



Empowering Businesses. Inspiring Growth.

Mary Ellen Rogulski, Chairman • **Edward A. Diana**, Vice Chairman • **James DiSalvo**, Second Vice Chairman
Stephen Brescia, Secretary • **Michael Gaydos**, Assistant Secretary • **John McCarey** • **Denise Quinn**
Laurie Villasuso, Chief Executive Officer • **Vincent Cozzolino**, Managing Director • **Melanie Schouten**, Chief Operating Officer
Edward Januszkiewicz, Chief Financial Officer • **Kevin Dowd**, Attorney • **Russell E. Gaenzle**, Harris Beach

Agenda

Due to the COVID-19 public health crisis, this meeting will be held via video conference.
To watch the livestream, please visit our website: www.ocnyida.com

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on February 11, 2021 at 2:00 p.m. to consider and/or act upon the following:

Order of Business

- **Pledge of Allegiance**
- **Roll Call**
- **Approval of the minutes**
 - January 14, 2021 Board Meeting
 - January 14, 2021 Audit Committee Meeting
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - Chief Executive Officer Report
 - Accelerator Report
- **Resolutions**
 - Orange Inn, LLC
 - Final Resolution
 - Amy's Kitchen, Inc.
 - Assignment Resolution
 - Walkkill Owner LLC
 - Initial Resolution
- **Attorney-Client Session**
- **Other Board Business**
- **Adjournment**

Dated: February 4, 2021

Stephen Brescia, Secretary

By: Laurie Villasuso, Chief Executive Officer

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 forth coming. 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 7th, 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 Ruskiewicz, 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 the 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 19th, 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 10th. 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 7th.

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.

DRAFT

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT COMMITTEE MINUTES

January 14, 2021

Via Zoom / Conference 1:30pm- 1:48pm

PRESENT: James DiSalvo, Michael Gaydos, Edward Diana

ALSO PRESENT: Laurie Villasuso - Chief Executive Officer, Ed Januszkiewicz – CFO, Melanie Schouten – Chief Operating Officer, Vincent Cozzolino – Managing Director, Kevin Dowd – Attorney, Kelly Reilly, Dean Brady, Kevin Loewke

IDA

Labor Policy Status Updates and Waiver

Ms. Villasuso started the meeting by stating that the Committee will be hearing from Mr. Kevin Loewke from Loewke Brill about a waiver, status updates, and Amy's Kitchen which came to us prior to the Labor Policy updates and it was determined that we could not have them comply with a labor policy that did not exist. She stated that the IDA at any time could do a spot check on the site, but we don't have the same claw back provisions. Due to questions about how much work has been completed on Amy's site, we engaged Loewke Brill to visit the site and give us a report. Ms. Villasuso stated that this will be done periodically at the IDA's expense due to the insurance aspects and to verify New York State requirements are being met.

Mr. Loewke started with the 360 Middletown Holdings project waiver review which they are recommending approval. The project wants to use a company called Titan Rack and Shelving, LLC from New Jersey. The applicant has used this company in their other facility in Brooklyn and wanted to use a company they were familiar with. Mr. Loewke stated that he spoke with Steve Petercsak from Titan Rack and Shelving to see if there was a local company to perform the install for this work. Titan wanted to fabricate the racking and shelving for install but didn't have a problem if there was a local installer. Mr. Loewke contacted Mr. Gaydos and he was able to provide Mr. Loewke with Mr. John Montgomery from Mill Rights. Mr. Loewke reached out to Mr. Montgomery to see if he would be able to provide a list of local companies that could perform this work. Mr. Loewke received the names of two companies OCS Industries and Adirondack Mechanical who both responded that they are unable to perform the work. The second option was to use a local employee to help assist the installation and both Titan Rack and Shelving and the applicant were on board with that. They have committed to use at least one worker from East Gate Management. Mr. Loewke stated that he feels they have done their due diligence and feel the waiver is valid.

Motion is made by Mr. Gaydos seconded by Mr. Diana to approve this waiver. All voted in favor. Motion is carried.

Ms. Villasuso stated next on the agenda is the Project Labor Audit Review. She stated that we have good compliance with our projects except Legoland which is low at 55%. She reminded the Committee that Legoland has a PLA, and some State requirements which will make it hard to be in compliance for example. The state has a 30% MWBE requirement that will be hard due to not having enough MWBE businesses in NY. She stated that Mr. Loewke has a good working relationship with Legoland and that they are very responsive. Mr. Loewke stated that he does not agree with that statement as he has been requesting many insurance documents that are expired and requested several updates. He did not get any responses except for one. Mr. Loewke stated that another email was sent out last week to let them know that they have not responded to him and he has not received any response. Ms. Villasuso stated that she will work with Mr. Gaydos to contact the project about the lack of response and the expired insurance documents. Mr. Loewke feels that they are more focused on getting the job done. Mr. Loewke stated that when he performs his onsite visits and meet with the representatives, they have been more than helpful, but there is no urgency in getting the updated documents. Mr. Gaydos stated that he and Ms. Villasuso will make some phone calls to try and get the documents. Mr. Loewke stated that he will send Mr. Gaydos and Ms. Villasuso a list of the expired documents.

Mr. Loewke stated he went out to the site of Amy's Kitchen on December 15th. During his visit there was no construction or any type of labor on site related to Amy's Kitchen. He stated that work is being done on Science of the Soul which is not related to Amy's Kitchen. Mr. Loewke stated that about 90% of the site work is done, they completed the main roadway, the intersection had recently opened and the bridge that crosses the Walkkill River is complete. They are expected to begin construction in the second quarter of 2021 and move in their equipment second quarter of 2022. Ms. Villasuso stated that the IDA has no interest in the Science of the Soul portion and asked for confirmation if the road work was completed on Route 17M. Mr. Loewke stated yes, the intersection is open, and the bridge is complete that goes to Amy's portion of the property. He stated that one of the bigger things holding up the construction is getting water from the Town of Middletown which will take 1 to 1 ½ years. Ms. Villasuso stated that she asked the question due to the IDA approving a \$500,000.00 grant, she stated the contract is expired and the way it is written is in order to utilize the funds, you have to utilize during the construction period, and we have to pay direct to the vendors it is not a reimbursement. Ms. Villasuso asked Mr. Dowd if he spoke to their attorney he stated yes. Mr. Dowd stated he reached out to Mr. Larry Wolinski and told him the agreements had expired and Mr. Wolinski would

reach out to Mr. Mike Chang and someone would get back to us. This was early December and Mr. Dowd heard nothing from them. Mr. Diana stated that he does not want Mr. Dowd to call them back. Ms. Villasuso stated that the agreement is expired, and we could not justify changing the terms of agreement. Mr. Cozzolino asked if the money can be returned back to the budget and the answer was yes.

Audit Committee Meeting ended at 1:48pm

DRAFT

RESOLUTION OF APPROVAL
ARCHITECTURAL DESIGN DISTRICT PERMIT
FOR
ORANGE INN, LLC [LIMONCELLO]

Nature of Application

Orange Inn, LLC [Limoncello] has applied for Architectural Design District approval authorizing the renovation of the building commonly known as the "Orange Inn" on the property identified herein.

Property Involved

The property affected by this resolution is shown on the Tax Maps of the Village of Goshen as parcel(s) 109-2-3.

Zoning District

The property affected by this resolution is located in the OB/ADD zoning district of the Village of Goshen.

Plans

The materials considered consist of the following:

1. Completed application form and EAF.
2. Plans prepared for Orange Inn, LLC [Limoncello]

Esposito & Associates

JUL 08 2020

GOSHEN, NEW YORK

as follows:

<u>Author</u>	<u>Title</u>	<u>Last Revision Date</u>
Irace Architecture	Proposed Front Elevation	June 2, 2020

History

Date of Application

An application was filed with the Planning Board on March 10, 2020.

Public Hearing

A public hearing on this application is not required.

SEQRA

Type of Action:

This matter constitutes a Type I action under the State Environmental Quality Review Act.

Lead Agency:

The Village of Goshen Planning Board is the lead agency in regard to this action.

Declaration of Significance:

A negative declaration was issued on June 23, 2020.

GML 239 Referral

This application has been referred to the Orange County Planning Department for review and report. The Planning Department has reported that this matter is one for local determination, there being no significant inter-municipal or countywide considerations found to exist.

Findings

The Planning Board has determined, under the Architectural Design District Provisions of the Zoning Ordinance, that the amended renderings submitted are architecturally appropriate and blend into the existing character of the neighborhood. Said renderings are hereby approved. No building permit nor certificate of occupancy shall issue except for structures consistent with these renderings.

Resolution of Approval

NOW, THEREFORE, THE PLANNING BOARD RESOLVES to approve this Amended Architectural Design District Permit as said proposal is depicted on the plans identified above and upon the conditions outlined below, and the Chairperson (or his designee) is authorized to sign the plans upon satisfaction of those conditions below noted to be conditions precedent to such signing.

Specific Conditions

1. No building permit shall issue authorizing construction of structures inconsistent with the architectural renderings (with the changes approved by Weldon Abt, the Village's consulting architect, in his letter of June 22, 2020) submitted to, and approved by, the Planning Board as part of this amended review under authority of the Architectural Design District provisions of the Zoning Ordinance, nor shall any certificate of occupancy issue for any structures constructed except in conformance with such renderings.
2. Weldon Abt, the village's consulting architect, shall review (as shall Lanc & Tully, PC) the building plans when submitted to the building department in order to insure compliance with the approved architectural renderings.

General Conditions

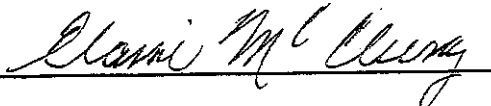
This approval is conditioned upon the applicant submitting all necessary copies of the plans to be signed, including mylars when required, to the Village of Goshen Building Department within sixty days of the date of this approval.

This approval is further conditioned upon the applicant delivering (prior to signing of the plans) proof, in writing, that all fees—engineering, planning, legal and otherwise—in regard to this project have been fully paid. The plans shall not be signed until proof, satisfactory to the Chair, has been presented showing that all fees have been paid.

A FAILURE to comply with any such condition in a timely manner shall result, without further action, in a lapsing of this approval.

In Favor 5 Against 0 Abstain Absent

Dated: June 23, 2020

 7/2/2020

ELAINE MCCLUNG, CHAIRWOMAN
VILLAGE OF GOSHEN PLANNING BOARD

STATE OF NEW YORK)

)ss:

COUNTY OF ORANGE)

I, Ruth Anne Boss, Clerk of the Planning Board of the Village of Goshen, do hereby certify that the foregoing is a true and exact copy of a Resolution maintained in the office of the Village of Goshen Building Inspector, said resulting from a vote having been taken by the Planning Board at a meeting of said Board held on June 23, 2020.



Ruth Anne Boss (7/2/20)

RUTH ANNE BOSS, CLERK

VILLAGE OF GOSHEN PLANNING BOARD

I, MARGARET STROBL, Clerk of the Village of Goshen, do hereby certify that the foregoing Resolution was filed in the Office of the Village Clerk on

7/2/2020



Margaret Strobl

MARGARET STROBL, CLERK

VILLAGE OF GOSHEN

Village of Goshen
Planning Board Meeting
June 23, 2020

Member present at Village Hall: Elaine McClung, Chairperson
Molly O'Donnell
Michael Torelli

Members present via Zoom: Adam Boese
Sal LaBruna

Also present at Village Hall: Dave Donovan, Esq., PB Attorney
Ted Lewis, Building Inspector
Kristen O'Donnell, Village Planner, Lanc and Tully
Art Tully, P.E., Lanc and Tully

Chairperson McClung called the Meeting to order at 7:30 p.m.

There are a few amendments to the agenda:

- Removing Westcorp Site Plan
- Sapphire Nursing Home and Rehabilitation moved to the first applicant on the agenda

Chairperson McClung led those present in the Pledge of Allegiance.

APPLICANTS BEFORE THE BOARD

Sketch Plat Review of Proposed Subdivision, Sapphire Nursing and Rehabilitation, #128-1-3.1, O.B.H.

Representing the Applicant: Daniel M. Richmond, Zarin & Steinmetz
David A. Schlosser, A.I.A., Schopfer Architects, LLP
Jay Pepper, Sapphire Nursing and Rehabilitation

The Sapphire Care Group, owning the existing building at 46 Harriman Drive, is seeking subdivision approval to formally reflect the existence of two separate operations. According to a letter dated 6/1/2020 from Daniel Richmond, "The Sapphire Care Group has owned the Property since 2015, at which time the ACF had already been independently operated by the W Group for several years, paying rent to the Property's previous owners." Each operation is independent of the other and has the required license for same.

Mr. Richmond referenced a copy of the plan to Board members and advised that there would not be any changes externally to the buildings, but instead this was to have a legal form of ownership so that the Sapphire Care Group could sell the senior living center to the W Group. Mr. Richmond explained that the purpose of having the applicant go before the board is to see if there is receptivity from the Planning Board before incurring additional costs.

Ms. K. O'Donnell explained that there are zoning issues and many variances will be required. Mr. Tully advised to start at the beginning with the existing site plan and see what the original subdivision was, and to also include the property owner of BOCES in the review and planning process. Mr. Donovan suggested a thorough look at the history of the property.

Mr. Schlosser commented that there is a fire wall dividing the adult and nursing facilities from each other. Mr. Schlosser gave his opinion that the separation was a positive move. Mr. Pepper confirmed that the licenses and inspections are separate for the two operations run at 46 Harriman Drive.

NEXT STEPS

The Planning Board agreed to hear more on the application and Mr. Donovan explained that the next step would be for Mr. Richmond and his client to work with Lanc & Tully. A more detailed plan would be needed, as well as determining which agency will take the lead on the project. The applicant is to confirm that the Sapphire Group currently owns the entire property. Mr. Donovan described the process, and explained that at some point he would refer the applicant to the Zoning Board of Appeals regarding the variances.

II Limoncello / Orange Inn, LLC, 159 Main Street, #109-2-3, 5/27/2020 letter from B.I. Lewis emailed to Chairperson McClung and PB members

Representing the Applicant: Steve Esposito, RLA, Esposito & Associates
Joe Irace, AIA, LEED, AP, Irace Architecture

Mr. Esposito summarized the project and advised he was seeking ADD approval. Chairperson McClung referred to the letter dated 6/22/2020 from Wheldon A. Abt where he noted Mr. Irace provided additional information on the alterations of the three story wood frame portion of the project. The Tap Room will remain as is and not clear on SEQR. EAF is needed which we now have, and are now waiting on SHPO. Chairperson McClung asked Mr. Lewis to be sure that the parking issues are addressed during the project.

Ms. M. O'Donnell moved, and Mr. LaBruna seconded the motion to issue a negative declaration and ADD approval. Motion carried 5-0.

Mr. Torelli asked to comment on the application just discussed and shared his disappointment on the handling of the process. He felt that the applicant did not get what he was looking for, and would have liked to meet somewhere in the middle with him. Mr. Donovan shared that code 15.4 could be referenced by all board members and it is good practice to review every so often to make sure additional changes do not need to be made.

Chairperson McClung will put Village Code Section 15.4, Architectural consultant's responsibilities, on the July agenda along with recommendations for changes to the code.

GAM Properties – King Zak, #122-1-11

Representing the Applicant: Steve Esposito, RLA, Esposito & Associates

The applicant is asking for a one-year extension of the Amended Site Plan Approval that expires on 7/18/2020, and a one-year extension of the 6/25/21 completion date of the project.

Mr. Torelli moved, and Ms. M. O'Donnell seconded the motion for a one-year extension on both the Amended Site Plan Approval and Completion date. Motion carried 5-0.

Horizon Land Development, #126-1-4.22, I-P Zone, Amended Site Plan, Revised Short EAF dated 6/9/2020

Representing the Applicant: Steve Esposito, RLA, Esposito & Associates

Mr. Esposito summarized the project at 30 Hatfield Lane that is used primarily for medical use. The applicant is looking to add 14 additional parking spaces where one will be removed for grading. Mr. Tully noted that the additional parking will be over a sewer easement of the Village of Goshen and ask that the owner will be responsible for maintaining said easement. Ms. K. O'Donnell advised that SEQR and variances are needed for square footage and zoning, which the Resolution will have to indicate. Mr. Esposito is also looking for a referral to the ZBA.

Mr. Donovan stated for the record that owners of the building are clients of his. The Planning Board did not object to Mr. Donovan's involvement with the applicant.

Mr. Boese moved, and Mr. Torelli seconded the motion for an Unlisted Action, Negative Declaration and to waive the Public Hearing. Motion carried 5-0.

CORRESPONDENCE

Correspondence has been received from the Orange County Department of Planning within 30 days for Il Limoncello and Horizon Land Development.

Approval of Minutes

The Minutes of the May 26, 2020 Planning Board Meeting were accepted.

Meeting Adjournment

On a motion by Ms. M. O'Donnell, seconded by Mr. Torelli, the Meeting was adjourned at 8:43 pm. Motion carried 5-0.

Elaine McClung, Chair

Notes prepared by Maria Darby

January 12, 2021

Orange County IDA Board
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Chairman Rogulski and Board Members:

On behalf of the Goshen Chamber of Commerce we would like to provide our support to the application of Limoncello at the Orange Inn. The renovations will be a welcome improvement to a business that is not only a long-time chamber member and supporter but a business that has been a defining cornerstone of the historic Village of Goshen downtown business district for well over 200 years. Furthermore, tourism-based businesses such as hotels can benefit the local business community as a whole.

We thank you for your continued support of the Orange County business community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Amy VanAmburgh".

Amy VanAmburgh, Goshen Chamber President



Steven M. Neuhaus
County Executive

Amanda Dana
Director of Tourism

Elaine McClung
Chair of the Planning Board
Village of Goshen
276 Main Street
Goshen, NY 10924

January 5, 2021


Please accept this letter of support for the expansion of the Orange Inn/Limoncello restaurant located at 159 Main Street Goshen, New York

We are incredibly excited to see this renovation of the Orange Inn/Limoncello hospitality venue. The owners of this fine establishment have worked very hard over the years to make sure they provided the highest quality food, beverage and accommodations to the Goshen community. It only makes perfect sense, given the growing tourism climate and the need for more lodging in the Village, that this timely project come to fruition.

It is also a pleasure to see how this renovation will be carefully executed keeping in line with the historic feel of the Village of Goshen. It is our hope, that with the renovation of this high-end boutique hotel and lounge, that this will attract more visitors to Goshen and provide a wonderful option for more overnight stays. This increased visitor spending will add significantly to the occupancy and sales tax revenue. Additionally, this majestic renovation will add dozens of full-time hospitality jobs and contribute to our Live, Work and Play mission in Orange County.

Lastly, any organization in the tourism and hospitality industry is experiencing incredible challenges on account of the COVID 19 public health pandemic. We are fortunate as a community that more establishments have not closed their doors for good. This is a significant investment into the Village of Goshen, it shows commitment and loyalty to the downtown and it is our belief that this will undoubtedly add to the quality of life for this great community.

Thank you for your time and consideration.

Sincerely,


Amanda Dana
Director of Tourism & Film



**JACOBOWITZ
AND GUBITS LLP**
COUNSELORS AT LAW

February 3, 2021

Gerald N. Jacobowitz**
David B. Gubits**
Howard Protter
Donald G. Nichol**
Larry Wolinsky**
J. Benjamin Gailey
John C. Cappello
George W. Lithco
Michele L. Babcock
Gary M. Schuster
Marcia A. Jacobowitz
William E. Duquette
Kara J. Cavallo
Kelly A. Pressler
Michael Wagner♦
Marissa G. Weiss
Martin S. Butcher
Michael J. Kenney
Rebecca B. Mantello

♦Admitted in NJ
**OF COUNSEL

REPLY TO:
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Walden, NY 12586
tel. (845) 778-2121
fax (845) 778-5173

548 Broadway
Monticello, NY 12701
tel. (845) 791-1765
fax (845) 794-9781

JACOBOWITZ.COM

Orange County Industrial Development Agency
4 Crotty Lane
New Windsor, New York. 12553

Attention: Laurie Villasuso

Re: Amy's Kitchen
Our File 12399-001

Dear Ms. Villasuso

Amy's Kitchen will be starting construction of its Food Manufacturing Facility this Spring. In support of that effort, Amy's is partnering with W.P. Carey, a publicly traded, national REIT which will provide financial investment for construction of the Facility. The business structure between Amy's and WP Carey will be a sale leaseback whereby Amy's conveys fee title to the land and Facility to a WP Carey subsidiary and then leases it back under a net lease which has a term of 25 years with two automatic extensions of 10 years each. Under that net lease arrangement, Amy's is still fully responsible for constructing, equipping and operating the Facility and for payment of all real property taxes, i.e. the PILOT.

We will now need to mesh the WP Carey/Amy's business structure with the current IDA lease-leaseback arrangement with Amy's. Our objective in meshing these structures is for Amy's to retain all of the obligations it has to the IDA as well as its ability to receive the IDA benefits it already receives. The WP Carey entity would own fee title to the property and Facility but have no direct obligation to the IDA. We believe this can be accomplished by the IDA's consent to transfer the property to the WP Carey entity and its agreement to subordinate to the rights and obligations of the WP Carey entity as property owner. Please note the IDA documents already permit subordination to a lender and this sale leaseback structure puts the IDA in essentially the same position as if we had financed the Food Manufacturing Facility with a mortgage loan.

We respectfully request this matter be placed on the Board's February 11, meeting agenda for consideration and action. I will be present at the meeting to

provide any additional information required and to answer any questions Board members may have.

Your ongoing cooperation in bringing this project to reality is greatly appreciated.

Very truly yours,

Larry Wolinsky

Larry Wolinsky

cc: Russ Gaenzel, Esq.
Kevin Dowd, Esq.
Vincent Cozzolino
Melanie Schouten
Robert McLoughlin, Esq.
Michael Cheng



Steven M. Neuhaus
County Executive

William Fioravanti
Director of Economic Development

February 3, 2021

Mary Ellen Rogulski
Chairperson, Orange County IDA
4 Crotty Lane #100
New Windsor, NY 12553

To the Board and Staff of the Orange County Industrial Development Agency:

The following 2019-2020 annual report outlines the activity by Operators utilizing Foreign Trade Zone #37 (FTZ #37), details our promotional efforts to grow FTZ #37, and summarizes the value that our FTZ provides to the IDA and to the economies of Orange County and the greater Mid-Hudson region.

Please feel free to contact me any time on my cell at (845) 645-8052 if you have any questions or if you'd like additional information on FTZ #37.

Thank you all for your continued support of Orange County's Foreign Trade Zone #37!

Sincerely,

William V. Fioravanti
Director of Economic Development



Foreign Trade Zone #37 **2019-2020 Annual Report to Orange County IDA**

I. FTZ #37 Operator Activity

The volume of international commerce that passes through FTZ #37 continues to steadily grow each year. Merchandise estimated at **\$2,122,628,422** moved through FTZ #37 facilities in 2019, compared with \$1,998,272,004 in 2018 and \$1,034,946,128 in 2017. When combined with labor and overhead expenses incurred, as well as profit earned, the total value of this merchandise was estimated at **\$2,352,784,209**, compared with \$2,184,563,673 in 2018 and \$1,034,946,128 in 2017.

A substantial share of that volume was driven by Gap, Inc., a subzone added in 2011 through U.S. FTZ's Alternative Site Framework system. In particular, GAP added \$23 million in value to more than \$1.5B of imported textile goods.

Takasago, an international fragrance manufacturer and Operator here in Orange County, received \$351M in raw materials last year, an increase of nearly 270% over 2018. Konica Minolta is another Operator, located in our county seat of Goshen, who imports bulk toner from Japan and then bottles, packages and distributes to consumers (volume was up slightly in 2019 to \$105M).

Expeditors International, located in Nassau County, was added as a subzone in 2017 and quickly began importing at the 2nd highest volume in FTZ #37, at more than \$529M in 2019, largely in electronics.

Our FTZ 'Operators' (or clients) have not yet reported their **2020 figures** – they will do so toward the end of February '21 – so we must wait to see how the COVID-19 pandemic impacted FTZ #37 activity. However, in this era of an expanding global marketplace amidst international trade wars, interest in FTZ #37 appears to be at an all-time high.

Speaking of that heightened interest in FTZ #37, we will soon be activating our newest Operator in several years. **JJS Transportation & Distribution Company** in Valley Stream in Nassau County on Long Island, will become a new Subzone location for FTZ #37.



JJS (<https://www.jjs-transport.com>) will utilize our FTZ to defer and save on duties on imported goods that they store and distribute for their clients.

This will generate \$10,000 per year in new revenue for FTZ #37.

This addition to our distinguished list of FTZ Operators will counteract the loss of one of out-of-area Operators: Xylem. A Rye Brook-based distributor of water pumps, Xylem operated an FTZ #37 subzone out of Auburn in Cayuga County for several years. Xylem announced in the second quarter 2020 that they would be transferring their subzone to FTZ #90 (Onondaga County), as it is in much closer proximity. Xylem's import volume was \$127M in 2019.

Following is an updated list of **FTZ #37 Operators**:

Activated Sites

- Takasago – Harriman, NY
- Konica Minolta – Goshen, NY
- The Gap – Fishkill, NY
- Expeditors – Inwood, NY
- JJS Transportation – Valley Stream, NY

Non-Activated Sites

- RAD Distribution – Town of Wallkill, NY
- Parr Pharmaceutical – Suffern, NY

II. Latest Updates on FTZ #37 Promotional Efforts

Since the office was first established in mid-2018, Orange County’s Department of Economic Development has been working to manage and grow Foreign Trade Zone #37. Our goal is to grow FTZ #37 in order to attract manufacturers and distributors to create and retain local jobs, to maximize international trade opportunities for local companies, and to continue to add revenue to effectively run the FTZ program.

The department director attended two conferences in 2019, both hosted by the National Association of Foreign Trade Zones (NAFTZ). These conferences allowed the department to take part in in-depth training to fully understand the opportunities presented by the FTZ program, as well to meet several of our *Grantee* colleagues around the country from whom we can learn best practices for program management and development.

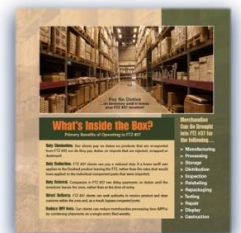
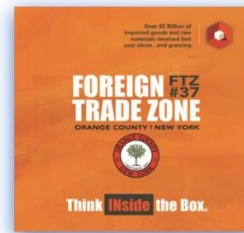
Relaunched Foreign Trade Zone #37

Our department’s original plan for growing Orange County’s FTZ #37 in 2020 was to kick off a series of “road shows” to re-introduce our foreign trade zone to our local and regional partners in economic development, as well as other private sector partners such as real estate brokers, attorneys and CPAs who could refer us prospective clients.

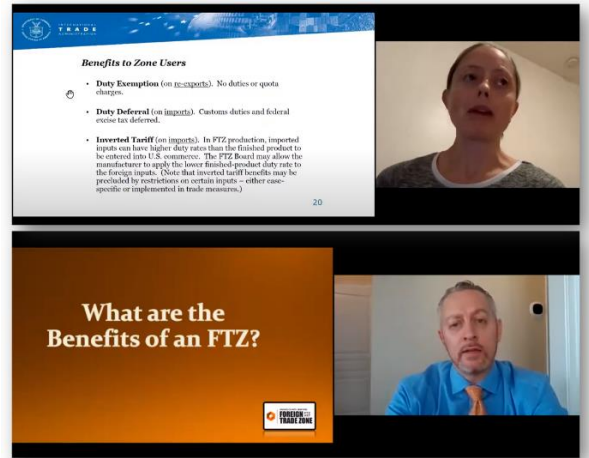
While the COVID pandemic upended plans for the year-long road show, we were able to hold our **FTZ #37 Relaunch Kick-Off event at New York Stewart International Airport** in late January 2020.

There was robust attendance on hand to hear the keynote speaker, Elizabeth Whiteman, our representative from the U.S. Trade Dept/FTZ Board.

A number of key connections were made through this event and we were able to distribute our new **FTZ #37 Marketing Collateral** to a broad, diverse audience.



While the in-person road show concept could not continue in 2020, we pivoted again and began conducting a series of **FTZ #37 promotional webinars** in partnership with HVEDC and Council of Industry. Once again, Elizabeth Whiteman was on hand to help provide unmatched expertise to online viewers who participated in live Q&A sessions.



We continue to work closely with our partners throughout the region (below) in order to spread the word about the benefits of participation in FTZ #37 for companies in the region.



In addition to the partners listed above, we met with regional representatives from **US Dept of Commerce and Trade Adjustment Assistance Center (TAAC)** in 4Q2020, to discuss ways to grow opportunities for local companies to engage in international trade.

III. Value of FTZ #37 to Orange County

FTZ #37 is an important employment driver for and for the entire Hudson Valley Region. FTZ #37 supported **798 jobs** in 2019, a 37% increase from just 3 years ago. Besides contributing significant value-added (Gap alone added \$23M in '19), FTZ #37 is essential to the region in that it allows manufacturers and distributors to be more competitive in the domestic market thanks to the FTZ cost savings.

In some cases, without FTZ #37, these local plants would not exist as production would be moved out of the U.S. Additionally, our local Operators stimulate the local economy through job creation and by strengthening our property tax base.

IV. Other FTZ #37 News

FTZ #37 Management Board – In early 2021 the County Executive will be nominating several reappointments to the FTZ #37 Board (legislative request #012). The FTZ #37 Board members slated for reappointment to the Foreign Trade Zone Management Board are:

- Alan Seidman
- Leigh Benton
- John Vero
- Alicia D'Amico
- Michael Grady
- F. Edward Devitt
- James Monroe
- Donna Conklin

We will plan an annual meeting for 2021, though the pandemic will likely force that to be hosted via Zoom/Microsoft Teams.

#

NEWS

Cuomo's recreational marijuana legalization could add jobs, make Mid-Hudson a pot hotbed

Daniel Axelrod Times Herald-Record

Published 6:00 a.m. ET Jan. 19, 2021 | Updated 6:11 a.m. ET Jan. 19, 2021

Legalizing recreational marijuana will swiftly add hundreds of good-paying jobs, with room for significant growth, and much-needed tax revenue to the Mid Hudson, local cannabis growers said last week, after Gov. Andrew Cuomo refloated the idea.

Cuomo, who opposed recreational marijuana until December 2018, reiterated support for state legalization recently.

He said doing so could create jobs and generate \$300 million-plus in tax revenue.

The governor addressed the topic in his recent State of the State address-related news releases and speeches.

Local cannabis industry participants' enthusiasm for Cuomo's proposal comes as Green Thumb Industries, a Chicago-based, publicly traded, national producer and retailer of cannabis goods, announced plans Thursday for a \$150 million production facility in Warwick.

Few areas stand to benefit more than the Mid Hudson, local cannabis industry participants say. Orange County in particular is a hotbed of hemp or cannabis production – the same plant as marijuana except it's bred to contain 0.3 percent or less of THC (one of pot's key high-producing chemicals).

Orange County's budding cannabis industry is thanks in part to millions of dollars in investments from the Orange County Industrial Development Agency's Accelerator incubator, which has earned the area statewide and national attention.

Hemp, however, including extracts like the medically promising chemical CBD, has yet to pay off for locals due to over-production and the industry's nascent status.

“If marijuana gets approved, struggling farmers who’ve paid their dues, and put in years of manual labor, will finally see a crop that’s bringing in real money to their families and their farms,” said Michael Geraci, co-owner of Hemp Farms of New York in New Windsor, one of the region's leading hemp extracts producers.

Cannabis facility proposed for Warwick

For its part, the Orange County IDA, a nonprofit public benefit corporation that encourages economic development, put its cannabis business cluster at the former Mid-Orange Correctional Facility site in Warwick.

It's home to four hemp-related businesses, including UrbanXtracts, a CBD oil extractor, Honey Buzz, which infuses CBD into personal care products, and Phyto-Farma Labs, a cannabis tester.

CBD PRODUCTION: New state hemp regulations could make Hudson Valley NY's headquarters for CBD production

LEGAL MARIJUANA: Legalization of pot could have NY on an economic high

MORE: Medical pot plant set for former prison site in Warwick

Separately, medicinal cannabis maker Citiva Medical LLC also has large facilities on the prison grounds, and Hempire State Growers and Fusion CBD are leading local producers in Milton and the Warwick area respectively.

Green Thumb Industries expressed interest on Jan. 14 in buying the last seven available prison site lots (totaling 40 acres) for a three-year phased project for its cannabis facility, which would employ 125. The Orange County IDA’s board is currently considering potential economic incentives to facilitate the project.

The potential project “is huge for our town and for our region,” said Warwick Supervisor Michael Sweeton, who helps oversee the Warwick Valley Local Development Corporation, a nonprofit that owns the former prison site. Green Thumb Industries is “an exceptional quality company that could provide many, many jobs in Warwick. It’s the capstone of the whole effort that we’ve taken to redevelop this site.”

Green Thumb Industries, a 6-year-old firm, currently has 13 manufacturing facilities, 97 licensed retail facilities and operations in 12 U.S. markets, plus 2,300 employees. It also

appears to be well-capitalized, with third-quarter revenue that grew 131 percent year-over-year to \$157.1 million.

Recreational marijuana “is a whole new industry that, depending on the licensure and (tax and regulatory) structure (the state creates), could be totally transformational for the area,” said Laurie Villasuso, Orange County IDA's CEO. “The supply chain is all here. We can have agricultural impacts, manufacturing, sales.”

daxelrod@th-record.com

NEWS

Market for warehouses is 'hot to the touch' amid e-commerce boom, pandemic

Peter D. Kramer Rockland/Westchester Journal News

Published 6:01 a.m. ET Feb. 3, 2021 | Updated 9:46 a.m. ET Feb. 4, 2021

Which is the hotter property in the sorry-no-haggling suburban real estate market brought on by the pandemic: a three-bed, two-bath Scarsdale Tudor or a 50,000-square-foot warehouse with access to major highways?

For Paul Adler, the dean of commercial real estate in the northern suburbs, it's a no-brainer: "The warehouse! The warehouse! The warehouse!" he said with a laugh.

As Amazon and other ecommerce outfits seek storerooms for "last-mile" deliveries to those riding out the COVID-19 crisis at home, the pandemic has ratcheted up demand and made the warehouse market "hot to the touch," according to Adler and other industry insiders.

Adler is the chief strategy officer for New City-based Rand Commercial, a 42-year veteran of the market covering Orange, Rockland and Westchester counties and northern New Jersey.

"There are no available warehouses in the area," he said this month. "I have a 30,000-square-foot warehouse that's come down to the market and before I can put it out on the market, I'm already deluged with people wanting the space, because it's just not there."

The lack of warehouse space is a quality-of-life issue and a missing linchpin in the local economy, Adler said.

"This last mile makes a difference between whether or not this digital and virtual and ecommerce is really going to suit the consumer, and since we're all consumers, it affects all of us and it makes a huge difference in terms of availability of product," he said.

It's not just about convenience; it's about jobs, jobs, jobs, Adler said.

A warehouse creates a web of work, from the carpenters and electricians who build and maintain the warehouse to the mechanics who service their fleet vehicles to the workers who staff the warehouse and the local delis who feed them.

"It's not just two guys sitting there at the gate letting guys in and out. There's a whole infrastructure," Adler said. "It drives an industry."

WAREHOUSES: Want to build a warehouse? Be prepared for hurdles, developers say

'BURBS BOOM: 2020 saw flood of homebuyers in Hudson Valley

IDA PROBED: Amazon got green-light to hire non-union painters for Orange County warehouse

Jason Horowitz, of the Valley Cottage-based Triforce Commercial Real Estate, called the demand for warehouses in Rockland "astronomical."

"I wish I had it for lease. I wish I had it for sale," Horowitz said. "We've got people lining up around the block looking for it."

With consumers not venturing out into the marketplace, the marketplace has found a way to come to them, one that often requires a regional footprint, an address that is local enough to speed products into suburban homes after long-haul delivery. The industry calls that "the last mile."

Said Horowitz: "We have clients who are looking to rent the whole spectrum of warehousing: smaller clients who have online businesses looking for about 2,000 square feet and individuals looking for 50,000-plus. The demand is just astronomical. And our supply is nonexistent right now."

How hot is the warehouse market? Even a venerable Hudson Valley institution, the 46-year-old Westchester Broadway Theatre, couldn't compete with the lure of warehouse income.

After nearly 30 years leasing space in an Elmsford office park, it closed its doors last fall – succumbing to the pandemic shutdown – and parted ways with landlord Robert Martin Company, which is converting the space into a lucrative warehouse with access to major Westchester highways.

Amazon driving demand

There are some warehouses available in Westchester, for those willing to pay top dollar, said Horowitz, and there is room to build in Rockland, Putnam and Orange.

There is certainly demand.

“Online e-commerce overall is getting hotter and hotter by the moment,” said Horowitz, who also has offices in Mount Vernon. “But who really helped drive that forward? Yes, of course, it was Amazon.”

It was also Amazon that, last summer, snapped up two huge warehouses in Blauvelt, totaling 174,000 square feet. Workers continue to fit out the two buildings – on Oritani Drive in the newly renamed Hudson Crossing Industrial Park, formerly Bradley Park, off Route 303 – for a February launch.

It's not the only new Amazon space in the region.

Soon, if you order a couch or big-screen TV from Amazon and you live in the northern suburbs, your purchase will likely spend some time in the company's new 100,000-square-foot last-mile facility – designated an “AMXL delivery station” for large products – at 5 Warehouse Lane in Elmsford. The facility, which is being retrofitted from several separate entities, is set to open in March, said Amazon spokeswoman Emily Hawkins.

"It's not a very large employer, under 100 employees will work there," Greenburgh Town Supervisor Paul Feiner said when the deal was announced in August. "But in this economy, anything we can get is better than nothing."

Amazon also has a massive delivery station in the shadow of New York Stewart International Airport, at 500 Hudson Valley Ave., in New Windsor.

In the Orange County town of Montgomery, a 1 million-plus-square-foot, \$72 million Amazon "fulfillment center" warehouse, set to employ 800 local workers, has landed a business-boosting non-profit in hot water.

State Sen. James Skoufis, D-Cornwall, said he'll work to dissolve the Town of Montgomery Industrial Development Agency after he said it helped Amazon skirt rules requiring that local labor be used in its building.

Municipalities use IDA boards to craft tax breaks to lure and retain employers and boost local employment, but when the Montgomery IDA voted to let Amazon hire painters from Philadelphia to work on its warehouse project on Route 747, Skoufis cried foul.

“What happens if the IDA board votes ‘No?’” Skoufis asked. “Do you think Amazon is going to pack up and leave? There's a zero percent chance of that.”

Seeking elbow room

For goliaths like Amazon seeking warehouses with elbow room in the Hudson Valley within striking distance of New York City, the options are slim, said Tim Jones.

He's the CEO of Robert Martin Company, the Westchester and Fairfield County real estate firm that owns office parks, retail and residential, warehouse and industrial. It's also the firm about to have a former-dinner-theater-turned-warehouse to bring to market.

“Anybody who wants a million (square) feet is not going to look in Westchester County for very long, there's nothing there,” Jones said. “Over the years, many times, we have been approached about whether or not we can provide 200,000 or 300,000 for a building and just finding the land for that is literally impossible in Westchester.

"You can find it in Rockland, and you can find it maybe in Orange County. In Putnam, it'd even be difficult because of the watershed issues there. And in Dutchess you could find it. But, of course, the farther away you get from the population center, the less appealing it is."

The draw of the suburbs

While the pandemic has pounded the local economy – putting small businesses in peril and forcing restaurants to close – it has been good for warehouses and for suburban residential sales.

A new report from the trade group Hudson Gateway Association of Realtors said homebuyers sought out suburban homes, and haggled less over what they had to pay in 2020.

“Commercial follows residential and the residential market in 2020 was the best market in the last 35 years,” said Adler. “People are here and commercial wants to go where the talent is, where the people live.”

Adler tweaked the well-worn maxim about his industry.

“Real estate is five things: location, location, location and supply and demand,” he said.

The lack of supply and increase in demand has seen regional warehouse prices more than double in a decade, he said, from a range of \$5 to \$8 in 2010 to \$12 to \$19 last year, with those rates not including taxes and common charges.

Here’s Adler’s Hudson Valley breakdown by key years:

2010: \$5 to \$8 per sq. ft.

2015: \$6 to \$10 per sq. ft.

2019: \$10 to \$19 per sq. ft.

2020: \$12 to \$19 per sq. ft.

He’s still trying to determine how much he’ll charge for the 30,000-square-foot warehouse just coming off a lease that had kept a single tenant happy on Snake Hill Road in West Nyack for 25 years.

“The sign guy got ahead of us and the sign went up and we’re already a dozen deep on calls of people wanting the space,” Adler said.

Adler said he could charge more if he invested in upgrades, but those people on the phone – including a plumbing supplier, electrical supplier, and a mover – want it fast, not pretty. They are also eager to buy, not lease, aware of the regulatory minefield triggered by plans for a new warehouse.

“It can take sometimes a year to three years, depending on where you’re putting it and what you’re trying to put up,” Adler said. “So a lot of owners don’t like to sell, but leasing activity is very, very hot.”

Arnie Garelick has been in Rockland real-estate for decades, and owns Clarkstown Executive Park, along with warehouses. He, too, has a list of people looking for space.

“You have some ecommerce people. You have some of the pick-and-pack operations where they’re servicing the ecommerce people. And then you have people who just got tired of being the mom-and-pop store and they found that they can take pictures and put them online and distribute from a warehouse,” Garelick said.

Steven Yassky, president of Rockland Realty, is turning over a property down Snake Hill Road from Adler’s warehouse, even closer to the Thruway entrance in West Nyack. Built in the 1960s, its ceilings are too low to meet the demands of modern warehouses, Yassky said, so he’ll turn the space into 100,000 square feet of two-story self-storage units.

Yassky also owns Airport Executive Park in Nanuet, roughly 150,000 square feet of “flex space” that is one-third office and two-thirds warehouse, all of which is spoken for, he said.

“There’s a lot of action,” he said. “Rockland is a little bit less than Westchester and across the bridge and it’s still fairly easy to get to.”

Weathering the pandemic through logistics

In Westchester, the warehouse market has always been tight, for two reasons, said Robert Martin’s Tim Jones: The first is the price of land; the second is the type of land.

“The inventory that exists is very limited, not just because of the price of land in Westchester and the Lower Hudson Valley, but also because of our geology,” he said. “We have a lot of rocky, up-and-down soil conditions and topography. And that’s very hard to build large floor-plate buildings.”

Those who have warehouses – shipping and logistics companies – are driving the economy through the pandemic, Jones said.

“We have several tenants in that business and they have trouble just getting the work done because they have so much to do,” he said.

“That’s really a national phenomenon.”

Online retail’s gain is storefront retail’s loss, Jones said, a trend he has noticed over the past three to five years, one accelerated by the pandemic.

"Driving down the road, I tell my kids that these stores have been replaced, the retailers are now the warehouses. So a lot of retail space has essentially moved into warehouse space. And just like the warehouses are doing very well, the retailers are suffering now because people are not walking in the store. They're getting things shipped."

A curtain falls, a warehouse rises

Robert Martin's warehouses are in Greenburgh, Mount Pleasant and Yonkers, tucked in its executive parks, removing possible dissent from neighbors.

But the newest Robert Martin warehouse in the Cross Westchester Executive Park in Elmsford – still being outfitted for occupancy – will rise after plenty of drama.

For nearly 30 years, it was the site of the Westchester Broadway Theatre, whose demise was met with an outpouring of grief from the theater community, fans and Broadway stars who got their start on its stage.

In late October 2020, Robert Martin parted ways with its longtime dinner theater tenant, which had occupied the space since 1991. The dinner theater had been shuttered by COVID-19 restrictions, its return uncertain.

In announcing their plan to close in a letter to staff, dinner theater owners Bob Funking and Bill Stutler said that dinner theaters would likely be the last entertainment venues permitted to reopen.

"Also our landlord, Robert Martin, does not want to continue supporting our lease. The interior is to be destroyed and the building turned into a warehouse," they wrote. Its contents were sold at auction.

Jones bristled at the mention of the dinner theater during an interview and would not discuss the decision. He said the warehouse would be 30,000 square feet and was not ready for occupancy, its timeline uncertain.

To Adler, watching from Rockland, the decision was just facing an economic reality, with Robert Martin deciding it was more lucrative to end that relationship and turn the space back into a warehouse than to wait for the pandemic to end, permitting the theater to reopen.

"If you think about where Westchester dinner theater is, the network of roads in what I'll call the beginnings of southern Westchester, how do you not do that?" Adler said. "Then perhaps the dinner theater should be in a smaller venue, in a more urban setting than in Elmsford, that's for sure."

Feiner was among those who bemoaned the loss of the dinner theater, calling the news "very upsetting."

Months after the liquidation of the theater, there are still signs of what was. An awning remains, as does the sign for the venue's final show, which seems somehow prophetic: "All Shook Up."

Feiner, the Greenburgh supervisor, said the market wants what it wants, and he wants to position his town to make the most of it.

"One of the things we're hoping to do this year is to hire an economic development consultant," he said. "The goal is to have not as many vacancies. We can't control what the needs are. I'd rather have warehouses than vacant buildings."

Staff writers Mario Marroquin and Daniel Axelrod contributed to this report.

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