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Kevin Dowd, Attorney • **Russell E. Gaenzle**, Harris Beach

Revised 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 March 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**
 - February 11, 2021 Board Meeting
 - February 18, 2021 Special Board Meeting
 - February 23, 2021 Special Board Meeting
 - March 2, 2021 Special Board Meeting
 - March 5, 2021 Special Board Meeting
- **Financial Reports and/or Requests for Payments**
 - 2020 Annual Financial Audit Review (JGS)
 - 2021 Investment Policies and Practices Review (Januszkiewicz)
- **New and Unfinished Business**
 - Chairman's Report
 - Chief Executive Officer Report
- **Resolutions**
 - Fiorello Pharmaceuticals, Inc
 - Final Resolution
- **Executive Session**
- **Other Board Business**
- **Adjournment**

Dated: March 10, 2021

By: Laurie Villasuso, Chief Executive Officer

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 11, 2021

A regular meeting of the Orange County Industrial Development Agency was convened via Zoom video conference February 11, 2021 at 2:08p.m.

Vice Chairman Diana calls to order the regular meeting of the Orange County IDA, February 11, 2021. (Pledge of Allegiance is recited). Board consists of six members. There is a quorum. Upon roll call, the following were:

PRESENT: Edward Diana, James DiSalvo, Stephen Brescia, Michael Gaydos, John McCarey, Denise Quinn

ABSENT: Mary Ellen Rogulski

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
James Rollins – Galileo Technology Group
Nancy Proyect – OC Citizens Foundation
Luigi Kapiti – Orange Inn, LLC
Carly Glasse – Orange Inn, LLC
Larry Wolinsky – Jacobowitz and Gubits
Ryan Withall – Walkkill Owner LLC

Minutes

Review of the January 14, 2021 Board meeting minutes. Motion to approve the minutes is made by Mr. McCarey, seconded by Mr. Gaydos. Motion carries with all in favor.

Review of the January 14, 2021 Audit Committee meeting minutes. Motion to approve the minutes is made by Mr. DiSalvo, seconded by Mr. Gaydos. 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 \$5,935,897 as of January 31, 2021.

On the income and expense summary, YTD income is \$5,146 and YTD expenses are \$12,784, with expenses exceeding revenues by \$7,638.

On the income and expense summary for the Business Accelerator, revenues YTD are \$7,669, and expenses are \$157,703. Expenses, as anticipated, exceed revenues by \$150,034.

The Statement of Net Assets is reviewed. Long term receivables are current.

Voucher and payment requests include: annual Foreign Trade Zone, January Auditing Services, Brown & Weinraub Retainer & JCOPE Fee, Legal Services, Loewke Brill Consulting Site Visits, Reporting, UHY Advisors Retainer, and Business Accelerator 2Q21 Support.

Ms. Villasuso states that in the February packet, the Foreign Trade Zone report accompanied the request for payment. Going forward it will be requested that a report and invoice be submitted to receive payment.

Vice Chairman Diana asks for a motion to approve the vouchers and payments in the amount of \$807,750.36 for February. Motion made by Mr. DiSalvo, seconded by Mr. McCarey, 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

Vice Chairman Diana states that the Accelerator Committee discussed 3 companies that are requesting AWOW assistance. It is being recommended by the Committee that the Board approve AWOW support for the 3 companies. All 5 Accelerator sites will be referred to as campuses going forward. Any AWOW company looking for assistance will go before the Accelerator Committee and full Board for approval with the request before Galileo Technology Group (GTG) works with them. This will streamline the process and create a formal record of all granted approvals.

Mr. Brescia states that earlier in the week the Mayor of the Village of Monroe called to discuss a project he was working on for the Village. He requested the Mr. Cozzolino and Mr. Rollins reach out to the Mayor. The call had a positive outcome, and the Mayor and County Legislator present were pleased with the discussion and provided recommendations. Does approval need to be given before a call like that can take place?

Mr. Cozzolino states that, as a Board Member, items such as that call can be brought to the attention of The Accelerator/ GTG. Before any action is taken on the project via the AWOW program it would need to come before the Committee and full Board. Currently, both the Village of Monroe and Newburgh have requested evaluations and SWOTS for potential Accelerator locations.

Vice Chairman Diana states that both the Village of Monroe and Newburgh requests should be discussed further next month.

Mr. Brescia states any Accelerator in the City of Newburgh would require assistance from the local City IDA. The OCIDA and its Accelerator program has done more for that municipality than any other in the County. The local resources need to be utilized to make that location feasible.

Mr. Rollins discusses the three companies that made requests for AWOW assistance.

FPS, a clothing manufacturer in Chester, is looking for assistance on post COVID endeavors. Due to COVID, they undertook PPE production and are now considering new avenues. They have contracts with the Department of Defense for mask and gown production. It is currently anticipated that it will take about 16 hours a week to help them restructure and potentially pivot away from PPE production. The FPS stated that 2020 was their best year ever as a result of the provided AWOW assistance.

Orange Packaging, originally a display manufacturer in Newburgh, wants assistance to install a cleanroom. This cleanroom would be used to package pipettes and swabs that collect cultures for medical facilities. Connections were made with Senator Schumer's office to expedite the process, but if they are unable to set up the cleanroom, the company would have to lay off approximately 150 people. PPE production initially led to creation of 200 jobs and the loss of 150 would be a huge step back.

Gilman's Cleaners, a dry cleaning business, is requesting assistance to reevaluate his business model. Due to COVID, there has been less need for dry cleaning and businesses has suffered with a large population working from home. His business currently has a lot of underutilized space and AWOW assistance would be used to provide recommendations for alternatives space uses and business consulting. For example, working with a costume company from NYC to both store and clean costumes. The company let go of 20 employees at the start of COVID, and since then 4 have been rehired. Consulting would provide best practices, and evaluate the best approach to rehabilitate the outdated building with potential grant funding.

Mr. Brescia asks what the project job creation would be with assistance.

Mr. Rollins says that Mr. Hinton anticipated bringing the full 20 employees back with some additional part time jobs in the summer due to work with seasonal camps. Gilman's Cleaners was a multigeneration business that was sold in the last few years to Mr. Hinton. As a result, the company will be handled like a newer company undergoing growth. Work needs to be done to stimulate growth and job retention.

Vice Chairman Diana states that it was the recommendation of the Committee to bring the requests from these 3 companies to the full Board for approval.

Motion made by Mr. Brescia, seconded by Mr. Gaydos, that the Board authorize AWOW assistance for FPS, Orange Packaging, and Gilman's Cleaners. Open for discussion. Affirmative votes of all members present results in motion carried.

Vice Chairman Diana informs the Board that the AWOW budget was broken down month by month permitting approximately 200hrs of AWOW monthly assistance. In the month of January only 140 hours were used.

Mr. Rollins states that this breakdown will help with internal controls as well as accountability. The breakdown detail additionally shows the percent of time spent per company each month. This will help maximize the funds spent by the OCIDA on the AWOW program, and highlight the economic assistance being provided.

Chief Executive Officer Report

Ms. Villasuso gives the Chief Executive Officer Report.

The Executive Order to allow virtual meetings was extended through February 26th. This Executive order is signed on a month-to-month basis, and typically on the day of expiration.

In December, the Office of the State Comptroller (OSC) reached out to further review previously submitted 2018-2019 PARIS project data. The OSC wanted to review certain Bond issues, PILOT reporting, and property tax reporting. Management, Julie Marshall, Harris Beach, and the OSC met on January 21st to discuss the audit. Mr. Januszkiewicz provided a formal response. The PARIS for 2018 and 2019 is currently open and revisions are being made. It is well known that PARIS is an inaccurate reporting system which often makes project reporting a challenge. If corrections are ever needed, the State has to permit corrections to be made by opening locked reports.

It is 2020 annual audit time. Management is working with JGS to collect the annual audit confirmations for PARIS reporting. Based on the granted incentives, projects are required to submit the NYS-45 (employment numbers) and ST-340 (sales tax exemptions) along with annual reporting. JGS will come before the Board in March to review their OCIDA and OCFC 2020 audit findings. Everything will be submitted into PARIS by March 31st.

The Public Hearing for Fiorello Pharmaceuticals, Inc. was held on February 9th via Zoom. Warwick Town Supervisor, Michael Sweeton, was in attendance providing project support. A support letter has also been received from Mr. Sweeton. A Warwick resident voiced some concerns about the project, stating that the IDA had not had enough time to review the application and project request. His letter will be given to the Board along with the Public Hearing transcript for the March meeting. It is currently anticipated that the project will come before the Board at the March meeting for final approval. Fiorello Pharmaceuticals applied for incentives on all 3 phases of the construction. The phases could take up to 3 to 4 years to complete. Since the project is requesting bond financing, they need to apply for everything at once. All 3 phases are planned but depend on the legislation and market demand.

Vice Chairman Diana inquired who the concerned resident was, and if they were industry related.

Ms. Villasuso states that it is a Warwick resident, and it is not believed to be industry related.

Mr. Dowd states that the gentleman that spoke was not opposed to the project. He was mainly concerned about the speed that it was being approved, and the size of the building being constructed.

Ms. Villasuso states that Public Hearings are necessary and public comment is both important and welcome.

Ms. Villasuso continues with her report.

The Board approved an assignment and assumption of several months ago for Clear Key II, LLC. This property is officially sold, and the transfer of ownership is complete. An article was included in the packet. The project will now be known as Blooming Grove Hotel, LLC and the new owners will be liable to report to the Board.

The 2020 Foreign Trade Zone report accompanied the request for payment in the packet. Going forward it will be requested that a report and invoice be submitted to receive payment annually. This is another step taken in refining practices. Every check and invoice will be supported with documentation. Management was recently on a call with the County Executive, Harry Porr, and Bill Fioravanti and discussed the reinvigoration of the FTZ. New Board members were just appointed, and an event will be held to help promote it. Hopefully, the funds that the OCIDA contribute to the County will help further that promotion and attract more industry.

There are 2 resolutions for potential Board approval. There is a budget line for marketing and PR but, for the purpose of best practices, agreements will be formally authorized by the full Board. The resolutions are for Focus Media, \$2,500 a month, and 88 Studio, \$5,000 a month.

Mr. Dowd reads aloud the Focus Media Resolution. Resolution authorizing the retention of the services of Focus Media to assist the IDA in matters regarding the content development and maintenance of the IDA'S website. Motion is made by Mr. McCarey, seconded by Mr. Gaydos. Roll call is taken. All present vote in favor.

Mr. Dowd reads aloud the 88 Studio Resolution. Resolution authorizing the retention of the services of 88 Studio, LLC to assist the IDA in matters regarding the design of marketing materials for the IDA and Accelerator websites and hosting zoom webinars and live-streaming IDA committee and board meetings. Motion is made by Mr. DiSalvo, seconded by Mr. Brescia. Roll call is taken. All present vote in favor.

Accelerator Report

Mr. Cozzolino introduces James Rollins. Mr. Rollins joined Galileo Technology Group towards the end of 2020 and has been working with Accelerator clients ever since. He has experience in entrepreneurial leadership, management, and has run businesses. 13 of the 20 onsite Accelerator companies are minority or women owned, and the addition of Mr. Rollins helps to reflect the companies being served.

Mr. Rollins thanks Mr. Cozzolino for the introduction. He states that he has a background in management, government relations, and international business. He's looking forward to this opportunity and making a difference in the economic community of Orange County.

Mr. Cozzolino gives the Accelerator Report.

The Accelerator is all about job creation, whether it be onsite companies or off-site AWOW companies. Today the Committee concentrated on AWOW company requests. Multiple AWOW companies have visited both Committee and Board meetings to express thanks and provide visibility to the public regarding the benefits being provided. It's been uplifting to hear companies both retain and create jobs during COVID times when so many businesses have suffered or shuttered. A current concern amongst some companies is, while they pivoted to PPE production in 2020, how can they pivot away from that and grow in new avenues as the original core business for these companies may no longer exist or look different going forward. The companies have expressed wanting to keep all employees hired during COVID growth.

The business assistance onsite Accelerator clients have received has been provided in the form of comfort for those that have lost family members to the pandemic and the loss of business. They need help to revitalize business and, for some, sales. Of the 20 companies, 16 of the companies have successfully made it through these troubled business times. The quality of companies located at the onsite locations is improving. The newest company to join the Warwick facility has been featured on the CBS morning show. The long-term goal is to have the Accelerator campus companies remain in Orange County, but no longer have the OCIDA subsidize rent. The companies would remain in their current Accelerator location and pay full cost or, in some cases, take over the lease.

It is currently the goal of Melo to take lease hold of the buildings he currently occupies. The Town of New Windsor does not want to sell the buildings. The next step is to see if a lease can exist directly between Melo and the Town. If that doesn't work, the goal will be to extend the current lease and have Melo continue to be a sub-leaser but at full value.

Ziel is currently in negotiations with the landlord of 605 Broadway to have a direct lease. It is expected that it will take a few more month for the negotiations to be settled.

Management has been working with Grace Community Church regarding the AI Accelerator Campus building in Highland Falls. They have sent a letter of intent to take lease hold of the building and have the OCIDA as a sub-tenant. The last remaining concerns for the Church were the parking situation, which was resolved as of a few days ago, and currently, to have a change of use for the building gaining authorization for it to be used as a church. Mayor D'Onofrio is current looking into the change of use. Ms. Quinn informed the Committee that type of use typically cannot be denied. There is a new Superintendent at the US Military Academy, who is on Board with the AI initiative and will need help with faculty spouses that are well educated and need employment. There is potential to help these people get jobs created by the AI and Warwick clusters. Management spoke with the President of Mount Saint Mary's College. The college is interested in the AI initiative with goals of creating an AI curriculum, having students potentially intern with companies the AI campus companies, and partnering with the Military Academy students.

Mr. Rollins states that there are about 10 companies that are interested in locating to the AI campus.

Mr. Cozzolino states that, in addition to the City of Newburgh and Village of Monroe, Port Jervis has reached out to rediscuss a potential Accelerator Campus.

Vice Chairman Diana states the AI is certainly gaining positive interest. Mount Saint Mary has been experiencing changes with 3 different presidents in the last 5 years, but their interest and growth plans are encouraging. The Military interest is huge for the initiative and Highland Falls.

Resolutions

Orange Inn, LLC

Ms. Villasuso states that Orange Inn, LLC is before the Board for final project approval. The incentives are for the renovation of the current facility. They have gone through the public hearing process and received several letters of support.

Ms. Villasuso states for the scoring criteria, this project received a 5 for strategic vision (development is encourage as a result of COVID), 1 for ratable value, 3 for number of jobs created, 1 for quality of jobs (as some are minimum wage), 1 for location (as it is not located in a designated growth zone), and 4 for desirability (renovation of a historic site). The total score is a 15. The project would still be eligible for a medium and sector-based PILOT. It is up to the Board to grant the project either a 4 year or 10 year PILOT.

Mr. Kapiti states that a 10 year PILOT would be ideal.

Mr. Brescia asks is there will be a rooftop bar.

Mr. Kapiti states that there will only be a lounge in the top floor. There were complications regarding concern over the age of the building and being able to support a rooftop bar.

Mr. DiSalvo asks if any elected officials attended the public hearing or wrote letters of support.

Ms. Schouten says no.

Mr. DiSalvo states that he supports the project and either 4 year or 10 year PILOT. Additionally, it would have been nice for a County representative to come out and support a local business.

Vice Chairman Diana states that due to the historic nature of the location and business, any granted incentives would enhance both the restaurant and hotel. Affordable housing whether residence or temporary is a benefit to the County. He supports granting the project a 10 year PILOT. The historic nature, location in the County, affordable residence, and proximity to the future Legoland makes this a viable business.

Ms. Quinn states that she agrees and supports a 10 year PILOT.

Mr. Brescia states that he agrees and also supports a 10 year PILOT. This business is more unique than a standard motel. It sits in the historic corridor and the County seat. These unique qualities make the 10 year PILOT reasonable.

Mr. McCarey states that he also recommends a 10 year PILOT.

Mr. Gaydos states that he supports a 10 year PILOT.

Motion made by Mr. Brescia, seconded by Mr. DiSalvo, that the Board authorize a 10 year PILOT for Orange Inn, LLC. Roll call is taken. All present vote in favor.

Resolution – Final Resolution

Mr. Dowd reads aloud the Orange Inn, LLC Resolution. Resolution authorizing the Orange County Industrial Development Agency to (i) take a leasehold interest in an approximately 0.23±-acre parcel of land located at 159-167 Main Street in the Village and Town of Goshen, Orange County, New York (the "land"); (ii) appoint Orange Inn, LLC (the "company") as its agent to undertake a certain project; (iii) negotiate, execute and deliver a lease agreement, leaseback agreement and tax agreement; (iv) provide financial assistance to the company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, renovation and equipping of the project, and (b) a partial real property tax abatement through the tax agreement; and (v) execute related documents. Motion is made by Mr. DiSalvo, seconded by Mr. McCarey. Roll call is taken. All present vote in favor.

Amy's Kitchen Inc.

Ms. Villasuso states that Amy's is requesting an assignment and assumption. Amy's is partnering with WP Carey, a publicly traded, national real estate investment trust (REIT). WP Carey will provide financial investment for the construction of the facility.

Mr. Wolinsky speaks on behalf of Amy's Kitchen Inc. Amy's is partnering with WP Carey Inc., a REIT. As a result of this partnership, WP Carey would fund a large portion of the construction costs. Amy's would convey the property and building to WP Carey and WP Carey would lease the building back to Amy's Kitchen under a 25 year lease with two ten year extensions. It would essentially be a 45 year lease agreement. Under this arrangement, Amy's would still be responsible for the construction of the facility, meet the obligations set forth in the current OCIDA agreements, and annual reporting requirements. The construction of the building is scheduled to commence Spring 2021. Building plans are currently under the active review of the Town of Goshen Building Inspector. The project is moving forward. The current documents specify, that with the transfer of any property, that the project gain consent from the OCIDA.

Mr. Brescia asks if the initial intent for the project was to have turnkey operation. He was under the impression that the Amy's Kitchen facility would be up and running by now. Why the transition to a turnkey operation with an outside entity that requires an additional leaseback agreement.

Mr. Wolinsky explains that two changes took place that led to this transition. First, changes in business demand and the internal business model. Second, COVID-19 effected business and changed business dynamics. Amy's Kitchen is a market force driven business and the pandemic led to a high demand in product. The company felt that this would be the best business decision to move forward and effectively meet current demand.

Mr. Brescia states that he hopes this expedites the construction of the facility as the groundbreaking took place about two years ago.

Mr. Wolinsky states that there has been about a year and half worth of infrastructure construction that took place that consisted of traffic improvements and the installation of a water and sewer line. That work is now complete.

Ms. Quinn asks what portion of the property is being purchased.

Mr. Wolinsky states that the parcel of the food manufacturing facility and the route 17M parcel are being purchased. Both parcels are covered under the current OCIDA agreements.

Mr. Gaydos states that it is understood the Amy's Kitchen was grandfathered in under the old labor policy, but communication between the project and local contractors has been poor. It is possible that he can help local laborers that want to take part in Amy's Kitchen construction. This is a OCIDA project and it is preferred that as much local labor work on the project be used as possible, and if the opportunity be given, that these contractors can have open communication without having to go through hoops to gain information.

Mr. Wolinsky states that he is not involved in the construction process, but he does know that a good amount of local labor was used for the initial infrastructure. He will be happy to take this information back to general Counsel for Amy's Kitchen and let them know that a point person is needed for interested contractors regarding building construction.

Ms. Villasuso asks Mr. Gaenzle to comment on how this conveyance will impact current reporting and agreement documents.

Mr. Gaenzle states that from a legal standpoint this is a relatively standard legal transaction in which Amy's Kitchen Inc will transfer fee title to WP Carey Inc, and they will leaseback the facility to Amy's Kitchen. Amy's Kitchen will still be liable for their current obligations including annual compliance reporting. From an administrative OCIDA standpoint nothing really changes.

Ms. Quinn asks if the food manufacturing facility has to be constructed before the Science of the Soul facility.

Mr. Wolinsky states that is correct and a condition of the approvals.

Ms. Quinn asks if this transfer impacts that agreement and condition.

Mr. Gaenzle states that this transfer does not impact the agreements currently in place. No current obligations have been impacted.

Resolution – Project conveyance

Mr. Dowd reads aloud the Amy's Kitchen, Inc. Resolution. Resolution authorizing the Orange County Industrial Development Agency to execute all necessary documents in connection with the conveyance of the facility (as defined below) to W.P. Carey, Inc. or an affiliated entity thereof. Motion is made by Mr. McCarey, seconded by Mr. Brescia. Roll call is taken. All present vote in favor.

Wallkill Owner LLC

Ms. Villasuso states that Wallkill Owner LLC purchased an affordable house development in the Town of Wallkill. This is currently an existing set of benefits with the Town of Wallkill IDA, but that IDA does not issue bonds. As a result, the project has come to the OCIDA to request bonds for the purchase and renovation of the facility, a Sales and Use Tax Exemption, Mortgage Recording Tax Exemption, and a PILOT. This would not be a standard tax based PILOT from the current UTEP. It has a different structure that is typical of this type of transaction.

Mr. Brescia asks if this request is comparable to the previously incentive Mountco projects.

Ms. Villasuso says yes.

Mr. Brescia asks if this is uncommon.

Ms. Villasuso states that this is not uncommon.

Mr. Brescia asks how is worked out with the Mountco projects.

Ms. Villasuso states that things went well.

Mr. Gaenzle states that he spoke with Mountco about a month ago and everything is on pace.

The Board discusses the location of the project.

Mr. Withall speaks on behalf of Walkill Owner LLC.

Lincoln Avenue Capital is a real estate development firm that focuses on acquisition preservation affordable housing development across the United States. The company was founded in 2016 and has been quite active in the last 5 years. Lincoln Avenue Capital currently has over 50 properties that comprise of 10,000+ units across 10 states. In the last 4 year they have closed approximately 20 bond tax credit rehab transactions and have completed construction on 8 facilities. The project is requesting bond inducement for Walkill Living Center. Walkill Living Center ("the Project"), is located in Middletown, New York approximately 1 mile west of the Interstate 84/Route 17 interchange. The elderly property consists of 136 residential rental units housed in a single mid-rise building. The property was originally constructed in 2003. Currently 116 units are set aside at 60% AMI, consisting of 58 one-bedroom units and 78 two-bedroom units. The remaining 20 two-bedroom units are not restricted and rented at market rate. As part of the resyndication, all units will be set aside at 60% AMI for 30 years.

The sources of funds for the acquisition and rehabilitation of the Project will be a combination of a tax exempt loan from Citi Community Capital ("Citi") through their "Back-to-Back" program, a Citi taxable construction loan, four percent (4%) low-income housing tax credit equity ("LIHTC"), a subordinate loan from the State of New York Low-Income Housing Trust Fund Program, and deferred developer fee. Multifamily housing bonds will be issued by the Orange County Industrial Development Agency ("OCIDA") in the approximate amount of \$14,500,000, not to exceed \$18M, which will be purchased directly by Citi. Citi will also arrange a construction-only taxable loan in the amount of \$8,000,000, funded on a drawdown basis, in order to bridge tax credit equity funds. The Project expects to generate annual tax credits allocated by NYSHCR in the amount of approximately \$960,000 that will be sold to a tax credit investor to raise LIHTC equity in the approximate amount of \$8,830,000.

The total development costs will be \$26.7M that consists of acquisition cost of \$15.9M. The total rehab costs will be \$5.44M. The soft costs will be \$2.1M with \$3.5M in developer fees.

The 4% Bond/LIHTC transaction will feature a full site renovation of approximately \$40,000 per unit (\$5.44M). This renovation, which will be completed within twelve months of closing, will focus on improving tenant quality of life and improving the physical condition and operational efficiency of the Project. Operational efficiencies will be created through investments in renewable energy and energy efficiency features. The specific scope of work will be determined through a rigorous design process and tailored to meet the capital needs of the property; however, the typical scope of work includes the following. All lighting fixtures in the units and common areas will be upgraded to energy efficient LED fixtures; all external windows and sliding doors will be replaced with double glazed units further improving the building envelope's insulation; all apartment electrical appliances will be upgraded to Energy Star rated appliances; water fixtures will be replaced with more efficient low-flow toilets, showerheads, and aerators. Further rehab work will include interior door hardware replacement; replacement of kitchen cabinets/vanities; replacement of kitchen countertops with laminated units; and installation of resilient vinyl flooring. Additional external work will include painting of all exterior walls and sidings; parking lot and pavement trip hazard repairs; exterior lights replacement with LED light fixtures; and cleaning/repairing of all storm drainage systems to ensure highest efficiency operation.

In addition to bond financing, the project is requesting a Sales and Use Tax Exemption, not to exceed \$221,000, Mortgage Recording Tax Exemption, not to exceed \$187,500, and the granting of a new PILOT. The current agreement is with the Town of Walkill IDA and they are not in the position to issue bonds. That IDA is aware and approves of the project coming to the OCIDA with its request. The current PILOT was issued in 2003 with the initial construction of the property. It is a tax as a percentage of gross rents plus direct assessments. In 2004, the first full year of resident occupancy gross rent percentage started at 3% and escalated by 30 basis points annually until the eleventh year of the agreement where the percentage stabilized at 7% of gross rent. That 7% is in perpetuity as long as the housing trust fund soft loan is still in force.

It is anticipated that economic impacts based on \$1M of rehab will generate local income of \$840,000, local business income of \$250,000, local wages and salaries of \$585,000, local taxes of \$70,000, and 11.5 local jobs. Those figures applied to \$5.4M rehab investment will result in total local income of \$4.57M, local business income of \$1.4M, local wages and salaries of \$3.2M, local taxes of \$384,000, and 62.5 local jobs.

The property currently has 2 full time and 2 part time employees that are employed by a third party management company. It is anticipated that there will be a creation of 8 to 10 additional part time jobs.

Mr. Brescia states that the granting of OCIDA incentives would make the project liable for the local labor policy.

Mr. Withall states that the project fully intends to abide by the local labor policy. When the bid is prepared, the local labor requirement will be included.

Mr. Gaenzle states that since the project is applying for the incentives through the OCIDA, all policies would apply to the project. Issuing bond through the OCIDA does not absolve the project of policy requirements.

Ms. Quinn asks if the project is applying for any HCR grants.

Mr. Withall states that not at this point in time. Based on current model and proposed project they are not required to find any gap financing, which makes it easier for the project, by not having to deal with the HCR review process. In the case the project faces any financial issues, the option is available.

Vice Chairman Diana asks what would happen if the OCIDA did not incentivize the project. Would Lincoln Avenue Capital proceed with the project?

Mr. Withall states that there is an avenue to receive State level bonds issuers, but past experience and information received states that acquisition real estate deals are very low on the totem pole for allocation, as the State is more interested in allocation for new construction. It would impact the timeline by extending it and potentially no longer be feasible. All the guidance the project received states that working with a local IDA is the most efficient avenue.

Vice Chairman Diana states that it is understood Lincoln Avenue Capital has already purchased the property, the goal is to rehab and improve the facility for current tenants and encourage economic growth. If the OCIDA did not assist to issue bonds this project may not move forward and greatly extend the timeline.

Mr. Withall states that is correct. If they are unable to gain access to bonds, it would be difficult to continue to operate the property.

Mr. Gaenzle states that he worked on similar affordable projects across the State. When a project like this has to go through the state, the timeline is challenging, and the fees paid are not given to local agencies. These projects take awhile to close and would not close until later in the year. The process can get started now.

Mr. McCarey asks the value of the bonds requested.

Mr. Withall states that they are requesting bonds in a value not to exceed \$18M. That value has a cushion, and it is likely that the value requested will be lower. It will be approximately the value of 55% of the development costs to meet the tax credit requirements.

Mr. McCarey asks the length of the bonds requested.

Mr. Withall states that they are long term bonds, 20 to 30 years.

Mr. McCarey asks if the project is getting any NYSERDA money.

Mr. Withall says no.

Resolution – Inducement Resolution

Mr. Dowd reads aloud the Wallkill Owner LLC Resolution. Resolution of the Orange County Industrial Development Agency (i) accepting the application of Wallkill Owner LLC (the "company") with respect to a certain project, (ii) taking official action towards the issuance of up to \$18,000,000 principal amount multi-family housing revenue bonds for the purpose of financing such project, (iii) describing the forms of financial assistance being contemplated by the Orange County Industrial Development Agency with respect to such project and (iv) authorizing a public hearing with respect to such project. Motion is made by Mr. Brescia, seconded by Ms. Quinn. Open for discussion.

Mr. Diana asks the anticipated fees to be paid to the OCIDA.

Ms. Villasuso states that fees will be above \$200,000.

Roll call is taken. All present vote in favor.

Attorney Client Session

Vice Chairman Diana entertains a motion that the Board enter into attorney client closed door session. Motion made by Mr. DiSalvo to enter the closed-door session. Motion seconded by Mr. Brescia. All in favor.

Enter Attorney Client Session

The members discuss the legalities of certain matters.

Vice Chairman Diana 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

Motion is made by Mr. Brescia, seconded by Mr. DiSalvo authorizing an additional \$25,000 to the Brown Weinraub contract. Open for discussion.

Mr. Gaydos states that this money had been authorized in response to the legislative audit.

Roll call is taken. All present vote in favor.

Ms. Quinn states that the OCIDA should feature women businesses assisted by the Accelerator for International Women's day.

Adjournment

Meeting called for adjournment, motion made by Ms. Quinn, seconded by Mr. DiSalvo, the time being 4:18p.m.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 18, 2021

A Special Meeting of the Orange County Industrial Development Agency was convened via Zoom video conference February 18, 2021 at 8:06a.m.

Chairman Rogulski calls to order a Special Meeting of the Orange County IDA, February 18, 2021. 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: Melanie Schouten – Chief Operating Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Dean Brady – Tech Management
James Rollins – Galileo Technology Group
Alex Betke – Brown Weinraub
Liz Benjamin – Brown Weinraub
Leonard Vona - Leonard W. Vona & Fraud Auditing, Inc.

Executive Session

Chairman Rogulski entertains a motion that the Board enter into executive session pursuant to section 105(1)(f) of the open meetings law to discuss the history of IDA personnel and contracts. Motion made by Mr. DiSalvo to enter executive session issued. Motion seconded by Mr. McCarey. All in favor.

Enter Executive Session

Ms. Schouten, Mr. Brady, and Mr. Rollins immediately leave the meeting.

The members discuss the history of IDA personnel and contracts.

Mr. Brescia leaves during executive session.

Ms. Schouten, Mr. Brady, and Mr. Rollins join the meeting.

Chairman Rogulski entertains a motion that the Board exit executive session. Motion made by Mr. DiSalvo to exit executive session issued. Motion seconded by Mr. Gaydos. All in favor.

Adjournment

Meeting called for adjournment, motion made by Mr. McCarey, seconded by Mr. DiSalvo, the time being 10:23p.m.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 23, 2021

A Special Meeting of the Orange County Industrial Development Agency was convened via Zoom video conference February 23, 2021 at 4:15p.m.

Chairman Rogulski calls to order a Special Meeting of the Orange County IDA, February 23, 2021. Board consists of five members. There is a quorum. Upon roll call, the following were:

PRESENT: Mary Ellen Rogulski, Edward Diana, James DiSalvo, John McCarey, Denise Quinn

ABSENT: Stephen Brescia, Michael Gaydos

ALSO PRESENT: Laurie Villasuso – Chief Executive Officer
Vincent Cozzolino – Managing Director
Melanie Schouten – Chief Operating Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Dean Brady – Tech Management
Alex Betke – Brown Weinraub
David Weinraub – Brown Weinraub
Leonard Vona - Leonard W. Vona & Fraud Auditing, Inc.

Executive Session

Chairman Rogulski entertains a motion that the Board enter into executive session pursuant to section 105(1)(f) of the open meetings law to discuss the history of IDA personnel and contracts. Motion made by Ms. Quinn to enter executive session issued. Motion seconded by Mr. DiSalvo. All in favor.

Enter Executive Session

Ms. Schouten and Mr. Brady immediately leave the meeting.

The members discuss the history of IDA personnel and contracts.

Exit Executive Session

Mr. Brady joins the meeting.

Adjournment

Meeting called for adjournment, motion made by Ms. Quinn, seconded by Mr. DiSalvo, the time being 5:22p.m.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

March 2, 2021

A Special Meeting of the Orange County Industrial Development Agency was convened via Zoom video conference March 2, 2021 at 2:00p.m.

Chairman Rogulski calls to order a Special Meeting of the Orange County IDA, March 2, 2021. 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
Melanie Schouten – Chief Operating Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Alex Betke – Brown Weinraub
Michael Koenig - Hinckley Allen
Dean Brady – Tech Support

Executive Session

Chairman Rogulski entertains a motion that the Board enter into executive session pursuant to section 105(1)(f) of the open meetings law to discuss pending litigation. Motion made by Mr. Brescia to enter executive session issued. Motion seconded by Ms. Quinn. All in favor.

Enter Executive Session

Ms. Schouten and Mr. Brady immediately leave the meeting.

The members discuss pending litigation.

Mr. Brescia departs meeting during executive session.

Motion made by Mr. DiSalvo to exit executive session issued. Motion seconded by Mr. Gaydos. All in favor.

Motion made by Mr. Gaydos, seconded by Mr. DiSalvo, authorizing the retention of the law firm of Hinckley Allen in Albany, NY to represent the IDA on certain matters. Open for discussion. Affirmative votes of all members present results in motion carried.

Adjournment

Meeting called for adjournment, motion made by Mr. DiSalvo, seconded by Ms. Quinn, the time being 4:20p.m.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

March 5, 2021

A Special Meeting of the Orange County Industrial Development Agency was convened via Zoom video conference March 5, 2021 at 1:00p.m.

Ms. Villasuso calls to order a Special Meeting of the Orange County IDA, March 5, 2021. Board consists of five members. There is a quorum. Upon roll call, the following were:

PRESENT: Mary Ellen Rogulski, Edward Diana, Stephen Brescia, John McCarey, Denise Quinn

ABSENT: James DiSalvo, Michael Gaydos.

ALSO PRESENT: Laurie Villasuso – Chief Executive Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Liz Benjamin – Brown Weinraub
Michael Koenig - Hinckley Allen
Dean Brady – Tech Support

Attorney Client Session

Ms. Villasuso entertains a motion that the Board enter into attorney client closed door session. Motion made by Ms. Quinn to enter the closed-door session. Motion seconded by Chairman Rogulski. All in favor.

Enter Attorney Client Session

Mr. Brady immediately leaves the Attorney Client Session.

Mr. DiSalvo and Mr. Gaydos enter the meeting during the Attorney Client Session. Chairman Rogulski leaves the meeting during the Attorney Client Session.

The members discuss the legalities of certain matters.

Mr. Brady rejoins the meeting.

Ms. Villasuso entertains a motion that the Board end the attorney client closed door session and reconvene the meeting. Motion made by Mr. McCarey to end the closed-door session. Motion seconded by Mr. DiSalvo. All in favor.

Mr. Dowd reads aloud the indemnification resolution. Resolution authorizing the indemnification of legal expenses for employees and Board members of the IDA and coverage under the directors and officer's liability policy to the extent such policy provides coverage in connection with a certain grand jury investigation. Motion made by Mr. DiSalvo. Motion seconded by Mr. Gaydos. All present vote in favor.

Mr. Dowd notes that this indemnification was previously discussed at the March 2nd Special Board Meeting, but action was taken today to formally indemnify IDA employees and Board members under the existing policies.

Adjournment

Meeting called for adjournment, motion made by Mr. DiSalvo, seconded by Mr. McCarey, the time being 3:28p.m.

Orange County Industrial Development Agency
 Banks Accounts/Certificates of Deposit/Money Markets Accounts
 As of February 28, 2021

Listed in order of maturity date.

Purchase Date	Maturity Date	# of Days	Bank	Principal	Interest Rate	Interest Amount
2/28/20	3/1/21	367	M&T Bank - CD	\$ 1,374,253	1.25%	\$ 17,178

Bank	Account Type	Amount	% of total	Rate
Chase Bank	Checking Account - Operating	\$ 350,353	7%	-
M&T	Savings	\$ 1,611,540	31%	-
Orange Bank & Trust	Checking Account - Trust Escrow	\$ 72,126	1%	-
Total CDs and Treasuries	Certificates of Deposit & Treasuries	\$ 1,374,253	27%	See above.
Sterling National	Money Market	\$ 1,720,002	34%	0.08%
Total		<u>\$ 5,128,274</u>	<u>100%</u>	

**Orange County IDA
Income and Expense Summary
February 2021**

	Feb	YTD	Budget	Over/(Under)
Income				
Closing Fees	\$ -	\$ -	\$ 777,100	\$ (777,100)
Fees	\$ -	\$ -	\$ 263,300	\$ (263,300)
IDA Administrative Fees	\$ -	\$ 2,500	\$ 10,000	\$ (7,500)
Interest Earnings	\$ 127	\$ 273	\$ 41,000	\$ (40,727)
Pass Thru Legal Fees	\$ -	\$ 2,500	\$ 10,000	\$ (7,500)
Recovered	\$ -	\$ -	\$ 2,000,000	\$ (2,000,000)
Total Income	\$ 127	\$ 5,273	\$ 3,101,400	\$ (3,096,127)
Expenses				
Administrative Costs				
Auditors	\$ 22,164	\$ 8,526	\$ 62,900	\$ (54,374)
Insurance	\$ -	\$ 12,784	\$ 13,000	\$ (216)
Professional Fees	\$ 5,988	\$ 5,988	\$ 73,200	\$ (67,212)
Total Administrative Costs	\$ 28,151	\$ 27,297	\$ 149,100	\$ (121,803)
Agency Contribution Costs				
Friends of Orange County Youth Bureau Fund	\$ -	\$ -	\$ 23,000	\$ (23,000)
Hudson Valley Agribusiness Dvl.	\$ -	\$ -	\$ 25,000	\$ (25,000)
O.C. Foreign Trade Zone	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
T-SEC	\$ -	\$ -	\$ 35,000	\$ (35,000)
Women's Enterprise Dev Center	\$ -	\$ -	\$ 30,000	\$ (30,000)
Total Agency Contribution Costs	\$ 25,000	\$ 25,000	\$ 138,000	\$ (113,000)
Legal				
Legal, Pass Thru	\$ 4,599	\$ 4,599	\$ 120,000	\$ (115,401)
Legal, Pass Thru	\$ -	\$ -	\$ 10,000	\$ (10,000)
Total Legal	\$ 4,599	\$ 4,599	\$ 130,000	\$ (125,401)
Projects				
Project Expenditures	\$ -	\$ -	\$ 500,000	\$ (500,000)
Research and Support	\$ -	\$ -	\$ 100,000	\$ (100,000)
Shovel Ready Program	\$ -	\$ -	\$ 100,000	\$ (100,000)
Total Projects	\$ -	\$ -	\$ 700,000	\$ (700,000)
Total Expenses	\$ 57,750	\$ 56,896	\$ 1,117,100	\$ (1,060,204)
Income Over/(Under) Expenses	\$ (57,623)	\$ (51,624)	\$ 1,984,300	\$ (2,035,924)

**The Accelerator
Income and Expense Summary
February 2021**

	Feb	Y-T-D	Budget	Over/(Under)
Income				
Client Rent	\$ 7,869	\$ 15,533	\$ 105,000	\$ (89,467)
Interest Income	\$ 4	\$ 9	\$ 100	\$ (91)
Total Income	\$ 7,873	\$ 15,542	\$ 105,100	\$ (89,558)
Expenses				
Salaries & Benefits	\$ 36,771	\$ 74,906	\$ 444,900	\$ (369,994)
Payroll taxes and fees	\$ 3,987	\$ 8,814	\$ 38,800	\$ (29,986)
Management Expense	\$ 72,999	\$ 72,999	\$ 460,000	\$ (387,001)
Accelerator Without Walls	\$ 17,563	\$ 17,563	\$ 400,000	\$ (382,438)
Special Initiatives	\$ -	\$ (2,000)	\$ 113,700	\$ (115,700)
Building Expenses:				
Insurance	\$ -	\$ 18,951	\$ 24,200	\$ (5,249)
Rent	\$ 49,957	\$ 129,870	\$ 667,200	\$ (537,330)
Utilities	\$ 7,301	\$ 8,095	\$ 66,300	\$ (58,205)
Repairs & Maintenance	\$ 1,221	\$ 1,586	\$ 3,000	\$ (1,414)
Operations	\$ 3,012	\$ 3,527	\$ 8,400	\$ (4,873)
Renovations	\$ -	\$ -	\$ 100,000	\$ (100,000)
	\$ 61,491	\$ 162,029	\$ 869,100	\$ (707,071)
Equipment Maintenance - Other	\$ -	\$ -	\$ 1,000	\$ (1,000)
Information Technology	\$ 3,633	\$ 5,148	\$ 62,700	\$ (57,552)
Marketing, PR, Website & Membership	\$ 7,972	\$ 17,826	\$ 59,800	\$ (41,974)
Office Cleaning	\$ 4,400	\$ 7,000	\$ 77,500	\$ (70,500)
Office Supplies and Postage	\$ 1,364	\$ 1,994	\$ 21,400	\$ (19,406)
Travel, Lodging & Meals	\$ -	\$ -	\$ 8,000	\$ (8,000)
Training & Education	\$ -	\$ -	\$ 5,400	\$ (5,400)
Professional Fees	\$ 4,067	\$ 4,067	\$ 35,000	\$ (30,933)
Conference Expense (BA Sponsored)	\$ -	\$ -	\$ 50,000	\$ (50,000)
Total Expenses	\$ 214,246	\$ 370,345	\$ 2,647,300	\$ (2,276,955)
Income Over/(Under) Expenses	\$ (206,373)	\$ (354,803)	\$ (2,542,200)	\$ 2,187,397

Orange County IDA

March 2021

Receipts

--	--	\$	-
Grand Total		\$	-

Vouchers & Payments

S/T

Kevin Dowd, Esq.	February Legal Services	\$	8,536.50	
UHY Advisors	February Retainer	\$	287.80	\$ 1,737.80
	YE 2020 Statements	\$	1,450.00	
Frances Roth	Feb 9 Hearing Stenography	\$	257.25	
Fraud Auditing, Inc.	February Auditing Services	\$	11,293.75	
Brown & Weinraub	February Retainer	\$	5,500.00	
Hinckley Allen	Retainer	\$	10,000.00	
Harris Beach PLLC	PARIS Reporting Support (Dec '20- Jan '21)	\$	1,634.00	\$ 24,525.50
	Audit Support (Nov-Dec '20)	\$	3,024.00	
	PPP#2 Presentation (Jan '21)	\$	2,924.00	
	Audit Support (Jan-Feb)	\$	16,943.50	
Grand Total		\$	61,850.80	

**NOTICE OF PUBLIC HEARING ON
PROPOSED ISSUANCE OF BONDS AND FINANCIAL ASSISTANCE**

NOTICE IS HEREBY GIVEN pursuant to the Internal Revenue Code of 1986, as amended (the "Code") and Section 859-a and Article 18-A of the New York State General Municipal Law that a public hearing will be held by the Orange County Industrial Development Agency (the "Issuer") on Tuesday, March 16, 2021, at 10:00 a.m., local time ("Hearing"), in connection with matter described below. As more fully set forth below, the public hearing will be held via toll-free telephone conference and by additional remote electronic means only (including Zoom) as set forth below. **PLEASE NOTE THE SPECIAL PUBLIC HEARING LOGISTICS AND INSTRUCTIONS INCLUDED AT THE END OF THIS NOTICE.**

WALLKILL OWNER LLC, a New York limited liability company, for itself and/or on behalf of an entity to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Issuer, requesting that the Issuer issue its multi-family housing revenue bonds in the maximum stated principal amount not to exceed \$18,000,000 (the "Bonds") pursuant to the provisions of a trust indenture or amendment thereof (the "Indenture") by and between the Issuer and a trustee for the holders of the Bonds issued under the Indenture in connection with the undertaking by the Issuer of a project (the "Project"), which Project consists of: (A) the acquisition by the Issuer of title to or a leasehold interest in approximately 14.10 acres of real property located at 455 Schutt Road Extension in the Town of Wallkill, New York (the "Land", being more particularly described as tax parcel No. 50-2-49.22) and the existing improvements located thereon consisting principally of an approximately 160,000 square foot building (the "Existing Improvements"); (B) the planning, design, construction, reconstruction, rehabilitation and upgrade of the Existing Improvements as a low-income elderly housing facility, consisting of approximately 136 residential rental units (consisting of approximately 58 one-bedroom units and 78 two-bedroom units), all of which will serve those at 60% Area Median Income (the "Improvements"); and (C) the acquisition and installation, in, on or around the Improvements of various machinery, equipment and personal property (collectively, the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); (D) funding all or a portion of the costs of a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs and expenses incidental to the issuance of the Bonds (the costs associated with items (A) through (D) above being hereinafter referred to as the "Project Costs"); and (E) the acquisition by the Issuer of fee title to or a leasehold (or other) interest in the Facility and the lease (with the obligation to purchase) or sale of such interest in the Facility back to the Company.

It is intended that the Bonds will be issued as tax-exempt obligations and will be issued as exempt facility bonds for a qualified residential rental project, pursuant to Section 142(a)(7) of the Code, the interest on which will be excluded from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

The Issuer is considering the extension of financial assistance for the Project pursuant to the New York State Industrial Development Agency Act and the Agency's enabling legislation, respectively Article 18-A and Section 912 of the General Municipal Law (Chapter 24 of the consolidated laws of New York), which will not deviate from the Uniform Tax Exemption Policy

of the Issuer. The proposed financial assistance being contemplated by the Issuer includes (i) financing a portion of the Project Costs by the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$18,000,000, (ii) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Project or used in the acquisition, renovation reconstruction or equipping of the Project, (iii) an exemption from all New York State and local mortgage recording taxes with respect to any qualifying mortgage on the Facility (or such interest in the Land as is conveyed to the Issuer) to secure the Bonds and (iv) a partial real property tax abatement structured within a payment in lieu of tax agreement.

The proceeds of the Bonds will be loaned by the Issuer to the Company pursuant to the terms of a certain loan agreement, lease agreement or similar agreement (the "Loan Agreement"), between the Issuer and the Company to pay the costs of the Project. The Company will be the initial owner and principal user of the Facility. The Bonds will be special obligations of the Issuer payable solely from loan/lease payments made by the Company to the Issuer pursuant to the Loan Agreement and certain other assets of the Company pledged to the repayment of the Bonds, if any.

THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF ORANGE, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF ORANGE, SHALL BE LIABLE THEREON.

In addition to the issuance of the Bonds, the Issuer contemplates that it will provide financial assistance to the Company in connection with the Project in the form of exemptions from sales tax, mortgage recording taxes in connection with the financing or subsequent refinancing of the Project and a partial real property tax abatement, consistent with the policies of the Issuer, to be more particularly described in a final Resolution to be adopted by the Issuer prior to the issuance of the Bonds.

The Issuer will hold the public hearing on the proposed issuance of the Bonds and the other financial assistance proposed to be provided for the Project, as required by Section 147(f) of the Code and Section 859-a of the New York State General Municipal Law. The subject of the hearing will be the nature and location of the Facility and the issuance of Bonds of the Issuer to provide financing, and the provision of other financial assistance for the Project. Interested persons are invited to attend and will have an opportunity to make a statement regarding the Project or the financing. Written comments and general inquires may be directed to the Issuer at the address indicated below.

Under the Code, approval of the issuance of the Bonds by the County Executive of the County of Orange is necessary under Section 147(f) of the Code in order for the interest on the Bonds to be excluded from the gross income for federal income tax purposes.

PLEASE NOTE SPECIAL PUBLIC HEARING CONDUCT INSTRUCTIONS AND INFORMATION:

Given the ongoing COVID-19 public health crisis and related Executive Orders issued by Governor Andrew M. Cuomo, the Issuer will not be able to accommodate any in-person public

attendance or participation at this hearing. Nonetheless, in furtherance of federal regulations requiring interested individuals to have a reasonable opportunity to express their view at this hearing, and in accordance with Executive Order No. 202.15 issued on April 9, 2020, as extended by Executive Order 202.29 issued on May 8, 2020, Executive Order 202.39, issued on June 7, 2020, Executive Order 202.55, issued on August 6, 2020, and Executive Order 202.60, issued on September 4, 2020, as amended and extended from time to time, by Governor Andrew M. Cuomo, suspending the Open Meetings Law, and pursuant to Internal Revenue Service Revenue Procedure 2020-49, and if the Issuer is able to hold the public hearing remotely authorizing the conduct of public hearings through use of telephone conference, video conference and/or other similar service, the Issuer will provide all interested persons of the public the opportunity, at the time and on the date indicated above, to provide oral comments with respect to the Project and/or the issuance of the Bonds via a video conference <https://zoom.us/j/96647864120>, with written comments accepted on that platform in real time. In addition, the Issuer will provide public access to provide oral comments in real time via conference bridge at toll free telephone number: 1-646-558-8656, meeting ID # 966 4786 4120 [no passcode required].

Finally, the Issuer also encourages all interested parties to submit written comments to the Issuer, which will be included within the public hearing record. Any written comments may be sent to Orange County Industrial Development Agency, 4 Crotty Lane, Suite 100, New Windsor, New York 12553, Attention: Melanie Schouten and/or via email at business@ocnyida.com with the subject line being "RE: Wallkill Owner LLC", no **later than March 15, 2021.**

A representative of the Issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the issuance of the Bonds, the granting of other financial assistance contemplated by the Issuer or the location or nature of the Project. For those members of the public desiring to review the application for financial assistance before the date of the hearing, copies of the Application and other related materials will be made available at available for viewing on the Issuer's website at: <https://www.ocnyida.com/active-projects/>.

Dated: February 26, 2021

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

1 THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
2 STATE OF NEW YORK

-----x

3 In The Matter of

4 Re: FIORELLO PHARMACEUTICALS, INC.

5 -----x

6 Virtual Hearing
7 February 9, 2021
8 10:05 a.m.

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10
11
12 B E F O R E: KEVIN DOWD, ESQ.
13 IDA ATTORNEY
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22 FRANCES ROTH
23 Court Stenographer
24 168 North Drury Lane
25 Newburgh, New York 12550
Telephone (845) 566-1641

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A P P E A R A N C E S :

LAW OFFICES OF KEVIN T. DOWD
Attorney for IDA
46 Daisy Lane
Montgomery, New York 12549

Kelly Reilly
Client Services Specialist, OCIDA

Melanie Schouten
IDA Chief Operating Officer

FIORELLO PHARMACEUTICALS, INC.

1 MR. DOWD: Okay, good morning everyone, my
2 name is Kevin Dowd, I'm the local counsel to the
3 Orange County IDA, and welcome to the public
4 hearing on Fiorello Pharmaceuticals. With us
5 today is Melanie Schouten, our Chief Operating
6 Officer, Kelly Reilly, our Client Services
7 Manager, Fran Roth is our stenographer who will
8 be taking down all of the information that's
9 presented today including all the questions and
10 responses, and we have Rebecca Brown from the
11 applicant. So the way we're going to conduct
12 this I'm going to read the public hearing notice.
13 I will then open it for a brief statement from
14 Miss Brown and then we'll open it for any kinds
15 of questions or comments. With that being said,
16 I will read the Notice of Public Hearing.
17 "Notice is hereby given that a public hearing
18 pursuant to Article 19-A of the New York General
19 Municipal Law will be held by the Orange County
20 Industrial Development Agency on Tuesday,
21 February 9, 2021 at 10:00 a.m. local time via
22 Zoom video conference in connection with the
23 matter described below. Please note the special
24 public hearing logistics and instructions
25 included at the end of this notice. Fiorello 25

FIORELLO PHARMACEUTICALS, INC.

1 Pharmaceuticals, Inc., a New York corporation,
2 for itself or on behalf of an entity to be formed
3 has submitted an application to the Agency
4 requesting the Agency's assistance with respect
5 to a certain project consisting of: (A) the
6 acquisition by the Agency of a leasehold interest
7 in an aggregate approximately 38.1 acre parcel of
8 vacant land known as 40, 50, 60, 70, 80, 85, 90
9 and 95 John Hicks Drive in the Town of Warwick,
10 Orange County, New York; (B) the construction on
11 the Land of an approximately 450,000 square foot
12 building; and (C) the acquisition and
13 installation in, on or around the Improvements of
14 various machinery, equipment and personal
15 property all for use by the Company in its
16 business as a licensed manufacturer/processor and
17 dispenser of medical cannabis. The agency will
18 acquire a leasehold interest in the Facility and
19 lease the Facility back to the Company. The
20 Company will operate the Facility during the term
21 of the lease. At the end of the lease term, the
22 Agency's leasehold interest will be terminated.
23 The Agency contemplates that it will provide
24 financial assistance to the Company in the form
25 of sales and use tax exemptions, a real property

FIORELLO PHARMACEUTICALS, INC.

1 tax abatement and if necessary a mortgage
2 recording tax exemption all consistent with the
3 policies of the Agency; and the issuance by the
4 Agency of taxable bonds, in an amount not to
5 exceed \$175,000,000, to assist in financing the
6 Facility. Please note special public hearing
7 conduct instructions and information. In
8 accordance with Section 859-a of the Act, a
9 representative of the Agency will be at the
10 above-stated time and place to present a copy of
11 the Company's project application which is also
12 available for viewing on the Agency's website at
13 www.ocnyida.com. However, given the Covid 19
14 public health crisis and related Executive Orders
15 issued by Governor Andrew M. Cuomo, the Agency
16 will not be able to accommodate in-person public
17 attendance or participation at this hearing.
18 Nonetheless, and in furtherance of the provisions
19 of Section 859-a of the Act requiring interested
20 parties be provided a reasonable opportunity both
21 orally and in writing to present their views with
22 respect to the Project, the Agency will broadcast
23 the public hearing live on a video conference
24 with written comments accepted in that platform
25 in real time. In addition the Agency will

FIORELLO PHARMACEUTICALS, INC.

1 provide public access to provide oral comments in
2 real time via conference bridge at telephone
3 number 1-646-558-8656, meeting I.D. number
4 92025855800#, no pass code required. Finally,
5 interested parties may submit written comments to
6 the Agency which will all be included within the
7 public hearing record. Any written comments may
8 be sent to Orange County Industrial Development
9 Agency, attention Melanie Schouten, COO, 4 Crotty
10 Lane, Suite 100, New Windsor, New York 12553
11 and/or via email at business@ocnyida.com with the
12 subject line being re: Fiorello Pharmaceuticals
13 no later than Monday, February 8, 2021. Dated:
14 January 25, 2021 by the Orange County Industrial
15 Development Agency." With that, I will ask
16 Rebecca Brown to please introduce the project and
17 if you can please talk about the phasing of the
18 project and the relative benefits that you are
19 seeking from the IDA. Thank you.

20 MS. BROWN: Yes, hi, I'm Rebecca Brown, I'm
21 the Market President of New York for GTI, Green
22 Thumb Industries, we are the owner of Fiorello
23 Pharmaceuticals. We are looking to build a
24 medical cannabis cultivation and manufacturing
25 facility in the Warwick Accelerator building or28

FIORELLO PHARMACEUTICALS, INC.

1 the Warwick Accelerator space. This project will
2 be constructed in three phases. The initial
3 phase will have a cost of around \$45 million and
4 be approximately 100,000 square feet that will be
5 combined cultivation and manufacturing space.
6 The second phase will be around 200,000 square
7 feet at a cost of approximately \$75 million and
8 then the third phase is approximately 150,000
9 square feet at a cost of \$35 million. And the
10 difference in cost for that last phase is to
11 explain that is that that's mostly going to be
12 employee space, a bigger break room, more
13 cafeteria stuff, just things that are a little
14 bit lower cost than our cultivation and
15 manufacturing facilities. For employment we are
16 looking at approximately 100 jobs in the first
17 operational year plus an additional 23 to 25 in
18 the second year and then another 55 jobs give or
19 take in the third year. At full capacity the, we
20 anticipate employing approximately 175 to 180
21 employee, full time employees with, all with
22 benefits. We are looking, we are applying for
23 various incentives including sales and use tax,
24 the PILOT benefit and the mortgage recording tax
25 exemptions, and in addition a bond, bond

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1 financing if applicable or if available to us.

2 MR. DOWD: Can you give the salary ranges
3 for the benefits, and the benefits for your
4 employees that you're projecting?

5 MS. BROWN: Yeah, sure. One moment, let me
6 get the categories. We've got management
7 personnel we would approximate salary of \$85,000
8 a year, bringing that up to \$100,000 a year
9 including benefits and fully loaded cost of those
10 employees. Then we have professional employees
11 that around \$75,000 a year, administrative at
12 approximately 55,000 a year, sales employees at
13 around 75,000 a year and then we have the bulk of
14 our employees our production and manufacturing
15 employees and those have an average salary of
16 \$50,000 per year but they come with, those jobs
17 include full benefits and the average fully
18 included salary with the full benefits are
19 approximately \$57,000 a year.

20 MR. DOWD: How long a period of time will it
21 take you to go from phase one to phase three?

22 MS. BROWN: So we have projected that it
23 will take us approximately three years. So we
24 anticipate completing phase one in June of 2022,
25 we anticipate completing phase two in June of '24

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1 and then phase three one year later, so about I
2 guess about that will be four years from now.

3 MR. DOWD: Okay, are there any questions of
4 our staff? Melanie, do you have any questions
5 for Rebecca?

6 MS. SCHOUTEN: No, I don't have any
7 questions.

8 MR. DOWD: With that, then I will open it up
9 to the public for any comments and/or questions
10 regarding the project.

11 MS. SCHOUTEN: So everyone is currently
12 muted, if you would like to make a comment or
13 have a question just please hit one in the chat
14 and we'll unmute you. Any questions?

15 MR. DOWD: Or comments?

16 MS. SCHOUTEN: Okay, so I see, okay, so
17 we'll go in order, I saw Ken come through first,
18 Dean, can you unmute Ken, please?

19 MR. GALLAGHER: Can you hear me?

20 MS. SCHOUTEN: Yes.

21 MR. GALLAGHER: Alright, I'm going to
22 disconnect my telephone now.

23 MS. SCHOUTEN: That's okay.

24 MR. GALLAGHER: Cause I have the telephone
25 number connected here. Good morning everybody, 31

FIORELLO PHARMACEUTICALS, INC.

1 my name is Ken Gallagher, I'm a resident of
2 Warwick for the last 32 years and I'm requesting
3 that the IDA table any action on this proposed
4 project for at least 30 days so that a more
5 thorough analysis can be made and more public
6 input can be solicited and, you know, I've got
7 the following reasons to support that request.
8 Number one is the IDA hasn't had enough time to
9 determine whether this project is qualified to
10 receive tax benefits. The application is dated
11 January 13, 2021, that's less than a month ago,
12 there's not enough information presented to the
13 community in the documents that the IDA has made
14 available to the public to solicit meaningful
15 comments. For example, there are a lot of, lot
16 of references to see attachments which weren't
17 included and I suspect that might have been
18 because that's confidential or proprietary
19 information but be that as it may, another
20 example is, you know, there's no conceptual site
21 plan or rendering for this proposed development.
22 And this is a massive building, this is, you
23 know, 450,000 square feet is over 10 acres in
24 size by my calculations. So, you know, I don't
25 think the IDA has had enough time to really

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1 determine the project benefits and the project
2 costs. Secondly, you know, I think the applicant
3 should explain why the project will not move
4 forward without financial assistance requested,
5 particularly the PILOT agreement. Thirdly, a
6 project of this magnitude requires a more
7 detailed cost benefit analysis than the IDA has
8 conducted using data inputs that can be
9 independently verified, the cost benefit analysis
10 should also provide a detailed explanation of the
11 sources of the data and the assumptions made.
12 I'm no neophyte with these economic analyses and
13 I found it sort of difficult to follow the
14 presentation that was made in your, in the public
15 documents that were available on the, on your
16 website where you have the ten year PILOT and the
17 15 year PILOT schemed out so and so to, for
18 example, according to the ten year PILOT cost
19 benefit analysis the property tax exemptions
20 would cost us local taxpayers almost \$17 million,
21 16.75 million over that ten year period. That's
22 likely to be, it's likely that the majority of
23 that cost is going to be borne by the taxpayers
24 of the Warwick Valley Central School District.
25 And then, you know, the final reason that I think

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1 you should extend the, your review period on this
2 and seek more public input is because except for
3 the letter from Supervisor Sweeton there is no
4 indication of public support for the PILOT
5 agreement, there is no resolution of support from
6 the local taxing jurisdictions, be it the town
7 board, county legislature or the school board.
8 So for those reasons I think that a delay and an
9 additional assessment and community engagement
10 would be worthwhile. I'm not against this
11 project, by the way, I just think there needs to
12 be, I just think it's moving too quickly into the
13 approval stage. And then finally, if the IDA
14 does elect to move forward with this project on
15 its, on its accelerated schedule, any PILOT
16 agreement should be limited to a term of five
17 years and should contain provisions for an
18 independent audit of the company's operating
19 records to allow for an annual adjustment to
20 increase the PILOT payments if the actual
21 employment benefits are not consistent with the
22 application. So that's the end of my comments,
23 thank you for your time and consideration and I'd
24 be happy to answer any questions you have on what
25 I commented here.

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1 MS. SCHOUTEN: Thank you, Ken. Just so you
2 are aware, I'm sure you saw the website, we do
3 have a meeting coming up later this week,
4 Fiorello is not on the agenda for this week, so
5 they're not getting final approval from the board
6 so there is additional time for the board to
7 review what's been submitted.

8 MR. GALLAGHER: Should I submit this comment
9 in the chat, you know, I drafted something up
10 that I could read off of, should I submit that to
11 you?

12 MS. SCHOUTEN: Well, your comments are being
13 submitted through the public hearing typing but
14 also you're welcome to put it into letter form
15 and e-mail it to, mail it or e-mail it to us and
16 that will be provided for the board's review as
17 well.

18 MR. GALLAGHER: Alright, should be, I can do
19 that later today?

20 MS. SCHOUTEN: Absolutely.

21 MR. GALLAGHER: Okay, even though it's after
22 February 8?

23 MS. SCHOUTEN: Yes, that's fine, go ahead.

24 MR. GALLAGHER: Okay, and I'll send it to
25 the address that's in your public notice.

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1 MS. SCHOUTEN: Yes.

2 MR. DOWD: Ken, also Fran Roth has been
3 recording everything you've said in this
4 presentation and that is the minutes that the IDA
5 board will see as well.

6 MR. GALLAGHER: Okay, got it, thank you.

7 MR. DOWD: Okay.

8 MS. SCHOUTEN: Thank you, Ken. Okay, and
9 then Dean, can you please unmute Michael Sweeton?
10 Hi Mike.

11 MR. SWEETON: Good morning, thank you and I
12 appreciate Ken Gallagher's comments. The town
13 board, I did submit that letter, is in support of
14 the project and been providing benefits to
15 attract one of the leaders in this field to the
16 site, this is the former site of the Mid Orange
17 Correctional Facility. Currently, those lots
18 that they are looking to acquire pay very minimal
19 tax, the site itself paid very little tax for the
20 Town of Warwick or the school district in its
21 entire history so we are anxious to attract a
22 high quality company that will provide high
23 paying jobs and opportunities for our residents.
24 And the town board will be doing some more
25 financial analysis for the project as well. SO₃₆I

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1 want to thank the IDA for entertaining it. I
2 want to thank GTI for their interest in this
3 property, their record where they have
4 installations around the country certainly show
5 they respect their employees, they respect the
6 environment and they will be good corporate
7 citizens so I'm hoping that at the end of the day
8 that we can attract them to the site. Thank you.

9 MR. DOWD: Thank you, Michael. Anyone else?

10 MS. SCHOUTEN: No, those were the only ones.

11 MR. DOWD: I want to note for the record
12 that based upon what Mr. Gallagher was talking
13 about as far as the PILOT was concerned that the
14 phase one of the project, the grand total taxes
15 paid for a 15 year PILOT would be over \$5 million
16 and so there's a substantial amount of revenue
17 that will be generated from this property with
18 the project. So I just wanted to make sure that
19 the public understands that while there are
20 savings to the applicant with the PILOT there's
21 also substantial taxes being paid on what
22 Mr. Sweeton had just said, where relatively
23 little money comes from the vacant land, so that
24 is something the IDA will take under
25 consideration as well. Before we end, Rebecca, 37

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1 do you have anything to say?

2 MS. BROWN: The only thing I would say is
3 that I would really appreciate the opportunity to
4 be considered. We, you know, love the site, we
5 love the location, obviously the incentives, you
6 know, have made this site rise to the top of our
7 other options. We looked all over the state for
8 the right fit of cost to construct, the right
9 kind of land site, all of those things and then
10 something that would be on the timeline that we
11 need and we just love the area, we love the site
12 and we really look forward to being part of the
13 community. So while I welcome any questions and
14 happy to address things, you know, over time we
15 really do want to, you know, be a long term good
16 resident, a good neighbor and a long term
17 corporate, good corporate citizen and resident of
18 Warwick. So really appreciate everyone who
19 attended and thank you for considering our
20 application.

21 MR. DOWD: Yeah, I have one question for
22 you. Of the 175 full time employees you're
23 intending to hire within three years of the
24 project being completed, how many would you
25 expect to be local residents?

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1 MS. BROWN: Oh, almost all of them, you
2 know, 165 at least, you know, we are a big
3 company, we have people across other sites and so
4 often we will bring specialized expertise, you
5 know, on the extraction side or on the
6 cultivation side in to lead a local team but
7 almost everything that happens at the site, you
8 know, is based on the, you know, it's from
9 employees who are local residents.

10 MR. DOWD: Thank you.

11 MS. BROWN: So we don't bring in massive
12 teams from other areas and, you know, put them at
13 that site. This is our New York site and we hope
14 it's one of the biggest and best in our GTI team
15 and we really want it to be a model for all other
16 sites to come later. This is why, you know, the
17 size of the program or the size of the building
18 will be kind of a model R & D program for other
19 sites around the country as well.

20 MR. DOWD: Thank you, Rebecca. Anybody else
21 wanted to make any comments?

22 MS. SCHOUTEN: No one new has joined and no
23 one else has--

24 MR. DOWD: Either Mr. Sweeton or
25 Mr. Gallagher want to make any further comments₃₉

FIORIELLO PHARMACEUTICALS, INC.

1 I'm assuming? Okay, with that being said, I will
2 declare the public hearing closed and I thank
3 everyone for their attendance and their comments.
4 Have a good day. Thank you.

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(Proceedings concluded at 10:25 a.m.)

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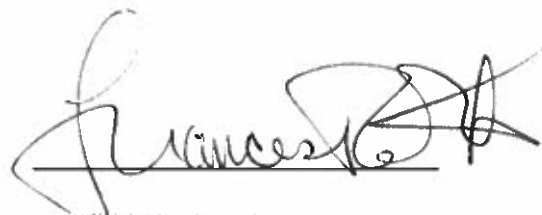
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C-E-R-T-I-F-I-C-A-T-I-O-N

I, FRANCES ROTH, a Stenographic Reporter and Notary Public of the State of New York, do hereby certify:

That the foregoing is an accurate record of the testimony, as given, to the best of my knowledge and belief, the same having been stenographically recorded by me and transcribed under my supervision.

That I am not related to any of the parties involved in this matter, and that I have no personal interest whatsoever in the outcome thereof.



FRANCES ROTH

Kenneth Gallagher

32 Deer Pond Drive
Warwick, NY 10990

February 9, 2021

Orange County Industrial Development Agency,
4 Crotty Lane, Suite 100,
New Windsor, New York 12553
Attention: Melanie Schouten, COO

RE: Fiorello Pharmaceuticals

Dear Ms. Schouten,

My name is Ken Gallagher and I'm a resident of Warwick for the last 32 years.

I'm requesting that the IDA table any action on the proposed project for at least 30 days so that a more thorough analysis can be made and more public input can be solicited. The following reasons support this request:

- 1) IDA has not had enough time to determine whether the project is qualified to receive tax benefits .
 - Application is dated January 13, 2021
 - Not enough information has been presented to the community in the documents IDA has made available to the public to solicit meaningful comments.
 - For example, there is no conceptual site plan or rendering included for the proposed 450,000 sq.ft building.
- 2) The applicant should explain why the project will not move forward without the financial assistance requested, particularly, a PILOT agreement.
- 3) A project of this magnitude requires a more detailed cost benefit analysis with data inputs that can be independently verified.
 - Cost Benefit analysis should also provide a detailed explanation of sources of data and assumptions made.
 - According to the 10 year PILOT C/B analysis presented by the IDA, the property tax exemption will cost the local taxpayers \$16.75 million. It is likely that the majority of that cost will be borne by taxpayers of the WVCSD.

4) Except for the letter from Supervisor Sweeton, there is no indication of public support for the PILOT agreement. There is no resolution of support adopted by the governing bodies of the local taxing jurisdictions (Town Board, County Legislature, or School Board) .

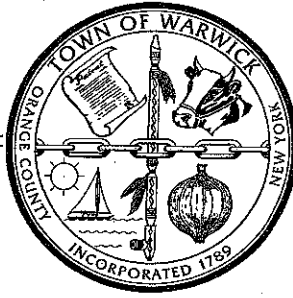
Finally, if the IDA elects to move forward with this project, any PILOT Agreements should be limited to a term of 5 years, and should contain provisions for an independent audit of the company's operating records to allow for an annual adjustment to increase the PILOT payments if the actual employment benefits are not consistent with the application.

Thank you for your time and consideration.

Sincerely yours,

Kenneth G. Gallagher

TOWN OF WARWICK



132 KINGS HIGHWAY
WARWICK, NEW YORK 10990

TOWN HALL TELEPHONE (845) 986-1124
POLICE DEPT. TELEPHONE (845) 986-5000
RECEIVER OF TAXES (845) 986-1125
PUBLIC WORKS TELEPHONE (845) 986-3358
TOWN HALL FAX (845) 986-9908
SUPERVISOR msweeton@townofwarwick.org
TOWN CLERK clerk@townofwarwick.org

February 24, 2021

Orange County IDA
Attention: Melanie Schouten, COO
4 Crotty Lane, Suite 100
New Windsor, New York 12553

Dear Ms. Schouten,

Fiorello Pharmaceuticals has made an application for their project that would facilitate their potential purchase of the remaining eight (8) lots at the Warwick Tech Park. As you may know these lots were put through the planning process, including a Generic Environmental Impact Statement, establishing thresholds that would allow companies to apply for building permits, thus drastically reducing the time to construction. A Negative Declaration under SEQRA was issued for these lots.

Our planner has reviewed the data for the Fiorello Pharmaceuticals' project and confirmed they fall below the SEQRA thresholds established for the site. Therefore, no additional SEQRA is required for the project as presented.

Sincerely,

Michael P. Sweeton
Town Supervisor

MPS/rb

cc: R. Brown, Fiorello Pharmaceuticals

GREENPLAN

MEMORANDUM

To: Michael Sweeton, Supervisor
Town of Warwick

From: J. Theodore Fink, AICP, Town Planner

Date: Tuesday, February 23, 2021

GREENPLAN INC.
Environmental Planners
302 Pells Road
Rhinebeck, NY 12572-3354
T 845.876.5775
JTfink@greenplan.org

This Memo will address potential consistency of a medical cannabis facility within the Warwick Valley Local Development Corporation's subdivision site on State School Road. In 2013, the Town of Warwick undertook an innovative SEQR review process of a proposed 10 lot subdivision of 48.6 acres of land at the former Mid-Orange Correctional Facility property. The Correctional Facility site had already been extensively developed with numerous buildings and infrastructure supporting up to 3,800 prisoners and up to 400 employees and the intent of the 10 lot subdivision was to create a local "shovel-ready" site for new job-creating businesses.

The Town of Warwick led a public-private partnership to bring about adaptive reuse of portions of the former prison property. The end result was a SEQR review process that allowed new uses to move into the 48.6 acre subdivision lands provided they did not exceed thresholds established under SEQR. Such thresholds were studied over a two year period by both the Town Board and Planning Board, resulting in issuance of a Negative Declaration by the Planning Board on November 6, 2013. The Negative Declaration contains the thresholds for determining whether additional SEQR analysis is required for new uses at the site and whether additional Site Plan review is required or a review of water and sewer services by the Town Board. The Town Board completed three separate SEQR review processes for a Zoning change, an extension of the Wickham Water District to encompass the site, and for the transfer of the property from the State to the Town and to the Warwick Valley Local Development Corporation. Each of these three SEQR review processes were woven into the Planning Board's 11/6/13 SEQR Negative Declaration. This Negative Declaration document needs to be consulted by the Building Department to determine if further review by the Planning Board or Town Board is warranted for each proposed development project within the 48.6 acre subdivision area.

My understanding is that GTI and possibly other partners are interested in establishing a 450,000 square foot medical cannabis facility on a 30 acre (using 8 approved lots) portion of the WVLDC subdivision area. Any new development in this area is subject to the Planning Board's 11/6/13 Negative Declaration with its thresholds establishing whether additional review is necessary under the Zoning Law, SEQR, and the Town Board for water and sewer services. New uses on the site that require other County, State or federal agency approvals are not included in the Planning Board's 11/6/13 Negative Declaration. While the Negative

Declaration was based upon and the Planning Board approval resulted in 10 lots, the then proposed lots 9 and 10 were later combined into one 8.55 acre lot for a total of 9 lots.

The proposed GTI project would result in a 450,000 square foot facility for growing and processing plants that are approved for use under New York State’s Medical Marijuana program. In order to determine whether additional review is necessary under the above, the 11/6/13 Negative Declaration document needs to be consulted. As stated in the Negative Declaration: “Businesses that decide to locate within the subdivision and that do not exceed the thresholds established in this Negative Declaration are eligible to receive expedited Building Permit approvals without the necessity of receiving Site Plan and Special Use permit approvals from the Planning Board.” The following is an analysis of the preliminary information available from GTI assessed against the criteria for further review found in the 11/6/13 Negative Declaration and the Subdivision Plans approved by the Planning Board in 2013:

SEQR Impact Thresholds Applying to All New Businesses Within the Subdivision		GTI Proposed 450,000 Square Foot Plant Growing and Processing Facility
Freshwater Wetlands	There shall be no disturbance of NYSDEC wetlands or the wetland’s one hundred foot protected adjacent area. There are no Federal Jurisdictional Wetlands on the site so no thresholds have been established nor necessary.	NY State DEC wetlands WR-27 and WR-28 are located primarily outside of the subdivision area. The State regulated 100 foot adjacent area for these two wetlands however, is found on Lots 2, 6, 7, and 8 on the 2013 Plans but largely within Zoning setbacks. As long as none of the regulated wetland adjacent areas are to be impacted by the facility development, no further review will be required. A conceptual plan showing the proposed limits of disturbance in relation to the State wetland regulated areas is needed to confirm this.
Stormwater	The application for Building Permit for any lot shall be accompanied by a Stormwater Pollution Prevention Plan (SWPPP). The SWPPP shall be prepared in accordance with the most current NYSDEC and Town of Warwick Code Requirements. Prior to issuance of a Building Permit the SWPPP must be approved by the Town and a Notice of Intent filed with the State to obtain coverage under the NYSDEC General Permit Requirements in affect at the time of application.	Compliance with the State and Town SWPPP requirements will need to be demonstrated to the Town Building Department before building permits can be issued. This will require review by the Town Engineers. The plans must assess existing and proposed drainage patterns, provide a detailed design of the stormwater management facilities, and propose mitigation for potential stormwater impacts as appropriate. The GTI stormwater plans will also need to fit into the stormwater management system established for the approved subdivision or modifications will need to be further considered.
Erosion Control	The application for Building Permit for any lot shall be accompanied by a Site-Specific Erosion and Sediment Control Plan. This Plan shall be prepared in accordance with the most recent NYSDEC and Town of Warwick requirements.	Compliance with the State and Town erosion and sediment control plan requirements currently in effect, will need to be demonstrated to the Town Building Department before building permits can be issued. This will require review by the Town Engineers.
Groundwater	To mitigate potential impacts to aquifer and groundwater resources, each site plan submitted as part of the Building Permit application shall comply with the Town of Warwick Zoning Law Section 164-47.2. All current and future proposed stormwater management infiltration facilities shall meet NYSDEC design guidelines and include pre-treatment water quality facilities.	Compliance with stormwater management infiltration guidelines will need to be assessed during preparation of the facility’s mandatory SWPPP documentation. Both State and Town requirements apply. Aquifer restrictions include suitable storage for manure piles, bulk storage of fertilizers must be within a building, all storage of pesticides must be within a building, and use, storage and application of pesticides must comply with State requirements.

SEQR Impact Thresholds Applying to All New Businesses Within the Subdivision		GTI Proposed 450,000 Square Foot Plant Growing and Processing Facility
Potable Water Usage & Wastewater Disposal	The potable water and wastewater disposal allotment for each of the subdivided lots is stated in the Zoning Compliance Table.	The total water and sewer use allocated for the approved 10 lots (now 9 lots) is approximately 65,000 gallons per day (GPD). Each lot had an allocated water/sewer use capacity based upon the lot area acreage provided and no further assessment, including an Aquifer Impact Assessment, is necessary as long as the water use does not exceed the allocations. My understanding is that the GTI use is proposed at 15,000 gpd, well below the threshold.
Cultural Resources	A Phase 1A and 1B Cultural Resource Investigation was completed. This investigation determined that there were no historical or prehistorical resources on the site and therefore no threshold performance standard is required.	No further assessment is required for archaeological resources.
Endangered Species	A Habitat Assessment has been completed. This study determined that there was no habitat suitable for any of the Endangered Species that potentially are found in the area with the exception of the Indiana Bat. To mitigate any potential impact to the Indiana Bat, cutting of trees in excess of four inches in diameter at breast height (4" dBA) shall only be permitted between October 1 st and March 31 st . In addition, since the list of Endangered species changes, each application for a Building Permit shall be accompanied by an updated evaluation for Endangered Species using the DEC Environmental Resource Mapper or similar source.	Removal of trees on any of the lots within the subdivision is subject to endangered and threatened species time of year restrictions to protect bat species, as stated in the threshold. This can be assessed during the Building Permit application review process to determine whether this applies to the proposed facility.
Aesthetic Resources	To mitigate potential impacts to aesthetic resources, each Site Plan submitted as part of the Building Permit application shall comply with the Town of Warwick Design Standards found in Appendix A of the Town of Warwick Zoning Law (on file in the Town Clerk's Office), the Town of Warwick Landscape requirements found in Sections 164-43.1.C(3)(e), 164-43.1.I(3)(e), 164-43.2.A(7), 164-46.E(4), 164-46.G(3)(n), 164-46.H(8), 164-46.J(97), and 164-47.10.I(3) of the Town of Warwick Zoning Law, the Town of Warwick Lighting Standards found in Section 164-43.4 of the Town of Warwick Zoning Law, and the Town of Warwick Sign Regulations found in Section 164-43.1 of the Town of Warwick Zoning Law.	Each of the requirements noted for this SEQR threshold can be determined during the Building Permit review process.
Noise, Odor & Vibration	The application for Building Permit shall contain a Certification by a NYS Licensed Professional Engineer or Architect, that the proposed site and building improvements will comply with the Town of Warwick Code Section 164-48 Performance Standards. In addition, the Certification should include a statement that the proposed use does not require a NYSDEC Air Pollution Control Permit.	The applicant would be responsible for providing a certification by their design engineer during the Building Permit review process that noise, odors and vibration are below Town standards.

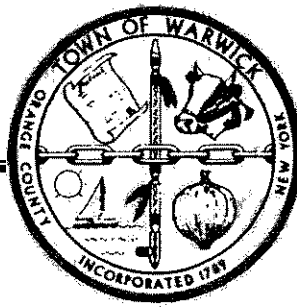
SEQR Impact Thresholds Applying to All New Businesses Within the Subdivision		GTI Proposed 450,000 Square Foot Plant Growing and Processing Facility
Traffic	<p>It is recognized that improvements to local roads due to development of the site may be necessary. To implement these improvements, a transportation improvement district encompassing the 10 lots will be formed by the Town of Warwick. This District will have the authority to levy taxes against all lots within this project for costs associated with the planning, design, and construction of roadway improvements deemed necessary by the Town Board.</p>	<p>My understanding is that there are 125 jobs that will be created by the proposed project. At this time, it is unknown if all 125 employees will drive to and from the facility in a 9 to 5 arrangement, spread out over two or three shifts, or whether there will be other additional traffic generated by the facility during peak hours. Further clarification will be needed from the developer. If all 125 employees were to arrive and depart at the same AM and PM peak hours each day and there was no other traffic generated by the proposed use, this would leave sufficient capacity for additional development on the site. The former prison generated 165 peak hour trips each day and the full development potential of the 10 lots (now 9 lots) was expected to generate between 151 to 177 vehicles per peak hour. No mitigation is necessary as long as the full buildout of the site is less than the 177 peak hour vehicle trips so additional capacity remains for the one lot remaining to be developed in the future. It should be noted that the Traffic Impact Study assumption was that full buildout of the subdivision may result in "at least 300,000 square feet of warehouse/distribution center uses" but as long as the 177 vehicle trips is not exceeded by full development, then improvements would not be necessary to the intersection of Kings Highway and State School Road.</p>

The following table lists the Zoning requirements and water and sewer thresholds for each of the 10 lots (lots # 9 and # 10 were later combined into one lot):

**WARWICK VALLEY LOCAL DEVELOPMENT CORPORATION
LOT #1 SUBDIVISION, SITE PLAN, AND SPECIAL USE APPROVAL**

BULK REQUIREMENTS											
	MINIMUM REQUIRED	LOT #1 PROVIDED	LOT #2 PROVIDED	LOT #3 PROVIDED	LOT #4 PROVIDED	LOT #5 PROVIDED	LOT #6 PROVIDED	LOT #7 PROVIDED	LOT #8 PROVIDED	LOT #9 PROVIDED	LOT #10 PROVIDED
LOT AREA (ACRES)	2	4.47	6.24	2.56	3.00	4.23	7.12	4.11	6.20	3.94	4.61
LOT WIDTH (FEET)	200	722	334	305	387	440	456	200	728	475	428
LOT DEPTH (FEET)	200	230	680	350	358	464	534	519	394	450	574
FRONT SETBACK (FEET)	100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100
REAR SETBACK (FEET)	50	≥ 50	≥ 50	≥ 50	≥ 50	≥ 50	≥ 50	≥ 50	≥ 50	≥ 50	≥ 50
SIDE SETBACK (ONE/BOTH)	50/100	≥ 50/100	≥ 50/100	≥ 50/100	≥ 50/100	≥ 50/100	≥ 50/100	≥ 50/100	≥ 50/100	≥ 50/100	≥ 50/100
YARDS ADJACENT TO SPECIAL AREAS (FEET)	200 (100)	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100	≥ 100
OFF-STREET PARKING	OFF-STREET PARKING SHALL COMPLY WITH SECTION 164-43.2 OF THE WARWICK TOWN CODE										
	MAXIMUM PERMITTED	LOT #1 MAXIMUM	LOT #2 MAXIMUM	LOT #3 MAXIMUM	LOT #4 MAXIMUM	LOT #5 MAXIMUM	LOT #6 MAXIMUM	LOT #7 MAXIMUM	LOT #8 MAXIMUM	LOT #9 MAXIMUM	LOT #10 MAXIMUM
FLOOR AREA RATIO	0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4	≤ 0.4
LOT COVERAGE (SQUARE FEET)	40%	77,885	106,726	44,605	52,272	77,188	124,059	71,613	106,029	68,651	80,325
BUILDING HEIGHT (FEET)	BUILDING HEIGHT SHALL BE A MAXIMUM OF FOUR INCHES PER FOOT OF DISTANCE TO NEAREST LOT LINE OR 35 FEET, WHICHEVER IS LESS										
BUILDING HEIGHT (STORIES)	3	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3
WATER CONSUMPTION (GPD)		6,231	8,698	3,568	4,182	6,175	9,925	5,729	8,642	5,492	6,426
SEWAGE CAPACITY (GPD)		6,231	8,698	3,568	4,182	6,175	9,925	5,729	8,642	5,492	6,426

TOWN OF WARWICK



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SUPERVISOR msweeton@townofwarwick.org
TOWN CLERK clerk@townofwarwick.org

February 7, 2021

Orange County Industrial Development Agency
Attn: Melanie Schouten, COO
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Re: Fiorello Pharmaceuticals

Dear Ms. Schouten;

I am writing in support of the application of Fiorello Pharmaceuticals for assistance in their potential acquisition of lots in the Warwick Tech Park on John Hicks Drive in the Town of Warwick. The proposal to build over 450,000 sq ft of buildings, invest as much as \$1,750,000, create over 125-200 new jobs with benefits and pay taxes in the Town of Warwick is wholeheartedly supported by the Warwick Town Board. Bringing a company of this caliber to the former closed NYS Mid-Orange Correctional Facility will be the final piece that will turn this surplus State facility into a productive, tax paying and job creating engine for the southwestern portion of Orange County. A success story for both the State of New York and Warwick.

While a travel commitment has prevented me from participating in this hearing live, I am strongly and respectfully asking that you approve this application. I want to thank you for considering the Town's support of this exceptional business and the opportunity it affords the residents of both Warwick and Orange County.

Sincerely,

Michael P. Sweeton rb

Michael P. Sweeton
Town Supervisor

MPS/rb

cc: Town Board



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Prosecutors open investigation into claims of financial impropriety at Orange County IDA

[Chris McKenna](#) Times Herald-Record

Published 2:40 p.m. ET Feb. 26, 2021 | Updated 4:09 p.m. ET Feb. 26, 2021

GOSHEN - The Orange County District Attorney's Office has started investigating the county agency that promotes business growth after a months-long push by lawmakers to scrutinize its finances.

The probe came to light on Thursday when legislators met online to speak with a fraud expert who audited the Industrial Development Agency and were told he could no longer discuss his findings with them because prosecutors had asked the agency to furnish documents, signaling an investigation.

That request appears to have come this week. The fraud expert - accountant Leonard Vona - spoke with the same legislative committee for more than a hour just one week earlier, with no sign then of an investigation.



Orange County District Attorney David Hoovler *KELLY MARSH/FOR THE TIMES HERALD-RECORD*

District Attorney David Hoovler confirmed on Friday that his office had opened an investigation and subpoenaed the IDA for documents.

"Numerous individuals made a complaint to the District Attorney's Office that there are financial improprieties and conflicts of interest at the IDA, and it was brought to our attention that the state comptroller was looking at it for an extensive period of time," Hoovler told the Times Herald-Record.

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"We're launching an investigation and we're going to get answers pretty quickly," he said.

[MORE: Lawmakers seek to audit IDA](#)

[MORE: Orange County IDA seeks to expand Accelerator projects](#)

[MORE: Orange County IDA payroll grows](#)

The IDA issued a short statement on Friday saying it had hired outside attorneys in response to the investigation and "will respond appropriately to the district attorney's inquiries."



Vincent Cozzolino, managing director, and Laurie Villasuso, chief operating officer and executive vice president of economic development for the Orange County Industrial Development Agency, speak during an editorial board meeting at the Times Herald-Record on Wednesday, September 6, 2017, in Middletown. [ELAINE A. RUXTON/TIMES HERALD-RECORD] *ELAINE RUXTON/TIMES HERALD-RECORD*

What is the role of the IDA?

The IDA is an independent county agency that awards tax breaks and other incentives to new and expanding businesses and that runs an incubator program to help entrepreneurs launch new companies. It has nine employees and is overseen by a seven-member board appointed by the county Legislature.

County lawmakers have been pushing for months to audit the agency. On Thursday, a legislative committee passed a resolution demanding the IDA disclose past payments that appeared to focus on the company's managing director, Vincent Cozzolino, and his company, Galileo Technology Group. The IDA pays Cozzolino through Galileo, rather than as a payroll employee.

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The resolution - subject to approval by the full Legislature on March 4 - declares that paying staff members through a private business lacks transparency and raises concerns. Among the figures lawmakers are seeking are all IDA payments since 2014 to any businesses that employ IDA staff members. Cozzolino was hired in 2015.

The IDA hired Vona, the fraud expert, to audit the agency. Board Chairwoman Mary Ellen Rogulski told lawmakers on Feb. 19 that "we wanted him to do an extremely deep dive to ensure that we uncover any issues or problems that may or may not exist, and we did that."

She said Vona's audit found no financial irregularities, no fraud and no problems with financial reporting."

"The IDA is not perfect," Rogulski said. "We never pretended to be perfect. But we are honest and truthful, and the work that we do is very important to the county."

Vona presented findings at the Feb. 19 meeting showing that the agency's payroll had grown to \$470,153 in 2020 from \$336,833 in 2018. He said he found "no overt signs of material wrongdoing."



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ProblemSolved, USA TODAY

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But he also pointed to several potential conflicts of interest: the IDA's CEO, Laurie Villasuso, and an unnamed IDA board member both received compensation from Cozzolino's company, Galileo; and the IDA's chief operating officer, Melanie Schouten, is related to Cozzolino.

County Legislator James O'Donnell, a Goshen Republican who used to run the IDA and has led the charge to audit it, pressed Vona at that meeting to disclose the scope of his audit because of the public funding at stake.

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Transparency is key

"There's a lot of money on the table here, and the public deserves to know where every dime went," he said.

The agency's funding comes largely from accumulated fees paid by businesses that have applied for tax breaks. Though it does not come directly from taxpayers through the county budget, the Legislature's resolution argues that it is effectively taxpayers' money because they shoulder the leftover property-tax burden whenever companies get a tax reduction through the IDA.

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Hoovler said on Friday that he hopes to have at least initial answers to his office's investigation within 60 days. The full inquiry may take longer if his office winds up preparing a grand-jury report, as it did [in 2014](#) after investigating a county legislator's potential conflict of interest.

In a joint statement to the Record on Friday, County Executive Steve Neuhaus and the two state senators representing Orange County - James Skoufis and Mike Martucci - said the IDA "needs to explain themselves to taxpayers."

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“Shutting down and lawyering up because of a pending investigation tells us there is a big problem,” the statement read. “We applaud the Orange County District Attorney for launching an investigation and, if anyone at the IDA is found to have acted inappropriately, taxpayers must be made whole financially.”

In a separate statement, county Legislator Mike Paduch, leader of the Legislature's Democratic minority, raised concerns about a Republican district attorney investigating the IDA and said he'll ask an "outside agency such as the New York

attorney general to get involved to ensure a bi-partisan investigation is done."

cmckenna@th-record.com

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Orange County Legislature fires entire IDA board, appoints new slate

📅 March 4, 2021(<https://midhudsonnews.com/2021/03/04/>) ⌚ 7:23 pm

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GOSHEN – The Orange County Legislature, Thursday, voted to terminate all seven members of the county Industrial Development Agency Board and appoint seven new members.

The move came following a two-hour executive session.

Legislators have been frustrated for months over what they perceive to be a lack of communication with the IDA management and board when requesting financial information about spending practices.

Most recently, when lawmakers asked for that information, the IDA hired an independent auditor to conduct an audit.

District Attorney David Hoovler announced a grand jury investigation into the financial practices of

(<https://nextmillennium.com/>)

The appointment of seven new board members does not mean any of the old members have done anything wrong, and Legislator Paul Ruszkiewicz said it is possible that some of the old members could be reappointed next year.

2 Comments

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Cathy Farris

The same needs to happen in Sullivan County, NY, where corruption reigns supreme.

Like · Reply · 1d



Felice Bellantoni

So sad that the headline implies the Board Members did something terribly wrong to be fired. It's not until the last paragraph that says otherwise.

Like · Reply · 2d



Daniel Kennedy

They want to act like 4 year olds and not answer the questions, well then they are hiding something and get treated like a 4 year old.

(<https://nextmillennium.io/>)



Orange County DA's Office to investigate county IDA

News, Pinned #1



February 26, 2021



2:46 pm





GOSHEN – The Orange County District Attorney’s Office is going to investigate public complaints of alleged financial improprieties of the county Industrial Development Agency, DA David Hoover said Friday.

A spokesperson issued a statement on



behalf of the IDA, saying, “The IDA has become aware of this investigation. It has retained outside counsel and will respond appropriately to the district attorney’s inquiries.”

County Legislator James O’Donnell has been highly critical of the agency and its financial operations and had been raising questions about the management team.

Hoover said the grand jury would be issuing subpoenas for financial documents.

A senior assistant DA with over 30 years of experience has been assigned to the case.

LOCAL

Entire board of county IDA is replaced as DA probes finances

[Chris McKenna](#) Times Herald-Record

Published 11:44 a.m. ET Mar. 5, 2021 | Updated 2:45 p.m. ET Mar. 5, 2021

GOSHEN - Orange County lawmakers voted Thursday night to remove all seven board members overseeing the county's Industrial Development Agency as it undergoes an investigation by the District Attorney's Office. Board positions are unpaid.

In a statement before the vote, Legislator Paul Ruszkiewicz argued the move was necessary to restore communication while the district attorney's probe and another by the state comptroller are pending. He cited a recent meeting in which an IDA attorney and auditor wouldn't speak to lawmakers because of the latest investigation.

"It became clear at this point that the IDA board will not be communicating with the E&E Committee or the Legislature, pending the outcome of these investigations," said Ruszkiewicz, referring to the Education and Economic Development Committee.

"The Legislature is the appointing authority of the IDA board members," he added. "We are now in a situation where we have no communication with the IDA and are not being able to receive updates as to the status of their many projects and work that is critical to economic development in the county."

Ruszkiewicz later said that lawmakers were "not implying anybody's done anything wrong" by removing the board, and that they may reappoint some or all of its members after the investigations conclude.

MORE: IDA hires law firm after prosecutors launch probe

MORE: Hoovler confirms IDA investigation

MORE: Lawmakers press for IDA audit

The Legislature voted 18-0 in support of removing the entire board and appointing seven interim members. One of two lawmakers who abstained from voting was Chairman Steve

Brescia, a Montgomery Republican who has long served on the IDA board.

The new members are Ruskiewicz, Dan Bloomer, John Douthit, Mike Torelli, Vincent Odock, Tyler Etzel, Jr. and Lesley Pierri. Bloomer is a longtime official in the county government and at SUNY Orange. Douthit is president of John S. Burke Catholic High School in Goshen.

Their appointments expire at the end of the year, although lawmakers could reappoint previous board members sooner if they choose.

The board members who are to be replaced issued this joint statement on Friday: “Over the past decade, the IDA has achieved significant successes in job creation and revenue generation for Orange County. The current board is proud to have fulfilled its duties and obligations to benefit local taxpayers and businesses alike.”

District Attorney David Hoovler confirmed to the Times Herald-Record last week that his office had subpoenaed documents from the IDA and was investigating allegations of financial impropriety and conflicts of interest. He said he hoped to disclose at least initial findings within 60 days.

The IDA is an independent agency that promotes business growth in the county by providing tax breaks and other incentives to new or expanding companies, and by providing businesses free help and cheap space to those that are getting started. It is funded largely by the fees companies pay to apply for tax breaks.

Public authorities like the IDA are overseen in New York by the Authorities Budget Office. Jeffrey Pearlman, the office's director, said on Friday that Orange County's interim IDA board members should take the roughly two hours of required training that appointees to such boards take to learn their fiduciary responsibilities.

He stressed that those new board members must act in the IDA's best interests.

LOCAL

Orange County agency hires law firm as district attorney investigates its finances

Chris McKenna Times Herald-Record

Published 6:00 a.m. ET Mar. 5, 2021 | Updated 6:18 a.m. ET Mar. 5, 2021

An Orange County government agency under investigation by the District Attorney's Office retained an Albany law firm after a closed-door discussion at a special meeting on Tuesday.

The Industrial Development Agency's hiring of Hinckley Allen came five days after District Attorney David Hoover confirmed to the Times Herald-Record that his office had subpoenaed records from the IDA and was looking into allegations of financial impropriety and conflicts of interest.

Representing the law firm at the online meeting on Tuesday was Michael Koenig, a former federal prosecutor whose work includes white-collar criminal cases and government investigations. He specialized in corporate fraud cases at the Department of Justice in Washington, D.C., before going into private practice, according to his profile.

IDA board members said nothing about the legal services Koenig and his firm would provide in the few moments the public could watch before and after the board closed the meeting. Kevin Dowd, the board's attorney, said before the private session began that its purpose was to discuss "pending litigation."

MORE: Hoover opens investigation into IDA's finances

MORE: Lawmakers seek IDA audit

MORE: IDA's Accelerator site helps fashion businesses

The hiring of Hinckley Allen was retroactive to Feb. 25, five days before the board's special meeting and shortly after Hoover's office started its investigation.

The IDA is an independent agency that awards tax breaks and other incentives to new or expanding businesses; provides cheap building space for startups; and offers companies free

help with various problems. It has nine employees and is overseen by a seven-member board appointed by the county Legislature.

In a presentation to lawmakers last month, a fraud expert hired by the IDA to audit the agency said he found "no overt signs of material wrongdoing," but pointed to potential conflicts of interest and "blurred lines" between the agency and its managing director's company, Galileo Technology Group.

The IDA hired its managing director, Vincent Cozzolino, in 2015 and pays him through his company, rather than as a staff employee. The audit given to the Legislature last month showed that the IDA's payments to Galileo ballooned from \$35,000 for a half-year in 2015 to almost \$780,000 last year.

That 2020 sum included \$446,000 in managing director fees and \$334,000 in accumulated charges for helping businesses through a program known as Accelerator Without Walls. The audit listed 202 companies that had gotten help from 2017 to 2020.

The IDA's funding comes largely from the fees companies pay to apply for tax breaks.

Orange County lawmakers were set to vote Thursday on a resolution criticizing the IDA's practice of paying a staff member through a company and asking the agency to publicly disclose all staff compensation since 2014.

Email: cmckenna@th-record.com