

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

November 9, 2017

A regular meeting of the Orange County Industrial Development Agency was convened in public session on November 9, 2017 at 2:09 P.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, Mary Ellen Rogulski, Stephen Brescia, Robert Schreibeis, Michael Bonura

ABSENT: John Steinberg, Edward Diana

ALSO PRESENT: Laurie Villasuso – Chief Operating Officer
Kevin Dowd – IDA Attorney
Joel Kleiman – Chief Financial officer
Vincent Cozzolino – Managing Director
Melanie Schouten – Project Manager
Heather Rieker– The Accelerator
Lisa Sommers – Focus Media
Josh Sommers – Focus Media
Wayne Booth – OC Exec. Office
Michael Paduch – OC Legislator
Marc Devitt – Med Parc, LLC
Bill Reid - Danskammer

Chairman Armistead calls to order the regular meeting of the Orange County IDA, November 9, 2017 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Roll Call is taken.

Mr. Gaenzle joins by phone.

Minutes

Review of the prior October 12, 2017 meeting minutes. Motion to approve the minutes is made by Ms. Rogulski, 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 \$12,427,288, as of October 31, 2017.

Mr. Kleiman reviews the income and expense summary, noting that YTD is \$2,652,274, and YTD expenses are \$439,173, with revenues exceeding expenses by \$2,213,101.

Mr. Kleiman informs the board that the expenses will increase towards the end of the year when IDA Agents submit their yearly vouchers. Some agents submit quarterly, but others wait to submit for the amount all at once at the end of the year.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$176,664, and expenses are \$1,356,352. Expenses, as anticipated, exceed revenues by \$1,179,688.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$25,472.52. Motion made by Mr. Schreibeis, seconded by Mr. Bonura, 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.

Chairman's Report

Chairman Armistead passes on the Chairman's Report in the interest of time.

Chief Operating Officer Report

Ms. Villasuso updates the board on recent ad campaign for the IDA. It was very successful with a Sunday newspaper ad and radio commercial on K104.7 & WTBQ Wall Radio. In addition to those, there is a new IDA brochure that will be complete for distribution shortly.

Ms. Villasuso brings attention to items in the IDA packet, stating that there is a FOIL letter from Goshen Public Library. This request was for every OCIDA PILOT affecting the Goshen School District back to 1980 and every OCIDA PILOT from 2014 to the present. Management provided these documents to the best of their ability. That FOIL is considered closed. Last month the board discussed two Labor Policy audits regarding projects that were on the border of being noncompliant. As seen in the packet, Mr. Dowd sent letters to both of those projects, Retford Piller and Crossroads Court. Retford Piller wrote back stating that they were unaware of their noncompliant status and failure to provide the documents. They intend to correct the matter. Crossroads Court responded similarly stating their intent to correct. There is a deadline on the requested documents and corrective course of action for both projects. Action was taken as requested by the board and updates will be given.

Ms. Villasuso updates the board on the Mountco Project stating that they have withdrawn their application for Sales Tax and Use Exemption from the IDA. They are proceeding with their OCFC bond request and a public hearing will be held in early December.

A 2018 meeting calendar is distributed to the board.

Ms. Villasuso informs the board that twelve meetings are scheduled with intent to rotate the meeting location. Management will work with staff at the County Executive's office and elsewhere to book accordingly. An updated schedule will be provided once locations have been booked.

Chairman Armistead states this was discussed previously, and that once the County Building is completed occasionally meetings will be held in that location. A larger room maybe required depending on that month's agenda topics. Additionally, if no action is needed by the board during a certain month, those meetings may be cancelled.

Ms. Villasuso informs the board that management was tasked to evaluate everything the IDA is doing from a staff point of view. One of the items reviewed was the retirement plan. In that investigation there were a number of oversights in the past, and steps are now being taken to rectify the situation with a new advisory firm. These mistakes were made in 2010, and a remediation plan is in place.

Mr. Armistead informs the board this goes back to when Michael Ditullo was managing the IDA staff and the firm managing the plan. It seems that there was a lack of filings. Both he and Ms. Rogulski were advised regarding the situation and steps are now being taken in the right direction.

Mr. Cozzolino informs the board that the Middletown Accelerator construction is going well. It is about 50% complete. The anticipated move in date is January 2018. Twelve companies are expected to occupy the campus. Many of them are high tech companies with concentrations in software, software design, or medical engineering. As word has gotten out, additional space has been occupied by bio-medical companies in the building space adjacent to the Accelerator, assisting with the creation of this industry cluster. The business owners in this cluster are medical doctors, people with bachelor degrees, high tech masters degree, etc. This new satellite location varies greatly from the New Windsor Campus, but is expected to grow. It will create a strong cluster and assist the medical corridor in Orange County. The next step is to try and put a bio-medical clean room on-site for companies that research DNA and Gene Therapy.

Chairman Armistead asks about the local support of the Middletown Accelerator.

Mr. Cozzolino states that the project has gained the support of the Mayor, City Council, and local Legislators.

Mr. Cozzolino informs the board that three sewing manufacturing companies are located onsite at the new Windsor Campus. These companies have produced quality artisan sewing jobs. Melo produces commercial use bags used by the military department of defense, and bags for outdoor recreation. Lucky Bug produces sustainable baby clothes, and NYCe Blu produces high quality leather hand bags.

Ms. Villasuso informs the board that a fall BOCES sewing class just finished. This class is hosted onsite and some of the women from that class moved on to get jobs with Melo and Lucky Bug.

Mr. Cozzolino informs the board that a company called Green Panda will be moving onsite shortly. This company currently produces bamboo tooth brushes in China. The Accelerator is helping to onshore the production to the New Windsor Campus.

Mr. Cozzolino states that management has been working on attracting an Italian handbag company. They are about 60% through the process, as a transition like this takes time. This company has been making top of the line bags for generations. Ideally, they will have a sample room onsite with six to eight artisans to start. Along with this bag company interest came from a furniture company, shoe manufacturer, and a bio-medical company. This has really opened the doors and management hopes they can successfully assist with onshoring these international companies.

Mr. Cozzolino brings attention to Accelerator packets previously handed to the board, stating they'll find a list of AWOW clients inside. A campaign is being relaunched to remind clients about the AWOW program and the benefits it offers. Many companies are still being brought to the program by word of mouth.

Chairman Armistead informs the board that he sat in on part of the Accelerator Committee meeting and that close to one hundred businesses have benefitted from the AWOW program. They've received various levels of assistance from professional planning, business planning and technical support, to financial training. County residents come into contact with many of these companies on a regular basis. It's nice to see that word is getting out and that companies are benefitting.

Board Committee Reports

Governance Report

Mr. Schreibeis states that the Governance Committee recommends to move forward with an additional advertising campaign, but to stay within the current advertising budget for the year.

Heritage Trail Extension Request

Ms. Villasuso reminds the board that in 2016 the board approved an \$1M expenditure to assist the county with the extension of the Heritage Trail. That agreement ends at the end of 2017. All the funds have not been used and as a result an agreement extension is being requested till the end of 2018. The Governance Committee did agree to support the extension, but a vote is needed by the board.

Chairman Armistead reminds the board that this extension will connect the trail from Goshen to the city of Middletown.

Motion is made by Mr. Schreibeis, seconded by Mr. Bonura, approving the Heritage Trail expenditure agreement extension. Affirmative votes of all members present results in motion carried.

Applications/Resolutions

Med Parc, LLC. – Presentation

Marc Devitt presents on behalf of Med Parc, LLC.

The project will be a Holiday Inn Express & Suites Hotel placed on a 43-acre site in the town of Walkkill. It is new construction intended to host 93 rooms, four stories, and 54,000 sq ft. They have gone before the planning board to seek approval for the first stage of the project. The requested IDA benefits are Mortgage Recording Tax Exemption and

Sales and Use Tax Exemption. Anticipated jobs are 18 full-time equivalent jobs, 10 part-time equivalent jobs, and those jobs needed to complete the construction period of the project.

Ms. Villasuso informs the board that this application went through the full pre-application and application process. The applicant provided a very detailed scope of the jobs resulting from this project. They are considered quality hotel jobs. Further details can be found in the packet. If the application is approved, a public hearing will be held in the town of Walkkill. A letter of support is still needed.

Mr. Devitt informs the board that a letter of support has been requested from both the Walkkill IDA and Town Board.

Ms. Villasuso informs the board that the applicant has requested a 485-b from the town of Walkkill.

Med Parc, LLC – Initial Resolution

Mr. Dowd reads aloud the Med Parc, LLC Initial Resolution. Motion is made by Ms. Rogulski, seconded by Mr. Schreibeis, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Med Parc, LLC. Roll call is taken. Mr. Brescia abstains. Affirmative votes of four members results in motion carried.

Danskammer Holdings, LLC – Presentation

Bill Reid presents on behalf of Danskammer Holdings, LLC.

Danskammer Holdings is buying the old Danskammer power plant that first came into service in 1951. It was shut down due to hurricane Sandy. It has been turned on again. There are currently 41 high quality jobs at this facility. The Mortgage Recording Tax exemption is being requested to help pay for the acquisition. The money saved will be immediately reinvested in the development planning of the facility, whether it be a repowering or entirely new structure built on the site. It would be good for the local economy as it assists with a \$250M - \$450M project, lowering the cost of electricity, create local construction jobs, and create more jobs at the facility itself.

Mr. Dowd informs the board that the vote on the Mortgage Recording Tax will take place in the OCFC meeting. The application comes before the IDA board today due to the change in the membership of the owners.

Mr. Steinberg enters meeting at 2:33pm.

Mr. Reid informs the board that the project will continue to operate under Danskammer Energy. It's being bought by a group he organized, and an infrastructure fund based in NYC called Tiger Infrastructure. Tiger Infrastructure is helping with both funding and with the repowering and expansion of the plant.

Mr. Gaenzle reminds the board that all the IDA board has to vote on is the transfer of the membership interests. Anytime there is a transfer of more than 50% of the membership it requires the consent of the IDA. It is counsel's understanding that the facility will continue to be managed by Danskammer Energy. Therefore, the operation is no way impacted by the transfer of the membership.

Mr. Brescia inquires if this differs from the agreement entered into in 2014.

Mr. Reid states that that arrangement will expire in 2022 and at that point they will again sit down with the town, county, and state and work on their redevelopment project.

Danskammer Holdings, LLC – Resolution

Motion is made by Mr. Bonura, seconded by Ms. Rogulski, authorizing and consenting to the assignment of the membership interests in Danskammer Energy, LLC to Danskammer Holdings, LLC. Roll call is taken. Affirmative votes of all members present results in motion carried.

Chairman Armistead asks when he feels the project will come again before the IDA.

Mr. Reid states he believes within the next twenty-four months. He is trying to move the process forward as quickly as possible, but there are public hearings and permit issues that will take time.

Other Board Business

No other board business is presented.

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 financial credit and employment history of particular clients of the IDA. Motion made by Ms. Rogulski to enter executive session issued. Motion seconded by Mr. Bonura. All in favor.

Enter Executive Session

The members discuss the financial credit and employment history of particular clients of the IDA.

End 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 proposed lease of real property. Motion made by Mr. Brescia to enter executive session issued. Motion seconded by Mr. Steinberg. All in favor.

Enter Executive Session

The members discuss the proposed lease of real property.

End Executive Session

Adjournment

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mr. Bonura, seconded by Ms. Brescia, the time being 3:22 p.m.