ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

January 14, 2016

A regular meeting of the Orange County Industrial Development Agency was convened in public session on January 14, 2016 at 2:04P.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 Schreibeis, John Steinberg, Mary Ellen Rogulski, Edward Diana
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 Bill Fioravanti – Orange County Partnership Maureen Halahan – Orange County Partnership Whitney Bowlers – Focus Media James Walsh – Times Herald Record Paul Ruszkiewicz – Orange County Legislator Melanie Schouten – Galileo Technology Group Vinnie Cozzolino – Galileo Technology Group

Chairman Armistead calls to order the regular meeting of the Orange County IDA, January 14, 2016 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Reorganization Meeting

Chairman Armistead advises that this is the annual reorganizational meeting. Chairman Armistead asks the Board to nominate a Chairman. Mr. Steinberg moves that Chairman Armistead is reelected as chairman. Motion seconded by Mr. Brescia. Motion carries with five ayes and one abstention.

The officers of the Board are as follows:
Vice Chairman: Ms. Rogulski
Second Vice Chairman: Steinberg
Secretary: Brescia
Assistant Secretary: VanLeeuwen

Motion to elect officers as noted is made by Mr. Armistead, seconded by Mr. Schreibeis. Affirmative votes of all members present resulted in motion carried.

The Chairman appointments for Committees are as follows:

Audit Committee:	Rogulski (Chairman); VanLeeuwen; Steinberg Alternate: Schreibeis
Governance Committee:	Brescia (Chairman); Schreibeis; Diana Alternate: Rogulski
Accelerator Committee:	Diana (Chairman); Rogulski (Vice Chairman); Steinberg Alternate: Armistead
Human Resources Committee:	Armistead (Chairman); Rogulski

Chairman Armistead asks that the committee move into executive session to discuss the employment history of IDA employees. Motion made by Mr. Schreibeis to enter executive session issue. Motion seconded by Mr. Brescia. All in favor.

Executive Session

The members discuss IDA employee history.

End of Executive Session

Executive Director resolution, appointing Mr. James R. Petro, Jr., is read aloud. Motion made by Mr. Schreibeis, seconded by Mrs. Rogulski. Affirmative votes of all members present resulted in motion carried.

Chief Operating Officer resolution, appointing Ms. Laurie Villasuso, is read aloud. This is a change in title from Associate Executive Director in 2015. Motion made by Mr. Steinberg, seconded by Mrs. Rogulski. Affirmative votes of all members present resulted in motion carried.

Chief Financial Officer resolution, appointing Mr. Kleiman, is read aloud. Motion made by Mrs. Rogulski, seconded by Mr. Steinberg. Affirmative votes of all members present resulted in motion carried.

IDA Attorney resolution, appointing Mr. Dowd, is read aloud. Motion made by Mr. Steinberg, seconded by Mr. Brescia. Affirmative votes of all members present resulted in motion carried.

IDA Contract Officer resolution, appointing Mr. Dowd, is read aloud. Motion made by Mr. Diana, seconded by Mr. Schreibeis. Affirmative votes of all members present resulted in motion carried.

IDA Freedom of Information Law Officials, appointing Mrs. Villasuso as FOIL Officer and Mr. Dowd as FOIL Appeals Officer, is read aloud. Motion made by Steinberg, seconded by Mr. Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution to report IDA-Owned Properties as of 12/31/15, reporting that the IDA owns NO real property as of 12/31/14, is read aloud. Motion made by Mrs. Rogulski, seconded by Mr. Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution to approve IDA Depositories for 2016 is read aloud. Motion made by Mr. Steinberg, seconded by Mr. Diana. Affirmative votes of all members present resulted in motion carried.

Resolution for Annual Review of IDA Procurement Policies & Practices in 2016 is read aloud. Motion made by Mrs. Rogulski, seconded by Mr. Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution approving the Contract for Orange County Business Accelerator Managing Director, and appointing Galileo Technology Group as Managing Director, is read aloud. Motion made by Mrs. Rogulski, seconded by Mr. Steinberg. Affirmative votes of all members present resulted in motion carried.

Resolution approving $25,000 Annual Contract with Orange County Foreign Trade Zone, is read aloud. Motion made by Mr. Steinberg, seconded by Mr. Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution to authorize “Agent Status” for Orange County Partnership, Hudson Valley Economic Development Corporation, Hudson Valley Economic Development Network, Pattern for Progress, Hudson Valley Agri-Business Development Corporation, Hudson Valley Film Commission, Orange County NY Arts Council, Inc., Hudson Valley Food & Beverage Alliance and Rockland Economic Development Corporation (PTAC), and allowing the Executive Director and/or Chairman to sign Agency Agreements, is read aloud. Motion made by Mrs. Rogulski, seconded by Mr. Steinberg. Affirmative votes of all members present resulted in motion carried.

Review of the prior December 10, 2015 meeting minutes. Chairman Armistead notes that a number of flaws have been found with the previous month’s minutes. Motion is made to revise and revisit December’s minutes in February by Mr. Steinberg, seconded by Mrs. Rogulski. Motion carries with all in favor.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the income and expense summary for December 31, 2015. He asks the board to note that revenues and maintenance are not in the packet as these vouchers still need to be approved. He reports that the IDA revenues are just shy of $3.9M and expenses are $1.4M. Income exceeds expense by roughly $2.4M. The IDA has operated under budget for 2015. Mr. Kleiman cautions that these are not final figures as the end of the year expense accruals and revenues that are being approved today will effect this numbers. It is also to be noted that this is the first year CPV funds were received which is why the revenues far exceeded the expenses. He reviews the bank balances and money market amount of nearly $13,806,655. It is to be noted that no one institution can hold more than $12M as no one bank can cover that more than that amount.

In December the IDA had a CD that matured. The CD had a rate for one year at .55% which increased at 7 bases points allowing the IDA to acquire another CD at the rate of .62%.

Mr. Kleiman reviews the income expense summary of The Business Accelerator for 2015. Year to date the revenues are $107,000 and expenses $688,000. Expenses exceed revenues at $581,000 as the IDA funds The Accelerator and this is to be expected.

The IDA has received a payment of $33,316.10 from SUNY Orange and Warwick Valley LCD (Shovel Ready Program – Payment 1 of 6) in the amount of $173,750.

Chairman Armistead asked to obtain a motion to approve the vouchers and payments to be approved in the amount of $265,969.00. Motion made by Mr. Schreibeis, seconded by Mr. Brescia, that the Board accept the financial reports and authorize IDA payments and vouchers for January 2015. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead passes on the Chairman's Report in the interest of time.

Executive Director Report

Mr. Petro discusses the sum of $255,000 for the IDA from the Port Authority. This continues to be a line item on the budget. The Port Authority will not release this money for payment until they receive the title or a letter/memorandum of understanding from DOT, the current property owners. They have no intentions of returning the property to the IDA and they would like the assistance of the IDA to acquire a clear title to the property. Meghan Taylor is working on settling this issue.

Chairman Armistead noted that when the property was passed to the Port Authority in 2008 it was done so because at the time the IDA did not have the means to develop that property. It could be developed and produce jobs nothing has been done to date with the land.

It is suggested by Mr. Petro to give Mrs. Taylor 30 days to get the issue settled before taking more aggressive means.

Unshattered, a resident Accelerator nonprofit company, has requested the funds for a new machine. This machine will assist with a new business venture to make bags for a Pennsylvania company that specializes in horse tack. $2,775 is needed to finance the machine. Because the amount is so low, Mr. Brescia feels it would be appropriate to approve the expenditures right away. Motion to approve an expenditure up to $3K for the purchase of the machine made by Mr. Brescia, seconded by Mrs. Rogulski. Affirmative votes of all members present resulted in motion carried. It is noted that the IDA will own the machine, and that it can and will be used by all fashion design production clients.

Lipman went to the New Windsor planning board on the behalf of Quality Carton and received all their final approvals. The approval is for 41,000 square feet expansion. They will visit the IDA next for assurances.

Chief Operating Officer Report

Mrs. Villasuso states that she has received some of the ABO evaluation and fiduciary acknowledgements but must have all from the board as they must be sent to the state by January 31st.

Every year a Corporate Missions and Goals Measurement report is due by March. She passes is it out in draft form. It is usually done in the beginning of the year for the year past. Currently Mrs. Villasuso and Mr. Dowd are working on this

report for this year's projections in hope of setting the goal and then meeting it. The board also receives the draft for the 2016 report.

The partial sale of some of the lots for Warwick Valley LDC has occurred to New York Sino Agricultural Science Organization for the sum of $1,750,000.
Mrs. Villasuso calls to the boards attention that Melanie Schouten has taken on the duty of recording the IDA meeting minutes.

Mr. Brescia asks that the board receives a report stating the scenarios in which the IDA pilot program has attracted clientele and how it has produced benefits. Mrs. Villasuso will work on this report with the offered assistance of the OCP.

The Accelerator Report

Mr. Cozzolino reports on recent Business Accelerator activities. Focus media has helped produce a new banner, Accelerator flyer, the website is to launch within the next month or so, a new bulletin is sent each month, partnership poster will hang in the hallways. The Accelerator is hosting an upcoming Business Essentials Fair for those clients that are hiring new staff and do not know how to proceed and meet business standards. WEDC is a new industry partnership that will help host workshops and industry meet ups.

The Evolution of Fashion Manufacturing in the Hudson Valley: Past, Present, and Future Conference was held on Dec 11th. It was sponsored by Fuzehub and partnered assistance by the OCP. It was a huge success with over 100 attendees. Lots of business connections were made and it resulted in regional relocation inquires within a few days of the conference. It was reported on by the Times Herald Record, Epoch times, and Westfair Communications.

Mrs. Villasuso mentions that she recently spoke for Leadership Orange and Youth Bureau and tours will be hosted by The Accelerator soon for each group.

OCP Report

Ms. Halahan updates the Members on OCP's partnership with The Accelerator and IDA and how this has resulted in a great deal of interest in the area due to the pilot program. There is a great deal of prospective manufacturing from local residents that commute to the city but are considering relocating due to the offered incentives. City (Brooklyn) real estate is overpriced and too small, making Orange County the ideal location.

OCP has met with their partners and redrafted their strategic plan. It's done about every three years. Their main focus is revitalizing the three cities, as supported by the governors, IDA, and County Executive's vision. They will also focus on foreign direct investment, and will build on the IDA shovel ready program.

OCP got into the site selector guild and is launching a new website.

Ms. Halahan stresses the OCP's goal to be known as the county's data center. State book is data software they invested in last year when they applied for the CFA process. OCP was so persuasive that every economic development center in the state will receive it for free.

The OCP team gives an overview of the attraction and retention projects in the pipeline: Legoland, Amy's Kitchen, Amerisource Bergen, Kikkerfrosch Brewery, Waste to Energy (W2E) Project, and Project Faded Glory to name a few.

Mrs. Villasuso discusses a recent meeting with OCP, Matrix, and representatives from the town of Newburgh about Amerisource Bergen in regards to what the town would support on the spec portion of the project. It came to agreement that the town would support the full sales tax exemption on the entire construction, the state portion of the mortgage recording tax, a 10-year PILOT on the occupied portion of the project, and 485B on the remainder. When a tenant is identified for the remainder of project, the town would support a 10-year PILOT for them.

IDA Discussions

Mr. Steinberg reiterated his concern relating to the boards discussion a month ago on trying to get ahead of the curve on the information that is given on the audit reports. The board should be seeing the numbers first before the report is submitted. Perhaps the numbers could be manipulated to reflect what actually occurring. Mrs. Villasuso reassures the board that they will see the figures in the same form in which the state will see them. Mrs. Rogulski states though the

figure has to be reported in a certain manner as requested by the state but if the IDA has the knowledge and understands the statistics analysis it will give them granularity to publicly respond.

Resolutions

Continental Organics is in foreclosure. This is a motion to authorize counsel to take all necessary legal actions with regard to the Continental Organics PILOT. Motion is made by Mr. Steinberg, seconded by Mr. Schreibeis. Affirmative votes of all members present resulted in motion carried.

Chairman Armistead asks that the committee move into executive session to discuss the existing lease agreement of the IDA offices. Motion made by Mr. Brescia to enter executive session issue. Motion seconded by Mr. Diana. All in favor.

Executive Session

The members discuss the office lease.

End of Executive Session

Such other and further business as may be presented

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mr. Schreibeis, seconded by Steinberg, the time being 4:57 p.m.