

Dated: December 16, 2021

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES December 15, 2021

A regular monthly meeting of the Ulster County Industrial Development Agency was held on Wednesday, December 15, 2021 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
Orlando Reece	Assistant Secretary
Daniel Savona	Assistant Secretary
Richard O. Jones	Member/Chief Financial Officer

The following agency members were absent with notice:

Faye Storms	Assistant Treasurer
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Additional Attendees:

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

The meeting was called to order at 9:05 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: Michael J. Ham, seconded by Daniel Savona, moved to approve the minutes of the November 17, 2021 regular meeting as presented.

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

PUBLIC COMMENT

There was no Public Comment.

EXECUTIVE SESSION

Motion: James Malcolm, seconded by Richard Jones, made a motion to enter executive session to review financial history, qualifications and potential confidential information regarding attorney-client privilege.

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

The Board entered Executive Session at 9:08 A.M.

Motion: Michael J. Ham, seconded by Daniel Savona, 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 9:38 A.M.

No action was taken during Executive Session.

FINANCIALS

CEO Rose Woodworth presented the November financial report. There Project Administrative Fees represent what gets paid to Loewke Brill for Inness and RBW, and there were and administration fees for the month. There was a small amount of interest income, but there were no real changes in the bank accounts.

CHAIR'S REPORT

Chair James Malcolm presented the Chair's Report. He deferred to the CEO and explained that people are reaching out and asking questions about the process, opportunity, and potential projects that are out there. There are some that have been in the paper, and some that will be discussed when they have progressed a bit. He stated that it has been a tough year for several reasons including the pandemic and profile issues with the agency. The Chair made it clear that he stands behind the board members and supports each decision they make as a group. He explained that the members have diverse opinions but reach decisions through good dialogue for the best of the financial well-being and citizenry of the county. He said he is honored to be able to serve as both a member and Chair of the Board. The Chair thanked the Board and professionals for all their hard work and diligence this year.

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. The website has been updated to add an About Us page which moves some information off the main page such as who the board members and committee members are. This makes it clearer and more user-friendly as it is easier for people to navigate and get the information they need. Annual site visits have started. It is important that Board members try to attend some of them (especially since they are over Zoom) because it offers insight into what the Projects have been dealing with throughout the year. The two that have been done so far were fascinating, because they have not been affected negatively by Covid-19, besides possibly their workforce, and they are having their best years yet. The Kingstonian lawsuit was dismissed in the Agency's favor. The court found that the Agency didn't do anything wrong. The Agency was transparent, and everything was handled properly. The CEO aske Agency's Counsel A. Joseph Scott to elaborate on the outcome of the lawsuit. Mr. Scott expressed that the UCIDA had an outstanding win with the Kingstonian lawsuit. The UCIDA was validated on every item. The resolutions, actions, and deliberations were supported by the court. The lawsuit was a challenge to the actions taken by the IDA, and it was a uniform win on every issue. The litigation terms demonstrate that the procedures that the IDA has been following and enacting produced a strong result, and it is a tribute to the Board and staff with respect to how they proceeded considering projects.

- B. There is a bill from Hodgson Russ that needs the Boards approval or contingent approval.

Motion: James Malcolm, seconded by Orlando Reece, made a motion to pay Hodgson Russ's bill contingent on review by the CEO and the Board members.

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

- C. The CEO reminded the Board that InformAnalytics can no longer be used as the cost-benefit analysis tool. There is an engagement letter from the company that Diane, Rick, Orlando, and the CEO are proposing be used. InformAnalytics had an annual cost of a minimum of \$900 a year every year, and the cost was going to go up to \$1,500 for next year based on the amount of times the Agency used it over the last year. The other tool is Excel-based and has a one-time fee of \$1,000. The CEO explained that even if the Agency finds something better, it is no more than would have been spent for one year. The Company that developed the tools also has on-call assistance and the engagement letter lists the fees for those additional services.

Motion: Richard O. Jones, seconded by Daniel Savona, made a motion to sign the engagement letter for the new cost benefit analysis tool for \$1,000.

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

- D. The Governance and Audit Committees are working on trying to have their next meetings before year-end, and then the next Board meeting will be January 19, 2022.

The chair asked Ulster County Economic Development Director Tim Weidemann to give a brief overview of what recently transpired at the former IBM and what the goals are of the county are.. Director Weidemann was thankful for the opportunity to speak about what is proposed and how it is moving along. He expressed that things are moving relatively quickly: The county started a foreclosure proceeding on the remaining parcels of Tech City that are owned by Alan Ginsberg. The west side of the campus has already been foreclosed on in a couple of parcels, and a company called Neo Moreno bought a few parcels on the east side of the campus. The remaining parts that are still held by Mr. Ginsberg have been delinquent in taxes, and the foreclosure proceedings started in July. Mr. Ginsberg contested the foreclosure, and they have been awaiting a judge's order. Economic Development anticipates that if the judge orders in their favor, Mr. Ginsberg would take all measures to protect his assets which might include bankruptcy proceedings and other attempts to delay the foreclosure process. The County was pleasantly surprised when after an RFEI was issued by Economic Development for the West Campus National Resources, a developer group downstate (that is responsible for redevelopment of a bunch of old industrial sites including the IBM Fishkill site) said that they were interested and have been negotiating with Mr. Ginsberg to purchase his remaining holdings on the east side. That purchase is complicated by the fact that the County is in a foreclosure proceeding. Mr. Cotter from National Resources reached out to Economic Development to discuss what would be necessary to affect a transaction for the foreclosure proceedings. In the end, those properties are economically underwater, and there are significant environmental liabilities that the EPA estimates to be between \$7-million and \$12-million. However, those are early estimates, which are likely to increase as the final details are

assessed in some of the buildings that need to be remediated/ then There is also a \$12-million unpaid tax lien on the properties in addition to a handful of other miscellaneous encumbrances. Economic Development entered into discussions and negotiations with Mr. Cotter from National Resources and came into a purchase price of \$12-million that would satisfy the back taxes and would be paid in a combination of \$5-million cash in increments of \$1-million over five years plus a commitment to complete at least \$7-million of clean-up costs for which he would receive a credit towards that purchase price. This arrangement was laid out through an order from Judge Rounds who is the judge that is presiding over the foreclosure case and an order was issued on December 1, 2021. The legislature approved the county to receive the deeds and then scheduled a public hearing on December 21, 2021 at 6:30 PM. Economic Development has been reaching out to people and has an FAQ and other information on their webpage on the County's website regarding this.

The Chair explained that there are benchmarks that create a tone and a climate and that this may be that one in this county. This IDA, or the ones moving forward, are going to have to reinvent and come up with some creative pilots and show people that undertake big time projects and costs that the Agency meets the needs of the citizenry and that it tries to impact them as minimally as possible. The Chair says that this will be a case of working hand-in-hand with Economic Development along with the IDA Board which makes and has to live with the decisions that are made along with the Projects. Joe Cotter (from National Resources) knows some of the people who are involved in municipal redevelopment in Brewster, and there is a significant project in Lloyd that may be looped in on with a developer for a huge conference center. He explained that none of this gets done without everybody working together even though there will be differences in positions on things. Director Weidemann clarified that the developer has not approached the IDA and is not requesting a PILOT for this acquisition. The Chair wanted this informal discussion about some details regarding how PILOTs work and their impact. Director Weidemann agreed that it wouldn't be surprising if they take interest in discussing their project with the IDA. The Chair and the CEO thanked the Director for his input and keeping in contact with the IDA.

COMMITTEE REPORTS

Audit Committee

The Audit Committee report was presented by Committee Chair Dr. Diane Eynon. Dr. Eynon reported the on the following information from November's Loewke Brill report:

- a. Inness NY, LLC- Last month, they were at 82.81% compliance. This month, they are at 100% compliance. Overall compliance for the year is 82.91%. The landscaping work is expected to be done within the next two weeks. There is no date set for when the construction on the spa will begin.
- b. RBW Studio- They are only doing insurance monitoring at this point. Six companies have been reported for the project. Paperwork for all six companies has been submitted. They

have also contacted the client to see if they are expecting any new subcontractors in the coming year.

Committee Chair Dr. Diane Eynon mentioned that the Audit meeting has been rescheduled. She asked for Board members to participate in one of the virtual site visit meetings with the Projects.

Motion: Orlando Reece, seconded by Richard O. Jones, made a motion to accept the Audit Committee Report as presented.

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

Finance

No report.

Governance

The Governance Report was presented by Committee Chair Michael J. Ham. There were no committee meetings on Monday, but the Committee is looking to meet before the end of the year to talk about updating the mentoring program as well as policies to be created and IDA fees shared with the CRC. The Committee has to go over amended policies for the Procurement Policy and Compensation Policy, the UTEP and the matrix, and they also have to speak with Counsel for advice on creating NDAs for all employees for professional services.

Motion: Richard O. Jones, seconded by James Malcolm, made a motion to accept the Governance 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. Romeo Enterprises, LLC- Close to distributing documents and is expected to close by year-end.
- B. Kingstonian Development, LLC – 90% of the documents are out. It is expected to close by year-end.
- C. Apherea, Inc. – Project has been closed.

Status of Pending Enforcement Matters

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

Agency Counsel said all projects are moving forward and everything is proceeding along. CEO Rose Woodworth added that the Audit Committee had discussed this and was waiting until year-end to make it a definite motion, but one of the pending enforcement matters owes some fees. The Agency will not get the annual fees from Amthor. The Audit Committee thought that because of the minimal amount due, it would cost to get the fees versus what the fees actually are. The project has agreed to refinance and remove themselves as one of our projects. Considering these things, the Audit Committee thought it was best to write off the fees. The fees included \$1,000 for their annual fee, a \$1,000 late fee because they never reported to the Agency for 2020, and then the \$100 fee for having the CPA review the numbers (which was not done because they didn't send in the numbers to have reviewed). The CEO suggested a motion to write-off the fees owed to the Agency by Amthor because the Board has determined that they are not collectable, and the Project has agreed to refinance and no longer be a project of the IDA going forward. Agency Counsel added that the Board has looked at the situation and made a determination, based on the size of the fee and the cost it would incur in attempting to recover the fee, and, that ultimately, it would receive the benefit wanted (which was to have Amthor off the books).

Motion: Chair James Malcolm, seconded by Daniel Savona, made a motion to accept the recommendation of the CEO based on conversations with the Agency Counsel regarding this financial matter, and write-off Amthor's receivables as uncollectible bad debt

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

New Business

There was no New Business.

ADJOURNMENT

Motion: Michael J. Ham, seconded by Diane Eynon, moved to adjourn the meeting.

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

The meeting was adjourned at 10:09 A.M.

Respectfully submitted,
Michael J. Ham, Secretary