

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
January 8, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, January 8, 2014, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following agency members were present:

Paul Colucci	Assistant Chair/Assistant Secretary
Michael Horodyski	Chair
Robert Kinnin	Assistant Chair/Assistant Secretary
John Morrow	Secretary
Steve Perfit	Treasurer

The following agency members were absent:

James Malcolm	Assistant Chair/Assistant Secretary
---------------	-------------------------------------

Offices of Business Services Staff:

Linda Clark
Suzanne Holt

Ulster County Finance Office:

Christopher Rioux	Deputy Commissioner of Finance - CPA
-------------------	--------------------------------------

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
-----------------	------------------

Additional Attendees:

Paul Brown	New Paltz, NY
Jessica DiNapoli	Times Herald Record
Brian Gates	Hudson Valley Economic Development Corporation
Larry Gottlieb	Hudson Valley Economic Development Corporation
Michael Ham	Local 825 Operating Engineers
James Maloney	
George Sifre	New Paltz, NY
Geddy Sveikauskas	Ulster Publishing

Chair Horodyski called the meeting to order at 8:00 a.m.

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

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.

PUBLIC COMMENT

Chair Horodyski announced that Public Comment would be limited to a total of fifteen (15) minutes.

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

HUDSON VALLEY ECONOMIC DEVELOPMENT CORPORATION

Mr. Larry Gottlieb, President and CEO of the Hudson Valley Economic Development Corporation addressed the members of the Agency. A copy of his report/presentation is on file.

Discussion included, but was not limited to the following:

- Request a copy of the corporation's financial statements
- In newsletters – more mention of Ulster County
- Ulster County does not have a huge industrial corridor – we do have one (1) shovel ready site
- The best place to make the investment in 3-D Printing was SUNY New Paltz in Ulster County – because 3-D printing technology is a fusion of science and engineering with creative design.
- In 2014 economic development is not so much about the real estate transaction. The reality right now is there aren't a lot of deals going on because of the economy. You have to invest in activities that people want today, not what they wanted 30 years ago. The reality is that 3-D printing allows HVEDC to do is bring back manufacturing in its current form, which is not a manufacturing plant that is going to hire 200-300-400 people at a time, but is going to have people manufacturing pieces of product that are assembled somewhere else. Or design, which is really where the money and jobs will be. The real money in 3-D printing from an economic development prospective is not on the back end of printing the piece out. Where the money and economic opportunity for Ulster County is churning out the engineers and designers that are going to design the products, the software, and the technology on this end of the process.
- In terms of what Westchester County has and what Ulster County has here, in many respects Ulster County is on the cusp of some phenomenal opportunity in Ulster County and HVEDC is trying to help ignite this fire. There is great opportunity here.

- The dilemma and challenge is there are no industrial properties within a certain circumference of SUNY New Paltz. They will have to be build/create those small industrial buildings. Currently they do not exist. We should start planning now.
- The seeds have been planted at SUNY New Paltz; they are really enthusiastic. Previously, SUNY New Paltz did not know how to pull together the fine arts curriculum into the science curriculum. The curriculum that has been created is a fusion of teaching engineering students about design and teaching design students about science.
- The members of the Agency are urged to connect with SUNY New Paltz and find out what is going on.

MINUTES

Motion John Morrow, seconded by Paul Colucci, moved to approve the Minutes of the December 11, 2013 meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

Motion: John Morrow, seconded by Robert Kinnin, moved to approve the financials for the period ending December 31, 2013 as presented. A copy of said financials is on file.

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee. Committee Chair Steve Perfit reported that the Audit Committee had not met. A meeting will be scheduled before the next meeting of the Agency.

Governance Committee. Committee Chair John Morrow reported that the Governance Committee would be meeting prior to the next meeting of the Agency. Additionally Committee Chair Morrow requested that each member of the Agency complete the Acknowledgement of Fiduciary Duties and Confidential Evaluation of Board Performance and return same to staff.

Ready2Go. There was no report from the Ready2Go Committee.

RESOLUTIONS

2014 Annual Housekeeping Resolution

RESOLUTION APPROVING CERTAIN APPOINTMENTS AND ADMINISTRATIVE MATTERS OF THE AGENCY

Motion: Robert Kinnin, seconded by Steve Perfit, moved to approve said resolution as follows:

Confirmation of Regular Agency Meeting Schedule	8:00 a.m. the second Wednesday of each month
Officers of the Agency	Michael Horodyski, Chairman Steve Perfit, Treasurer John Morrow, Secretary Paul Colucci, Vice Chairman/Assistant Secretary Robert Kinnin, Vice Chairman/Assistant Secretary

	James Malcolm, Vice Chairman/Assistant Secretary
Appointment of Chief Executive Officer and Staff to the Agency	Michael Horodyski, CEO
Appointment of Chief Financial Officer to the Agency	Kenneth Juras, CFO
Staff of the Agency	Ulster County Office of Business Services
Appointment of Accounting Firm of the Agency	
Appointment of Agency Counsel	Hodgson Russ LLP
Appointment of Bond Counsel to the Agency	Hodgson Russ LLP
Appointment of Bank of the Agency and Accounts	Catskill Hudson Bank and M&T Bank
Approval and Confirmation of Agency Policies	Mission Statement Code of Ethics Compensation Policy Defense and Indemnification Policy Enforcement of Agency Projects Policy Fee Schedule Policy Grant Funding Criteria and Application Investment and Deposit Policy Procurement Policy Property Disposition Policy Travel Policy and Reconciliation of Expense Uniform Tax Exemption Policy Uniform Tax Policy Matrix Whistleblower Policy
Appointment of Contract Officer	Michael Horodyski
Appointment of Investment Officer	Michael Horodyski
Appointment of Governance Committee Members	John Morrow, Chair Robert Kinnin James Malcolm
Appointment of Audit Committee Members	Steve Perfit, Chair Paul Colucci Michael Horodyski
Appointment of Finance Committee Members	Michael Horodyski, Chair Paul Colucci Robert Kinnin James Malcolm John Morrow Steve Perfit

Chair Horodyski stated that the Governance Committee had met and reviewed each of the Agency's policies. The committee did not recommend any substantive material changes. The Enforcement Policy will reflect previous actions where Section 5(D) was removed from the policy. The Uniform Tax Exemption Policy (UTEP) will stay in place; that will be something that as we move through 2014 we will probably go back out again. This is a fairly laborious process to update. It isn't something that we might want to do every year, but it was his opinion that it might be a good time to review it again to see if there were any enhancements/additions that would make that more in-line with our Mission Statement.

Vote: The motion was adopted.

OFFICE OF BUSINESS SERVICES REPORT

Ms. Suzanne Holt reported as follows:

- A number of business meetings have been scheduled – a number of businesses in the county are talking about expanding
- Continues to meet with representatives of a large new tourism hotel project that is still trying to find the ideal location
- Some of the manufacturing expansion projects do not rise to the level that working with the UCIDA would make sense, because they could just go to traditional banks
- It was hopeful that new projects would be forthcoming this year
- Website – The County has a new website. The next step is the Office of Business Services with UCDC and the UCIDA/UCCRC. They all will be professionalized and standardize. The company NextStep has the county contract is going to work on that. Ulster County Development Corporation (UCDC) is doing a marketing RFI and looking for a new company to brand business services in Ulster County and UCDC. When that new company is in place, with the new brand it will all be wrapped up into one and made to look more professional. It is hoped that this will move along as soon as possible. At the next UCDC meeting at least five of the respondents will be invited to present to the members of the UCDC Board of Directors. As soon as the UCDC Board chooses one, we will get going.
- The Ulster County Legislature chose a new Chair, John Parete. It was uncertain at this time what his agenda was as far as economic development and/or UCIDA members.

Chair Horodyski stated that from the standpoint of the UCIDA, they will continue to do the work that we do. He will continue to stress the need for an additional member to fill the vacancy that now exists.

OLD BUSINESS

Ulster Commons, LLC

Counsel A. Joseph Scott reported that that project was scheduled to close in December. The project ran into a “few wrinkles” in the middle of the month and indicated that the closing would be put off until January or February, 2014. There are no problems with the transaction just end of year rush and then several things came up. The project representatives were nervous about the rescheduling; they called and asked if this would create a relationship issue with the UCIDA. Previously, they had approached the Agency and said that they really needed to get this going fast. Candidly, as was described by Mr. Perfit and by Business Services, the UCIDA had a very good year last year and whether or not you close that transaction last year or this year from a revenue standpoint This project came together very quickly. Counsel was not surprised that there was a little bit of a “push-off”. He will be in contact with the representatives of the project and give Ms. Holt and the Chair a heads up as to the status.

Mr. Perfit stated that knowing the project it could be one or two things Franchising, which doesn't happen overnight or possibly the site is a complex brownfield site.

Chair Horodyski stated that we as an UCIDA try to move projects along. When we receive them we try our best to entertain them, vet them, figure out if they fit under our guidelines/policies and then get them out the door – shovels in the ground and get them moving. In this case, it was hurry up and now we have to wait, which is not totally unheard of.

Mr. Colucci asked if the Agency does an audit of the actual total contract after the project is 100% completed.

Counsel Scott responded that we had discussed this at the last meeting of the Agency. In the minutes it was referred to the Governance Committee. What is done is at closing an Affidavit is completed up front and if we want to do a post-closing with an accounting to compare the affidavit with what actually transpired is the Agency's prerogative.

Chair Horodyski thought this was a great point. Very rarely do construction costs come under budget.

Financials – Hudson Valley Agri-Business Development Corporation (HVEDC)

Chair Horodyski stated that he agreed with Mr. Perfit that it was important to get financials to make sure that the money is being spent prudently and judiciously and used for the purposes intended. A copy of the financials for the Hudson Valley Agri-Business Development Corporation is on file.

It was proposed that in the future financials should be in-hand before a decision was made regarding the approval of a contract for services

Fee for Woodland Pond

Counsel Scott reported that there are two important parts regarding Woodland Pond. One, we charged them the fee that we charged them the last time so we are consistent \$1,000. Second, there was a lot of discussion, remember coincidentally, the Supervisor from the Town of New Paltz, Susan Zimet, was at the last meeting of the Agency when the Woodland Pond transaction was introduced. She raised the issue that they have been having some sewer/water issues. Counsel stated that he followed up on that and called Woodland Pond's counsel, indicating that Woodland Pond would have to take care of this. There was, candidly, some consternation on Woodland Pond's part because, and he thought that Supervisor Zimet was fair in the description, a lot of the issues were frankly on the town's side in terms of getting the information together, organizing it, making sure it was accurate, etc. However, all this stimulated a coming together and a letter was received from the Town Supervisor stating that they had resolved the issue for the number. They had not finalized payment; but that they have had discussions and were close on a final number and that the Supervisor was OK with the Agency to move forward with that matter without that actually being taken care of. Woodland Pond was under some pressure to close that by the end of the month. He believed that what was asked was accomplished.

Chair Horodyski remarked that it is important that when we have the opportunity to help support the municipalities, we do that. In this case, it appears to have worked.

Continuing Counsel Scott stated that he has a written letter from the Town Supervisor authorizing us to move forward on that transaction.

Ms. Holt asked if it was moving forward.

Counsel Scott responded that this was one of the end of the month matters. He will follow up with them to make sure that it did actually get completed. They told him that they were under a lot of pressure to get that done by the end of December.

NEW BUSINESS

InformAnalytics

Ms. Holt stated that informAnalytics is the software that is used to complete applicant's PILOT requests. Previously, UCDC paid this bill, but it is only used for IDA projects. The cost is \$250.00.

Motion Paul Colucci, seconded by John Morrow, moved to approve the expenditure of \$250.00 for the inform/Analytics Maintenance Agreement.

Vote: The motion was adopted.

HVEDC 2014 Dues

Chair Horodyski stated that a vote on payment of one-half of 2014 Annual Dues for Hudson Valley Economic Development Corporation will be deferred until financials are received.

Mr. Kinnin stated that he would like to have an explanation of what the HVEDN is – Hudson Valley Economic Development Network.

Ms. Holt responded that it was her understanding that by also being a 501(c)(3), in addition to their 501(c)(6) it gives them additional powers.

Chair Horodyski stated that normally the UCIDA gives \$10,000 and UCDC gives \$10,000 and it goes to HVEDC. Now we are giving half of \$15,500 and half of \$4,500.

Ms. Holt replied that the new entity whose mission is to educate and promote leadership skills to entrepreneurs through the use of workshops, leadership forums and digital tools in order to increase the health and vitality of the Hudson Valley economy. It appears that it is more efficient for them to do this through a different organization.

Mr. Kinnin stated that he understood that, but his point was that the perception is that we are going to be sending two checks ... one to HVEDC and one to HVEDN. In effect, down the road, next year, perhaps we are only funding one organization versus the other.

Chair Horodyski stated that next year for sure we are going to get two sets of financials. If the Agency decides to move forward with HVEDN this year, it is basically

Mr. Kinnin replied that he was not asking Mr. Gottlieb to come back and make an additional presentation on the economic development network, but it would have been nice for him to tell the members of the Agency during today's presentation what it was all about.

Mr. Perfit suggested that Ms. Holt request additional information regarding the split of the monies.

Chair Horodyski stated that that was fine because we are not making a move on this today.

Ms. Holt will report at the next meeting.

Post Office Box Rental

Ms. Holt asked if the members of the Agency wished to continue with the rental of the post office box or do you wish to move to using the county's address/post office box.

The members unanimously agreed that they wished to continue the use of the post office box.

On-line Banking

Mr. Christopher Rioux brought to the attention of the members of the Agency the possibility of on-line banking to be able to make transfers between savings and checking accounts. It will eliminate some of the paperwork that we are currently doing. The bank is in favor of it.

Chair Horodyski stated that he had no problem with it as long as he was advised of what the control structure will be. Who is going to be setting it up; who approves it? He does not want it to get to the point where one person can control it. There should be some segregation of duties.

CORRESPONDENCE

The members of the Agency reviewed the letter from Jason West, Mayor, Village of New Paltz a copy of which is on file.

Counsel Scott commented with reference to the dormitory housing language. The reason we put design there...going back to his law school days there is a hierarchy of ways you interpret language. To interpret that to mean what is being proposed by the writer of the letter would essentially render the policy ineffective because students obviously don't design housing. The purpose for having that phrase there was to make clear that we weren't doing senior housing that was going to be occupied by students or typical residential housing was going to be occupied by students. The only way to interpret that clause for it to make sense is to insert the word "for" between designed and the word "and" and that is how he would, if asked to give a legal opinion on how to interpret that provision, that would be what he would deliver to the board.

Mr. Perfit asked if Counsel Scott could answer Mayor West that our interpretation is and ask him to sign his letter.

Counsel Scott responded that he would be happy to respond.

Mr. Morrow stated that the fact of the matter is that we don't really know who this letter came from. The letter is not signed and does the Mayor of a minor municipality have the authority to sign for a major municipality... the town. He is writing a letter from the village and the town. That is not appropriate and he should be told.

Counsel Scott stated he would argue that it is a technical amendment. You are not adding another type

Mr. Perfit asked if they could make a motion to amend it at this time.

Chair Horodyski responded that he would take the tact that the policy stands on its own.

Counsel Scott stated that you could do it as a "technical fix". He recommended that it be "rolled into" Governance's review of the policies in general.

Mr. Colucci remarked the last thing you want to do now is tweak words.

Chair Horodyski stated that he does not want to tweak anything. He thought that the policy stands on its own ... the intention and the intent of the policy was clear except for "for". We are going to review the UTEP this year.

ADJOURNMENT

Motion: John Morrow, seconded by Paul Colucci, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:25 a.m.

Respectfully submitted,

John Morrow
Secretary