



NAME

12/15/2021 IDA Board Meeting Part Two

DATE

February 11, 2022

DURATION

29m 59s

10 SPEAKERS

James Malcolm

Rose Woodworth

all

Richard O. Jones

Daniel Savona

Joe Scott

Timothy Weidemann

Dr. Diane Eynon

Orlando Reece

Michael J. Ham

START OF TRANSCRIPT

[00:00:01] James Malcolm

Ok, we're back, let the record show at 9:37, we made a motion, we seconded it and it was approved to come out of Executive Session.

[00:00:12] Rose Woodworth

No action was taken during Executive Session.

[00:00:15] James Malcolm

No action was taken. All right. So that brings us to Financials.

[00:00:24] Rose Woodworth

Rose, would you review those?

[00:00:26] Rose Woodworth

Yes. So it's on Page 11. Um, not a ton of activity in the month of November. There were the project administrative fees again the pass through, which is just Loewke Brill for Innis and RBW and then the office fees for the month, and a little, little bit of interest income, and then no changes in the bank accounts. Really nothing too much to report.

[00:01:07] James Malcolm

Ok, that brings me to the Chair's Report. I'm pretty much going to defer to the CEO. I will say it seems like right about now we're the pretty girl at the dance. People are reaching out, asking questions about the process and opportunity and potential projects that are out there, which honestly, there's some that you've seen in the paper and others that we probably won't discuss until it gets a little bit of traction. But all in all, it's been very busy. I'd just like to take a second to and we all know it's been a tough year for several reasons pandemic and profile issues with the IDA and a lot of other things and and quite honestly, without the board that's in place and I stand up and I stand behind and I support each and every decision that every one of them makes as a group. I certainly could tell you, if you know, this is a board with diverse opinions. And at the end of the day, through a lot of good dialogue, we reach decisions and for the best of the financial well-being and a citizenry of the county. But I'm honored to be able to serve as as both a member and the chair of this board. So thank you for all your hard work this year as well as our professionals. Just a lot of diligence. So thank you very much and that's my report, and that'll bring us over to the CEO's report.

[00:02:55] Rose Woodworth

Thanks, Jimmy. Bring up a good point, it's hard to believe it's been another year already, so I just have a few things I wanted to say that we have updated the website a small amount so far to add an About Us page, which moves some of the stuff off of the main page about who the board members are and the committee members. And it's just a little bit more clear and working to make the website a little bit more user friendly and easier for people to navigate and get the information they need. Site visits have started as you all know, and have gotten lots of emails on and harassing emails from me. I don't know if Diane wants to touch on it at all, but it was really important to the Audit Committee that board members try to make some of those site visits, especially since they're over Zoom, because it does offer a lot of insight into what our projects are dealing with throughout the year. The two that I've had so far were pretty fascinating to me. You know, we have some. I look forward to doing some of the other ones, but we have some projects that were not affected negatively by COVID at all. And I mean, maybe negatively affected because they can't find more workers or whatever's going on in the workforce right now. But their business is booming and they're having their best years yet, which is pretty interesting. So I urge you all to please try to attend a couple of those meetings. I wanted to touch base on the fact I don't know if Joe will have anything to add that I had sent out the information that the lawsuit that was brought against us in regards to the Kingstonian has been dismissed and was dismissed in our favor. The the court found that we didn't do anything wrong with what, you know, we were transparent and that everything was handled properly. The two last things is we have a bill from Hodgson and Russ that I need a board. The board's approval or contingent approval on to approve or to pay.

[00:05:27] James Malcolm

I'd like to get a motion to pay Hodgson Russ's bill contingent on review by the CEO and the board members. That way, we protect each other as far as that goes, so I'm going to put that in the form of a motion. Can I have a second? I have a second by Mr. Reese. All those. Anything on the question? No, all those in favor, aye.

[00:05:27] all

Aye.

[00:05:57] James Malcolm

Opposed, carry. Thank you.

[00:06:00] Rose Woodworth

Thank you, and then one last piece. It's kind of skipping a step, but I did already talk to Diane about this. I was hoping to go through the audit committee first, but obviously that meeting got postponed on Monday. My fault. So we are done. We cannot use inform analytics, which is our cost benefit analysis tool any longer after December thirty first. And I really don't want to be caught in a time period with zero cost benefit analysis tool. I ran it by Diane and Orlando already last week and I got a an engagement letter back. It's on Page 13 of the packet from the company that I was proposing. We use. The in-form analytics had an annual cost of a minimum of \$900 per year every year and I believe was going to go up to 1500 for next year based on the amount of times we've used it. This other tool is Excel based and it is a one time fee of \$1000. So my thought and Diane and Orlando concurred was even if we find something better, it's no more than we would have spent for one year. And then this way we're still covered and have a good, a good tool to use. And then they have On-Call assistance and they list their fees out for that as well. And I did also send it over to Tim Wiedemann at Economic Development to look at.

[00:07:33] James Malcolm

Ok, so what you're looking for is a motion to get engagement for the new cost benefit analysis tool.

[00:07:42] Rose Woodworth

Yes. And to spend one thousand dollars.

[00:07:42] James Malcolm

A total of how much?

[00:07:44] Rose Woodworth

One thousand.

[00:07:45] James Malcolm

Ok, can I get a motion to get engagement letter for the new cost benefit analysis tool for \$1000?

[00:07:55] Richard O. Jones

I'll move.

[00:07:56] James Malcolm

So moved. I have a second?

[00:07:58] Daniel Savona

I'll second.

[00:07:59] James Malcolm

I have a second. Thank you. Anything on the question? No, all those in favor. Aye.

[00:08:04] all

Aye.

[00:08:04] James Malcolm

Opposed. Carry. Thank you.

[00:08:09] Rose Woodworth

Thank you, Jimmy. And so I just wanted to I just we'll end it there, we're going to try to have the Governance and Audit Committee meetings shortly, hopefully before year end. And then our next board meeting won't be until January 19th of 2022, so I look forward to it.

[00:08:29] James Malcolm

Thank you very much. Before we get into the Committee Reports counsel, can you give us a quick overview, kind of in lay terms about the lawsuit and how it rolled out in the judge's opinion?

[00:08:46] Joe Scott

Be happy to chair, it was an outstanding win, if I may say so. I don't have Chuck Malcolm, my partner, on the line, so I really can't get into all the various details of the lawsuit itself. But as CEO Woodworth alluded to, we were frankly validated on every item. You know, our resolutions were supported by the court. Our actions were supported by the court. Our deliberations were supported by the court. The lawsuit was in essence, a challenge to the actions taken by the IDA, and it was a uniform win on every issue. The only thing I'll highlight with respect to a quick summary of the of the litigation chair is that you'll see throughout the decision terms like not arbitrary and capricious. We acted deliberately, we acted prudently, and that demonstrates that the procedures that you have all been following and and and enacting, excuse me, have done, have put you in good stead for what is frankly the nightmare of any governmental entity. Namely being challenged on an action that you've taken. And so I just, you know, so the summary is a very good result, very strong result. And it's a tribute to the board and and to staff with respect to how you're proceeding and considering projects.

[00:10:24] James Malcolm

And one last thing. Thank you, Joe. One last thing I see Tim Weidemann's here. I don't see his video, but if if Tim could pop in, there he is. Hey, Tim, I know there's been a lot of talk that's been out there in the newspapers about what just recently transpired at the former IBM. And I know we all kind of sat and met together, and we're not looking to give away anybody's proprietary whatever but for the viewing, public or whoever. Can you just give a quick overview of of what your what the goals are, the county and how you feel? I know we had some brief discussions on how the IDA can work along with it and Rose, you chime in as well. So Tim, please?

[00:11:12] Timothy Weidemann

Yeah, I appreciate it. Chairman Malcolm, yeah, I appreciate the opportunity because things are obviously moving relatively quickly here and any opportunity to explain what's proposed and how it's moving along is appreciated. So what we have is a, let me back up, I always have to back up because there's just at least some stuff that I should make sure everybody's aware of. The County started a foreclosure proceeding on the remaining parcels of Tech City that are owned by Allen Ginsberg. Folks may be aware that on the west side of the campus, we already foreclosed in a couple of parcels and then a company called Mio Marino? Bought a few parcels on the east side of the campus. But the remaining parts of the campus that are still held by Allen Ginsberg have been delinquent in taxes, and the foreclosure proceedings started in July. Ginsberg contested that foreclosure proceeding and we've been awaiting a judge's order. Also anticipate that if the judge ordered in our favor that Allen would take all measures to protect his assets, which might include bankruptcy proceedings and other attempts to delay the foreclosure process. So we were pleasantly surprised when after an RFEI that we issued for the West Campus National Resources, a developer downstate that's responsible for redevelopment of a bunch of old industrial sites, including the IBM Fishkill site, stepped forward and said that they were interested and had been negotiating with Allen to purchase his remaining holdings on the East Side. That purchase is obviously complicated by the fact that the county is in a foreclosure proceeding, and so it was wise of Mr. Cotter from National Resources to reach out to us so that we could start talking about the foreclosure proceedings and what would be necessary to effect the transaction. In the end, I think we all recognize that those properties are economically underwater. There is significant environmental liabilities that the EPA estimates to be between seven and twelve million dollars. Those are early estimates. They're likely to go higher as the final details are assessed and some of the buildings that need to be remediated. And then there's a twelve million dollar unpaid tax lien on the properties, in addition to a handful of other miscellaneous encumbrances. So we entered into discussions and negotiations with Mr. Carter, and National Resources came into a purchase price of twelve million dollars that would satisfy the back taxes. It would be paid in a combination of cash five million dollars in increments of one million dollars over five years, plus a commitment to complete at least seven million dollars of cleanup costs for which he would receive a credit towards that purchase price brings us to the twelve million dollar proposed purchase price. So that whole arrangement was identified and really laid out through an order from Judge Rounds, who is the judge that's presiding over the foreclosure case. That was an order that he issued on December 1st, followed quickly thereafter by the Legislature approving the county to receive the deeds and then setting a public hearing. And that's really our next step at this point Chairman Malcolm is that we have a public hearing scheduled by the Legislature on December 21st at 6:30 p.m. We've been reaching out to folks and have an FAQ and other information up on our Economic Development web page on the county website to help explain all of this. And there's obviously lots of details that I'm kind of glossing over. Happy to go into further detail on any of it if anybody has specific questions, but most of the responses to the things we've heard are up on that website. Ultimately, we hope that.

[00:14:33] James Malcolm

Get at Tim was and again, Rose has got some expertise, but this is going to be one of those deals. There's, there's benchmarks.

[00:14:44] Timothy Weidemann

Yeah,

[00:14:45] James Malcolm

In a lot of times I don't want to get all dramatic with everybody, but there are benchmarks that create a tone and a climate in economic development, and this may be that one in this county. And clearly, this IDA or the ones moving forward are going to kind of have to reinvent and come up with some creative pilots and show people that undertake big, big time projects and costs and whatever that we meet the needs of the citizenry, we we try to impact them as minimally as possible. But I would I wouldn't hesitate to say this will not be your typical pilot. So I think it's going to be a case of working hand in hand with economic development. I would say along with this board, which ultimately makes and has to live with the decisions that are made along with the client who you know, Joe Cotter and I know some of the same people, you know, and I wasn't aware of that going back, but they're the real deal they're involved in. Municipal redevelopment in Brewster, there's a significant project down in Loyd that I think they're going to be looped in on with a developer for a huge conference center and just a lot of things. And look, none of this gets done. Without everybody working together, OK, and there's going to be differences and there's going to be positions on things, but I'm glad Tim showed up and was able to add to the dialogue so.

[00:16:38] Timothy Weidemann

Can I clarify one thing, Jimmy? Just just that at this point, the the developer has not approached the IDA is not requesting a pilot for this acquisition. So just to be on the record and clarify that.

[00:16:50] James Malcolm

I did, I didn't say that. What I'm saying is we discussed some details, like in a lot of things, people will call and say, how does it work? So that's just to clarify to Tim's point, it was an informal discussion as to how pilots work, the impact, what gets done. But I have to assume that somewhere along the line, like a lot of big entities, that there's going to be some interest in sitting down and having a discussion to see if what they're looking to do, if it fits with where we're at and what we're able to do. So would you say that would be a little bit clearer, Tim?

[00:17:32] Timothy Weidemann

Yeah, I think what we've been saying is that they're going to come down the pike at some point with a big project, and it wouldn't be surprising if they request to discuss that with the IDA. So.

[00:17:40] James Malcolm

So I just, I'm just, I'm not trying to get into the legalese with people. I'm not trying to jam anybody up. I'm just trying to give people an idea that they come to us. So there's a lot behind the scenes. Ok. Rose. Anything you want to add to that?

[00:17:56] Rose Woodworth

No, I just wanted to say thank you for bringing that up. Also, obviously, I was trying to not say too much during my report because it's hard to talk. But Tim, I also really appreciated you chiming in. And like Jimmy said, Tim and I have been in constant contact about what's going on, and I was at the announcement with Pat and Tim and a bunch of the Legislature. And, you know, we're just trying to stay involved as much as possible.

[00:18:27] Timothy Weidemann

I appreciate that.

[00:18:27] James Malcolm

All right, we'll listen. Thank you for your input. It's always welcome and we appreciate you looping yourself in for our meetings. So that'll bring us to Agenda Item Number 11 Committee Reports. Dr. D, Audit.

[00:18:41] Dr. Diane Eynon

Thank you, chair. If you go to Page 18, you'll see Loewke Brill Report and Innis is the project that's been monitoring has been monitored or we should say. So last month they were at eighty two point eight one compliance. This month, they're at 100 percent, which is great. And then overall, so far for the year, which we're almost wrapped up is eighty two point nine eighty two point nine one percent compliant. The landscaping work is still going on at the site, which they expect to be done within the next two weeks, and we still have no date when the spa will, they'll begin construction on on the spa. The other thing I wanted to mention that is RBW right now. Insurance monitoring is going on right now. That's the only thing that they're doing. Six companies have been reported for the project, and all the necessary paperwork for all six projects on companies have been submitted, and they've also contacted the client to see if they're expecting any new subcontractors in the coming year. As Rose mentioned, we did not have an Audit meeting. We have to we had to reschedule that. And again, I'll just put a pitch in and ask that if any of you have the time and opportunity to participate in one of the virtual onsite meetings end of the year meetings with with our clients. And that is my report chair.

[00:20:10] James Malcolm

Ok, great, that's a super report. Any questions for Dr. D? No. Ok. Like to make a motion that we accept the report as presented. Do I have a second? I have second. All those in favor signify by saying, Aye.

[00:20:30] all

Aye.

[00:20:30] James Malcolm

Opposed, carried. Thank you very much. That brings us to Finance. Faye is not here.

[00:20:37] Rose Woodworth

Jimmy, I'm sorry. I missed who? Who motioned?

[00:20:41] James Malcolm

Um, I think it was Orlando.

[00:20:43] Rose Woodworth

Ok.

[00:20:45] James Malcolm

And then Rick seconded.

[00:20:46] Rose Woodworth

Ok, thank you.

[00:20:48] James Malcolm

Orlando, looking rather smart today. Is that cashmere Orlando.

[00:20:53] Orlando Reece

Of course. The only way to keep warm.

[00:20:57] James Malcolm

Well, there you go. There you go. All right. Are you ready? Rose. Anything?

[00:21:10] Rose Woodworth

So, I'm sorry, for finance? There's nothing for finance.

[00:21:16] James Malcolm

Nothing for finance. Moving forward to Governance, chair. You're muted.

[00:21:26] Michael J. Ham

Sorry about that. As Diane mentioned, there was no Committee Meetings here on Monday. We had a problem with some stuff, but we're looking forward to trying to meet before the end of the year, I hope with Audit and Governance. We have to update the mentoring program. We have to talk about the policies to be created. We're talking about IDA fees shared with the CRC. We have to go over amended Policies for Procurement Compensation Policy, the UTEP and the Matrix, and we also have to speak with Council and get their advice on creating NDA's for all employees for professional service that we're going to employ in the future, and that would be my report chair.

[00:22:12] James Malcolm

Ok, super report. Appreciate it. Thank you. Can I have a motion to accept as presented? Is that you, Rick, raising your hand up there? Thank you, Rick. Well, you got to get into everything, huh? I'll second that all those in favor? Aye. Opposed? Carried, thank you very much. Brings us to Old Business Status of Pending Projects. What do we got?

[00:22:39] Joe Scott

Thank you, Chair. I'll start and CEO Woodworth will fill in. Extraordinarily busy time of the year. We are working at Hodgson and Russ. We're working day and night, frankly on matters throughout the state, including matters involving the Ulster County IDA. We did close Apheria. The documents were signed, delivered and fees were paid. We are very close to distributing documents on Romeo and expect to close that by year end. And with respect to Kingstonian 90 percent of the documents are out, I'm still working on the Pilot Agreement and the Uniform Agency Project Agreement. I'm going to send those out in the next day or so copy Mr. Jones and Mrs. Woodworth to make sure that that I have all the business terms correct. And my most recent call with their counsel was as recently as early this morning where they are pushing me hard to close this as early as next week, which will it'll probably be more like the end of won't be the end of next week. It'll be probably more likely early the following week, but this is a definite December closing. And that's my report.

[00:23:58] James Malcolm

Ok. It's a good report, Rose. Do you have anything to add with that. No? Ok. Status of Pending Enforcement Matters.

[00:24:08] Joe Scott

Chair, I'll start again, nothing new to report there are a few clean up things that I need to finish up on. Hope to have those cleaned up by the end of the month or at the latest early January, so that when I come to you at the January meeting, that list will be shorter, but everything is proceeding along.

[00:24:27] Rose Woodworth

I do.

[00:24:28] James Malcolm

Thank you very much anyone else?

[00:24:30] Rose Woodworth

I do have to add one thing here. The Audit Committee had discussed this and we were waiting until year end to make it a definite motion, but one of the Pending Enforcement Matters owes us some fees, and I think it's safe to say we're not going to get the annual fees from Amthor, and so the Audit Committee thought because of the amount it would cost to get the fees versus what the fees are and the fact that the project has agreed to refinance and get off as one of our projects, that the Audit Committee thought it was best that we write off the fees so that we can have a neater close to our books at year-end. So the board would just need to make a motion and vote on that if that's what you choose to do.

[00:25:23] James Malcolm

Well, I think what you have to do is you have to give the fees and whatever so a proper motion can be made because unless you have in mind that de minimis amount moving forward on these things, and at that point, I would ask for Counsel's opinion on that.

[00:25:42] Rose Woodworth

So the only the only reason we would agree that it's I mean, it's de minimis, but also because they've agreed to no longer be a project of the IDA. So it's not just that it's de minimis, it's that it's ending and this would be the end of it. The fees were \$1000 for their annual fee, and then they had a \$1000 late fee because they obviously never reported to us for 2020. And then the \$100 fee for having the CPA review the numbers, which was obviously not done because they didn't send in the numbers to have reviewed.

[00:26:23] James Malcolm

Ok. All right, well. All that being said, then I will entertain a motion, Dr. D., would you like to make it to council? Could you give me the right verbiage, are we waving? What are we doing?

[00:26:38] Dr. Diane Eynon

Rose, do you want to take a shot at that? To be honest, I think you probably have a better handle on how to put that in a motion.

[00:26:45] Rose Woodworth

Well, we would. I mean, if Joe, if you have a reason to add to it, but it would be that we write off the fees owed to us by Amthor has bad debt because the Board has determined that they are not collectible and the project has agreed to refinance and no longer be a project of the IDA going forward.

[00:27:08] James Malcolm

Ok, so let me just put this this way, I will I'll make a motion that given the fact that there's not a relationship there, and it would be, it's not cost efficient at this point to waive those fees and not go after it. I mean, help me with this council because there's been a couple of questions, and I don't want to set a precedent with anyone.

[00:27:35] Joe Scott

Well. I think the determination here, Chair, is that is that the Board has looked at the situation and made a determination based on the size of the fee and the cost it would it would incur in attempting to recover the fee and that ultimately you receive the benefit that you wanted, namely you wanted them off your books and they did that. So I think that's a sufficient basis for for waiving or...

[00:28:09] James Malcolm

OK, give me some verbiage. So at that point, give me some verbiage. So at that point, I could say I would like to get a motion concurring with the recommendation of well, with counsel's explanation of the situation.

[00:28:27] Joe Scott

Yeah, so if that question is directed to me, my suggestion would be the motion would be let's accept the recommendation of CEO Woodworth with respect to the treatment of this fee with the addition of Attorney Scott's comments that he made in the minutes.

[00:28:44] James Malcolm

Ok, so after consideration, I would like to recommend that we accept the recommendation of the CEO based on conversations with Counsel regarding this financial matter. Can I get a second, please?

[00:29:01] Michael J. Ham

Make a second.

[00:29:02] Daniel Savona

I'll make a second.

[00:29:03] James Malcolm

I have a second. Anyone on the question? No. All those in favor?

[00:29:08] all

Aye.

[00:29:09] James Malcolm

Opposed? Carry, thank you. All right, that brings us to is that it as far as Status of Pending Enforcement Matters.

[00:29:23] Rose Woodworth

Yes.

[00:29:24] James Malcolm

Ok. Anything under new business.

[00:29:28] Rose Woodworth

Nothing that I know.

[00:29:32] James Malcolm

All right, well, in that case, I'll accept a motion to Adjourn.

[00:29:39] Michael J. Ham

I'll make that motion Chair.

[00:29:40] James Malcolm

I have a motion to Adjourn. Do I have a second?

[00:29:43] Dr. Diane Eynon

Second.

[00:29:44] James Malcolm

Ok. All those in favor signify by saying Aye.

[00:29:44] all

Aye

[00:29:49] James Malcolm

Opposed? Nay. Let the record show at 10:08, the meeting Adjourned. We will wait until 10:15 to open up the CRC meeting. So let's stop.

END OF TRANSCRIPT



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