

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTS Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTS system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

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Bill Simoni	Representing Zumtobel
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- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

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Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

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Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

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Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTS Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTS system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

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Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

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EXECUTIVE SESSION

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Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

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Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

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Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

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Counsel Scott reported that there is nothing new to report.

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Counsel Scott reported that the project continues to work through issues.

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Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

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Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTS Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTS system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

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Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

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It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

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Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

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PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTS Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTS system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

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Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

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- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

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Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTS Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTS system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

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EXECUTIVE SESSION

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Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

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Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

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Counsel Scott reported that there is nothing new to report.

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Counsel Scott reported that the project continues to work through issues.

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Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTS Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTS system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

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Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

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Counsel Scott reported that the project continues to work through issues.

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Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

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It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

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Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

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PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTS Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTS system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

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Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

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- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

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Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTs Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTs system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

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EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

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Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

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Counsel Scott reported that there is nothing new to report.

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Counsel Scott reported that the project continues to work through issues.

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Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

Chair Horodyski stated that his issue, and he and Mr. Malcolm are going to disagree about this, is the way you read the policy now, it does not speak to it being an incentive to your points system. It is basically a requirement. What he has tried to avoid is we want to encourage the use of local labor; whenever possible projects should use local labor. He wants to make sure that that incentive is part of how they calculate what they qualify for.

Mr. Lattin asked if there were no legal restriction on making this kind of requirement.

Counsel Scott stated that the interesting issue is that by requiring local labor you raise a constitutional issue and a possible problem. He thought that what people were talking about from his perspective, is how you implement this. He thought that what was being discussed was creating another category of local labor in the UTEP POINTs Program so if the applicant is going to use local labor they will get more points.

Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

Counsel Scott responded absolutely. They have a requirement, but they also recognize that there is a legal issue. He has clients all the time that they give advice to on business and/or legal points advising of what their exposure is and they decide to take the risk. What he thought he was hearing from the board was to implement it into the POINTs system. From his perspective, he just needs to know what to do in terms of how you want to implement it so that the Agency's documents are in line.

Chair Horodyski stated that what he thought was envisioned now, and he asked to be corrected if he was wrong, is in December, we will vote to approve the Labor Policy with an effective date after our UTEP process. He thought that was what was being envisioned. Once we codified what the UTEP process is, we will implement changes to the policy to incorporate what those UTEP changes are going to be.

NEW BUSINESS

Ms. Holt reported that the county has hired Focus Media to create marketing materials to include four brochures (an external brochure for attraction, a Fact Sheet, an internal brochure and a brochure for the UCIDA. She asked members if they wished to have an updated/new brochure that will match the new materials.

It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

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Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

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Mr. Malcolm asked about Monroe County and how they do it.

Counsel Scott responded that Monroe County require it and he has asked them ... you do realize that you have a legal issue. They responded that they realized that they had a legal issue and they are willing to take the risk.

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It was unanimously agreed to have a new brochure prepared.

PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary

UCIDA

Ulster County Industrial Development Agency

**Ulster County Industrial Development Agency
Minutes
November 12, 2014**

A regular monthly meeting of the Ulster County Industrial Development Agency was held at 8:00 a.m., Wednesday, November 12, 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
Floyd Lattin	Member
John Livermore	Member
James Malcolm	Assistant Chair/Assistant Secretary
John Morrow	Secretary

The following agency members were absent:

Mary Sheeley	Member
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Offices of Business Services Staff:

Linda Clark
Suzanne Holt
Karl Schlegel

UCIDA Attorney and Bond Counsel:

A. Joseph Scott	Hodgson Russ LLP
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Additional Attendees:

Jennifer Swartz- Berky	
T. J. Briggs	Ulster County Legislator
James Maloney	Ulster County Legislator
James Quigley	Supervisor, Town of Ulster
Bill Simoni	Representing Zumtobel
Geddy Sveikauskas	Ulster Publishing

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

PLEDGE OF ALLEGIANCE

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

READING OF THE UCIDA MISSION STATEMENT

Chair Horodyski read the Mission Statement of the Agency.

The mission of the Ulster County Industrial Development Agency is to advance the job opportunities, general prosperity and long-term economic vitality of Ulster County residents by targeting tax incentives, bonding and other assistance to foster creation and attraction of new business and the retention and expansion of existing business.

MINUTES

Motion John Morrow, seconded by John Livermore, moved to approve the Minutes of the October 8, 2014, meeting. A copy of said Minutes is on file.

Vote: The motion was adopted.

FINANCIALS

No financials were presented.

NIAGARA WATER BOTTLING

James Quigley, Supervisor, Town of Ulster, addressed the members of the Agency with reference to the proposed Niagara Water Bottling project. Supervisor Quigley's comments included, but were not limited to the following:

- In September, 2014, the Town of Ulster Planning Board received an application from Niagara Bottling, LLC to start the site plan process and the SEQR process for the construction of a 415,000 sq. ft. facility in the Town of Ulster for the bottling of water.
- The Town Planning Board referred the action to the Town Board of the Town of Ulster for its intent to be lead agency. A Notice of Intent was issued September, 2014.
- In October, 2014 a Revised Notice to additional agencies was issued. Included on the list of additional agencies is the Ulster County Industrial Development Agency.
- The Supervisor requested the Agency to consent to the Town of Ulster to be lead agency. The company has provided an application to Start Up New York. In order to receive tax benefits for real property assessments under the Start Up New York they will be required to come before the UCIDA to make application for a PILOT Agreement. There is a basis for a discretionary decision in the future that the UCIDA will have to make and under SEQR the UCIDA is defined as involved agency.

Chair Horodyski stated that this isn't anything out of the ordinary for the Agency. The Agency always defers to the municipality when it comes to the SEQR Review and to the SEQR process. He felt that the skill set for this was much better at the municipal level.

Mr. Floyd Lattin asked if the Agency had ever weighed in.

Chair Horodyski responded that the Agency weighs in in the sense that we say we are not a lead agency.

Mr. Lattin asked if there is a controversy about who is the lead agency, do we?

Chair Horodyski responded that we have never had it.

Mr. Lattin said that this is the first time that the Agency is being asked.

Chair Horodyski stated that one way or another the UCIDA does not want to be lead agency. That is a fact.

Mr. John Morrow stated that even if there is a controversy, he did not think it was the Agency's problem to look at controversies.

Chair Horodyski stated that what he would like to do is since the Agency has never as a body declared ourselves, or had an issue with the municipality assuming lead agency, the safest thing to do is stay consistent with what we have always done and that would be to allow the Town of Ulster to be lead agency. Once the Town of Ulster gets to the point where there might be some conflux or problems with other people thinking that they might not want to be lead agency; that is the Town of Ulster's fight, not our fight. What we would like to do if the members would entertain a motion to consent to the Town of Ulster to be lead agency.

Motion: James Malcolm, seconded by Robert Kinnin, moved to consent to the Town of Ulster to be lead agency in the proposed Niagara Bottling project.

Vote: The motion was adopted. John Morrow abstained from the vote because he sits on the Town of Ulster Town Board. Floyd Lattin also abstained from the vote.

ZUMTOBEL APPLICATION FOR SERVICES

Chair Horodyski introduced Bill Simoni, a representative of Zumtobel; a copy of the Application is on file. The presentation included, but was not limited to, the following:

- Zumtobel has been in Highland for over 20 years. There are 200 employees.
- There has been a lot of change in the lighting industry; the way lighting is being done is changing drastically; everything is going to LED. This means that Zumtobel must become an electronics company because they are now selling electronic boards and micro chips in all their fixtures. This is a whole change in the way that they do business.
- Recently there has been new management. The company is based in Europe and performance has not been really that good in recent years and the company was seriously considering leaving the Hudson Valley and relocating someplace else ... perhaps another state or even another country.
- The new CEO is Kevin Maddy; he has helped turned the company around.
- One of the things that have been done is to reach out to other authorities to see if there is some grant money to assist them to change what their business is all about.
- This particular application is for training ... Lean Principles Training and Technical Training for Client Services.
- People need to learn more about electronics; they need to sell that to clients.
- The company is trying to grow; they don't want to leave, which is a real possibility and they want to grow the business. Their goal is to go from a \$40-\$45 million company with a goal in five or six years to be \$180 million. If they are that big in the US there will be more jobs in Ulster County.

- Initially, there are no anticipated job increases in the next four months; they are trying to keep the company viable. They need to turn the company around and get it modernized to be successful.

Mr. John Livermore stated that after the first four months, not right away, how many employees are anticipated to be added in the next year or two.

Mr. Simoni responded that it depends. It could be 10-20; it could be more than that each year. They don't know exactly. The target is to continue to grow in the next three to five years.

Chair Horodyski stated that the comment had been made that you are looking to turn around. At this point is it more important to retain the 215 jobs that you have

Mr. Simoni responded exactly. That is what the initial request is. Their CEO came in and he was involved in a micro-chip industry and he basically said at the beginning of the year that the company in the US was not really performing very well and he was considering closing it. That is why Kevin Maddy was brought in. He is a "turn-around" guy. Right now we are just trying to keep the 200+ jobs; that is really the initial goal.

Ms. Suzanne Holt reported that Central Hudson has money for job retention as well; up to \$150,000. Central Hudson requires another government's funding to access that money. Should the UCIDA choose to contract for services with Zumtobel, then they will be able to access that money from Central Hudson.

Mr. James Malcolm stated that he lives in Highland and Zumtobel has been a big employer and has been very good to the community over the years. It is an established business. It was his suggestion to help out in any way possible.

Chair Horodyski stated that this is the first time that many of you are seeing this. His initial take on this was to defer this to the December meeting for action.

Legislator Thomas Briggs asked about the Central Hudson match. Is there anything that the Agency can do in the way of giving a "bit of a commitment" that they are leaning to help them. Would that assist Zumtobel in contacting Central Hudson and get that "ball moving".

Chair Horodyski responded that his expectation is that it will probably require formal action by the Agency before Central Hudson would act.

Mr. Robert Kinnin asked if there was any indication from Central Hudson that their funding arm would expire at the end of the year.

Ms. Holt responded no.

Chair Horodyski stated that he believed that this would get done. What he would like Mr. Simoni to take back to Zumtobel is that there is a significant commitment from Ulster County from the UCIDA ... we appreciate employers like you and we want to keep you. At the end of the day, we appreciate Zumtobel.

Ms. Holt stated that there was a miscommunication; she had invited a representative to the meeting and when she did not receive a reply, she did not place the request on the Agenda.

Chair Horodyski stated that Application appeared to be concise. He made a request for additional information on the technical training from Business Talent Group and Lean Value Solutions ... what their work scope is going to be; how they plan to effect their changes, etc.

Legislator James Maloney asked if it would be \$50,000 from the UCIDA and \$50,000 from Central Hudson or \$25,000 and \$25,000.

Chair Horodyski responded that it is \$50,000 from the UCIDA and close to \$150,000 available from Central Hudson. He believed that there was a bigger pot of money to grab for job retention there than from the Agency.

EXECUTIVE SESSION

Chair Horodyski requested a motion to move into Executive Session for the purpose of discussing personnel.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of personnel matters.

Vote: The motion was adopted.

The meeting was adjourned into Executive Session at 8:17 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted

The meeting was adjourned out of Executive Session at 8:24 a.m. No official business was transacted during Executive Session.

COMMITTEE REPORTS

AUDIT COMMITTEE

Committee Chair Floyd Lattin reported that the Audit Committee met at 7:45 a.m. this morning to review the responses to the Audit RFP. The members of the committee reviewed the peer rankings of all the firms, which were more or less consistent; and a review of the total fee structure for a three year term that the Agency would be contracting for the years 2014, 2015 and 2016. The members came to agreement that they would recommend the auditing firm of Patison, Koskey, Howe & Bucci, CPA, who currently work for the Ulster County Economic Development Alliance. Their total fee for 2014 was the lowest; it was \$10,500, \$7,000 for the UCIDA and \$3,500 for the UCCRC. It is the recommendation of the Audit Committee that Patison, Koskey, Howe & Bucci, CPA be appointed as auditors for 2014, 2015, and 2016.

Motion: James Malcolm, seconded by Robert Kinnin, move to adopt the recommendation of the Audit Committee of the Agency and appoint Patison, Koskey, Howe & Bucci, CPA as auditor for the Agency for the years 2014, 2015 and 2016.

Vote: The motion was adopted. John Livermore abstaining from the vote.

Mr. Livermore disclosed that he uses a representative of the Saugerties branch of Patison, Kosly, Howe & Bucci, CPA as his auditor/tax preparer for his personal business.

FINANCE COMMITTEE

Chair Horodyski reported that the budget has been filed and certified in PARIS.

GOVERNANCE COMMITTEE

Committee Chair John Morrow reported that the members of the Governance Committee reviewed the responses to the RFP for legal services. The prices were competitive; no other firm could offer any advantages that the Governance Committee could see nor give any reason to consider changing firms. It is the recommendation of the Governance Committee that the law firm of Hodgson Russ LLP be appointed counsel for the Agency.

Motion: Floyd Lattin, seconded by Robert Kinnin, moved to accept the recommendation of the UCIDA Governance Committee and appoint Hodgson Russ LLP as counsel for the Agency.

Vote: The motion was adopted.

READY2GO

Ms. Holt reported that a perspective business is being taken to the Saugerties Ready2Go project. This is a manufacturer that is looking to expand that is currently in Westchester. They are looking further north for an expansion. Initially they looked at 29 sites, and then whittled it down to 20; there are 4 still on the short list – 2 in Ulster County and 2 further upstate. The Chair has been invited to meet with them next week. They will be meeting other manufacturers and elected officials. We are hoping that there will be a new business for Ulster County soon.

Mr. John Livermore asked if any additional information was obtained regarding natural gas in that stretch.

Mr. Holt responded that Mr. Livermore was right. Natural gas runs down Kings Highway, but it is not taken to the property. Anthony Campagiorni from Central Hudson is working with the business to put together a business case. The property is next to the Army Corp of Engineers site and they also want natural gas; if they are going to come, this will help build the business case to get it onto the site.

APPROVAL OF THE AMENDED BYLAWS

Chair Horodyski stated that he thought that the primary purpose of the amended Bylaws was to appoint a Vice Chair which will provide some continuity in the event that the Chair was unable to attend a meeting. A copy of said proposed amended Bylaws is on file.

Motion: James Malcolm, seconded by John Livermore, moved to approve the proposed amended Bylaws.

Vote: The motion was adopted.

It was unanimously agreed to appoint the Vice Chair and the Annual Meeting.

OLD BUSINESS

DARIENLAKE - KINGSTON

Legislator James Maloney reported that he believed if they had not gotten their approvals they are very close. They were waiting for their SEQR to be 100% complete. He was not sure of the actual status.

NEVELE

There is no update on the Nevele. Waiting the announcement from the Governor.

14 PINE STREET – BLUE HAVEN HOSIERY

Counsel Scott reported that there is nothing new to report.

ULSTER COMMONS

Counsel Scott reported that the project continues to work through issues.

TOWN OF NEW PALTZ FEASIBILITY STUDY

Correspondence was sent by counsel regarding this matter to the Town of New Paltz. As this time, no response has been received.

LABOR POLICY

Chair Horodyski stated that his understanding was that the Agency was going to work the Labor Policy into the Uniform Tax Exemption Policy (UTEP). He proposed to have the Governance Committee in the first quarter of next year to start looking at any other potential changes to the UTEP and then before summer, go out to Public Hearing on any proposed changes that there may be. Right now there is a proposed change to the POINTS calculator to include some level of incentive for using a local labor force.

Mr. Malcolm respectfully disagreed with Chair Horodyski. He thought that it was discussed last month and some of the members hadn't seen it and it was postponed to this meeting for consideration. There was no mention of waiting until the UTEP; we were going to take action this month.

Chair Horodyski responded that if we take action this month it becomes a requirement.

Mr. Malcolm replied it doesn't; you can insert it when you do the UTEP. He did not know why it was being put off if that is what Governance worked hard on.

Chair Horodyski stated that he no argument with the work that Governance had done. He doesn't want to make a requirement; he wants to make it a part of the UTEP.

Mr. Malcolm responded that you certainly can when you change the UTEP you can insert it in.

Chair Horodyski replied that if we say it is required, because right now the way the policy speaks, it says it is required. Now it becomes a requirement outside the UTEP.

Mr. Malcolm stated that you can word it such that it is contingent on the changes to the UTEP. What he heard at the last meeting was that we went through it and asked the members who hadn't had an opportunity to look at it With reference to the materials that were provided by counsel, he didn't see anything.

Chair Horodyski stated that it gave a sense of who had them, what they have, how restrictive are they, etc.

Mr. Malcolm stated that he would defer to the board, but it is disappointing because he felt that the members were going to take action.

Chair Horodyski stated that right now the way the policy reads it turns into a requirement.

Mr. Malcolm responded that if you enact the policy on a certain date it doesn't.

Chair Horodyski asked if we can approve a policy with a pro-active date opposed to a retro-date at some time in the future after the conclusion of the UTEP review. Right now the way the policy is written it doesn't speak to any points. It doesn't speak to how it is going to calculate. That was his concern.

Mr. Malcolm responded that when he negotiated a contract back in February and the rates don't become effective until July, they don't become effective March 1st.

Chair Horodyski asked if we can approve that subject to the completion of the UTEP.

Counsel Scott responded yes – we can do that.

Chair Horodyski stated that he had no problem doing that. He thought that what would happen is that you are going to see changes to that policy to encompass the UTEP.

Mr. Malcolm responded that if it is numbers that is fine.

Chair Horodyski stated that he didn't think any member that doesn't want to show that we want people to use local labor in the county when they do projects when they come bended knee to the Agency.

Mr. Malcolm stated that if the Chair would prefer to give members until next month's meeting that would be fine.

Chair Horodyski remarked that if we are going to approve it subject to our UTEP completion that is fine. He wanted to caution the members that what they find is that what they approved today is not going to be the end product because it is going to have to include the UTEP provisions, or how it is actually going to calculate.

Mr. Malcolm we are ever changing. You say you are fine and he is giving the counterpoint. You always have addendums to policies.

Mr. Morrow stated that as he recalled Governance's meeting, the members felt that the two of them had to go hand in hand ... the UTEP and the Labor Policy. They should be married at the same time; perhaps we should go through the UTEP, bring it to the members, get the members feelings about what they want to do in the UTEP and then Governance will put it all together as a package.

Chair Horodyski stated that we will wait on the Labor Policy. Let's get a sense of the UTEP.

Mr. Morrow stated that he didn't think that Governance had a problem with putting the Labor Policy out for discussion and/or vote prior to the UTEP with the understanding that the changes to the UTEP the Labor Policy may have to be tweaked.

Chair Horodyski asked if the members would be comfortable if we put the Labor Policy up for a vote in December, subject to the completion of the UTEP process.

Mr. Lattin asked for an explanation of what the issue is. What we are talking about is simply there being a preference for local labor and then the translation of that into the POINTS system.

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Mr. Malcolm stated that about 90% of the businesses are using labor that is around the area.

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PUBLIC COMMENT

Chair Horodyski opened the meeting for public comment.

Jennifer Schwartz-Berky. Ms. Schwartz Berky was here as the policy and planning advisor for Kingston Citizens.org, which is a community organization in Kingston. It has been around since 2004 and their work is to help to increase transparency in civic engagement in government and to educate the public about various government initiatives. It may be no secret to the Agency that they are very concerned about the Niagara Bottling proposal for a number of reasons. A lot of the work that they have been doing has been as a result of citizens reaching out to them by the thousands showing their concern. Hundreds have shown up a City Hall. Thousands have actually commented on their website and they are in touch with Riverkeeper and a number of other organizations including national organizations that are not proponents of bottled water. What they have been working to do is to make sure that Kingston as a government has the potential to be an involved agency because there are unforeseen potential infrastructure costs that are not yet disclosed that they will be discussing today with the Water Board. They seek to understand why at this point, the Kingston government is not yet an involved agency in the SEQR process. This is something that they have been advocating and as a result, they have worked closely with the Common Council and they have submitted a memorializing resolution to the Town of Ulster in general as a local law to become an involved agency in the process as a result of being potentially a decider in the bonding of infrastructure costs for the increase capacity required by Niagara. They are very interested in working with the UCIDA to understand not only the relationship that it has to your decision making process in the PILOT regarding first of all the calculation of points in the PILOT calculator. In particular they are aware that Niagara Bottling has a relatively negative track record across the country in terms of litigating against communities where they are already being hosted which is a significant expense. Their general jobs are not very high paying so they might not meet the calculations that you require for a PILOT. Most of the jobs do not require higher education, which is something that you use to calculate your PILOT. They have also not yet seen, and it has been admitted by the Town of Ulster's Supervisor Quigley that they don't yet have the cost benefit analysis to justify the tax rebates or tax exemptions that they might be seeking. They are waiting until the SEQR process begins to do so. At this point, what they are doing is hoping to make clear with all the organizations that are involved that they are interested in understanding the economic impacts on the community. They are also very concerned that the use of 25% or more of the water capacity, which is still to be determined because we still don't have an engineering report about the capacity of the water that is available in Cooper Lake, they are very concerned that might foreclosure future economic development and housing opportunities for all of Ulster County and the six communities that depend on the water from Cooper Lake, as well as the Ashokan Reservoir becoming the emergency water resource for those communities should Cooper Lake fail to be able to provide. As we work together with their community they are trying to be as cooperative as possible. This is really about disclosure; about cost benefits analysis and they hope that they can work with the UCIDA to understand whether PILOTs are even justified in this instance. She would like to be in touch with Ms. Holt just to make sure that they are in step with the Agency. They are going to be working with various state and national non-profits and organizations to do these calculations and they would be happy to provide this information to the UCIDA because it is a very big responsibility to consider being water rich and giving it away for potentially very low paying jobs and little gain for the community.

There being no other individuals requesting the Privilege of the Floor, Chair Horodyski closed the public comment section of the Agenda.

EXECUTIVE SESSION

Chair Horodyski asked for a motion from the members of the Agency to move into Executive Session to discuss pending legal matters with the Town of New Paltz.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn into Executive Session for the purpose of discussion of pending legal matters.

Vote: The motion was adopted.

The Agency adjourned into Executive Session at 8:54 a.m.

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn out of Executive Session.

Vote: The motion was adopted.

The Agency adjourned out of Executive Session at 9:01 a.m.

No official business was transacted during Executive Session.

ADJOURNMENT

Motion: John Livermore, seconded by Floyd Lattin, moved to adjourn the meeting

Vote: The motion was adopted.

The meeting was adjourned at 9:02 a.m.

Respectfully submitted,

John Morrow
Secretary