

UCIDA

Ulster County Industrial Development Agency

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY MINUTES September 9, 2020

A regular monthly meeting of the Ulster County Industrial Development Agency was held on Wednesday, September 9, 2020 at 9:00 A.M. in the Legislative Chambers of the County Office Building, 244 Fair Street, 6th Floor, Kingston, NY.

Roll Call:

The following agency members were present:

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

Additional Attendees:

Rose Woodworth	Chief Executive Officer
Joseph P. Eriole, Esq.	Board Counsel
A. Joseph Scott, III, Esq.	Special Counsel

The meeting was called to order at 9:00 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 Diane Eynon moved to approve the minutes of the August 12, 2020 meeting as presented.

Vote: The motion was unanimously adopted (7-0).

EXECUTIVE SESSION

Motion: Faye Storms, seconded by Daniel Savona, made a motion to go into Executive Session for the purpose of discussing potential litigation.

Vote: The motion was unanimously adopted (7-0).

The Board entered into Executive Session at 9:03 A.M.

Motion: James Malcolm, seconded by Richard Jones, made a motion to come out of Executive Session.

Vote: The motion was unanimously adopted (7-0).

The Board came out of Executive Session at 10:01 AM.

No action was taken during Executive Session.

FINANCIALS

Chief Financial Officer Richard O. Jones presented the financial report for August 2020. He suggested that each budget line should be at 66% of the annual budget. Mr. Jones reported that some expenses are over budget because of additional costs associated with The Kingstonian and Ulster NH Realty projects, but he noted that the Agency is also over budget for income. The Agency's cash-on-hand is \$851,472.10, \$200,000 of which is currently invested in a CD. The Agency will also continue to issue checks for PPE grants. The Board will discuss what to do with the balance of funds. Ms. Storms suggested investing in a rental property to use as an office and meeting space.

Motion: James Malcolm, seconded by Diane Eynon, made a motion to accept the financial report for August 2020 as presented.

Vote: The motion was unanimously adopted (7-0).

CHAIR'S REPORT

James Malcolm presented the Chair's Report. As part of his report, the Chair noted that he has had a few meetings with potential applicants including Buttermilk Falls. There is an upcoming meeting with the County to discuss potentially moving people under one roof.

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. M&T Bank Transfer – The collateral accounts have been set up. The Agency is waiting to hear back about transferring the Agency's funds.
- B. Open Meetings Law – The Governor passed an Executive Order which includes the extension for public meetings and hearings to be held remotely for another 30 days, until October 4.
- C. Finance Committee – The Finance Committee needs to meet soon so the Board can vote on the five-year budget in October before it is due to the ABO. The CEO suggested Wednesday September 30, at 9:00 A.M., and all Board members agreed.
- D. Upcoming Meetings – The CEO reported that it has been difficult to send the meeting documents to the Board one week ahead of the meeting when the dates fall so early in the month. She also noted that the November meeting date falls on Veteran's Day. The CEO suggested changing the Board meeting date to the third Wednesday of each month.

Motion: Faye Storms, seconded by Orlando Reece, made a motion to move the monthly Board meeting to the third Wednesday of each month.

Vote: The motion was unanimously adopted (7-0).

- E. Closing out projects – The CEO reported that two projects are closing this year and asked Board Counsel for an update. Board Counsel reported that he will put together a packet for them. The CEO also asked for an update on old projects that still need to be closed out. Board Counsel

reported that he made the amendments requested by the County Clerk for a few close outs, and that there are still two non-responsive projects. Special Counsel reported that the Agency can sign termination documents on behalf of the non-responsive projects. Board Counsel and Special Counsel suggested using lease transactions going forward, which would naturally expire. The Chairman asked Special Counsel if he has confirmed with the ABO that once the lease expires the Agency is no longer required to include those projects on the PARIS report. The CEO will email ABO to confirm.

- F. Department of Economic Development – The CEO reported that she and Lisa Berger, the director of the Department of Economic Development, have a standing bi-weekly phone call to catch each other up on what’s going on and/or to ask for advice. Lisa Berger put the CEO in touch with someone at SUNY New Paltz to help the Agency find an intern. The internship was offered to SUNY New Paltz students for 3 college credits and a \$2,000 stipend. Unfortunately, it does not look like the Agency will find an inter for this semester. The CEO attributes that partially to COVID because the intern would need to be physically in the office to complete the digitizing process.
- G. Potential Applicants – The CEO reported that she has had several calls with potential projects over the last month. Although it is a strange time for the country it seems that Ulster County is attracting a lot of people coming up from New York City. The CEO is very hopeful that the Agency will get some solid projects that will make a positive impact on the local economy.
- H. Grant Applications – The Agency needs to set a cut-off date for grant applications and for submission of receipts. The Audit Committee suggested ending the program at the November or December Board meeting. The CEO suggested setting the application deadline for November and then receipt submission deadline for December. As of now the Agency is able to bring the program back if there was real need until December 2021. The Board members Agreed to set a tentative deadline of December 31, 2020 for both application and receipt submission.

COMMITTEE REPORTS

Audit Committee

Committee Chair Diane Eynon reported that the Audit Committee met on August 24, 2020. The Committee conducted a quarterly financial review. The Committee also reviewed the Agency’s accounts receivable and agreed to send statements to projects with outstanding Annual Fees and Late Reporting Fees. The Committee agreed that the accounts receivable report should be included in the financials presented at the Board meeting on a quarterly basis.

The Committee reviewed a draft RFP for the Audit and suggested allowing for electronic submission of proposals. The Committee reviewed the list of firms who received the RFP in 2017 and plans to send the RFP to the firms listed, as well as posting in the newspaper.

At the meeting the CEO discussed the estimate of time needed to bring the Agency's website into ABO compliance. The CEO estimated roughly 31 hours to post all documents if the information was readily available. The Committee discussed ways to access missing information, including hiring an intern and asking for assistance from the Office of Economic Development.

The Committee reviewed policies that were sent from the Governance Committee. After reviewing the Fee Schedule Guidelines Policy, they proposed changing the fee for transfer of ownership of an existing project to between 0.5 percent and 1 percent of the change in Project value at the Board's discretion given the details of the project. The changes will be presented to the full Board. The Committee also reviewed the Policy Respecting Uniform Criteria for Evaluation of projects and discussed adding a section for prevailing wage. There is a law regarding prevailing wage that goes into effect in 2021 but has not been finalized yet. The CEO will contact the State Comptroller's Office for clarification.

Dr. Eynon presented the Resolution Approving Amended Travel and Discretionary Funds Policy. At the Board's request the Travel and Discretionary Funds Policy was amended to allow for a credit card with a \$5,000 limit for the CEO to cover incidentals. The Chairman called for a roll call vote, and the Board voted as follows:

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

Dr. Eynon reported that the August labor report from Loewke Brill indicated that Inness NY, LLC is at 90% compliance for the month, bringing the Project to 73% compliant overall.

Motion: James Malcolm, seconded by Faye Storms, made a motion to approve the audit report.

Vote: The motion was unanimously adopted (7-0).

Finance Committee

Committee Chair Faye Storms reported that the Finance Committee has a meeting scheduled for Wednesday, September 30, 2020 at 9:00 A.M.

Governance Committee

Committee Chair Michael J. Ham reported that the Governance Committee will schedule a meeting in the first week of October. Mr. Ham noted that the Committee sent out 15 non-compliance notices and

has received responses from all of them. Three non-compliant projects were in attendance to discuss compliance issues.

- A. Benedictine Hospital – Michael Doyle, Executive Director and Chief Medical Officer, introduced himself. He informed the board that the Broadway campus and Mary’s Ave campus are being combined to form one entity. Dr. Doyle anticipates that the project will be in compliance once the two entities merge on to one payroll which he estimates will happen sometime during the third quarter in 2021. Part of the merge includes building a health village by 2025 which will have different tenant organizations to perform outpatient care. The tenant’s employees will help increase the Project’s employment numbers. Dr. Eynon asked for an estimate of employees that overlap. According to the financial plan, the two Projects have 1,260 FTEs, and the plan is to be at 1,022 once staff is consolidated. The Project had promised 726 FTEs.
- B. Holiday Inn Express – Amit Shah, owner, introduced himself. The Project had promised 27 FTEs and reported only 73% of the promise in 2019. Lara Hart, General Manager and Director of Sales, informed the Board that she is having a hard time hiring employees. She has posted online, gone to job fairs, and reached out to NYS Unemployment. She has experienced multiple instances where new hires complete the training process and then just do not show up. The Chairman asked for proof that they have been actively pursuing employees. Ms. Hart noted that they do offer pay above minimum wage, usually \$13-\$15 per hour, and that she has also created a manager in training program to entice applicants. Full-time employees are also offered benefits and employee rates. The Project has been out of compliance since inception. Mr. Ham noted that it seems that they may have overestimated the FTEs needed on their application, and Ms. Hart agreed as the other facility owned by Mr. Shah has about 9 FTEs. The Project will send the requested documentation to the CEO for the Board to review.
- C. The Greenhouses & Audrey’s Farm – Doug Posey, owner and operator, introduced himself. He echoed the Project that presented before him with regards to hiring issues. He noted that his business is primarily event based and has been closed for most of 2020, but most events that cancelled for 2020 have rescheduled to 2021. Mr. Posey uses pay and quality work environment to entice employees. The Project has 8 FTEs and had promised 17. On the application, Mr. Posey promised to pay employees \$16 per hour, but he claimed that, on average, he pays \$32 per hour. He noted that the workforce is slowly growing. To remedy the FTE shortage, he proposed he cuts pay and hires more people. Mr. Posey wants to continue to grow the business and continue to pay the living wage that his employees are used to. He informed the Board that he also has another property that he has developed in Ulster County that he plans to hire more employees to do offsite catering at. There is also a whiskey distillery which he is in a lease negotiation with. If they get that lease, the Greenhouses will provide hospitality services at that location as well. If both plans are successful, he will need to hire new chefs and more catering staff. All kitchen activities will happen at the original location. The Board agreed to work with the Applicant to modify the PILOT to meet the current business model.

- D. The Kinsley – The CEO noted that Charles Blaichman from The Kinley was waiting supposed to be on Zoom to speak, but heany more he did not join the meeting. Ms. Woodworth noted that they are out of compliance and that they attribute it to still being under construction.
- E. Amthor Welding Service – The Project agreed to attend the meeting but did not show up. The Project has been out of compliance since 2013. The Agency cannot claw back because it is a Bond. Counsel will research to find out if the Agency can call the Bond.

OLD BUSINESS

Status of Pending Projects

Board Counsel Joseph Eriole reported on the status of pending projects:

- Wildberry Lodge, LLC – No change. Project is completing SEQR process. No action can be taken until the process is completed.
- Kingstonian Development LLC – Application under consideration and is on the agenda for today's meeting.

Kingstonian LLC

The pre-screen group met with the Applicant on August 27, 2020 and has agreed to present a PILOT structure preliminary approval to the full Board. Special Counsel informed the Board that there are two resolutions up for consideration, one being the Preliminary Agreement with regard to PILOT Structure and the other is the Public Hearing Resolution. Special Counsel outlined the details of the PILOT structure preliminary approval found in Schedule A of the resolution. The changes are a result of discussions at the two pre-screen meetings. The preliminary approval is subject to a number of conditions which are outlined in Section 3 of the resolution.

Motion: Daniel Savona seconded, by James Malcolm, made a motion to move to roll call vote for the PILOT Structure Preliminary Approval Resolution.

Vote: The Board voted as follows:

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

Special Counsel presented the Public Hearing Resolution. The resolution authorizes staff and Counsel to arrange for the holding of a Public Hearing.

Motion: Daniel Savona seconded, by Diane Eynon, made a motion to move to roll call vote for the Public Hearing Resolution.

Vote: The Board voted as follows:

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

The Applicant reported that they have received approval from the City of Kingston. Next, they will meet with Ulster County. The Applicant will also set up another meeting with the school district. Mr. Jones asked for clarification regarding parking spots. The Applicant is building 420 parking spots and reserving one parking spot per dwelling unit. The 129 market rate units include one parking space and tenants will be paying approximately \$100 per parking space per month. The 14 affordable leases are not required to take a space, but if they choose to, they will pay half that amount. The remaining spaces will be available for monthly or hourly parking at a rate of \$1.50 per hour or \$60 per month. The parking for the 32 hotel rooms will be hourly unless they choose to valet. The valet will use the garage if there are ample spaces or the surplus parking at the Kingston Plaza as the Applicant partnered with the Jordan family to use their parking as an overflow lot. The Applicant noted that at his similar property in Poughkeepsie building code required that they built 1.3 spots per unit and that they have found that number provides plenty of parking. After subtracting the tenant spaces there will be 277 spaces available for hourly and monthly parking. The current lot has 137 spaces. The Applicant noted that they are the only current project in Uptown Kingston that will build their own parking. The Applicant revised their application to reflect a project cost of \$54 million. The original budget of \$58 million included contingency so the applicant modified the cost to show the true cost without overrun. The Project did not want to include the contingency line because they won't get a refund on the Agency fee if the Project comes in under budget, but if they go over budget, they will pay an additional fee based on the final cost. The applicant reported that they will hire 13 fulltime employees with a salary range of \$15/hour to \$50,000 per year for the general manager. The Applicant is projecting 26 full-time equivalents for the tenants based on the square footage allocated. Dr. Eynon asked about the grants received. The Applicant reported that they received \$2 million from NYS Empire State Development, \$1 million from Restore New York, and DRI funding of \$3.8 million (\$3.6 million after fees). The grants are to be reimbursed after the Project is complete and meets the goals laid out. Dr. Eynon asked for status update on pending lawsuits. The Applicant reported that a number of the lawsuits have been deemed baseless by their legal counsel.

NEW BUSINESS

PPE Grants for Board Consideration

The Board reviewed the applications for PPE Grants.

Motion: Faye Storms, seconded by Orlando Reece, moved to approve all PPE Grant Applications presented except the computer expense from Olive Free Library Association.

Faye Storms rescinded.

Orlando Reece rescinded.

Motion: Michael J. Ham, seconded by Diane Eynon, moved to approve the PPE Grant Applications presented on the basis of the description of PPE as described in the original application.

Vote: The motion was unanimously adopted (7-0).

PUBLIC COMMENT

Bill Kemble noted that he was unable to understand Orlando Reece and asked that he pull his mask away from his face when speaking.

ADJOURNMENT

Motion: Daniel Savona, seconded by Richard Jones, moved to adjourn the meeting.

Vote: The motion was unanimously adopted (7-0).

The meeting was adjourned at 12:18 P.M.

Respectfully submitted,

Michael J. Ham, Secretary