

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 15, 2012

A regular meeting of the Orange County Industrial Development Agency was convened in public session on February 15, 2012 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, James Petro, and upon roll being called, the following were:

PRESENT: James Petro, Stephen Brescia, John Steinberg, Robert Schreibeis, Robert Armistead, Mary Ellen Rogulski

ABSENT: Hank VanLeeuwen

ALSO PRESENT: James O'Donnell – Executive Director  
Joel Kleiman – Chief Financial Officer  
Phil Crotty – Attorney  
Laurie Villasuso – Administrative Assistant  
Michael DiTullo – Orange County Business Accelerator  
Peter Gregory – Orange County Business Accelerator  
Maureen Halahan – Orange County Partnership  
Meghan Taylor – Orange County Partnership  
Mike Oates – HVEDC  
Russell Gaenzle – Harris Beach  
James Walsh – Times Herald Record  
Tom Bushey – Times Herald Record  
Jessica DiNapoli – Times Herald Record  
Don Green – SUNY  
Pat Courtney Strong – Courtney Strong, Inc.  
Eleanor Doderer – Town of Newburgh resident & taxpayer  
Sibylle Tolve – Town of Newburgh resident & taxpayer  
A. Jane Johnston – Newburgh Advocate  
Gerald N. Jacobowitz – J&G, LLP  
John Bainlardi – Wilder Balter Partners  
Joe Del Sindaco – A&R Global  
Bill Trimble – W.T. Solutions, LLC  
Jeff Berkman – Orange County Legislature  
Animal Hughes – Co. Planning Fed.  
Robert Wilder – Wilder-Balter Partners  
Russ Vernon – BVM Capital  
Eric Gordon – Keane & Beane PC

Chairman, James Petro calls the meeting for the Orange County IDA, February 15, 2012 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior January 18, 2012 meeting minutes. Motion made by Steinberg, seconded by Schreibeis to approve the minutes as presented. Affirmative votes of all members present resulted in motion carried.

Roll Call taken.

### **Financial Report And/or Request For Payment**

Joel Kleiman, Chief Financial Officer, refers to the income and expense summary through January 2012. For this first month of the year, we have income of \$19,211 and expenses of \$203,609, the bulk of which was the quarterly payment to the Accelerator. Mr. Kleiman moves on to address the Schedule of Bank Accounts, Certificates of Deposit and Money Markets as of January 31. The next CD up for maturity is due December of 2012.

Mr. Kleiman then calls attention to the monthly revenues and vouchers. For the month, the IDA has taken in \$10K, and vouchers total \$95,204.23. Mr. Kleiman informs the Board that, to that total, we will add an expense for Frances Roth, stenographer, in the amount of \$255.25 for her transcription of the Carlisle Public Hearing. The addition brings the Voucher total to \$95,459.48.

Chairman Petro notes that the payment for Ms. Roth is money well spent for the service of stenographer at the public hearings. While Chairman Petro, Mr. O'Donnell and Mr. Crotty all attend the public hearings and take notes, the transcription of the hearing allows for an accurate record, should the IDA ever be challenged.

Motion made by Rogulski, seconded by Brescia, that the Board accepts the financial report and authorization of payments and vouchers for February 2012. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Kleiman then updates the Board on the 2011 Audit. He advises the Board that the audit is going smoothly, and adds that the project confirmations have gone more slowly than expected, as the operators have not responded as quickly as anticipated.

### **Executive Director Report**

Mr. O'Donnell informs the board that he was invited by Mike Oates to be part of the Hudson Valley Food and Beverage Alliance meeting at the Culinary Institute. The event was attended by about 250 people and was a huge success. Next month, Mr. O'Donnell will offer a more thorough report and will send information via email to the members regarding what we expect to accomplish. He informs the Board that the request will be for the Orange County Business Accelerator and/or the IDA to be a founding member of the Hudson Valley Food and Beverage Alliance. The cost will be \$20K per year.

In addition, Misters O'Donnell and Oates toured Café Spice last month. During their tour, Mr. O'Donnell reports, they noticed the café's stock of cardboard boxes and asked if the boxes come from within Orange County. When the café replied that the boxes came from outside of Orange County, Mr. O'Donnell noted that President Container and Quality Carton are both Orange County businesses, and advised that Orange County businesses should be doing business with each other, rather than going elsewhere. The same situation presented itself with Café Spice's onion supply, which they're also getting from outside of the County, when there are plenty of farmers locally who would be happy to have the opportunity to do business.

Mr. O'Donnell also advises the Board that he and Ms. Villasuso visited an Empire Zone company, The Newburgh Brewery, which will be open for business soon.

Chairman Petro then advises the room that, at this time, the Orange County Industrial Development Agency will move into Executive Session to discuss a contract. He asks everyone present in the room to exit, except for all Board Members, Ms. Villasuso and Misters Crotty, O'Donnell, Gaenzle, DiTullo and Gregory.

Mr. Crotty reads Resolution Approving Executive Session to Discuss Lease with Purchase Option for Orange County Business Accelerator aloud. Motion made by Brescia, seconded by Armistead. Open for discussion. Affirmative votes of all members present resulted in motion carried.

### Executive Session

Chairman Petro advises that the Executive Session has been called to discuss leasing the upstairs space of 4 Crotty Lane. He notes the current space – the first floor of 4 Crotty Lane – is presently full. The new space is approximately 10K square feet.

Mr. DiTullo advises that with the signing of three more clients since the last meeting, the Accelerator is at 100% occupancy, bringing in \$10-11K in rent per month. He reminds the Board that the original business plan projected that, at this point, the end of the second year, the Orange County Business Accelerator would be at 50% occupancy. In addition, there are two or three clients in the pipeline. Chairman Petro notes that the Accelerator was initiated during one of the worst economic periods in recent memory. Mr. DiTullo also mentions that the events held at the Accelerator have exceeded expectations, with events that are so well-attended that there is often not enough space for everyone present to sit and/or see the presentations. He adds that it would be favorable if there were more of a classroom-style setting to accommodate the 40-60 people who attend events. Coming upon the third year anniversary, Mr. DiTullo advises the room that the clients who are near graduation have intimated that they would like to remain affiliated with the Accelerator, and be part of the Accelerator family. Mr. DiTullo suggests that, if the Accelerator had more capacity, they could allot 2-4K square feet for graduates, who could go into that space for no more than three years, at market rate. Mr. DiTullo also notes that the space upstairs will attract businesses from a marketing perspective.

Mr. O'Donnell comments on the idea of having space for graduates. While he supports doing something for the graduates, he disputes the market rate idea. He suggests there could be a graduate room for meetings and such, or that, if they do rent space at market rate, there be a 60-day out, where as soon as a new client would like to come in, they would take precedence over the graduate.

Chairman Petro distributes copies of the Letter of Intent from First Columbia and reads it aloud. He comments that the Letter of Intent and lease will apply to the entire second floor. The lease has no increases on rent, and is a 3 year lease with 2 1-year options. The occupancy is immediate, with the rent commencement date of June 1, 2012. The landlord will also allow the Accelerator (the "tenant") to install an elevator at its sole cost and expense. Chairman Petro notes that at some point the addition of an elevator would be necessary, but that he would like to add it when the IDA/Accelerator owns the building. He also adds that the IDA will rent the upstairs of the building with the Accelerator renting the downstairs. An option to purchase the building is also included in the letter. First Columbia has an appraised value of the building, but Chairman Petro notes that the IDA would have Real Property and an outside appraiser qualify the value that First Columbia has

indicated. The lease will be for the building only, as it is land leased property. The land lease between First Columbia and the Town of New Windsor is a 99 year lease.

If it is decided that the IDA would like to purchase the property, option #2 covers a purchase with closing on December 1, 2014 and includes a credit of \$75K for rents already paid. Chairman Petro prefers this option.

Chairman Petro reminds the Board that this lease covers upstairs ONLY. The lease for the downstairs portion remains independent of the lease for the second floor.

Mr. Armistead asks Mr. Crotty for his opinion, who confirms that using IDA funds for economic development in this way is the purest sense of economic development.

Chairman Petro notes that the rental income from clients will offset the rental payments that the IDA makes. Ms. Rogulski adds that this is an investment in jobs and economic development, not a real estate investment. The numbers, she continues, are well within acceptable levels in her opinion.

Mr. Crotty reads Resolution Closing Executive Session to Discuss Lease with Purchase Option for Orange County Business Accelerator aloud. Motion made by Brescia, seconded by Armistead. Open for discussion. Affirmative votes of all members present resulted in motion carried.

### *End of Executive Session*

Chairman Petro welcomes all attendees back to the meeting.

Mr. Crotty reads Resolution Approving Execution of Letter of Intent Dated February 10, 2012 Relative to Lease with Purchase Option for 4 Crotty Lane, New Windsor, New York aloud. Motion made by Brescia, seconded by Armistead. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman Petro signs the Letter of Intent.

### **Chairman's Report**

Chairman Petro reports that he's been back and forth with the new auditors, and that they have been really focused on the \$255K that the Port Authority still owes the IDA. Chairman Petro met with the Port Authority and they are aware of it and working on it; the \$255K will be left on the books as a receivable for now, and once the Port Authority gets the deed from the state, they plan on paying the funds. Chairman Petro reminds all that the funds are not lost.

Chairman Petro introduces Russell Gaenzle from Harris Beach, PLLC, the IDA's Bond Counsel. Mr. Gaenzle reminds the Board that IDAs, under the state-enabling legislation, are required to maintain a Uniform Tax Policy. This Board's Uniform Tax Exemption Policy was last modified in 2005. The state ABO dictates that review their Policies and Procedures from time to time, and at the request of the Chairman, Misters Gaenzle, Crotty and O'Donnell reviewed the existing policy and made some revisions as a result of the current economic climate. He presents the Board with the revised UTEP, which does not include any significant changes and does not change what must be done legally, but simply offers greater flexibility to choose its projects without doing deviations. The UTEP was provided to Members prior to the meeting, and has been reviewed by Mr. Crotty. Mr. Gaenzle informs the board that he works with IDAs across the state, and that this new UTEP is

more in line with what other IDAs are doing. Although the state does not have a Uniform Tax Policy, each individual IDA is required to have their own, and ours is now similar to other New York State IDA policies.

Mr. Crotty reads the resolution aloud. Motion made by Armistead, seconded by Steinberg, that the Board approve the resolution to accept the amended UTEP. Open for discussion. Open for discussion. Affirmative votes of all members present resulted in motion carried.

## **Marketplace**

Mr. Wilder, of Wilder Balter Partners, asks the Members to refer to the application included in their packets. He distributes condensed version of the plan, the details and the request. He begins with the Executive Summary, and notes that he is here to discuss Phase I, which is 400K square feet, roughly half of the entire Marketplace project. He adds the real estate and sales tax revenues from the Marketplace projected will have a positive effect on the Town of Newburgh and the Newburgh Central School district, as well as Orange County. Phase I will generate \$84.5M in construction and development work for the local construction industry. He adds that the site work is about \$20M on Phase I, and they have entered into a letter of agreement with Local 17 Laborer's Union and the Operating Engineers, and agreed to use local Union labor with respect to the site work. The Marketplace will have about 1000 full and part time jobs after it is open and operating. Lastly, it is the only large retail project in the Hudson Valley that is shovel-ready and has the ability to change the face of Newburgh because of its scale.

Mr. Wilder moves on to explain that The Marketplace is asking for a 15 year PILOT, the Super-Enhanced PILOT, from the IDA, which begins with 95% tax abatement the first year, and then eventually works its way to a 0% abatement by the 15<sup>th</sup> year. The Marketplace is also requesting a sales tax exemption on construction materials, FF&E and an exemption for Mortgage tax, but they will NOT be requesting a PILOT for the 2<sup>nd</sup> Phase of the project.

Mr. Brescia then asked if Marketplace would agree, and put in writing, that they will not request a PILOT for Phase II, if a PILOT for Phase I is approved. Chairman Petro agrees and asks Mr. Wilder if Marketplace would be willing to sign something to that effect, and Mr. Wilder nods in agreement.

Mr. Wilder goes on to explain the question of how real estate taxes will be affected. He notes that currently the real estate taxes at the site are roughly \$100K, and that there will be no reduction in that amount. On the contrary, the \$100K becomes the starting point and the taxes paid will go up from there. He adds that the property has been owned by the Marketplace, and the Marketplace has had its approvals, since 2007, and the taxes are still \$100K year; there are no sales taxes, construction jobs, etc. being generated by the site until construction is complete. Once complete, Marketplace will pay roughly \$550K per year, on average, in real estate taxes. Approximately 90% of the taxes go to the Town of Newburgh, the Newburgh School district, the town Highway Department and "various special districts in the town." Mr. Wilder then notes that the PILOT payment request is \$9.9M, which is two-thirds of what Marketplace initially requested in November, which was \$15M.

Addressing what sales taxes will be generated, Mr. Wilder advises that Orange County will receive \$5.7M in sales taxes annually. He adds that while Marketplace sales may dilute other retail sales within Orange County, he does note that Marketplace may also bring in sales that may otherwise go to Danbury Fair Mall or Palisades Mall.

With regard to construction, Phase I sitework will total \$84.5M, with an economic impact of \$129.25M, based on the multiplier of 1.5. The construction will create 611 construction jobs, and Wilder Balter Partners has committed to use union labor in sitework, and has agreed to work with local labor to provide construction work for local contractors and suppliers in the region. Long term benefits include 981 part and full time jobs.

Chairman Petro then turns to Ms. Rogulski for comment.

Ms. Rogulski advises that she has a few issues with Mr. Wilder's presentation, and adds that it is important to view the presentation from a financial perspective. She begins by saying that she is in favor of the sales tax and mortgage tax exemptions, because she believes that the construction jobs are important for our area. She also believes, however, the presentation skews the benefit to the taxpayers and she advises that she would like to illuminate the presentation from her financial perspective.

Ms. Rogulski begins by noting that sales tax revenues in the presentation claim that the county collected approximately \$224M in 2010, and that the county's portion of that amount is \$165M, 27% of which is given to the cities, towns and villages in the county. The Town of Newburgh's portion, according to the Marketplace's report, was just under \$4M which equates to 2.4%. If we assume that the Marketplace's sales tax projection of \$5.7M on an annual basis is correct, then the Town of Newburgh – the primary municipality being affected by the proposed PILOT – would then get their portion of just under \$137K out of the \$5.7M. If the Town gives the PILOT of \$1.2M the first year, and if you back out the \$600K that they would get anyway as a 485-b, that means the Town of Newburgh's net loss tax revenue in the first year would be \$563K. And it goes up from there. Ms. Rogulski adds that the Marketplace's representation that an average of \$550K per year of new taxes goes to the town is based upon a mean; based upon that mean, it would take seven years before the town would actually get to \$550K. The presentation, Ms. Rogulski continues, is front-loaded to the benefit of Marketplace's application, and she believes that a 15 year PILOT is very generous. It is also important to note that today it maybe correct to represent \$85M in sales tax revenue that might be lost without Marketplace, but at some point, Ms. Rogulski concludes, it will be built because "that's how retail works."

Chairman Petro asks Mr. Wilder if he'd like to respond. Mr. Wilder notes that there is some merit to what's Ms. Rogulski has presented, although he'd like to note that while she supports the mortgage and sales tax exemptions for the construction jobs, without building the retail operation, there will be no construction jobs. He adds that this about money: This is a \$90M Phase I, and if the package of the benefits is worth \$9M, the fact is that the IDA is giving 10% to help this project. He notes that the reason they're asking the IDA for the assistance is because no one else is helping – there's no money from the county, none from the state, no stimulus money, the DOT couldn't help, they're not in an economic development zone, New Market tax credits don't apply in this area – so the help falls within the jurisdiction of the IDA.

Chairman Petro asks Mr. Wilder if he'd be willing to say what it would do to the project if they cannot secure a 15 year PILOT, and can only secure a 10 year PILOT. Mr. Wilder responds that it's a difficult question to answer, because of the margin. On a \$91M project, he says, some may ask how the last million dollars matters. The last million matters, he says, because every million dollars matters. Marketplace is requesting a 15 year PILOT, and he is unsure of how the project would progress absent the 15 year PILOT. He does know that the bank, who has given Marketplace a commitment, has the 15 year PILOT as one of their requirements, along with a few major tenants requiring the 15 year PILOT.

Chairman Petro notes that a public hearing will be held in the Town of Newburgh to discuss the request for a 15 year PILOT and 30 months of a partial tax abatement on the land value during construction (if at any time during that period, 3 certificates of occupancy are issued, it would shift to the PILOT awarded). Information will be gathered at the hearing and reported to the Board.

Mr. O'Donnell adds that he and Mr. Oates met with Supervisor Wayne Booth this morning, and his main concern was that the union be in agreement with the project. Mr. O'Donnell provided Mr. Booth with a copy of a union support letter from Mr. Diorio, and Mr. Booth will discuss it with the board and will attend the public hearing.

Mr. Wilder notes that the sitework will be completed by union labor, but that with respect to the buildings, there may be some negotiation. First, some may be union anyway – as some retailers may “always” build with unions. But others may not care; in that case, Wilder Balter has agreed to gather the prices for both union and non union labor and present them to Mr. Diorio and the unions and offer them the option to be competitive. If they're competitive, Marketplace will work hard to get unions the business. If they're not competitive, however, they don't have the luxury to spend extra.

In response to a question from Mr. Hughes, a member of the audience, Chairman Petro explains that the town will always get what they're getting today. The applicant doesn't get any abatement on the land value or any special district charges. After 30 months, in this case, it would become the PILOT that Marketplace secures. In the first year, they would pay 5% more, or 10%. At the end of the PILOT, Marketplace would be at 100% assessment. But Chairman Petro notes that, even during the course of the PILOT, Marketplace will be paying a large sum in taxes. Mr. Hughes then asks about preferred labor agreements for the rest of the project. Chairman Petro advises that that is being discussed presently, and adds that, by law, the IDA cannot force an applicant to use prevailing wage, but they do very strongly urge the use of local, Orange County labor.

Chairman Petro then notes that the public hearing is the time for public comment.

From the audience, Mr. Gordon announces, on behalf of local business people and members of the community, that he would like to comment regarding the project if action is going to be taken today. Chairman Petro advises him that the only action to be taken at this meeting would be to send the project to public hearing to gather information. Mr. Gordon says that he understands that the resolution would find that Marketplace is in compliance with the Uniform Tax Exemption policy, which he would consider an action. Chairman Petro reminds Mr. Gordon that this meeting is not the public hearing, and that the board has already adopted the UTEP and that Marketplace is in compliance with our regulations at this time. Mr. Gordon goes on to note that his position is that retail is not permitted under the IDA act. Mr. Gordon continues by asking if the Board had received communications from his firm, and another issue he has is that he has not received any backup documents to the application. Chairman Petro asks Mr. Gordon to provide his concerns in writing. Mr. Gordon notes that he has provided his concerns in writing, and goes on to note the local business owners he represents are concerned about the project and they believe it will take away from and be harmful to other retail businesses. Chairman Petro offers that Mr. Gordon's comments reflect one position, but there are other positions that suggest that the project would increase foot traffic and that other businesses would benefit from the action. He reminds Mr. Gordon that the public hearing is the appropriate venue for such a discussion.

Mr. Steinberg then notes that, within the economic analysis, the Marketplace allowed for a 30% reduction in the county's sales tax collections. Whether the number is accurate or not, at least the Marketplace is recognizing it.

Mr. Crotty reads the resolution aloud. Motion made by Brescia, seconded by Schreibeis, that the Board approve the initial resolution. Open for discussion. Motion carried with five ayes and 1 nay. Resolution adopted.

Chairman Petro advises Mr. Wilder that he will be notified of the public hearing, and adds that he would like a letter explaining that Marketplace will not be seeking any further PILOTs for this project. Mr. O'Donnell notes that companies leasing from the Marketplace may come to the IDA with requests, and that Marketplace cannot speak for those companies. But Mr. O'Donnell adds that Marketplace can say that there will be no further requests from Marketplace.

### **Paramount Theatre Project**

Mr. Brescia advises the board that Governance Committee was favorable to the request for up to \$150K for the projector, but would like further details. Chairman Petro notes that the IDA will grant up to \$150K, but will only pay the exact amount of the equipment. Mr. Brescia adds that it would be good for the City of Middletown, and would have excellent residual effects.

Mr. Crotty reads the resolution aloud. Motion made by Brescia, seconded by Armistead, that the Board approve the initial resolution. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman Petro notes that the initial request was for \$50k per year over 3 years, but that the suggestion was made to pay for the item directly, and that all agreed that one payment would be best. Mr. Crotty adds that this resolution mostly mirrors the Newburgh Armory resolution, which means that the IDA will approve vouchers as submitted, and pay vendors directly.

### **CPV – Article 78**

Mr. Crotty reminds the Board that the New Hampton Fire District wanted to see the Girasole report, which was denied by both Mr. O'Donnell as FOIL Officer and Mr. Crotty as FOIL Appeals Officer, under an exception in the Freedom of Information Law documentation. The fire district disagreed, and then brought an Article 78. Misters O'Donnell and Crotty turned the Article 78 over to Attorney Golden, who tried to negotiate with them to accept a redacted copy of the Girasole report, which took out the conclusions and the recommendations made to the board. The redacted version, which gave them the raw data and allowed them to come to their own conclusion, was not satisfactory to the district, so they are continuing with the Article 78, which is in front of the Supreme Court Judge of Orange County right now. Mr. Golden thinks the IDA has an excellent chance of winning on two grounds.

Chairman Petro makes a note that the IDA and CPV are still in the negotiation phase. Mr. Crotty adds that that is the exception to the FOIL.

*[Mr. Brescia exits the meeting]*

### **OCP Report**

Ms. Halahan begins by advising that a major national developer is looking to get their site shovel ready. She adds that new Wetland maps have been released, and they identified about 16K new acres of wetlands in Orange County, which effectively doubles the size of the DEC regulated wetlands. OCP would like to have an informational hearing on this topic. The Alliance for Balanced

Growth would like to make sure developers and property owners are aware of the topic, and the Association of Towns, meeting in NYC, will be doing a presentation on the topic. OCP is trying to get the information out to prepare developers.

Ken Adams, commissioner of Empire State Development, addressed the Alliance for Balance Growth about incentives and grants for New York State. Ms. Halahan adds that there are no incentives available, and that only the most aggressive IDAs will win in the current NYS landscape. There are no hard dollars or grants moving forward for real job creation.

There has been a major upswing in business activity this year. OCP has had 22 leads since January 1 of this year. The Partnership is planning to attend 6 trade shows this year. Ms. Halahan, along with Ms. Taylor, met with a gentleman from Goldman Sachs, who is an expert in medical device manufacturing and services. He identified some medical device trade shows, and OCP has researched and uncovered a few that are viable for OCP. He also provided OCP with some new contacts for direct marketing, which are now receiving information about the benefits of Orange County. OCP will be in their 3<sup>rd</sup> consecutive site selector magazine, and this issue is focusing on the airport. They, along with Chairman Petro and Mr. DiTullo, have been speaking with the editor to get some print focused on Stewart specifically.

Ms. Halahan offers updates on the following projects:

\*Project Shield – Now officially an IDA project, known as Carlisle Construction.

\*Project Rocky – There was a first offer made on Project Rocky.

\*All Granite and Marble – has been before the IDA board with a preliminary application.

\*Project Yellow – may end up in NJ, despite concerted effort from OCP and IDA. She adds that these large companies like Project Yellow are looking for big incentives, big support and big dollars from the state, but we're not getting it from New York State.

There have been several retention projects this year. OCP has been working with a manufacturer that has been struggling with local government. They will meet with said local government next week, to see if they can assist the company to work out the issues. If they can't work out the issues, the company may not go forward with a planned expansion – which Ms. Halahan has already discussed with this board – that would double the size of their facility and double their jobs.

Ms. Halahan concludes by inviting the IDA to their spring dinner on 4/18 at 5:30, which is sponsored by CPV.

### **CNC Update**

Mr. Crotty begins by noting that an article in Business Week entitled "Government to Promote Job Training in Community Colleges." The article goes on to explain that the government wants community colleges and businesses to work together to train in hard-growth industries, and will request eight billion dollars to create a fund to encourage the effort.

In the past month, Mr. Crotty traveled with Mr. Green and Ms. Courtney Strong to Washington DC to meet with the National Science Foundation. He adds that Chairman Petro has been very busy seeking out a site for the proposed CNC Manufacturing Initiative. The building they have found is near Café Spice and is a perfect site for the CNC initiative. Chairman Petro notes that the IDA will not rent the space, the college will rent it, possibly for \$12/square foot. Mr. O'Donnell adds that the IDA has started the process, and now the college should take the reigns.

Mr. Green adds that SUNY's president is scheduled to visit the building on Monday. He notes, though, that SUNY probably won't lease the building until the focus group part of this initiative is completed, to see evidence that it's worth the college's investment. However, Mr. Green adds, the general feeling is that the jobs are there and the industry support is there. All indications are that this project will move forward.

With that in mind, the trip to DC was made to let the National Science Foundation know about CNC Manufacturing Initiative, and to enhance the odds of receiving funding. NSF provides eight billion in funding every year in engineering and science areas. CNC was encouraged to apply for the next round of funds available which was \$300K per year for three years.

There is a proposal to conduct the focus groups on the table, which the college has agreed to and forwarded to Chairman Petro. Mr. O'Donnell asks who's paying for the focus groups, and Mr. Green advises him that the IDA will pay. Mr. O'Donnell asks why the college isn't paying, and is informed that this was part of the initial proposal. The cost of the focus groups will be around \$7K, and Mr. Green reminds the Board that the project is under budget. He informs the board that now they will be reaching out to form Orange County and Regional focus groups, and the industry partners will dictate who is invited to participate.

### **PAAA – Annual Procurement Report**

Mr. Crotty advises that we have an annual requirement to go over the procurement policies of the IDA – how much we can spend, what kind of authority needed to spend, dollar amounts, public bidding requirements, etc. Mr. Crotty has gone over the requirements with Mr. DiTullo and Ms. Villasuso, and has prepared and submitted a report.

With no further business, meeting called for adjournment by Chairman Petro, motion made by Mr. Steinberg, seconded by Schreibeis, the time being 4:56 p.m.