Lease Agreement, as amended pursuant to a first amendment to Lease Agreement dated as of March 1, 2004 (the “First Amendment to Lease Agreement” and collectively with the Original Lease Agreement, the “Lease Agreement”); and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, (A) the First Company executed and delivered to the Agency (1) a certain lease to agency dated as of November 1, 2003 (the “Underlying Lease”) by and between the First Company, as landlord and the Agency, as tenant, pursuant to which the First Company leased to the Agency the Land and all improvements now or hereafter located on the land (collectively, the “Premises”) for a lease term ending on February 15, 2029, and (2) a bill of sale dated as of November 1, 2003 (the “Bill of Sale to Agency”), which conveyed to the Agency all right, title and interest of the First Company in the Equipment, (B) the First Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of November 1, 2003, as amended by a first amendment to payment in lieu of tax agreement dated as of March 1, 2004 (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the First Company, pursuant to which the First Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility, (C) the Agency filed with the assessor and mailed to the chief executive officer of each “affected tax jurisdiction” (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the “Real Property Tax Exemption Form”) relating to the Project Facility and the Payment in Lieu of Tax Agreement, (D) the Agency executed and delivered to the First Company a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance, and (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”) (collectively, with the Lease Agreement, the “Basic Documents”); and

WHEREAS, on or about August 23, 2007, the Agency and the First Company entered into an assignment and assumption agreement dated as of August 1, 2007 (the “Assignment Agreement”), whereby the First Company assigned the Project Facility and the interests of the First Company in the Basic Documents to Benedictine Lasalle Medical Office, L.L.C. (the “Second Company”); and

WHEREAS, on or about August 13, 2014, the Agency and the Second Company entered into an assignment and assumption agreement dated as of August 1, 2014 (the “Second Assignment Agreement”), whereby the Second Company assigned the Project Facility and the interests of the Second Company in the Basic Documents to ARHC BCKNGNY01, LLC (the “Previous Company”); and

WHEREAS, on or about August 22, 2019, the Agency and the Previous Company entered into an assignment and assumption agreement dated as of August 22, 2019 (the “Third Assignment Agreement”), whereby the Previous Company assigned the Project Facility and the interests of the Previous Company in the Basic Documents to Kingston Medical Properties, LLC (the “Current Company”); and

WHEREAS, pursuant to an application (the “Application”) submitted to the Agency by KAGR2 Kingston, LLC, a limited liability company organized and existing under the laws of the State of Delaware (the “New Company”), the Agency was notified that the Current Company desires to convey the Project Facility and its interests in the Basic Documents to the New Company and, in connection with such conveyance, provide for the assignment of the Basic Documents from the Current Company to the New Company, as described in the Application; and

WHEREAS, the Lease Agreement provides that the Current Company is prohibited from selling, leasing, transferring or otherwise conveying any part of the Project Facility without the prior written consent of the Agency; and

WHEREAS, in connection with the conveyance of the Project Facility, the Current Company and the New Company have requested (the “Request”) that the Agency execute documents providing for the following (the “Assignment and Assumption”): the consent by the Agency of the conveyance of the Project Facility and the assignment and assumption of the Basic Documents from the Current Company to the New Company pursuant to a fourth assignment and assumption agreement dated its date of execution (the “Fourth Assignment Agreement”); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Assignment and Assumption; and

WHEREAS, pursuant to SEQRA, the Agency has reviewed the Request in order to make a determination as to whether the Assignment and Assumption is subject to SEQRA, and it appears that the Request is not an “Action” under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Based upon an examination of the Request, the Agency hereby makes the following determinations:

(A) Pursuant to SEQRA, the approval of the Request is not an “Action” under SEQRA and therefore is not subject to SEQRA review by the Agency.

(B) The Agency will **not** be granting any mortgage recording tax exemption relating to the Request.

(C) That since compliance by the Agency with the Request will not result in the Agency providing more than \$100,000 of “financial assistance” (as such quoted term is defined in the Act) to the Purchaser, Section 859-a of the Act does not require a public hearing to be held with respect to the Request.

Section 2. The Agency hereby approves (A) the assignment to, and assumption by, the New Company of all of the Current Company’s interest in the Project Facility, and the Basic Documents, including but not limited to the benefits of the Lease Agreement and the Payment in Lieu of Tax Agreement, and (B) the assumption by the New Company of all obligations of the Current Company under the Basic Documents pursuant to the Fourth Assignment Agreement; subject in each case, however to the following conditions: (1) receipt of confirmation that all real property taxes and payments in lieu of taxes required by the Project have been satisfied; (2) evidence of current certificates of insurance acceptable to the Agency; (3) receipt of confirmation from Agency counsel that no modifications shall result from the Request that result in any new tax relief for the Project (such as an extension of the term, increase in abatement or change in the Payment in Lieu of Tax Agreement); (4) approval by counsel to the Agency of the form of the documents to be executed by the Agency in connection with the Assignment and Assumption, including the Fourth Assignment Agreement (collectively, the “Assignment Documents”); (5) receipt by the Agency of its administrative fee relating to the Assignment, as reviewed by the Chair and Agency Counsel, and all fees and expenses incurred by the Agency with respect to the Assignment, including the fees and expenses incurred by Agency counsel with respect thereto; (6) the execution and delivery of a Claw-Back Agreement in form acceptable to the Agency; and (7) the following additional conditions: _____.

Section 3. Subject to (A) satisfaction of the conditions contained in Section 2 hereof, including the condition that no modifications provide any new tax relief for the Project (such as an extension of the term, increase in abatement or change in the Payment in Lieu of Tax Agreement); and (B) the execution and delivery of the Assignment Documents by the other parties thereto, the Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Assignment Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof approved by Counsel to the Agency, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Request, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Request.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

James Malcolm	VOTING	_____
Diane Eynon, Ph.D.	VOTING	_____
Faye Storms	VOTING	_____
Michael J. Ham	VOTING	_____
Orlando Reece	VOTING	_____
Daniel Savona	VOTING	_____
Richard O. Jones	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

DRAFT

STATE OF NEW YORK)
) SS.:
COUNTY OF ULSTER)

I, the undersigned (Assistant) Secretary of Ulster County Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on March 16th, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Chapter 417 of the Laws of 2021, as amended (the “2022 Laws”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given; and (D) there was a quorum of the members of the Agency, either in person or attending remotely in accordance with the 2022 Laws, throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed, or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ___ day of March, 2022.

(Assistant) Secretary

(SEAL)

DRAFT