



NAME

12/2/2021 CRC Board Meeting Part One

DATE

February 11, 2022

DURATION

21m 1s

9 SPEAKERS

Rose Woodworth
James Malcolm
UCCRC Board Members
Dr. Diane Eynon
Michael Ham
Faye Storms
Richard O. Jones
Lucia Romeo
Joe Scott

START OF TRANSCRIPT

[00:00:01] Rose Woodworth

All right, there you go.

[00:00:02] James Malcolm

Live stream. Ok, great. Good evening, everyone, and I'd like to welcome you to a meeting of the Ulster County Capital Resource Corporation. I'd like to call the meeting to order and Pledge of Allegiance, please.

[00:00:14] UCCRC Board Members

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands. One nation under God, indivisible with liberty and justice for all. Thank you.

[00:00:31] James Malcolm

The mission of the Ulster County Capital Resource Corp. is to promote community and economic development in Ulster County in ways that complement the work of Ulster County, primarily through issuing and selling bonds for non-profit institutions. I'd Like you all to take a minute to take a look at the minutes from the October 20th 2021 meeting and after reviewing them, if so, then accept as presented, if not any pertinent changes that need to be made.

[00:00:57] Rose Woodworth

Chair we still need to do the roll call. Can I jump in and do that now?

[00:01:01] James Malcolm

Ok, roll call.

[00:01:02] Rose Woodworth

James Malcolm?

[00:01:04] James Malcolm

Yup.

[00:01:05] Rose Woodworth

Diane Eynon?

[00:01:07] Dr. Diane Eynon

Present.

[00:01:07] Rose Woodworth

Michael Ham?

[00:01:09] Michael Ham

Here.

[00:01:10] Rose Woodworth

Faye Storms.

[00:01:11] Faye Storms

Here.

[00:01:12] Rose Woodworth

Orlando Reece and Daniel Savona were both absent with notice. And Richard Jones?

[00:01:17] James Malcolm

But they're both they're both reachable by phone. I want you to qualify. OK.

[00:01:27] Rose Woodworth

Yep, they are.

[00:01:27] James Malcolm

All right. I had started to talk about the minutes, so please review them. And when you feel necessary, make a motion to accept this presented or not. Hi, Rick, how are you? You're muted, that's OK. We'll get you.

[00:01:49] Michael Ham

Chair, I motion to accept the minutes as...

[00:01:52] James Malcolm

I have a motion to accept the minutes as presented, do I have a second? Did you say yes, Rick?

[00:02:00] Richard O. Jones

Second.

[00:02:01] James Malcolm

OK, thank you. Anyone on the question? All those in favor? Aye.

[00:02:07] UCCRC Board Members

Aye.

[00:02:07] James Malcolm

Opposed? Carried. Public comment agenda items only. Is there anyone out there, Lucia, you want to say anything or no?

[00:02:15] James Malcolm

I feel like I probably said what I need to say a couple of times. So you all probably...

[00:02:21] Lucia Romeo

Less is more Lucia. You got it.

[00:02:22] Lucia Romeo

I'll save us the time.

[00:02:24] James Malcolm

Okay. I'll tell you what we are just. Just to save Lucia, a little bit of time, we're going to go to old business first, then we're going to go, I'm going to deviate from the from the schedule, then we're going to go into executive session. Ok, so Romeo Kia. Counsel? CEO? What do we got?

[00:02:51] Rose Woodworth

Um, I can start and then I will hand it over gladly to Joe. So we covered it at the public hearing, but just to make sure that it's clear there were some project changes because of, I guess, Lucia you could elaborate I guess, but because of how long it's been and changes in the estimates from the contractor, the changes to the project would be that it's going to increase to approximately \$7 million. And then as such, there would be a little bit of increase to the mortgage recording tax and the sales tax. And all of that was part of our public hearing. So I took the new figures from Lucia and then I did a new cost benefit analysis, which is on page 10 of the packet. Sorry, originally there was still a very good cost benefit, cost benefit ratio, benefit to cost ratio. But now, with the changes and the incentives, it's much higher, obviously, because there's much less in incentives and there is a higher, a larger investment into the county. So for um, sorry for, for what we would be incentivizing for the project, which would be mortgage recording tax and the sales tax. It would be a benefit to cost ratio of eighty seven to one. If they end up going through with the four eighty five B through the town, that has nothing to do with us, but it's still public incentive, then it would still be a benefit to cost ratio of forty four to one. So all of that is outlined in the packet, and I show both analysis from in-form analytics in here. On Page 25, that's where we have any written comments that were submitted from the public hearing. We don't have the transcript back from the public hearing yet, but all of the board members have received the link to our video and we're able to watch it there, as opposed to having to read through the public transcripts or through the public hearing transcript. And then on page thirty six...

[00:05:25] James Malcolm

Can you just for my own edification, did you get any communication sent in outside of the meeting?

[00:05:34] Rose Woodworth

Yeah. So they were, they're in here as well. There were three that were sent in prior to the meeting that were read out loud.

[00:05:41] James Malcolm

Those I don't care about. I'm talking about after the meeting.

[00:05:43] Rose Woodworth

And then there were some sent in after the meeting. Most of them were in favor of the project, and I think there might have been one or two that were not in favor of the project. At the public hearing, just as a side note for the board members here, the chair and Mike and Rick and Joe and I listened to some obvious misconceptions in regards to the IDA and the CRC as far as what we do, how we do it. And we were able to kind of touch base with a few of the people that really didn't understand. For example, two people thought that we were physically buying the land and physically building this building for Romeo and then letting them lease it back from us, which is obviously not what's happening. Romeo is obviously paying for this project themselves. So after explaining that it led to some further conversation and one of the gentlemen and I have had some good conversations with some other misconceptions and things he didn't understand, which has led to him going out of his way to compile a list of things that he doesn't understand and feels that other people don't understand. Because I know he reached out to some friends of his in the community and things that people may or may not have concerns with, and he sent it over to me so that we can start to help the public better understand what it is that we do.

[00:07:19] James Malcolm

Yeah, it just ties into the stuff that Faye and Diane and her their crew are doing as far as marketing, and it's good. It's good stuff.

[00:07:32] Rose Woodworth

And then on Page 36 I will turn it over to Joe because of the resolutions here. Unless anybody has questions.

[00:07:41] Faye Storms

So basically, there was only two people who are really showed disapproval of it. Correct?

[00:07:49] Rose Woodworth

In the written comment?

[00:07:50] Faye Storms

Yeah, in the written.

[00:07:51] Rose Woodworth

Yeah. Yeah, it's probably about two and when we were there at the public hearing. Three or four?

[00:07:58] Faye Storms

Right, yeah, it seemed like it was hard to hear in the public hearing, I couldn't hear half of what they were saying.

[00:08:04] Rose Woodworth

Yeah, I've heard that.

[00:08:04]

To tell you the truth, Faye. I mean, there was...there was four or five that had concerns and they were against it. And I think I mean, I don't have a crystal ball, but I think after we took time after the meeting or outside to explain some things they had a better understanding, I'm not sure if that changed their mind. Supervisor Quigley got up and he gave a quick overview and the economics of the situation as far as how it affected the town of Ulster, and I think that was a big help. So, you know, again, you know, I have to thank Lucia because I don't know if I would have been as gracious if people basically telling me I was robbing them, as she was. So, you know, good, good stuff there. So let's proceed, counsel.

[00:08:52] Rose Woodworth

So I'm sorry, I'm just going to. Real quick, the incentives that we're giving are it's only a total of three hundred and fifty two thousand dollars. Half of that basically is what's coming from the county. So it's not that much money, which was one of the things that Supervisor Quigley had touched on. It's, you know, half of three O four is actually Ulster County and then forty eight thousand is Ulster County as well. So sorry, go ahead, Joe.

[00:09:22] James Malcolm

But but what? What was good about Jim Quigley was he talked at a positive impact. Dollars and cents wise from the business back onto the town and the county. And that, that tends to get lost. Ok, Joe.

[00:09:38] Joe Scott

Yeah. Thank you, chair. So there's there's two action items for the CRC this evening. One is the SEQR resolution that's on Page Thirty six of the PDF. And the second is the Approving resolution, which is on page 40 of the PDF. I'll start with the SEQR resolution. We need to consider that first in order to consider the Approving resolution. The SEQR resolution is very similar to what we considered as the IDA several months ago. What we're basically doing is confirming the action taken by the town of Ulster Town Board with respect to a SEQR clearance with respect to the matter. And with that, I'll open it up for any comments or questions.

[00:10:24] Faye Storms

Everything was resolved with the Eagles. Joe?

[00:10:29] James Malcolm

They're not, they're not there right now.

[00:10:32] Joe Scott

That's correct. That's my understanding. Everything was resolved and their construction, and that's frankly part of the reason we're having this special meeting is that we're, we're reacting to the construction restrictions on the site, which are impacted partly by the weather and partly by the eagles.

[00:10:54] Faye Storms

Right. Ok.

[00:10:59] James Malcolm

I just, a quick question for Lucia. Do you have a contract or a record yet a general contractor for the project?

[00:11:05] Lucia Romeo

Yes. Mike Schatzel.

[00:11:08] James Malcolm

Oh, from Kingston, OK.

[00:11:10] Lucia Romeo

Yeah, as much local as we possibly can.

[00:11:13] James Malcolm

Yeah, it's good. It's an area guy.

[00:11:16] Lucia Romeo

Yep.

[00:11:18] James Malcolm

All right. We need a roll call on anything or do you have to read it first?

[00:11:23] Joe Scott

No, all all that needs to be done chair is read the, read the title of the resolution and ask for a motion and a second.

[00:11:31] James Malcolm

I'm not on the page. Let me get on

[00:11:35] Joe Scott

Its page thirty six.

[00:11:38] James Malcolm

Sorry, sorry. Sorry. I apologize. That's pretty good. Um, and I'm supposed to read the SEQR?

[00:11:47] Joe Scott

It's a resolution this is about two thirds of the way down resolution accepting the determination by the town of Ulster Town Board.

[00:11:58] Faye Storms

It's all in uppercase.

[00:12:00] James Malcolm

Oh, I'm sorry, I apologize. Ok, resolution accepting the determination by the town of Ulster Town Board to act as lead agency for the Environmental Review of the Romeo Enterprises LLC project an acknowledgement receipt of the negative declaration issued with respect thereto.

[00:12:19] Faye Storms

I'll make a motion to...

[00:12:22] James Malcolm

Go to roll- call? I have a motion to go to a roll call vote. From Faye Storms, do I have a second?

[00:12:29] Richard O. Jones

Second.

[00:12:29] James Malcolm

I have a second from Rick Jones, please proceed.

[00:12:34] Rose Woodworth

James Malcolm.

[00:12:35] James Malcolm

Yes.

[00:12:36] Rose Woodworth

Diane Eynon?

[00:12:38] Dr. Diane Eynon

Yes.

[00:12:39] Rose Woodworth

Faye Storms?

[00:12:41] Faye Storms

Yes.

[00:12:42] Rose Woodworth

Um. Sorry, Michael Ham?

[00:12:47] Michael Ham

Yes.

[00:12:48] Rose Woodworth

Orlando Reece and Daniel Savona were both absent with notice. And Richard Jones?

[00:12:54] Rose Woodworth

Yes.

[00:12:56] Rose Woodworth

Ok.

[00:12:59] James Malcolm

Well, you're not guilty of the first charge, Lucia. You're OK.

[00:13:03] Lucia Romeo

One down, one to go.

[00:13:06] James Malcolm

Where are we going now counsel?

[00:13:07] Joe Scott

Chair on Page 40 of the PDF.

[00:13:11] James Malcolm

Ok.

[00:13:12] Joe Scott

This is the resolution approving the, and entering into the documents by the CRC.

[00:13:20] James Malcolm

OK.

[00:13:21] Joe Scott

Not the IDA, but the CRC. This resolution authorizes the entering into the lease. The various financing documents appoints the company, our agent for sales tax purposes and as Rose indicated, the benefits being extended here are mortgage recording tax and sales tax. There are a couple of things I'd like to highlight to the board because this is unusual. We typically structure these transactions through the IDA, and we're structuring this transaction through the CRC because of the procedural legal issue that we had with the IDA process. So if you would go to Page PDF page 43. And what I want to do is review with you the findings with respect to this project. At the bottom of the page, in section three, there's a number of findings that start on the bottom of that page.

[00:14:25] James Malcolm

Ok.

[00:14:25] Joe Scott

On page forty three and then continue on to the next page. The ones that I want to highlight are on the next page PDF page forty four in subparagraph B, we talk about the mission statement of the CRC. If you read carefully the mission statement, you'll see that it's, that it focuses on the issuance of tax exempt bonds for not for profit corporations. That was the primary reason why we created the CRC because as you may recall, back in January of 2008, the ability of IDA's to do projects for not for profit corporations expired. However, our mission statement is broad, is very broad, and if you read it, says in the quoted language to promote community and economic development in Ulster County in ways that complement the work of Ulster County. So this is consistent with our our mission statement. It's also consistent with the Certificate of Incorporation, and that's sub C of the findings, which talk about undertaking projects and activities within the county for the purpose of relieving and reducing unemployment and bettering and maintaining job opportunities. Um, the next finding that I want to highlight is in E. I'm highlighting the reason for the special meeting, and we touched on that a little bit under the SEQR resolution. We're doing this to accommodate the construction schedule. As we all know, this project has been delayed for a number of months, and that's created some significant stress on the part of the project applicant. And we're holding this special meeting so that we can accommodate their undertaking and initiating the construction on the site of the project. The only other item that I want to highlight is that in J, that we've reviewed the public hearing report, we've talked about that and we've also previously reviewed the the public hearing report that was prepared in connection with the IDA, public hearing. So we've actually held two public hearings with respect to this matter. The balance of the resolution authorizes the chairman and the other authorized officers to execute documents. If you go to PDF page forty eight, that's our Exhibit A to the resolution, which highlights a number of the criteria that satisfied with respect to the project, we talk about the 18 retain jobs, the 18 new jobs, the 40 full time equivalent construction jobs. In row four you'll see that that number is consistent with the information that Rose reviewed in terms of project cost. And then in row five, we talk about the value of the exemptions and then the balance of the of the items are, are very consistent with what we did and found when we considered this through the IDA. The only other thing I'll note and Lucia can can chime in if necessary, I mean, she has construction workers poised to start tomorrow. She's attempted to the best that she can...

[00:17:52] James Malcolm

Getting out in front a little bit, aren't you?

[00:17:55] Lucia Romeo

Being optimistic.

[00:17:57] Joe Scott

She's being optimistic, exactly, but she's followed our rules with respect to not initiating the project until we've approved the matter, even though there's obviously been some, some time schedule issues with respect to the matter. So with that, I'll pass it back to you, Chair. If you go to page, PDF page 40 and right there in the middle of the page is the, is the all cap text of the title of the resolution.

[00:18:25] James Malcolm

The resolution authorizing execution of documents in connection with a lease/leaseback transaction for a project for Romeo Enterprises LLC, otherwise known as the company. So I need a motion to go through a roll-call.

[00:18:39] Richard O. Jones

I'll make that motion.

[00:18:40] James Malcolm

Thank you, Rick. Do I have a second?

[00:18:43] Dr. Diane Eynon

Second.

[00:18:44] James Malcolm

Ok, thank you. Dr. D. Proceed.

[00:18:51] James Malcolm

James Malcolm?

[00:18:53] James Malcolm

Yes.

[00:18:54] Rose Woodworth

Diane Eynon?

[00:18:56] Dr. Diane Eynon

Yes.

[00:18:57] Rose Woodworth

Faye Storms?

[00:18:58] Faye Storms

Yes.

[00:18:59] Rose Woodworth

Mike Ham?

[00:19:01] Michael Ham

Yes.

[00:19:02] Rose Woodworth

Orlando Reece and Daniel Savona are both absent with notice. And Richard Jones?

[00:19:07] Richard O. Jones

Yes.

[00:19:11] Rose Woodworth

Resolution's adopted.

[00:19:13] James Malcolm

Okay.

[00:19:14] Lucia Romeo

Thank you all. Greatly appreciate it.

[00:19:17] James Malcolm

Thank you for bearing with us. It's, I know it's been a difficult process, but...

[00:19:21] Lucia Romeo

What's your, what's your ETA? To be in the, to complete the project? We're hoping the end of next September. But I mean, at least that's what we're pushing the contractor for.

[00:19:35] Faye Storms

And when does your lease end?

[00:19:37] Lucia Romeo

I was able to get an extension until next January. There's been much negotiation back and forth. They graciously agreed to that. Thank goodness. So...

[00:19:46] Faye Storms

That's good.

[00:19:47] Lucia Romeo

Yeah, that was that was a big hurdle, but luckily...

[00:19:51] James Malcolm

We could be of help. And you know, a lot of, a lot of other places around here would have just probably cast you out, but you have a ton, a ton of good board members here that you know, they're always looking for a way to get there. And this is what happened here. Maybe not to the degree we want it, but that's why they make the, the windshield bigger than the rearview mirror, right? We're looking forward.

[00:20:16] Lucia Romeo

Keep looking forward. I appreciate it. Each and every one of you, thank you so much for all the work that you've done on this.

[00:20:21] Dr. Diane Eynon

All the best with your project.

[00:20:29] Faye Storms

You'll sleep tonight.

[00:20:30] Lucia Romeo

Yes, I got a couple of phone calls to make first, so thank you all again.

[00:20:36] Faye Storms

All right.

[00:20:36] Dr. Diane Eynon

All right.

[00:20:37] James Malcolm

Great. So we're going to jump back if you guys don't mind and we'd like to go into executive session. For what Rose?

[00:20:46] Rose Woodworth

Ok, so we need a motion to go into executive session for the purpose of the advice of counsel?

[00:20:51] James Malcolm

I'll make that motion.

[00:20:53] Faye Storms

I'll second.

[00:20:54] James Malcolm

I have a second with Faye, all those in favor?

[00:20:57] UCCRC Board Members

Aye.

[00:20:58] James Malcolm

Opposed? Carried. Thank you.

END OF TRANSCRIPT



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