

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

August 11, 2016

A regular meeting of the Orange County Industrial Development Agency was convened in public session on August 11, 2016 at 2:16P.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 Schreibeis, Edward Diana, Mary Ellen Rogulski, Henry VanLeeuwen

ABSENT: John Steinberg

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Chief Operating Officer
Joel Kleiman – Chief Financial Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Vincent Cozzolino – Managing Director
Melanie Schouten – Project Manager
Maureen Halahan – Orange County Partnership
Amanda Dana – Orange County Partnership
Steve Neuhaus – Orange County Executive
Lisa Sommers – Focus Media
Josh Sommers – Focus Media
Hema Easley – Focus Media
James Walsh – Time Herald Record
Sarah Wilson - TSEC
Tina Michels – Alto Music
Jon Haber – Alto Music
Robert D. Smith - Citizen
R. Andrews - Citizen
Harv Hilowitz – Verticon Construction Services
Brian Gates - HVEDC

Robert Armistead calls to order the regular meeting of the Orange County IDA, August 11, 2016 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Minutes

Review of the prior July 6, 2016 meeting minutes. Motion to approve the minutes is made by Mr. VanLeeuwen, 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 \$11,783,967, as of July 31, 2016.

Mr. Kleiman reviews the income and expense summary, noting that YTD is just \$2,078,396, and YTD expenses are \$193,857, with revenues exceeding expenses by \$1,884,539.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$94,000, and expenses are \$569,916. Expenses, as anticipated, exceed revenues by \$475,916.

Lastly, Mr. Kleiman reviews funds received and vouchers for the month. There is a total of \$314,319.43 to be approved by the board.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$314,319.43. Motion made by Mr. VanLeeuwen, seconded by Mr. Schreiber, 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.

OCP Report

Ms. Halahan presents the OCP Behavioral Marketing Campaign. Behavioral marketing goes through web analytics, computer applications, cookies, search history, and IP addresses. OCP would like to reach their target audience for more than one day by using this marketing technique. Their audience is comprised of site selectors, commercial brokers, logistics heads, etc. When these people are searching for their real estate needs on the computer, related key words will trigger an ad for OCP. When the viewer clicks on the ad, they'll be led to a landing page illustrating the possible incentives and workforce demographics. From there they will have easy access to OCP and IDA information.

An analytical report will generate each week depicting the age, gender, geographical location, the website from which the click originated, how many clicks were received, and how much time was spent on the site. This report can be shared with the IDA. The report will show the traffic flow of views allowing OCP to change course if needed.

OCP is asking for a contribution of \$41,000 towards this Behavioral Marketing Campaign in 2016.

Mr. Cozzolino asks if this campaign is being created by a local company.

Ms. Halahan states that it is.

Mr. Cozzolino remarks that the requested amount is very affordable for that type of campaign.

Ms. Villasuso reminds the board that this expenditure was approved in the 2016 budget.

Ms. Halahan gives an attraction update. Legoland will receive water from the village. Project Rose Water, is moving forward in Warwick with an expected 40 jobs. There is a well-known baking business in New Jersey that OCP is hoping to relocate to the area. This project would result in 35-40 jobs, but the business would need 20,000 -30,000 sq ft to relocate. Regarding Packing Plant on Rail, OCP is working closely with the County Executive on this project and progress is being made. Project Amber, went inactive in 2014, and has now re-emerged. This is a major beverage company looking for a large site.

Ms. Halahan discusses the lack of shovel ready sites in Orange County. For the past year, OCP members have carried out a Municipal Outreach Plan, in which they sit down with Orange County municipal leaders and discuss PILOTs, what incentives look like, what local sites are available, and how OCP can help. Results from these meetings have been positive, and currently OCP is working on expanding pre-existing corporate parks.

HVEDC recently brought two projects to OCP. The first is an out of area company looking to relocate from NYC, and the second is a European 3D printing company.

Chairman's Report

Mr. Armistead compliments the board sub-committee for their efforts in the search for the third party auditing firms Loewke Brill and Fellenzer Engineering, and Mr. Dowd for expediting the contracts to move the project auditing forward. Auditing will be performed at the Piller- Retford Project, the Isomedix/ Steris Project in Chester, and the Crossroads Hotel Route 17 in Newburgh, to ensure they've complied with the policies.

Since the July meeting, Mr. Armistead has organized a committee lead by Ms. Rogulski, to evaluate the proposal submitted by Legoland for a PILOT, and research the possibility of using an independent third party to provide a cost benefit analysis.

Mr. Armistead has requested that Mr. Dowd, Mr. Cozzolino, and Mr. Diana work with Harris Beach to review the board bylaws, committee structure, standard operating procedures, conflicts of interest, ethics, and board composition structure. It is requested that an evaluation and comparison of best practices in regard to other New York State IDA boards be done to find room for improvement.

Mr. Armistead thanks Focus Media for their IDA PR assistance relating to the recent media and press releases. The articles in the Times Herald Record were accurate, and he appreciates the comments from the board members.

Mr. Armistead thanks the team that has been working on the Labor Policy upgrades. As the IDA moves forward with the project audits the board will be able to see what additional improvements are needed.

Mr. Armistead thanks the Times Herald Record for doing coverage on Addibots, a resident Accelerator company. Articles like this will help bring to light the work that is being done to help the local companies both resident and off-site. This assistance is vital to both the new startup companies in The Accelerator, and those that are pre-existing in the county that have not been able to receive help until now.

IDA Staff Report

Ms. Villasuso states that the Labor Policy audit firms Loewke Brill and Fellenzer Engineering have officially been engaged for the projects mentioned by Mr. Armistead. A Letter has gone out to Isomedix/ Steris to inform them that the audit will begin, and the other correspondence is currently being drafted. Feedback from the policy audit interview process revealed things that should be included in the IDA Labor Policy going forward. Ms. Villasuso has been working with the Governance Committee to review such topics as: how to calculate the percentage of local employees, cost differentials, and how they determine who is local and non- local. Once the draft is complete, it will be reviewed with the board, and adopted in to Labor Policy auditing process.

Ms. Villasuso and Mr. Cozzolino attended a monthly meeting with OCP and the County Executive to touch base and work together. They discussed the labor policy, the audits, and all the ongoing projects.

Ms. Villasuso states that this is the second month Focus Media has a PR plan with the IDA. Due to recent media attention the board has been receiving, their efforts have been of great benefit. Ms. Villasuso personally thanks Focus Media for their assistance.

Ms. Villasuso updates the board that due to her continuing education in Work Force and Economic Development she will be traveling to Baltimore and Phoenix. These trips are part of her Certified Economic Developer Training.

The Legoland public hearing went well, and the board will get a transcript once it's completed.

Ms. Rogulski states that Legoland Committee had their first meeting, and it went well. The committee determined how they want to approach the proposal. They want to be professional, upfront, transparent, and represent all those involved correctly. They will be recommending a cost benefit analysis.

Mr. Brescia thanks Ms. Villasuso and Mr. Cozzolino on their efforts in the process of upgrading the Labor Policy.

The board discusses the upgrades, and hopes to get the changes in place by September, or October at the latest.

The Accelerator Report

Mr. Cozzolino presents posters highlighting The Accelerator functions, partners, and money sources. The incubator provides assistance to startup companies. These are companies in the early development stage, quite often the product is being made at home in the kitchen. The assistance for these companies is partially funded by a NY State grant. There are 10 incubators in NY State, and The Accelerator values them as part of its network. The Accelerator Without Walls (AWOW) is for any existing manufacturer in Orange County that needs assistance. The Accelerator consultants do personal site visits for AWOW clients to evaluate their business needs.

The Incubator is at capacity. A new building has been outfitted close by to expand The Accelerator efforts and house more clients. There are additional opportunities to expand elsewhere, and beginning steps have been made to start the process.

TSEC is The Accelerator non-profit partner that helps outfit labs with equipment for clients. The labs are located in all seven counties covered by The Accelerator. The SMARTT PODs are currently only located in Newburgh, but expansion to Middletown is the next step.

Additionally, other partners in NY State are being leveraged such as: Workforce Development Institution (WDI), Small Business Development Center (SBDC), Women's Enterprise Development Center (WEDC), and Procurement Technical Assistance Center (PTAC). The IDA is the biggest funder of The Accelerator as well as facilitator.

The Accelerator has recently applied for 3 grants. If received these grants will help fund expansion, equipment, and continue The Accelerators NY State certification. Mr. Cozzolino thanks the County Executive, Mr. Neuhaus, for his letters of support for the grants.

There is a large regional food cluster. The next step to assist them is by installing a local food testing lab. The Accelerator is working with an Academic Partner that will help develop the food methodologies that are needed to help these companies. Similar testing equipment would be placed both at the academic location as well as The Accelerator onsite testing lab.

The Accelerator is working on putting a Computer Programming POD in Middletown as part of the Downtown Revitalization Initiative (DRI). Mayor DeStefano is work with The Accelerator to help fund this PODD.

The Accelerator has been hosting conferences to engage and education the regional manufacturers. So far, the topics have been the re-emergence of domestic fashion production and food safety. More conferences are to come in the near future.

The Accelerator has been linking regional manufacturers to help establish strong local supply chains from which all the businesses can benefit.

The Accelerator has a \$15 an hour initiative, in which they help companies train staff to be more efficient. If employees are more efficient companies can pay them more, get just as much done, and hire less people. The initiative will help these companies get ahead of the curve and balance their books.

The Accelerator has the ability to fast track MWBE certification paperwork. Many of The Accelerator companies have applied for this certification.

The Accelerator has cluster analytics research done. This keeps them on top of regional information and where the high paying jobs are located.

The Accelerator hosts skills training workshops. The workshops are funded through grants, with the assistance of regional community colleges. These academic Accelerator partners help by hosting the labs, in addition to funding the workshops.

Mr. Cozzolino presents charts on client growth, Incubator clients, AWOW clients, and discusses the needs each client has and the benefits they have received by working with The Accelerator.

Mr. Cozzolino and Ms. Villasuso will be attending a fashion sourcing conference in August to help growth in the fashion industry regionally.

Discussions

Mr. Kleiman brings the board up to date on the 2017 IDA budget. Later in the month Mr. Kleiman, Ms. Villasuso, and Mr. Cozzolino will be meeting with the Audit Committee to review the budget. It is anticipated that a draft budget will be presented to the board in September, and ideally the budget will be approved by October.

Resolutions

Chairman Armistead asks for a motion to approve a third party to perform a cost benefit analysis of the Legoland PILOT Proposal. Motion made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, that the Board authorize the

retention of the services of KPMG to assist the IDA in evaluating the economic impact of the proposed Legoland Park in the Town of Goshen. Open for discussion. Affirmative votes of all members present results in motion carried.

Clear Key, LLC – Final Resolution

Mr. Dowd reads aloud the Clear Key, LLC Final Resolution. Motion is made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Clear Key, LLC. Affirmative votes of all members present results in motion carried.

Alto Music – Final Resolution

Mr. Dowd reads aloud the Alto Final Resolution. Motion is made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Alto Music. Affirmative votes of all members present results in motion carried.

Such other and further business as may be presented

No such other and further business was presented.

Public Comments

No public comments were presented.

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 an interest in real property. Motion made by Mr. VanLeeuwen to enter executive session issued. Motion seconded by Mrs. Rogulski. All in favor.

Executive Session

The members discuss the acquisition of real property.

End of Executive Session

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105 (1)(f) of the open meetings law to discuss the employment history of persons employed by the IDA. Motion made by Mr. Brescia to enter executive session issued. Motion seconded by Mr. VanLeeuwen. All in favor.

Executive Session

The members discuss the employment history of particular people employed by the IDA and The Accelerator.

End of Executive Session

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mrs. Rogulski, seconded by Mr. VanLeeuwen, the time being 4:42 p.m.