

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 27, 2014

A regular meeting of the Orange County Industrial Development Agency was convened in public session on February 27, 2014 at 2:00 P.M. at the Orange County Executive's Office in Goshen, New York.

The meeting was called to order by the Vice Chairman, Mary Ellen Rogulski, and upon roll being called, the following were:

PRESENT: Mary Ellen Rogulski, Stephen Brescia, Robert Schreibeis, Russell Vernon  
[John Steinberg joining after roll call]

ABSENT: Robert Armistead, Henry VanLeeuwen

ALSO PRESENT: James Petro – Executive Director  
Laurie Villasuso – Associate Executive Director  
Joel Kleiman – Chief Financial Officer  
Kevin Dowd – Attorney  
Russell Gaenzle – Harris Beach, PLLC  
Steven Neuhaus – Orange County Executive  
Wayne Booth – Deputy County Executive  
Brian Gates – HVEDC  
Amanda Dana – Orange County Partnership  
Bill Fioravanti – Orange County Partnership  
Marge LaPerle – Orange County Partnership  
Carlos Vega – AJ Ross Creative Media  
Allan Ross – AJ Ross Creative Media  
Todd Erling – HVADC  
Bob Ambrosetti – Local 373  
Michael Gaydos – Local 417 HVBT  
Todd Diorio – Local 17 HVBCTC  
Bill DeProspro – DeProspro, Petrizzo & Longo  
Richard Rosen – Columbia Development  
Jim Burpoe – Orange County Government  
Dominic Cordisco – Drake Loeb  
John Discon – Local 363  
James Walsh – Times Herald Record  
Jessica Chen – TWC News

Chairwoman Rogulski calls to order the regular meeting for the Orange County IDA, February 27, 2014 (Pledge of Allegiance is recited). Board consists of four members. There is a quorum.

Review of the prior January 15, 2014 meeting minutes. Motion made by Brescia, seconded by Vernon, to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

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

Mr. Kleiman asks the Members to refer to the income and expense summary for January 2014. He notes that the figures include expenses that were paid in January, but will be accrued back to 2013. He also calls attention to the fact that center column is titled "modified budget." After the original budget was posted online, the \$5K Empire Zone item was removed, resulting in the modified budget. Going forward, Mr. Kleiman will continue to use this version of the budget. He moves on to the Bank Account spreadsheet and explains that the IDA has just over \$8.1M in various bank accounts, and the OCFC has just over \$754K as of January 31. Lastly, he distributes a revised version of the February Vouchers and Payments. He advises that there will be an amendment to the amended schedule, removing the Rider, Weiner and Frankel bill for further review. This brings the receipts to \$28,948.86, and the payments to \$59,149.49.

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

Mr. Petro adds that the heat and electric bill at the Business Accelerator doubled this month. Mr. Kleiman notes that the Accelerator provides its own financial report, and is included in the packet.

Lastly, Mr. Kleiman advises that at March's meeting, the audit committee will meet to review the audit as prepared by JGS. JGS will be present at both the audit and regular meetings in March to go over the report with the Board. The Board will need to review and accept the audit at that meeting on March 27, as the deadline to file the reports with PARIS is March 31.

Mr. Vernon asks if the Board will be approving the investment policy revision, as presented at the Governance meeting prior to this meeting. Mr. Kleiman advises that the change is a by-law change, and will be acted upon at March's meeting. The revision gives the Board alternatives for investments.

### **Executive Director Report**

With no Chairman's report to offer, Chairwoman Rogulski requests Mr. Petro's Executive Director report. Mr. Petro advises that it has been a very busy month for both him and Ms. Villasuso, as they share the responsibilities of the IDA office. Over the last week alone, they appeared before E&E to give a presentation about the IDA, met with a new hotel project in Highland Falls, attended the Pratt & Whitney and CPV public hearings, and attended a Rotary function to give another presentation about the IDA. Additionally, Mr. Petro has received a lease renewal from Bette, and the renewal provides for a new termination date – December 31, 2015 – and allows for 275 days' notice of non-renewal, rather than 365 days.

Motion made by Brescia, seconded by Vernon, to authorize the Executive Director to sign the lease for the Orange County Business Accelerator. Motion carries with all in favor.

Mr. Petro then offers an update on the Port of Newburgh project, and advises that the IDA is still waiting for an application from Mr. Plotkin. He also notes that the City of Newburgh IDA is operational again, and the Orange County IDA will need a letter of deferral from them. Mr. Brescia adds that we also need a commitment from the City of Newburgh on the portion of the project property that belongs to them.

### **OCBA Report**

Mr. Gates begins by advising that Sabila has gone to contract on a 90k square foot building in Middletown with plans to hire 15-20 people, and will be graduating and moving out of the Accelerator on April 1<sup>st</sup>. He reminds the room that Sabila was one of the Business Challenge winners.

He goes on to advise that Nexus Health Resources will be moving in on April 1<sup>st</sup>, and they are a digital technology company, specializing in software that helps hospitals reduce recidivism rates. The company currently works with Orange Regional, and has 2 employees at this time, with plans to expand to 20 people within the next year. The Accelerator is also in talks with Sustainable Waste Power Systems, who converts waste into energy, and they are interested in Start Up NY benefits. Lastly, Align Med is on the radar, and is comprised of people in the medical education system.

Mr. Gates explains some updates to the website, and offers a recap of the UVANY event earlier in the month. He also explains the upcoming seminars coming to the Accelerator. He advises that he continues to reach out to SUNY in an effort to be designated a part of their Start Up NY plan. He also explains the marketing efforts he and Focus Media have undertaken under the last month.

Mr. Petro notes that he would like to discuss the cost of the ads currently being used to promote the Accelerator. Mr. Petro suggests that the newspaper ads are expensive, but also ineffective. Mr. Gates advises that there have been improved hits on the website, and there are plans to celebrate the 5<sup>th</sup> anniversary of the Accelerator. Chairwoman Rogulski advises that she believes the Board should receive more feedback and information about what is and is not working at the Accelerator. Mr. Vernon requests information about how many open offices there are, and the future campaigns to fill the vacant offices.

### **OCP Report**

Mr. Fioravanti introduces himself as the new Director of Business Attraction for the Orange County Partnership. He is familiar with a number of attendees through his previous work with the Orange County Chamber, but is excited to present for OCP in Ms. Halahan's absence.

*[Mr. Steinberg joins the meeting]*

He begins by offering an attraction report for 2014 so far, with a total of 12 leads as of last week. Three tourism projects lead the pack, which relate to the recent news articles about gaming coming to the Hudson Valley. Moving on, he summarizes some other attraction leads OCP has been working on. Touching on projects currently under way, Ms. Laperle notes that Kikkerfrosch, who came to the IDA in 2013, is back on the radar with a new location identified in Goshen. Ms. Dana addresses Business Retention and Expansions, and notes that manufacturing companies are the leading trend. In total, BR&E offers 346 potential new and retained jobs. One of the projects is Continental Organics, and she has organized a tour next week, and provides the IDA Board with details and invites them to attend. Ms. Dana also advises that the Orange County Arts Council is working on an initiative to attract film production to the area. Mr. Neuhaus advises that there is currently a movie being filmed in Orange County.

Ms. Dana discusses the recent marketing efforts of OCP, advising that an eblast and newsletter are in the works. She offers updates on the recent ABG meetings.

Mr. Vernon adds that companies have been using the Newburgh Armory for job fairs, and they have been quite successful.

### **AJ Ross**

Mr. Ross introduces Mr. Vega, and announces that the new IDA website is now live. Mr. Vega displays the website for the Members and calls attention to the most interesting portions of the site. There is an interactive map of the County, highlighting the shipping and transportation routes within Orange County. In addition, there is easy access to the IDA meeting schedule/calendar of events from the main page. He goes on to navigate through the site, displaying all of the features and highlights of the site.

After roughly six months, Mr. Vega can analyze site statistics to see how the site is being used, which can help us make improvements in the site and help with marketing efforts later. The analytics will also reveal the search terms that bring visitors to the site, and those terms can be worked into the site's Search Engine Optimization.

Moving on, Mr. Vega passes around a mocked up version of a new incentive brochure, which, as Ms. Villasuso explains, will be used when she and Mr. Petro need provide IDA incentive details to companies looking for incentives. In addition, a smaller, more general brochure is being used for trade show and general distribution. Mr. Vega displays an overview of the IDA marketing plan, showing the business cards, brochures, websites and social media pages.

The Board commends Misters Vega and Ross on their work for the IDA, and advises that they are quite pleased with the results.

### **HVADC**

Mr. Erling begins by advising the Members that HVADC's goal is to enhance the agricultural sector in Orange County, bringing regional projects to the area, encouraging Orange County participation in those projects, as well projects happening in Orange County. Mr. Erling uses the Amy's Kitchen project as an example: Going back to their CA roots, HVADC has had a long affiliation with the company. HVADC has been held up as a successful example of regionalism, working to support food and beverage. Three years ago, they were part of benchmark study of the San Francisco foodshed, and now know a lot of the employees in Amy's procurement department. Once Amy's locates in Orange County, HVADC steps in to help them source all of the local produce they need. He offers some other examples of their work with local companies, helping connect projects with their agricultural needs.

### **Labor Policy**

Mr. Brescia notes that the Governance Committee recommends two changes to the draft policy received by the Board. The cost differential was reduced from 15% to 10%, and page 2, line 3, which read "Letter from the Hudson Valley Building and Construction Trades Council stating that there is not a project labor agreement in place for the project" was removed. With those changes, the policy is forwarded on to the Board for adoption at next month's meeting.

Mr. Diorio expresses concern that the Trades, who have been part of the labor policy discussions thus far, are unaware of the policy currently being referred to the Board. He is advised by Mr. Brescia that the drafts provided by the trades

have been considered in the writing of this policy. With some question about the policy, Chairwoman Rogulski advises that she believes the Policy as it is now address the local labor concerns. She adds that a copy of the policy will be provided to the Trades for review, but reminds the room that the IDA's responsibility is to ensure not only that local labor is used, but also that companies continue to come to Orange County to provide permanent jobs.

### **CRH Realty VIII, LLC – Final Resolution**

Mr. Cordisco introduces himself, and Mr. Rosen, who are here to represent the CRH Realty VIII project. He notes that the IDA public hearing for the project was held on January 14<sup>th</sup>, and adds that the town planning board adopted a negative declaration in November for the new facility on Route 300 in the Town of Newburgh. The project will add an estimated 237 jobs to the area, 40 of which will be doctors.

Mr. Dowd reads aloud the CRH Realty VIII, LLC final resolution. He notes that one change is being made to the resolution: the Board is approving Sales Tax Exemptions for purchases of up to \$1.5M, resulting in Sales Tax savings of \$120K. Motion made by Schreibeis, seconded by Brescia. Open for discussion. Affirmative votes of all members present resulted in motion carried.

### **Pratt & Whitney – Final Resolution**

Mr. Petro notes that he and Ms. Villasuso attended the public hearing – along with Mr. Dowd and Chairman Armistead – and the hearing went well, with all attendees offering support of the project.

Mr. Dowd reads aloud the Pratt & Whitney final resolution. He draws attention to the fact that the Sales Tax Exemptions for purchases of up to \$40M, and will not exceed \$3.248M. Motion made by Schreibeis, seconded by Vernon. Open for discussion. Affirmative votes of all members present resulted in motion carried.

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

Mr. Petro mentions that Ms. Villasuso is using her personal phone for a good deal of IDA business. He suggests that the IDA approve a monthly reimbursement for her in the amount of \$40, to be paid quarterly. Motion made by Brescia, seconded by Schreibeis, to approve the payment to Ms. Villasuso. Motion carries with all in favor.

Mr. Brescia makes one comment about the labor policy; it was mentioned earlier that there is no monitoring entity included in the labor policy, but he points out that a monitoring entity is, in fact, mentioned. And he also notes that the entity would be appointed by the IDA, and doesn't preclude the IDA from having some union and non-union appointees on that committee. Mr. Vernon adds that, at the end of the day, the IDA wants local labor, and has supported it all along. He believes that the IDA has done a good job, with this policy, of creating a balance that should satisfy everyone.

Mr. Erling adds that, as someone who deals with a number of IDAs, it is his opinion that the Orange County IDA has been very reasonable in the policy presented today. He also notes that the other counties he deals with have changed their policies on a yearly basis as they learn what does and does not work. Chairwoman Rogulski agrees.

With no further business, meeting called for adjournment by Chairwoman Rogulski, motion made by Schreibeis, seconded by Vernon, the time being 3:27 p.m.