

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MINUTES: JULY 20, 2021 BOARD OF DIRECTORS MEETING

A meeting of the Orange County Industrial Development Agency was convened July 20, 2021, at 5:00 p.m.

Chairman Torelli calls to order the meeting of the Orange County IDA, July 20, 2021. (Pledge of Allegiance is recited). Board consists of six members. There is a quorum. Upon roll call, the following were:

PRESENT: Mike Torelli, John Douthit, Lesley Pierri, Paul Ruskiewicz, Vincent Odock, Dean Tamburri

ABSENT: None

ALSO PRESENT: Bill Fioravanti - Agent Manager
Langdon Chapman – County Attorney
Russell Gaenzle – Harris Beach
Kelly Reilly
Dean Brady

Minutes

Review of the June 15, 2021, Board meeting minutes, June 22, 2021, Accelerator Committee Minutes. Motion to approve the minutes is made by Mr. Douthit seconded by Ms. Pierri. Motion carries with six board members in favor.

Mr. Fioravanti states that minutes from the June 1, 2021 Special Board Meeting were excluded due to errors.

Chairman's Report

Chairman Torelli stated that we have two job postings. One for CEO and one for Local General Counsel. He stated that a review committee will be set up and start to review the documentation and come up with a list of people to interview. Chairman Torelli stated that every week for the next few weeks the information will be reviewed and ask for a recommendation of potential interviewers. Chairman Torelli asked Mr. Fioravanti to have staff start putting packets together of the candidates who applies for either position. Mr. Ruskiewicz asked if there was a deadline, Chairman Torelli stated the by the next meeting he would like a list.

Chairman Torelli stated that a resignation was received from our local attorney Mr. Kevin Dowd effective 7/19/21.

Chairman Torelli stated that going forward with all Committee Meetings that everyone has the same information, version and working off the same worksheet.

Chairman Torelli thanked Mr. Ruskiewicz for going to the E&E Sub Committee Meeting and answering questions. One of the questions was about the management of the IDA. Chairman Torelli stated that we are looking for an individual to serve as CEO, not a managing director or group. He also stated that there is a Legislative meeting tomorrow.

Chairman Torelli stated that there has not been much in the news since the guilty pleas were entered and accepted. He stated the biggest news is that the Legislature will move forward, as well as some of the projects in the IDA's pipeline.

On the employee side the IDA has two employees, Ms. Reilly being one and the other Mr. Fioravanti who is serving as an unpaid agent on loan from County of Orange.

County Attorney

Mr. Chapman stated that TSEC's counsel notified the IDA and stated that TSEC has found office space and will be vacating their space. TSEC agreed to meet with the IDA to go over the contracts.

He also explained that the Orange County Probation Department has reached out to Mr. Fioravanti and he will assist the IDA in completing and submitting a Crime Victim Impact Statement.

Mr. Chapman stated that the IDA has stopped paying rent for the Highland Falls Accelerator, and Mr. Fioravanti has arranged for the utilities to be turned over to the landlord. Mr. Chapman stated that he will be following up with the other Accelerator locations and the leases due to the conflict of interest. Mr. Fioravanti stated that Highland Falls is working with and that he has a meeting with B4 Holdings next week to discuss the Accelerator location at 605 Broadway. Mr. Chapman also stated that his office is looking into potential litigation in this matter and that we were referred names for potential legal representation by the NY State Association of Counties (NYSAC).

Mr. Chapman stated that the transaction to assign CRH Realty III's OCIDA incentives to Hammes is projected to close in 2 days. Mr. Gaenzle stated that the Fiorello/Green Thumb (GTI) deal should close by Monday and he thanked Mr. Chapman and his team for all their efforts.

Lastly, Mr. Chapman stated that updated agency By-Laws will be sent to Chairman Torelli for review.

Agent Manager / Director Report

IDA

Mr. Fioravanti stated that the IDA received a \$310,000 check from Fiorello/GTI for closing fees and an additional \$45,000 for their local labor fee retainer. The IDA is waiting for IBM to send a formal official letter to terminate their incentives and once that happens the property will return to the property tax rolls. St. Luke's Cornwall Hospital is working on their forbearance agreement with some of their lenders that will impact the IDA Bond Agreement. Legal counsel for IDA and St. Luke's is working together to amend the bond agreement with their forbearance agreement and should be complete within 30 days. Wallkill Owner LLC (Wallkill Living Center) has a PILOT, MTE, STE, and tax-free revenue bonds. Mr. Fioravanti stated they are going to purchase the bonds through HFA but still wants to go through IDA for PILOT, MTE and STE. Since this project is in the Town of Wallkill, which has its own local IDA, we have asked that IDA's local counsel for that agency's written support of the OCIDA handling this transaction.

Accelerators

Mr. Fioravanti stated Mr. Chapman sent a letter to the landlords in Newburgh and Highland Falls and we are hopeful to come to better terms with the landlords and buildings. TSEC purchased a piece of equipment (Dye Sublimation Printer) for the tenant at 605 Broadway (Ziel) to use as well as other tenants. He stated that we are coordinating the installation of the printer and coordinating a schedule for shared use like other equipment (laser cutter, embroidery machine, etc.). Mr. Fioravanti spoke about Scripted Fragrances a candle company located in our Warwick Accelerator. They were highlighted on CBS a few months ago and they will be having an open house at the Manor House in Warwick on July 22nd at 4pm. He also stated there will be an open house July 21st for Urban Extracts located in the Warwick CBD facility. Lastly, on the compliance side, we submitted our annual report to JCOP (Joint Commission on Public Ethics).

Finance

Chairman Torelli stated the finances start on pages 44-45 of the packet. He asked Mr. Fioravanti to go over the bills that he would like to discuss. Mr. Fioravanti stated the first bill for Orange & Rockland is an error. This bill had already been paid last month. He stated that most of these bills are consistent each month. He pointed out the cleaning bills are lower as are a couple of others, and he explained that the Board had not previously seen the Gordon Fire Equipment bill (for annual maintenance) or A1 Pest Control (quarterly bill).

Chairman Torelli asked if the two open positions (CEO and local legal counsel) were listed on our website, Mr. Fioravanti stated no but that they will be shortly. Chairman Torelli also asked for them to be advertised on Mid-Hudson News. Chairman Torelli stated that some of our leases will be coming due and asked Mr. Chapman for help writing up sub-leases for our tenants. He stated by next meeting he would want to know what our options are between the landlord and our sub tenants along with utilities.

Mr. Torelli entertains a motion to pay the Recurring Bills for July. Motion made by Ms. Peirri, seconded by Mr. Odock. Roll call is taken. Affirmative votes of all members present result in motion carried.

Mr. Fioravanti went over the monthly contract bills for July. He stated that 88 Studios cut their fee by half. Chairman Torelli asked a few questions on Brown & Weinraub and Loweke Brill. Chairman Torelli asked about getting different quotes for the contracts. Mr. Fioravanti stated that he would like to stabilize for the next 6 months then go out to get other competitive quotes. Chairman Torelli stated that one of the Board's goals is how to go about procurement and what level of approvals. He would like to see a procurement policy worked on and implemented before end of year.

Mr. Torelli entertains a motion to pay the monthly contract bills. Motion made by Mr. Douthit, seconded by Mr. Tamburri. Roll call is taken. Affirmative votes of all members present result in motion carried.

Mr. Fioravanti went over all other July bills including credit card charges and the last invoice from Fraud Auditing. Chairman Torelli asked Mr. Chapman if they have received everything needed from Auditor, he answered yes. Mr. Fioravanti stated total bill is \$43,484.00.

Mr. Torelli entertains a motion to pay all other July bills. Motion made by Ms. Peirri, seconded by Mr. Ruszkiewicz. Roll call is taken. Affirmative votes of all members present result in motion carried.

Mr. Fioravanti went over the balances in all OCIDA bank accounts. Chairman Torelli asked if there was anything we need to plan for. Mr. Fioravanti stated we will shop around for the CD's. He went on to the June Financials. The IDA and Accelerator finances. Chairman Torelli stated he wanted Mr. Fioravanti to talk about where we are trending. He started with the IDA budget and went over YTD vs. Budget line by line. Some discussion was made on the income and Agency Contribution Cost. Mr. Fioravanti went on to The Accelerator and went through YTD vs. Budget line by line. Some discussion was made on client rent. Chairman Torelli asked for a write-up on client rents that are past due by 90 days. Mr. Fioravanti continued line by line on the Expense side. Some discussion was made about the budgets being under by approximately \$2.5MM between IDA and Accelerator by year end.

Mr. Fioravanti stated he had the UHY engagement letter for additional services. He reviewed the additional services that we requested along with the proposed pricing. He suggested we stay with UHY for the next 6 months, to stabilize financial operations within the OCIDA/OCFC, and then at that time pursue other competitive quotes for similar services. Chairman Torelli thanked Mr. Fioravanti for getting this quote and discussed the services with the Board. Mr. Chapman stated he would support hiring UHY with the caveat of not hiring them full-time as a vendor. Chairman Torelli stated that it is a plus since they have access to our books, loan program, and payroll company. The Board had a discussion and looked over the engagement letter. Mr. Chapman suggested a termination clause be put in with a 30-day notice.

Chairman Torelli entertains a motion to extend the relationship under the new terms discussed and contingent upon the termination clause and procurement analysis, and giving authorization to the Chairman to sign the engagement letter for UHY. Motion made by Mr. Ruszkiewicz, seconded by Mr. Tamburri. Roll call is taken. Affirmative votes of all members present result in motion carried.

Chairman Torelli entertains a motion to close the IDA Meeting temporarily and open up the OCFC Meeting. Motion by Ms. Pierri, seconded by Mr. Odock. Roll call is taken. Affirmative votes of all members present result in motion carried.

Chairman Torelli entertains a motion to open the IDA Meeting. Motion by Ms. Pierri, seconded by Mr. Odock. Roll call is taken. Affirmative votes of all members present result in motion carried.

Chairman Torelli entertains a motion to enter into Executive Session. Motion by Mr. Odock, seconded by Mr. Tamburri. Roll call is taken. Affirmative votes of all members present result in motion carried.

Enter Executive Session

Chairman Torelli reconvened the meeting.

Adjournment

With no further business, meeting called for adjournment by Chairman Torelli at 6:50 p.m. Motion made and all voted in favor.