

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 20, 2013

A regular meeting of the Orange County Industrial Development Agency was convened in public session on February 20, 2013 at 3:00 P.M. at the Orange County Business Accelerator, in New Windsor, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

PRESENT: Robert Armistead, Mary Ellen Rogulski, Stephen Brescia, John Steinberg, Russell Vernon, Robert Schreibeis

ABSENT: Henry VanLeeuwen

ALSO PRESENT: James O'Donnell – Executive Director  
Kevin Dowd – Attorney  
Joel Kleiman – CFO  
Maureen Halahan – Orange County Partnership  
Brian Gates – HVEDC  
Jessica DiNapoli – Times Herald Record  
Peter Malone – Orange County Business Accelerator  
Dawn Ansbro – Orange County Arts Council  
Gary Schuster – Orange County Arts Council  
David Williams – Bricklayers Local 15  
Tom Gandolfini – Plumbers & Steamfitters Local 373  
Virginia S. Moore – Minisink Chapter, National Society Daughters of the American Revolution  
Todd Erling – Hudson Valley Agribusiness Development Corp  
Steve Neugebauer – IBEW LU 363  
Matt Stoddard – Iron Workers LU 417  
Frank Sylvester, JR – Electricians Local 363

Chairman Armistead calls the meeting for the Orange County IDA, February 20, 2013 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Review of the prior January 16, 2013 meeting minutes. Ms. Rogulski notes an error at the bottom of Page 2, where the motion was seconded by "Member Schreibeis;" Member Schreibeis was absent and Ms. Rogulski believed that it should read Member Steinberg. With that correction, Ms. Rogulski moved to accept the minutes, seconded by Brescia. Motion carries with all in favor.

Roll Call taken.

**Financial Reports and/or Requests for Payment**

Mr. Kleiman asks the members to refer to the Bank Account Report and YTD Income and Expense Summary. As of January 31, 2013, the IDA has over \$8M in its deposit accounts. The next CD matures in August of 2013. Moving on to address the Income and Expenses, he notes that the IDA collected \$1,100 in income and spent \$103k. The only item requiring action is the voucher and payment report; while nothing was received in February, there are vouchers totaling \$217,051.01.

Mr. Kleiman also advises the Board that he received a draft of the 2012 audit. He will request that the auditors attend the March Board meeting, both the regular meeting at the audit committee. The final, accepted audit will be reported to PARIS by the March 31<sup>st</sup> deadline.

Motion made by Brescia, seconded by Schreibeis, that the Board accepts the financial report and authorization of payments and vouchers for February 2013. Open for discussion. Affirmative votes of all members present resulted in motion carried.

*[Steinberg enters meeting]*

### **Chairman's Report**

Chairman Armistead advises that he and Mr. Vernon visited the Newburgh Armory, where Mr. Vernon had a meeting to discuss the possible commercial kitchen at the Armory. Mr. Vernon will discuss the kitchen, but Chairman Armistead wishes to note the significant progress which continues to be made at the Armory. With some members of the building trades in attendance, he thanks them for their work.

Chairman Armistead and Mr. Vernon also met with Don Green of OCCC regarding Advanced Manufacturing. While OCCC may be heading in a different direction, he notes that Mr. Green and Dr. Richards may present an update at April's meeting.

Chairman Armistead and Mr. O'Donnell met with Woodbury Commons representatives, and Mr. O'Donnell will offer an update on that.

Chairman Armistead was approached by Mr. Bartley of TSEC regarding a project called the Newburgh Smarter City project. It's a partnership with IBM in its early stages, and hopes to revitalize sections of Newburgh. They will reach out to the IDA for assistance.

Last month, the Board members were asked to review a letter that the Hudson Valley Building Trades sent to the County Executive. As mentioned, some Building Trades members are in attendance, and there will be a discussion later in the meeting.

Chairman Armistead also notes that there is a Sales Tax letter going out from various groups opposing the Governor's budget proposal.

### **Executive Director Report**

Mr. O'Donnell starts with the good news that the Hoboken Film Festival will be coming to Middletown's Paramount Theatre. He reminds the Board that the IDA gave the Paramount a Project Expenditure of \$150K for a new digital projection system, and the IDA can take part credit for that great news.

Crystal Run Healthcare has reached out to Mr. O'Donnell, advising him that CRH was expecting much more assistance from NYS, and as a result, the Monroe project will be delayed 9-12 months. They are in negotiations with the state at this time, and are requesting that, until they put the project back on track, they defer part of the IDA fee for which they were invoiced recently. Their IDA fee totals over \$281K, and Mr. O'Donnell recommends that the IDA accept \$20K at this time, and allow the remainder to be paid when construction is resumed.

Motion made by Mr. Steinberg to approve accepting a fee in the amount \$20K at this time, with the remainder being due when the project is resumed. Seconded by Mr. Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Woodbury Commons will come before the IDA in March.

Mr. O'Donnell advises that there's talk that there's been a significant amount of lobbying to get the IDA portion of the Governor's budget revised. It is believed that the state will keep the requirement to go to the State to get the 4% tax break on the Sales Tax from the state, but what's being considered to be taken out is that it won't be a reimbursable event.

Mr. O'Donnell met with the Orange County Triathlon and discussed with the Governance Board that he'd like to amend the contract to include a few more expenditures. The amount of the expenditure will remain the same, and OCTri is partnering with the Newburgh Armory.

Mr. O'Donnell was interviewed by Mr. Walsh of THR on the Advanced Manufacturing project. He advised Mr. Walsh that the IDA is also looking into MSMC to come up with a program as well.

Lastly, he notes that the OCBA contest winners will be announced next month.

## **OCBA Report**

Mr. Vernon reminds the Board that at last month's meeting, Mr. Malone mentioned a commercial kitchen requirement in Orange County. Mr. Vernon met with a group at the Armory, which he believes has the perfect space to have a commercial kitchen installed. He reminds everyone that multiple organizations have identified that the Food and Beverage industry is a key industry for growth, and the area needs an incubator to teach and train, as well as start businesses; such a kitchen would further encourage the food and beverage industry to come to and grow in Orange County. There will be a site visit to similar operations, and then funding will be sought from places like Central Hudson to help get the project up and running. Joe Matta of Masterworks will help design and create the space, and Joe Bonura will help gather the equipment for it. Mr. Bonura, he adds, is always looking for property trained individuals for his operations. It is noted that the Armory has the proper infrastructure to support the project.

Mr. Malone notes that the OCBA contest has concluded. Fourteen business plans were submitted, and three winners – one in food and beverage, one in advanced manufacturing and 1 in 3-D printing – were chosen to win a 1 year lease for \$1. There were also 3 silver winners – two in E-commerce and one in publishing – who won a 50% break on rent for a year. Non-winners were welcomed to be "associate members." Mr. O'Donnell notes that a press conference will be held to announce the winners.

Mr. Malone notes that there are a few recent graduates of the Accelerator: Frugaldo and Ethan Allen are both moving out of the Accelerator and moving into more permanent locations in Orange County.

## **OCP Report**

Ms. Halahan begins by advising that on May 9<sup>th</sup> OCP will hold their Commercial Real Estate Summit. The event will include local developers, commercial real estate developers, property owners and bankers to discuss the Orange County market; it will be held at the Newburgh Brewery.

Ms. Halahan then offers a breakdown the Mid-Hudson Regional Council funds that were distributed.

Moving on to address the Partnership's plan for the coming year, Ms. Halahan notes that OCP will focus on healthcare and auxiliary services, the film industry, aviation, manufacturing, ecommerce and food & beverage. She goes on to describe the marketing efforts the Partnership will make to attract high-end employers.

Project updates are offered on:

Project Car – direct result of the WSJ ad, and has officially closed. The project could bring up to 20 jobs.

Project Gray – MCT Project is moving forward, but is waiting on incentives from ESD.

Proton Therapy Center – the project was mentioned in the paper a little prematurely, but they have visited the site and Ms. Halahan will continue to update the Board on this project's progress.

Project Gypsum – Data center in Mid-Orange Correctional Facility is still a work in progress.

Project Green – Mr. O'Donnell and Ms. Halahan have met with Project Green recently; they visited 2 more sites this week, and have met with various Town supervisors and Planning Board chairs. The project is a 700k square foot food distribution company that would bring between 375-400 jobs.

Project Delivery – 460K square foot warehouse with 14K square foot of office is a new project on the horizon. The capital investment is \$26M with 95 full time jobs.

Project Oak – Four sites around the airport have been submitted.

Ms. Halahan concludes by advising the Board that Coach USA is under construction, and noting that there is an Alliance for Balanced Growth meeting in the coming week.

## **Daughters of the American Revolution – Project Expenditure Request**

Mr. Brescia advises that the Governance committee met prior to the meeting and recommends approval of the DAR request for \$2K project expenditure.

Virginia Moore of the Minisink Chapter of the Daughters of the American Revolution advises the Board that the DAR of Minisink has just celebrated their 110<sup>th</sup> anniversary. Their goals are historic preservation, education and patriotism. Their request pertains to the one-room schoolhouse in Goshen on Route 17A, which they believe was built around 1730, which would make it the oldest schoolhouse in NYS, but may be the oldest schoolhouse in the nation. The DAR has maintained the house on their own for 73 years. Various parts of the house have recently been renovated, and now they are moving on to address the pouring of the concrete floor.

Motion made by Brescia, seconded by Steinberg, to approve the request for the \$2000 project expenditure. Open for discussion. Affirmative votes of all members present resulted in motion carried.

### **Hudson Valley Agribusiness Development Corp - Update**

Mr. Erling of HVADC begins by thanking the Board for their continued support throughout the years. He notes that HVADC's work in the county goes hand in hand with the work of the Food and Beverage Alliance, and even the proposed commercial kitchen. HVADC is a regional economic development effort that focuses on agriculture as economic development. Mr. Erling goes give the Board an update on of new business startups and other developments in the agriculture businesses in Orange County and the region. The majority of HVADC's work has been focused on getting food certified and getting it safely into the larger scale distributions; to go from farmer's markets and direct sales, to getting food onto grocery store shelves and whole sale opportunities.

Mr. Erling adds that HVADC took part in the Hudson Valley restaurant week and highlighted local businesses and products. After giving an overview of some other projects on the horizon, Mr. Erling requests to remain an Agent of the IDA and thanks the Board for their support.

### **Orange County Arts Council – IDA Agent Application**

Dawn Ansbro of the Orange County Arts Council advises the Members that she is present to discussing funding an Orange County film office. She notes that having the Hoboken International Film Festival in Middletown is a huge opportunity for the County, and it is important that we facilitate the return of such festivals. An Orange County film office would help do just that.

The film office would increase and maintain the impact of film production in the County. To do that, the amount of activity would increase, and the office would also be more able to explain the kind of revenue generated by such films. The main goal would be for the film office to become a one stop shop for filmmakers coming to the area, helping to explain codes and permits and locations. Down the road, the Council would like to engage the local schools and help develop film industry education programs, and provide internship and job experience opportunities. Many local municipalities, towns and governments are on board with the Arts Council's plans.

Ms. Ansbro notes that people associated with film production spend money on hotels, restaurants, caterers, hardware stores, lumber yards, etc. and can spend up to \$250K per day, and up to \$1M in less than two weeks. She also mentions a NYS tax credit that allows filmmakers to take credit on tangible costs.

In addition to a website and developing contacts in each municipality, there are plans for a resource guide, which will be an easily distributed listing for restaurants, locations and details about filming in the County. She adds that there will be advertising opportunities in the guide. She notes on the Arts' application, the amount requested of the IDA will go down each year.

The request is forwarded to the Governance Committee, and they will discuss the request before the next meeting.

### **Such other and further business as may be presented**

Chairman Armistead notes that members of the trade unions are in the audience. At the last Board Meeting, Chairman Armistead asked the members to review a letter submitted to the County Executive. Chairman Armistead asks if anyone wishes to speak. Mr. Stoddard of Ironworkers Global 417 thanks the Board for looking into the matter. He notes that, with certain jobs, ironworkers from other states for structural and concrete work; there is a need to have the work in Orange County go to Orange County workers, union or otherwise. He gave an example of the Hunter Panel project using workers from Tennessee. He adds that he appreciates anything the IDA can do, and thanks the IDA for the opportunity to speak. Chairman Armistead notes that the IDA is behind local labor, and always recommends the use of local labor.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Steinberg, seconded by Vernon, the time being 4:50p.m.