

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

June 09, 2016

A regular meeting of the Orange County Industrial Development Agency was convened in public session on June 09, 2016 at 2:03P.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, Stephen Brescia, Robert Schreiber, John Steinberg, Edward Diana, Mary Ellen Rogulski, Henry VanLeeuwen

ABSENT: None

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Chief Operating Officer
Joel Kleiman – Chief Financial Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Bill Fioravanti – Orange County Partnership
Maureen Halahan – Orange County Partnership
Melanie Schouten – Galileo Technology Group
Vincent Cozzolino – Galileo Technology Group
Brian Gates – HVEDC
Steve Neuhaus – Orange County Executive
Josh Sommers – Focus Media
James Walsh – Time Herald Record
John Jordan – CIC
Chris Cerone – Local 17/ HVBCTC
Lou Heimbach - SWF

Robert Armistead calls to order the regular meeting of the Orange County IDA, June 09, 2016 (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum.

Minutes

Review of the prior May 12, 2016 meeting minutes. Motion to approve the minutes is made by Mrs. Rogulski, seconded by Mr. VanLeeuwen. Motion carries with all in favor.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the summary of IDA bank accounts, certificate of deposits, and money market accounts that reflect a total of \$10,165,109, as of May 31, 2016.

It is anticipated that the IDA will receive some large payments by the end of June. Those funds will initially be deposited in the checking account, temporarily moved to the money market accounts for a higher rate of interest, and when the CD matures at the end of the summer the money will be reallocated as seen fit. The CPV payments of \$600,000 for the IDA and \$250,000 for OCFC, the Warwick Valley Payment of \$170,000, and the Matrix payment of approximately \$370,000 are those anticipated funds.

Mr. Kleiman reviews the income and expense summary, noting that YTD balance is ~~just~~ \$54,403, and YTD expenses are \$163,444, with expenses exceeding revenues by \$109,041.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that ~~revenues are~~ revenue balance is \$79,417, expenses are \$418,128. Expenses, as anticipated, exceed revenues by \$338,710.

Lastly, Mr. Kleiman reviews receipts and vouchers for the month. There is a total of \$230,426.97 to be approved by the board.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$230,426.97. Motion made by Mrs. Rogulsko, seconded by Mr. VanLeeuwen, that the Board accepts the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Executive Session

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the appointment of particular corporations as monitors of the IDA's local labor policy. Motion made by Mr. VanLeeuwen to enter executive session issued. Motion seconded by Mrs. Rogulski. All in favor.

Executive Session

The members discuss the appointment of particular corporations as monitors of the IDA's local labor policy.

End of Executive Session

Due to the recommendation of the Governance Committee, a motion is made by Mr. Brescia to engage the services of Fellenzer Enngineering, LLP and Loewke Brill Consulting Group, Inc to assist the IDA in monitoring its local labor policy relative to projects receiving IDA benefits. The Motion is seconded by Mr. Diana.

Roll call is taken.

Mrs. Rogulski votes yes.

Mr. Steinberg votes yes.

Mr. Brescia votes yes.

Mr. VanLeeuwen votes yes.

Mr. Schreibeis votes yes.

Mr. Diana votes yes.

Mr. Armistead abstains.

The motion carries with 6 ayes and 1 abstention.

Chairman's Report

Mr. Armistead **states** compliments the IDA committee that assisted with the interviewing and vetting of the auditing companies. He thanks publicly those firms that applied for the position. The committee did a great job and the board has a great approach on how to move forward with the auditing process.

He updates the board on The Accelerator staffing needs. With all the work that is going on, it keeps getting busier and busier. The current staff is here at all hours. He has requested that Mrs. Villasuso, Mr. Cozzolino, and The Accelerator Committee look at the staffing needs of The Accelerator. This topic will be discussed later in the meeting.

Executive Director Report

Mr. Petro states that the public hearing for the Allstate Fabrication Project was held earlier this week. Besides the IDA staff only the owners and their attorney attended the hearing. It went well. They had requested a 15-year PILOT on their initial application. Due to the nature of the project, they were informed that a 10-year PILOT is appropriate and the owners accepted.

Since the airport land in New Windsor is now available for purchase, a lot of interest has been shown. Companies are reaching out with requests both on the land and for IDA benefits. Additionally, due to some of the companies need land beyond the airport. It has been very busy and will hopefully lead to something positive.

Mr. Armistead states he has been receiving some negative feedback from the tax payers on 15 year PILOTs. Though the IDA hasn't offered a 15-year PILOT in a while, he feels that the 10 year PILOT is the best option.

It is discussed and agreed upon by the board that applicants are informed in advance that to receive a 15-year PILOT, the project must be exceptional, and produce a great deal of jobs and local growth. This was decided when the current PILOT program was initially created.

Chief Operating Officer Report

Ms. Villasuso states that currently the IDA handles its own Public Relations. During the Governance Committee meeting, there was discussion regarding retaining Focus Media to handle the IDA Public Relations for a 3-month trial period. The Governance Committee recommends that the Focus Media proposal be accepted.

Motion was made by Mr. Brescia, seconded by Mr. VanLeeuwen, to retain Focus Media to handle IDA Public Relations. Roll call is taken. Affirmative votes of all members present resulted in motion carried.

Mr. Armistead states that a lot of people don't understand what the IDA does. It is generally thought that the IDA just hands out money, and the assistance of Focus Media will be appreciated.

Mrs. Villasuso states she attended the New York States Annual Economic Development Conference at the end of May. The IDA section discussed the best practices throughout the State in terms of the application and documentation process. The Orange County IDA is ahead of the curve as those changes have already been implemented. The conference also talked about the new legislation that is requesting prevailing wage requirements for those companies asking for IDA benefits. As every IDA is nervous about that change and how it would affect local development writing and reaching out to the local assembly people and Senators is being encouraged.

Ms. Villasuso and Mr. Cozzolino visited CPV in May and discussed the education they do with the local school districts. There is interest in working with them on their supply chain to hire locally for any needs they might have that aren't already vetted out and see if any connections can be made as a result of their education program.

The Accelerator Report

Mr. Cozzolino passes out the article written by Mr. Walsh, of the Times Herald Record, about the women owned businesses located at The Accelerator. Those companies that weren't interviewed by Mr. Walsh, gave testimonials to Focus Media, the Accelerator's PR company.

Mr. Cozzolino reviews Incubator progress. IKRC is looking to hire 4 additional programmers. Home into Haven is hiring its first 2 employees in the next month or so. Unshattered exceeded its 2015 revenues, and now has 5 fulltime employees.

The Accelerator has hosted 2 sewing classes. The second is currently taking place, and The Accelerator staff is looking to get the students jobs once they graduate from the program.

There is a large percentage of minority and women owned businesses currently at The Accelerator, as mentioned in the Times Herald Record Article. This was not originally a goal or focus of The Accelerator and occurred organically.

The company Active Ventilation just purchased the building they reside in, and are looking to hire additional staff. They are working with The Accelerator staff to create efficiency in their business. Some of this efficiency will result from organized employee training hosted by The Accelerator for them and other companies in the area with similar needs. In addition, Active Ventilation would like to get ahead of the curve and raise employee salaries.

Mr. Cozzolino discusses the Bottling Pod expansion, expanding The Accelerator to additional county locations, and new PODs under development such as the Computer/Technology POD.

The Food Manufacturing Conference is being held on June 17 with a keynoted speaker specializing in Food Safety. The Accelerator is collaborating with OCP, TSEC, HVADC, and OCCC to host this event. Local companies that have

contributed to the Food Sector in the region will be honored. The Accelerator is working on developing a Food Safety Lab and that will be announced during the Conference.

Ms. Villasuso states that the insurance needs of The Accelerator have been updated to meet the needs of the onsite work and equipment. As a result, the management contract with Galileo Technology Group has been revised to include the proper training of clients on the equipment and the record keeping of equipment maintenance.

A Motion is made by Mr. VanLeeuwen, seconded by Mrs. Rogulski, approving the revision of the Galileo Technology Group management contract. Affirmative votes of all members present resulted in motion carried.

OCP Report

Ms. Halahan reviews the Hot Topics. The MVP had about 400 attendees on hand to honor the Town of Walkill. Legoland has confirmed their desire to site Legoland water park in the Town of Goshen. The Goshen Chamber Breakfast is June 16, 2016 at the Town Hall Webster Ave location.

OCP has made the cut for the Site Selectors Guild Fall Forum in Oct. 24-26, 2016.

Round 6 of the NYS Mid-Hudson EDC's CFA process is underway. The scoring of applications and award selection will be taking place soon.

As of June 6, the Downtown Revitalization Initiative was scored by the voting members of the Mid-Hudson Regional Council. There is 10 Million dollars at stake and grading criteria included proposals that address job growth, quality of life, size and scope of the project, and past and future investment potential.

The OCP Annual Event Speaker is Alan Valdes, Chairman of the NYSE.

Mr. Fioravanti reviews the attraction and expansion updates. As of June 8, 2016 there are 34 leads. Amy's Kitchen has secured municipal water and sewer from the city of Middletown and is close to submitting their Final Environmental Impact Statement to the Town of Goshen Planning Board. Project Rosewater, a manufacturer of syrups, extracts and candies has agreed in principle to build a 50,000+ square foot production facility at Warwick Tech Park. 40+ jobs anticipated. Project lift, a NYC based crane company is pursuing properties in the Town of Newburgh and Port Jervis. 25+ jobs are anticipated. Packing Plant on Rails, Major produce packing company interested in OC owned property in Hamptonburgh. Project AC/DC, out-of-state company the reconditions auto batteries is targeting an industrial building on rail in the city of Middletown. 20+ jobs are anticipated.

Mr. Fioravanti reviews the new and retained jobs update. As of June 8, 2016 there are 509 potential new and retained jobs. Project Breakout, a major manufacturer seeking to go vertical, consolidate out-of-state locations under one roof. Planning 350,000 on sf on rail. 100 jobs are anticipated. Project Blanket, food manufacturer looking to expand 35,000 sf and add 57 jobs. Project Nutra, neutral-ceutical manufacturer found 20,000 sf location to locate its new business line of nutritional supplements and products. Employing 6-12 people initially. Piller USA Inc. will be hosting a ribbon cutting ceremony on Friday June 10th at 11am at their new facility in the Town of Walkill.

Discussions

Mr. Armistead welcomes the Chairman of the Stewart Airport Commission, Mr. Heimbach.

Mr. Heimbach states he is happy to have an alliance between Stewart Airport and the Orange County IDA to help boost the local economy. A current goal is to boost the amount of flights in the region to support the local industries and growing population. One of the main reasons there are less flights out of Stewart was the removal of the dirty emission planes. This resulted in fewer planes and with less flight opportunity planes were redirected to more lucrative routes.

Mr. Armistead states that the IDA does have interest with the Port Authority due to some real estate transactions. Hopefully with strength in numbers something can be accomplished.

Resolutions

Mr. Dowd reads aloud the Allstate Fabrication Final Resolution. Motion is made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Allstate Fabrication. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

No such other and further business was presented.

Public Comments

No public comments were presented.

Executive Session

Chairman Armistead states with no further comments the board will move into Executive Session.

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the purchase of real property, litigation, and the employment history of persons employed by the IDA. Motion made by Mr. Schreibeis to enter executive session issued. Motion seconded by Mr. VanLeeuwen. All in favor.

Executive Session

The members discuss the purchase of real property, litigation, and the employment history of persons employed by the IDA.

End of Executive Session

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, the time being 5:10 p.m.