

# ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## MINUTES

January 14, 2021

A regular meeting of the Orange County Industrial Development Agency was convened via Zoom video conference January 14, 2021 at 2:08P.M.

Chairman Rogulski calls to order the regular meeting of the Orange County IDA, January 14, 2021. (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum. Upon roll call, the following were:

PRESENT: Mary Ellen Rogulski, Edward Diana, James DiSalvo, Stephen Brescia, Michael Gaydos, John McCarey, Denise Quinn

ABSENT: NONE

ALSO PRESENT: Laurie Villasuso – Chief Executive Officer  
Vincent Cozzolino – Managing Director  
Melanie Schouten – Chief Operating Officer  
Edward Januszkiewicz – Chief Financial Officer  
Kevin Dowd – IDA Attorney  
Russell Gaenzle – Harris Beach  
Dean Brady – Tech Management  
Nancy Proyect – Citizens Foundation  
Rebecca Brown – Fiorello Pharmaceutical, Inc.  
Michael Sweeton – Warwick Town Supervisor

### **Reorganization Meeting**

Chairman Rogulski advises that this is the annual reorganizational meeting. Chairman Rogulski asks the Board to nominate a Chairman. Mr. Diana nominates Mary Ellen Rogulski for Chairman. Ms. Quinn seconds that nomination. Mr. Gaydos moves that Chairman Rogulski be reelected. Motion seconded by Mr. Brescia. Affirmative votes of all members present results in motion carried.

The officers of the Board are as follows:

Vice Chairman: Mr. Diana

Second Vice Chairman: Mr. DiSalvo

Secretary: Mr. Brescia

Assistant Secretary: Mr. Gaydos

Motion to elect Vice Chairman is made by Mr. McCarey, seconded by Ms. Quinn. Affirmative votes of all members present results in motion carried.

The Chairman appointments for Committees are as follows:

Audit Committee: DiSalvo (Chairman); Diana; Gaydos  
Alternate: Quinn

Finance Committee: DiSalvo (Chairman); McCarey; Gaydos  
Alternate: Diana

Governance Committee: Diana (Chairman); Gaydos; DiSalvo  
Alternate: McCarey

Accelerator Committee: Diana (Chairman); Rogulski; Quinn  
Alternate: Brescia

Human Resources Committee: Rogulski (Chairman); Gaydos

Motion made by Mr. Gaydos that all Committee members remain the same. Seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Ms. Villasuso informs the Board that there are three additional resolutions for 2021. They include the resolution authorizing lobbying expenditure for Brown Weinraub, the resolution authorizing IDA CEO to sign Management Agreement with the OCFC; and the annual review and adoption of mission statement resolution.

Chief Executive Officer resolution appointing Ms. Laurie Villasuso. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Managing Director resolution appointing Galileo Technology Group under the supervision of Mr. Vincent Cozzolino. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Chief Operating Officer resolution appointing Ms. Melanie Schouten. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Chief Financial Officer resolution appointing Mr. Edward Januszkiewicz. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

IDA Attorney resolution appointing Mr. Kevin Dowd. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

IDA Contract Officer resolution appointing Mr. Kevin Dowd. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

IDA Freedom of Information Law Officials appointing Ms. Melanie Schouten as FOIL Officer and Mr. Kevin Dowd as FOIL Appeals Officer. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Lobbying Designee resolution appointing Ms. Laurie Villasuso. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution authorizing lobbying expenditure for Brown Weinraub. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Annual review and adoption of Mission Statement resolution. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution to report IDA-Owned Properties as of 12/31/20, reporting that the IDA owns NO real property as of 12/31/20. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution to approve IDA Depositories for 2021. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution for Annual Review of IDA Procurement Policies & Practices in 2021. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution for Annual Review of IDA Investment Policies in 2021. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution authorizing IDA CEO to sign Management Agreement with OCFC. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution approving \$25,000 Annual Contract with Orange County Foreign Trade Zone. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

Resolution to authorize "Agent Status" to Friends of the Orange County Youth Bureau Fund, Hudson Valley Agri-Business, TSEC, and Women's Enterprise Development Center and allowing the Chief Executive Officer and/or Chairman to sign Agency Agreements, is read aloud. Motion made by Mr. Gaydos, seconded by Mr. Diana. Affirmative votes of all members present results in motion carried.

## **Minutes**

Review of the December 10, 2020 Board meeting minutes. Chairman Rogulski points out an error that needs to be fixed. Motion to approve the minutes, once corrected, is made by Mr. McCarey, seconded by Ms. Quinn. Motion carries with all in favor.

Review of the December 10, 2020 Governance Committee meeting minutes. Motion to approve the minutes is made by Mr. Diana, seconded by Mr. Brescia. Motion carries with all in favor.

## **Financial Reports and/or Requests for Payment**

Mr. Januszkiewicz reviews the financial reports and requests for payments.

The summary of IDA bank accounts, certificate of deposits, and money market accounts reflect a total of \$5,997,275 as of December 31, 2020.

On the income and expense summary, YTD income is \$566,070 and YTD expenses are \$394,626 with revenues exceeding expenses by \$171,444.

On the income and expense summary for the Business Accelerator, revenues YTD are \$120,300, and expenses are \$2,471,759. Expenses, as anticipated, exceed revenues by \$2,351,459.

The Statement of Net Assets is reviewed. There are a large amount of year end payables forthcoming. These are reflected in the payments to be approved.

Mr. Januszkiewicz is working with the bookkeeping and accounting firm to implement an online payment system for Accelerator expenses. This will result in more efficient bookkeeping, quicker turnaround times for payments, and reduce late fees.

Chairman Rogulski notes that the Accelerator budget came in \$400,000 under what was initially budgeted in 2020. Due to COVID and all the additional efforts put forth for business support in 2020, she commends Management on their conservative oversight of the expenditures.

Mr. Diana states that the 2021 Accelerator budget is conservative and an additional \$400,000 was removed.

Chairman Rogulski asks for a motion to approve the vouchers and payments in the amount of \$110,132.86 for January. Motion made by Mr. DiSalvo, seconded by Mr. Diana, that the board accept the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present results in motion carried.

## **Chairman's Report**

Chairman Rogulski passes on giving the Chairman's Report.

## **Chief Operating Officer Report**

Ms. Villasuso gives the Chief Executive Officer Report.

The OCIDA and OCFC will have a formal management agreement going forward. The OCIDA has all of the staff and administrative expenses, but the same staff works for the OCFC. This is not a request for additional compensation. This is to formalize the working relationship between the two organizations.

The annual documents were sent with the January packet. The ABO Acknowledgement of Fiduciary Duty, Confidential Evaluation of Board Performance, and the Certificate of Independence all need to be executed and returned as soon as possible.

2020 PARIS compliance reporting is underway. The project letters have been sent out, JGS is reviewing all expenditures, and Management is working on all additional required annual compliance reporting. Additionally, the OCIDA is undergoing an Office of the State Comptroller review for prior years' reporting. The OCIDA is currently experiencing two simultaneous audit reviews. Management will report to the Board at that March meeting of any projects that are unresponsive to the audit request. The 2020 rendition of the annual OCIDA audit letter includes a section for projects to explain any challenges they've experienced due to COVID-19.

The Executive Order to allow virtual meetings was extended through January 29th. This Executive order is signed on a month-to-month basis, and typically on the day of expiration.

The January packet included the IDA Agents' recap for 2020. Each year the OCIDA authorizes non-profits to do work on its behalf. The recaps, provided by the Friends of the Orange County Youth Bureau (FOCYB), Women's Enterprise Development Corp., and Hudson Valley Agribusiness Development Corp, highlight the services provided to the citizens of Orange County. Due to COVID, the FOCYB pivoted part of the original plan from an in-person youth leadership conference to a virtual library of leadership resources accessible to County based schools and afterschool programs. These videos will help youth with soft skills, college prep, and job market prep.

Articles on Accelerator business Shelli Scott and Ziel were included in the packet. The Accelerator has recently received a lot of positive media coverage.

On January 7<sup>th</sup>, a tour of the Accelerator 603 and 605 Newburgh facilities was given to County Executive Steven Neuhaus, Legislative Chair Stephen Brescia, legislators Jim Kulisek, Paul Ruszkiewicz, Kathy Stegenga and Mike Paduch, Board Members Mary Ellen Rogulski and Michael Gaydos, and Community Activist James Rollins. This was illuminating for those who had not previously toured the facilities. Attendees were not only able to see how the Accelerator works but hear firsthand stories from the businesses that have benefitted from the program.

Mr. Gaydos states that the County Executive Neuhaus was impressed by the facilities and stayed beyond his allotted time for the tour. He told Mr. Gaydos that more tours need to be given to really provide insight into the positive attributes of the program.

Chairman Rogulski states that going firsthand makes the program, and understanding the effort behind the Accelerator, tangible.

Mr. Gaydos states that the business owners were impressive, and without the Accelerator support, their businesses would not be where they are today. You get a whole different outlook on the program when seeing and hearing about them firsthand.

Chairman Rogulski states that when you stand outside the 603 and 605 building, you can see that the whole block has been revamped. The upfitting of the Accelerator buildings has led to a multiplier factor of additional real estate improvement on the block and businesses relocating there to.

## **Board Committee Reports**

### **Audit Committee**

Ms. Villasuso gives the Audit Committee Report.

The Audit Committee approved a labor audit waiver for the 360 Middletown Holdings, LLC project.

The Committee reviewed the current status of compliance for all projects under construction.

Loewke discussed their visit to the Amy's Kitchen site. This project is not under the current Labor Policy, but the IDA reserves the right to check in on the construction status of any project that has been granted incentives. Amy's Kitchen currently anticipates the start of factory construction in the second quarter of 2021 and moving in manufacturing equipment in the second quarter of 2022.

### **Accelerator Committee**

Mr. Diana states that the Accelerator Committee primarily discussed the status of the Warwick CBD Campus. The company Green Thumb (Fiorello Pharmaceuticals, Inc.), a cannabis manufacturing company, has made an offer to buy all remaining undeveloped lots in the Warwick park. Due to all the recent progress, the CBD cluster is going to grow quickly. There was some initial skepticism of this cluster, but things have worked out.

Mr. Cozzolino gives the remainder of the Accelerator Committee Report.

The 2021 Accelerator budget is conservative. AWOW spending has been reduced back to \$300K. This line item had been increased by \$200K in 2020 to assist with COVID-19 needs. The additional effort in 2020 had great results. Many of the companies have come to the monthly IDA meetings and shared their stories.

Mr. McCarey is working with Management to evaluate all Accelerator leased real estate. Some companies are ready to take over the leases and run the facilities themselves, i.e. Melo and Ziel. These transitions will alleviate some Accelerator costs. Mr. McCarey has also suggested that the Highland Falls facility be rented by the Grace Community Church and the Accelerator be a sub-tenant to them as opposed to the Accelerator being the lease holder. A letter of intent has been received from the Church.

Mr. McCarey states that the letter of intent has been received from the Graced Community Church and was passed along to counsel for review. Hopefully, this lease hold exchange can transpire, as it will save the Accelerator money and alleviate making such a large commitment.

Mr. Cozzolino states that this could result in another approximate \$200K in savings.

Chairman Rogulski states the only potential problem is if the Highland Falls Accelerator becomes popular and runs out of space for onsite businesses, which could be a good problem to have. Switching lease holders would mean that there will be less space in which to expand.

Mr. Cozzolino states that Mr. McCarey has recommended looking for future locations for expansion.

Mr. Cozzolino continues with the Accelerator Committee Report.

COVID-19 outreach continues as businesses are still suffering. Businesses are facing onsite COVID outbreaks, lack of funding, and trying to pivot for new business opportunities. New PPE Loans are available, but with a lot of changes to the requirements, businesses will need guidance. A webinar covering the new loans will be held on January 19<sup>th</sup>, with speaker Josh Steele, a loan expert from Harris Beach. The webinar info was sent to Bill Fioravanti should he and the County want to pass it along to those in need. It is anticipated that Management will be inundated with requests for business assistance as, to date, many calls have been received regarding the PPE loans.

Outreach has been made to the OCFC COVID-19 Resiliency Loan recipients that are facing challenges. Management is working with those that have requested AWOW assistance to pivot and address current business needs.

The state of the AWOW companies working with Management is good. Companies have shown growth and the ability to pivot and address market changes.

In the Governors' address he highlighted avenues of investment that coincide with current Accelerator efforts. For example, telemedicine and centers of excellence, fits with the theme of the Highland Falls Accelerator and cannabis has a direct correlation to the Warwick CBD Accelerator cluster.

The Warwick Accelerator campus is a great success. The entire property will now be occupied due the attraction of the cluster development.

Chairman Rogulski states that the revitalization of the prison property, the addition of the Accelerator space for smaller businesses, the shovel ready support provided in the past to the subdivision, and the out of sight location have all contributed to the success of the Warwick CBD location. It's hard to currently anticipate what additional businesses this cluster will help attract and create, but, to date, there has been quality job creation. All the recent incoming warehouse jobs will not lead to a bright future as youth continue to leave in droves. It took some time to get this cluster up and running due to government regulations, but the CBD cluster is a great example of the success of the Accelerator program and the economic support the IDA brings to Orange County.

Mr. Cozzolino states that AWOW companies are now willing to take more risks. There taking on work that they would not have previously considered. Recent successes have led them to be more flexible with taking on new and different

business. Some AWOW companies have raised their minimum, as recommended by Management, which has resulted in higher quality work, harder working employees, and more dedicated staff.

Chairman Rogulski states that turnover costs are expensive. The time and effort put into hiring and training someone new is a cost put forth that yields no productivity. It's an added benefit to have a stable labor force.

Mr. Cozzolino continues with the Accelerator Committee Report.

A Federal Economic Development Agency regional grant totaling about \$3M has been applied for. As a result of it being regional, approximately \$2M will come to Orange County, and \$1M will go to Ulster County through industry partner TSEC. The IDA drafted the grant, which is based on both increasing and improving Accelerators in Orange and Ulster County. The review process for the grant submission officially starts Monday. If awarded, the grant of an additional \$2M will be added to the Orange County Accelerator efforts.

A letter was received from Mayor Torrance Harvey and Councilman Anthony Grice from the City of Newburgh, requesting the IDA consider the development of a second Newburgh Accelerator location based on artisan foods. They would contribute whatever resources they could to the endeavor.

A presentation is shown to the Board.

The OCIDA and Accelerator launched the #OCOpenforBusiness Campaign to help feature County based companies weathering the storm of COVID. A photo was taken with each company and posted on social media. It is Management's intention to keep up good supportive relationships with these companies.

James Rollins (Newburgh), Torrance Harvey (Newburgh Mayor), Anthony Grice (Newburgh Councilman), and Kevindaryan Lujan (OC Legislator) visited the Accelerator Newburgh locations on December 10<sup>th</sup>. During the tour, Marleen Vogelaar, Ziel, discussed her new N95 production line and the assistance provide by the Accelerator to install the necessary manufacturing equipment. The high-quality materials for her production come from Italy.

County Executive Steven Neuhaus, legislators Jim Kulisek, Paul Ruskiewicz, Kathy Stegenga and Mike Paduch, community activist James Rollins, and IDA Board Members Mr. Brescia, Mr. Gaydos, and Chairwoman Rogulski visited the Accelerator Newburgh locations on January 7<sup>th</sup>.

News articles and a spectrum news video are shown highlighting Accelerator companies.

### **Applications/Resolutions**

Fiorello Pharmaceuticals, Inc. – Initial Resolution

Mr. Sweeton speaks in support of the Fiorello Pharmaceuticals, Inc. stating that he is excited about the potential of this company locating and building a facility in Warwick. He thanks the IDA as Warwick would not have had the potential of attracting such a company without the assistance of the IDA. The IDA funding support and partnership have been immeasurable. Fiorello Pharmaceuticals, Inc. (Green Thumb, Inc aka GTI) is a quality company that will create quality jobs in Orange County and will be a great addition to the Warwick Community.

Ms. Villasuso states that the Board received the application for Fiorello Pharmaceuticals, Inc., which operated under the name Green Thumb Industries, Inc. This project would be located at the former prison site in the Town of Warwick occupying eight lots. When the IDA made the Warwick shovel ready investment at this property years ago, it was anticipated that the future company purchasing the property would come before the IDA to discuss incentives. The current situation aligns with the initial development intention of the land, and now the developing CBD industry in Warwick. Management is happy to see that Fiorello provides competitive salaries and benefit packages to its employees.

Rebecca Brown presents on behalf of Fiorello Pharmaceuticals, Inc. (Green Thumb, Inc aka GTI).

GTI was founded in 2014, initially as a medical cannabis operation in Illinois. Since then, the company has expanded to 12 states and has over 50 stores open with more on the way. They currently have 13 large scale cannabis cultivation and manufacturing facilities, and the intention is to install such a facility at the Warwick site. It is felt that the North East is a place in which their company can make an impact as an employer and business. The first phase of the facility would be approximately 100,000 sq ft., the second phase would be approximately 200,000 sq ft., and the third phase would be approximately 100,000+ sq ft. This is ideal and based on the licensing landscape of New York. A large

portion of the space will be dedicated to plant cultivation, which requires a lot of room and attention. They extract cannabis oil and manufacture it into a wide variety of products such as topicals, tinctures, capsules, gummies, etc. depending on the local regulations. The facility will have controlled access and 24/7 camera surveillance along with full recorded secure ID validation of all visitors and contractors. All product is thoroughly tracked from seed to sale. The team is at the heart of each facility. Employees will be well compensated with a benefits package, 401K plans, and are eligible for equity compensation after 12 months. On the job and cross-training opportunities are available as well as an internal job board and hiring process to encourage advancement in the company. The company works on creating an inclusive diverse workforce. GTI also encourages community engagement on a local level through activities such as playground building, trash pickup, etc. On a national level, the company has partnered with the Last Prisoner Project to bring awareness to an industry built on the war on drugs and do their part to bring awareness to the existing disparity.

Ms. Villasuso states, as previously mentioned, this would be a three-phase project. The project is requesting bond financing, real estate property tax abatement (PILOT), sales and use tax exemption, and mortgage recording tax exemption. The PILOT is to be determined, but the project received practically a perfect score from the scoring matrix, as it will be located in a designated growth zone, create quality jobs, has a high investment, therefore making this project available to the best incentives that can be offered. Today it is being asked that the Board consider acting on the initial resolution and accept the application.

Mr. Sweeton states that it has been a great partnership working with the IDA. When Mr. Brescia and Mr. Schreibeis first came to the Warwick park, they could see the vision and potential for development in Warwick. Without the assistance of the IDA and Accelerator, the current growth and business attraction would not have been possible. It has been a long haul, but landing Fiorello Pharmaceuticals, Inc. would be success with the quality production and jobs they would bring to the area.

Chairman Rogulski states that Warwick had been a valued partner as well. Fiorello ticks all the boxes that were created in the IDA UTEP and that having them locate to Orange County would be a great addition.

#### Resolution – Initial

Mr. Dowd reads aloud the Fiorello Pharmaceuticals, Inc. Initial Resolution. Resolution of the Orange County Industrial Development Agency (i) accepting the application of Fiorello Pharmaceuticals, Inc. with respect to a certain project, (ii) describing the forms of financial assistance being contemplated by the Orange County Industrial Development Agency with respect to such project and (iii) authorizing a public hearing with respect to such project. Motion is made by Mr. Brescia, seconded by Mr. DiSalvo. Roll call is taken. All vote in favor.

#### **Attorney Client Session**

Chairman Rogulski entertains a motion that the Board enter into attorney client closed door session. Motion made by Mr. Brescia to enter the closed-door session. Motion seconded by Mr. Gaydos. All in favor.

#### *Enter Attorney Client Session*

The members discuss the legalities of certain matters.

Chairman Rogulski entertains a motion that the Board end the attorney client closed door session and reconvene the meeting. Motion made by Mr. DiSalvo to end the closed-door session. Motion seconded by Mr. Brescia. All in favor.

#### **Other Board Business**

No Other Board Business is presented at this time.

#### **Adjournment**

With no further business, meeting called for adjournment by Chairman Rogulski, motion made by Mr. DiSalvo, seconded by Ms. Quinn, the time being 4:08 p.m.