

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
December 10, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, December 10, 2014, Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, NY.

The following agency members were present:

Michael Horodyski	Chair
Robert Kinnin	Assistant Chair/Assistant Secretary
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Floyd Lattin	Member
John Livermore	Member
Mary Sheeley	Member

Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott Hodgson Russ LLP

Additional Attendees:

T. J. Briggs	Ulster County Legislator
Joe Carlucci	
Todd Erling	Hudson Valley Agri-Business
Donald Katt	SUNY Ulster
Bill Kimble	Daily Freeman
Dennis Larios	Representing Darienlake-Kingston
James Maloney	Ulster County Legislator
Steve Perfit	Pyramid Brokerage Company
James Quigley	Supervisor, Town of Ulster
Bill Ryan	
Robert Schneider	Cuddy & Feder
Bill Simoni	Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

P.O. Box 4265, Kingston, NY 12402-4265

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.

MINUTES

Motion John Morrow, seconded by Robert Kinnin, moved to approve the Minutes of the November 12, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

Motion: John Morrow, seconded by James Malcolm, moved to approve the financials for October and November 2014 as presented. A copy of said financials is on file.

Vote: The motion was adopted.

Certificate of Deposit

It was unanimously agreed that the Certificate of Deposit be renewed for a period of 90 days.

ZUMTOBEL APPLICATION FOR CONTRACT SERVICES

Chair Horodyski stated that at the November 12, 2014 meeting of the Agency, Zumtobel was present requesting a \$50,000 Contract for Services to provide assistance with job training.

Mr. Bill Simoni addressed the members of the Agency. His comments included, but were not limited to the following:

- They have been in the process of transforming the company. They require assistance with employee training.
- One aspect of the training is a continuous improvement training to speed manufacturing and to straighten out the plant. This lean training will allow the company to become more efficient, retain jobs and to grow.
- The other part is for their customer service team. There is a big transformation in the lighting industry. The industry is going to LED so it is now an electronics business. There is a need to train their employees to improve the customer experience and to train them technically.

Mr. James Malcolm asked how many jobs they were talking about.

Mr. Simoni responded that there are 210 jobs that they are trying to maintain. They wish to grow in the Hudson Valley and the potential is there for this.

Chair Horodyski stated that the Agency would love to see Zumtobel grow their jobs, but the eminent concern right now is just keeping the plant open and keeping the jobs there.

Mr. Simoni responded that they have begun the transformation. The company is in a turn-around right now. Their last fiscal year they lost five million dollars; the company was really considering closing. Recently, with their new CEO Kevin Maddy, who was brought in to turn the company around, they have "stopped the bleeding" and they have only lost one or two people. There was no slash and burn. Now they have to maintain it; this is the hard part. This quarter is traditionally a tough time for them; they usually don't do well. They must keep the turn-around going and that is why they are looking for some help.

Chair Horodyski stated that if the Agency agrees to the funding, it allows Zumtobel the opportunity to receive additional funding from Central Hudson.

Ms. Suzanne Holt stated that Central Hudson has, she believed, up to \$150,000 available for retention, but they want another governmental municipality to leverage it; another entity has to put in first. By the Agency doing a Contract for Services for \$50,000 it opens Zumtobel to the available Central Hudson money.

Chair Horodyski stated that his only concern was to make certain that the Agency had some level of clawback or something in the event What we don't want to do is provide the \$50,000 and then one year from now, it didn't work out and Zumtobel is out. Depending on where the Agency goes with this, part of the Contract for Services would include some level of a clawback for some degree of the money should the plant close.

Mr. Simoni responded that he has spoken to Mr. Maddy about that and Mr. Simoni stated that he had no problem with that. Obviously there would be some paperwork that they would have to sign which would outline the commitment. We obviously don't want to take the money and six months from now, close the place. We can work that out.

Motion: James Malcolm, seconded by Robert Kinnin, moved to approve the \$50,000 Contract for Services to Zumtobel with a clawback provision.

Vote: The motion was adopted.

HUDSON VALLEY AGRI-BUSINESS

Mr. Todd Erling, Executive Director, Hudson Valley Agri-Business addressed the members of the Agency and presented a report of 2014 activities and a request for continued support. A copy of his presentation/application is on file.

The highlights included, but were not limited to, the following:

- Incubator Without Walls Program is one-on-one technical assistance for small businesses that are either farms or farm dependant/related businesses in the county. It is modeled after the small business assistance programs, like the Small Business Development Center or the Department of Commerce programs. This was created years ago with the support of Congressman Hinchey, using Small Business Administration Funds to develop the template
- Major matching funds are from the LEP Project, Local Economies Project, out of Kingston; the Gill Farm Project.

- Hudson Valley Seed Library is a great success story in the valley. They are retailing seeds at the NY Botanical Gardens and they have received wide spread acclaim for being a source of heirloom non-gmo, kind of back to the grass roots concept of seed harvesting and seed collection. HVADC assisted in not only managing their growth, but also some of their internal finances. They had a new farmer loan that was coming due through Farm Credit that actually was a balloon payment. HVADC helped them plan over time and they were able to take that out appropriately with a local bank and extinguish the balloon payment, have a more appropriate line of credit and that allowed them to focus on the expansion of their facility in Ulster County. This was three plus years of working with a business to get them where they are now today.
- Truncali Farms Inc. is an orchard that is working with a much larger New England/New York City based broker called Red Tomato. The bottom line is that Red Tomato works with farms in the valley to get their product into Whole Foods, Hannaford, restaurants, places where farmers aren't necessarily going to have direct sales. They also make sure that it is transparently sourced and produced at a higher quality than some other farms that they choose not to work with. They are assisting Truncali to get their third party and good agricultural practices and their HAZOP certification, which are all third party alphabet soups to make sure that you are following safe quality food protocols so that you can participate with these retailers at a higher level. That process will not only involved protocols, but Truncali ultimately makings some capital investments and improvements in their facility.
- Farm to Table Co-Packers. This has been a screaming success as a volume processor here in Ulster County; they are handling over 2.5 million pounds of NYS farmers' products this year. It started out two years ago at a million. It has been active increased growth. It has actually created an opportunity for Hudson Valley Harvest to create a permanent headquarters there. Farm to Table and Hudson Valley Harvest were co-mingled in the same space for about eighteen months and the success of the team at TechCity in recruiting Hudson Valley Harvest to put a permanent facility there that has cold storage and freezer has now turned into an aggregation drop-off point for about 45 farmers across the region, moving millions of dollars of product in the valley and New York City. They are still working on the Consolidate Funding Application award from two years ago.
- Farm to Table as one processor has helped to interact with the Farm to Institution New York State Program, the American Farmland Trust, SUNY New Paltz is one of the pilot schools that are participating. There are four SUNY schools and SUNY New Paltz is one of the poster children.
- Poughkeepsie USDA Farm to School Project that Hudson Valley Agri-Business administers with Pattern for Program. Farm to Table Co-Packers was actually the main processor and Red Barn produce was the main distributor in getting local farm products into the City of Poughkeepsie School District.
- Hudson Valley Bounty initiative. Not only are they constantly trying to connect farmers with chefs, but also with getting food products and farmers exposure outside the area and into market. They have helped some Ulster County businesses using local products be showcased at the Dutchess County Fair, showcased at Metro-North and some other regional events.
- They have developed a great regional partnership.
- Hepworth Farm is a success story. There are two priority CFA applications in this Regional Council round. Hepworth being one of them; Stone Ridge being the other. Ms. Holt did a great job connecting Amy

Hepworth with Farm Credit that actually has a consulting division for writing grants. Ms. Hepworth wants to create a new hub for aggregation that is really farmer dependant, farmer related directly. She will compliment what is happening at TechCity with Hudson Valley Harvest and Farm to Table Co-Packers. The second cold storage facility built in the United States is in Marlborough; she has purchased that back and has major ambition to make that a centerpiece. The tree and debris clean-up has been noted. Big story, once we begin peeling away the layers, there is more there than you thought. The CFA is critical, but there is now talk of a Central Hudson infrastructure grant because of the electrical services and potentially some NYSEDA programs and ultimately it will play into her upgrading her worker housing and really being integral to a two-to-three phased project on the farm. It is going to be a real exciting project.

Chair Horodyski stated that Mr. Erling has really been the poster child for the success of the UCIDA providing these Contracts for Services and taking that money and parlaying it into bigger and better things around the county.

Mr. Erling responded that he appreciates the support of the Agency. This has become a model throughout the state.

Motion: James Malcolm seconded by John Morrow, moved to approve the \$25,000 Contract for Services to Hudson Valley Agri-Business.

Vote: The motion was adopted.

SUNY ULSTER

Mr. Donald Katt, President, SUNY Ulster, addressed the members of the Agency with reference to Start-Up New York. His presentation included, but was not limited to the following:

- The mission at the college is to help in any way they can to revitalize the economy in the County.
- They were very excited with what started as Tax Free New York when the Governor announced his economic development plan in the Summer of 2013. It was originally a partnership between the state and the SUNY campuses. They are one of 64 campuses. The Chancellor and the Governor worked together to bring SUNY to the economic development table.
- After the Governor made his announcement, he had to get legislation through both houses of the Legislature and the program that started as Tax-Free New York became Start-Up New York. There were a lot of provisions put into the legislation, that during the last 16 months, they have been in the process of implementing.
- One of the things that occurred during the legislation process was originally the Governor announced that businesses would locate on the SUNY campuses. Luckily, through the legislative process, they realized how limited that might be. What was determined was a business could locate on the college campus or within a one mile radius of the campus or their extension site. That gave the college the opportunity to really start attracting business to Ulster County, principally TechCity, within a mile of their extension center in the Town of Ulster, as a prime location for businesses to consider locating.
- Unfortunately during the legislative process they capped the amount of space that would be allowed to be filled within that mile radius at 200,000 sq. ft.

- Early on in their process last spring, they began discussions with Niagara Bottling. It was noted that the media has reported negative comments. Niagara plans to build their plant on TechCity property to the left of Boice's Farm. Their manufacturing portion of their building is 148,000 sq. ft.
- Three other sites have resonated – two in the Town of Ulster and one in the Town of Esopus. It is expected that two of them will be announced before the end of the year – one in the Town of Esopus – one in the Town of Ulster.
- With those other sites and Niagara Bottling, they are about 190,000 sq. ft. They are not the only campus that is facing that limitation. It was thought that in the beginning of the summer the Department of Economic Development and the SUNY administration people started to talk about how they could assist campuses to exceed that 200,00 sq. ft. rule. What they came up with was a model that provided that the college go to the IDA of Ulster County Development Corporation and enter into an agreement whereby the IDA would essentially lease the space on behalf of the college and then attract businesses to come into that leased space. In so doing, the state is then considering that property as part of the campus and avoids that 200,000 sq. ft. limitation. It is absolutely necessary for the college to partner with the UCIDA or the Ulster County Development Corporation to continue to expand the Start-Up New York Program.
- Currently, Steve Perfit and President Katt have been working with a company, based in New York City who is an international manufacturer of high-end flooring. A number of conversations have been had with Mr. Perfit for the company to come up to TechCity with the US based company. The company has a number of customers in New York City and Chicago and the college must get into this agreement in order for him to move to TechCity. Time is of the essence; they would like to close the deal with the company and they need the UCIDA's help.
- Chair Katt introduced attorneys representing TechCity, and Bill Ryan, representing SUNY Ulster.

Mr. Joe Carlucci, Cuddy & Feder of White Plains along with Robert Schneider and Randy Hoffman, addressed the members of the Agency. Mr. Carlucci stated that their firm was part of the group that deals with IDA's around the country for various kinds of projects. To add to what President Katt has stated, for those that may not know, TechCity, the former IBM site, is a campus of 258 acres and has about nineteen buildings that aggregate about 2,400,000 sq. ft. As President Katt has said, the site has already been approved by the Start-Up New York Program for 200,000 sq. ft., which soon will be utilized. With the assistance of the UCIDA, they may get the approval from Start-Up New York to have any portion of that site also qualified for the Start-Up New York benefits. That is basically the request before the Agency today. The Memorandum is a non-binding document. When they have the conversation with Empire State Development Corporation which administers the Start-Up New York Program, the conversation is one way if it is just the college and the property owner and it is a different conversation, if it is the college, the property owner and the UCIDA because the Agency's involvement would allow for the entire site to qualify for these benefits; without it, SUNY will be limited to just the 200,000 sq. ft. unless there is an interpretation that they haven't heard about. The site has been under utilized for the past twenty years. The goal in what they are trying to do with working with the college and hopefully the UCIDA will be to bring business benefits to any portion of the site and make it competitive with other sites. The request is for the agency to adopt a resolution expressing intent to get involved with the college and the property owner to move forward with Start-Up New York.

Chair Horodyski stated that we are agreeing to maybe agree in the future. That is all we are doing.

Mr. Carlucci responded exactly.

Chair Horodyski continued by stating that you could come to us with a potential company after the Agency signs this and we can say no.

Mr. Carlucci responded exactly. He asked that the Chairman understand that once they meet with Start-Up New York and ESD, they are going to tell them what the requirements are to put the property potentially all in the program. There may be something that President Katt said, that no we don't want to touch that; the UCIDA may say the same thing or there may be provisions that may be required that the property owner doesn't want to do. All they are doing is to agree to talk in the future.

Chair Horodyski stated that there has been six to seven weeks of discussion to "talk in the future". This has been a long time and then when he reads the document The Agency wants to see economic development there is no question. They would love to see TechCity come back to the vibrancy that it once had. If that can be done under Start-Up New York than great but until they see a specific deal, other than giving you the door to go talk to ESD.

Mr. Perfit stated that the actual agreement will not be with the college. The college will be a filter for Start-Up New York, but in effect it will be more than likely will be tenant. A tenant, he believed would just step away from the college situation and deal directly with AG Properties. So the UCIDA could be a filter saying no this project should not qualify for Start-Up New York. The actual transaction will be between the tenant, which the college brings to Start-Up New York and the landlord. The deal will be direct. If it is a purchase of a property it steps out of Start-Up New York completely.

Mr. Robert Schneider stated that one thing that is hoped to be learned from the State because they have talked about different arrangements on Long Island and other places, will there be just a license or a contract, a lease. Those are the details that are really important. We haven't had those conversations; we are now taking the step. But if we did, having neither the college nor the UCIDA in the chain of title would be simpler from the point of view of indemnities and insurance because you would be that much likely to be sued or hassled.

Chair Horodyski responded that we aren't even at that bridge. Right now all the Agency is doing is agreeing to agree that we want to go with you guys hand in hand to Empire State Development and see what can be obtained for TechCity with the UCIDA helping.

Unknown speaker. Counsel Scott had asked what the structure would be. Until those conversations have been held, they don't know what the structure would be.

Chair Horodyski responded from an UCIDA standpoint, you guys could find the perfect thing for the college, perfect thing for AG Properties, the UCIDA may not like it and at that point the Agency walks away; that could happen per this agreement.

Unknown Speaker. Of course the first filter is going to be the ESD people, if they don't approve it. Their hope and expectation is that if ESD approves it should be OK to everybody else.

Counsel A. Joseph Scott stated to make sure, what the Chairman's concerns are we just want to make sure that any UCIDA project follows the UCIDA's procedures. Anything that involves the granting of IDA benefits will follow the Agency's process, the Agency's controls; will have the Agency's clawback agreements, etc.

Unknown Speaker agreed absolutely.

Chair Horodyski stated that if it is coming under Start-Up New York, that is Start-Up New York, but certainly if you are coming to the UCIDA, there is a process and procedures that will be required to be followed.

Mr. Perfit stated to clarify that if he was not mistaken unless it was a grant, he did not think that any IDA benefits would float to a tenant. It would be unusual to give IDA benefits to a tenant.

Counsel Scott responded that the Agency has done transactions for tenants for fit-up.

Supervisor James Quigley stated that on behalf of the Town of Ulster, the rules and regulations of Start-Up New York have sixteen or seventeen scenarios. Where, he believed fifteen of them relate to university owned or controlled property that essentially says that the property is tax exempt. The Town of Ulster requests a clarification of the proposal as it relates to the taxability of the properties being asked to be included in this program because the Town of Ulster would certainly not want to see a lease creating a situation where the properties come off the tax role.

Chair Horodyski responded that that was fair enough. His feeling at this point, with what he has in front of him, he doesn't have a lease in front of him. All he has is this Agreement. He tends to agree with Supervisor Quigley with reference to the taxability of the properties at TechCity from the Town of Ulster's perspective. That is not something that is being addressed at this point because there is no deal in front of the Agency.

Supervisor Quigley replied that he wanted to make sure that the issue was on the table and being considered from the beginning.

Chair Horodyski stated that Supervisor Quigley's issue has been duly noted, no question about it.

Mr. Robert Kinnin asked when SUNY Ulster moves from Ulster Avenue to Sophie Finn, the distance limitation changes.

President Katt responded that the distance requirement is easily waived by the State Economic Development Corporation once the campus asks for an exception. They have been granting those exceptions pretty quickly. However, they do plan to move to the former Pier I site for their Business Center which is even closer to TechCity they will qualify that way.

Supervisor Quigley responded and they are paying full taxes.

Chair Horodyski explained that what is before the Agency is a Memorandum of Understanding. He wished to reiterate the fact that the Agency has heard Supervisor Quigley and certainly if a time comes when a deal is on the table and the Agency has the ability to enter into an individual lease transaction in that regard the Agency certainly understands Supervisor Quigley's perspective.

Mr. Perfit stated that speaking for TechCity, being leases they would not be tax-exempt anyway. They would be in a building owned by AG Properties. The only situation that would end up in any kind of PILOT would be if someone purchases the property, it comes out of the college's domain and it becomes a private owner. He did not think that Start-Up New York applies to that situation. That would be a separate ownership of that property.

Counsel Scott addressing the other attorneys at the table, that he will send the model language for the indemnification and the hold harmless.

Mr. Malcolm stated that he didn't understand what action was necessary to take at this point, if there is this is a maybe what if. He didn't think that a motion of record was needed.

Chair Horodyski responded that he believed that there needs to be something as Empire State Development is approached that shows that there is at least some tie that the Agency is agreeing.

Mr. Malcolm replied ... ok. It would be like anyone else who came here outside of this group they would not approach the Agency a year in advance looking for a MOU.

Mr. Morrow stated that he wasn't sure what he was being asked to vote on either.

Unknown Speaker stated that they could not speak for the UCIDA if they go to this meeting. The Memorandum basically says that the UCIDA has heard about it and is willing to participate in the program subject to its review and requirements.

Mr. Malcolm replied not to be confrontational but that is any citizen, any business owner who comes here. The UCIDA is willing to sit and talk. If it is a prerequisite, he wasn't sure what was necessary.

Chair Horodyski stated that the Agency has the Memorandum of Understanding. In order for the Agency to adopt that, he would have to bring that to a resolution if the Agency wishes to move forward with it.

Mr. Malcolm responded that he would move the Chairman's recommendation if that is what is necessary to move forward in the process. He just did not know if it was something that was necessary to act upon; if it is a pre-requisite to move forward with the project he did not know how that would affect Mr. Quigley where he is coming from.

Chair Horodyski responded that right now it doesn't; what we don't have right now is a specific project. The Agency is resolving, and it sounds silly, we are resolving to sign a Memorandum of Understanding which details our agreement to agree to let's go and investigate. This Memorandum does not tie the Agency to anything. If an individual project comes before the Agency it requires the Agency to perform their formal review; there are no changes to our process. This would purely be a resolution if we are inclined to approve the Memorandum of Understanding.

Motion: James Malcolm, seconded by John Morrow, moved to accept the Memorandum of Understanding subject to the changes that were submitted by UCIDA counsel regarding indemnification and discretion to move forward.

Vote: The motion was adopted.

COMMITTEE REPORTS

AUDIT COMMITTEE

In the absence of Committee Chair Floyd Lattin, no committee report was offered.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that no committee meeting was held.

READY2GO

Suzanne Holt reported that no committee meeting was held.

PROJECTS

Darienlake – Kingston

Counsel A. Joseph Scott presented the Project Synopsis; a copy of which is on file. The term of the PILOT is 10 years. Dennis Larios, engineer for the project, was representing Mr. Patel should there be any questions.

RESOLUTION CONCURRING IN THE DETERMINATION BY THE TOWN OF ULSTER PLANNING BOARD AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE DARIENLAKE KINGSTON LLC PROPOSED PROJECT

Motion: John Morrow, seconded by Robert Kinnin, 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 DARIENLAKE KINGSTON LLC (THE "COMPANY")

Motion: Robert Kinnin, seconded by John Morrow, moved to approve said resolution.

Vote: The motion was adopted.

OLD BUSINESS

Labor Policy

Chair Horodyski stated that he thought that the plan was to look to incorporate this into the new UTEP process. He would like to start this process late first quarter of 2015.

Mr. Malcolm stated that he thought that the document was not going to change; that was Governance's concern. The committee had put the time in and we missed a couple of opportunities. After much discussion, it was his opinion that the Agency was going to adopt the Labor Policy and then incorporate it into the UTEP. He would like to have it on record that it has been adopted.

Chair Horodyski stated that we are putting the requirement on that local labor is going to be used no matter what.

Mr. Morrow responded that there are four exceptions in the policy.

Chair Horodyski stated that he continued to be confused. The Agency was going to incent the projects for using local labor; in this case we are requiring them to use local labor.

Mr. Kinnin stated that this isn't saying that they are refused a PILOT. They are not awarded any points.

Chair Horodyski disagreed with Mr. Kinnin. He stated that it says that applicant's receiving UCIDA benefits shall utilize at least 75% - shall utilize means required.

Counsel Scott agreed with Chair Horodyski, shall utilize means that it is required.

Mr. Malcolm asked the Chair to see the last word before the colon ... unless. He thought that it changed the whole meaning. That gives validity to the four exceptions below that.

Counsel Scott stated that unless you meet one of those four exceptions. The disconnect between members is that everyone agrees that local labor is important. There is no disconnect on that. What the disconnect is is whether the local labor requirement is something you get points for to increase your points calculation under the PILOT and, therefore, someone can say, I'm not going to use local labor; therefore you get zero points or some says that I'm going to use local labor, I'm going to follow this policy and they are going to get 1 point, 2 points, 3 points whatever the calculator says it is going to be once staff finishes the review of the UTEP and brings it back to the Agency. What is not in concert here is how to implement the policy. Is this a standalone requirement outside the UTEP or is this another one of the elements that is a positive point generator when a project comes in.

Mr. Malcolm responded that it isn't standalone it is hand and glove.

Chair Horodyski stated that the policy stands alone. This says we are going to use a local company.

Mr. Malcolm responded that if there is someone with a specialized industry that decides to come into Ulster County at this point and utilize the UCIDA and there is no one that fits that criteria, it is not going to be held against them but if there is someone that fits that criteria you will derive a benefit from it. If they choose not to then it is an issue.

Ms. Holt stated just thinking about how when she meets with a business for the first time and where this fits into the process. This will come first. For example, the Nevele, if they are planning hundreds of jobs, if this wasn't here, they would automatically have a "slam-dunk" with the PILOT because they have the job creation numbers. This would come first and if they could not tell her up front that they were committed to use 75% local labor, she would not be able to get to the jobs part of it. That is the concern.

Mr. Malcolm asked Ms. Holt if she thought that the Nevele comes to her before they do the drawings/budget numbers. Do they come to her after.

Ms. Holt responded different projects do it differently.

Mr. Malcolm stated that if it is a multi-million dollar project they are going to do the budget numbers; they are going to know who they are going to utilize. They are going to do a market area profile. He didn't think that the Nevele was a good example.

Ms. Holt replied by proposing Darienlake. It would be the same thing; if they could not commit to 75% local labor or one of these exceptions we would not start talking about if they were in an economically distressed area, how many jobs they are creating and the other components of the UTEP.

Mr. Malcolm stated that he takes off his other hat when he comes in the door. This group is trying to create an environment for businesses in Ulster County. It isn't the cost at the end of the day; look at what we created. It is everything that leads up to it. If the Agency can't recognize and try to promote conditions for businesses to secure some opportunities while someone else is utilizing taxpayer incentives, he thought that they were losing on their mission statement.

Mr. Morrow stated that he thought that Mr. Malcolm was talking apples and oranges when you are speaking about Darienlake versus the Nevele. If the Nevele is going to build a casino, they could easily fit into one of these four categories because there is no one in Ulster County that would have the expertise to do the security that the Nevele

would need for a casino. Where Darienlake is just a plain vanilla building project where there is no reason in the world where they couldn't have local labor.

Chair Horodyski stated so this is on a go-forward basis. We are not looking back to projects that have been approved already.

Mr. Malcolm stated that we are not going backwards. If it would make the Chair and Counsel happy to agree with it in principle and then put it in effect when the new UTEP is adopted.

Chair Horodyski thought that would work. He agreed that when you come into Ulster County and the project is "eating at the trough" of the Ulster County IDA, you should do everything possible to use local people to do you business. He would expect that they would hire local people.

Mr. Malcolm did not see this as being punitive; he saw it as an incentive. He thought that the taxpayers would agree that a project was not getting a free ride without trying to take care of and create growth.

Mr. Morrow stated that this is heard all the time. Why are companies from Pennsylvania and New Jersey building this project here in Ulster County when we have people out of work. That is not acceptable to him.

Motion: James Malcolm, seconded by John Morrow, moved to adopt the Labor Policy to be incorporated into the new Uniform Tax Exemption Policy (UTEPA) and will become effective at the completion of the upcoming UTEPA and Points Calculator review.

Vote: The motion was adopted.

Nevele

Ms. Holt reported that the NYS Gaming Commission would make their announcement on December 17, 2014.

14 Pine Street

Counsel Scott stated that there was nothing to report.

Ulster Commons

Counsel Scott stated that there was nothing new to report.

Supervisor Quigley stated that Ulster Savings and Hardees were going in the front and the hotel was going to be built on the original plot in the back.

Town of New Paltz Feasibility Study

Chair Horodyski stated that correspondence was received from Joseph Moriello, dated November 24, 2014, in response to the Agency's request for an update on the UCIDA Shovel Ready Grant Program re: Town of New Paltz – South Putt Corners Road – Sewer Feasibility Grant Project. A copy of said correspondence is one file.

NEW BUSINESS

Ms Holt reported that there was a Westchester manufacturer looking for a second site. At present there are four sites under consideration – two in Ulster County and two in Schenectady. It is hopeful that a decision will be made soon. Currently, they are asking for a more generous PILOT that can be granted under the Agency's formula. If they want a deviated PILOT they will have to go to the school district and municipality. The Agency cannot offer anything more unless there is an agreement with the affected taxing jurisdictions.

PUBLIC COMMENT

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.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussion of engaged litigation and notice of claim.

Motion: Michael Horodyski, seconded by John Morrow, moved to adjourn into Executive Session for the purpose of discussion of engaged litigation and notice of claim.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 9:05 a.m.

Motion: Michael Horodyski, seconded by John Morrow, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The meeting was adjourned out of Executive Session at 9:17 a.m. No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Morrow, seconded by Michael Horodyski, moved to adjourn the meeting.

Vote: The motion was adopted.

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

Respectfully submitted,

John Morrow
Secretary