

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

June 12, 2014

A regular meeting of the Orange County Industrial Development Agency was convened in public session on June 12, 2014 at 2:00 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, Henry VanLeeuwen, Robert Schreibeis, Russell Vernon [John Steinberg joining after roll call]

ABSENT: None

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Joel Kleiman – Chief Financial Officer
Kevin Dowd – Attorney
Russell Gaenzle – Harris Beach, PLLC
Barry Cheney – Orange County Legislature
Phil Crotty – Retired IDA Counsel
John McCarey – Director, Orange County Real Property
Brian Gates – HVEDC
Denise Quinn – Town of Wawayanda
Michael Bruno – CPV
Steve Remillard – CPV
Randolph Hurst – Sierra Club Atlantic Chapter
Jeff Vizethann – Orange County Triathlon
Neal Wilkinson – Orange County Triathlon
Jurgen Wekerle
Russell Budd – Town of Wawayanda
Maureen Halahan – Orange County Partnership
Bill Madden – Focus Media
James Walsh – Times Herald Record
Jack Gafford – Old Guard Hotel
Joe D’Onofrio – Old Guard Hotel

Chairman Armistead calls to order the regular meeting for the Orange County IDA, June 12, 2014 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior April 24, 2014 meeting minutes. Motion made by VanLeeuwen, seconded by Schreibeis, to approve the minutes as presented. Motion carries all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

While the members were provided with the April financials in their packets, Mr. Kleiman asks the members to refer to the Income and Expense summary for May of 2014 which was just distributed. He notes that the accrual for CPG and CRH have resulted in a negative revenue. When those two payments are received – both of which are expected this year – the negative will be reversed. In addition, the IBM payment is expected within the month. Year to date, the expenses are approximately \$260K, expenses over revenues at this time are just over \$720K. He reiterates that number will change as the expected payments are received. Turning to Monthly Bank Balance report, Mr. Kleiman advises that the IDA has just over \$7.8M in various accounts and deposits. The OCFC has just over \$850K as of May 31. Addressing the Vouchers and Payments, over the past two months, the IDA has received \$60,534.25 and seeks approval for \$194,729.05 in payments.

Mr. Vernon asks the status of the ongoing audit of IBM. Ms. Villasuso clarifies that the original audit of the 2011 IBM payment has been completed, and that the IDA has just signed an engagement letter for audit of the payments for

years 2010, 2012 and 2013. That audit is currently in its beginning stages. In addition, because the IDA recently adopted a new investment policy that allows more investment options for IDA funds, Mr. Vernon then asks to be consulted on the decisions as new investments are made.

Motion made by VanLeeuwen, seconded by Brescia, that the Board accepts the financial report. Open for discussion. Affirmative votes of all members present resulted in motion carried.

[Brescia exits meeting]

Motion made by VanLeeuwen, seconded by Vernon, for authorization of IDA payments and vouchers for June 2014. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Petro then advises the Members that the photos hanging in the conference room were donated by local photographer, Bruce Cohen, back when the Accelerator opened. The photographer recently asked for the Accelerator to either purchase the photos or return them, and Mr. Petro negotiated a price of \$500 for all of the photos.

Motion made by VanLeeuwen, seconded by Schreiber, to approve the purchase of the photos. Motion carried with all in favor.

[Brescia reenters meeting]

Chairman's Report

Chairman Armistead begins by complimenting OCBA staff on a successful 5th Anniversary celebration. He advises that the event was well attended, and thanks Mr. Gates and Mr. Madden for their efforts. He moves on to advise that he, Mr. Petro and Ms. Villasuso attended a Goshen Rotary meeting, in an ongoing effort to clarify the perception of the IDA and how it works. The presentation was well-received, noted Mr. VanLeeuwen who invited Chairman Armistead and team to speak.

Chairman Armistead advises the Board that the County Executive has asked the IDA for a letter of support for Orange County's CFA.

[Steinberg enters the meeting]

The CFA is for development of a Strategic Wastewater Infrastructure plan for Orange County. He advises that he will sign the letter of support.

Moving on, Chairman Armistead notes that representatives of the Pharmline project have reached out to Ms. Villasuso and have invited IDA Board Members for a tour of their facility. The IDA granted the project in Florida incentives for their expansion, and because of the IDA benefits, Pharmline [now Stauber] is poised to be the most high-tech advanced manufacturing facility in the region.

Because of summer schedules, Chairman Armistead asks the Board if there are any conflicts with the July and August meetings. Mr. Dowd will be away for the July meeting, but the Board Members appear to be available, as does Mr. Gaenzle. July meeting will go on, as scheduled, at the County Executive office. August's meeting presents a conflict for a majority of the members, and after some discussion it is decided to reschedule the meeting to Wednesday August 6th.

Executive Director Report

Mr. Petro notes that one of the highlights of yet another busy month was OCBA's 5th anniversary celebration. He adds that, in the last 10 days, he and Ms. Villasuso have met with three potential projects for Orange County, advising the projects of the benefits the IDA can offer.

Ms. Villasuso advises the Members that the transcript for the Old Guard Hotel/Church Hill Properties public hearing has been provided in their packets. She encourages them to read the transcript, as the Board will likely vote on the project's final resolution in July or August. She also reminds the room that the Amy's Kitchen public hearing will be held on June 19th in Goshen. This past month, she and Mr. Dowd attended the NYS Economic Development Council's Annual Meeting, during which they attended a seminar run by NYS Taxation and Finance, as well as the Office of the Comptroller. Chairman Armistead comments that he has attended the annual meeting in the past and finds that it is a valuable resource for IDAs. He goes on to note that Ms. Villasuso will be attending an Economic Development Course later in the month.

OCBA Report

Mr. Gates introduces Mr. Madden of Focus Media, who helped organize the 5th Anniversary celebration, and asks him to speak about the event and the Business Accelerator's marketing.

Mr. Madden speaks about the success of the event, and notes that 26 new prospects were identified. The event was covered in the Mid-Hudson News and the Daily Freeman. Times Herald and YNN/TWC news are still being pursued to cover the event. A full post-event video will be developed and promoted on Facebook.

Mr. Gates advises that the Accelerator team met to upgrade the programs and services offered at the Accelerator. Plans include seminars on investor pitching, Start Up NY overview, and a CFA workshop. In addition, events for future Accelerator ambassadors, such as patent attorneys, are in the works. There are two new student teams in the Accelerator: Add-On Marketing, who advertises on coffee cups, and Life Savers Training, who educate consumers on emergency training for live saving measures on people and animals. Nexus, a current Business Accelerator client, has hired two new employees. Over the last month, the Accelerator has hosted two events – Pitch Perfection and a Yankee Day – in addition to the 5th Anniversary.

Mr. Gates then gives an update on Start Up NY, advising that the next step is for SUNY to finalize its plan.

Mr. Crotty asks if Mr. Gates is checking with other Accelerators outside of the state for their best practices. Mr. Gates advises that he has attended the Business Incubator Association of NY's recent seminar. Mr. Crotty also advises that there is an option to invest in companies, and perhaps that should be investigated. Mr. Gates agrees, and notes that, on a small scale, that is being attempted with the Summer Sandbox students. Chairman Armistead asks about the commercial kitchen plan that was being discussed last year. Mr. Gates advises that the grant could be used to create that commercial kitchen. Mr. Vernon advises that space in the Armory is an issue, as well as the amount of funding already contributed to the various efforts within the Armory, such as the renovation and creation of the literacy programs, and CGAM.

OCP Report

Ms. Halahan begins with Business Retention and Expansion, noting that these are the companies that are already in Orange County, and they are companies we want to ensure stay in Orange County. Manufacturing is on the rise, and the Partnership aims to not only attract businesses, but to keep current companies here. She goes on to highlight some of the exciting BR&E projects on the horizon. In addition, the OCP is reaching out to municipal leaders, in an effort to make sure those officials are aware of the available programs, and aware of the help the OCP can offer.

Moving on to address Business Attraction, she notes that there were three new leads in the last 24 hours. She goes on to cover the most exciting leads to date, including Project Black Box, Project Apple, and Project Blackhawk.

Chairman Armistead commends the Partnership on their successful MVP breakfast.

Orange County Triathlon

Ms. Villasuso advises that the IDA has an agreement with the Orange County Triathlon: In 2013 the IDA agreed to a project expenditure in the amount of \$25K per year for two years. She explains that Mr. Wilkinson and Mr. Vizethann will update the Board on the success of the event, how it has impacted the Newburgh area, how the event is growing, and its plans for the future. In addition, because their agreement specifies the types of purchases they can make, they Orange County Triathlon will be seeking approval for the purchase of certain equipment.

Mr. Wilkinson begins by Orange County Triathlon continues its efforts to bring as many people as possible to the Newburgh Waterfront. Many waterfront restaurants and rental car companies have felt the increase in sales during the event, and a number of hotels have sold out as a result of the event. The triathlon attracts over 5,000 out of town athletes and spectators. He goes on to provide an overview of the new events the Triathlon will offer this year and, in addition to the regular triathlon and sprint triathlons, they are partnering with the Orange County Marathon to bring a half marathon to Newburgh as well.

The swim event is most crucial in the triathlon, as it demands a lot of planning and attention. In addition to lifeguards and kayakers and support in the water, the Orange County Triathlon would like to purchase personal watercraft vessels for faster lifeguard response time and support. He clarifies that this vessel is not a jet ski, but a watercraft that can hold multiple people, and do not have props, so they eliminate the danger of getting too close to swimmer in trouble. They also move distressed swimmers to shore more quickly than other options. The machines can be used, in addition, to set up and break down event. In the past, they have rented the vessels; not only for the event itself, but for every practice swim prior to the triathlon.

Mr. Vernon asks for an overview of the Orange County Triathlon's profit and loss, including the entry fees and what, if any, profits have been made. Mr. Wilkinson advises that they have hired two employees, and have not made a profit.

Mr. Vizethann goes over the sponsorships received, of which many are in-kind. It is clarified by the Board that the funds have already been approved, and the request today is simply to use those funds for the purchase of this specific equipment.

Motion made by Steinberg, seconded by Brescia, to recognize the purchase of the watercraft as "safety equipment." Affirmative votes of all members present resulted in motion carried.

Shovel Ready Program

Chairman Armistead notes that he has spoken to each Member a number of times over the last number of months, and the Shovel Ready Committee has met quite often, as recently as just before this meeting. He advises that there is a nearly-completed draft that should be complete in time for next month's meeting.

He advises that the IDA is looking to work with the County municipalities with what infrastructure needs they may have to get sites ready for development.

CPV – Final Resolution

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

Mr. Petro advises that the IDA has been working on this project since 2008.

Such other and further business as may be presented

Mr. Petro notes that Misters Gafford and D'Onofrio of Church Hill Properties are present, and asks them to update the members on the project. Mr. Gafford advises that the planning process is moving forward, and as a result of the public hearing Church Hill has reached out to the School District and Town and offered to listen to any proposition they have in terms of compromising on the tax abatement. He anticipates that the matter should be ready to move forward as of the August meeting. He also advises that the project hopes to break ground immediately after IDA approval and closing.

[Vernon exits meeting]

Motion made by VanLeeuwen to enter executive session discuss the credit, financial or employment history of a particular corporation. Motion seconded by Brescia. All in favor.

[Vernon reenters meeting]

Executive Session

The members discussed a particular corporation.

[Brescia exits meeting]

End of Executive Session

Motion to close Executive Session made by Schreibeis, seconded by Steinberg. All in favor. No action taken in Executive Session.

Public Comment

Mr. Remillard thanks the IDA Board for their hard work on the CPV project, and advises that the next step is the Governor's approval. He hopes the project will move forward very soon.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Schreibeis, seconded by VanLeeuwen, the time being 3:30 p.m.