



MINUTES
COLUMBIA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
BOARD MEETING
Friday, June 10, 2016
4303 Route 9
Hudson, New York

The regular meeting of Columbia County Industrial Development Agency held at their offices located at 4303 Route 9, Hudson, NY 12534 on June 10 2016. The meeting was called to order at 8:33 am by James Mackerer, Chairman.

Attendee Name	Title	Status	Arrived
Bob Galluscio	Treasurer	Present	
William Gerlach	Board Member	Present	
Brian Keeler	Board Member	Present	
Jim Mackerer	Chairman	Present	
Sid Richter	Vice-Chairman	Present	
Sarah Sterling	Secretary	Present	
Theodore Guterman II	Counsel	Present	
F. Michael Tucker	President/CEO	Present	
Tony Jones	Chairman CEDC	Present	
Rick Rector	City of Hudson IDA	Present	
Paul Freeman, Esq.	Architectural Cast Stone LLC	Present	
Tom Rossi	41 Cross St. Hospitality	Present	
Victoria Storrs	IDA Consultant	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Present	
Carol Wilber	Marketing Director	Present	

Minutes:

Mr. Richter made a motion, seconded by Mr. Gerlach to approve the minutes of March 31, May 16 and May 26, 2016. Carried.

Treasurer's Report:

Mr. Galluscio made a motion, seconded by Mr. Keeler to approve the Treasurer's Report as previously distributed. Carried.

Architectural Cast Stone:

Mr. Guterman reminded the Board that Mr. Gerlach and Mr. Galluscio had a conflict of interest with the project and would not be participating in the discussion or the vote.

Mr. Guterman stated the public hearing had been held on June 7th at the A.B. Shaw Firehouse located in the Town of Claverack. He stated no public had attended. He stated the applicant and their attorney had attended and had answered questions asked by the IDA members about the project, in order to further consider the project for approval.

Mr. Guterman stated the short environmental assessment form had been in front of the Claverack Planning Board who had completed their review. He noted the determination had been an unlisted action. Mr. Guterman stated there was one correction in the report. He noted the form was now completed online with an autofill option. He explained other areas surrounding the Commerce Park were home to a bat species considered endangered. He stated that bat was not found in the parcel being reviewed but only in a nearby area. The autofill function had incorrectly checked the yes response to question 15. That answer should be no, indicating there were no endangered or threatened species contained on the site.

Mr. Freeman stated the only concern at the site was the sewer which would be worked out. He noted there had been no issue about an endangered or threatened species for the current building and the proposal was for an expansion of the existing building. Mr. Guterman stated the IDA was involved in financing which would have no impact. He noted the short form had shown no adverse environmental impact. He noted the Claverack Planning Board had issued a negative declaration.

Mr. Guterman reviewed the questions and answers to the part 2 of the SEQR. He asked the Board if there were any questions or comments. No questions or comments were presented. *Mr. Richter made a motion, seconded by Ms. Sterling to approve the SEQR report as presented, with the understanding that the answer to question 15 was no, indicating no threatened or endangered species were contained on the site. Carried.*

Mr. Tucker stressed to the Board approval of the project was contingent upon the award of Excelsior tax credits by NYS to the business. He stated without the benefit the project would not move forward. Mr. Guterman reminded the attendees that in the past, the IDA had approved projects which had not moved forward.

Mr. Tucker introduced Victoria Storrs. He stated she would be doing the cost benefit analysis for the projects as well as reviewing the new reporting associated with the new regulations. He stated it was a specialized task that had been previously performed by Nancy Costine. Mr. Tucker reviewed the cost benefit analysis which was handed out to the Board. Ms. Storrs stated informANALYTICS had been used for the analysis. She stated additional reports could be run. She noted she based the analysis on 75 projected new jobs, with a \$52,000 average weighted salary (obtained from informANALYTICS). She stated the benefits considered with mortgage tax exemption, sales tax exemption and PILOT. She stated the benefit to cost ratio resulting was 14.1:1 based on that information. She stated the software had assumed an additional 23 indirect jobs would result as well as increased household spending and 6 construction jobs. Mr. Tucker stated the company would need to work with the town assessor on the assessment, noting it was currently \$543,000 and taxes were collected at 100%. He stated no loss of tax revenue to the town would result. He stated the standard industrial PILOT would be used which would increase to 100% of the increased value in year 11.

Mr. Richter asked if it were likely a \$3.7 million mortgage could be obtained on the project. Mr. Freeman stated the company had a commitment, noting the business had a sophisticated piece of

equipment and the building would need to be modified around the equipment. Ms. Sterling stated she had spoken to Todd Surta at the public hearing and had suggested a transportation system between Hudson and Philmont to enable city residents to travel to the facility for work. Mr. Surta had informed her that the company had worked with a similar system before and was interested in doing something similar here.

Mr. Mackerer noted the cost benefit analysis used 75 jobs to be created, while the application indicated 65 jobs would be created over 3 years. Ms. Storrs stated she had used numbers submitted to Empire State Development for the cost benefit analysis.

Mr. Guterman stated the IDA was using the standard current document for clawbacks. He stated it provided for the IDA Board to institute clawback on benefits for non-performance, He stated the Board had the option of terminating benefits and then instituting clawback on the benefits. He stated the IDA had flexibility dependent upon the situation. He explained the IDA might not clawback benefits if the company had to reduce size due to economic conditions, while a plan to close and move the business could trigger immediate clawback. Mr. Mackerer stated he preferred to have the principal of the business to come before the IDA and give a brief report on the status of the business.

Mr. Mackerer asked if the sewer issue would have a impact on this project. Mr. Tucker stated a sewer committee meeting had been scheduled for June 22 at 2:00pm. He reviewed the sewer project and the issues as well as the potential projects possibly impacted. He stated he felt this project would not be greatly impacted.

Mr. Guterman stated the approving resolution outlines the benefits to the company subject to the company proceeding, as well as the clawbacks and the requirements including the number of employees.

Mr. Mackerer reminded the board they had held the public hearing with no public present and no public comment. He stated the cost benefit analysis had been completed. Mr. Guterman stated it would be appropriate for the Board to accept the approving resolution, if they were in agreement. *Mr. Richter made a motion, seconded by Mr. Keeler. Mr. Mackerer called for a roll call vote due to the conflict of interest of Mr. Gerlach and Mr. Galluscio. The roll call vote results are as follows:*

<i>Sidney Richter</i>	<i>AYE</i>
<i>Brian Keeler</i>	<i>AYE</i>
<i>Sarah Sterling</i>	<i>AYE</i>
<i>James Mackerer</i>	<i>AYE</i>

The motion was carried and the Approving Resolution was adopted.

Mr. Freeman stated he would ask Mr. Surta to report to the IDA on an annual basis regarding the project.

Required Documents Review and Approval:

Mr. Guterman stated the standardized documents had been distributed to the Board for their review. He noted A. Joseph Scott Esq. of Hodgson Russ had codified what the IDA had done previously and ensured the procedures adhered to the 2015 legislation. He stated the Board would be asked to adopt the documents under an approving resolution.

Mr. Guterman reviewed the updated application, which had had no significant changes, but now included a cost benefit analysis done by the applicant. He reviewed the new policy respecting uniform criteria for the evaluation of projects and the policy respecting recapture of project benefits. The recapture of project benefits he stated contained no change to the current clawback policy, it restated the current policy. He reviewed the uniform agency project agreement. He noted the primary intent was to comply with the new law. Mr. Guterman recommended the documents be adopted. *Mr. Gerlach made a motion, seconded by Ms. Sterling to adopt the approval resolution for the new required documents. Carried.*

Redburn Development/41 Cross Street Hospitality:

Mr. Tucker stated he had made a presentation to the City of Hudson stating the County IDA was in a unique position to assist the City of Hudson IDA with this project. He stated he had reviewed the Authority Budget Office's suggestion about the City of Hudson IDA and he was hopeful this would give the City IDA an opportunity to move forward. He stated he first had to ascertain if the City of Hudson wished to move forward with the Redburn project. He then had to determine how the county could assist. He stated he had offered the City the opportunity to work with CEDC. The City IDA would take on the project and CEDC would assist. He noted this was not a viable option due to the length of time required to work out satisfactory agreements. He stated the City IDA could do and administer the project. The problem they had no staff to dedicate. The third option and the one the City wished to pursue was to have the County IDA review, approve and administer the project, splitting the project fee with the City IDA. He noted this was a one-time situation. He clarified that the City IDA had to determine what benefits they would agree to offer. He stated the City had set out the benefits they wished to grant the company. The benefits were sales and use tax taxes, mortgage recording taxes and a modified 10 year PILOT as follows:

Year 1	\$20,000
Year 2	\$25,000
Year 3	\$34,375
Year 4	\$43,750
Year 5	\$53,135
Year 6	\$62,500
Year 7	\$71,875
Year 8	\$81,250
Year 9	\$90,625
Year 10	\$100,000

Mr. Rossi handed out a project overview to the board. He reviewed the project for the board. He stated the site would contain some meeting facilities and a parking valet. He noted he had met with the neighbors and had received a great deal of support. An informal impact study had been done, which had been included in the handout. He noted a \$2 million impact had been projected which didn't include the construction phase. Mr. Rossi stated the business anticipated creating 11 jobs in the first year, with an emphasis on local workers. He reminded the Board the business had been awarded a \$1.5 million CFA grant, which required matching funds. He stressed the need for other support from mortgage tax recording, sales tax exemption and a PILOT. He stated the business would not be fully operational in year 1 and other funding options were being reviewed.

Mr. Rossi stated the project would contribute to the cleanup of the neighborhood and additionally, they business proposed to assist with streetscape revitalization with funding. He stated he had received letters of support from area businesses including the Hudson Opera House, Olana, Basilica

Hudson, Club Helsinki as well as the Chamber of Commerce and Columbia County Tourism. He stated Prestige, the proposed management group, had commissioned an additional study regarding occupancy. He has proposed a per night charge of \$159 and plans on beginning occupancy rate in the mid 50 percentile increasing over time.

Mr. Guterman reminded the board that they had received the resolution from the City IDA outlining the benefits, including the PILOT structure they approved for the County IDA to offer the applicant. He stated the city officials were in support of the project. He stated this project could be the beginning of the development of the waterfront in the City. He stated the minutes of the City IDA meeting also confirmed the City of Hudson supported the County IDA proceeding with the proposed project including the PILOT. Mr. Guterman stated the next step in the process was to schedule the public hearing if the board was in agreement.

Mr. Tucker introduced Rick Rector to the Board. Mr. Rector informed the Board he was a 1st Ward Alderman; the Chairman of the Arts, Entertainment & Tourism Committee; the Chairman of the Economic Development Committee; and a member of both the Finance and Historic Preservation Committees. Mr. Rector stated Redburn had done an exemplary job of community outreach and planned on doing their own historic preservation which was a great benefit to the City. He stated he felt the project would be a catalyst for waterfront development.

Mr. Tucker suggested a public hearing date of June 24th at 8:30am at City Hall in the City of Hudson. He noted the time and date had been cleared with the City Clerk's office. He also asked the Board to hold a special meeting on June 28th at 10:00am to consider approving the project.

Ms. Sterling made a motion, seconded by Mr. Richter to proceed to a public hearing on June 24th at 8:30am. Carried.

With no further business to discuss or public comment, a motion was made by Mr. Gerlach and seconded by Mr. Keeler. Carried. The meeting adjourned at 9:42am

Respectfully submitted by Lisa Draushuk