

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

January 15, 2014

A regular meeting of the Orange County Industrial Development Agency was convened in public session on January 15, 2014 at 3:18 P.M. at the Orange County Business Accelerator in New Windsor, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

PRESENT: Robert Armistead, Mary Ellen Rogulski, John Steinberg, Stephen Brescia, Robert Schreibeis

ABSENT: Henry VanLeeuwen, Russell Vernon

ALSO PRESENT: James Petro – Executive Director  
Kevin Dowd – Attorney  
Joel Kleiman – CFO  
Laurie Villasuso – Associate Executive Director  
Russell Gaenzle – Harris Beach  
Steven Neuhaus – Orange County Executive  
Wayne Booth – Deputy County Executive  
Brian Gates – HVEDC  
Peter Malone – OCBA  
Maureen Halahan – Orange County Partnership  
Marge LaPerle – Orange County Partnership  
Larry Gottlieb – HVEDC  
Craig Marti – Barton & Loguidice, DPC  
Douglas Bloomfield – Town of Goshen  
Mike Mullis – JM Mullis, Inc.  
Mark Rudolph – Amy's Kitchen  
RJ Smith – RJ Smith Realty  
Liana Hoodes – National Organic Coalition  
Todd Erling – HVADC  
Amy Berliner – Amy's Kitchen  
Sara Drees – Amy's Kitchen  
Tom Richman – Amy's Kitchen  
Phil Dropkin – Goshen Economic Development  
Bob Radcliffe – Pratt & Whitney Advanced Coating Technologies  
Dr. John Yelle - Pratt & Whitney Advanced Coating Technologies  
Cliff Hammond - Pratt & Whitney Advanced Coating Technologies  
Anthony Ceretti – KPMG  
L. Todd Diorio – Hudson Valley Bulding & Construction Trades Council  
James Smith – Advance Testing  
Dominic Cordisco – Drake, Loeb  
Allan Ross – AJ Ross Creative Media  
Carlos Vega – AJ Ross Creative Media  
James Walsh – Times Herald Record

Chairman Armistead calls the meeting for the Orange County IDA, January 15, 2014 (Pledge of Allegiance is recited). Board consists of four members. There is a quorum.

**Reorganization Meeting**

Chairman Armistead advises that this is an “organizational meeting” and at this time, there must be an election of a chairman. He notes that, in discussions with the Board, it appears that the Members would like the Chairman and Officers to stay the same.

Mr. Brescia moves that Chairman Armistead is reelected as chairman. Motion seconded by Schreibeis. Motion carries with all in favor.

The officers of the Board are as follows:

Vice Chairman: Ms. Rogulski

Second Vice Chairman: Vernon

Secretary: Brescia

Assistant Secretary: Steinberg

Motion to elect officers as noted is made by Rogulski, seconded by Schreiber. Motion carries with all in favor.

The Chairman appointments for Committees are as follows:

Audit Committee: Rogulski (Chairman); VanLeeuwen; Steinberg  
Alternate: Schreiber

Governance Committee: Brescia (Chairman); Schreiber; Vernon  
Alternate: Rogulski

Review of the prior November 20, 2013 meeting minutes. Motion made by Rogulski, seconded by Brescia, to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

### **Amy's Kitchen – Initial Resolution**

Chairman Armistead notes that one applicant has a scheduling issue and needs to present at this time. He calls for a representative of the Amy's Kitchen project to address the Board. Amy Berliner, of Amy's Kitchen, begins by introducing herself and advises that she'd like to give the Board a sense of her family's business, and how it appears to be a great fit for the area. She then plays a video that describes the origin of Amy's Kitchen, which was founded and still owned by Ms. Berliner's parents – Rachel and Andy Berliner. The video then goes on to highlight the organic practices of the Amy's Kitchen, as well as their investment in local farms and communities.

At the video's conclusion, Ms. Berliner goes on to reiterate that theirs is a family-owned business and completely privately owned. A mission-driven company, they care deeply about the quality of their food and their employees. They consider their employees to be a part of their family, and have various tuition assistance and scholarship programs for employees and their children. Their newest program is an on-site comprehensive health center for employees and their families, at their Oregon and California manufacturing facilities. A full time doctor and nurse staff the centers, providing healthcare to employees and their families for a \$5 copay. She notes that, for some of their employees, this is the first time they've seen a doctor in twenty years. In addition to taking care of their employees, they strive to assist the local communities by stocking food banks locally, and nationally cases of natural disaster.

With regard to the facilities, Ms. Berliner shows a slide demonstrating that, currently, 67% of their ingredients come from California and Oregon, where their 2 manufacturing plants are located. The point, she notes, is that where possible, they source locally. And if there were a manufacturing site here, they would work to source locally, and invest in local agriculture. She adds that Amy's Kitchen works with local farmers and gives them expertise and backing to help the farmers grow, expand and provide the local ingredients the facility needs. She adds that Amy's Kitchen is interested in helping develop the local agriculture; even if the farmers are conventional and small, Amy's wants to work with them from the ground up and build long-lasting relationships.

Though Amy's started as a small company, they are now the 6<sup>th</sup> frozen single serve entrée company in the US. And, further, their numbers continue to grow while other companies' numbers decline, which demonstrates that the future of this industry is organic, and healthy, food.

Ms. Berliner then demonstrates that currently 60% of the food produced in California and Oregon is shipped to the East coast of the US. Their two manufacturing facilities are currently at capacity, so they are looking to grow, and it only makes sense to build in this portion of the country.

She explains that there would be a \$100M investment in the facility alone, which would bring construction jobs. After that, 600-700 stable manufacturing jobs that would provide the same financial stability, benefits, care and programs currently offered to employees on the West Coast. And, finally, Amy's offers the area their commitment to developing local and regional agriculture from the ground up. Wrapping up her presentation, Ms. Berliner notes that Amy's believes that this project would be an excellent fit for the area, and the project.

Chairman Armistead asks the Board if they have any questions for Ms. Berliner or the Amy's team. With no questions, the Board moves on to the resolution.

Mr. Dowd reads aloud the Amy's Kitchen, Inc. initial resolution. Motion made by Brescia, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Brescia adds that, as the Goshen Supervisor is in attendance, Goshen must be in support of the project. Mr. Bloomfield advises that, yes, the Town of Goshen Land Use Board is 100% behind the project. Chairman Armistead also notes that Orange County Department of Planning also issued a letter of support.

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

Mr. Kleiman asks the members to refer to the income and expense summary as of December 31, 2013. Revenues come to just \$1.6M for the year, and expenses total just over \$876K, with revenues exceeding expenses by \$683K. He notes that these numbers are provided before any year end entries or adjustments; some expenses being approved today are for year 2013, and will adjust the year end totals. Moving on to address the schedule of bank accounts, he advises that a CD matured in the month of December and bids were solicited from 11 banks in the county. Orange County Trust provided the highest bid, at 0.45%. The CD was purchased on Dec 18, and will mature in one year. He advises that the IDA has approximately \$8.4M in deposits, while the OCFC has just over \$750K in deposits. Turning his attention to the vouchers and payments, he advises that the IDA received \$93,008.23 over the last three months, with payments totaling \$278,065.26.

Motion made by Schreibeis, seconded by Rogulski, that the Board accepts the financial report and authorization of IDA payments and vouchers for January 2014. Open for discussion. Affirmative votes of all members present resulted in motion carried.

### **Chairman's Report**

Chairman Armistead begins by welcoming County Executive Steven Neuhaus to the meeting. He advises that the IDA Board and the new administration are working very closely together, and are all interested in economic development. He adds that the transition has been seamless, and that the County Executive has been very supportive of the IDA Board. He also notes that, going forward, the IDA meetings will alternate between the County Executive's office and the Business Accelerator.

Having just ended a very busy 2013, Chairman Armistead looks forward to a busy 2014.

He also advises the Board that Ms. Villasuso reached out to the ABO and determined that a costly, glossy annual report is not necessary. The PARIS report, filed with the state, is sufficient for compliance.

Chairman Armistead goes on to advise that the committees for Local Labor Policy and Shovel Ready Program have been meeting and making progress in the recent months.

### **OCBA Report**

Mr. Gates begins by advising that the Business Accelerator was the winner of the \$125K CFA Incubator Grant. In addition to the funds, the Orange County Business Accelerator is now a certified NYS Incubator, which allows the Accelerator to become a part of StartUpNY. Approval is required from SUNY and the state, but there is a plan in motion to receive that approval. He then offers a list of suggested uses for the grant, including a summer sandbox program, education in business training, and outreach to increase public awareness of OCBA.

Mr. Malone takes over and advises that the Facebook ad is going well, and received over 200 likes last month. The marketing campaign is beginning to focus more on social media in the year 2014, rather than focusing on paper.

Mr. Steinberg asks Mr. Gates tell him where he could find the criteria for a tax-free start up. Mr. Gates directs him to the StartUpNY webpage. He also advises that HVEDC has started their own webpage – [startupnyhudsonvalley.com](http://startupnyhudsonvalley.com) – to explain the initiative.

### **OCP Report**

Ms. Halahan begins by thanking the IDA for their support of Amy's Kitchen, and then presents a power point. Her presentation starts with 2013's attraction totals and moves on to discuss the closed attractions for 2014. The first she mentions is Pratt & Whitney, which will present to the Board later in the meeting. The manufacturing project will bring

100 jobs over the next five years, and promises a \$140M investment. She goes on to discuss Touro College, and explains that this year, the City of Middletown project will be officially announced. Project Vet, a clinic to treat veterans with PTSD, is part of the Horton Hospital repurposing. Ms. Halahan then goes on to detail the five new Attraction leads for 2014, including a tourism project, a food packaging project, a start-up company, and a micro-brewery. Moving on to address expansions, Ms. Halahan describes Crystal Run's plans for a new office in Newburgh, which promises to create over 200 jobs. In addition, she describes a planned expansion at President Container, as well as the recent hire of 16 drivers for UNFI. She asks Ms. LaPerle to explain the Workforce Initiative in the Middletown School District. They will apply for roughly \$6M through a Federal Grant Program for a work-readiness program in the school.

Ms. Halahan details the winners of the CFAs for 2013, and goes over some of the OCP marketing initiatives for 2014. Lastly, the ABG's first Quarterly meeting will be held of February 6<sup>th</sup>.

### **AJ Ross**

Mr. Ross begins by explaining that today he and Mr. Vega will present the new IDA business card, stationery and brochure, along with the new LinkedIn, Facebook and IDA website pages. Mr. Vega first passes around the brochure, which features the new IDA logo. He explains that the content within the brochure – statistics about the County and Demographics – has proven to be the most important through their research. The same branding in the brochure will be tied into the social media pages. He goes on to explain and demonstrate the features in the website. Mr. Brescia suggests the addition of a message from the County Executive, and questions the inclusion of some demographics. Mr. Vega notes that demographics are the second largest search item on the Partnership website.

### **HVEDC**

Mr. Gottlieb begins by thanking Mr. Gates and Mr. Malone for their hard work in applying for the Incubator Grant.

Moving on, he notes that HVEDC noticed some time ago that they were having difficulty getting grants, due to their official IRS designation as 501C6. The suggestion was made to form a separate 501C3, which would allow them to apply for grants, which help support HVEDC's programs. At the end of 2013, they were approved for their 501C3 which is called HVEDN. Because HVEDC supports HVEDN, they apportion a certain amount of their dollars received to fund HVEDN. The IDA will not be giving any additional dollars, just adjusting their annual contribution to be split between the two entities.

### **Shamrock Creek, LLC**

Mr. Dowd advises the Board that there has been an issue with Shamrock Creek making their PILOT payments in a timely fashion. The company has made their payments to the Town and the County, but only after repeated requests. He has been in letter communication with the principals of the company, to insist on the payment of the school district portion of their PILOT. The school district has asked the IDA to get involved to help collect the payment, possibly by taking action against Shamrock Creek. At this time, Mr. Dowd is asking the Board to authorize counsel to take whatever action necessary to collect payment, or to cancel the PILOT and lease/leaseback agreement.

Motion made by Brescia, seconded by Schreibeis, to authorize counsel to the IDA to take all necessary legal actions with regard to the Shamrock Creek LLC (AKA Centerline Studios) PILOT agreement, Lease and Leaseback Agreements. Motion carries with all in favor.

Mr. Dowd advises that he will issue a letter explaining what action will be taken if payment is not received by a specific date. Mr. Steinberg asks if anyone has reached out via the telephone, and is advised that Ms. Villasuso has.

### **Pratt & Whitney – Initial Resolution**

Mr. Hammond introduces himself, as well as his colleagues Mr. Radcliffe and Dr. Yelle, of Pratt & Whitney ACT. He explains that, due to two programs, Pratt & Whitney is undergoing significant growth in the aircraft engine industry. The five year forecast for Pratt is unprecedented, he says. It appears that Pratt & Whitney's production will be five times their current production of complete motors in both the commercial and military fields. This expansion is ACT's 3<sup>rd</sup> expansion, and promises to invest approximately \$140M of equipment. With unprecedented technology, the site promises to employ 100 employees, with average wages exceeding \$23/hr. When asked about the created construction jobs, Chairman Armistead is advised that, on past expansions, roughly 10-30 contractors were on site. Chairman Armistead reminds Mr. Hammond that the IDA urges the use of local labor. The Pratt & Whitney team advise that it is their goal, as it has been in the past, to use local labor. It is noted that a letter from Supervisor Depew is included in the packet, showing his support of the project.

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

### **Stewart FBI, LLC – Final Resolution**

Mr. Gaenzle reminds the room that the Board adopted a final resolution for Stewart FBI, LLC, but SEQRA had not been completed at that time. Now that SEQRA has been completed, the Board will ratify and readopt the resolution.

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

Motion made by Brescia to enter executive session issue relating to the employment history of a particular person, and the hiring of IDA personnel. Motion seconded by Schreibeis. All in favor.

### *Executive Session*

The members discussed IDA personnel.

### *End of Executive Session*

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

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

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

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

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

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

Resolution to report IDA-Owned Properties as of 12/31/13, reporting that the IDA owns NO real property as of 12/31/13, is read aloud. Motion made by Schreibeis, seconded by Rogulski. Affirmative votes of all members present resulted in motion carried.

Resolution to approve IDA Depositories for 2014 is read aloud. Motion made by Schreibeis, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

Resolution for Annual Review of IDA Procurement Policies & Practices in 2014 is read aloud. Motion made by Schreibeis, seconded by Rogulski. Affirmative votes of all members present resulted in motion carried.

Resolution approving the Contract for Orange County Business Accelerator Managing Director, and appointing HVEDC as Managing Director, is read aloud. Motion made by Brescia, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution approving IDA Agreement with Orange County for Support Services for 2014, in the amount of \$5,000, is read aloud. Motion made by Schreibeis, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

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

Resolution to authorize "Agent Status" for Orange County Partnership, Hudson Valley Economic Development Corporation, Hudson Valley Economic Development Network, Pattern for Progress, Hudson Valley Agri-Business

Development Corporation, Hudson Valley Film Commission, Orange County NY Arts Council, Inc., Hudson Valley Food & Beverage Alliance and Rockland Economic Development Corporation (PTAC), and allowing the Executive Director and/or Chairman to sign Agency Agreements, is read aloud. Motion made by Rogulski, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution authorizing the establishment of the position of Associate Executive Director of the IDA, setting the salary therefore and appointing Laurie Villasuso to said position is read aloud. Motion made by Brescia, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

### **Such other and further business as may be presented**

Mr. Dowd notes that the IDA needs to think about what their goals and mission for 2014 will be. Included in the packet was a prior year's report for the Board's review, and plans are made to discuss the 2014 review at February's meeting.

County Executive Neuhaus then distributes a memo regarding suggested economic development priorities. He explains that he appreciates the open dialogue between the County Executive office, the Orange County Partnership and the IDA. He goes on to detail that he would like the team to focus on spending money only on proven ways of growing the economy, and offering capital improvements to companies committing to Orange County. He reiterates the importance of the Shovel Ready site program, and suggests looking into the Orange County Business Development Corporation. He stresses the importance of hiring local and creating a local labor policy. He reiterates Chairman Armistead's comment that the IDA will hold some of its meetings at the County Executive office. Lastly, he suggests leveraging the partnerships created here to access new tax breaks.

Mr. Brescia reminds the County Executive that he, Chairman Armistead, Mr. Vernon and Mr. Dowd have been working with the local trades on the labor policy, and hope to have a new labor policy in the coming months.

Mr. Petro mentions that the IDA and County Executive Neuhaus should work together to recapture \$255K from the Port Authority, which has been an ongoing issue for a number of years.

Chairman Armistead advises the room that the meeting dates have changed from the third Wednesday of every month, and will now be held on the 4<sup>th</sup> Thursday of every month, and will start at 2:00. The Board agrees with the change, and it is noted that February's meeting will be held at the County Executive conference room, March's meeting will be held at the Newburgh Armory, and after that will alternate between the Business Accelerator and the County Executive office.

Chairman Armistead also advises that the NYSEDC is having a conference next week, and would like Mr. Dowd, Mr. Petro and Ms. Villasuso to attend. Motion to approve the trip made by Brescia, seconded by Schreibeis. All in favor.

Chairman Armistead then mentions that the OCBA lease will expire in October. Mr. Petro advises that the rent for the space is very reasonable, especially if the Town of New Windsor will extend the tax abatement. Mr. Petro will reach out to the Town and to First Columbia. Mr. Steinberg suggests revisiting the purchase of the Accelerator building.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Steinberg, seconded by Schreibeis, the time being 6:02 p.m.