

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

May 14, 2015

A regular meeting of the Orange County Industrial Development Agency was convened in public session on May 14, 2015 at 2:08P.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, John Steinberg, Mary Ellen Rogulski, Robert Schreibeis, Edward Diana, Stephen Brescia

ABSENT: Henry VanLeeuwen

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Rachel Endress – Harris Beach
Steven Neuhaus – Orange County Executive
Bill Fioravanti – Orange County Partnership
Whitney Bowers – Focus Media
Josh Sommers – Focus Media
James Walsh – Times Herald Record
Vincent Cozzolino - GTG
Richard Rosen – Columbia Development/CRH Realty
Brian Gates - HVEDC
John Capello – USAI/Jacobowitz & Gubits

Chairman Armistead calls to order the regular meeting of the Orange County IDA, May 14, 2015 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior April 9, 2015 meeting minutes. Motion to approve the minutes as presented made by Steinberg, seconded by Schreibeis. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the income and expense summary, noting that income YTD is \$369,848, expenses of \$405,384, with expenses exceeding revenues by just over \$35k. He notes that many annual payments and application fees will still be collected this year. He then reviews the bank balances for the IDA, noting that the IDA has just over \$8.5M in total.

He advises that there is a revision to the provided voucher report, and a payment to Harris Beach in the amount of \$2,500 will be removed and subtracted from the total payments. The line had been carried over from the prior month's report. This adjustment brings the total payments to \$365,302.54. Total funds received for the month were \$281,750.00.

Lastly, Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues are just under \$39K, and expenses are just over \$230K. Expenses, as expected, exceed income by approximately \$194K. He reminds the Board that expenses are expected to exceed revenues, as the Business Accelerator is subsidized by the IDA.

Motion made by Rogulski, seconded by Steinberg, that the Board accept the financial reports for May 2015. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Motion made by Schreibeis, seconded by Steinberg, that the Board authorize IDA payments and vouchers for May 2015. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead begins by reviewing the OCP Brokers Summit, which was hosted at Stewart Airport on May 13th. He commends the Partnership on the event, and notes that there was a heavy focus on Shovel Ready sites in Orange County. He suggests the Board consider the possibility of extending the Shovel Ready programs not just to municipalities, but also to private developers.

Mr. Diana suggests reaching out to local municipalities to help shorten the approval process for certain Shovel Ready projects, to streamline the process for incoming companies. The Board agrees that a streamlined approval process would be an excellent way to attract big projects.

Chairman Armistead welcomes County Executive Neuhaus. The County Executive and the Board discuss sites that have sparked a great deal of development interest.

Chairman Armistead then advises the Board that Meghan Taylor of ESD will be giving a presentation at the Business Accelerator next Tuesday, and invites them all to attend. He moves on to note that Ms. Villasuso has received a request for a letter of support for a medical marijuana farm in the Town of Wallkill. The Board discusses the request, and agrees that the IDA may agree to issue a letter of support for the project as an economic development driver after the County and Partnership have provided their support.

He concludes by noting that he's discussed the possibility of Mr. Kleiman auditing the job figures as submitted by IDA projects. The Board agrees that follow up is necessary. The PARIS report and the recent audits of other IDAs are discussed.

Executive Director Report

Mr. Petro advises the Board that he and Ms. Villasuso have attended a number of functions to give presentations aiming to explain the IDA. He reviews their presentations to the Village of Chester Board, Chamber, and Walden Savings Bank. Ms. Villasuso points out that the Times Herald Record covered one of the presentations, but reported the details inaccurately.

Ms. Villasuso advises that the Blackhawk Development project closed earlier in the month. She also advises the Board that the IDA was served with a Notice of Claim, and it will be discussed in Executive Session. She also mentions she has reached out to Mr. Abbantime of the Warwick Yard, as well as his attorney, to collect payment for the Sales Tax Exemption documents he received in April.

OCBA Report

Mr. Gates advises the Board that the Business Accelerator is at 75% occupancy, and there are three open offices. There is a new company that is currently completing its application for OCBA Membership. He goes on to explain that the Business Accelerator was a resource for the Mid-Hudson Regional Business Plan Competition at Marist. Forty-three teams participated, and of the five finalists, three were from West Point. He, Choice Words and Focus Media reviewed the business plans and helped fine-tune their presentations prior to their final competition in Albany. One of the West Point teams ultimately won the people's choice award. He reminds the Board that Ms. Taylor will speak at an OCBA event next week.

Mr. Sommers reviews the marketing efforts, and some light changes to the website. He also advises that on June 10th, the Orange County Business Accelerator will host an open house and reception and invites all Board Members to attend.

Lastly, Mr. Gates adds that MSMC is interested in adding the Business Accelerator to its Start Up NY Campus Plan.

OCP Report

Mr. Fioravanti reviews the Real Estate Summit, and reminds the Members that the MVP breakfast is taking place June 4th.

There are 25 attraction leads, with five projects recently closed, including Angry Orchard and Blackhawk Development. He goes on to highlight some of the attraction projects. Moving on to address retention and expansion, there are total of 33 projects ongoing, with the potential of 704 new and retained jobs. He notes that President Container will break ground on the solar field later this month.

Town of New Windsor Shovel Ready Application – Discussion

Mr. Brescia advises that the Governance Board has discussed the application, and they anticipate that it will be before the full Board next month.

Past Due PILOTS – Discussion

Ms. Villasuso advises that she has reached out to the County and to local municipalities to follow up on four IDA projects whose PILOT payments are past due. She notes that they are delinquent for this year, not prior years, but that her goal is to help collect the payments. She has provided copies of the letters that the County has sent to the companies, and notes that she and Mr. Dowd will prepare and send letters to the companies to explain the consequences of non-payment.

Motion made by Brescia, seconded by Schreibeis, to authorize the preparation and delivery of PILOT collection letters. Motion carries with all in favor.

OCBA Management – Resolution

Ms. Villasuso advises that she and the Board have been working with Galileo Technology Industries, and have decided to turn the focus of the Business Accelerator from office space to more of a maker space. She explains that the intent is to offer businesses who make, or plan to make, a product an environment to develop that product. In particular, the aim is to capture businesses who are already making a product, and have grown out of their current spaces, but who are still not yet ready for a full-scale manufacturing operation.

Mr. Cozzolino, of Galileo Technology Group, goes on to explain that his team will identify the appropriate industry sectors to target in the future. At this time though, the focus will be on the Cut & Sew, apparel-manufacturing industry.

Chairman Armistead adds that the Board has been considering this type of change for some time, and appointed a committee to vet GTG's proposal. He notes how appreciative the Board is of the work HVEDC has done with the Accelerator, and looks forward to the future of the Business Accelerator.

Mr. Dowd reads aloud the resolution approving Galileo Technology Group as Managing Director of the Orange County Business Accelerator. Motion made by Rogulski, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

USAI, LLC – Final Resolution

Mr. Dowd reads aloud the USAI, LLC final resolution. Motion made by VanLeeuwen, seconded by Rogulski. Open for discussion. Affirmative votes of all members present resulted in motion carried.

CRH Realty III, LLC – Supplemental Final Resolution

Mr. Rosen begins by noting that the Newburgh CRH Facility will be open shortly. He goes on to reacquaint the Board with the Monroe CRH project, incentives for which were originally applied for and approved in 2012. Chairman Armistead and Ms. Villasuso remind the Board that a public hearing was held, and the project closed on incentives and began construction. At the time, it was 127K square feet, but due to site issues the project's plans were revised. The project was changed to resemble the Newburgh facility, and will now be 70K square feet. The facility will generate 217 new jobs, with another 20 retained, with a salary range of \$40K-150K. Because of the delay in construction, the IDA must re-ratify the resolution for their 10 year PILOT and Sales Tax Exemption.

Mr. Dowd reads aloud the CRH Realty III, LLC Supplemental resolution. Motion made by Rogulski, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Retford Investments, LLC (Piller USA) – Supplemental Final Resolution

Ms. Villasuso advises that, in preparation for the construction of the new facility, Retford Investments has received final bids for their work, and the total project cost has increased to \$4.6M. The Supplemental Resolution simply reflects the increased project cost.

Mr. Dowd reads aloud the Retford Investments, LLC supplemental resolution. Motion made by Rogulski, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Isomedix Operations, Inc. – Initial Resolution (Revised)

Ms. Villasuso advises that Isomedix, in the Village of Chester, originally applied for a Sales Tax Exemption through the IDA. Originally, Isomedix believed they could not take advantage of a PILOT agreement due to their corporate structure, but over the course of their discussions and work with the IDA, they discovered that they can indeed apply for a PILOT. They have requested to amend their resolution to include a 10 Year PILOT. She goes on to note that she and Mr. Petro visited the Village of Chester Board to explain the PILOT, and the host impact fee that Isomedix plans to enter into with the Village and Town. The Village has not yet offered support for the project, but they are aware that the application is being amended and that the hearing will be scheduled.

The members discuss Village support of the incentive sought by Isomedix.

Mr. Dowd reads aloud the Isomedix Operations, Inc. initial resolution revised. Motion made by Rogulski, seconded by Steinberg. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Mr. Petro explains some recent challenges with the labor policy, and informs the Board that he and Ms. Villasuso have had a number of calls for the policy as it relates to Blackhawk. He goes on to explain that there is very little the Board can do to enforce the policy short of terminating the PILOT or clawing back benefits. He believes there should be some middle ground in terms of consequences.

The members then discuss the labor policy, and discuss the 10% differential.

Motion made by Steinberg to enter executive session relating to the employment history of a particular person employed by an agent of the IDA. Motion seconded by Rogulski. All in favor.

Executive Session

The members discussed personnel.

End of Executive Session

Motion made by Rogulski to enter executive session to discuss pending litigation involving a notice of claim against the IDA. Motion seconded by Diana. All in favor.

Executive Session

The members discussed pending litigation.

End of Executive Session

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Brescia, seconded by Rogulski, the time being 4:06 p.m.