

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

May 14, 2020

A regular meeting of the Orange County Industrial Development Agency was convened via Zoom video conference May 14, 2020 at 2:03P.M.

Chairman Rogulski calls to order the regular meeting of the Orange County IDA, May 14, 2020 (Pledge of Allegiance is recited). Board consists of six 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,

ABSENT: Robert Schreibeis

ALSO PRESENT: Laurie Villasuso – Chief Executive Officer
Kevin Dowd – IDA Attorney
Joel Kleiman – Chief Financial Officer
Russell Gaenzle – Harris Beach
Vincent Cozzolino – Managing Director
Melanie Schouten – Chief Operating Officer
Marty Borra – Executive Assistant
Dean Brady – Tech Management
Nancy Proyect – Consultant

Minutes

Review of the April 09, 2020 board meeting minutes. Motion to approve the minutes is made by Mr. Brescia, seconded by Mr. Gaydos. Motion carries with all in favor.

Review of the April 09, 2020 Governance Committee meeting minutes. Motion to approve the minutes is made by Mr. Diana, seconded by Mr. McCarey. Motion carries with all in favor.

Review of the April 09, 2020 Audit Committee meeting minutes. Motion to approve the minutes is made by Mr. DiSalvo, seconded by Mr. Diana. Motion carries with all in favor.

Review of the March 27, 2020 Audit Committee meeting minutes. Motion to approve the minutes is made by Mr. Gaydos, seconded by Mr. Diana. 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 \$6,700,049 as of April 30, 2020.

Mr. Kleiman reviews the income and expense summary, noting that YTD income is \$159,134 and YTD expenses are \$997,981, with expenses exceeding revenue by \$838,847.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$60,449, and expenses are \$876,932. Expenses, as anticipated, exceed revenues by \$816,483.

Mr. Kleiman informs the board, with the approval of the May vouchers, that all funds for the Warwick LDC project have been exhausted.

Chairman Rogulski asks for a motion to approve the vouchers and payments in the amount of \$64,724.49 for May. Motion made by Mr. Brescia, seconded by Mr. Diana, 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.

Ms. Villasuso reminds the board that for 2020, PTAC was designated \$28,000. PTAC is currently undergoing a change, and therefore, has not been able to provide any services nor utilize any of these funds to date. It is requested that \$14,000 from the PTAC budget line be re-appropriated to the Project and Programs Research budget line. This shift in funds will help the other line item that has been impacted by the efforts of the COVID recovery program.

Mr. Dowd reads aloud the Budget Transfer Resolution. Motion is made by Mr. Gaydos, seconded by Mr. Diana, authorizing a budget transfer in the amount of \$14,000 in relation to one of the designated agents of the IDA. Roll call is taken. Affirmative votes of all board members present results in motion carried.

Chairman's Report

Chairman Rogulski commends the IDA staff for their COVID recovery efforts. They've done a terrific job facilitating the OCFC Loan Program, which was a heavy lift. She personally thanks the staff to make sure their efforts don't go unnoticed.

Chief Executive Officer Report

Ms. Villasuso thanks Chairman Rogulski for her acknowledgement and thanks the board members for their efforts. Board members have been called daily throughout the COVID crisis increasing their typical volunteer board hours.

Ms. Villasuso gives the Chief Executive Officer's report.

The Governance Committee reviewed the IDA policies at today's meeting. It will be discussed more under the Governance Report.

Mr. Kleiman has been working closely with the ABO to fix some past PARIS reporting inaccuracies. The Board adopted a revised schedule at the April meeting. The 2017 and 2018 reports are now closed. Mr. Kleiman is currently working on closing out the 2019 report.

Management was notified yesterday that the ABO is auditing the Dana Distributors and IMB 2018 projects. The ABO sent a summary of their reports, and Management is currently working to respond to the audit.

As mentioned by Mr. Kleiman, the Warwick Valley LDC funds have been exhausted. As a result, Loewke Brill is no longer monitoring that construction site.

An ABO packet on guidance was included in the Board Member meeting packets.

As part of the budget this year, a mandatory prevailing wage provision was included. This will affect projects that receive benefits over 30% of their construction costs on a \$5M plus project. These benefits include any public funding received. These will go into effect February 2022.

During the April meeting the Board discussed line items that have been carried over for multiple years. These items included Drury Lane, Breonix, and New Hampton Technologies. Information on these projects is currently in cold storage and, due to the Stay at Home Order, cannot be assessed.

Legoland has been impacted by COVID. Management will be speaking with the project in the near future to find out the full scope of the situation.

It is anticipated that New York will start to slowly reopen in the near future. The IDA intends to work remotely as long as possible to ensure safety. She was on a call with the Lieutenant Governor of the State a few days ago, and Ms. Hochul stressed it was in everyone's best interest to continue to hold meetings and work remotely.

The board discusses the prevailing wage provision, its uncertain standards, and how it will affect potential development in New York.

Accelerator Report

Mr. Cozzolino gives the Accelerator Report.

A chart is shown titled Pandemic Effect on Business Lifecycle & Actions. It depicts the startup, growth, maturity, decline, rebirth, and death stages of a business. Events like pandemics cause businesses to either quickly reinvent themselves or decline at a rapid rate. The IDA/Accelerator COVID -19 program is trying to assist businesses transition into the rebirth stage and make it through the current circumstances.

During the pandemic, Accelerator companies have retained 140 jobs, added 10 new jobs, and have recognized unemployment rates as an opportunity. Many of these companies pivoted and started producing PPE. This has demonstrated the viability and resilience of the Accelerator industry clusters.

Many of the Accelerator companies have contributed efforts during the COVID-19 pandemic. Bird's Creations and Goats in a Coat have donated soap and hand sanitizer to shelters and essential workers. Alternate E-Source is working on a touchless thermo scanner for companies when businesses start to go back to work. Drone Tech UAS has been delivering PPE equipment to first responders and 3D printing face shields. Melo, Ziel and Rondon Footwear have been developing PPE equipment. These companies were able to get input from St. Luke's Hospital and Nyack Hospital on face mask designs. EMS provided disinfecting services and created a sanitization station. This station has been used to sanitize PPE equipment prior to being sent to the local hospitals. Urban Extracts has been donating products to essential workers with purchase. The IDA board members have helped to make connections between the companies and local resources during this time.

In response to COVID-19, AWOW clients have been making connections to assist with pandemic efforts. Orange Packaging has been developing face shields. They also gave a supply of plastic to Melo for mask production and made supply chain connections so Melo could produce more masks in the future. Lucas naturals have been making masks and temperature devices. PRG is making face shields but had no work making set designs, their main form of business. PRG is working with Alternate E-source to make a prototype of their thermo scanner. FPS is making PPE face masks.

Ms. Villasuso contributes to the Accelerator presentation.

The IDA/Accelerator COVID-19 Business Outreach Response Program has done the following:

- Provided application assistance for programs under the CARES ACT.
- Business consultation to recover from COVID related impacts.
- Hosted free webinars for the public.
- Researched and answered specific questions from impacted companies.
- Advocated with elected officials about concerns encountered.
- Added COVID section to both the IDA and Accelerator website
 - This section includes all webinars (and PP presentations), job listings, links to loan programs, and press releases.
- Rolled out OCFC Loan.

COVID Program Outcomes

- 140 companies reached for assistance.
- \$10M to OC to date in Federal funds.
- 172 eligibility forms processed forth OCFC loan program.
- 46 companies completed the OCFC loan application and have been approved for a loan.
- 30 days form concept to delivery of OCFC loan program.
- \$500,000 awarded in OCFC loan program.
- \$275,000 additional funds invested by the OCIDA and OCFC toward COVID recovery.
- 30 jobs listed in COVD section on websites.
- 5 business webinars hosted to date.
- 600 webinar attendees.

This outreach has helped to educate the general public on the efforts and assistance the OCIDA provides to the local business community.

Mr. Cozzolino reads letters of thanks resulting from the COVID-19 Outreach Program.

Management is recommending an expansion to the AWOW program to include additional business sectors, beyond just manufacturing, in the hope of growing the scope of assistance available during the COVID pandemic. It is being requested that \$200,000 be re- appropriated within the budget to cover this increased line item. The Accelerator Committee supports this recommendation.

Ms. Villasuso presents the COVID pandemic takeaways.

- 190 companies assisted to retain jobs.
- 30 jobs created due to assistance.
- \$500,000 deployed in loans.
- Elevated IDA reputation.

Motion is made by Mr. Diana, seconded by Mr. DiSalvo, authorizing a budget transfer in the amount of \$200,000 to the Accelerator Without Walls (AWOW) program to assist Orange County businesses due to the COVID-19 pandemic. Affirmative votes of all board members present results in motion carried.

Governance Committee Report

Ms. Villasuso informs the Board that the Governance Committee discussed three items. They discussed the Corporate Mission and Goals of the OCIDA. This is part of the PARIS reporting that is submitted annually. The report was adopted by the Committee with 150 jobs created and 200 jobs retained. It is not being requested that the full board adopts the 2020 Corporate Mission and Goals figures.

Motion is made by Mr. DiSalvo, seconded by Chairman Rogulski, adopting 2020 Corporate Mission and Goals. Affirmative votes of all board members present results in motion carried.

Ms. Villasuso informs the Board that Mr. Dowd and Ms. Schouten reviewed and revised the OCIDA policies to bring them up to date. These policies were included with the Board packet this month. Upon review, the Governance Committee recommended the policies for Board adoption.

Motion is made by Mr. DiSalvo, seconded by Mr. Gaydos, adopting the OCIDA policies and revisions. Affirmative votes of all board members present results in motion carried.

Ms. Villasuso informs the Board that the lease for 334 Avenues of the Americas, building 2416 in New Windsor is up for renewal. This lease will now expire in May 2022. Governance recommended this the resigning of this lease.

Motion is made by Mr. Brescia, seconded by Mr. Diana, authorizing the Chief Executive Officer of the IDA to execute a lease renewal agreement with the Town of New Windsor for an approximate 3,000 square foot building located at 334 Avenue of the Americas building #2416 for use by the accelerator. Affirmative votes of all board members present results in motion carried.

Applications/Resolutions

South Gate Flats, LTD

Ms. Villasuso reminds the board that this project was a hotel in Highland Falls. This project received a large amount of support with the application submission. It received a score of 21, which would qualify for a high PILOT. This project received a 5 for strategic vision because it would encourage Tourism in Highland Falls, which is much needed. It received a 2 for ratable value (project costs). This is a \$39M projects. It received a 4 for number of jobs. It received 0 for quality of jobs because a project with any jobs at minimum wage or under \$15 an hour scores low in this section. It received a 5 for location as Highland Falls is a designated growth zone. It received a 5 for desirability as this project will be located in a distressed area.

Mr. Minicozzi speaks on behalf of the project. This project is a 79 room full service hotel at the gate of West Point in Highland Falls. The property will have spa and salon, roof top pool, restaurant, and bar. It is anticipated this facility will be used as a conference and wedding venue. It will be run as a sister property to the Thayer Hotel in an attempt to expand the attraction of guests to the Hudson Valley and Highland Falls. It is currently anticipated this project will create 124 FTEs during the construction period, 32 through reduced impact, and 77 FTEs from other industry sectors. The hotel itself is anticipated to create 66 permanent FTEs with potential to for growth to 90 FTEs. The is with the hotel only running at a 32% occupancy.

Chairman Rogulski asks when construction is anticipated to begin.

Mr. Minicozzi states this is unsure due to COVID-19. The pandemic caused a delay with SEQR approvals at the Village level.

Final Resolution

Mr. Dowd reads aloud the South Gate Flats, LTD Final Resolution. Motion is made by Mr. Brescia, seconded by Mr. McCarey, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of South Gate Flats, LTD.

Mr. McCarey asks the length of the project PILOT.

Ms. Villasuso states that this project is subject to a 4 or 10 year PILOT. The Board will need to make a determination on the preferred PILOT length.

The Board determines a 10 year PILOT is the preferred length.

Roll call is taken. Mr. DiSalvo abstains. Affirmative votes of five board members results in motion carried.

Other Board Business

No Other Board Business is presented.

Adjournment

Meeting called for adjournment, motion made by Mr. Gaydos, seconded by Mr. Brescia, the time being 3:12p.m.