

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
June 12, 2013**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, June 12, 2013, 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
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Offices of Business Services Staff:

Linda Clark
March Gallagher

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Anthony Bacchi	Golden Hill Nursing and Rehabilitation Center
Paul Brown	New Paltz
Jessica DiNapoli	Times Herald Record
Edward Farbenblum	Golden Hill Nursing and Rehabilitation Center
Michael Graf	Representing Kingston Hospitality
Michael Hamm	Local 825 Operating Engineers
James Maloney	Assessor, Town of Ulster and Chair, Ulster County Economic Development and Tourism Committee
Jay Modhwadiya	Kingston Hospitality
Nicholas Pizza	Hudson Valley Domicile (a/k/a Hudson Valley Sportsdome)
George Sifrie	New Paltz
Dean Tamburri	Local 17- Labor
Fawn Tantillo	Deputy Clerk, Ulster County Legislature

Chair Michael 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.

PUBLIC COMMENT

Chair Horodyski opened the meeting for Public Comment. The following individuals requested the Privilege of the Floor:

1. Mr. Paul Brown, a resident of the Town of New Paltz, addressed the members of the Agency. He remarked that one of the reasons that he and Mr. Sifrie attend the meetings is that they don't want to be like cicadas and just show up every seventeen years. When he was conducting a lot of public hearings, he would think that many of the people in the public were underground most of their lives. Whenever something came up that's when the cicadas came out. Continuing, he also stated that when he attended Agency's meetings, he is sometimes like a soldier coming in from the provinces to report what is happening out in the provinces. When he came to his first Agency meeting Chair O'Halloran said that he didn't read the local newspapers. After being aghast at that, he realized that he didn't read everybody else's local paper. In New Paltz, there has been a lot of discussion about the UCIDA recently. He felt that the members of the UCIDA should be aware of that and it comes basically as a result of Governor Cuomo's recent visit to New Paltz where he talked about the Tax-Free New York. In an interesting way, the Agency is coming to the attention of the town for other reasons than a local application at the college. He thought that it was a wonderful opportunity, because he knew that the Agency was interested in a greater degree of communication with the public. He did not think many people discriminate between New York Tax Free and what the UCIDA. Mr. Brown thought it was a big deal. He was hoping in the months to come that there will be discussion, either a sub-committee or the whole board. At the last meeting Mr. Perfit mentioned he speaks to the IDA in Rockland County ...Mr. Perfit corrected Mr. Brown by stating not Rockland County, but Orange County. Mr. Brown thought that was great because it was a whole institution across the state and here comes the NY Tax Free. This may go away, but if it doesn't, many people are interested in how that affects the work of the UCIDA; and where is that discussion happening. Is there an association because in a town like New Paltz, people are saying that they already have the UCIDA and now we are getting another 200,000 sq. ft. It could be very good; it could be like an Empire Zone or an incubator at the college. It is the 64 towns, where there is a university that the citizens, many of them, are want to understand what the game is and how the New York Tax Free affects IDA's in general. He will be looking into that and he hopes that there is a discussion of that. He admired something that he has learned coming to these meetings and he has told many of his neighbors about it. The claw backs are very important that you are doing. There is some loss of confidence in the UCIDA, that he does not share, but when he hears the detailed discussions amongst the members of this Agency about the claw backs and the responsibility that you aim to look at the performance of those projects that are awarded PILOTs agreements and other tax benefits. He is impressed and it builds his confidence. He is interested in the NY Tax Free relationship and he applauds the claw backs. He thought that the story needs to be told. The final point that he wished to make is that the liberation around this table is refreshing if you attend a lot of public meetings as he do. Towns, villages, school board. The respect you show to one another; you listen, the preparation is not to be taken for granted. He admired it and feels that he can bring material to the table as a public citizen and it gets through to the members. It doesn't have to be agreed with. He was impressed last week regarding the committee meetings and understood how much takes place. He should have known that because it was the way he conducted sessions. He was wondering if the committee meetings that Finance and/or Governance Committees, particularly the committees that are looking at projects. They are not before the board yet, but you are looking ahead. You had such a discussion of Wilmorite because you reported that there was communication. Are the

meetings open to the public? Are there Minutes kept to keep the public informed and/or do you feel it is appropriate to keep the public informed of these committee meetings.

Mr. Steve Perfit stated that he was not certain, and he deferred to council, that we are involved at all with the Tax-Free New York. That is a whole independent enterprise. It sounds to him like it is an incubator which should in the long run bring economic development to our area. Because it is hoped that these companies will be recruited and stay as budding industries. With reference to the second point Mr. Brown made there are no other committees. There are Governance, which reviews the Agency's Bylaws and the other is the Audit Committee. Projects are not discussed at these meetings. He knew for a fact that the Audit Committee did not.

Mr. John Morrow stated that the Governance Committee does not really discuss projects.

Mr. Brown stated that his interest in the Governance and Finance Committees meetings those are not subject to the open meetings law?

Mr. Morrow responded that they were open meetings and Mr. Brown was welcomed to come to a Governance Committee meeting when we have them.

Mr. Brown asked if the schedule was published.

Mr. Morrow replied that there is a no regular scheduled meeting; they meet on an as needed basis.

Mr. Perfit stated that the Audit Committee meets quarterly to review the bank reconciliations, the journal entries and perform our due diligence to make sure that all the bookkeeping is done correctly. As far as projects, the only time Park Place came up was when they requested just a discussion. You were there; it was a public meeting.

Mr. Brown told Mr. Perfit that he was involved; everything is connected. You're a businessperson. This NY Tax Free, if it moves forward, it could die a slow death or a quick death. It is a big deal and it is inevitable that the discussion, at least in the 64 towns about the relationship. He understands that on paper there is no law, but he thought the Agency needed to be ahead of the power curve on understanding where the whole IDA concept and process fits with this new law. If not at the local level, the association of IDAs, it needs to be on someone's Agenda.

Ms. Gallagher stated that the Ready2Go Committee is not a committee of the UCIDA. It is a committee among Ulster County Planning Department. The UCIDA has one seat on the committee. When reporting at these meetings, it is not a committee of the UCIDA.

Chair Horodyski closed Public Comment as no other individual requested the privilege of the floor.

MINUTES

Motion John Morrow, seconded by Steve Perfit, moved to approve the Minutes of the May 15, 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 May 31, 2013. A copy of said financials is on file.

Vote: The motion was adopted.

COMMITTEE REPORTS

Audit Committee. Mr. Steve Perfit, Chair of the Audit Committee, reported that the committee did not have a meeting. The next meeting will be a quarterly review and will be scheduled in July.

Governance Committee. Mr. John Morrow, Chair of the Governance Committee reported that the Committee had not met.

Ready2Go Committee. Ms. March Gallagher reported that there is training scheduled for 7:00 p.m., June 18, 2012 at SUNY Ulster re: Shovel Ready. Planning and Zoning Board members will be able to get credit for that.

PROJECTS

Golden Hill

Counsel A. Joseph Scott reported that on June 3, 2013 a Public Hearing was held on the project. He indicated that the Agency should probably start discussion in reviewing the transcript of the Public Hearing. A copy of said transcript is on file.

Chair Horodyski stated that the Public Hearing was sparsely attended but there was some public comment. Mr. Hanson, the Ulster County Budget Officer; Mayor Shayne Gallo of the City of Kingston, who did within the public hearing express some concerns on the Golden Hill project and most related to infrastructure costs ... costs that he will now, in his mind at that point, thought that he would have to bear that the County had previously been picking up. In addition, Legislator Belfiglio attended and made some comments. At the end of the day, a follow up meeting was held with Mayor Gallo. The meeting was attended by himself, March Gallagher, the Mayor, representatives of Golden Hill and City Corporate Counsel Zwieben and the Assessor Dan Baker. There was a frank discussion and good conversation. At the end of the day, and the reason for that meeting, was that we wanted to make perfectly clear with the Mayor, being a taxing jurisdiction, he obviously has a hand in comment and we take his comments seriously. We wanted to follow up and ensure that we were all on the same page. The comments were a little incongruent where we though the City of Kingston was. At the end of the meeting we all left with the sense and a commitment from the Mayor of the City of Kingston that yes that the City of Kingston was on board with the PILOT. They continued to take exception with the way the PILOT payments will break down as far as to the school district and the City, but at the end of the day, the Mayor and his people recognized the continued economic benefit that Golden Hill will help provide to the City of Kingston; the retention of jobs and he was "on board". What has not been received from the Mayor of the City of Kingston, which was committed to, was a letter indicating that. The Mayor had promised yesterday that the Agency would receive a letter and we do not have that letter. Chair Horodyski still expected the letter, but the spirit of his comments, and Ms. Gallagher can attest to this, in that meeting were we are in favor of this PILOT and we are moving forward and "God Speed to Golden Hill" and let's get this done.

Mr. Perfit asked if he was correct in saying that this was going from zero tax base to a taxable base.

Chair Horodyski responded yes.

Mr. Perfit continued by stating that it is incremental taxes to the City, school district and the County.

Chair Horodyski responded yes.

Ms. Gallagher stated that the main concern of the City of Kingston was again the breakdown between the school district, the City and the County because they understand that the project will really have no impact on the school district. But then again, most commercial projects, don't impact the school district and the UCIDA does not have a policy of altering the allocation among taxing jurisdictions. They understand that now. In addition, she asked that it be noted that she had seen the Mayor of the City of Kingston at the County Executive's Art Awards Ceremony and she asked about the letter. The Mayor indicated that he would get the letter to her tomorrow. She reminded the Mayor that the Agency met at 8:00 a.m. It is probably a timing issue.

Chair Horodyski stated that the point of that conversation was although you will see public comments that were less than glowing from the City of Kingston at the Public Hearing, but follow-up meetings with the City of Kingston indicated that they are "on board" with this project.

Mr. Paul Colucci asked that he be brought up to speed. Golden Hill is currently owned by Ulster County, providing no tax revenue. He did not understand where the issues are.

Chair Horodyski responded that the issue from the Mayor's side was that he was under the impression that the county owns it; the county plows it and takes care of all the infrastructure, so there was concern on his part so now you are going to be "flipping" this to us. Is this potential PILOT payment going to be enough that will necessarily cover expenses? At the end of the day, a lot of that had already been worked out between the Golden Hill people and the County as far as how that would work. The County is still going to continue to help support infrastructure ...

Ms. Gallagher stated that there were two infrastructure concerns in general. The road which has been worked out with the project and the water pump station and the project is going to bear the full cost of that. Kingston water does not go all the way to the project because of the elevation and the project itself is going to bear the cost of the extra pumping.

Mr. Morrow asked if that was water or sewer That is sewer isn't it ... the grinding station?

Ms. Gallagher responded that no that is a different issue.

Chair Horodyski explained that the grinder station is one issue, but the pump station was another issue. He thought that there was some discussion about usage fees, but at the end of the day, the "take away" from that meeting was that the Mayor and the City of Kingston were on board.

Mr. Colucci asked how many years ... what are the increments or percentage of taxes roughly.

Ms. Gallagher responded that the PILOT is a per unit PILOT. So it's based on per unit of occupancy.

Chair Horodyski stated that this PILOT falls under the Uniform Tax Exemption Policy.

Mr. Colucci suggested that it was a little convoluted.

Ms. Gallagher replied that it is being described as housing and she thought that there was an understanding between the project, as well as the taxing jurisdictions, that if they applied for a standard PILOT, rather than a housing PILOT, the taxing jurisdictions would see no revenue in the first five years.

Counsel Scott added that it is a fixed number, but it is also adjusted by inflation, so it will increase over time. It is consistent with our housing policy.

Chair Horodyski stated that the project is going to move from about \$128,000 per year to \$14,165 per year that break down is proportionate to the school district and the county.

Mr. Colucci asked are you "calling out" 160 units on year one, year two, each year are they going to have to go through and define how many units are actually occupied.

Ms. Gallagher responded no, it is based upon the number of bedrooms at the facility regardless of occupancy. Additionally, Ms. Gallagher commented about the number of jobs being retained at this facility. There have been other potential nursing home closures in other counties that have been trying to transition, for example Orange County and others across the state. The reality is that hundreds of jobs will be retained at this location and that is a significant impact both by the City and the region.

Chair Horodyski stated that truthfully with regard to this project, he thought that there was real possibility that a success at Golden Hill will lead to additional projects down the road too.

Counsel Scott continued by providing an overview of the documents for consideration before the Agency including the project outline and the two resolutions under consideration. Copies of said documents are on file.

Mr. Perfit asked if there were any comments from the Kingston Consolidated School Board.

Ms. Gallagher responded that none were received.

Mr. Robert Kinnin asked if the county and the city were clear on water, sewer and road maintenance and so forth, etc.

Chair Horodyski responded yes and a lot of that was more county to the project and keeping the City in the loop.

Mr. Colucci restated than the Agency does not have to be a part of any of those agreements.

Counsel Scott responded right.

Chair Horodyski stated that the only thing the Agency needed to do was to get that conversation out to the Mayor that those issues have been addressed and mitigated through the work with the county and the project. The Agency does not have a "dog in the fight".

Mr. Colucci stated that if we move forward with this, he didn't want the Mayor of the City of Kingston to show up complaining about something that we have done.

Chair Horodyski stated that he would say this, he was telling the members of the Agency that he had assurances based upon his meeting with the Mayor that he is on-board. At this point there is no letter from the Mayor. The Agency is a little bit "naked" in regards to that. We would like to have that, but we are again we are making this approval based up public comments on the records that are not overly supportive. That is a fact, but he was communicating to the members of the Agency that in a subsequent meeting to that public hearing, we left that meeting with unequivocal comments from the Mayor of the City of Kingston that he was in favor of this. If nothing else, because of a timing issue or not understanding what our time frame was, he does not have a letter to show the members. As

we make this approval, we are making it subject to that we have this letter; perhaps not subject to but certainly that we expect a letter in support of the project from the Mayor of the City of Kingston.

Mr. Colucci asked so we are trying to move forward with this resolution today.

Chair Horodyski responded yes. We are under a time constraint with this project, not so much from our issues, but state issues and certainly county issues. Budget Director Hanson made a comment that it cost the county about \$400,000 per month that county expenses.

Mr. Perfit commented to Mr. Colucci that the Agency had the right to move forward even if the taxing authority didn't agree.

Chair Horodyski stated that Past Chair O'Halloran put in place, really strong and good guidance to us that says, look we go to the well here with the taxing authorities. Let's make sure that we are on the same page. He was coming to the Agency stating that he thought that they were, based upon the comments he heard from the Mayor of the City of Kingston.

RESOLUTION ACCEPTING THE DETERMINATION BY THE CITY OF KINGSTON PLANNING BOARD TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE GOLDEN HILL ACQUISITION LLC PROJECT AND ACKNOWLEDGING RECEIPT OF THE NEGATIVE DECLARATION ISSUED WITH RESPECT THERETO

Motion: John Morrow, seconded by Steve Perfit, moved to approve said resolution.

Vote: The motion was adopted.

RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR GOLDEN HILL ACQUISITION LLC (THE "COMPANY")

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

Vote: The motion was adopted.

Mr. Morrow asked if the Mayor of the City of Kingston was asked to issue his letter by a certain date.

Chair Horodyski responded that he could not say that he specifically said that there was a drop dead date, but he thought that it was intimated and very clear to the Mayor that we had a meeting on Wednesday, June 12, 2013 and it would be exceedingly helpful to have that letter in the file by Wednesday, June 12, 2013 ... the morning of ... so we had it. Because of scheduling and what have you, we didn't have that letter.

Ms. Gallagher stated that when she saw the Mayor yesterday he said "oh yeah, I'm going to get you that letter tomorrow". She responded that she really needed it today.

Chair Horodyski stated that he was very confident that the Mayor is on-board. He appreciated the fact that the Golden Hill project owners were attending today. He wished them great success as they moved forward with the project.

Kingston Hospitality

Mr. Mike Graff introduced himself to the members of the Agency as representing Kingston Hospitality.

Chair Horodyski stated that what Kingston Hospitality is looking for is authorization and re-work for a lower interest rate instrument for their financing.

Counsel Scott responded absolutely. As indicated in the resolution, there are no additional benefits being granted. It is a re-work of their existing mortgage. They are only coming back to the us because the Agency was involved in the original transaction; the Agency has to join in the mortgage. All the standard indemnification protections that we have; this is very similar to the Fort Shandaken resolution that was considered at the last meeting of the Agency.

RESOLUTION AUTHORIZING THE EXECUTION BY ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MODIFICATION OF MORTGAGE AND RELATED DOCUMENTS IN CONNECTION WITH THE KINGSTON HOSPITALITY, INC. PROJECT.

Motion: Paul Colucci, seconded by John Morrow, moved to approve said resolution

Mr. Perfit asked the one million dollar note to New Paltz Hospitality – do we have any record of that? He noticed that they were over financing. They are paying off an existing loan and they are also paying \$1,000,000 back to New Paltz Hospitality.

Mr. Graff responded that with New Paltz there is actually a term note that they have with that property. They are going to pay that off.

Mr. Perfit thought that it was important that the Agency have a copy of the New Paltz Hospitality note.

Chair Horodyski and Counsel Scott agreed.

Mr. Kinnin inquired about the fees.

Chair Horodyski responded \$500.00.

Ms. Gallagher stated that she did not think that the Agency had received a fee on this project There was no application fee.

Counsel Scott responded that it will be collected.

Vote: The motion was adopted.

REPORT FROM THE OFFICE OF BUSINESS SERVICES

Ms. Gallagher, representing the Office of Business Services reported that in the past the UCIDA has set aside a \$50,000 fund for Shovel Ready Feasibility Studies. This has been drawn down over time in approximately \$10,000 increments. The way it was structured was a dollar for dollar match with municipalities. The Agency has \$11,200.00 in the budget at this time. She thought that the Agency may want to be aware that she was familiar with at least two potential projects that may come before the Agency requesting feasibility money for shovel ready projects. The first is a Marlborough/Lloyd water connection. Marlborough is dependent upon the Newburgh aqueduct, they are going to have a shutdown of that aqueduct for work and there has been discussion for the past twenty years that an interconnection between Lloyd and Marlborough would provide resiliency between communities. The two supervisors are meeting and talking. She and the Chair were both at a meeting with them and they may come before the Agency for a feasibility study. The second one is the Farm to Table; who is a tenant at TechCity who is looking at expansion

there. She had met with the Supervisor of the Town of Ulster last week and the Town may be coming in for some help regarding the feasibility of expanding; it is very questionable as to which building they should go into. They have a lot of options. They are having some engineering work that is going to be necessary to determine the best layout. In the past, the Agency has a \$50,000 pool. She knew that the budget was set in terms with what was presented to the Authorities Budget Office (ABO), but the Agency may deviate from that.

In addition, the Consolidated Funding Application (CFA) process is going to open next week, on the 17th of June. Applications for CFA funding, this is all Empire State Development, Waterfront Revitalization, some NYSERTA dollars and many state agencies ... Office of Community Renewal and others. The deadline will be August 12th; Office of Business Services staff is meeting with potential CFA applicants. There will be CFA office hours. If any members of the Agency is aware of a municipal, business or not-for-profit entities that are going to filing CFAs, staff would be happy to meet with them. Last year 50% of the applications that went in from Ulster County entities were awarded, which was higher than any other county in the region.

Mr. Colucci asked what a Consolidated Funding Application is.

Ms. Gallagher explained that they have changed the way you file for grant funding in New York State and it used to be that there would be all these different deadlines ... one for waterfront, one for Department of State, etc. Now they have placed it all in one process. It is actually an electronic computer driven application so you are logged on to a system that you are applying through. The good thing about the system, it really directs you to the appropriate funding stream, so as you answer certain questions, they will direct you. The difficulties are that having every grant for all state funds due on the same day is kind of a "bottle neck" in terms of really making sure that we provide the support to municipalities and business and then the annual business cycle, having this annual cycle is not the best thing for businesses. Businesses do not work on an annual cycle. When projects come in, they are not going to fit unto this process; we are going to have to go around this process to the state and say this project is looking at other states and we need sort of a time of the essence opinion as to what benefits could be conferred. So those are the negatives. A lot of the funding is coming through this CFA process now. The Regional Councils have a say in about 20% of the points on a 100 point application. We make the application, the Regional Council looks at it and then it goes to the state agencies for final decision. We have seen a lot of money come through this process; we should take advantage of it.

Mr. Perfit stated that last year the Governor put \$750,000,000 into a big pool and all these regions have to compete for these funds. It could be just an economic development project; there are certain areas that are highlighted. High-tec, pharmaceutical, anything in the high-tec area gets preferential treatment.

Mr. Colucci added that it was also for municipalities.

Ms. Gallagher agreed; parks – dollars come through this channel. She was happy to meet with anyone wishing to submit an application.

EXECUTIVE SESSION

Chair Horodyski requested that the Agency move into Executive Session to talk about litigation and the status of the litigation.

Motion: John Morrow, seconded by Robert Kinnin, moved to adjourn into Executive Session.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:46 a.m.

Motion: Paul Colucci, seconded by Michael Horodyski, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:04 a.m.

No actions were taken during Executive Session.

CORRESPONDENCE

Chair Horodyski directed members of the Agency to the documents in the back of their respective board packages.

Town of New Paltz – Town Board Comments – Park Point DEIS

Chair Horodyski noted the incongruence between the date of the correspondence and the date in which it was received. The correspondence from the Town of New Paltz is dated April 23, 2013 and the Agency received it June 10, 2013. Said correspondence summarizes the Town Board comments with regards to the Park Point Draft Environmental Impact Statement. The Agency has received the document under correspondence. The Agency does not formally have an application at this point. It is received under correspondence. As the Agency moves through the process and opens up and potentially scheduling public hearings if we get to that point, we will encourage the town to re-introduce these comments to the public record.

Supreme Court – Patricia Malik v UCIDA/Mid Hudson Valley Federal Credit Union

Chair Horodyski stated that this is a “slip and fall” and the Agency is indemnified.

PROJECT MONITORING AND ENFORCEMENT

Chair Horodyski stated that rather than speak specifically about Hudson Valley Domicile, he asked Counsel Scott to speak to the Agency’s Project Monitoring and Enforcement Policy and what has recently transpired at the Court of Appeals.

Counsel Scott stated that the UCIDA has a prior Project Enforcement Policy whereby the Agency looks back at projects that have been previously closed and we look at that with respect to compliance and accountability with respect to comparing jobs that were said to be created and retained and jobs that were actually created and retained. Under the policy the Agency has the power to take various actions with respect to those projects. Approximately five days ago, a Court of Appeals case was reported out involving a number (5) of businesses in New York State involving an Empire Zone issue relating to those businesses. There was a change at the state level with respect to the law that governed the allocation and application of benefits to those five businesses. That change in law created a hard-ship candidly on those businesses by way of the application of the benefits and the allocation of benefits. Those five businesses contested the action against the state, contested the change in law and the Court of Appeals reported that case this past week whereby the businesses won by a five to one decision under that Court of Appeals case where the Court of Appeals determined that the retroactive application of that change in law was not valid under New York State

law. This matter came out about a week ago and he reported that to the Chair for consideration by the board members.

Motion: John Morrow, seconded by Robert Kinnin, moved that the Agency rescind the prior Project Enforcement Policy.

Chair Horodyski thought that this is going to take some “un-winding” here. He asked for a sense of the Agency members if we are going to direct counsel, that we are going to rescind that policy and to draft and work to orderly

Counsel Scott stated that a formal resolution for consideration at the next meeting.

Chair Horodyski stated that this will certainly move that rescinding of that policy forward. And although it was something that he voted for and thought was a good idea at the time, he thought given this court case it is probably best ... and he thought what needed to be highlighted here is the fact that the Agency has fixed their process to include claw backs and project benefit agreements going forward. DiNapoli's report called upon IDAs to do that. He thought that the Agency was very proactive doing that; we were at the end of the bell curve now. As far as how IDAs function and our governance procedures we have done good work and let's look forward to economic development rather than trying to go back and fix past ills.

Mr. Morrow thought that with this case that has come out that the Agency will be wasting a lot of people's time and money, including our own, and end up with nothing other than hard feelings and possibly losing the case.

Vote: The motion was adopted.

Chair Horodyski directed Counsel Scott for the next meeting if he would draft a formal resolution ... even if he could just frame the process of how we will unwind ... TLB being a perfect example.

OLD BUSINESS

Interpretation of a Unit

Chair Horodyski thought that this was something that the Agency would revisit in the Governance Committee meeting as far as interpretation of what the Agency is deeming a unit to be.

Ms. Gallagher pointed out that the Agency now has a precedent, because you have now approved a housing project that interprets a unit.

Viking Industries

Chair Horodyski asked Counsel Scott if he had any sense of Viking when they will close.

Counsel Scott responded that they had had a telephone conference meeting on that yesterday afternoon and under the bond documents, the old bonds can't actually be paid off until August 7th, 2013, but they want to pre-close at the end of this month. From a timing standpoint we will probably having documents with you for two projects, Viking and Golden Hill by the end of the month.

Fort Shandaken Associates (a/k/a The Emerson)

Chair Horodyski asked about the Emerson.

Counsel Scott responded that they were very close on that.

St. Clara Church of God

Counsel Scott updated members and stated that it should be complete by the end of the month.

NEW BUSINESS

Chair Horodyski stated that there is a potentiality that the July meeting may be cancelled.

A brief discussion was held regarding the time of Agency meetings. At this time no action was taken.

ADJOURNMENT

Motion: John Morrow, seconded by Steve Perfit, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:18 a.m.

Respectfully submitted,

John Morrow

Secretary