

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
COMMITTEE MEETING

MINUTES: December 1, 2021

A meeting of the Orange County Industrial Development Agency was convened Wednesday, December 1, 2021, at 5:42 p.m.

The meeting was called to order by Chairman Torelli, immediately followed by the Pledge of Allegiance.

A roll call of the Board members showed five present. There is a quorum. The following are all who were in attendance:

PRESENT: Mike Torelli, John Douthit, Dean Tamburri, Vincent Odock,  
Paul Ruskiewicz (via Zoom)

ABSENT: Lesley Pierri

ALSO PRESENT: Bill Fioravanti – Chief Executive Officer  
Langdon Chapman – County Attorney  
Sue Katzoff – General Counsel (via Zoom)  
Kelly Reilly – Project Manager  
Dean Brady – Technical Support (via  
Zoom)

Chairman Torelli opened the meeting by addressing Board member, Leslie Pierri's letter of resignation effective today, December 1, and thanked her for all her work.

Mr. Fioravanti addressed the recent Orange County Legislature's investigative report on the misdeeds of the prior administration and left it open for discussion. The Chairman suggested that Board and staff read it as the report contains some things that need to be considered and schedule a future discussion to decide upon some of the items in the report. The Chairman addressed some of the recommendations in the report that referenced pursuing further legal action. He asked for Counsel to discuss this item with Mr. Fioravanti, provide a briefing for the Board to review and vote upon whether further legal action should be pursued to seek restitution of damages and to better understand the cost of doing so. Chairman Torelli asked the Board to read the report and start to gather more information for future discussion at the Board level with a potential vote.

## **Other Items Discussed**

**Proposal for CFO duties:** Mr. Fioravanti presented a comparison report and noted that the OCIDA is currently outsourcing CFO duties and has four proposals to consider which include: BST (commonly CFO for Hire for IDA's), OC Finance Commissioner, Karen Hablow, RBT (a local CPA), and a new proposed engagement letter from UHY with updated pricing. Chairman Torelli noted our lack of a full-time CFO is the reason for the procurement. Mr. Fioravanti confirmed that GJS will continue to be our auditors for 2022. Ms. Katzoff agreed that our auditor should be different from the person or firm that will be handling the CFO duties to keep the two independent. She will review the comparison chart and provide feedback at the next OCIDA Board meeting. The Chairman asked the Board to review the recent procurements and come up with a list of questions to be discussed as an agenda item under New Business.

**603 and 605 Broadway:** As a result of the State Comptroller's report, it was determined that any contract entered into *after* the date that one of the former Board members became an employee of GTG, is null and void. B4 Holdings was notified that the OCIDA would no longer be paying rent and upon receiving their tax bill, B4 Holdings submitted a letter requesting an arrangement that any sublease rent the IDA received be submitted to B4 Holdings for the remainder of the original lease to pay the CAM (common area maintenance) charges. Mr. Fioravanti presented summaries for both Broadway locations reflecting what the OCIDA has paid in CAM charges between August 2020 – August 2021 and confirmed that the lease for 603 Broadway runs through October 1, 2023, 605 Broadway through July 15, 2023 and that some of the subleases have already expired. Mr. Chapman reminded the Board that all the leases are technically void. The Chairman expressed his concern with the excessive amount in CAM charges for some of the subtenants and the fact that those funds will not be recovered. Mr. Fioravanti confirmed the lease start dates for the subtenants and the Chairman addressed the issue of arrears of one of the tenants. Mr. Fioravanti explained that an agreement was made with the tenant in which the tenant would begin to pay rent but after one payment the tenant fell behind again. Mr. Odock asked about a system that would require the subtenants to pay some rent and Mr. Fioravanti confirmed that the language in the original leases does not reference any obligations on the part of the subtenant to pay rent. Chairman Torelli

suggested that the subtenants be given the option to pay the rent, go on a payment plan, or receive a notice to vacate the premises. Mr. Fioravanti stated that discussions are ongoing with the subtenants and the consensus is that they are indeed struggling. The Chairman suggested that the Newburgh tenants be given the same option as the New Windsor to discuss renting directly from the landlord/owner.

Mr. Fioravanti stated that the OCIDA has encouraged that option and that he has had several conversations with B4 Holdings about it. Being fully aware of what the subtenants pay in rent and what they IDA pays in CAM charges, B4 Holdings has requested that the IDA continue to assist in paying the CAM charges so that the landlord can try to keep the tenants' rent close to what they are currently. Mr. Tamburri asked if the landlords made any renovations to make the buildings "Accelerator-specific" and Mr. Fioravanti confirmed that the agreement was that the OCIDA would invest \$300,000 over a couple of phases to make improvements in the building and B4 Holdings would invest at least \$100,000, mostly "in-kind". To date, the OCIDA has put up around \$200,000 in repairs and improvement. Counsel suggested that Ms. Katzoff discuss this further in an attorney/client session.

Chairman Torelli requested a report listing the subtenants, their lease statuses, lease dates, and rent amounts. The report should also include exactly how much funds the previous Board has invested in the buildings, what the OCIDA is obtaining in rent payments, and how this has benefited the tenants. This item to be discussed further with Counsel.

**Agents of the IDA:** Mr. Fioravanti addressed the approval letter from the OCIDA to WEDC for \$30,000 for 2021 for the services indicated on their application. He reviewed WEDC's "Agents of the IDA" check list, their responses, their mission and will provide more background on the total past payments from the OCIDA. He will also research whether this type of expense is approved by the OSC, and whether the OCIDA can continue to pay for this service. More details will be provided prior to next meeting for discussion and vote.

**Additional Signatory:** Ms. Katzoff will meet with Mr. Fioravanti to learn what the internal structure is and suggested that because the expenditures are reviewed and approved in

a public setting, any expenses under a certain amount can be signed by Mr. Fioravanti and the OCIDA can put safeguards in place for expenses that exceed a certain amount to require two signatures.

**Personnel:** Mr. Fioravanti addressed the immediate need for assistance with the project manager being away. Chairman Torelli agreed to allow the current contract person to assist with more duties, but asked Mr. Fioravanti to provide a write-up to include hours (full or part time), list of duties, maximum amount of benefits, if applicable, to be voted upon by the Board at the upcoming meeting. Once approved by the Board, staff can begin the procurement process, post the position, interview, make an offer and secure a start date.

Chairman Torelli also requested an offline discussion on current staff evaluations and suggested that the Board participate in the evaluations.

**Updates for the coming OCIDA meeting:** Mr. Fioravanti has an upcoming meeting with the Warwick Town Supervisor and should have an update on the \$2 million reimbursement from Warwick LDC by December 15, 2021. Chairman Torelli stated that if the reimbursement is not on-hand before the next meeting, he wants to add it as an agenda item to discuss and vote upon possible legal recourse.

**New Windsor and Middletown Accelerator Tenants:** Leases are coming due and Mr. Fioravanti is discussing with New Windsor Town Supervisor as well as the tenants and will have an update by the next meeting.

**Bond Counsel and Local Labor Auditing:** Chairman Torelli requested that staff narrow down the current list of applicants and draft a comparison sheet like the CFO for Hire to discuss with Counsel, decide on parameters to identify duties, review and vote upon.

**Local Labor Auditing:** Chairman Torelli suggested a comparison chart to be voted upon so that staff may begin the procurement process.

**Next Committee Meeting date:** Chairman Torelli asked that the Board come up with a date for the next Committee meeting and suggested that a comparison of IDA fees be an agenda item. This would allow the IDA to compare fees with other IDA's to determine if the current fee structure requires changes.

Mr. Fioravanti discussed the current application process and Ms. Katzoff addressed a new Bill, not yet signed, that references admin fees. She discussed PARIS reporting, Prevailing Wage, and the SEQR process.

A motion to adjourn was made and unanimously accepted.

The meeting closed at 7:30 pm.