

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

March 9, 2015

A regular meeting of the Orange County Industrial Development Agency was convened in public session on March 9, 2015 at 2:04P.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, Robert Schreibeis

ABSENT: Edward Diana, Henry VanLeeuwen

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Joel Kleiman – Chief Financial Officer
Ralph J. Martucci – Judelson, Giordano & Siegel
Gary Cassiello – Judelson, Giordano & Siegel
Maureen Halahan – Orange County Partnership
Amanda Dana – Orange County Partnership
Brian Gates – HVEDC/OCBA
Whitney Bowers – Focus Media
Frank DiLauro - USAI
Sue Sullivan – ISER Consulting
John Cappello – Jacobowitz & Gubits, LLP/USAI
Laurent Rejto – Hudson Valley Film Commission
Animal Hughes – CNR or “Co Education For Plann Fed”
Mark Thomas – STERIS Isomedix Services
Mike Sweeton – Supervisor, Town of Warwick
John McCarey – Director of Real Property, Orange County
Harry Porr – Office of County Executive, Director of Operations
George Woolsey Sr – Town of Newburgh Council
Gil Piaquadio – Supervisor, Town of Newburgh
John Jordan – Hudson Valley Editorial Services
James Walsh – Times Herald Record

Chairman Armistead calls to order the regular meeting of the Orange County IDA, March 9, 2015 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Review of the prior February 12, 2015 meeting minutes. Motion to approve the minutes as presented made by Rogulski, seconded by Steinberg. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Chairman Armistead advises that the Audit Committee met with the auditors of Judelson, Giordano & Siegel prior to the meeting. Lead auditor Gary Cassiello of JGS introduces himself and advises that for the calendar year 2014, JGS has issued a clean opinion, which means that the auditors agree with the numbers as presented by management. He advises that total assets of the organization are \$10.1M, with a net asset fund balance of approx. \$9.8M. He goes on to review the audit, copies of which were provided all members. He also notes that comments in the 2013 Management Letter were addressed, and this year's Management Letter contained no new comments. He advises that this was a very good audit, and thanks the Board. Chairman Armistead thanks Mr. Cassiello and entertains a motion to approve the audit.

Motion made by Rogulski, seconded by Schreibeis, to approve the 2014 Audit. Motion carries with all in favor.

Mr. Kleiman reviews the income and expense summary for the end of February 28, 2015. He reports that the IDA has just over \$8.3M in balances. He reviews the income and expense summary for the IDA, and also reviews the OCBA income and expense report for February 2015.

Mr. Kleiman advises that checks received for the month total \$36,502.01, and payments for approval total \$29,610.77.

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

Mr. Kleiman advises that, with the approval of the Audit, he and Ms. Villasuso will begin the process of submitting the information to the state through the PARIS system. That will be completed by the March 31st deadline.

Chairman's Report

Chairman Armistead commends Ms. Halahan for the My View: PILOTs Do Plenty of Good in the THR. In addition, he shares a recent Poughkeepsie Journal article, which notes that Orange County is number one of seven counties in the Hudson Valley in job creation. The article reminds that keeping jobs and companies in Orange County, in addition to attracting them, benefits everyone in the County.

Executive Director Report

Mr. Petro advises that the office received a FOIL request during the month, and asks Ms. Villasuso to explain. She advises that SPARC sent a FOIL request to the IDA for Stewart Lands files. She and Mr. Petro reached out to the attorney and extended an invitation to the Ms. Kissam of SPARC to visit the office, peruse the files and extract what she needed. Ms. Villasuso sent emails to the attorney confirming the discussion, and confirming Ms. Kissam's appointment for 3/10/15. Upon conclusion of the visit, Ms. Villasuso will confirm via email with the attorney and SPARC that the request has been granted and the matter is closed. Mr. Petro offers a review of the Stewart Lands matter.

Ms. Villasuso advises that SUNY has satisfied the invoice she sent late last year, and forwarded the check for the 2013-2014 renegotiated "regranting" funds. The check was for just over \$66K, and SUNY will be invoiced for 2015 in November.

She also notes that the Aurora Innovations project is on hold as a result of some issues with the site, in addition to some issues with the Town and State. She will advise the Board if and when the project comes back online.

OCBA Report

Mr. Gates updates the Board on occupancy and resident highlights for the month, adding that Cymogen has graduated. He also reviews the event in late February, a Vine Van Gogh event which was a networking event, in addition to a farewell to Cymogen. Ms. Bowers of Focus Media reviews the results of the SWOT analysis in the previous months, including reinforcement of the OCBA mission. She advises the Board of the planned marketing and events for the coming months.

Mr. Gates introduces Mr. Pollack of IKRC, who is a resident of the Business Accelerator. He explains his software company, advising that he provides custom technology solutions. This means that whatever technology a customer needs, his company can custom-build the software. He reviews some of his past clients and their needs to better explain his services.

OCP Report

Ms. Halahan advises that the PILOT article is being pushed out to all of the local publications to help spread the word. She updates the Board on current and future marketing efforts, including the Partnership's recent win of a national marketing award for the OCP video.

Ms. Halahan then covers recent leads, and highlights a recently revealed need for large existing spaces. She then moves on to cover updates of current projects, including Blackhawk and Amy's.

She and Ms. Dana review the Brokers Summit which will be held on 5/13, and the Spring Dinner on 4/23.

Ms. Dana updates the Board on current expansion projects, as well as some expansion projects in the pipeline.

Isomedix Operations, Inc. – Initial Resolution

Ms. Dana introduces the company, advising that the \$1.9 Billion company has chosen to expand in the Village of Chester. Ms. Villasuso has received a support letter from the Village. The planned facility is 62K square feet, and will initially create 25 jobs with their \$12.2M investment. She notes that the company is only seeking the Sales Tax Exemption.

Mr. Thomas explains that STERIS Isomedix Services was originally built in Chester in 1992, and has expanded there twice. The company is a medical device, pharmaceutical-based sterilization service. He goes on to explain the company and its services in greater detail. He also notes that this expansion, a building adjacent to their current facility, is being built with the potential to expand it, too, in the future. Chairman Armistead notes that STERIS is an excellent company in the County, and thanks the company for investing in Orange County.

Mr. Dowd reads aloud the Isomedix Operations, LLC initial resolution. Motion made by Brescia, seconded by Steinberg. Open for discussion. Affirmative votes of all members present resulted in motion carried.

USAI, LLC – Initial Resolution

Ms. Sullivan introduces Mr. DiLauro, SVP of Operations of USAI. USAI is a local, 3rd generation LED technology manufacturing company. She and Mr. DiLauro pass around examples of light engines, which USAI manufactures. Ms. Sullivan explains that USAI's expansion is a \$6.5M expansion, which will create 100 new jobs over five years. Part of the Town will also be remediated and cleaned up as part of the expansion. The project is through planning board and a negative declaration has been issued.

Mr. Petro confirms that the PILOT is the 10 Year Enhanced, and Chairman Armistead asks for some specifics of the project. He is advised that two buildings are being torn down, and an adjoining property will be improved. Mr. Petro advises that that the Town will be forwarding a letter of support.

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

Webb Properties, Inc. – Final Resolution

Mr. Petro advises that the Webb Properties, Inc. public hearing was held on 2/19 and was attended by a number of councilmembers of the Town of Newburgh. Mr. Piaquadio stated the Town's support of the 485-b, and Mr. Barton stated his need for the 10 Year Enhanced PILOT. Chairman Armistead notes that there has been a tremendous amount of discussion between all of the involved parties to determine the best course of action. He notes that the Orange County IDA Board represents the taxpayers of the entire county, and is concerned with job creation and job loss, as well as the impacts of projects on local municipalities.

Mr. Dowd reads aloud the Webb Properties, Inc. final resolution. Motion made by Schreiber, seconded by Rogulski. Open for discussion.

Mr. Brescia asks if the Town will be made whole, and Mr. Petro advises that Mr. Barton offered to pay the Town the difference between the 485-b and the 10 Year Enhanced PILOT, but that cannot be part of the IDA's PILOT agreement. Mr. Gaenzle confirms that the IDA cannot make it part of the PILOT, and Mr. Brescia advises that he hopes Mr. Barton would still offer that, if the resolution passes.

Mr. Piaquadio asks to comment, and reaffirms that the Town's position has been and remains that it only supports the state portion of the Mortgage Recording Tax exemption, the Sales Tax Exemption, and the 485-b. The Town refused the offer of being made whole with \$14K/year for 10 years because, with the 485-b, they would receive half of the money the first year, and the cash flow isn't there with the 10 Year Enhanced PILOT and being made whole.

Chairman Armistead reiterates that the Board, with the guidance of counsel, has thoroughly vetted this request. He notes that the IDA does make it a point to weigh the Town's opinion, but in this case the loss of jobs and the investment in the Town and County was a very important factor to consider.

Roll call is taken. Motion carries with four ayes, and one nay from Mr. Brescia.

Mr. Steinberg expresses his concerns about disagreeing with the municipality.

Warwick Valley LDC – Shovel Ready Update

Mr. Sweeton offers an update on the Shovel Ready program in Warwick. A local firm has begun the road work, and will resume when the snow has melted. The contract is through September, but he anticipates an earlier finish date.

The Yard project has already begun on another section of the overall site. There is another portion of the overall site is currently under negotiation, and will include the remaining correctional facility buildings. As for the shovel ready portion of the site, 2 of the lots are either under contract or under negotiation. He also explains the process of extending utilities to the lots, which includes new electric and will allow for fiber optic cable. He notes that the O&R was given the go-ahead the previous week, so work will begin within 45 days.

Hudson Valley Film Commission – Update

Mr. Rejto distributes summaries of the last year's activity to the Board Members. He reviews some of the movies and shows filmed in Orange County and the impact of those films on the local economy. He reports on job data collected through production companies, and notes the concerns over film tax credit in the Hudson Valley, and how it should be increased to compete with other NY areas. He also explains why the tax credits are so important, and discusses location fees that some towns charge.

Newburgh Shovel Ready Update

Ms. Villasuso advises the Board that Hudson Valley Lighting is no longer pursuing the project on the City of Newburgh and City of Newburgh IDA parcel, so that Shovel Ready project expenditure is no longer necessary.

She also notes that the Board was provided with copies of correspondence regarding the Slate Hill Associates/Catlin Gardens facility. The foreclosure sale was held in late January and the bank reclaimed the property. With no new owner/operator taking it over, the IDA will now officially rescind the PILOT.

Deerpark Exchange (HUB 1 LLC)

Mr. Dowd explains that HUB 1 is an IDA project in Port Jervis with a PILOT, and the owner is selling the facility. The new owner is requesting assumption of the PILOT, which is in the fourth year. The Board must approve any assignment or assumption of the agreement.

Noting that the Town endorsed the PILOT, Mr. Brescia motions to authorize and consent to the assignment and assumption of the PILOT, seconded by Schreibeis. Motion carries with all in favor.

Such other and further business as may be presented

There is no other or further business.

Public Comment

Mr. Hughes requests explanation for the IDA holding public hearings without a quorum. Mr. Dowd advises that a public benefit corporation such as an IDA is authorized to hold public hearings with a representative, and does not require a quorum.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Schreibeis, seconded by Brescia, the time being 3:37 p.m.