

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 12, 2015

A regular meeting of the Orange County Industrial Development Agency was convened in public session on February 12, 2015 at 2:08P.M. at the Orange County Business Accelerator in New Windsor, New York.

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

PRESENT: Robert Armistead, Stephen Brescia, John Steinberg, Mary Ellen Rogulski
[Henry VanLeeuwen joining after roll call]

ABSENT: Edward Diana, Robert Schreibeis

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Bill Fioravanti – Orange County Partnership
Maureen Halahan – Orange County Partnership
Josh Sommers – Focus Media
Brian Gates – HVEDC/OCBA
Whitney Bowers – Focus Media
Shannon Wong – Orange County Legislature
Barry Cheney – Orange County Legislature
Dawn Ansbro – Orange County NY Arts Council
Todd Erling – Hudson Valley Agribusiness Development Corp.
Wayne Spinei – IBM
James Walsh – Times Herald Record
John Jordan – Hudson Valley Editorial

Chairman Armistead calls to order the regular meeting of the Orange County IDA, February 12, 2015 (Pledge of Allegiance is recited). Board consists of four members. There is a quorum.

Review of the prior January 8, 2015 meeting minutes. Ms. Rogulski notes that certain public hearing transcripts in the Board Member Packet had the incorrect heading. Ms. Villasuso notes that she will contact the stenographer to make the appropriate changes. Motion to approve the minutes as presented made by Steinberg, seconded by Rogulski. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the income and expense summary for January 31, 2015. He reports that the IDA has just over \$8.7M for the IDA, and just shy of \$600K for the OCFC. He reviews the income and expense summary for the IDA, and also reviews the OCBA income and expense report for January 2015.

Mr. Kleiman advises that checks received for the month total \$40K, and payments for approval total \$476,087.99. Ms. Villasuso notes that the Governance Committee suggested conditional approval of one shovel ready payment in the amount of \$141K to Warwick Valley LDC. Mr. Brescia advises that Governance recommends the payment be approved on the condition that additional information is provided to the IDA, and that the engineer certify the work to the IDA as well as the LDC.

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

Mr. Kleiman advises that Audit Committee meeting will be held at the next Board Meeting to review the 2014 Audit with the auditors, and provided the Board approves the audit, it will be submitted to the ABO by the end of March.

Chairman and Executive Director Report

Chairman Armistead notes that the Blackhawk public hearing was successful, and looks forward to bringing the company to Orange County. With little else to add, he asks Mr. Petro for his report.

Mr. Petro and Ms. Villasuso offer overviews of the Blackhawk, Retford Investments and PCH Energy public hearings. He and Ms. Villasuso spoke at Leadership Orange, and they have plans, along with Chairman Armistead, to speak at the Supervisor Association of Orange County and Kiwanis meetings. Ms. Halahan adds that the PILOTs: Just the Facts will be published in the THR. Ms. Villasuso adds that she joined OCP on a radio show earlier in the week. The team continues to spread the word and educate the public about the IDA.

Ms. Villasuso notes that the Webb and Aurora public hearings were rescheduled due to inclement weather, and will now take place on 2/19 at 1:00 in the Newburgh Town Hall and 2/25 11:00 in the Goshen Town Hall, respectfully. She notes that the IBM public hearing may be scheduled for 2:00 on February 25th. She reviews the ESD conference in January, and notes that she followed up with SUNY and confirmed that the 2014-2015 regrating payment is forthcoming.

OCBA Report

Mr. Gates updates the Board on occupancy and resident highlights for the month, adding that Cymogen will graduate at the end of February. Mr. Sommers reviews the SWOT meeting held in January, attended by Focus Media, Mr. Gates, Mr. Gottlieb, Kelly Reilly of OCBA, Chairman Armistead, Ms. Rogulski, Mr. Petro and Ms. Villasuso. Marketing, messaging, and future plans were discussed. He and Mr. Gates also discuss recent events and outreach, and invites the members to a Resident Day on 2/24. Lastly, he gives an update of the Start Up NY process, including the proposal that Stewart Airport will be part of the Start Up NY plan.

[VanLeeuwen enters the meeting]

OCP Report

Mr. Fioravanti and Ms. Halahan review the QPM, and include updates about the recent Attraction and Expansion leads. They note that the Broker Summit will be held on 5/13, the ABG will have a meeting on 3/5 in Goshen, and the spring dinner will be held on 4/23 at 5:30pm at Limoncello. They offer summaries of the upcoming projects in the pipeline, likely to happen this year.

Mr. Fioravanti updates the Board on the Amy's project and its timeline. In addition, Start Up NY is discussed as it relates to Aurora Innovations. Ms. Villasuso, Mr. Petro, and Mr. Fioravanti will meet with Dr. Richards, principals of the Aurora project and Supervisor Bloomfield to discuss the Aurora project prior to the public hearing on February 25th.

Orange County NY Arts Council - Update

Ms. Ansbro updates the Board on the Council's activities, including a variety of TV shows and films that have been filmed in Orange County. She reviews the mission of the Council, and advises the Board of the many efforts the Council makes to bring film and television to Orange County, including work increasing the film tax credit for Orange County. She shares the recently updated website, and reviews marketing efforts, including the statistic that film dollars spent in Orange County since 2013 is approximately \$800K.

Hudson Valley Agribusiness Development Corp - Update

Mr. Erling reminds the Board that HVADC's mission is to enhance the agricultural sector in Orange County, and notes that HVADC has been doing so for nearly 7 years. He reviews the successes of some local companies and farms that HVADC has been able to help over the last year, including working with educational institutions to buy locally. Lastly, he mentions Hudson Valley Bounty which is a significant data base of farms, restaurants, chefs and caterers that continues to successfully promote connections between local foods and local restaurants.

Shovel Ready Update

Mr. Brescia notes that John McCarey and Wayne Booth brought a potential site in Hamptonburgh to the Governance Committee meeting. More information will be presented in the coming months.

Addressing Newburgh Shovel Ready, he and Mr. Dowd explain that the City is working to transfer part of the City-owned parcel to the NIDA parcel, to get it all under the Brownfields Clean Up program. The transfer would eliminate the need for the Landfill Exemption Plan, and would eliminate the need for the \$50K for engineering approved at the last meeting. The NIDA still needs the \$53K for tree clearing, which would be contingent upon the investor certifying that the project will move forward. Mr. Dowd explains that the Board needs to authorize a revision of the agreement and resolution approved in January. The revision will remove the \$50K expenditure for the City's engineering, and will allow for the \$53K for the NIDA's tree clearing. Any expenditure of funds will be contingent upon providing verification that an agreement has been signed between the three parties – the City of Newburgh, the Newburgh IDA, and HVL – that the project is moving forward.

Motion to revise the agreement as explained by Mr. Dowd made by Brescia, seconded by VanLeeuwen. Motion carries with all in favor.

2014 Corporate Mission and Goals Report

Ms. Villasuso distributes copies of the Corporate Mission and Goals report for 2014, which was reviewed by the Governance Committee and recommended for approval.

Motion to approve the 2014 Corporate Mission and Goals report made by Steinberg, seconded by VanLeeuwen. Motion carries with all in favor.

Slate Hill Associates Update

Mr. Dowd explains to the Board that on January 29th, the foreclosure sale for the Slate Hill Associates property, also known as Catlin Gardens, took place. The only bidder was the bank, and the property was purchased for approximately \$4.5M. The PILOT at this time can be cancelled, but there has been a request to extend the PILOT to the new owner. Mr. Gaenzle will discuss that with the bank counsel, but the Board is advised that Board action will be required to assign any incentives to a new owner.

Somewhat similarly, the Deerpark Exchange is being purchased by one of its investors and is requesting the PILOT be assigned to the new owner. The investor will complete an IDA application and the Board will act on the decision to assign the PILOT to the new owner.

International Business Machines Corporation – Initial Resolution

Mr. Spinei advises that IBM is proposing a \$50M investment in the Long Meadow Road site. The site is a customer data center, called a Resiliency Center. It is a customer driven site, whose purpose is to duplicate all of customers' data, hardware and software so that their operations can continue to run in the event of a power failure or something of the sort. He explains the competitive nature of the business, with heavy competition from NJ, CT and PA in particular. The site is older, and requires continued significant improvements to maintain their competitive edge. In addition to technology improvements, power redundancies must be in place with multiple generators, and HVAC and cooling systems for the site.

Mr. Petro adds that there is currently an agreement in place with IBM for such improvements which expires this year, and this action would mimic the existing agreement. Chairman Armistead notes that the site is very important to clients and to all of Orange County, and appreciates that IBM aims to maintain their presence in Orange County. The project creates 15-20 full time construction jobs during the term of the agreement, and retains the over 350 IBM jobs.

Mr. Dowd reads aloud the International Business Machines Corporation initial resolution. Motion made by VanLeeuwen, seconded by Brescia. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Ms. Villasuso adds that, now that the resolution has been adopted, the public hearing will be scheduled for February 25th.

Blackhawk Development, LLC – Final Resolution

Mr. Dowd reads aloud the Blackhawk Development, LLC Final Resolution. Motion made by Brescia, seconded by Steinberg. Open for discussion. Affirmative votes of all members present resulted in motion carried.

PCH Energy, LLC – Final Resolution

Mr. Dowd reads aloud the PCH Energy LLC Final Resolution. Motion made by Steinberg, seconded by VanLeeuwen. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Retford Investments, LLC – Final Resolution

Mr. Dowd reads aloud the Retford Investments, LLC Final Resolution. Motion made by VanLeeuwen, seconded by Rogulski. Open for discussion. Affirmative votes of all members present resulted in motion carried.

The Warwick Yard, LLC – Final Resolution

Mr. Dowd reads aloud the Warwick Yard, LLC Final Resolution. Motion made by VanLeeuwen, seconded by Brescia. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

The members discuss March's meeting, and there is a conflict for certain members. It is agreed that the meeting will be moved to Monday March 9th.

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