

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

**One Cablevision Center
Ferndale, New York 12734
(845) 295-2603 – telephone
(845) 295-2604 – fax**

SPECIAL MEETING MINUTES

Monday, April 18, 2016

I. CALL TO ORDER

Chairman Steingart called to order the special meeting of the County of Sullivan Industrial Development Agency at approximately 11:06 am, held in the Legislative Committee Room at the Sullivan County Government Center, Monticello, New York.

II. ROLL CALL

Members Present-

Ira Steingart
Ed Sykes
Charlie Barbuti
Sean Rieber
Suzanne Loughlin
Howard Siegel
Carol Roig
Scott Smith

Members Absent-

Paul Guenther*

*Mr. Guenther telephoned in for discussion purposes only.

Staff Present-

Jen Flad, VP Business Develop.
Julio Garaicoechea, Project Manager

Staff Absent-

None

Others Present-

Walter F. Garigliano, Esq., Agency Legal Counsel
Tara Lewis, Garigliano Law Offices
Dan Hust, Sullivan County Democrat
Jacob Billig
Richard Baum
Brijesh Patel
Kathie Aberman
Ivan Katz
Daniel Grecco
Marc Baez
Star Hesse
Ken Walter

III. APPROVAL OF MEETING MINUTES

Mr. Rieber made a motion to approve the minutes of the March 14, 2015 regular meeting. The motion was seconded by Mr. Smith, the Board voted and the minutes were unanimously approved.

IV. BILLS AND COMMUNICATIONS

Mr. Sykes made a motion to approve the revised schedule of payments. Mr. Siegel seconded the motion, the Board voted and the revised schedule of payments was unanimously approved.

V. DIRECTOR'S REPORT

VI. OLD BUSINESS

Ms. Flad stated that the Agency must open a new sales tax escrow account at Catskill Hudson Bank to hold funds for the **Mountain Candy & Cigar Co. Inc.** project, approved in December 2015. Ms. Loughlin made a motion to open the bank account with the individuals holding the following offices as signatories: Chairman, Treasurer, Secretary and Chief Executive Officer. Currently these offices are held by Ira Steingart (Chairman), Charlie Barbuti (Treasurer), Suzanne Loughlin (Secretary) and Steve White (Chief Executive Officer). These officers are the authorized signatories on all Agency accounts, including certificates of deposit. Mr. Barbuti seconded the motion, the Board voted and the motion was unanimously approved.

VII. NEW BUSINESS

Mr. Garigliano handed out a resolution authorizing the Agency to appoint the law firm of **Wilson, Elser, Moskowitz, Edelman and Dicker LLP** as special counsel to assist with the review of the proposed mortgage to Montreign Operating Company, LLC. He noted that Montreign has been funding the construction of the casino project using its own equity, and will seek a bank loan to finish the project. The Agency may or may not need special counsel to assist with the review of the loan agreement. Chairman Steingart asked for a motion to discuss the resolution. Mr. Rieber made a motion, which was seconded by Ms. Loughlin. Ms. Loughlin disclosed that she was employed by Wilson Elser in the past. Mr. Siegel disclosed that Wilson Elser has done work for him in the past. There being no further discussion, the Board voted and the resolution was unanimously approved.

Chairman Steingart asked for a motion to discuss the proposed resolution authorizing the Agency to apply for **Rural Business Development Grant Funds** from the US Department of Agriculture. Mr. Sykes made a motion, which was seconded by Mr. Siegel. Mr. Garigliano stated that, as in 2015, a committee of Sullivan County Funding Corp. members will review cost sharing proposals for these and other grant applications. The committee members are the same as in 2015. There being no further discussion, the Board voted and the resolution was unanimously approved.

Attorney Garigliano handed out a proposed resolution approving the **BRR Brothers III, LLC and Sullivan County Fabrication Inc.** project. Chairman Steingart asked for a motion to discuss the resolution. Mr. Barbuti made a motion, which was seconded by Mr. Sykes. Mr. Rieber recused himself from the discussion because the principal in the project is client of Mr. Rieber's business. Ms. Loughlin recused herself from the discussion because she is of counsel at the law firm Billig Loughlin and Baer, and the principal in the project is a client of this firm. Mr. Garigliano reminded the Board that the project location is a former egg farm which is currently owned by Catskill Hudson Bank. The project includes the sale of the farm to BRR Brothers III, LLC which will lease it to Sullivan County Fabrication Inc. The latter firm will manufacture supermarket shelving. Board members discussed the cost-benefit analysis and were satisfied with the 4.82 to one ratio of benefits to costs. This project will receive benefits under the Agency's Targeted Manufacturing Policy. Following this discussion, the Board voted and the resolution was approved with Ms. Loughlin and Mr. Rieber abstaining for the reasons described above.

Chairman Steingart began a discussion of the application from **Empire Resorts Real Estate I, LLC** to redevelop the Monster Golf Course. Mr. Garigliano advised that this application is for one component project of the overall casino development. This is the second application for the overall development, and the first one was for the construction of the casino. Mr. Barbuti commented that to be successful, the casino must include additional attractions and serve as a larger destination. The redevelopment of the golf course is one such attraction. Chairman Steingart directed Ms. Flad to work with the applicant to ensure that all requirements are met and to schedule a public hearing.

Chairman Steingart began a discussion of the application from **Catskill Hospitality Holding LLC and Catskill Hospitality Operating LLC**, to develop a limited service hotel off Route 42 in the Town of Thompson. Board members and the applicant Brijesh Patel discussed the lack of lodging options in Sullivan County and the expected success of this hotel, which will be a Hampton Inn. Chairman Steingart directed Ms. Flad to work with the applicant to ensure that all requirements are met and schedule a public hearing.

Chairman Steingart began a discussion of the request from **Metallized Carbon Corp.** for a deviation from the Agency's uniform tax exempt policy. Mr. Garigliano noted that three phase power is available at the project site, but the substation that serves the site does not generate enough power to run the facility. The applicant's cost to bring in power from another substation is one million dollars. Together with the Partnership for Economic Development, Mr. Rieber has been working with the applicant to identify funding sources and stated that NYSEG and Empire State Development will help to offset the cost. The applicant will need to borrow \$350,000 to make up the shortfall. The Agency can help by deviating from its Targeted Manufacturing Policy, shortening the PILOT period from twenty years to fifteen but increasing the abatement to 100% for years one through five. This will allow the applicant to use the money saved in PILOT payments to pay back its loan

during the early years of the PILOT. Mr. Garigliano noted that the deviation process includes notifying all taxing jurisdictions and asked whether the consensus of the Board is to begin this process. The Board reached a consensus and directed Ms. Flad, Mr. Garaicoechea and Mr. Garigliano to begin the deviation process. Chairman Steingart thanked Mr. Rieber for working with this project to keep them interested in Sullivan County despite the cost of getting power to the site. Mr. Baez noted that Sullivan had to compete with dozens of other locations to bring the project here.

Chairman Steingart asked the Board and others present for comment. The Board recognized the following individuals for public comment:

Kathie Aberman

Ken Walter

Star Hesse

On a motion made by Ms. Loughlin and seconded by Mr. Siegel, the Board entered **Executive Session** at approximately 11:50 am, to discuss matters leading to the appointment of a particular person.

On a motion made by Mr. Siegel and seconded by Mr. Barbuti, the Board came out of Executive Session at approximately 12:30 pm.

Chairman Steingart asked for a motion to discuss the proposed resolution appointing **Edward T. Sykes as Executive Director of the Agency**. Mr. Siegel made a motion, which was seconded by Mr. Barbuti. Mr. Sykes abstained from discussion because his appointment is the subject of this resolution. There being no further discussion, the Board voted and the resolution was passed with Mr. Sykes abstaining for the reason described above.

Mr. Sykes tendered his resignation from the Agency Board, effective immediately.

VIII. ADJOURN MEETING

On a motion made by Mr. Rieber and seconded by Mr. Barbuti, the meeting was adjourned at approximately 12:31 pm.

Respectfully submitted,
Jen Flad, VP

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