

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

November 20, 2013

A regular meeting of the Orange County Industrial Development Agency was convened in public session on November 20, 2013 at 3:00 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, Russell Vernon, Mary Ellen Rogulski, John Steinberg
[Stephen Brescia entering after roll call]

ABSENT: Robert Schreibeis, Henry VanLeeuwen

ALSO PRESENT: Kevin Dowd – Attorney
Joel Kleiman – CFO
Laurie Villasuso – Administrative Assistant
Russell Gaenzle – Harris Beach
Brian Gates – HVEDC
Peter Malone – OCBA
Maureen Halahan – Orange County Partnership
Andrew Komonchak – National Purple Heart Hall of Honor
Diane Straub – Crestmoore at New Windsor
Fred Straub – Crestmoore at New Windsor
Mark Nunheimer – Crestmoore at New Windsor
David Gubits – Jacobowitz & Gubits, LLP
Doug Sansted – Crystal Run Healthcare
Dominic Cordisco – Drake, Loeb
Allan Ross – AJ Ross Creative Media
Carlos Vega – AJ Ross Creative Media
James Walsh – Times Herald Record

Chairman Armistead calls the meeting for the Orange County IDA, November 20, 2013 (Pledge of Allegiance is recited). Board consists of four members. There is a quorum.

Review of the prior October 16, 2013 meeting minutes. Motion made by Rogulski, seconded by Vernon, to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman asks the members to refer to the income and expense summary as of October 31. Revenues come to just under \$1.5M, and expenses total just under \$706K, with revenues exceeding expenses by \$777K. Moving on to address the schedule of bank accounts, he advises that the IDA has almost \$8.5M in deposits, while the OCFC has just under \$700K in deposits. He notes that an IDA CD is maturing in December, and that he will request bids for rates on Money Markets and CDs in the coming weeks. Turning his attention to the vouchers and payments, he advises that the IDA received \$10K in fees in the past month, with payments totaling \$164,881.25.

He quickly addresses the OCFC financials, which will be approved at the following OCFC meeting, noting that the revenues exceed expenses by just over \$279K, with one voucher to be approved that that meeting.

Motion made by Vernon, seconded by Rogulski, that the Board accepts the financial report and authorization of IDA payments and vouchers for November 2013. Open for discussion. Affirmative votes of all members present resulted in motion carried.

[Brescia enters the meeting]

Chairman's Report

Chairman Armistead begins by noting that the Shovel Ready and Local Labor subcommittees were formed at the last meeting. The Shovel Ready subcommittee met in the past month, and the process is definitely moving forward. Chairman Armistead, along with the subcommittee members, Mr. Gaenzle, Mr. Dowd and Ms. Halahan are working out the finer details of the program, and hope to come to the next meeting with a plan for the Shovel Ready Program.

He also notes that the Local Labor Policy subcommittee will meet with the local Construction Contractors Association of the Hudson Valley, and the local building trades on December 5th, and hope to make progress on that as well.

Chairman Armistead makes a point to note that County Executive Edward Diana had a successful surgery, and is resting and recuperating from his liver transplant. He's doing very well, and Chairman Armistead thanks everyone for their thoughts and prayers, and wishes County Executive Diana the best in a speedy recovery.

Chairman Armistead introduces Mr. Komonchak who has submitted an application to the IDA for the National Purple Heart of Honor, Inc. Mr. Komonchak first thanks the IDA for its contribution toward the Purple Heart Hall of Honor coins a number of years ago, and advises that they have been instrumental in spreading the word about the Hall. He moves on to advise that there is now a plan to renovate the Hall, to expand its offerings to reflect all branches of service; at this time, the Hall is strongly focused of Purple Heart recipients who served in the US Army. The enhancement and expansion program aims to more accurately represent all branches, and will begin by gut and renovate the existing hall. They are very close to having the four largest foundations in the Hudson Valley come together on one project for the first time. Currently, they have commitments from three of the four foundations, totaling \$1M. Of the Orange County IDA, the Hall of Honor is requesting \$500K. He adds that the IDA's contribution would help them expand their tourism numbers, and also to promote education in the area.

Chairman Armistead advises that the project will go before the Governance Committee at the next meeting, and they will offer their thoughts on the request. Mr. Vernon notes that there have been discussions with Short Line busses to add the Hall onto its route from NYC, and goes on to advise that the education aspect of the Hall is its most important function. Chairman Armistead asks Mr. Komonchak to bring tourism numbers to the next meeting to provide Governance with an accurate picture of the project.

OCBA Report

Mr. Gates offers an update on the Start Up NY program, Governor Cuomo's premier economic development program. The Business Accelerator filed a CFA to allow the Business Accelerator to receive the \$125K Start UP NY grant for next year. If the Accelerator is awarded the grant, the Business Accelerator is designated as an NYS Incubator, and can be incorporated into the Start Up NY plan. SUNY then completes a sponsor application that allows either all or a portion of the Accelerator to become part of the tax free zone for the next ten years. The state must then designate the Accelerator as a tax-free area, and then the Accelerator will be marketed as such to new clients. At the same time, they will continue to assist current clients and create graduate plans for key Accelerator clients – Cymogen/Merete/FuturFab – who, provided they move to a designated area, could also take advantage of Tax Free NY.

In the event that the CFA is not successful, the Accelerator will apply in the next two CFA rounds, and aim to be included in the possible "unfunded designation" ESD status for incubators. They expect the CFA announcements in late November or early December. Mr. Gates reiterates that the grant is for \$125K per year for two years, and that there is a plan in place for those dollars, which aligns the Accelerator with the mission of SUNY Orange.

Mr. Malone updates the Board on new clients, beginning with MAG3, LLC who has just joined the Accelerator. The two female entrepreneurs have worked with QVC and the Home Shopping Network, sourcing projects for those channels. They are currently working with Home & Garden. He moves on to address the latest seminars at the Accelerator. He notes that the goal is to bring new people into the Accelerator, and in that vein they have two more morning seminars planned in the coming months. Mr. Steinberg asks if the events are being held in conjunction with the Chamber, and is advised that the Accelerator is organizing the events on its own. Mr. Malone adds that he recently met with a company, Interactive Solar Products, who has designed a solar panel that acts as a shingle. The company is considering a move to the Accelerator. He advises that the Accelerator has been running ad campaigns in the local newspapers, and will continue to run the campaigns through the new year.

Mr. Gates adds that UVANY will hold an event in January at Continental Organics.

OCP Report

Ms. Halahan begins by reminding the Board that the Partnership's annual event is on December 3rd. She hopes to see the Board there. She moves on to discuss the Business Retention and Expansion department of the Partnership, and notes that they do a lot of customer outreach, contacting companies to ensure they stay in Orange County. She recently met with a local company who serves as, basically, an incubator for retail products. She suggests the Business Accelerator partnering with the company, who works closely with QVC.

She reminds the Board about an issue President Container had in the past, where their pool of applicants was largely behind in math skills. Working in conjunction with Orange Works and SUNY Orange, among others, they developed a program to teach the necessary skills. They ended up winning, on a national level, the Manufacturer Innovator of the Year award. Through that program, President Container has hired 69 people, which is an excellent win for the County.

Green Mountain Dairy, in the Village of Goshen, had an issue with their water and sewer rates increasing, and the Partnership was able to organize a meeting with the local municipality, helping to reach an agreement on their rates, allowing the operation to stay and expand.

On the attraction side, Ms. Halahan advises that Project Crane may now be identified as North East Equipment, and is under way. The project is a 20K square foot building, 6 new jobs, in the Town of Wallkill.

Project X is still on the horizon, and will likely be announced in December.

Addressing marketing, Ms. Halahan advises that because of the WSJ campaign, the hits on the website have increased dramatically.

AJ Ross

Misters Ross and Vega introduce a set of logos to the Board for their approval. They first present 2 logos and slogans for the IDA, and then present 2 options for the OCFC. Chairman Armistead adds that the logos tie in with the upgrade of the IDA website, which will get the word out about the IDA's mission and accomplishments. Mr. Vega takes the opportunity to explain some of the features of the new website.

The Board discusses the logos as presented, and agree that they would like to see slight revisions. Chairman Armistead notes that the decision can be made via email correspondence in the interest of moving forward as quickly as possible.

Continental Organics Update

Mr. Finnegan offers an update on his project; they are about 2/3rds of the way through Phase II of the project, which consists of three 22.5K square foot greenhouses and a 15k square foot compost facility. The Orange County Planning Commission recently visited and ensured that all of the water was flowing properly. There are 33 full time positions filled at this time, and another 5 part time positions, with over 80% of their employees being Orange County residents. In addition, they are actively advertising for personnel, and particularly interested in hiring veterans. Mr. Steinberg asks about the kinds of jobs available, and Mr. Finnegan offers explanations of the various jobs available, from Agricultural Tech to Chemist. Lastly, Mr. Finnegan advises that Continental Organics submitted a CFA, and it has been indicated that they made it through the first two rounds of cuts. There has also been talk of Continental Organics being part of a sustainability park. In addition, the project provides to many local markets, including Adam's, Cosimo's, and West Point, among others.

CNW Real Estate, LLC – Initial Resolution

Mr. Gubitz, the attorney for the project, introduces Mistery Straub and Nunheimer of the CNW Real Estate project, Crestmoore. Mr. Straub notes that the project will go before the New Windsor Planning Board on December 11th for final approval and Neg Dec that day, as well. He distributes a packet explaining the assisted living facility they plan to build. It's roughly 117K square feet, with about 190 beds in 133 rooms. The facility offers memory care, which is the most needed kind of care in this county. In Orange County, there are roughly 13,000 residents between the ages of 65-75, with another 5,800 over the age of 85. After 85 years of age, more than one in four people suffers from some form of dementia. Mr. Straub then notes that there is no buy-in for the facility; it is strictly rental-only, which means the resident keeps their assets. Rentals range from \$2600 to \$6500 per month, depending on the type of unit and type of care needed. He adds that the facility offers a 24 hour staff. The goal is to break ground no later than March, and Mr. Straub offers an overview of the contractor and manager of the facility.

Chairman Armistead reminds the applicants that the IDA strongly urges local labor, and asks them to address their use of local labor. Mr. Straub notes that there will be roughly be 100-125 construction jobs within the first year, and advises that those jobs will be bid locally to Orange County residents. And in terms of operations, there will be over 100 jobs, and with very small exception, the employees will be Orange County residents.

Mr. Dowd reads aloud the CNW Real Estate, LLC initial resolution. Motion made by Brescia, seconded by Rogulski. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman Armistead then notes that the OCFC application will be considered at the following OCFC meeting.

CRH Realty VIII, LLC – Initial Resolution

Misters Cordisco and Sansted introduce the project to the Board, beginning with its location on Route 300. They also display a rendering of the proposed medical facility, and explain that the building is designed to eliminate wait times. They anticipate 200 construction jobs, as well as 237 permanent jobs, with salaries ranging from \$40K to \$150K per year. The aim is to begin construction in the spring. They also confirm that the project will use local labor.

Mr. Dowd reads aloud the CRH Realty, VIII, LLC initial resolution. Motion made by Rogulski, seconded by Vernon. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Chairman Armistead briefly discusses the Shovel Ready Site program, and indicates that there will be further discussion on the matter in the coming months. The Members indicate their support of the project, and look forward to creating an official plan.

Chairman Armistead then advises that he will be unavailable for the meeting scheduled on December 18th. He asks for a consensus of the Board about whether to move or cancel the meeting. The Members agree that it would be best to cancel the December meeting and agree to meet at the as-scheduled January 15th meeting.

On a related note, Mr. Vernon notes that there was discussion about holding a meeting at the Armory. After some discussion, the members agree that the February meeting will be held there.

Motion made by Brescia to enter executive session to discuss pending litigation. Motion seconded by Rogulski. All in favor.

Executive Session

The members discussed pending litigation.

End of Executive Session

Motion to close Executive Session made by Brescia, seconded by Rogulski. All in favor. No action taken in Executive Session.

Motion made by Steinberg to enter executive session issue relating to the employment history of a particular person. Motion seconded by Rogulski. All in favor.

Executive Session

The members discussed a particular person.

End of Executive Session

Motion to close Executive Session made by Rogulski, seconded by Vernon. All in favor. No action taken in Executive Session.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Brescia, seconded by Rogulski, the time being 5:15 p.m.