

ORANGE COUNTY FUNDING CORPORATION

MINUTES

November 9, 2017

A regular meeting of the Orange County Funding Corporation was convened in public session on November 9, 2017 at 3:22 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, Robert Schreiber, Mary Ellen Rogulski, John Steinberg, Stephen Brescia, Michael Bonura

ABSENT: 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

Chairman Armistead calls to order the regular meeting of the Orange County Funding Corporation, November 9, 2017. Board consists of six members. There is a quorum.

Roll Call is taken.

Minutes

Review of the October 12, 2017 meeting minutes. Motion made by Ms. Rogulski, seconded by Mr. Schreiber, to approve the minutes. Motion carries with all in favor.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the income and expense summary, noting that the income YTD balance is \$919,778 and YTD expenses are \$209,376, with revenues exceeding expenses by \$710,401.

The balance in the bank account is \$1,342,203.

Mr. Kleiman asks for a motion to approve the vouchers and payments in the amount of \$4,987.77. Motion made by Mr. Steinberg, seconded by Mr. Bonura, that the Board accept the financial reports, authorize OCFC payments and vouchers. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Kleiman informs the board that the Newburgh Armory Unity Center had less than \$100 in their allotted \$175,000 expenditure amount.

New and Unfinished Business

No new or unfinished business is presented to the board.

Applications/Resolutions

Danskammer Holdings, LLC – Resolution

Mr. Dowd reads aloud the Danskammer Holdings, LLC Mortgage Recording Tax Resolution. Motion is made by Ms. Rogulski, seconded by Mr. Bonura, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Danskammer Holdings, LLC. Roll call is taken. Affirmative votes of all members present resulted in motion carried.

Village of Goshen – Project Expenditure Request

Ms. Villasuso informs the board the Village of Goshen submitted an Expenditure Request to support its Downtown Revitalization Initiative. The goal is to improve the aesthetics of the downtown area and capture the interest of tourists to benefit local businesses. An increase in traffic is expected due to the reopening of the government center and eventual overflow from Legoland. The requested amount is \$30,000. The Village has already invested roughly \$160,000 toward this effort. To date, the Village has made Market Street a pedestrian square, improved crosswalks, and lighting. These funds are being requested for street signs, chess tables, tables and chairs, bus shelter improvements, and landscaping.

Mr. Schreibeis states that the Governance Committee recommends the board support a project expenditure of \$20,000.

Ms. Rogulski states that the approved amount is lower than the requested amount due to one of the items being street signs. The committee did not feel that they wanted to fund that, but the committee did support the purchase of a directional sign.

Mr. Brescia states he adamantly opposes the support of this project. It sets a dangerous precedent. A project like this with a municipality has not been supported before. Previous supported projects were tourist destinations such as the Goshen Race Track, The White Water Facility in Port Jervis, and Purple Heart Hall of Honor. He does not want to support a project of this nature. The Village of Montgomery was one of the first municipalities to get the cast iron signs like those requested by the applicant. The Village used unutilized revolving loan funds and purchased those signs. The Village of Goshen should do well with the overflow from the Government Center and Legoland and it is anticipated to bring money into the community. It is not the mission of the OCFC to fund projects of this nature and the Village can certainly afford \$30,000 to finish off this project. If they cannot then they can Bond it over a couple of years.

Mr. Steinberg asks if this is not a good idea because it's basically Village maintenance.

Mr. Brescia states yes, it's basic maintenance, improvements, and infrastructure. Is the board really going to start paying for the infrastructure of villages, towns, and cities? These funds are supposed to support tourism and create jobs.

Mr. Cozzolino asks how Mr. Brescia feels they are benefitting from Legoland.

Mr. Brescia states that the Legoland hotel can only support so many tourists, people will want to stay near by and they'll do so in Goshen. Legoland will sub out contractors and local businesses for those needs that they don't supply themselves and tourists will frequent the nearby area.

Mr. Cozzolino asks if perhaps these funds could help the Village be ready for that tourism play.

Mr. Brescia states he feels that's a stretch. It sets a dangerous precedent and other municipalities will possibly come and ask for similar funds.

Chairman Armistead says he understands Mr. Brescia's concern and what this might mean moving forward. Surely the Village will benefit from Legoland. A lot of business will be brought to the Village.

Ms. Villasuso states that it may set a precedent, but they tried to be very thoughtful when approached with this request. One of the concerns for the community at large is because there is a fly over and the Village of Goshen won't

see many of the impacts originally anticipated. As result, it leaves the Village to make their area attractive enough to keep and attract the tourists. The other fear is that people won't leave Legoland or just leave the area after a long day. What Goshen is trying to do is capitalize on the commuter market. One of the things she has learned from her economic development courses is that downtown and urban revitalization is of the utmost importance. If a municipality cannot capitalize on the existing market you have to find a way to bring visitors in. The Village has found that with the new Market Street area people are patronizing the local businesses. They are trying to capture a millennial market and a downtown market that doesn't necessarily exist.

Mr. Brescia states that if they don't approve this today the Village will still move forward with the project and spend it themselves. If they wanted to finance a study that would make sense.

Ms. Rogulski states that they already financed the study and put in \$160,000 of their own funds. She feels if other municipalities came with similar requests they could be supported by the OCFC. Requests like these result in people living downtown, stores get revitalized, and businesses grow. The town of Goshen will benefit because they are contractually built into the agreement, but the Village may not fair as well. No one knows for certain the benefits Legoland will bring at the end of the day.

Mr. Armistead states that Goshen is the County seat. It should be supported.

Ms. Rogulski states she feels it's ok if other municipalities come with expenditure requests. The role of the OCFC is not to have the bank account balance grow, but to use that money and make it work to support the county. One of the major differences for the Village of Goshen is that 51% of the taxable base is exempt making the accessible tax fund more of a challenge.

Chairman Armistead states that there are good arguments on both sides.

Mr. Bonura states that if and when a surge of applications are submitted, each will be evaluated separately on their individual merit.

Ms. Villasuso informs the board that there is \$200,000 in the OCFC Expenditure Budget for 2018. There is \$1.3M in total in the bank. Ms. Villasuso reminds the board that the OCFC doesn't just cut a check for the requested amount. Each bill is evaluated when submitted to make sure they align with the approved project items.

The board discusses further the pros and cons of approving the Village of Goshen Expenditure.

Motion is made by Mr. Bonura, seconded by Ms. Rogulski, authorizing a \$20,000 project expenditure to the Village of Goshen to directly support its Downtown Revitalization Initiative. Roll call is taken. Mr. Brescia Votes "Nay". Mr. Schreiber abstains. Affirmative votes of four members results in motion carried.

Mr. Cozzolino states that vetting parameters have been put on IDA projects. The same has and will be done with OCFC Expenditure requests.

Other Board Business

Mr. Brescia states that he feels there is a way to assist the Bullville Fire Department. There is a concern over prevailing wage with the anticipated construction.

Mr. Down states that they are requesting a Bond, and that would not put any regulation on whom they wanted to hire for construction needs when it comes to the IDA.

Ms. Schouten states that they are expected to send a full application soon.

Ms. Villasuso informs the board that there could be some changes on the Federal level that would preclude the OCFC from an issuer of tax exempt debt.

Mr. Gaenzle informs the board that a new tax code is in the works that will make the issuers of tax exempt debt unable to do so moving forward across the county. Therefore, multifamily housing facilities, universities, hospitals, or non-for-profit organizations will not be able to be financed in that way.

Adjournment

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Ms. Rogulski, seconded by Mr. Bonura, the time being 3:50p.m.