

MINUTES

Dutchess County  Industrial Development Agency

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BOARD OF DIRECTORS REGULAR MEETING

Wednesday, June 12, 2019

Present: Tim Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen Bauer
Stacey Langenthal, Secretary/Treasurer
Jamie Piccone
Don Sagliano
Al Torreggiani

Also Present: Sarah Lee, Executive Director
Marilyn Yerks, CFO
Jasmin Haylett, Office Administrator
Charles Daniels III, Rose & Kiernan
Donald Cappillino & Elizabeth Cappillino, Counsel
Mary Kay Vrba, Dutchess Tourism
Laurent Rejto, HV Film Commission
Kate Roberts, Zarin and Steinmetz

On Wednesday, June 12, 2019, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Chairman Dean at 8:00 a.m. Present was: Tim Dean, Mark Doyle, Kathleen Bauer, Stacey Langenthal, Jamie Piccone, Don Sagliano and Al Torreggiani. Quorum was established.

CONFLICT OF INTEREST DISCLOSURES

Chairman Dean asked board members if they had any potential conflicts with any items on the agenda.

- Ms. Langenthal and Ms. Bauer will need to recuse themselves from the RFP for Investment discussion
- Mr. Torreggiani has a conflict with the Asahishuzo project and will recuse himself
- Chairman Dean noted that in the past he had a conflict with the Asahishuzo project but he no longer has a conflict

PROOF OF MEETING NOTICE

Meeting notice was published on June 7, 2019

BILLS AND COMMUNICATIONS

None

APPROVAL OF MINUTES

May 8, 2019

Chairman Dean asked for a motion to approve the May 8, 2019 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Doyle, duly seconded by Ms. Bauer to approve the DCIDA Board of Directors Meeting Minutes for May 8, 2019. All voted in favor. Motion carried.

REPORT OF THE TREASURER

A. Financial Report

Ms. Yerks reported on the 5/31/2019 Balance Sheet and Profit & Loss Budget

Balance Sheet

- Cash balance was \$3,809,833.12
- Accounts Payable amount of \$605,011.00 is money the IDA owes the LDC for the service contracts

Profit & Loss

- Revenue was \$1,266,674.82
- Waiting for money from IBM
- The Professional Services amount will increase for legal services due to the unplanned review by the New York State Senate

A motion was made by Mr. Sagliano, duly seconded by Mr. Doyle to accept the 5/31/2019 financial report as presented. All voted in favor. Motion carried.

B. RFP for Investment

Ms. Langenthal and Ms. Bauer recused themselves from this portion of the meeting and left the room.

Chairman Dean noted that Ms. Yerks sent out a RFP to get quotes on interest rates for the excess IDA funds.

Ms. Yerks informed the board that the RFP was for 30, 60, or 90 days. She sent the RFP to banks the County approved and that the IDA can use. She received 5 bids. The highest bid was from Riverside Bank at 2.31% for 90 days. This is the bank she recommends.

The board gave consent for Ms. Yerks to use Riverside Bank for the Investment.

NEW BOARD MEMBER

Chairman Dean asked Mr. Daniels to introduce Jamie Piccone, the newest board member.

Mr. Daniels stated how he met Mr. Piccone and his family and why he believes Mr. Piccone will be a great asset to the board.

Mr. Piccone proceed to give a brief overview about his family and work experience and board members, staff, and guests followed by introducing themselves.

REPORTS OF COMMITTEES

None

UNFINISHED BUSINESS

None

NEW BUSINESS

- A. Consideration and Approval of a Preliminary Resolution to increase the Sales Tax Exemption of approximately \$14,500,000 of purchases on new equipment with Asahishuzo International Co, Ltd. (Town of Hyde Park), Inc.

Mr. Torreggiani recused himself due to a conflict and left the room.

Ms. Lee gave the following overview of the project:

- The request for the amendment came about because during a meeting to review all the compliance and standard procedures it was brought to the attention to the applicant that the original project figures was understated and incorrect and that the sales tax amount was not accurate
- When the board first considered this project, the project cost was estimated to be \$28,000,000.00
- Now the new project cost is about \$44,000,000.00 and the sales tax is about \$14.5 million with a benefit amount of about \$1.1 million
- Due to the extent of the increase in the project costs, the cost benefit analysis and projection evaluation form was revised
 - Despite all these changes, the intent remains the same: Asahishuzo still intends to build a sake brewery in Hyde, the project will still enhance economic vitality and the tourism experience, and Hyde Park still supports this project
- 7 FTE jobs will be created two years after operations
- Also, due to the project delays, the company is also requesting a time extension on the sales tax. In the original application it was stated that construction would start in the fall of 2018. Construction will now begin at the end of June beginning of July and end in the fall of 2020

Ms. Roberts, counsel for the project, noted the following:

- There has been a lot of internal discussion about the waste water treatment plant aspect for this project. This plant is different from most treatment plants because it will be processing sake, the rice waste water instead of normal waste water. The design is complicated because Asahishuzo wants to use a Japanese processing system. The Town is allowing Asahishuzo to use this system but getting in compliance with U.S. regulations has been a long process which is the reason for the change in the start date
- Consigli, the current Project Management Company was hired after the application was submitted. Consigli has more experience with U.S. costs and will also be hiring all the subcontractors. After their review of the construction costs, the cost increased significantly from what Asahishuzo originally estimated on the original application. The project costs were revised to reflect realistic and accurate construction.

Mr. Cappillino noted that due to the significant changes, this project will need to have another public hearing before go to the board for the final approval.

Question: Are the budget and cost now in line with the U.S. prices and will they be coming back with more significant changes or surprises?

Answer: No, no unless something surprises them during construction. This is the cost Consigli has put together which is a solid cost analysis based on Consigli's figures.

A motion was made by Ms. Langenthal, duly seconded by Mr. Doyle to increase the Sales Tax Exemption of approximately \$14,500,000 of purchases on new equipment with Asahishuzo International Co, Ltd. (Town of Hyde Park), Inc. All voted in favor. Motion carried.

- B. Dutchess Tourism / Hudson Valley Film Commission

Chairman Dean stated to the board that Ms. Vrba was asked to talk about a proposal that she would like the IDA board to consider for the 2020 budget.

Ms. Vrba noted the following:

- Tourism has been funding the Film Commission in the amount of \$15,000 with the IDA funds for the past several years.
- A lot has been happening in the film industry and Hudson Valley Film Commission is doing a marvelous job attracting the film industry to the Hudson Valley
- She is proposing an increase in funding for Tourism which would be used to directly increase the contribution to the Hudson Valley Film Commission for 2020. Dutchess Tourism is requesting a \$10,000 increase for the Film Commission from \$15,000 to \$25,000.
- She asked Laurent Rejto to come before the board to give an updated report about the Hudson Valley Film Commission

Laurent Rejto proceed to introduce himself, give a brief update about films that worked and is currently being filmed in the Hudson Valley, the impact they are having on the economy and tourism, and the work he had been doing to continue to attract more films to the area.

Questions and answers ensued.

Question: What are your other funding sources?

Answer: Receive funding from the Orange County IDA, Ulster County Economic Development, and private funding.

Question: What is your total annual budget?

Answer: The total annual budget fluctuates from \$80,000 to \$100,000.

Question: Can we view the financials?

Answer: Financials are provided along with all the backup data for what is being spent on each line item

Question: Is the contract for the Hudson Valley Film Commission with Tourism?

Answer: Yes, Tourism issues the contract.

C. Eastdale

Ms. Lee informed the board that she will be executing documents for the Eastdale project. The Department of Transportation will be taking an easement from the property in order to service the traffic lights on the property.


ADJOURNMENT

There being no further business to discuss, a motion was made by Mr. Doyle, duly seconded by Mr. Sagliano to adjourn the meeting. All voted in favor. Motion carried. Meeting adjourned at 8:53 a.m.

Respectfully submitted,



Stacey Langenthal, Secretary/Treasurer



Date

Meeting	<u>06-12-19</u>
Approved	<u>07-17-19</u>
Certified	<u>07-17-19</u>

Dutchess County Industrial Development Agency

Balance Sheet

As of May 31, 2019

	<u>May 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Cash	
1152 · Money Market TD Bank	3,809,833.12
Total 1010 · Cash	<u>3,809,833.12</u>
Total Checking/Savings	<u>3,809,833.12</u>
Total Current Assets	<u>3,809,833.12</u>
Fixed Assets	
1390 · Furniture & Equipment	
1680 · Furniture & Equipment	3,115.81
1710 · Accumulated Depreciation	<u>-3,115.81</u>
Total 1390 · Furniture & Equipment	<u>0.00</u>
Total Fixed Assets	<u>0.00</u>
Other Assets	
1175 · Other Assets	
1310 · Prepaid Expense	<u>2,133.01</u>
Total 1175 · Other Assets	<u>2,133.01</u>
Total Other Assets	<u>2,133.01</u>
TOTAL ASSETS	<u><u>3,811,966.13</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · *Accounts Payable	605,011.00
Total Accounts Payable	<u>605,011.00</u>
Total Current Liabilities	<u>605,011.00</u>
Total Liabilities	<u>605,011.00</u>
Equity	
30000 · Opening Balance Equity	1,447,427.47
32000 · Unrestricted Net Assets	2,952,212.56
Net Income	<u>-1,192,684.90</u>
Total Equity	<u>3,206,955.13</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,811,966.13</u></u>

Dutchess County Industrial Development Agency
Profit & Loss Budget vs. Actual
 January through May 2019

1:24 PM
 06/04/19
 Accrual Basis

	Jan - May 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Cash Revenues				
4020 · Administrative Fees	161,688.25	1,495,500.00	-1,333,811.75	10.8%
4030 · Application Fees	250.00	750.00	-500.00	33.3%
4035 · Compliance Fees	2,505.00	3,500.00	-995.00	71.6%
4150 · PILOT Payments	1,076,741.94			
4910 · Interest	25,489.63	1,500.00	23,989.63	1,699.3%
Total 4000 · Cash Revenues	1,266,674.82	1,501,250.00	-234,575.18	84.4%
Total Income	1,266,674.82	1,501,250.00	-234,575.18	84.4%
Expense				
6000 · Expenditures				
6240 · Audit	0.00	14,500.00	-14,500.00	0.0%
6260 · Dues, Publications, Subs	2,772.50	2,500.00	272.50	110.9%
6280 · Insurance	2,628.61	3,750.00	-1,121.39	70.1%
6350 · Misc	724.85	2,500.00	-1,775.15	29.0%
6450 · PILOT Payments	1,076,741.94			
6500 · Professional Service Contracts	1,364,500.00	2,102,500.00	-738,000.00	64.9%
6510 · Professional Services	10,415.00	10,000.00	415.00	104.2%
6520 · Rent	996.00	1,000.00	-4.00	99.6%
6530 · Supplies	165.52	1,000.00	-834.48	16.6%
6550 · Travel & Meetings	415.30	2,500.00	-2,084.70	16.6%
Total 6000 · Expenditures	2,459,359.72	2,140,250.00	319,109.72	114.9%
Total Expense	2,459,359.72	2,140,250.00	319,109.72	114.9%
Net Ordinary Income	-1,192,684.90	-639,000.00	-553,684.90	186.6%
Net Income	-1,192,684.90	-639,000.00	-553,684.90	186.6%