

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

May 12, 2016

A regular meeting of the Orange County Industrial Development Agency was convened in public session on May 12, 2016 at 2:12P.M. at the Orange County Business Accelerator in New Windsor, New York.

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

PRESENT: Robert Armistead, Stephen Brescia, Robert Schreiber, John Steinberg, Edward Diana, Mary Ellen Rogulski, Henry VanLeeuwen

ABSENT: None

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Chief Operating Officer
Joel Kleiman – Chief Financial Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Bill Fioravanti – Orange County Partnership
Maureen Halahan– Orange County Partnership
Melanie Schouten – Galileo Technology Group
Vincent Cozzolino – Galileo Technology Group
Brian Gates – HVEDC
Chris Harris - ATC
Barry Cheney – Orange County Legislature
John Jordan – Construction News
Steve Neuhaus – Orange County Executive
Todd Diorio – HVBCTC
Tom Gandolfini – Local 373 Plumbers & Steam Fitters
Bob Ambrosetti - Local 373 Plumbers & Steam Fitters
Michael Gaydos – Local 417 Iron workers
James Walsh – Times Herald Record
Gil Piaquadio – Town Supervisor
Josh Sommers – Focus Media

Robert Armistead calls to order the regular meeting of the Orange County IDA, May 12, 2016 (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum.

Minutes

Review of the prior April 14, 2016 meeting minutes. Motion to approve the minutes is made by Mrs. Rogulski seconded by Mr. Vanleeuwen. Motion carries with all in favor.

Mrs. Rogulski comments on changes that need to be made on the IDA minutes. Noted by the minute taker.

Review of the April 21, 2016 Special Board meeting minutes. Motion to approve the minutes is made by Mr. Schreiber seconded by Mrs. Mrs. Rogulski. Motion carries with all in favor.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the summary of IDA bank accounts, certificate of deposits, and money market accounts that reflect a total of \$10,172,171, as of April 30, 2016. The next maturing CD is August of this year.

Mr. Kleiman reviews the income and expense summary, noting that YTD balance is ~~just~~ \$28,536, and YTD expenses are \$130,515, with expenses exceeding revenues by \$101,979.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that ~~revenues are~~ revenue balance is \$72,386, expenses are \$292,063. Expenses, as anticipated, exceed revenues by \$219,677.

Lastly, Mr. Kleiman reviews receipts and vouchers for the month. There is a total of \$32,929.01 to be approved by the board.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$32,929.01. Motion made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, that the Board accepts the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Mr. Armistead ~~states~~ stated that the IDA ~~did solicit~~ solicited proposals for the monitoring labor policy compliance auditing firm. They have received five responses. They are organizing a committee to interview all the candidates. It is their intent to award the position during the next meeting. It will take a good deal of vetting out on what each firm will have to offer. There will be a press release going out covering this topic.

Mr. Dowd states that the board will have an attorney client closed door session to counsel the board about legalities on a certain matter.

Chairman Armistead entertains a motion that the committee enter into attorney client closed door session. Motion made by Mr. VanLeeuwen to enter the closed door session issued. Motion seconded by Mrs. Rogulski. All in favor.

Attorney Client Session

The members discuss the legalities on a certain matter.

Attorney Client Session

Resolutions

Mr. Dowd ~~reads~~ read aloud the Matrix Newburgh I, LLC Final Resolution. Motion is made by Mr. VanLeeuwen, seconded by Mrs. Rogulski, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Matrix Newburgh I, LLC.

Roll call is taken.

Mrs. Rogulski votes yes.

Mr. Diana votes yes. He states that he thinks the policy has to be reviewed. He is voting in favor with the 120 jobs and the unions that could possibly work on this job in mind. This site needs to be monitored and if Matrix does not meet the needed percentage he and the board must claw back the benefits. The message needs to be put out there that the Orange County IDA is on top of this policy and all applicants must adhere to the policy.

Mr. Brescia votes no. He states everyone on the IDA board supports local labor. Mr. Epstein previously stated he likes labor harmony. Mr. Brescia hopes that he abides by this concept and the labor policy with hiring tradesmen from the approved seven counties. The board is committed to the claw backs but there needs to be good dialogue to hire these men. It's a ~~tuff~~ tough decision because the board doesn't want to lose construction nor permanent jobs.

Mr. Steinberg votes yes, but thinks the board needs to do a better job with Request for Proposal (RFP) monitoring.

Mr. VanLeeuwen votes yes.

Mr. Schreibeis votes yes, with the understanding that if the applicant does not proceed appropriately the claw backs will need to take place.

Mr. Armistead votes yes.

The motion carries with 6 ayes and 1 nay.

Executive Director Report

Mr. Petro states he met with two large companies. It is being circulated that the property at the airport, ~~that~~owned by the Town of New Windsor ~~owns~~, can be purchased. ~~That's~~That has encouraged interest. There is water, sewer, and gas. The infrastructure is in u, and the environmental is complete. It's not shovel ready, but is as close as possible. Those two companies are seeking IDA benefits and if they do take advantage of the opportunity it would be great for Orange County. Things are happening at the airport.

Chief Operating Officer Report

Ms. Villasuso states the RFP for the labor auditing service closed on Monday, May 9th. There are 5 applicants that are being reviewed. They would like to hire one by the June meeting. Interviews will be conducted over the next month.

On behalf of The Accelerator, ~~Sheshe~~ and Mr. Cozzolino met with Mr. Kaplan, at the Newburgh Armory, ~~and~~discussed reopening the training center that exists on site. Previously, it was a very successful endeavor that created a lot of jobs. Currently, they are working with the armory and several other entities around the City of Newburgh and surrounding areas to develop a training program.

This morning, May 12th, ~~she~~Ms. Villasuso attended the Orange ~~Country~~County Chamber Breakfast. The Accelerator was represented there. They received acknowledgement by the Commissioner of Economic Development in New York State.

~~Early~~Earlier in the month, The ~~accelerator~~Accelerator was featured on a radio station with Orange County Legislature, Mr. Cheney. It was a 45-minute time slot in which they were able to discuss the IDA, its benefits, and The Accelerator.

The Governance Committee reviewed the new Orange County IDA application, u which is being revised for compliance purposes. The regulations in the State of New York have changed and as of June, u the IDA will be required to have more information disclosed on its applications. It will have more details on the expected savings, the jobs, the kinds of jobs, and the salaries of those jobs. There will also be an acknowledgement of the labor policy at the time of application.

Mr. Brescia recommends the approval of the revised application on behalf of the Governance Committee.

Motion is made by Mr. Brescia, seconded by Mr. Vanleeuwen, approving the new IDA Application. Affirmative votes of all members present resulted in motion carried.

Ms. Villasuso informs the board that the County Executive, the Orange County Partnership, and she have scheduled monthly meetings so that the 3 organizations are on the same page. These meetings have helped to open up the lines of communications.

OCP Report

Ms. Halahan states that the OCP has been doing some research. Since few shovel ready sites are available, they've had to be creative. Research was done on coders. These are IT Tech based jobs such as web designers, search engine optimizers, consulting firms, and web developers. There about 55,000 in the NY Metro area. ~~4,5-4,700~~1500-1700 are in the Hudson Valley. They work out of their garages, in their bedrooms, and generally their homes. These coders are typically young ~~and~~ millennials. There is a company called WeWork. It is one of the fastest growing companies building communal work spaces that are being taken advantage of by these millennials. There is also WeLive, a community with smaller living quarters and shared communal spaces. OCP is researching the available industrial buildings in Newburgh, Middletown, and Port Jervis to develop this concept locally. This concept will attract real jobs to the area. These coders could be the next inventors of Etsy, Uber, or Airbnb. The ultimate goal being the creation of a code school. This demographic rarely goes to college full-time and instead learn from other coders. This would create a community to help the area grow.

Ms. Halahan ~~reviews~~reviewed the business expansions and retention in Orange. There are two closed projects. The first, Project Greece, has closed on a building in the town of Newburgh. The second is FedEx Ground, they have closed on their property and are currently going through the planning phases. This project will create 50 new jobs.

The Castle Fun Center is expanding about 16,000 sq ft to add new attractions and upgrade existing ones. Project Pulp, an expansion from a town of Walkill Manufacturer. RAD Distribution is expanding into manufacturing and distribution. They are looking for foreign trade zone benefits. Project Blanket has come to an agreement with the county for water and sewer. Project Big door and Project Cargo, both airport projects. They've been working with Project Locker for a couple of weeks now. Project Nutra, this is a 20,000 sq ft project in the town of Goshen. This is a Nutraceutical Manufacturer. Project M&M, medical expansion working on a CFA Grant and in the near future IDA benefits. PrimoSports, expansion project is moving forward.

Mr. Fioravanti reviews the attraction report. Amy's Kitchen is happening. The final environmental impact statement will be submitted in June. Project Prosciutto is happening. Project Carton, bids are going in for this project. Project Lift, a new crane company. Project Semolina, a business located in NYC have been looking at some sites. There is also a recycling company looking to locate in Maybrook and Montgomery area. Creo Dental, dental implant manufacturers have purchased space in Newburgh. A cidery, originally based in Maryland [andis](#) looking to relocate to Newburgh.

The Accelerator Report

Mr. Cozzolino states 4 hires are being brought on by Incubator companies. 1 is an application programmer for about \$85,000, 1 is project manager for about \$50,000, and 2 will be bottlers for about \$15 an hour. The Accelerator Without Walls has helped create about 150 new jobs spread out over the 30 companies involved with that program. 50 of those jobs are for Creo Dental.

Creo Dental came to The Accelerator and OCP with a breakdown of projected jobs. It was originally projected at more than 50 jobs. The type and quality of job was evaluated with the consideration of how possibly fewer but better jobs could be created for the company.

The Bottling POD is opening nearby and is filled to capacity with potential bottling clients.

80% of the Incubator companies are minority and women owned businesses. Attracting those companies has been done without any additional effort.

One of the goals of the Accelerator is leverage the investment the IDA is making with other money. In this case, The Accelerator is using money TSEC has acquired through a CFA grant for rehabilitate the Bottling POD Building. It should be up and running by September 1st.

Currently, they are researching additional annex and POD locations. One possibly being located in Middletown. They are not rushing to judgement on this expansion.

Two new PODs are under development. Artisan Food Manufacturing POD is one of them. There is a huge Orange County food cluster. These companies need access to a food processing line, as typically these local business have no additional room in their facilities. The Accelerator needs to have the ability to offer a food pilot line to new and existing companies so they can develop new product and not lose their edge. There are major food safety changes and the intention is to put in a food safety lab at the Pod so that companies don't have to send the food away to be tested. The second POD is the computer science and application POD. It would supplement this bigger vision that OCP is working on with coders. The Accelerator brought together tech industry specialist and asked what can be done to strengthen this sector. After analysis it was found where this industry is growing the most is the health sector. A main frame or super computer would be needed to support this effort.

One of the challenges of the manufacturing community is finding employees. This is for a number of reasons. There is lower unemployment rate. The Montreign Casino is about to staff its facility and they will typically pay well, attracting people away from manufacturing jobs. It needs to be figured out how we can raise the wages in the manufacturing sector and how to raise that awareness. They are working to leverage all systems the county has to find people who want to go to work. They are also working with Mr. Kaplan to find groups of people who come from families that don't stayed employed generationally, but need solid jobs.

Another goal is to raise the manufacturing sector. This will be accomplished by raising wages without compromising companies' budgets. This might result in fewer available positions at that company but the Accelerator staff is established enough to reposition those workers to new companies in need of additional staff.

The whole goal is to leverage the funds CFA, Grant, IDA, and Accelerator dollars. The Accelerator's appeal to the IDA is when as they give money to agencies that work with them to challenge and encourage these agencies to see if they can work with The Accelerator in an attempt to help the mission move forward.

Ms. Villasuso tells the board in their packets can be found the TSEC equipment license agreement. Currently, there is a lot of equipment at The Accelerator and there will be more once the new Bottling POD building opens. TSEC owns this equipment and The Accelerator houses and maintains it. A formal agreement had to be structured between TSEC and IDA to protect both parties. A \$50,000-line item needs added to the budget of The Accelerator to cover the maintenance of the equipment. The Galileo Technology Group agreement will be updated next month to cover the training for the equipment.

Motion is made by Mrs. Rogulski, seconded by Mr. Brescia, approving the addition of \$50,000 to The Accelerator budget. Affirmative votes of all members present resulted in motion carried.

Ms. Villasuso requests a motion to approve the signing of the equipment license agreement with TSEC.

Motion is made by Mr. Diana, seconded by Mrs. Rogulski, approving the signing of the equipment license agreement. Affirmative votes of all members present resulted in motion carried.

Mr. Armistead states that he and Mrs. Rogulski, with the assistance of Mr. Brescia, have been the HR committee for the IDA. In the upcoming months they will be discussing The Accelerator staffing needs.

Such other and further business as may be presented

No such other and further business was presented.

Public Comments

Mr. Diorio expresses his concern on the vote of the Matrix Project. He feels the local laborers will have no leverage and will miss out on job opportunities. Currently, it appears as if most of the jobs will be going to out of state tradesmen. He is concerned that project will be out of compliance without repercussions.

Executive Session

Chairman Armistead states with no further comments the board will move into Executive Session.

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the purchase of real property or the purchase of an interest in real property. Motion made by Mr. VanLeeuwen to enter executive session issued. Motion seconded by Mr. Steinberg. All in favor.

Executive Session

The members discuss the purchase of property or the interest of real property.

End of Executive Session

The board discusses the process for reviewing the labor policy audit proposals.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mr. VanLeeuwen, seconded by Mrs. Rogulski, the time being 3:50 p.m.