

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

June 20, 2013

A regular meeting of the Orange County Industrial Development Agency was convened in public session on June 20, 2013 at 1:30 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, Russell Vernon, John Steinberg
[Stephen Brescia, Robert Schreibeis, and Henry VanLeeuwen joining past roll call]

ABSENT: None

ALSO PRESENT: Kevin Dowd – Attorney
Laurie Villasuso – Administrative Assistant
Charles Schachter – Harris Beach
James O'Donnell
Maureen Halahan – Orange County Partnership
Michael Sullivan – Orange County Partnership
Brian Gates – HVEDC
Peter Malone – Orange County Business Accelerator
James Petro – Town of New Windsor
Michael Huntress – Stewart FBI LLC/Acquest Development
Vincent Cozzolino – Center for Global Advanced Manufacturing
Carl Meyer – Center for Global Advanced Manufacturing
Jim Reeks – Bette & Cring
Matt Bette – Bette & Cring
Laurent Rejto – Hudson Valley Film Commission
Steve Perfit – UCIDA
Henry Keller – GE Capital
Jamie Halas – GE Capital
Michael Mayfield – Monroe Cable
Abraham Weider – Monroe Cable
Lucy Joyce – Cornell Cooperative Extension
Bernadette Reichle – Cornell Cooperative Extension
John Villapiano – Simon Property Group
Louis D'Arminio – Price, Meese, Shulman & D'Arminio
James Walsh – Times Herald Record

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

Review of the prior May 15 and May 28, 2013 meeting minutes. Motion made by Vernon, seconded by Steinberg, to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

With Mr. Kleiman absent, Chairman Armistead asks the Board Members to review the provided Income and Expense summary, in addition to the Bank Balance report. The Board Members have no questions, and Chairman Armistead moves on the review the revised voucher list.

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

Chairman's Report

Chairman Armistead begins his report by addressing the Board, and noting that many applications have been coming into the IDA office at the last minute. When applications are received at the last minute, it creates an issue distributing the applications to the Members for review. Chairman Armistead advises the room that he would like the IDA to institute a deadline for application submission: Any applications must be received by the IDA office at least ten (10) days before the IDA meeting. Mr. Vernon agrees, and notes that it helps the members and the applicant; when the Board has a chance to fully review the application, they can contact the applicant with any questions or issues present, and have them addressed prior to the meeting.

Along those same lines, Chairman Armistead adds that any requests for payments from projects and/or vendors should be received by the IDA ten days prior to the meeting.

[Mr. Schreibeis enters the meeting]

Chairman Armistead moves on to note that IDA offices have relocated out of the 911 center in Goshen and into the Orange County Business Accelerator. He adds that he and Mr. Dowd met with Ms. Villasuso to discuss the transition. He advises the members that there will be some purchases coming up, including a postage meter and computers, in addition to creating a new IDA website.

OCBA Report

Mr. Gates advises the Board that the OCBA website is being redesigned, and the new version of the site should be available within the next few weeks. In addition to the website, Mr. Gates notes, attraction posters have been created and will be displayed throughout the county. HVEDC held an event at SUNY New Paltz called HV3D, regarding the up and coming 3D printing industry. The Accelerator's Business Challenge winner, Free Thought Design, was featured at the event. In their continued effort to hold events in conjunction with the Orange County Chamber, there will be an education series in July, Business Plan and Marketing Plan events. Some events will take place at the Accelerator, some will take place at the Chamber.

Moving onto client news, Mr. Gates notes that Connected Contractors will take over the vacant Roadlok suite in the Accelerator, and Mr. Malone notes that he's been talking with a few potential clients. One is a company out of VA in the document destruction business, a DOD-approved vendor looking to move into NYS. The other is a robotics company looking for space. There is also an ENT Doctor interested in starting a new company helping hospitals meet the new requirements of the Affordable Health Act.

Mr. Steinberg asks what has happened to Roadlok, and is advised that they have left the space in order to consolidate their company on the west coast, in CA.

Misters Malone and Gates are associated with the Business Incubator Association of NY, and attended an event in Syracuse. There is an incubator piece to the Start Up New York Tax Free Initiative, and while the legislation still has to go through, there is a potential to see if the Accelerator can be part of the Tax Free Initiative and program. He adds that he would like to add a student connection to the Accelerator.

Offering a commercial kitchen update, Mr. Malone advises that he is waiting for a consulting proposal from the person in charge of the Entrepreneur Space kitchen. Once her proposal is received, they can address the Armory as the proposed site.

Mr. Gates notes that HVEDC will hold an event on cyber security on October 1st.

Mr. Vernon asks to be supplied with the Business Incubator legislation. Mr. Gates confirms that he will forward it once he has all of the information.

[Mr. Brescia enters the meeting]

OCP Report

Ms. Halahan introduces Mike Sullivan, OCP's new director of Business Attraction.

For her report, Ms. Halahan begins by showing the members a list of the OCP leads to date. She adds that she would like to discuss the possibility of meeting with the Board and creating a shovel-ready site campaign. She and Mr. Sullivan discussed the 12th Annual Commercial Broker's Tour at Turning Stone, and discussed having a similar event of their own.

Ms. Halahan goes on to highlight companies that have already set up site tours, or are interested in coming. In that list is Project Tooth, which is related to the recruitment of a second professional school associated with the already-announced Touro Medical School in Middletown. She also lists some attraction projects. With regard to Business Retention & Expansion, Ms. Halahan details 3 closed expansions – CRH, Medora Snacks and Coach – and 6 pending expansions. Ms. Halahan then advises the Board that Project X is in the high-tech manufacturing field. Two other locations are in contention – PA and ME – but the negotiations are ongoing. She goes on to update the UNFI and Takasago projects.

She goes on to detail the recent OCP marketing campaigns and social media efforts. Lastly, the WSJ insert is almost complete and ready to submit to the IDA for review.

Hudson Valley Film Commission – IDA Agent Status

Mr. Perfit begins by advising the Board that, as Treasurer of the UCIDA, he has been working with Mr. Rejto and the HVFC for quite some time. He gives the Board an overview of the work HVFC has done for not only Ulster County, but for the Hudson Valley. He asks the Board to continue their contributions to the HVFC.

Mr. Rejto distributes packets to the Members, which includes detailed information and the budget for the HVFC. He reminds the Board that he directs films to shoot all over the Hudson Valley, wherever, he says, the fit is best. He notes that when films come into the area, the people hired to work are generally local people. In addition to hiring locals, films in the area bring spending to restaurants, hotels and local businesses. Using HVFC's website as a visual aide, Mr. Rejto highlights the recent films and events that he and his commission have had a part in bringing to the area.

Mr. Vernon asks Mr. Rejto if he works with Dawn Ansbro of the Orange County Arts Council. When Mr. Rejto advises that the HVFC provides information to Dawn, Mr. Vernon asks the difference between OCArts and HVFC. Mr. Rejto advises that he is regional and Orange County Arts Council is local. He adds that Orange County Arts is more geared towards looking for locations.

Chairman Armistead notes that at this time, HVFC agreement runs from June 2012 to June 2013. At this time, Chairman Armistead would recommend that the Board approve to renew their agent status through December of 2013, bringing the HVFC onto a schedule that mimics that of the other Agents of the IDA.

Center for Global Advanced Manufacturing

Mr. Cozzolino, introduces himself and Mr. Meyer of CGAM, and reminds the Board that they represent and are trying to help all advanced manufacturers in the Hudson Valley. He advises the board that, at the Newburgh Armory, they are looking to institute a machinist and automation training program in the basement, and creating a super-smart classroom upstairs on the 2nd floor. They have partnered with the State University of New York Institute of Technology – a 4 year college – who will run both the machinist and automation programs in the basement, and will run the 3rd and 4th year educational courses in Mechanical Engineering Technologies, Electrical Engineering Technologies on the 2nd floor. Currently, those courses aren't accessible in this region. The initiative will tie into economic development and attraction; as manufacturers come in, they will see that they have a pool of trained technicians, as well as have the ability to train more advanced technicians. Currently, that option doesn't exist in the County or the region.

CGAM's original request came to \$750K, but upon gathering further information and quotes, the request is now for just over \$1M. There are three elements to the request: One is the machinist element of the program, which will build out the basement to house the equipment and will include equipment training and the cutting of metal. He notes that the equipment has been donated from IBM or will be purchased through a NYS grant. The second element is the upstairs classroom, which will be outfitted with the latest technology, including a Cisco Telepresence System. Some of the coursework will be delivered from Utica, and some will be live, but will all be in real time. The estimate includes the infrastructure to support those elements. The third element is the connecting elevator for handicapped access. If the project must be broken into two parts, the elevator could be done at a later date. Waiting on the elevator would not jeopardize the entire plan, as there is an alternate plan to ensure they are ADA-compliant.

The head of SUNY IT has visited the Armory, and the curriculum is being developed with IBM East Fishkill. The very first pilot program will be run in September at IBM East Fishkill, as they have the machines in place. They hope to have the Armory part ready by Christmas time.

Mr. Vernon asks if the Armory has approved the project. Mr. Cozzolino notes that they will seek final approval from the Armory at tonight's Armory Board meeting. Chairman Armistead asks what other sources have been tapped for financing. Mr. Cozzolino notes that all other financial sources have been dedicated to the purchase of the equipment that was not donated. Mr. Steinberg asks what kind of equipment will be used, and Mr. Cozzolino lists some of the machines they will use. Mr. Vernon asks how many people a year they can run through the program. The first program will run with 15 people, and they feel that that is a comfortable number; 15 or 16 per program. And each program will be modular, so the skills will build. There will be an introduction program, then a series of longer training/education programs. He believes they would run about 80 students a year through the program. If the industry grows around it, they can certainly increase their numbers. In that vein, he explains the marketing program for the school. He notes that the first round of students will be WIB-supported, and federal grants will pay their tuition. Mr. Vernon asks what it will cost the student to go through the program, and is advised that they don't have a solid answer on that yet, but they are trying to keep the cost to what the federal department of labor will allocate to a person, which is \$1100. The money goes to SUNY IT to cover instructors.

Chairman Armistead reminds Mr. Cozzolino that the Board is excited about the project, but it must be referred to Governance. Mr. Cozzolino also notes that the program is running as an extension of SUNY IT. Ms. Rogulski asks if there's a reason that SUNY IT is not being asked to contribute to the build out. Mr. Meyer advises that SUNY is providing the labor and the in-kind services on their nickel, which is a significant in-kind contribution. Mr. Cozzolino agrees to come back to the July meeting, to allow Governance to review the request.

Cornell Cooperative Extension – Project Expenditure

Ms. Joyce, Executive Director of the CCE, introduces herself and Ms. Reichle, a CCE Board Member, and thanks the Board for their time. She begins by noting that they received site plan approval on Monday, and finalizing the details on the lease. She asks the Board to refer to the information provided in their packets and goes on to explain that the plan – to develop this currently undeveloped land – into a mostly year round facility will function as something of a rural mirror to the Newburgh Armory. Most buildings will be seasonal, but one or two buildings will be year round. The plan is to offer tremendous in-depth natural resource and agricultural education for youth and adults, in addition to providing nutritional education that includes the use of a teaching kitchen. There is a heavy emphasis on science, technology, engineering and math for the youth, and the location allows for messy, hands-on activities that are unavailable in regular office spaces. The programs will be open to a wide array of people, with a focus on the kind of skill building and training that will result in job creation in expansion of their agricultural program. The site is also fertile ground for research.

The site is in close proximity to the Otisville train station, and it is believed that the location will draw people from all over the County, New Jersey and NYC. The park will be available to many associations, and will be available to host livestock and breeder shows, car shows, small farm and rural living expos, among other events. Ms. Reichle adds that the Cornell Cooperative Extension's plan is to attract regional attendance. The focus is regional, with a seven-county area. But this site, in Orange County, is the only one like it in the region, and will be a hub for their organization, hosting regional conferences and meetings in addition to events. There are currently over 11K young people from the county engaged in their various programs, and they rely on about one thousand volunteers to run the organization.

Ms. Joyce advises that the infrastructure for the site must be completed first. While they can raise money for buildings, and have access to tremendous volunteers, the infrastructure (Phase 1) is the part of the focus of their request of the IDA. She adds that not only is it an educational facility, but the site itself is educational in that it is green infrastructure. IDA funding will also help with the Consolidated Funding Application process for further funding. The site has a strong storm water management program for engineers and landscape architects now, and the site will allow for demonstration for them and anyone involved in the construction industry. IDA funding will help attract other funding for the green infrastructure.

Ms. Reichle adds that the Town of Mt. Hope invited the Extension, ending their years-long search for the right location. The town is excited to have them, and some of the facilities on the site will be used by the town. Mr. Vernon asks what the total cost of the project will be, and is advised that it is approximately \$5M for everything.

Chairman Armistead advises that Governance will need to review the request. Mr. Dowd suggests providing more in-depth tourism and job creation figures. Ms. Halahan notes that in order to go through the CFA, they want the

companies to have some buy-in from another organization, and asks CCE how much they need to facilitate the process. Ms. Joyce will gather more information and provide it after the meeting.

The Monroe Cable Company

Mr. Keller, of GE Capital, introduces Mr. Mayfield of Monroe Cable Company.

Before their presentation begins, Chairman Armistead advises Monroe Cable that it is the policy of the IDA to defer to the local municipalities. While Monroe was pushing, at the last minute, to come before the Board at this meeting, they never approached the Walkill IDA, which should be done prior to approaching the Orange County IDA. Mr. Keller notes that he has spoken with Mr. Depew of the Walkill IDA, but agrees that it was not until last night that they were able to connect. At this time, they have a meeting scheduled for next week. Prior to the Orange County Industrial Development Agency officially hearing the application, they must meet with Walkill and receive a letter of support from Mr. Depew. Chairman Armistead does agree to allow a short presentation on the project.

Mr. Mayfield advises that Monroe Cable manufactures wiring cable, and primarily a defense contractor, and they are the primary supplier to the US Navy for all wire and cable for Naval vessels. Additionally, they supply the NY Metro infrastructure. Their technology is based around "low-smoke, zero-halogen, cross-linked polymers." Monroe Cable treats plastics for specific environments. He gives further detail about Monroe Cable's process, and notes that, at this time, some of their technology is outsourced to NJ and CT. This project aims to bring that technology in-house. The existing facility is 100K square feet, and they hope to add 40K square feet. The project would add about 25 jobs, paying between \$15-25/hour, and will add at least 1 degreed engineer to oversee the project. The project also allows them to enter new markets, the most notable of which is the aerospace market. After their expansion, Monroe Cable projects that, over a five year period, they will grow from a \$45M/year operation to a \$65-70M/year operation, with at least 50 jobs added.

Chairman Armistead thanks Mr. Mayfield for the presentation, and advises that after they meet with Walkill IDA, and if they send the project to the Orange County Industrial Development Agency, Mr. Depew will need to send a letter to that effect.

[Mr. Brescia Exits]

CoGen Power Technologies

Chairman Armistead notes that this item was not on the agenda, but indicates that he was aware that they were planning to attend.

Mr. Bette explains the CoGen is combined heat and power, produces electricity at the site where it's being use, capturing heat from the production of electricity and putting into the facility. The way people currently buy energy – from the utility – is about 50% efficient. When you make it onsite, it becomes about 80-85% efficient, also becoming more reliable and more robust. In the aftermath of Sandy, where many companies were without electricity but not without gas, this service becomes even more reliable. Cogeneration is employed for a number of reasons: reliability, predictability of their overall budget, prolonged life of existing equipment, significant reduction in their carbon footprint (30-80%), among other reasons.

Mr. Bette suggests that this project would aide in the attraction of the FAA and enhance Orange County's offering. He notes that there is an abundance of natural gas at the site. The reduction of the carbon footprint would meet the federal mandate to do so by 2020. He adds that CoGen runs parallel to utility, but that the CoGen becomes the prime power, and utility becomes the backup. Whatever electricity cannot be produced on site can be purchased from utility.

With regard to the FAA project, Mr. Bette notes that an LDC or IDA can own the facility and sell the energy back to the FAA as a 3rd party. A 3rd Party developer and the IDA could support the developer. There are a number of options.

Mr. O'Donnell notes that this would give Orange County a distinct advantage over Long Island. There is a possibility that a private investor could build it, or the IDA could decide to invest, but he will sit with Mr. Reeks of CoGen and go over the numbers – what the FAA needs, what they will use, and what this will generate – to see if it's a worthwhile investment. Mr. Bette notes that Long Island has a shortage of natural gas. There is no such issue in Orange County.

[Mr. VanLeeuwen enters]

Mr. Vernon makes a motion to enter executive session pursuant to section 105(1)(f) of the open meetings law to discuss the employment history of a particular person, namely, the Executive Director of the IDA. Motion seconded by Rogulski. All in favor.

Executive Session

The members discuss employment matters.

End of Executive Session

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

Resolution to Amend Orange County Support Services Agreement

Mr. Dowd reads aloud the Resolution to Amend the Orange County Support Services Agreement. Motion made by Steinberg, seconded by Vernon. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Resolution Declaring Position of Executive Director Vacant

Mr. Dowd reads aloud the Resolution Declaring Position of Executive Director Vacant. Motion made by Schreibeis, seconded by VanLeeuwen. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Resolution Appointing James D. O'Donnell as a Temporary Consultant to the IDA and Authorizing the Chairman to Execute an Agreement Setting Forth the Terms of Engagement Therefor.

Mr. Dowd reads aloud the Resolution Appointing James D. O'Donnell as a Temporary Consultant to the IDA and Authorizing the Chairman to Execute an Agreement Setting Forth the Terms of Engagement Therefor. Motion made by Vernon, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Fairbanks Manufacturing, LLC – Final Resolution

Chairman Armistead notes that the recent Fairbanks public hearing went well.

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

Pharmline, Inc. – Final Resolution

Chairman Armistead notes that the recent Pharmline public hearing also went well.

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

Stewart FBI, LLC – Initial Resolution

Mr. Huntress advises the Board that Acquest specializes in doing GSA leasing. The project today is an FBI project, 24K square foot building, which they hope to locate on the Avenue of the Americas in the Town of New Windsor. The tenants are currently located in Goshen, but the move will more than double their current space. They aim to go from their current 20 agents to 30 or 40 agents. New employees will earn anywhere from \$75-100K per year, with support staff anywhere from \$40-55K per year. They aim to hire all local contractors to construct the building over the next 18 months. Based on their other projects, he notes that hotel traffic increases, in addition to restaurant and local business traffic. This FBI field office will see visitors from Washington DC, NYC and other areas.

He adds that the FBI has not yet signed the lease with New Windsor, and while they have been told that they have been awarded the contract from GSA, they have yet to receive the signed agreement. The one remaining step prior to signing is their pricing step; their pricing proposal is based upon receiving incentives to receive the reward.

Mr. Dowd notes that, at this time, the Town of New Windsor owns the property, and will enter into a long term lease with Acquest, who will build the building, which will then be leased to the FBI.

Asked to clarify, Mr. Petro advises that Acquest will lease the 2.4 acre property for 40 years; the FBI will lease the building for 20 years. The 24K square feet building will be brand new, and the Town has been working on the project for a number of years. An important note is that, currently, the property is not taxed at all. Because the building will not be government-owned, it will become taxable, which is important to the Town of New Windsor, the school district and the County; everyone benefits from day one of the signed lease.

The request is for a 10 Year Enhanced PILOT, mortgage recording tax exemption and sales tax exemption. He adds that the abatement will be passed along to the tenant.

Chairman Armistead notes that a letter of support was received from the Town Supervisor.

Mr. Dowd reads the Stewart FBI, LLC initial resolution aloud. Motion made by Steinberg, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

CPG Partners/Woodbury Common – Initial Resolution

Mr. Villapiano notes that this renovation is very important to CPG Partners and Woodbury Commons. The property is a global leader in retail outlet shopping; it is a major destination property, and easily the most visited outlet centers in the world. The site attracts over 13M visitors per year; 12M of which are from out of the area. Forty percent of the visitors are from outside of Orange County: NYC, Westchester County, CT, and Northern NJ; Twenty percent are from other domestic locations; Thirty percent are international tourists.

The \$120M project will include renovation of the roofs and facades of all buildings. They will demolish some existing retail, and construct new buildings and expand existing space, which will result in a net increase of 60K square feet GLA. There will be 5 new buildings, including a new market hall with a food court. Lastly, the major component of the project is to improve the traffic situation with the new layout of existing parking areas, creating an external ring road around the entire property and building a 2200 spot, 4-level parking structure.

Ms. Rogulski asks if there will still be limited entrance and exit points. At this point, there will be no additional entry/exit points, but the DOT will address that issue at a later date.

To reiterate, the total project cost is \$120M. The expected construction jobs are 400-500 over 2.5 years. They expect 400 full and part time jobs, all employed by the tenants, adding to the existing 4500 existing jobs. At this time, they are only seeking the Sales Tax Exemption.

Mr. Dowd reads the CPG Partners, LP initial resolution aloud. Motion made by VanLeeuwen, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Motion made by VanLeeuwen, seconded by Schreibeis, to recess the meeting the time being 4:10 p.m. Motion carries with all in favor.

[Steinberg Exits]

Motion made to reconvene the meeting by VanLeeuwen, seconded by Vernon. Motion carries with all in favor.

Mr. Schreibeis makes a motion to enter executive session pursuant to section 105(1)(f) of the open meetings law to discuss the employment history of a particular person. Motion seconded by Vernon. All in favor.

Executive Session

The members discuss employment matters.

End of Executive Session

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

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Rogulski, seconded by VanLeeuwen, the time being 5:00 p.m.