

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

September 12, 2019

A regular meeting of the Orange County Industrial Development Agency was convened in public session on September 12, 2019 at 2:05 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, Steve Brescia, Robert Schreibeis, Michael Gaydos

ABSENT: James DiSalvo

ALSO PRESENT: Laurie Villasuso – Chief Executive Officer (Acting)
Kevin Dowd – IDA Attorney
Joel Kleiman – Chief Financial Officer
Russell Gaenzle – Harris Beach
Vincent Cozzolino – Managing Director
Kelly Reilly – Project Manager
Heather Rieker – Galileo Technology Group
Lisa Sommers – Focus Media
Lindsay Newler – Orange County Partnership
Marc Devitt - Med Parc
Dan Axelrod - Times Herald Record
Nancy Proyect - OC Citizens Foundation

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

Minutes

Review of the August 8, 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 August 8, 2019 Audit Committee meeting minutes. Motion to approve the minutes is made by Mr. Steinberg, seconded by Mr. Brescia 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 \$10,760,100 as of August 31, 2019. He brought to the attention of the board that two CD's matured in August, one for August 6th at Sterling National Bank for 6 months at 1.95% interest and one for August 20th at M&T Bank for 12 months at 1.90% interest.

Mr. Kleiman reviews the income and expense summary, noting that YTD income is \$1,081,964 and YTD expenses are \$265,216.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$138,263, and expenses are \$1,582,146.

Mr. Kleiman went to the Vouchers and stated the funds received is \$51,635. The total payments are \$24,927.80.

Ms. Villasuso stated that we received a check from Goshen Plaza for the Labor Escrow of \$30,000. After we receive the last bill from Loewke Brill for the labor auditing, the IDA will return the difference. She told the board that Harris

Beach is working with Goshen Plaza now for their fee. Ms. Rogulski asked what the Friends of the Orange County Youth Bureau was, Ms. Villasuso stated they are one of our agents.

Chairman Rogulski asks for a motion to approve the vouchers and payments for August. Motion made by Mr. Schreibeis, seconded by Mr. Diana 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 Executive Officer (Acting) Report

Ms. Villasuso updated everyone on the IDA legislation. She stated the bill passed to live stream and post all IDA meetings including Public Hearings and videos that will start January 1, 2020. The bill passed for the ABO to remove members and executive staff for non-compliance after 3 years. At the IDA Academy that the staff attended last week some other new legislation was covered like lobbying changes, and some expansion to the MWBE Program which was extended for another 4 years. Ms. Villasuso stated that the Orange County IDA got a shout out from the Comptroller Department for the PARIS reporting.

Ms. Villasuso stated that the Public Hearing was held for McNeilly Wood Products September 4th and we now are just waiting on its SEQR before the Final Resolution.

Ms. Villasuso spoke about the press conference Senator Skoufis held on Medline. She doesn't think there will be any document request due to the fact that Medline pulled their benefit request from us and went to the town. She does think that questions will be asked but wanted to make sure that the Orange County IDA really does not have anything to do with this.

Ms. Villasuso stated that the overpayment for Danksammer where there is a special district cap is still being reviewed at this time so there is no actions or updates to report.

The next IDA / OCFC Meeting will be November 14, 2019.

Accelerator Management Report

Mr. Cozzolino started by stating that Mr. Diana asked The Accelerator Management to put a detail report together for the board to review. He said that at the end of every year they look at the metrics about economic development to see if it will change or drive strategy.

Mr. Cozzolino gave a detailed report on the 4 Accelerators which are Fashion, Medical Devices, CBD, and Food Artisan. The 4 Accelerators house 35 businesses with a prediction to have 360 total jobs by May 2020.

The CBD Accelerator located in Warwick will have 6 pods and a conference room. Mr. Cozzolino went over the companies that have interest; but no leases have been signed yet.

Fashion Accelerator for design and production located in New Windsor and City of Newburgh. We have 11 companies. Two new products were presented, one from Melo which are backpacks and were made from the machines we have at The Accelerator. The second is Ziel's new product which is a shelter suit. It is made specifically for homeless people and it becomes a jacket, blanket, and a sleeping bag. Mr. Cozzolino stated that Melo is now offering bonuses for his people and Ziel is offering 50% medical benefits. Both companies are ahead of the curve. He told the board that they are going to offer an English class for their employees.

The Middletown Accelerator for Medical Devices, Software, and Personal Care Products. Mr. Cozzolino stated that this is the most challenging Accelerator we have due to the facilities problems. We are working through the problems now and feel that we have things fixed.

Mr. Cozzolino stated the next Accelerator will be Artificial Intelligence in Highland Falls. There is no space yet, but there seems to be a lot of interest.

Mr. Diana stated that over the 10 years that The Accelerator has been present in Orange County this is a good story.

Audit Committee Report

Mr. Steinberg informs the board that the Committee had a good meeting and Mr. Kleiman will go over the 2020 Budget. Mr. Kleiman went over the proposed IDA and Business Accelerator budget line by line. Mr. Steinberg made a comment that Mr. Kleiman is doing a good job at documenting the different expenses so all can have a better understanding of where the money is being spent.

Motion is made by Mr. Gaydos, seconded by Mr. Schreibeis to approve the 2020 Budget. Roll call is taken. Affirmative votes of all board members present, result in 5 ayes so motion carried.

Applications/Resolutions

GAM Properties

Ms. Villasuso stated that this is a final resolution. GAM is King Zak Enterprises located in Goshen. They are expanding their facility, currently they employ 65 people and will hire an additional 25 people with no jobs below \$15.00 an hour. They are seeking a 10-year PILOT, Sale and Use Tax Exemption and Mortgage Recording Tax Exemption. This project predates the score card. They are waiting to get their support letter from the Town of Goshen which does not meet until September 23rd. Ms. Villasuso stated that she recommends adopting the resolution subject to receipt of the support letter.

Mr. Dowd read aloud the resolution. Motion is made by Mr. Brescia provided we receive the support letter, seconded by Mr. Schreibeis to adopt the Final Resolution. Roll call is taken. Affirmative votes of all board members present result in 6 ayes so motion carried.

Other Board Business

Med Parc LLC

Ms. Villasuso gave the board some background on the Med Parc project which they applied for Sale and Use Tax Exemption and Mortgage Recording Tax Exemption. She stated that Med Parc's counsel wrote a letter stating the project will be sold upon completion of construction. Med Parc had a labor policy violation with one contractor. Ms. Villasuso stated the labor policy is written that each contractor has to have 85% local labor. She explained to the board the Proposed Labor Policy Penalty spreadsheet which will be used for any project. Mr. Devitt spoke on behalf of the project. He asked the board to take into consideration that this contractor was 25% below 6 other contractors for cost. They could not get an exemption for cost differential due to the fact that the contractor was a local company. They just hired non-local workers. He went on to say that every other contractor was 100%, and to please take that into consideration. Ms. Rogulski stated we will wait for the project to be completed and will receive a recommendation from the Audit Committee.

Mr. Dowd read the resolution. Motion is made by Mr. Diana, seconded by Mr. Schreibeis to adopt the Termination Resolution. Roll call is taken. Affirmative votes of all board members present except Mr. Brescia who abstained results in 5 ayes, so motion carried.

Adjournment

Meeting called for adjournment, motion made by Mr. Schreibeis, seconded by Mr. Brescia, the time being 3:30p.m.