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Robert T. Armistead, Chairman • Mary Ellen Rogulski, Vice Chairman • John Steinberg, Jr., Second Vice Chairman
Stephen Brescia, Secretary • Henry VanLeeuwen, Assistant Secretary • Robert J. Schreibeis, Sr. • Edward A. Diana
James R. Petro, Jr, Executive Director • Laurie Villasuso, Associate Executive Director •
Kevin Dowd, Attorney • Joel Kleiman, Chief Financial Officer

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on January 14, 2016 at 2:00 p.m. at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- Roll Call
Reorganization Meeting

Elect Chairman: _____

Resolution- Elect Other Officers
Vice Chairman _____
Second Vice Chairman _____
Secretary _____
Assistant Secretary _____

IDA Chairman's Appointments:
Audit Committee- Rogulski (Chairman); VanLeeuwen; Steinberg
Alternate: Schreibeis
Governance Committee- Brescia (Chairman); Diana; Schreibeis;
Alternate: Rogulski
Accelerator Committee- Diana (Chairman), Rogulski (Vice Chairman); Steinberg
Alternate: Armistead
Human Resources Committee- Armistead (Chairman); Rogulski

- Executive Session
Resolution- Appoint Executive Director
Resolution- Appoint Associate Executive Director
Resolution- Appoint CFO (Kleiman)
Resolution- Appoint Attorney (Dowd)

Resolution- Appoint Contract Officer (Dowd)

Resolution- Appoint FOIL Officer and FOIL Appeals Officer

Resolution- Contract Officer Report All Agency-owned Properties As of 12-31-15
(None)

Resolution- Designate Depositories and set limits

Resolution- Report Annual Review- Procurement Policies & Procedures for 2016

Resolution- Appoint OCBA Managing Director

Resolution- Foreign Trade Zone \$25,000

Resolution- Authorize "Agent Status" for Orange County Partnership; Hudson Valley Economic Development Corporation; Hudson Valley Development Network; Pattern for Progress; Hudson Valley Agri-Business; Hudson Valley Film Commission; Orange County NY Arts Council, Inc.; Hudson Valley Food & Beverage Alliance; Rockland Economic Development Corporation "PTAC".

- **Approval of the minutes from December 10, 2015 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - Executive Director's Report
 - The Accelerator Report
 - OCP Report
 - Discussions
- **Resolutions**
 - Continental Organics
- **Such other and further business as may be presented**
- **Public Comments**
- **Adjournment**

Dated: January 7, 2016

Stephen Brescia, Secretary

By: James R. Petro, Jr., Executive Director

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

December 10, 2015

A regular meeting of the Orange County Industrial Development Agency was convened in public session on December 10, 2015 at 2:05pm at The Accelerator, 4 Crotty Lane, 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, Henry VanLeeuwen, Robert Schreiber, Edward Diana, John Steinberg, Steve Brescia

ABSENT: Mary Ellen Rogulski

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Kevin Dowd – IDA Attorney
Joel Kleiman – CFO
Russell Gaenzle – Harris Beach
Henna Easley – THR
John Czamanske – Orange Co Planning Dept.
Vincent Cozzolino – GTG
Wayne Booth – O.C. Execs Office
Bill Fioravanti – O.C. Partnership
Jeffrey Berkman – O.C. Legislation
William Kaplan – NAUC
Richard Rose – O.C. Parks
Harry Porr – O.C. Exec. Office
Melanie Schouten – GTG
Barry Cheney – O.C. Legislature, Dist 8
Maureen Halahan – O.C. Partnership
Whitney Bowers – Focus Media

Chairman Armistead calls to order the regular meeting of the Orange County IDA, December 10, 2015 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior November 12, 2015 meeting minutes. Chairman Armistead stated that in the Chairman's report, second paragraph, last sentence, to include information about the sign such as language and all the information that is required. Motion to approve the minutes as presented made by VanLeeuwen, seconded by Schreiber. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the summary of bank accounts / certificates / Money Market Accounts noting that the IDA has approximately \$10.5M. He then told the board that there is a CD that is maturing next week and will solicit bids to the banks around the county and award the CD or Money Market to the bank with the highest return of interest. Mr. Kleiman then reviews the income and expense summary for the Business Accelerator, noting that revenues are \$98,720, expenses are \$632,873. Expenses, as anticipated, exceed revenues by \$534,153, this is due to the fact that the Business Accelerator is a subsidiary of the IDA and the funds come from the IDA. Mr. Kleiman reviews the income and expense summary for the IDA, noting that income YTD is just about 3.8M, and YTD expenses are just about 1.3M, with revenues exceeding expenses by \$2.5M. Mr. Kleiman told the board that there are several payments that need to be made this month and next month and that will accrue back to 2015, so he is not projecting \$ 2.5M will be a year end operating surplus.

Lastly, he reviews the payments received for the month which total \$242,291.47, and the payments submitted for approval which comes to \$162,267.24. Chairman Armistead asked about CB Strain at MSM and how it came to the IDA. Ms. Villasuso stated that it was part of a 3 year project expenditure that was approved for 3 years for \$75,000 a year and this is the final year and this is part of the business center. Mr. Petro asked about the Galileo Technology Group for \$25,000 and if it was the management fee for 5 months, Ms. Villasuso stated no it is not; that this is the fee for the project expenditure approved for Galileo for the white paper and research on the cut and sew industry that was approved before they became the managers and they delivered that this month. Mr. Petro asked if this was a onetime payment and Ms. Villasuso stated yes.

Motion made by VanLeeuwen, seconded by Schreibeis, that the Board accept the financial reports and authorize payments and vouchers for December 2015. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead stated that the board has to go into executive session. Chairman Armistead said that they will do the committee reports first. First they will go over the Governance Report. Mr. Brescia, Chairman of the Governance Committee, stated that with respect to the Newburgh Armory application for the lower level renovation for \$175K. Mr. Dowd stated that this was for the OCFC, they are covering this early since Mr. Brescia won't be at the OCFC meeting, and Mr. Brescia stated that the Governance Committee is on board with the project. Mr. Brescia then talked about the Heritage Trail site, and stated that the Governance Committee is recommending the project expenditure of \$1M. Mr. Brescia introduced Barry Cheney, O.C. Legislature District 8, who is the oversight committee for the Heritage Trail and Jeff Berkamn, O.C. Legislature District 20, from the City of Middletown, who is a huge supporter of the project and stated that they will give a brief update. Mr. Petro asked if the payment would be a onetime payment or will it be broken up over the years. Mr. Brescia said that it will be a onetime payment but will be reimbursed as the project finishes. Ms. Villasuso spoke up and stated that it will be paid directly to the vendors and not reimbursed. Chairman Armistead asked if the trail will be getting funding from other sources and then stated that they will wait on that, he then went on to thank the officers of the county, legislature, and Mr. Kaplan.

Chairman Armistead stated that Ms. Rogulski chairman of the audit committee is not present, but the committee did meet and asked CFO Joel Kleiman to give the report about wrapping up the audit with IBM. Mr. Kleiman stated the audit committee discussed the IBM annual fees, agreement, ongoing audit and future audits. They reviewed the draft audit that was provided by JGS and still reviewing so it is not ready for approval. The audit committee hopes that by next month they can present it to the board for approval. Mr. Kleiman also stated they are looking for authorization to negotiate an amendment that governs the agreement with respect to the FTE's full time equivalents. He said that there is some question about making a standard calculation when the auditors do the pursuing years that IBM and the IDA agree upon the procedure and the process on the audit. Mr. Kleiman stated that they are looking to amend the agreement so we know that on a go forward basis we use the same measurement. Mr. Kleiman states that the other authorization they are looking for is to extend the engagement with JGS for an additional two years. JGS has a draft audit for May 2012 and 2013 and looking to extend it for May 2014 and 2015. He said the agreed upon procedures that we have pending is two full years of audits for a total of \$6,750 or \$3,375 per year, and the partial is \$4,750 for a total of \$11,500. Mr. Kleiman said that on a go forward basis we are looking to do full year audits that will cost about \$3,500 a year. Chairman Armistead stated that the audit process would be a lot less due to the fact that JGS has gone through all the leg work and things have been going very smoothly with IBM and our auditors. He stated that the audit committee recommends that we go forward with JGS and finish up the audits. Chairman Armistead stated that there is a lot of history and proved to be very beneficial for the county. He stated that IBM and IDA are on the same page and not a lot of dollars to get this done. Chairman Armistead did state again that the audit committee recommends we continue the audit and engage JGS. A motion is made for Mr. Kleiman to handle the technicalities of the accounting, and Mr. Dowd will memorialize the legal documents with IBM's legal department and Mr. Kleiman would negotiate the \$3,000 - \$3,500 each audit with JGS.

Motion made by VanLeeuwen, seconded by Diana, that the Board accept that JGS will continue with the audits. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Porr spoke about the Heritage Trail. He stated that it is the second most popular tourist spot in Orange County. Mr. Porr stated that Mr. Rose Commissioner of Parks will speak on the project and Deputy Commission Mr. Czamanske will talk about the finances. Mr. Porr stated that this is a very important shovel ready project. Mr. Rose spoke about the Heritage Trail; he said that it is a rail trail and that rail trails were once important transportation corridors in this county for railroads use. They are looking to reuse the rail trail non motorized transportation use. Mr. Rose said there are

three segments they are looking to expand going towards Middletown. Mr. Rose said that the application is for segment two. He said that segment two is the most complicated due to needing several infrastructures. Two bridges, a tunnel under Dolson Town Road and re-deck a number of bridges. Mr. Rose stated that segment 2 is the most expensive and most complicated but it is shovel ready. He said all paperwork is in progress. Mr. Rose stated that he has five reasons to support this project. 1. It will boost economic development in the area, 2. Help restore the infrastructure of this particular section, 3. It is shovel ready, 4. Tourism, 5. Economic growth. Mr. Czamanske was introduced to talk about financing. He said that all three sections of the Heritage Trail has had federal funding. Mr. Czamanske stated that on page 3 of the application there is a very detailed description of the cost. The total cost for all three segments is just over \$12.8M, segment two is just over \$7M and he expects that 80% of the cost of segment 2 as well as 1 and 3 will be covered by FHWA. The local share is just over \$1.4M and they are looking at the IDA for \$1M to help support the segment 2. Mr. Czamanske went over the chart for the Heritage Trail Expansion Funding Overview. Chairman Armistead asked if there were any questions and stated that there is a lot of support from the businesses in the area. Mr. Brescia stated that City of Middletown, Village of Goshen, Town of Walkill and the legislature are also in support of the Heritage Trail. Chairman Armistead stated that there was a lot of support letters and Mr. Brescia said that they went over the economic development last month. Mr. Petro said that Mayor DeStefano was in support. Chairman Armistead stated there was a lot of success stories. Mr. Dowd stated he will do a formal resolution.

Motion made by Brescia, seconded by VanLeeuwen, that the Board accept the Heritage Trail Segment two project for \$1M. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Executive Session

Motion made by VanLeeuwen to enter executive session relating to pending litigation and year end performance review of IDA employees. Motion seconded by Schreiber. All in favor.

The members discussed pending litigation involving a notice of claim against the IDA and discussed year end performance reviews of IDA employees.

End of Executive Session

Executive Director Report

Mr. Petro stated he would pass for the Executive Director report. The only thing he was going to talk about was Pillar. Ms. Villasuso stated that the auditors (JGS) were here for year-end audit, sent out project confirmation and SUNY paid the IDA. Chairman Armistead said that he met with the new head of SUNY Orange Kristine Young along with Ms. Villasuso.

OCBA Report

Mr. Cozzolino stated that the CFA award of \$700K is going to TSEC for more equipment coming to The Accelerator. He mentioned that tomorrow is the Evolution of Fashion Manufacturing Hudson Valley Event going on. It is the kickoff of interest to bring back the fashion design and fashion manufacturing in our area. Mr. Cozzolino said that they have partnered with Cornell University/ MIT on the future of fashion; they put circuits into clothing so the clothing will talk to us and protect us. Mr. Cozzolino said we are in a \$80M grant with them and if the grant is won \$5M will come to us and we will use that to attract other companies. Mr. Cozzolino stated that we could create a lot of sewing jobs if someone wanted to be in the sewing business. He has asked Mr. Kaplan to help us. Mr. Cozzolino stated that the Tukatech Design Center is now open which is the fashion design pod; about a quarter of million dollars worth of equipment. Next Mr. Cozzolino mentioned that Nick Valentine came in and gave a class to 6 people for tailoring. Mr. Cozzolino said that unshattered received a grant from WDI to come into The Accelerator, and another company Home Into Haven will be moving up from Brooklyn and will hire 2 full people right away for the product line of organic soaps. He feels that she is very well accepted and Target and other stores are after her product. The local workforce Development and Steve Knob is helping fill the two positions. Mr. Cozzolino said that WDI's grant bought special equipment for the bottling operation. Mr. Steinberg asked Mr. Cozzolino what type of space they are looking to get for the sewing. Mr. Cozzolino stated that they know there is space on Broadway that was an old sewing factory that is about 10,000 square feet with a store front. Mr. Cozzolino then spoke about AWOW. He said that many companies coming to him for help. Mr. Cozzolino stated that they finished the study on the cut and sew industry. Chairman Armistead said that the board has been talking off line about the need for more space and they will be working on that in 2016. He asked for either Mr. Cozzolino or Ms. Villasuso to keep them abreast of the space situation. Chairman Armistead stated that it is good to know that the OCP, County Executive, IDA, and The Accelerator are working as a partnership.

OCP Report

Ms. Halahan wanted to update the board on what happened in the governors' office, after a year of work on the Mid Hudson Regional Council all 10 regions were competing for Upstate Urban Revitalization Initiative. Ms. Halahan said that we lost, but the Mid Hudson did win \$90M and the losers will have an extra \$50M next year to be divided up. She said that we did win \$8M more than last year's award, and we won the completion last year.

Ms. Halahan spoke about Legoland. They are coming back and want to be in NY. OCP will be showing them 3 more options in Orange County and we have one of the best site selectors. Mr. Petro said that they gave Legoland the IDA benefit information. Ms. Halahan spoke about the Hudson Valley Crossing Site, he would like to invest again. OCP will do a full site tour the first of the year. Ms. Halahan spoke about the International Marketing Campaign (The Wall Street Journal), and she said that after speaking with the County Executive, if the IDA could fund another campaign for 2016 then they may be able to defund it in 2017 and the legislature may be able to pick it up.

Mr. Fiorvanti brought up some year-end highlights, he stated that Ms. Dana closed 16 expansion projects with 921 jobs. Project Grease an aluminum fabrication and Project Blanket a food manufacturer are two Start Up NY projects that Ms. Dana is working on. AWOW was also mentioned. Crystal Run Healthcare is also seeking some Start Up NY benefits. Mr. Fiorvanti went on to talk about attraction for 2015. They have closed 18 attraction projects with 579 jobs with over \$1B of capital investment. Mr. Fiorvanti said that for 2015 adding attraction and Expansion together OCP has 34 wins and 1500 jobs. Mr. Fiorvanti is working on several projects such as Bio Mass project and Project Prosciutto. He also mentioned they are still working on Amy's, a Dental Manufacturer, Morro Crane, Farm Distillery, and Project Cascade. Mr. Fiorvanti is working with The Accelerator on many projects and many leads for the City of Newburgh. Mr. Fiorvanti did mention that they are struggling to get sites for the City of Newburgh.

Discussions

Mr. Steinberg spoke about the PARIS reporting. Mr. Kleiman explained about PARIS reporting and the different sections that get reported. Mr. Kleiman stated that Mr. Steinberg was talking about the benchmarking in which they took information from the PARIS report and derived it from the report and did some manipulation of the numbers and came up with some thresholds. Mr. Steinberg asked if the numbers have been around and Mr. Kleiman stated yes, but what they are doing with the numbers are different. After discussing the algorithm of how the numbers come about, Ms. Villasuso told Mr. Steinberg that the information that is provided to the state can be shared with the IDA Board before it goes out. Chairman Armistead stated that the report is bogus and not a good report.

Mr. Steinberg asked Mr. Petro how much the Port Authority owes the IDA, Mr. Petro stated they owe \$255K. Mr. Steinberg asked if it is time to set plan to get the money back. The answer is yes. Mr. Petro stated that he has spoke to Mr. Torrelli and Mr. Harrison about it and it is still a line item on one of their budgets. Mr. Petro then stated after that it goes downhill, they need to get MOU (Memorandum of Understanding) from the state for the 58 acres, which the IDA had and gave to them, but they need to get it direct from the state, and they have not done so yet and they don't plan on paying anything. That means the IDA may never get paid back until they get the MOU. Mr. Petro said bottom line, unless we start a lawsuit don't bring it up again. Chairman Armistead asked if we can take the property back, Mr. Petro stated yes. Chairman Armistead stated that the Port Authority wanted to develop land around the airport and since they have not developed it, maybe the IDA can help, get the land back and we can try to develop it and make something of it. Mr. Petro stated yes we can ask for that. Mr. Steinberg asked if it would be better if the IDA or the county supervisor does it, Chairman Armistead stated we can do that and we can make it shovel ready. Mr. Diana suggested that the IDA goes and talks to the Port Authority about the land. Mr. Steinberg summarized it by saying: We would like to proceed to get paid or get it back. Mr. Steinberg also asked Chairman Armistead if he could go to the meeting with them and he answered yes. Mr. Petro stated that the property across the street from the 58 acres; the 253 acres which was give to the IDA (230 acres are bogs) there is a strip along the top to put up some buildings. Mr. Petro stated that it was suppose to be for recreational use, but the IDA was an exception. Mr. Petro stated that the IDA should look into regaining that property. It was stated by Chairman Armistead that they will plan on a meeting after the New Year.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen seconded by Schrebeis, the time being 4:10 p.m.

RESOLUTION ELECTING OFFICERS OTHER THAN CHAIRMAN FOR 2016

Motion By:

Seconded By:

WHEREAS, the IDA bylaws call for the election of a Chairman and the election of other officers at this time; and

WHEREAS, the Chairman for 2016 has already been elected and recorded in the minutes; and

WHEREAS, the Chairman has proposed a slate of officers as listed below.

NOW, THEREFORE, BE IT RESOLVED that the following are elected IDA officers for 2016:

Vice Chairman:

Second Vice Chairman:

Secretary:

Assistant Secretary:

Vote:

Mr. Schreiber

Ms Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

Date: January 14, 2016

AYES ; NAYS

Resolution:

RESOLUTION APPOINTING JAMES PETRO AS A CONSULTANT TO THE IDA FOR 2016 AND AUTHORIZING THE CHAIRMAN TO EXECUTE AN AGREEMENT SETTING FORTH THE TERMS OF ENGAGEMENT THEREFOR.

Motion By:

Seconded By:

WHEREAS, by resolution dated January 8, 2015, this IDA retained the services of James Petro to act and perform the duties of Executive Director of the Agency; and

WHEREAS, the IDA believes that Mr. Petro has performed those duties with distinction and now wishes to retain his services for 2016 for \$80,000 and to execute an agreement with Mr. Petro specifying the terms of his engagement.

NOW, THEREFORE, BE IT RESOLVED, that the IDA hereby authorizes the engagement of James Petro as a consultant to the IDA for \$80,000 for one year and further authorizes the Chairman to sign an agreement for such services with Mr. Petro.

Mr. Schreiber

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

Date: January 14, 2016

AYES ; NAYS

Resolution:

RESOLUTION APPOINTING THE ASSOCIATE EXECUTIVE DIRECTOR OF THE
IDA FOR 2016.

MOTION BY:

SECONDED BY:

WHEREAS, by resolution dated January 15, 2014, this IDA established the position of Associate Executive Director for the Agency; and

WHEREAS, this IDA wishes to appoint an Associate Executive Director for the year 2016.

NOW, THEREFORE, BE IT RESOLVED that this IDA hereby appoints Laurie Villasuso to the position of Associate Executive Director at the salary of \$ 80,000 for the year 2016.

Vote:

Mr. Schreiber

Ms. Rogulski

Mr. Brescia

Mr. Diana

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

DATED: 1-14-16

AYES; NAYS

RESOLUTION:

RESOLUTION APPOINTING IDA CHIEF FINANCIAL OFFICER FOR 2016

Motion By:

Seconded By:

WHEREAS, the Public Authorities Accountability Act requires that this IDA appoint a Chief Financial Officer.

NOW, THEREFORE, BE IT RESOLVED that Joel Kleiman be designated the IDA's Chief Financial Officer for 2016, and receive an annual stipend of \$7,500.00.

Mr. Schreibeis

Ms Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

Date: January 14, 2016

AYES; NAYS

Resolution:

RESOLUTION APPOINTING IDA ATTORNEY FOR 2016

MOTION BY:

SECONDED BY:

WHEREAS, the IDA bylaws provide that an IDA attorney may be appointed by this IDA.

NOW, THEREFORE, BE IT RESOLVED that Kevin T. Dowd shall be appointed the IDA attorney for 2016 at the hourly rate of \$185.00 per hour, plus reasonable expenses.

Vote:

Mr. Schreibeis

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

DATED: January 14, 2016

AYES ; NAYS

Resolution:

RESOLUTION APPOINTING A CONTRACT OFFICER FOR THE IDA FOR 2016

Motion By:

Seconded By:

WHEREAS, the Public Authorities Accountability Act requires that the IDA appoint a Contract Officer for real property transactions and reporting to New York State and Orange County Officials.

NOW, THEREFORE, BE IT RESOLVED that the IDA attorney, Kevin T. Dowd, be appointed Contract Officer for 2016.

Mr. Schreibeis

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

Date: January 14, 2016

AYES ; NAYS

Resolution:

RESOLUTION APPOINTING IDA FREEDOM OF INFORMATION LAW
OFFICIALS FOR 2016

Motion By:

Seconded By:

WHEREAS, the NYS Open Meetings Law requires that this IDA appoint a FOIL officer and FOIL Appeals officer.

NOW, THEREFORE, BE IT RESOLVED that Laurie Villasuso is appointed FOIL officer and Kevin T. Dowd, Esq. is appointed FOIL Appeals officer for 2016.

Mr. Schreibeis

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

Date: January 14, 2016

AYES; NAYS

Resolution:

RESOLUTION REPORTING IDA-OWNED PROPERTIES AS OF 12-31-15

Motion By:

Seconded By:

WHEREAS, the Public Authorities Accountability Act requires that this IDA report all Agency-owned real properties as of December 31, 2015; and

WHEREAS, the Contract Officer reports that this IDA owns NO real property as of that date.

NOW, THEREFORE, BE IT RESOLVED that this IDA shall report that it owns NO real property as of 12-31-15; and that the IDA Executive Director shall file a negative report with the Authority Budget Office, via PARIS as required by the PAAA.

Mr. Schreibeis

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

Date: January 14, 2016

AYES ; NAYS

Resolution:

RESOLUTION APPROVING IDA DEPOSITORIES FOR 2016

MOTION BY:

SECONDED BY:

WHEREAS, the NYS General Municipal Law, Section 10, requires the Orange County Industrial Development Agency to designate one or more banks to secure the deposits of IDA funds and investments; and

WHEREAS, the IDA's Chief Financial Officer has requested that the IDA so designate its depositories.

NOW, THEREFORE, BE IT RESOLVED that pursuant to Article III, Section 2, Exhibit C of the Orange County IDA Bylaws and Policies, the IDA hereby designates the following depositories located within Orange County, together with their maximum dollar limits.

<u>Depository Name</u>	<u>Maximum \$</u>
Bank of America	\$12,000,000
Berkshire Bank	\$12,000,000
Catskill Hudson Bank	\$12,000,000
Greater Hudson Bank	\$12,000,000
JP Morgan Chase Bank	\$12,000,000
Key Bank	\$12,000,000
Manufacturers and Traders Trust Company	\$12,000,000
Orange County Trust Company	\$12,000,000
Sterling Bank	\$12,000,000
TD Bank	\$12,000,000
Wachovia Bank/Wells Fargo & Co.	\$12,000,000

Vote:

Mr. Schreibeis

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. VanLeeuwen

Chairman Armistead

DATED: January 14, 2016

AYES; NAYS

Resolution:

RESOLUTION PROVIDING FOR ANNUAL REVIEW OF IDA PROCUREMENT
POLICIES & PRACTICES IN 2016

Motion By:

Seconded By:

WHEREAS, in accordance with Section 104-b of the General Municipal Law, and the Public Authorities Accountability Act of 2005, this IDA is required to adopt procurement policies which will apply to the procurement of goods and services not subject to the competitive bidding requirements of Section 103 of the GML and paid for by this IDA for its own use and account; and

WHEREAS, this IDA's Bylaws, Exhibit J, set forth the IDA's procurement policies and procedures, and Section B-11 therein requires that the Agency shall annually review its procurement policies and procedures.

NOW, THEREFORE, BE IT RESOLVED that the Governance Committee, Executive Director, and Attorney shall review this IDA's Procurement Policies and Procedures on or before the IDA meeting in February 2016, and report to the IDA Board as required.

Mr. Schreibeis

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

Date: January 14, 2016

AYES ; NAYS

Resolution:

RESOLUTION APPROVING GALILEO TECHNOLOGY GROUP AS MANAGING DIRECTOR OF THE ORANGE COUNTY BUSINESS ACCELERATOR.

MOTION BY:

SECONDED BY:

WHEREAS, by resolution dated May 14, 2015, this IDA appointed the Galileo Technology Group (GTG) as Managing Director of the Orange County Business Accelerator(OCBA) from June 1, 2015 through the end of 2015; and

WHEREAS, GTG has performed exceptionally well as the Managing Director, as it has transitioned OCBA in a different direction involving manufacturing-based companies and has expanded the role of OCBA in assisting companies in Orange County through its Accelerator Without Walls (AWOW) program; and

WHEREAS, this IDA wishes to appoint the GTG as the Managing Director of OCBA for the calendar year 2016.

NOW, THEREFORE, BE IT RESOLVED that the Galileo Technology Group is hereby appointed as Managing Director of OCBA from January 1, 2016 until the IDA's annual meeting in 2017 at the contract amount of \$60,000.00 per year payable in equal monthly installments.

FURTHER RESOLVED, that the Galileo Technology Group is authorized to continue the Accelerator Without Walls Program to give assistance to existing Orange County companies and to employ the professional services of experts to render such assistance for which this IDA has allocated up to \$220,000 to pay for such professional services.

FURTHER RESOLVED, that the IDA attorney, in conjunction with the Executive Director and/or IDA Chairman, is hereby authorized to prepare a contract with the Galileo Technology Group and the Executive Director and/or the IDA Chairman are hereby authorized to sign said contract on behalf of the IDA.

Vote:

Mr. Schreibeis

Mr. Brescia

Ms. Rogulski

Mr. Steinberg

Mr. Van Leeuwen

Mr. Diana

Chairman Armistead

DATED: 1-14-16

AYES; NAYS

RESOLUTION

RESOLUTION APPROVING \$25,000 ANNUAL CONTRACT WITH ORANGE COUNTY FOREIGN TRADE ZONE FOR 2016

MOTION BY:

SECONDED BY :

WHEREAS, this IDA has considered the annual request of the Orange County Foreign Trade Zone for \$25,000 for project expenses for calendar year 2016; and

WHEREAS, this IDA finds the request consistent with the IDA purpose of furthering economic development and international trade in Orange County; and

WHEREAS, such amount has been allocated in the 2016 budget.

NOW, THEREFORE, BE IT RESOLVED that the IDA Chairman is authorized to sign a contract with the Orange County Foreign Trade Zone in the amount of \$25,000 for project expenses for calendar year 2016 to be used solely for economic development and international trade in Orange County.

Vote:

Mr. Schreiber

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Van Leeuwen

Mr. Steinberg

Chairman Armistead

DATED: January 14, 2016

YES; NAYS

Resolution:

RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR AND/OR CHAIRMAN TO SIGN AGENCY AGREEMENTS WITH VARIOUS NOT-FOR-PROFIT ORGANIZATIONS.

MOTION BY:

SECONDED BY:

WHEREAS, this IDA recognizes the benefit of assistance from other organizations in fulfilling its economic development role in Orange County; and

WHEREAS, several not-for-profit organizations have assisted this IDA in the past to the IDA's benefit and this IDA desires to continue that assistance by designating such not-for-profit organizations as agents of this IDA for the purpose of economic development in Orange County, according to a letter of agency status to be executed between the IDA's Executive Director and/or the Chairman and the several not-for-profit organizations.

NOW, THEREFORE, BE IT RESOLVED that that the Executive Director and/or the Chairman are authorized to negotiate and execute a letter of agency status on behalf of this IDA, in the amount budgeted, with Orange County Partnership, Hudson Valley Economic Development Corporation, Hudson Valley Economic Development Network, Patterns for Progress, Hudson Valley Agri-Business, Hudson Valley Film Commission, Orange County NY Arts Council, Inc., Hudson Valley Food & Beverage Alliance and Rockland County PTAC.

Vote:

Mr. Schreibeis

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Steinberg

Mr. Van Leeuwen

Chairman Armistead

DATED: 1-14-16

AYES; NAYS

RESOLUTION:

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

December 10, 2015

A regular meeting of the Orange County Industrial Development Agency was convened in public session on December 10, 2015 at 2:05pm at The Accelerator, 4 Crotty Lane, 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, Henry VanLeeuwen, Robert Schreiber, Edward Diana, John Steinberg, Steve Brescia

ABSENT: Mary Ellen Rogulski

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Kevin Dowd – IDA Attorney
Joel Kleiman – CFO
Russell Gaenzle – Harris Beach
Henna Easley – THR
John Czamanske – Orange Co Planning Dept.
Vincent Cozzolino – GTG
Wayne Booth – O.C. Execs Office
Bill Fioravanti – O.C. Partnership
Jeffrey Berkman – O.C. Legislation
William Kaplan – NAUC
Richard Rose – O.C. Parks
Harry Porr – O.C. Exec. Office
Melanie Schouten – GTG
Barry Cheney – O.C. Legislature, Dist 8
Maureen Halahan – O.C. Partnership
Whitney Bowers – Focus Media

Chairman Armistead calls to order the regular meeting of the Orange County IDA, December 10, 2015 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior November 12, 2015 meeting minutes. Chairman Armistead stated that in the Chairman's report, second paragraph, last sentence, to include information about the sign such as language and all the information that is required. Motion to approve the minutes as presented made by VanLeeuwen, seconded by Schreiber. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the summary of bank accounts / certificates / Money Market Accounts noting that the IDA has approximately \$10.5M. He then told the board that there is a CD that is maturing next week and will solicited bids to the banks around the county and award the CD or Money Market to the bank with the highest return of interest. Mr. Kleiman then reviews the income and expense summary for the Business Accelerator, noting that revenues are \$98,720, expenses are \$632,873. Expenses, as anticipated, exceed revenues by \$534,153, this is due to the fact that the Business Accelerator is a subsidiary of the IDA and the funds come from the IDA. Mr. Kleiman reviews the income and expense summary for the IDA, noting that income YTD is just about 3.8M, and YTD expenses are just about 1.3M, with revenues exceeding expenses by \$2.5M. Mr. Kleiman told the board that there are several payments that need to be made this month and next month and that will accrue back to 2015, so he is not projecting \$ 2.5M will be a year end operating surplus.

Lastly, he reviews the payments received for the month which total \$242,291.47, and the payments submitted for approval which comes to \$162,267.24. Chairman Armistead asked about CB Strain at MSM and how it came to the IDA. Ms. Villasuso stated that it was part of a 3 year project expenditure that was approved for 3 years for \$75,000 a year and this is the final year and this is part of the business center. Mr. Petro asked about the Galileo Technology Group for \$25,000 and if it was the management fee for 5 months, Ms. Villasuso stated no it is not; that this is the fee for the project expenditure approved for Galileo for the white paper and research on the cut and sew industry that was approved before they became the managers and they delivered that this month. Mr. Petro asked if this was a onetime payment and Ms. Villasuso stated yes.

Motion made by VanLeeuwen, seconded by Schreibeis, that the Board accept the financial reports and authorize payments and vouchers for December 2015. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead stated that the board has to go into executive session. Chairman Armistead said that they will do the committee reports first. First they will go over the Governance Report. Mr. Brescia, Chairman of the Governance Committee, stated that with respect to the Newburgh Armory application for the lower level renovation for \$175K. Mr. Dowd stated that this was for the OCFC, they are covering this early since Mr. Brescia won't be at the OCFC meeting, and Mr. Brescia stated that the Governance Committee is on board with the project. Mr. Brescia then talked about the Heritage Trail site, and stated that the Governance Committee is recommending the project expenditure of \$1M. Mr. Brescia introduced Barry Cheney, O.C. Legislature District 8, who is the oversight committee for the Heritage Trail and Jeff Berkamn, O.C. Legislature District 20, from the City of Middletown, who is a huge supporter of the project and stated that they will give a brief update. Mr. Petro asked if the payment would be a onetime payment or will it be broken up over the years. Mr. Brescia said that it will be a onetime payment but will be reimbursed as the project finishes. Ms. Villasuso spoke up and stated that it will be paid directly to the vendors and not reimbursed. Chairman Armistead asked if the trail will be getting funding from other sources and then stated that they will wait on that, he then went on to thank the officers of the county, legislature, and Mr. Kaplan.

Chairman Armistead stated that Ms. Rogulski chairman of the audit committee is not present, but the committee did meet and asked CFO Joel Kleiman to give the report about wrapping up the audit with IBM. Mr. Kleiman stated the audit committee discussed the IBM annual fees, agreement, ongoing audit and future audits. They reviewed the draft audit that was provided by JGS and still reviewing so it is not ready for approval. The audit committee hopes that by next month they can present it to the board for approval. Mr. Kleiman also stated they are looking for authorization to negotiate an amendment that governs the agreement with respect to the FTE's full time equivalents. He said that there is some question about making a standard calculation when the auditors do the pursuing years that IBM and the IDA agree upon the procedure and the process on the audit. Mr. Kleiman stated that they are looking to amend the agreement so we know that on a go forward basis we use the same measurement. Mr. Kleiman states that the other authorization they are looking for is to extend the engagement with JGS for an additional two years. JGS has a draft audit for May 2012 and 2013 and looking to extend it for May 2014 and 2015. He said the agreed upon procedures that we have pending is two full years of audits for a total of \$6,750 or \$3,375 per year, and the partial is \$4,750 for a total of \$11,500. Mr. Kleiman said that on a go forward basis we are looking to do full year audits that will cost about \$3,500 a year. Chairman Armistead stated that the audit process would be a lot less due to the fact that JGS has gone through all the leg work and things have been going very smoothly with IBM and our auditors. He stated that the audit committee recommends that we go forward with JGS and finish up the audits. Chairman Armistead stated that there is a lot of history and proved to be very beneficial for the county. He stated that IBM and IDA are on the same page and not a lot of dollars to get this done. Chairman Armistead did state again that the audit committee recommends we continue the audit and engage JGS. A motion is made for Mr. Kleiman to handle the technicalities of the accounting, and Mr. Dowd will memorialize the legal documents with IBM's legal department and Mr. Kleiman would negotiate the \$3,000 - \$3,500 each audit with JGS.

Motion made by VanLeeuwen, seconded by Diana, that the Board accept that JGS will continue with the audits. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Porr spoke about the Heritage Trail. He stated that it is the second most popular tourist spot in Orange County. Mr. Porr stated that Mr. Rose Commissioner of Parks will speak on the project and Deputy Commission Mr. Czamanske will talk about the finances. Mr. Porr stated that this is a very important shovel ready project. Mr. Rose spoke about the Heritage Trail; he said that it is a rail trail and that rail trails were once important transportation corridors in this county for railroads use. They are looking to reuse the rail trail non motorized transportation use. Mr. Rose said there are

three segments they are looking to expand going towards Middletown. Mr. Rose said that the application is for segment two. He said that segment two is the most complicated due to needing several infrastructures. Two bridges, a tunnel under Dolson Town Road and re-deck a number of bridges. Mr. Rose stated that segment 2 is the most expensive and most complicated but it is shovel ready. He said all paperwork is in progress. Mr. Rose stated that he has five reasons to support this project. 1. It will boost economic development in the area, 2. Help restore the infrastructure of this particular section, 3. It is shovel ready, 4. Tourism, 5. Economic growth.

Mr. Czamanske was introduced to talk about financing. He said that all three sections of the Heritage Trail has had federal funding. Mr. Czamanske stated that on page 3 of the application there is a very detailed description of the cost. The total cost for all three segments is just over \$12.8M, segment two is just over \$7M and he expects that 80% of the cost of segment 2 as well as 1 and 3 will be covered by FHWA. The local share is just over \$1.4M and they are looking at the IDA for \$1M to help support the segment 2. Mr. Czamanske went over the chart for the Heritage Trail Expansion Funding Overview. Chairman Armistead asked if there were any questions and stated that there is a lot of support from the businesses in the area. Mr. Brescia stated that City of Middletown, Village of Goshen, Town of Wallkill and the legislature are also in support of the Heritage Trail. Chairman Armistead stated that there was a lot of support letters and Mr. Brescia said that they went over the economic development last month. Mr. Petro said that Mayor DeStefano was in support. Chairman Armistead stated there was a lot of success stories. Mr. Dowd stated he will do a formal resolution.

Motion made by Brescia, seconded by VanLeeuwen, that the Board accept the Heritage Trail Segment two project for \$1M. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Executive Session

Motion made by VanLeeuwen to enter executive session relating to pending litigation and year end performance review of IDA employees. Motion seconded by Schreiber. All in favor.

The members discussed pending litigation involving a notice of claim against the IDA and discussed year end performance reviews of IDA employees.

End of Executive Session

Executive Director Report

Mr. Petro stated he would pass for the Executive Director report. The only thing he was going to talk about was Pillar. Ms. Villasuso stated that the auditors (JGS) were here for year-end audit, sent out project confirmation and SUNY paid the IDA. Chairman Armistead said that he met with the new head of SUNY Orange Kristine Young along with Ms. Villasuso.

OCBA Report

Mr. Cozzolino stated that the CFA award of \$700K is going to TSEC for more equipment coming to The Accelerator. He mentioned that tomorrow is the Evolution of Fashion Manufacturing Hudson Valley Event going on. It is the kickoff of interest to bring back the fashion design and fashion manufacturing in our area. Mr. Cozzolino said that they have partnered with Cornell University/ MIT on the future of fashion; they put circuits into clothing so the clothing will talk to us and protect us. Mr. Cozzolino said we are in a \$80M grant with them and if the grant is won \$5M will come to us and we will use that to attract other companies. Mr. Cozzolino stated that we could create a lot of sewing jobs if someone wanted to be in the sewing business. He has asked Mr. Kaplan to help us. Mr. Cozzolino stated that the Tukatech Design Center is now open which is the fashion design pod; about a quarter of million dollars worth of equipment. Next Mr. Cozzolino mentioned that Nick Valentine came in and gave a class to 6 people for tailoring. Mr. Cozzolino said that unshattered received a grant from WDI to come into The Accelerator, and another company Home Into Haven will be moving up from Brooklyn and will hire 2 full people right away for the product line of organic soaps. He feels that she is very well accepted and Target and other stores are after her product. The local workforce Development and Steve Knob is helping fill the two positions. Mr. Cozzolino said that WDI's grant bought special equipment for the bottling operation. Mr. Steinberg asked Mr. Cozzolino what type of space they are looking to get for the sewing. Mr. Cozzolino stated that they know there is space on Broadway that was an old sewing factory that is about 10,000 square feet with a store front. Mr. Cozzolino then spoke about AWOW. He said that many companies coming to him for help. Mr. Cozzolino stated that they finished the study on the cut and sew industry. Chairman Armistead said that the board has been talking off line about the need for more space and they will be working on that in 2016. He asked for either Mr. Cozzolino or Ms. Villasuso to keep them abreast of the space situation. Chairman Armistead stated that it is good to know that the OCP, County Executive, IDA, and The Accelerator are working as a partnership.

OCP Report

Ms. Halahan wanted to update the board on what happened in the governors' office, after a year of work on the Mid Hudson Regional Council all 10 regions were competing for Upstate Urban Revitalization Initiative. Ms. Halahan said that we lost, but the Mid Hudson did win \$90M and the losers will have an extra \$50M next year to be divided up. She said that we did win \$8M more than last year's award, and we won the completion last year.

Ms. Halahan spoke about Legoland. They are coming back and want to be in NY. OCP will be showing them 3 more options in Orange County and we have one of the best site selectors. Mr. Petro said that they gave Legoland the IDA benefit information. Ms. Halahan spoke about the Hudson Valley Crossing Site, he would like to invest again. OCP will do a full site tour the first of the year. Ms. Halahan spoke about the International Marketing Campaign (The Wall Street Journal), and she said that after speaking with the County Executive, if the IDA could fund another campaign for 2016 then they may be able to defund it in 2017 and the legislature may be able to pick it up.

Mr. Fiorvanti brought up some year-end highlights, he stated that Ms. Dana closed 16 expansion projects with 921 jobs. Project Grease an aluminum fabrication and Project Blanket a food manufacturer are two Start Up NY projects that Ms. Dana is working on. AWOW was also mentioned. Crystal Run Healthcare is also seeking some Start Up NY benefits. Mr. Fiorvanti went on to talk about attraction for 2015. They have closed 18 attraction projects with 579 jobs with over \$1B of capital investment. Mr. Fiorvanti said that for 2015 adding attraction and Expansion together OCP has 34 wins and 1500 jobs. Mr. Fiorvanti is working on several projects such as Bio Mass project and Project Prosciutto. He also mentioned they are still working on Amy's, a Dental Manufacturer, Morro Crane, Farm Distillery, and Project Cascade. Mr. Fiorvanti is working with The Accelerator on many projects and many leads for the City of Newburgh. Mr. Fiorvanti did mention that they are struggling to get sites for the City of Newburgh.

[Discussions]

Mr. Steinberg spoke about the PARIS reporting. Mr. Kleiman explained about PARIS reporting and the different sections that get reported. Mr. Kleiman stated that Mr. Steinberg was talking about the benchmarking in which they took information from the PARIS report and derived it from the report and did some manipulation of the numbers and came up with some thresholds. Mr. Steinberg asked if the numbers have been around and Mr. Kleiman stated yes, but what they are doing with the numbers are different. After discussing the algorithm of how the numbers come about, Ms. Villasuso told Mr. Steinberg that the information that is provided to the state can be shared with the IDA Board before it goes out. Chairman Armistead stated that the report is bogus and not a good report.

Mr. Steinberg asked Mr. Petro how much the Port Authority owes the IDA, Mr. Petro stated they owe \$255K. Mr. Steinberg asked if it is time to set plan to get the money back. The answer is yes. Mr. Petro stated that he has spoke to Mr. Torrelli and Mr. Harrison about it and it is still a line item on one of their budgets. Mr. Petro then stated after that it goes downhill, they need to get MOU (Memorandum of Understanding) from the state for the 58 acres, which the IDA had and gave to them, but they need to get it direct from the state, and they have not done so yet and they don't plan on paying anything. That means the IDA may never get paid back until they get the MOU. Mr. Petro said bottom line, unless we start a lawsuit don't bring it up again. Chairman Armistead asked if we can take the property back, Mr. Petro stated yes. Chairman Armistead stated that the Port Authority wanted to develop land around the airport and since they have not developed it, maybe the IDA can help, get the land back and we can try to develop it and make something of it. Mr. Petro stated yes we can ask for that. Mr. Steinberg asked if it would be better if the IDA or the county supervisor does it, Chairman Armistead stated we can do that and we can make it shovel ready. Mr. Diana suggested that the IDA goes and talks to the Port Authority about the land. Mr. Steinberg summarized it by saying: We would like to proceed to get paid or get it back. Mr. Steinberg also asked Chairman Armistead if he could go to the meeting with them and he answered yes. Mr. Petro stated that the property across the street from the 58 acres; the 253 acres which was give to the IDA (230 acres are bogs) there is a strip along the top to put up some buildings. Mr. Petro stated that it was suppose to be for recreational use, but the IDA was an exception. Mr. Petro stated that the IDA should look into regaining that property. It was stated by Chairman Armistead that they will plan on a meeting after the New Year.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen seconded by Schrebeis, the time being 4:10 p.m.

Orange County IDA

January 2016

Funds Received

SUNY Orange (Year 2015 regranting payment)	33,316.10
Warwick Valley LDC (Shovel Ready Program - Pmnt 1 of 6)	173,750.00
Total	207,066.10

Vouchers & Payments

Marshall & Sterling (D&O 12/23/15-12/23/16) **PAID**	6,282.00
Joel Kleiman (4th Q 2015)	1,749.99
Orange County Partnership (4th Q 2015)	54,250.00
Laurie Villasuso (Reimbursement - THR 2016 Meeting Notices)	58.76
NYS Economic Development Council (2016 membership)	1,600.00
NYS Economic Development Council (2016 Eco Dev Conf Albany)	450.00
Rockland EDC - PTAC (4th Q 2015)	7,000.00
The Accelerator (4th Q 2015)	188,075.00
Rosemarie Rogowski (4th Q 2015 Accounting Services)	500.00
Kevin T. Dowd, Esq. (Legal 12/2/15 through 1/6/16)	6,003.25

Total 265,969.00

By Hema Easley

December 11, 2015 8:03PM

Can Newburgh become a garment district?

CITY OF NEWBURGH – For more than a century, Newburgh was a thriving garment manufacturing hub that sold merchandise to retailers around the country.

Businesses included Sweet Orr, which made jeans and coats, Regal Bags, Sicari Fashions and Angie's Clothing Company. But over the years, many of these labels died or were relocated, as garment manufacturing moved to Asia and other low-cost countries.

Now, the Orange County Business Accelerator is trying to revive that industry, taking advantage of a renewed interest in the "Made in America" brand and signs that the lure of cheap manufacturing overseas is gradually eroding.

The revival, industry experts say, will have a new avatar – creative, quality, small-batch production for which buyers will pay a premium.

On Friday, the accelerator held a gathering of Hudson Valley fashion industry insiders at SUNY Orange. It drew more than 100 people, including designers, manufacturers, fashion-design faculty and technology experts.

"There is a critical mass of like-minded people that see the opportunity," said Bill Fioravanti, director of business attraction for Orange County Partnership. He noted the city's proximity to New York City, one of the fashion capitals of the world, availability of lower-cost workers and space, and the access to technological know-how from nearby colleges and universities.

Juan Hinestroza, assistant professor of fiber science at Cornell University, and head of the school's Textiles Nanotechnology Laboratory, said he and his students have created prototypes of clothing that can change color depending on light, can repel germs and stains, and can power gadgets like an iPhone.

The accelerator is working with Cornell University and the Massachusetts Institute of Technology to seek a \$75 million federal grant that will fund wearable technology, according to Hinestroza and Vincent Cozzolino, managing partner of the Kingston-based Galileo Technology Group, which runs the accelerator.

The accelerator's portion of the award money, should the group win, will help fund a manufacturing base for new technology in clothing, Cozzolino said.

Other attendees discussed the opportunities and the challenges they have faced in the Hudson Valley.

Robert Tonner of the Tonner Doll Company said he tried to manufacture his dolls in the Hudson Valley but was forced to go outside because he couldn't find workers to paint doll heads or sew clothes. Fashion institutes produce graduates who want to be designers, but very few people know how to cut and sew, he lamented.

Jim Melville of Melo, which makes bags, was optimistic about the future. While Americans buy cheap goods produced overseas, he said, people in other parts of the world crave the Made in America brand.

"Made in USA cachet is very high in Asia," he said. "There is a huge crop of people willing to spend money. They love Made in USA."



Juan Hinestroza, assistant professor of fiber science at Cornell University, talks Friday at SUNY Orange in Newburgh about the interface between science and design to create modern clothing that does more than just cover the body.
HEMA EASLEY/TIMES HERALD-RECORD

From Sweatshop to Workshop: Orange County's Textile Industry On the Way Back

High-end, high tech fashion studios can generate jobs in the region

By [Yvonne Marcotte](#), [Epoch Times](#) | December 16, 2015 | Last Updated: December 17, 2015 12:50 pm

NEWBURGH—The fashion industry is returning to the Hudson Valley. That's according to sponsors and participants of a conference hosted by FuzeHub at the SUNY Orange-Newburgh campus on Dec. 11. "This is our coming-out party," said emcee Vincent Cozzolino.

Orange County was once the scene of a vibrant textile industry with dozens of mills and factories. It now will be home to high-end, high-tech studios and workshops that turn out limited-run wearables and fashion accessories, according to the conference participants.

Technology Made Fashionable

Professor of Fiber Science at Cornell Juan Hinestroza presented research in nanotechnology that can be used in the fashion industry. A single layer of nano molecules can color clothing instead of using dyes, which pollute waterways, and add layers of warmth a molecule thick to a cotton fabric.

Finding skilled labor is a big challenge for today's designers.

Hinestroza's research is translating the tactile function into a computer to create mathematical models that will say "I want this fabric to feel like this." Technology is being developed so a designer can take a picture of a person, put the measurements into a computer, and build a garment "the way you want it the first time, right."

Robert Tonner, CEO of Tonner Doll Co., said innovations like using nanotechnology will bring textile manufacturing back to the region.

CEO of Melo James Melville described a programmable machine in the needle trade business called a tacker that can do highly specialized operations "extremely precisely and extremely fast. It reduces the cost advantage that the Chinese have over us."

Skills for Textile Production

To bring back textile manufacturing, Cozzolino, managing partner of the Galileo Technology Group, said experienced and tech-savvy workers are needed. The panel of textile makers and manufacturers spoke about how to transfer the skills of an earlier generation of textile workers to young people who want a career and creative outlet in textiles.

Today's designers are looking for workers who see themselves as craftsmen in limited-batch apparel production. Robert Tonner's high-end doll company had to go overseas for skilled workers.

Today's designers are looking for workers who see themselves as craftsmen in limited-batch apparel production.

Finding skilled labor is a big challenge for today's designers. Formerly, there was a large pool of skilled seamstresses that worked in textile factories. "Our biggest problem now is that we have lost that labor force," Melville said.

Now a young person needs to learn basic seamstress skills and gain a tech education to work in the industry.

Melville said the people with those good skill sets in his company are approaching retirement and "we now are struggling. We would love to bring in a bunch more people."

Panelist Nicole Lenzen said the younger generation is familiar with the tech side of textiles such as 3D modeling, data analytics, and algorithms that automate the manufacturing and give the apparel a better fit.

Fashion Schools

Tonner said the concept of trade schools has fallen out of favor, but that level of training is what is needed to build the industry back. Cozzolino said fashion schools turn out designers but not craftsmen who can make patterns or understand garment construction. "What's happening is that you're losing the skill sets. There are people who need that skill."

We have the history, we have the skill set, and we are a technology corridor.
— Kelly Lyndgaard, CEO of handbag maker Unshattered

Lenzen bemoaned the fact that the most experienced cutters, sewers, and pattern makers are about to retire and there is no one trained to take their place. "There aren't that many people who are interested in learning tailoring and learning that craft." The bright side is that young people are interested in the data side.

Fashion schools are not teaching students how to use the new technology, but young people in Orange County do have those skills. "That's a great opening for us. We are very technologically-oriented. We can capitalize on that," Cozzolino said.

Green and for a Good Cause

Fashion starts at an early age. Tidy Tots Diapers owner Sandra Beck's goal in starting her business was to keep more disposal diapers out of landfills. She came to the conference to find a manufacturer for her environmentally-safe, beautifully designed disposable diapers. The company is doing so well that it needs a manufacturer to reach the next level.

Tidy Tots uses natural, biodegradable materials. Its hemp diaper has a corn starch liner that can be pulled off after use and simply flushed down the toilet. The diapers come with beautifully designed covers. Sizes are from newborn up to toilet training.

Kelly Lyndgaard, CEO of handbag maker Unshattered, the social enterprise arm of the [Walter Hoving](#)
Epoch Times Page 2

Home, says the company trains employees for advanced seamstress skills and has more orders than it can handle. Designers who formerly used women from the Amish community are coming to her. "I'm always looking for the availability of machines and how do we make more," Lyndgaard said.

Celebrities of the region's textile industry made appearances and were honored for their contributions. Anthony Sicari, Sr. said it is important to use the resources at the county's disposal to create jobs and local products and be closer to the market." Former Newburgh Mayor Nick Valentine owns a business that deals in textiles. Angie Bloomer's factory has capacity to spare for new entrepreneurs.

Rebuilding a Fashion Hub

Newburgh Historian Mary R. McTamane reviewed the city's history of innovation in the textile industry from James Orr's bib overalls to Strook Woolens which used camel, alpaca, vicuna, and goat hair from the Himalayas and South America for woolens that were warm but without being heavy.

Newburgh and surrounding areas built an infrastructure of factories running on steam, a skilled labor pool, and machinery to offer good jobs in apparel production. There were abuses that are associated with sweatshops that exist in other countries today. That would not happen in a workshop setting with a smaller skilled workforce completing orders in limited batches.

Lyndgaard sees a big future in nanotechnology and wearable technology. "I think the U.S. can be at the forefront of that." To do that, new business models have to be established.

The event offered networking among businesspeople from companies with products to make and services to make that happen. FuzeHub's Acting Director Elena Garuc, said her organization wants to help small and medium manufacturers grow in NY state. Patti Racine said she was there to discuss the manufacturing space the city of Middletown has in abundance.

"Brooklyn is going after this in a big way. Austin TX is going after this in a big way. Could we be wrong?" Cozzolino said. It will be different from the past. Now corporate headquarters might be in New York City or Brooklyn and the manufacturing end be in Orange County.

"It started in New York City in the garment district that has built up all this infrastructure in manufacturing and we got the overflow," Cozzolino said. "We'll take that."

Laurie Villasuso is associate executive director of the county's Industrial Development Agency, which co-sponsored the event. "The Accelerator works to attract manufacturing-based businesses in the areas of fashion design and production, and other industries," she said. It does so "by providing below-market occupancy costs, workforce training, mentoring programs, easy access to experienced professionals, and a high-tech plug-and-play environment with SMARTT Pods," according to the Accelerator's website.

"We have the history, we have the skill set, and we are a technology corridor," Lyndgaard said. "We can plug those things together and be unstoppable as a community."

To contact this reporter, please email yvonne.marcotte@epochtimes.com.

Article printed from The Epoch Times: <http://www.theepochtimes.com>

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EDITORIAL

Bravo to those who meet challenges with new ideas

CHEERS: To Ulster County Executive Mike Hein and members of the county Legislature for finding that rarest of political commodities these days, a compromise that leaves all parties happy and accomplishes more than most expected at the beginning. The Legislature unanimously approved the compromise plan Hein outlined that essentially ends a battle over the Ulster County rail corridor and competing plans for hiking, walking and biking trails. There will be trails along the entire 38.6-mile corridor and a key section from uptown Kingston to West Hurley. Hein said the "linear park" will provide health benefits, improve the quality of life for all and open up the north shore of the Ashokan Reservoir to the public for the first time in more than 100 years. Just as important, this "keeps alive the dream of a world-class trail connecting the Walkway Over the Hudson, New Paltz, Rosendale, Kingston and the Ashokan Reservoir," Hein said.

CHEERS: To Rob Bowen of Chester who is helping his fellow veterans re-enter the work force and giving lots of local people a chance to assist.

Bowen, a Farmers Insurance agent, worked with a company program known as Suits for Soldiers, a drive that ended last month, to gather gently used suits for men and women veterans. The effort is tied to the Department of Defense's Transitional Assistance Program, which provides job assistance and counseling services for soldiers when they leave the military. Bowen said last week he had collected 330 suits, with more coming in. The suits are turned over to military bases and distributed to veterans.

CHEERS: To the town and village of New Paltz who are turning some real estate challenges into a chance to share services. They are looking at plans to build a \$10 million joint municipal center and create a new public authority to run it.

The center would house the town police, town and village courts and both village and town hall. It would go where the old town hall, closed last fall after mold was found, was located on Route 32 near Moriello Park. The joint center would free the town to sell its police headquarters and the village could sell its village hall.

Committee members working on the plan said they hope to apply for shared services grants from the state as well as state energy grants that could put \$600,000 towards the costs.

CHEERS: To the Orange County Business Accelerator for trying to revive the garment industry in Newburgh, taking advantage of a renewed interest in the "Made in America" brand and signs that the lure of cheap manufacturing overseas is gradually eroding. A recent gathering of Hudson Valley fashion industry insiders at SUNY Orange drew more than 100 people, including designers, manufacturers, fashion-design faculty and technology experts. "There is a critical mass of like-minded people that see the opportunity," said Bill Fioravanti, director of business attraction for Orange County Partnership. He noted the city's proximity to New York City, one of the fashion capitals of the world, availability of lowercost workers and space and the access to technological knowhow from nearby colleges and universities.

Follow-up - Manufacture New York update:

Manufacture New York

"MANUFACTURE NEW YORK HOPES TO BRING TOGETHER EVERY STEP OF THE FASHION SUPPLY CHAIN UNDER ONE ROOF, IN THE MOST INNOVATIVE AND SUSTAINABLE WAY POSSIBLE."

In the past 25 years, apparel manufacturing in New York City has undergone a clear decline. In 1990, the City was home to more than 82,000 apparel-manufacturing workers. Today, that number stands at roughly 15,000 workers. However, an organization named Manufacture New York has already begun to restore some of those jobs and will soon be the launching point for a true apparel manufacturing resurgence in this fashion-centric city.

Inside the company's massive Liberty View Industrial Plaza facility in Brooklyn's Sunset Park, work is progressing at a steady pace in the build-out of a 320,000-square-foot manufacturing hub that will include research and design facilities, an incubator for up-and-coming fashion labels, a manufacturing center, a fashion media center, and even a wearable technology lab. The Manufacturing Innovation Center for Apparel, Textiles & Wearable Tech is the culmination of a lot of hard work and a shared vision and it represents a giant step forward in the effort to both restore New York's primacy in the fashion world and elevate independent designers into a cooperative fashion movement.

"This is a 20-year project for me, to provide new jobs not just for my generation but for our children's generation," explains Manufacture New York founder and CEO Bob Bland. "And it's all part of a larger vision. Not only are we working to save domestic apparel manufacturing and the opportunities that come with it, but we're also aiming to show why manufacturing matters. It's what creates good jobs and supports a secure middle class."

Bland's foray into the executive world of apparel production came after years of professional apparel and graphic design work with Marc by Marc Jacobs, Triple Five Soul, and Rugby by Ralph Lauren, Tommy Hilfiger, and Banana Republic. Bland says that when she initially embarked on Manufacture New York, she spent the first year focused on what she saw as some much-needed community building.

"It quickly became clear that everyone I talked to thought this was not only a good idea but a necessary one," she says. "If you look at the present fashion scene in New York City, we face the possible loss of the Garment District. We see industrial spaces being re-zoned for residential or commercial use. We see so many incredibly talented designers working out of their apartments. The logical conclusion is, where are they going to go? And why can't we bring them all together in one vertically integrated space?"

Both the Obama Administration and the City of New York are now on record as agreeing with Bland. Last September, the U.S. Small Business Administration (SBA) awarded Manufacture New York a \$50,000 growth accelerator fund award—one of only 50 awards granted nationally to a field of 800 applicants. And this past December, New York City Deputy Mayor Alicia Glen personally visited Manufacture New York's flagship to announce the City's \$3.5 million investment in the project via funding from the NYC Economic Development Corporation.

The City's funding will help with the buildout of 160,000 square feet of the space, with leases already being negotiated for new tenants. The company's Chief Strategy Officer, Rob Sanchez, says the plan is to

have every aspect of apparel manufacturing contained in the space—including textile manufacturing, pattern making, sample development and production. Sanchez notes that the doors are already open for smaller designers and manufacturers, who have been leasing smaller workspaces of 225 and 450 square feet, and the first full-scale manufacturing spaces will open in July and August.

With these up-and-coming designers already moving into the facility, Sanchez observes that the group's Workforce Development training center could help expand that number even more, since Manufacture New York also aims to educate the next generation of New York's fashion scene.

"Basically, this will be an oasis," Sanchez says. "Companies can sign 20-year leases with us, if they want to. And they'll enjoy the great benefit of being situated immediately adjacent to a number of other cutting-edge producers. Having all of these interrelated companies located here can create a vibrant new Garment District in Brooklyn. This is how you move fashion forward, and in a way that you simply can't in Manhattan, where rent can be more than twice as much per square foot."

The Liberty View Industrial Plaza itself is fairly amazing to behold—a gigantic eight-story building that has been completely renovated into a state-of-the-art facility by owner Salmar Properties. The \$100 million overhaul of the building was undertaken with a manufacturing renaissance in mind, including 24/7 automated freight elevators, a storm-proofed 1.5-megawatt generator, three separate lobbies, and a total of 1.2 million square feet. The building is situated on the largest floor plate of any structure in the five boroughs of New York.

The company's Vice President of Sustainability and External Affairs, Patrick Duffy, says that in addition to welcoming cutting edge design and apparel firms, Manufacture New York has focused from the start on incorporating sustainability into all of its operations. Everything from co-location of tenants to the use of energy-saving equipment is being utilized to maximize both cost-savings and environmental responsibility.

Duffy explains, "The good news is that when you focus on sustainability, you find that you're also saving money and making your business more efficient. It's a win-win, and we're happy to demonstrate why this is the smartest approach to launching a vertically integrated facility."

The foresight to adopt a sustainable model is reinforced by the group's enthusiastic embrace of developments in wearable technology. Chief Technology Officer Amanda Parkes says the planned R&D center aims to house as many as 25 startups focused on wearable tech and new textiles. This co-location will allow designers and developers to collaborate constructively throughout the development of new products.

"The possibilities in that area are really tremendous," Parkes says. "The future of wearables lies in bringing interactivity directly into the fabric of garments, which will go way beyond the wearable gadgets on the market today. This will be brought to life through the enabling technologies of fiber science, and we're setting up a center to research, produce, and scale up products and processes that combine advanced digital fabrication with wearable electronics and biology. We're looking at everything from biofabrics to fiber batteries."

Founder Bob Bland says the great reward for Manufacture New York will be the chance to rewrite the narrative of the contemporary fashion world: "Rather than simply continue the outsourcing model that has seen apparel design and production become a fragmented process, Manufacture New York hopes to

bring together every step of the fashion supply chain under one roof, in the most innovative and sustainable way possible."

Bland says that Manufacture New York is already welcoming designers into monthly leases for both design and production workspaces. Additionally, the group is currently negotiating leases for both medium and large-scale manufacturers.

"There's no need to continue fast fashion and an unchallenged reliance on foreign labor in sometimes unethical conditions," says Bland. "We can do this better here, and the next generation of designers are intuitively aiming toward safer and more socially conscious means of production. We're committed to working with them, and to bringing them together to start reframing the fashion business in a more responsible manner."

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