

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

July 11, 2019

A regular meeting of the Orange County Industrial Development Agency was convened in public session on July 11, 2019 at 2:00 P.M. at the Orange County Business Accelerator in New Windsor, New York.

The meeting was called to order by Chairman, Mary Ellen Rogulski and the Pledge of Allegiance was recited, Chairman Rogulski then called the roll and the following were:

PRESENT: Mary Ellen Rogulski, Edward Diana, John Steinberg, Michael Gaydos, Robert Schreibeis, James DiSalvo

ABSENT: Stephen Brescia

ALSO PRESENT: Laurie Villasuso – Chief Operating Officer  
Kevin Dowd – IDA Attorney  
Joel Kleiman – Chief Financial Officer  
Russell Gaenzle – Harris Beach  
Vincent Cozzolino – Managing Director  
Melanie Schouten – Program Director  
Kelly Reilly – Project Manager  
Heather Rieker – Galileo Technology Group  
Christine Cordova – Focus Media  
Kaitlynn Perez – Orange County Partnership  
Nancy Proyect – Orange County Citizens Foundation

Chairman Rogulski states that 6 members are present and that constitutes a quorum.

**Minutes**

Review of the June 13, 2019 board meeting minutes. Motion to approve the minutes is made by Mr. Schreibeis, seconded by Mr. Steinberg. Motion carries with all in favor.

Review of the June 13, 2019 Governance Committee meeting minutes. Motion to approve the minutes is made by Mr. Diana, seconded by Mr. Schreibeis. Motion carries with all in favor.

Review of the June 13, 2019 Audit Committee meeting minutes. Motion to approve the minutes is made by Mr. Steinberg, seconded by Mr. Schreibeis. 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 \$10,348,429 as of June 30, 2019.

Mr. Kleiman reviews the income and expense summary, noting that YTD income is \$100,371 and YTD expenses are \$158,676. He stated that a Legoland check came in for \$651,512.51, and we will be receiving the following checks: CPV for \$500,000.00, Warwick LDC for \$173,750 and within a month the annual IBM check.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$132,790, and expenses are \$1,056,870.

Chairman Rogulski asks for a motion to approve the vouchers and payments in the amount of \$27,432.40 for July. Motion made by Mr. DiSalvo, seconded by Mr. Schreibeis that the board accepts the financial reports and authorizes IDA payments and vouchers. Open for discussion. Affirmative votes of all members present results in motion carried.

## **Chairman's Report**

Chairman Rogulski passes on giving the Chairman's report.

## **Chief Operating Officer Report**

Ms. Villasuso states that Amy's had their ground breaking this past month. The IDA did not get invited. The only mention of the IDA was the \$500,000 that the IDA approved and one of our marketing firms brought this to the newspapers attention before it was published.

Ms. Villasuso states in the boards packets there is an article on Coach Hudson Transit line that they were purchased. Counsel has reached out to Coach Hudson Transit Counsel and there has been no change in ownership. No action needed by IDA.

Ms. Villasuso informs the board that last month they went over the letter from Senator Skoufis which was his second public authority requirement accountability investigative letter and Ms. Schouten put together a comprehensive response, sent it out, and we are in full compliance.

Ms. Villasuso stated the ABO annual report was sent to the board this month and she wanted to point out that the ABO is focused on board member training. She stated that the ABO is recommending all members go through training and she feels that this board is all set. Ms. Villasuso stated that with the addition of the ABO report there was some legislation that was passed about the IDA's. The ABO now has the power to remove members or executives from public authorities if there are on-going non-compliance issues. It also gave them the authority to audit LDC's which means now they can audit the OCFC. She said that now we have to notify school districts by certified mail with receipts when we deviate from our UTEP and lastly the requirement for live stream meetings. All four of these have passed both houses but the governor has not signed them yet so they could change. She said if they all get passed, we are prepared.

Ms. Villasuso updated the board about the Goshen Plaza. There was an article in the newspaper that they started their demolition. Ms. Villasuso wanted to remind the board that they have an incentive for everything on that parcel except for the Hannaford and CVS. The labor policy will apply to everything except for the Hannaford and CVS.

Ms. Villasuso states that Satin Fine Foods was non-compliant this year and failed to respond to our audit compliance letters. We made several attempts to contact them and they failed to respond back, as a result of that the board acted to terminate the last year of their PILOT. Satin Fine Foods read this in the paper they contacted the IDA with reasons why they did not respond. They also contested that JGS is our audit firm as well as theirs and that we could get the information from them. After the article came out in the paper Satin Fine Foods provided their audit confirmation letter to JGS in April assuming that JGS would send us the information. JGS did not send it to us due to their independence until they got their legal counsel involved with Mr. Dowd and Mr. Gaenzle and a formal request stating that they have complied with everything and expected the IDA will not cancel their PILOT. The IDA never received the Audit confirmation until June; the deadline is February. Satin Fine Foods is asking the IDA to forgive or forgive in part this termination of their last year of the PILOT. Ms. Villasuso stated that since this decision was made in a public meeting, she asked the board if they would like to bring it back and see if the board would like to change their decision. Motion to deny their request to reinstate last year of the PILOT was made by Mr. Steinberg, seconded by Mr. Schrebeis. Motion carries with all in favor.

Ms. Villasuso states that tomorrow will be Ms. Schouten's last day before her maternity leave and in her absence Ms. Reilly and Ms. Reiker will be covering for her.

## **Audit Committee Report**

Mr. DiSalvo informs the board that the Committee had a good meeting. They had given Kraftify a short window to get compliant and Loewke Brill confirmed that they were up to date compliant. He stated that the Audit Committee would still like to table the resolution until August meeting to be sure that the project stays in compliance.

Mr. DiSalvo informs the board that the Committee discussed the \$40,000 for an Accelerator program in Highland Falls which is in the budget. The Audit Committee activated it.

Ms. Rogulski asked Mr. DiSalvo if the Audit Committee wants to table the Kraftify Resolution, and he said yes. Mr. DiSalvo also brought up that Kraftify requested 2 waivers and the board granted them based on Loewke Brill's recommendations.

### **Accelerator Committee Report**

Mr. Diana states that the Committee was brought up to date on the CBD/Hemp cluster based in Warwick, and there was also a discussion on the Highland Falls Accelerator and activating the \$40,000 budget line item.

Mr. Cozzolino states the CBD/Hemp cluster based in Warwick continues to be a big effort as development moves forward. This cluster is filling up to include a full range of participating partners from farmers, research and development, and to product manufacturers. Farmers in Orange and Ulster County have 2,000 acres of growing hemp compared to last year of 56 acres. He said that there will be a processing facility in Rockland County due to not being able to fit it in. The cluster keeps growing and there is only 1 lot left. Mr. Cozzolino states that there is a lot of work going on. Ms. Project and her team are helping, along with our lobbyist. He said that the farmers will be cultivating around Halloween, and over the next several months the processing plants come on line. All should be happening this year.

Mr. Cozzolino states that Highland Falls will be our next cluster and will use the same model we did for the CBD cluster.

Mr. Cozzolino stated that the CBD cluster will create about 300 jobs.

Mr. Cozzolino informs the board that the sewing cluster is growing. They are limited by the skilled workers to put into the factory, but Mr. Cozzolino and Ms. Villasuso are working on that. Mr. Cozzolino stated that the Middletown Accelerator is stable at this time. There have been some facilities issues due to the heat, but it has been resolved. One of the lotion manufacturers in Middletown is starting to infuse CBD and has a major investor interested. This could take that factory and multiply by 10.

### **Applications/Resolutions**

Kraftify, LLC

Ms. Villasuso informs the board that the Kraftify, LLC PILOT is supposed to start in 2019, but construction is not complete. A call was received from the Town requesting that the PILOT start date be delayed until the construction phase is complete.

Mr. DiSalvo informs the board that the Audit Committee requests that this resolution be tabled. If the project proves that it can comply with the Labor Audit this resolution can be reconsidered at the next monthly meeting.

Motion is made by Mr. Gaydos, seconded by Mr. DiSalvo tabling the Kraftify, LLC resolution. Roll call is taken. Affirmative votes of all board members result in motion carried.

### **Other Board Business**

No Other Board Business is presented at this time.

### **Executive Session**

Chairman Rogulski entertains a motion that the committee enter into executive session to discuss the employment history of IDA employees. Motion made by Mr. Gaydos enter the executive session. Motion seconded by Mr. Schreibis. All in favor.

### **Executive Titles**

Vote to accept the new organization structure and new titles. Ms. Rogulski entertains a motion to accept the new organization and titles. Motion made by Mr. Schreibis, seconded by Mr. Steinberg, All in favor

### **Adjournment**

Meeting called for adjournment, motion made by Mr. DiSalvo, seconded by Mr. Schreibeis, the time being 3:13p.m.