

## ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### MINUTES

June 11, 2020

A regular meeting of the Orange County Industrial Development Agency was convened via Zoom video conference June 11, 2020 at 2:10P.M.

Chairman Rogulski calls to order the regular meeting of the Orange County IDA, June 11, 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, Michael Gaydos,  
John McCarey, Robert Schreibeis

ABSENT: Stephen Brescia

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 Borrás – Executive Assistant  
Edward Januszkiewicz - OCIDA  
Dean Brady – Tech Management  
Nancy Proyect – Consultant  
Mark Servidone – Hampton Park  
Dominic Cordisco – Merlin Entertainments  
Stephanie Johnson – Merlin Entertainments  
Brian Shaw – Merlin Entertainments

### Minutes

Review of the May 14, 2020 Board meeting minutes. Motion to approve the minutes is made by Mr. McCarey, seconded by Mr. Diana. Motion carries with all in favor.

Review of the May 14, 2020 Governance Committee meeting minutes. Motion to approve the minutes is made by Mr. DiSalvo, 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 \$6,681,939 as of May 31, 2020. One CD and a treasury bill are maturing in August, and one CD is maturing in March 2021. Interest rates in the money markets accounts have dropped over the last few months.

Mr. Kleiman reviews the income and expense summary, noting that YTD income is \$182,046 and YTD expenses are \$167,890, with revenues exceeding expenses by \$14,156. In the past the financials were reported on a cash basis. Going forward, reporting will be presented on an accrual basis for accuracy. This will help the monthly reports reflect the year end outcome.

*Mr. Brescia joins the meeting at 2:16pm.*

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$70,805, and expenses are \$1,016,239. Expenses, as anticipated, exceed revenues by \$945,434.

Chairman Rogulski asks for a motion to approve the vouchers and payments in the amount of \$26,568.50 for June. Motion made by Mr. Schreibeis, seconded by Mr. DiSalvo, 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.

#### Resolution – Appointing CFO

Mr. Dowd reads aloud the Chief Financial Officer Resolution. Motion is made by Mr. Schreibeis, seconded by Mr. DiSalvo, appointing Edward Januszkiewicz as the new IDA Chief Financial Officer. Roll call is taken. Affirmative votes of all board members present results in motion carried.

The Chairman thanks Mr. Kleiman for his many years of service with the IDA.

#### **Chairman's Report**

Chairman Rogulski welcomes Mr. Januszkiewicz to the IDA staff.

Chairman Rogulski thanks Mr. Steinberg for his thirty years of service to the IDA. A plaque has been made honoring his dedication. He served as both a Board member and Chairman during his time. His technical expertise in engineering, construction, and real estate made him a valued member of the Board.

Mr. Steinberg thanks everyone that served with him on the Board over the years. The experience was interesting, challenging, and sometime frustrating. He welcomes Mr. McCarey and wishes him good luck.

Mr. Brescia wishes Mr. Steinberg all the best. He states that the legislature presented Mr. Steinberg with a plaque as well.

Mr. Gaydos congratulates Mr. Steinberg.

#### **Chief Executive Officer Report**

Ms. Villasuso tells Mr. Steinberg that he was lovely to work with, and he will be missed.

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

The ABO is auditing the Dana Distributors and IMB 2018 projects. Management sent a response to the report issued by the ABO. The ABO was questioning reported employment figures and resolution details. The Board will be notified of any updates regarding this matter.

Management has been working closely with the ABO and Office of the State Comptroller to fix some past PARIS reporting inaccuracies. The 2017, 2018, and 2019 reports have been updated and submitted.

The Executive Order to host meetings remotely was extended to July 6th. The OCIDAs office is part of Phase 2. To open, a safety plan must be submitted. Management continues to work remotely. If the Executive Order is extended further, Management will update the Board.

The NYSEDC is hosting a virtual IDA Academy on June 24 and 25. Topics will cover State Comptroller reviews, Prevailing Wage Law, Legislative updates, NYSEDA incentives, among others. There will be a Board and Staff compliance training on the 25<sup>th</sup> hosted by Mr. Pearlman. Attending this portion would satisfy the PAAA requirement for all Board Members.

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 Phase 2, it can now be accessed, and figures confirmed.

Certificates of Independence were sent to a majority of the Board Members along with the monthly meeting packets. Those that received a certificate need to sign and return that document.

## FOCYB Revised IDA Agent Proposal

Ms. Schouten informs the board that the Friends of the Orange County Youth Bureau is requesting the following revisions to the 2020 Agent Proposal:

- Shifting the Emerging Leaders Youth Conference into a series of videos and/or virtual webinars. THE FOCYB would partner with BOCES and OC Employment to cover such topics as: interviewing skills, time management, fiscal literacy, life skills, and connecting to local resources.
- Shifting the Hudson Valley Career Program into a series of videos. The Ramapo Catskill Library System would create videos covering such topics as: resume writing, filling out working papers, etc (ideally in English and Spanish)
- Pausing work on the Medical Reserve Corps Career Guidance and Support Program. Instead work with local non-profits and municipalities to identify volunteer opportunities for youth, draft listings and get them posted on the United Way's Volunteer Portal and actively direct youth to this resource.
- To assist with the sudden changes caused by COVID-19, FOCYB partnered with WEDC to host a 2-part webinar on hosting effective online meetings for non-profits and educators that had to quickly change the format in which the engaged youth and staff.

The Board supports the revisions.

Ms. Villasuso continues her report.

The IDA created a COVID-19 response team to alleviate the stressors created by the pandemic on the local business community. The OCFC created a loan fund to provide financial support. \$500,000 in loans was approved and issued to 50 businesses in Orange County. 9 webinars have been hosted with hundreds of attendees. The last two webinars covered the reopening process. Over \$6M in CARES Act funding was enabled with the assistance given by the response team. Mr. Brescia connected the response team with companies in need in the County. Assistance included helping businesses manage funding received, pivot businesses to take on new transitioning endeavors, among other needed specific to each business. The Town of Montgomery IDA asked the OCIDA to partner with them and help support businesses in need in their community. The OCFC Loan process was shared with IDAs and LDCs throughout the state to help them model their own program after what was created. The next webinar, on June 18<sup>th</sup>, will cover PPP forgiveness. The AWOW program was expanded and as a result the response team has been to expand the scope of businesses and provide more assistance in the County.

Chairman Rogulski states that the webinars have been well thought out, organized, covered relevant topics, and she commends Management for their efforts. The constant changes in the PPP Loan requirements are unsettling and the guidance provided has been very helpful.

Chairman Rogulski states that she was pleased with how Management and the Board created and issued the OCFC Loan Program. Everyone came together to structure the program in a short amount of time during this crisis. The loans were deployed across the County to businesses in need in a variety of industries. Most of the assisted businesses had been open for more 15 years or more in Orange County.

### **Accelerator Report**

Mr. Cozzolino gives the Accelerator Report.

A chart is shown titled the Existing Accelerator Status.

- Middletown Campus is in Phase 1.
  - Safety CDC procedures have been put in place.
- Fashion cluster is working together to promote PPE production.
  - Catalogs have been distributed to promote PPE products.
- Shelli Scott has relocated to a "store front" POD instead of moving to a location in downtown Newburgh.
- PRG & Kentex partnered to create a no-touch, automatic face temperature scanner.

A sign has been put up featuring all the clients at the 603 and 605 Broadway Accelerator location.

A chart is shown listing AWOW activities.

- Every OCFC Loan recipient in addition to any that reached out for COVID-19 assistance, has been in communication with the COVID response team to ensure help could be provided for any current concerns. Success regarding the EIDL and PPP Loans was surveyed.
- AWOW service have been extended beyond manufacturing.
- Webinars were hosted covering on PPP, Re-Opening New York, and the New York Forward Loan for those companies that did not receive CARES funding.
- Ongoing consulting with FPS, Pergamena, 5 Spoke Creamery, and Trade Show Design Consultants.

The AI Accelerator will be located a short distance from West Point. The location will help to leverage the engineering school and centers of excellence at West Point. This cluster has received interest from many companies. These companies specialize in such things as telemedicine and virtual reality. It is hoped that this will be transformational for Highland Falls, encouraging high-skilled and high paid jobs. The Accelerator plans on hosting an AI conference in the future. They are working on securing a building now for this Accelerator. Ideally clients would start moving in in the fall.

Mr. DiSalvo states that prior to his tenure on the IDA Board, he did not understand how the Board or Accelerator program worked. The community of Highland Falls, in which he lives, has been speaking with excitement about the Accelerator program having a location in Town. It has created a sense of unity between the Town and West Point. Everyone is hopeful about the jobs and attraction to the Town it will create. He thanks all those involved.

Mr. Cozzolino continues his report.

A chart is shown listing Key Takeaways.

- 100 survey responses from companies assisted in applying for CARES funding received a total of \$5,006,927.
- Provided hands on assistance to companies and address all PPP Forgiveness questions.
- Helped 140 Companies
- Helped retain 240 jobs
- Helped with the creation of 30 jobs
- OCFC Board approved \$500,000 in small business loans and the COVID-19 Resiliency Loan Committee approved 50 recipients.

The CBD and cannabis cluster is not doing well. The NY State Commerce laws that were anticipated to protect the NY market were never approved. It is believed that these laws will be revisited later in the year and put into place to protect NY businesses.

Chairman Rogulski states that she was concerned about the \$1.5M investment The Accelerator put towards the creation of the CBD cluster in Warwick and if they would receive repayment. They had a meeting with Mr. Sweeton, Warwick Town Supervisor, and he understood the concerns. He feels confident that the State will continue to support this industry and the grants supporting the cluster and IDA will get repaid. The Town of Warwick Board Members voted and approved the Town to repay the Orange County IDA, if the State of NY does not fund the ESD Grants. This is noted in public records. The Town has taken the necessary steps to try and stabilize the situation. Due to the NY State laws not moving forward, the whole project has gone awry. It will take longer to get reimbursed, but it is felt that the investment is being protected.

The Accelerator Committee approved the recommended real estate for the Highland Falls AI Accelerator. It was requested that Management work with the landlord and see if they can secure half the building to start and expand into the space if there is a real demand for growth.

## **Applications/Resolutions**

### **Hampton Park, LLC**

Ms. Villasuso informs the Board that the Hampton Park project has come before the Board today to request an adjustment on their Sales and Use Tax Exemption and Tax Agreement. Due to COVID-19, their construction site was shut down which caused a delay on progress of the project. The School Tax year is 2020/2021 and any approvals to delay the PILOT would need to take place now so that the adjustments don't conflict with the School District billing.

Mr. Servidone speaks on behalf of the project.

Mr. Servidone states that they are requesting assistance from the Board to push back the dates on the Sales and Use Tax Exemption and Tax Agreement so that they get the full value of the incentives.

Chairman states, for the record, that no additional incentives are being granted. The Board would just be adjusting the dates on the Sales and Use Tax Exemption and Tax Agreement.

Mr. Diana states that the taxing jurisdictions should be notified of the change as soon as possible.

Mr. Dowd confirms that the jurisdictions will be notified.

#### Resolution

Mr. Dowd reads aloud the Hampton Park, LLC Resolution. Motion is made by Mr. Schreibeis, seconded by Mr. DiSalvo, authorizing the amendment of project agreements. All vote in favor.

#### **Merlin Entertainments Group US Holdings, Inc.**

Ms. Villasuso informs the Board that the Merlin Entertainments project has come before the Board today to request an adjustment on their Sales and Use Tax Exemption and Tax Agreement. Due to COVID-19, their construction site was shut down which caused a delay on progress of the project. The School Tax year is 2020/2021 and any approvals to delay the PILOT would need to take place now so that the adjustments don't conflict with the School District billing. No additional incentives are being granted. The Board would just be adjusting the dates on the Sales and Use Tax Exemption and Tax Agreement.

Mr. Cordisco speaks on behalf of the project.

Mr. Cordisco states that it was a great disappointment that the park could not open as scheduled and construction delay due to COVID-19. Construction has slowly started again as permitted by the State. Though construction that was needed to ensure the timely opening of the park was halted with the onset of the pandemic, it is now anticipated that the park will open in 2021.

#### Resolution

Mr. Dowd reads aloud the Merlin Entertainments Group US Holdings, Inc. Resolution. Motion is made by Mr. Schreibeis, seconded by Mr. Gaydos, authorizing the amendment of project agreements. All vote in favor.

#### **Attorney Client Session**

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

#### *Enter Attorney Client Session*

The members discuss the legalities of certain matters.

Chairman Rogulski 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. Brescia. All in favor.

#### **Other Board Business**

No Other Board Business is presented.

#### **Adjournment**

Meeting called for adjournment, motion made by Mr. Schreibeis, seconded by Mr. Gaydos, the time being 3:53p.m.