

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES: DECEMBER 15, 2021, BOARD OF DIRECTORS MEETING

A virtual meeting (via Zoom) of the Orange County Industrial Development Agency was convened Wednesday, December 15, 2021, at 5:37 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 four present. There is a quorum. The following are all who were in attendance:

PRESENT: Michael Torelli, John Douthit, Paul Ruskiewicz, Vincent Odock

ABSENT: Dean Tamburri

ALSO PRESENT: Bill Fioravanti – Chief Executive Officer
Sue Katzoff – General Counsel
Langdon Chapman – OC Attorney
Russell Gaenzle – Bond Counsel
Dean Brady – Technical Support

A motion by Chairman Torelli to accept the minutes of the November 17, 2021 IDA Board meeting and the minutes of the December 1, 2021 Committee meeting was accepted and opened for questions or comments.

Hearing no objections to the minutes, a motion was made by Chairman Torelli, seconded by Mr. Douthit, and passed by a unanimous roll call.

Finance Report

Mr. Fioravanti reviewed the November financials including interest earnings for the CD investments, and the typical monthly bills. WEDC payment is booked and accounted for but not approved yet. Expenses totaling \$35,000 and we are \$34,000 under budget for the year. OCIDA Accelerator Income, includes rent we receive from the Broadway Accelerator tenants which we are remitting back to B4 Holdings. Mr. Fioravanti detailed

other items including the Danza Lessee annual cost for rent and other expense items. He also met with Focus Media to discuss the end of their contract so that we may reprocur. Mr. Fioravanti noted Focus's interest in bidding at the re-procurement and have offered to provide a number of hours of additional work, at no added expense, so that the IDA receives the value of what we've been paying for monthly. The investment CDs are still in process as we don't have the required amount of signatures.

Chairman Torelli moved to approve the financials subject to further discussion of the annual Middletown rent and the agency contribution cost for WEDC during payables portion of the agenda.

With no objections, questions or concerns, a motion was made by Mr. Ruszkiewicz, seconded by Mr. Douthit, and passed by a unanimous roll call.

Payables

Mr. Fioravanti discussed the recurring bills and noted that the gas and electric bill and the Verizon FIOS bill for the 603 and 605 buildings would be transferred over to B4 holdings which resulted in those line items being deducted from the payables report. As previously mentioned, the Focus Media retainer will be deducted in future reports as their contract is set to expire, and this will be the IDA's last month with Frontier for the Middletown building. Mr. Fioravanti discussed credit card payments and noted that the IDA would be moving away from the G-Suite platform and moving to Microsoft Office. The New Windsor rent payments for which the leases will expire at the end of this year, were also removed as well as the utilities and FIOS for the Broadway locations bringing the total payable amount to \$107,018.85. Chairman Torelli addressed the Danza group's annual rent request and asked Counsel to comment on how we handle rent payments for the different locations. Mr. Langdon suggested an attorney/client session before the Danza payment is submitted. The Chairman asked Mr. Fioravanti to deduct the Danza Lesser payment and put \$81,648 on hold which decreased the new payables figure to \$25,166.80.

With no objections, questions or concerns regarding the new total, a motion was made by Mr. Douthit, seconded by Chairman Torelli, and passed by a unanimous roll call.

Mr. Fioravanti reviewed and confirmed the Loewke Brill “Monthly” payables.

With no objections, questions or concerns, a motion was made by Mr. Ruszkiewicz, seconded by Mr. Odock, and passed by a unanimous roll call.

Mr. Fioravanti reviewed the “All Other” payables report and noted the \$500,000 is for the second set of CD investments previously approved; \$250,000 at Empire State Bank for 18 months at .4% and \$250,000 at Connect One for 12 months at .25%.

With no objections, questions or concerns, a motion to approve was made by Mr. Odock, seconded by Mr. Douthit, and passed by a unanimous roll call.

Signatories: Mr. Fioravanti noted that a second signatory is needed and possibly a third as an additional option and asked Counsel for input. Ms. Kaztoff recommended more than one signatory and possibly a third so that we are not without a signer. As discussed at the last meeting, she suggested that safeguards be put in place for checks, dollar amounts, and accounts that will require two signers. Mr. Fioravanti confirmed that currently we need two signers and Chairman Torelli asked Mr. Ruszkiewicz to step in in the interim. Mr. Fioravanti suggested a Board member who was local in the interest of availability.

With no objections, questions or concerns, a motion to approve Mr. Ruszkiewicz as a secondary signer was made by Chairman Torelli, seconded by Mr. Odock, and passed by a unanimous roll call.

CFO discussion: Mr. Fioravanti presented his CFO comparison report and reviewed the current CFO situation and UHY’s duties along with some of the CFO-related work that has been undertaken by Ms. Kelly Reilly. He discussed the possibility of onboarding the Commissioner of Finance, Karen Hallow, with whom he’s met, RBT CPAs and lastly, BST headquartered in the Capitol District for the CFO for hire arrangement. He reviewed their proposals and fees and compared the cost of our current arrangements to the work that we may require from a firm.

With no objections, questions or concerns, a motion to approve RBT and UHY for CFO and Auditing duties was made by Chairman Torelli, seconded by Mr. Odock, and passed by a unanimous roll call.

Chairman's Report

Chairman Torelli thanked Mr. Douthit for his work as a Board member for the OCIDA through the end of the year. He suggested a first-quarter retreat for Board and staff development for 2022 and a calendar for future committee meetings.

Management Report

Mr. Fioravanti stated that he's settling into his position and looks forward to hiring for administrative help for the new year. He discussed changing the signage for new re-branding. He continues to present and reintroduce the OCIDA to the public to rebuild the public's trust and plans to do more presentations. He discussed Accelerator subtenants and the leases that still have not been renewed because of lack of activity or maintenance issues as we continue to support the clients to the best of our ability. He discussed bringing some new tenants in and renewing some of the current Accelerator clients to the end of our lease term. Mr. Fioravanti thanked the Board members who toured Inform Lightworks in New Windsor and noted that we worked together to come up with ways to continue to support them or get them a mentor/landlord and trying to help them find another location so they can continue to develop and launch their business. He anticipates receiving at least one new application next month.

New Business

The Board reviewed the open seats and discussed reappointing new committees. Counsel was asked to comment on the committees and what the IDA will need to do to be in compliance as far as committees and officers are concerned. Ms. Katzoff listed what was needed and recommended that she and Mr. Fioravanti have an opportunity to analyze what Committees we currently have and what we will need in terms of timing. Mr. Odock stated that he was under the impression that his term was ending at the end of December 2021 and planned accordingly. Chairman Torelli asked Mr. Ruszkiewicz to bring this up at the next E&E committee for information on reappointments in a letter in

January so that we have a full board in place. Ms. Kaztoff recommended a detailed discussion with Mr. Fioravanti to identify the committees that are most urgently needed and getting reappointments as soon as possible so that we remain in compliance. Mr. Gaenzle will review the OCIDA's Enabling Legislation for a minimum number of Board members and he will discuss further with Ms. Kaztoff offline. Ms. Kaztoff and Mr. Fioravanti will work on a committee schedule for the new year.

Mr. Fioravanti discussed the Newburgh 139 LLC Assignment of Benefits and shared a letter from Mr. Martin Milano, Hampton Inn, Crossroads Court in the Town of Newburgh which is a 10-year PILOT approved by the previous board. Mr. Milano is selling the hotel to a new group who will continue to operate the hotel with no change in operations and no change in employees. Mr. Gaenzle explained the assumption and requested that the board consider an approval. Ms. Kaztoff had no objections if the new owners know how to operate this kind of business. Mr. Fioravanti confirmed that this new group has other hotels in NYC but will be new to the Orange County area. He is scheduled to call them in the upcoming days and stated we will continue to do our due diligence as they are scheduled to close on the purchase of the hotel next week. Mr. Fioravanti confirmed that the current owners are up to date on all property taxes and there are no delinquency or compliance issues on our end.

With no objections, questions or concerns, a motion to approve the Assignment and Assumption was made by Chairman Torelli, seconded by Mr. Douthit, and passed by a unanimous roll call.

Counsel to share their findings with Mr. Fioravanti to be reviewed by the Board.

Mr. Fioravanti noted that he continues to try to fill the vacancies in some of the empty Accelerator buildings as clients have mostly been working from home due to the pandemic. He stated that there are two groups that are interested in leasing the vacant space in the Middletown accelerator. Eczesoothe is one client looking to lease the space for clinical trials of their product and Oxyvita is the other group.

Mr. Fioravanti will work with Counsel on a lease and term sheet for the subtenants to be presented to the Board at the January 2022 meeting for review and approval.

Unfinished Business

Mr. Fioravanti discussed two extension requests for previously approved projects: Leentjes and South Gate Flats Hotel into 2022. After approval, there's a one-year time limit where they must close on their projects. The projects are also looking for an approval of an increased amount of sales tax exemptions due to delays because of the pandemic and the rising cost of materials. Counsel suggested that the projects submit an updated or supplemental application so that the new numbers can be verified, and a new public hearing held. Mr. Fioravanti asked for confirmation that the projects may start making qualified purchases. Counsel confirmed they can purchase up to the initially approved amount and the projects must finalize their initial prior approvals. Once finalized, Counsel will coordinate a new public hearing so that the projects may present anew. The Board will not approve until the supplemental documents are submitted.

At 6:36pm the meeting went into Executive Session

The meeting resumed at 6:38pm.

The Chairman moved to enter a Resolution to commence litigation against Mr. Vincent Cozzolino, Ms. Laurie Villasuso, Mr. Ed Diana, Galileo Technology Group and any officer, shareholder, or manager of GTG to recover funds paid due to void contracts entered into during the unlawful conduct of the aforementioned parties.

A motion to approve the Resolution was made by Chairman Torelli, seconded by Mr. Douthit, and passed by a unanimous roll call.

A motion to adjourn was made, seconded, and unanimously accepted.

The meeting closed at 7:11 pm.